

**Email Notification on ACH's
Debbie Phair
Texas A&M University**

Texas A&M University prefers to make payments via ACH to provide its customers with funds quicker and reduce the cost associated with checks. Our customers' concern and reluctance to sign up for direct deposit was primarily when their bank would notify them, if at all, and the limited amount of information the banks provided without charge. In an effort to encourage our employees, students, and vendors to sign up for direct deposit we implemented email notification for their remittance advice. By providing this service our acceptance rate for ACH has been greatly realized.

Texas A&M University is a land-grant, sea-grant and space-grant institution located in College Station, Texas. Texas A&M, the state's first public institution of higher education, was opened on October 4, 1876 as the Agricultural and Mechanical College of Texas. In 1963, the name of the institution was changed to Texas A&M University to more accurately reflect its expanding role as a leader in teaching, research, and public service for the state, nation, and world. The university's enrollment includes approximately 44,000 students studying for degrees in 10 academic colleges.

Texas A&M University is dedicated to the discovery, development, communication, and application of knowledge in a wide range of academic and professional fields. Its mission of providing the highest quality undergraduate and graduate programs is inseparable from its mission of developing new understandings through research and creativity.

Dr. Robert M. Gates is the President of Texas A&M University and William B. Krumm is the Vice President for Finance and Controller.

Texas A&M University recognized the multiple benefits of making payments via ACH, but we were also aware of our customer's reluctance to sign up for direct deposit. The comptroller's office for the State of Texas had attempted this several years ago but did not achieve a high success rate due to their customers not receiving the payment information. Knowing this challenge before we implemented a push for direct deposit, we developed a means to notify our customers with their payment information via an email.

Several different groups meeting together first started the development of this implementation. Representatives were from the following different areas: Financial Management Services, which included the managers responsible for the different areas of banking and accounts payable; Student Financial Services, Computing and Information Systems, and FAMIS, Financial Accounting Management Information System. The desire to be able to provide the payment information to all of our payees: students, employees being reimbursed for expenses, and vendors were the goal of this project. Fortunately everyone agreed that it was a beneficial goal for all parties concerned.

Student Financial Services was already sending email notices to the students at Texas A&M University via their NEO account. NEO is an email system run by the Computing and Information System group that is available to all students, faculty and staff at the university. Everyone in these groups has an email account through NEO, which they can receive mail. Individuals may specify where to deliver their email, either to the university mail server or to a departmental or other server. Since NEO emails were already a proven successful means of notification, it was the method chosen for the customers who were paid as a student or employee. NEO would not work for our

vendors. By using NEO, we did not have to gather any email addresses for the students or employees so we were able to implement these notifications very quickly.

A custom notification was written for the different types of payments that would be sent out to ensure pertinent information would be provided. The different types of payment identified for the students were: housing deposit refunds, financial aid refunds, property deposit refunds, athletic room and board payments, and student account refunds. These notices were written by Student Financial Services to ensure the proper information was provided, which included a web site the students could reference for additional information. The signature line of these notifications directed the students who to contact if further information was needed. The different types of payments are identified on our accounting system by an enclosure code. The source of payment provides the appropriate enclosure code on the file when it is submitted into the accounting system for payment. On the day that FAMIS sends the file to the bank, they also generate a file with the payment information that the implementation team predetermined and it is sent to the Computing and Information System (CIS) group. CIS sends the email notification to the students on the same day that the university sends the file to the bank.

A custom notification was also written for payments that would be sent out to our vendors. We had purchased an email remittance notification product from an outside vendor but their development took too long. One of our computer programmers wrote a program to send this email notification. He was able to write this program within a couple of days but implementation took longer because we had to gather and enter the vendor's email addresses manually. An insert was sent with the checks advising our

vendors of the benefits of direct deposit along with instructions on how they could sign up. They were given the option of providing us with the email address. We realized that some vendors would prefer to get their payment information from their financial institutions so the email notification was offered as an option. Once we received their email address, we manually entered this into our accounting system, FAMIS. Inserts were sent out with checks for one month. After that month, we identified the vendors who had not signed up for direct deposit that we pay frequently and sent them a more personally letter or contacted them by phone. We chose not to prenote so we would not have any further delays. Since we have experienced very few problems, this proved to be a wise choice for us. On the day that FAMIS sends the file to the bank, they also provide Financial Management Services with a file of just the vendor payments. These payments are identified by FAMIS by the vendor type since enclosure codes are not used as they are in student payments. Financial Management Services sends the email notifications on that same day to all the vendors who have provided an email address. If the email address is not a valid address, no action is taken. We consider this as an additional service we are providing to our customers. Their email notification also includes a web site that has contacts for them if they need additional information. Currently we are providing them a notification for each invoice. Originally we thought the vendors would object to this but we have not received any complaints. The only additional information that they have requested is their customer account numbers, which has now been added to the email notifications. Since this has been added the only phone calls we have received is if the vendor didn't get an email. Unfortunately our vendors are paid from two different sources of funds, local funds and state funds. State funds are paid directly by

the State Comptroller and although they pay by direct deposit, they do not send out an email notification.

The email notifications have cut down the number of phone calls we used to get when we paid these same vendors via a check. When payment is made via a check, FAMIS will combine all the invoices into one check. FAMIS prints all the payment information on the check stubs but unfortunately most vendors do not pay attention to the check stubs so they must call for the payment information. Thus the vendors are able to apply these payments made by ACH to their receivables quicker, which cuts down the contact they have to make with accounts payable or the buyer.

Payments made by direct deposit save Financial Management Services time and money. Texas A&M University produces checks daily. If payment is made by check then the check has to be printed, stuffed into an envelope and then mailed. The costs involved with this are multiple such as check stock, printer costs, envelopes, postage and the time it takes. Payments made by direct deposit only require the accounts payable supervisor to approve them on FAMIS and this is done as a batch as long as they are under the dollar limit. Vendors receive their payments quicker via direct deposit and now with the email notifications they know when to expect the payment and how to apply it.

The following is an example of the notification.

Customer/Account #

Texas A&M University has issued a payment via ach for the transaction listed below.

The funds should be available on the following business day but please verify this deposit with your financial institution to ensure receipt. If you have further questions concerning

this payment, please visit our vendor web site at

http://finance.tamu.edu/fms/user_profile.asp#vendors and click on the Contact List.

Voucher #	Amt. Pd	PO#	Inv#	Inv Amt.	Disc. Amt.
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Texas A&M University
College Station, TX 77843-6000
FMS-ACH@vpfn.tamu.edu

We view this implementation as a very positive contributor to the success of our direct deposit project.