

**Southern Association of College and University Business Officers
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**Partners and Technology Used to Implement Paperless Refunds and
Book Allowances**

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Abstract

TSU, which has a high proportion of students receiving financial aid, recognized problems in providing timely and efficient bookstore allowances and financial aid refunds to students. With three partners, we implemented an innovative, multi-function, picture ID card with on and off campus cash, debit, and ATM card features. We reduced administrative costs, streamlined processes and provided better service to our students.

Introduction of the Organization

Tennessee State University is a comprehensive, urban, coeducational land-grant university founded in 1912. TSU is a Tennessee Board of Regents Institution, the largest public system of higher education in Tennessee and the seventh largest in the nation.

Tennessee State University, an HBCU (Historically Black College or University), identified problems with its traditional processes of issuing excess financial aid to students for books and living expenses. We have a growing enrollment (8,881 headcount at Fall 2002) with a majority of students receiving financial aid. The Vice President for Business and Finance, H. Clay Harkleroad, has long been an advocate of improving service to students and was in a unique position supervising the Finance & Accounting, Financial Aid and Communication & Information Technologies departments.

Statement of the Problem/Initiative

We were receiving internal pressure from our students and external pressure from our competitors to speed up our funds distribution processes. Students were having to wait too long to receive excess funds from their financial aid awards, a separate book voucher process had to be developed to partially compensate, eventual issuing of thousands of checks at one time resulted in logistical nightmares and students still had to cash their checks. Furthermore, the economics and logistics of printing, bursting, signing, sorting, securing, and issuing paper checks and of ordering, printing, inventorying, securing and redeeming paper book vouchers were also becoming administratively unbearable, particularly at a small staff, limited budget, state institution.

Design

We considered and rejected many solutions such as on-line check printing, direct depositing, and direct computer interfaces. We wanted a complete, not partial, solution. We wanted it to be automated, but practical. We were as interested in efficiency as cost savings. And we wanted improvement for both students and staff. Rather than making difficult - but still incremental - improvements we chose an innovative approach to completely redesign our funds distribution processes.

Implementation

Under the Vice President's leadership, his staff coordinated a significant cross-campus and off-campus effort involving the offices of Accounting, Bursar, Financial Aid, and Administrative Computing, and our bank, contracted bookstore vendor and third-party funds distribution company. The overall solution, in addition to partnering, was to use technology such as our multi-function, student picture ID card, our on-campus cash card system, and the financial industry's ACH, ATM and debit networks. We contracted with our bank and a third party, redesigned & reissued student ID's, obtained regulatory approval, rewrote computer programs, implemented new file transfers & communicated to students through handouts & websites. Amazingly the entire project was completed in July and August to be ready for Fall Registration.

Benefits

Basically, students now receive the proceeds of any excess funds from the university through overnight loading of their school issued ID card. Now, instead of waiting in multiple long lines, students quickly buy their books with the debit card feature, withdraw cash living expenses from ATM's or banks, and pay for campus vending, laundry and copies all by using the same picture ID card. Now the school, instead of generating and processing paper book vouchers and refund checks and staffing multiple lines, transmits automatically generated computer files on a periodic basis. The result is a process with cost savings and process efficiencies for the university and dramatically improved service for students. In addition, we obtained a sophisticated, yet uncomplicated, system with future service enhancement possibilities. We are the first institution in our system to implement this system. However, we wrote the partnership agreements and computer software modifications with future sharing and collaboration among our sister institutions in mind.