

MSU INVESTMENT PROPOSAL FOR INSTITUTIONAL PRIORITIES

PROPOSAL OVERVIEW

Title	Eliminate \$10 On-Line Payment Fee for Student Accounts Payments	Request Date	January 2012
Department	University Business Services	Email	lhumberger@montana.edu
Requestor	Laura Humberger	Phone	406-994-4361

STRATEGIC ALIGNMENT

Core Themes and Objectives (check all that apply)

Educate Students

- Our graduates will have achieved mastery in their major disciplines
- Our graduates will become active citizens and leaders
- Our graduates will have a multicultural and global perspective
- Our graduates will understand the ways that knowledge & art are created and applied in a variety of disciplines
- Our graduates are prepared for careers in their field
- We will provide increased access to our educational programs
- Communities and external stake holders benefit from broadly defined education partnerships with MSU

Create Knowledge and Art

- Students, faculty, and staff will create knowledge and art that is communicated widely

Serve Communities

- We help meet a fundamental need of the citizens of Montana by providing degree programs for our students
- We help meet the educational needs of the citizens of Montana by providing a wide range of educational opportunities to a variety of students
- Our students, faculty, staff, and administrators reach out to engage and serve communities
- Our students, faculty, staff, and administrator reach in to build the university community

Integrate Learning, Discovery, and Engagement

- Each graduate will have had experiences that integrate learning, discovery and engagement
- Outreach activities will educate students and address the needs of the communities we serve
- Students, faculty, and staff will create knowledge and art that addresses societal needs
- MSU is a community that will be characterized by synergy within and across disciplines, roles and functions.

Stewardship

- The public trusts the institution to operate openly and use resources wisely
- The faculty and staff are well-qualified and supported
- MSU will support Native American students, programs, and communities
- MSU will be an inclusive community, supporting and encouraging diversity
- Our publicly provided resources are used efficiently and effectively
- Natural resources are used efficiently and sustainably
- MSU nurtures a culture of resource conservation and ecological literacy among students, faculty and staff
- Our physical infrastructure (e.g., building, equipment, open spaces) will be well-maintained and useful

PROPOSAL SCOPE

Describe the Proposal

The \$10 convenience fee is only permitted for on-line payments, and not for credit card payments made through the mail, in person, or via telephone (Visa allows the fee only for “alternate” payment methods). Approximately half of the credit card payments received each year are on-line and half are via other methods, which are processed manually by the University cashiers. See below for the number of payments made via each method for the two major terms in the academic year 2010-2011:

Manual Checks	8,955
E-check on-line	1,827
Manual Credit Cards	10,465
On-Line credit cards	8,852

For each manual check and credit card payment, a cashier must post the document to a student’s account, review their account to determine whether the proper amount was paid, and if so, confirm the student in classes. The number of students has increased, and additional complexity and work has been taken on by the student accounts department (they process all of the installment payment plans versus financial aid having done this in the past; the GI Bill has added significant complexity to billing and reconciliation; a new fee table for Gallatin College Programs has been added). The increased workload has been borne with no additional staff. This has been accomplished through the implementation of efficiencies such as on-line payment, automated scholarship billing to the Foundation, and various other technological improvements such as batch confirmation processes.

However, we appear to be plateaued at approximately 10,500 manual credit card payments made each year, instead of seeing that decrease in favor of web-based payments. Many parents and students are willing to wait in line or on telephone hold to avoid the \$10 fee, and instead cause a backlog and delays in processing payments. Many students and parents ask whether we can take their e-check information on the phone (which we do not for security reasons) because they don’t want to pay the \$10 fee that an on-line payment requires.

Similar to the University of Montana, we would like to require that all credit card payments be handled on-line to ensure their security and to also ensure that the staff can continue to keep up with workload; we have not done that, though, due to the convenience fee that would force on all credit card payments.

PROPOSAL SCOPE

Describe the broader impacts and benefits of this proposal

1. User fees in general have come under scrutiny. Both Verizon and US Bank reversed recent unpopular fee decisions only after petitions against them went viral; let MSU be the first to *voluntarily reverse our fee*.
2. Security concerns exist for those calling, mailing, or faxing in credit card information. If we eliminate the \$10 fee and can drive more payments on-line, these security concerns are eliminated. The on-line payment vendor assumes liability for any breach of data, and is compliant with all payment card data security standards (PCI Standards).
 - a. Credit Card via Mail:

Students and parents fill out a form with their credit card information on it, including security code, and drop it in their mailbox, rather than a blue USPS box, and it is available to thieves or may be misdirected.
 - b. Credit cards not paid on-line:

The number is run through a credit card machine by staff behind the scenes and cashiers; if a credit card is denied, contact must be made with the cardholder, and we must keep the card number on file until resolved; keeping credit card numbers in our possession leads to security risks.
 - c. Audit Risks:

The University recently underwent a legislative audit of our compliance with PCI standards, and cardholder security is a visible topic.
3. During busy fee payment times, the cashiers are processing walk-in payments, as well as University deposits; several staff behind the scenes are opening mail and processing check payments and mailed-in or faxed-in credit card payments. Unfortunately, the student accounts representatives who are trying to assist walk-in students with questions and concerns about their bill instead must work the phones to take credit card payments from those who are avoiding the fee. We are seeing more complex questions and students who are in difficult financial positions, and want to be able to spend adequate time addressing their needs.
4. Given the enrollment growth recently, the added complexity of the Veterans Administration GI Bill, and the need to better serve students, these 10,500 manual credit card payments plus nearly 9,000 manual checks represent an untapped source of efficiency.
5. If the fact that we will take no walk-up, telephoned, faxed or mailed-in credit cards does drive fewer people to pay with credit card and more with check, that may actually force a decline in our credit card service costs (currently approximately 1.8% of the transaction or over \$500,000 annually).

ADDITIONAL INFORMATION

Implementation Plan *(Please describe with timelines)*

- Effective immediately after Spring Term fee payment (April 1st 2012).
- The \$10 student accounts fee would be the only one eliminated with much fanfare, perhaps a press release, due to its sheer size.
- Small, departmental convenience fees would be allowed to continue (they are small, covering departmental costs only).
- For security reasons, credit card payments would now ONLY be taken on-line, and because now there's no reason not to pay on-line!
 - Announcements made at orientation, included in the freshman postcard, in the Procrastinator Theater, Exponent, and on table-tents at the SUB have served us well in the past.
- There will be a transition communication developed and sent to those who continue to mail or fax their credit card information in.
- Phone hold queues will be changed to reflect the new process
- Install a terminal in the lobby of the cashier's area for students to make their on-line payments.

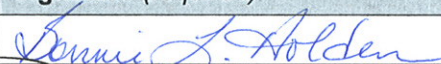
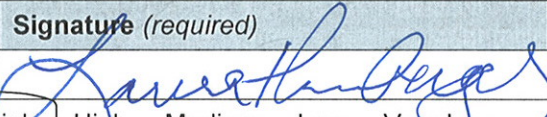
Assessment Plan *(Please describe with indicators)*

- The numbers of students paying via each method is data that we monitor already. Each month, we will compare payments made in the previous term comparator month to ensure that the plan is working.
- We monitor hold times and phone queues during busy fee payment times, and will continue to do so, measuring the improvement.

If assessed objectives are not met in the timeframe outlined, what is the plan to sunset this proposal?

Once a fee is dropped, it is difficult to re-instate. This isn't one that would most likely be able to sunset without discussions and buy-in from the students.

SIGNATURES

Department Head <i>(please print)</i>	Signature <i>(required)</i>	Date
Bonnie Holden		January 2012
Dept Head Priority <i>(please circle one)</i> : <input checked="" type="radio"/> Very High <input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low <input type="radio"/> Very Low		
Dean/Director <i>(please print)</i>	Signature <i>(required)</i>	Date
Laura Humberger		January 2012
Dean/Director Priority <i>(please circle one)</i> : <input checked="" type="radio"/> Very High <input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low <input type="radio"/> Very Low		
Executive/VP <i>(please print)</i>	Signatures <i>(required)</i>	Date
Terry Leist		January 2012
Executive/VP Priority <i>(please circle one)</i> : <input type="radio"/> Very High <input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low <input type="radio"/> Very Low		