Office of the Bursar Administrative Program Review

Fall 2018

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Overview and Mission:

The Office of the Bursar utilizes innovative technology to execute its core responsibilities of billing and collecting tuition, fees, campus housing and other university-related charges, banking, treasury and other e-commerce services including campus one-card services in an efficient, cost effective manner. **Billing and Accounts Receivable** is responsible for the generation of bills and processing payments for students, third party contracts, non-student receivables and departmental cash collection and disbursement of credit balances to students and parents in accordance with policies and procedures of the Department of Education, State of Ohio, third party agencies and University guidelines. **Collections** is responsible for the collection of past due student A/R and campus-based loans which includes debtor contact via letters, emails, and telephone. **Treasury Services** is responsible for managing the university's cash to ensure the preservation of capital, provide liquidity to meet operating requirements while maximizing the highest possible yield, monitor and forecast short term and long term funding needs, manage regulatory compliance for PCI DSS, Red Flags and Gramm Leach Bliley Act and negotiate contracted banking services at the lowest possible cost. The **Wright1 Card Center** produces campus ID cards that integrate into a variety of platforms to provide services for door access (150 plus doors on campus), library card, employee access to print functions, declining balance card for discretionary funds (accepted on and off campus) as well as a meal access card for on-campus residents and commuter students eating in campus dining facilities. **Vending Services** maintains 99 machines on campus with the purpose of providing competitively priced products in conveniently placed locations. This is a self-sufficient auxiliary that contributes financial support to other university operations.

All units within the Office of the Bursar serve a broad customer base including students, faculty, staff, alumni and the general public.

Staffing

	FY16	FY17	FY18	FY19
# of Full Time Staff	17	18	15	14
# of Student Employees FTE	2.5	2.5	1.5	2

Section I- Billing and Accounts Receivable

Success Outcome 1: Unpaid Balances and Collections

Measure the effectiveness of Billing and Accounts Receivable Operations and student behavior by having less than or equal to the average percentage of students with unpaid balances at the end of the fiscal year as compared to other institutions responding to annual NACUBO Student Financial Services Benchmarking Report.

KPI: 1.1 Percentage of students with unpaid balances as of year-end/12 month unduplicated headcount. Note: this does not indicate overdue accounts.

	FY 15	FY 16	FY 17
Wright State University	26.19%	33.97%	29.84%
Research Institutions	26.1%	24.5%	28.4%
All Institutions	30.9%	31.3%	32.9%

Data: NACUBO Student Financial Services Benchmarking Report. Research Institutions in Ohio responding: Ohio University, The Ohio State University, University of Cincinnati, University of Dayton, and Wright State University.

Result: We align closely with our Research Institution peer category and compare favorably against the "All Institutions" category.

Response/Action Plan: Continue to monitor this KPI and analyze how future changes in financial registration and past due balance thresholds may positively or negatively impact this KPI.

Success Outcome 2: Student Payment Channels and Methods

Maximize use of online and automated processing systems to help lower operating costs with success measured by meeting or exceeding other Institutions responding to annual NACUBO Student Financial Services Benchmarking Report.

KPI: 2.1 Distribution by dollar volume of student payments received through various payment channels

Payment Channel	**FY 15**			**FY 16**			**FY 17**		
	WSU	**Research**	**All**	**WSU**	**Research**	**All**	**WSU**	**Research**	**All**
Online	51.0%	60.6%	47.5%	56.0%	64.4%	48.3%	58.0%	65.6%	51.3%
Manual	39.0%	21.9%	34.4%	31.0%	20.4%	34.9%	27.0%	21.5%	32.0%
Pay Plan Provider	0.0%	3.1%	6.9%	0.0%	3.0%	7.0%	0.0%	2.7%	7.1%
Bank Wire	10.0%	4.7%	4.8%	13.0%	4.9%	4.8%	15.0%	4.3%	5.3%
Lockbox	0.0%	4.5%	3.1%	0.0%	2.7%	1.6%	0.0%	3.1%	1.8%
Other	0.0%	5.2%	3.3%	0.0%	4.7%	3.4%	0.0%	2.6%	2.4%

Data: NACUBO Student Financial Services Benchmarking Report

Result: We trail our Research Institution peer category but have reduced the gap from FY15 to FY17. We compared favorably against the "All Institutions" category.

Response/Action Plan: Continue to promote automated payments through the web, partnering with the Division of Student Success and CaTS to develop new methods to further streamline automated payment processes.

KPI: 2.2 Distribution of dollar volume of payments from student by payment method listed methods/total dollars received through student payments

Payment Method	FY 15			FY 16			FY 17		
	WSU	**Research**	**All**	**WSU**	**Research**	**All**	**WSU**	**Research**	**All**
Paper Check	37.0%	22.4%	28.1%	30.0%	20.8%	26.7%	25.0%	21.8%	26.0%
Web Check	50.0%	49.1%	35.1%	58.0%	51.6%	35.7%	59.0%	55.1%	39.7%
Credit Card	1.0%	1.6%	5.8%	1.0%	1.4%	6.1%	1.0%	1.1%	5.2%
Web Credit Card	7.0%	14.8%	20.8%	6.0%	16.3%	22.1%	8.0%	15.6%	20.6%
Other	5.0%	12.1%	10.1%	5.0%	10.0%	9.4%	7.0%	6.5%	8.4%

Data: NACUBO Student Financial Services Benchmarking Report

Result: We have a higher utilization of web checks base on dollar volume than both our peer (Research) institution category and all institution category. We also have a favorable (lower) utilization of credit cards compared to both our peer category and all institution category. A higher utilization of web checks and a lower utilization of credit cards helps to reduce the overall payment processing costs.

Response/Action Plan: Continue to promote the utilization of web checks and pin-less web debit payments as these are the most cost effective payment options for both students as well as the university.

Success Outcome 3: Credit Balance Refunds

Increase the amount of refunds issued by electronic disbursement methods resulting in generally lower expenses for the institution, and providing a safe and more convenient method for students to receive refunds; thereby, increasing satisfaction. Success is measured by meeting or exceeding other Institutions responding to annual NACUBO Student Financial Services Benchmarking Report.

Refunds are generated from disbursement of state, federal, external and institutional financial aid, changes in course load, overpayments and withdrawal. Note: credit card refunds must be issued back to the originating card based on card association rules.

KPI: 3.1 Distribution of Dollar Volume of Student Credit Balance Refunds; total dollars disbursed by credit disbursement method/total dollars disbursed for all credit balances to students

Refund Method	FY 15			FY 16			FY 17		
	WSU	**Research**	**All**	**WSU**	**Research**	**All**	**WSU**	**Research**	**All**

Direct Deposit	81.0%	71.5%	50.5%	81.0%	75.0%	51.1%	81.0%	75.7%	54.1%
Paper Checks	17.0%	26.7%	43.4%	17.0%	23.8%	42.7%	17.0%	23.6%	40.1%
Stored Value Card	1.0%	0.4%	4.4%	1.0%	0.3%	3.2%	1.0%	0.0%	1.8%
Credit Card	1.0%	0.7%	1.2%	1.0%	0.7%	1.9%	1.0%	0.5%	1.6%
Cash	0.0%	0.2%	0.4%	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%
Other	0.0%	0.1%	0.1%	0.0%	0.1%	1.1%	0.0%	0.0%	2.3%

Data: NACUBO Student Financial Services Benchmarking Report

Result: We compare favorably to both our peer institution category and even more favorably to the all institution category. Processing student refunds electronically is the most efficient and cost effective way to deliver refunds to students.

Response/Action Plan: Continue to promote the benefits of receiving student refunds electronically.

Success Outcome 4: Third Party Payments

Meet or exceed number of third party payments of other institutions responding to annual NACUBO Student Financial Services Benchmarking Report. Includes private (non-governmental and non-institutionally affiliated) scholarship programs, employers, U.S. and foreign government entities and others. Requires additional staff time to ensure necessary agreements are in place, create custom invoices, coordinate the third party benefit with other funding sources, verify enrollment of the student, and perform other tasks that the third party payer requests before disbursing the funding.

KPI 4.1 Third Party Instances per SFS Staff Member Processing Such Payments; number of billing instances sent to third party payers/number of FTE staff processing third party payments.

	FY 15	FY 16	FY 17
Wright State University	4,059	4,512	3,599
Research Institutions	1,929	2,109	2,007
All Institutions	1,133	1,129	1,111

Data: NACUBO Student Financial Services Benchmarking Report

Result: By streamlining third party billing processes we are able to generate more bills with less staff than both our peer institution category and the all institution category which contributes to our high, favorable variance.

Response/Action Plan: Continue to seek additional ways to further streamline third party billing processes.

Section II- Collections

Success Outcome 1: Delinquency Rates

We are tasked to maintain federal loan delinquency rates below the established guidelines in order to preserve those various loan funds for the University's future students. In addition, we strive to keep our Perkins Cohort rate and Direct Loan rate at a level that would put us at the front of our peer institutions.

KPI: 1.1 Delinquency rates at or below federal guidelines

	Guideline	FY2016	FY2017	FY2018
Perkins				
Cohort Rate	25%	19.08%	15.71%	14.23%
Portfolio Rate		4.36%	4.18%	4.02%
Combined H&HS	5%	3.84%	3.79%	4.13%
Nursing	5%	3.15%	3.36%	2.98%
Nursing Grad	5%	0.05%	2.58%	0.88%
Nurse Faculty	5%	22.94%	3.58%	2.75%
HRSA Funds	**Guideline**	**FY2016**	**FY2017**	**FY2018**
Nurse Faculty ARRA	5%	0.00%	0.00%	0.00%

Data: End of year rates are obtained from our loan servicing company.

Result: The Perkins Cohort rate has shown a steady decline in delinquency rate over the past three years. While the cohort rate seems high, the overall Perkins rate is a better indicator of the portfolio. The Federal Perkins program ended Sept. 30, 2018. Loans within this portfolio will continue to be serviced by collections staff until they are either paid off or assigned to the Dept. of Education. The Health loans have been fairly steady over these years while staying within guidelines. The exception would be the Nurse Faculty program which is a newer program that needed an action plan to reduce the delinquency rate.

Response/Action Plan: There had been minimal oversight on the Nurse Faculty loan rate until after the close of FY2016. We were able to work with CONH and by consolidating a few of the delinquent borrowers, the loan default rate was brought back within guidelines by the close of FY2017. Lending within this particular program was discontinued by the College of Nursing & Health. We regularly monitor these delinquency rates and take action (if needed) to address higher default rates.

Success Outcome 2: Institutional Loan Write-offs

Student A/R accounts transfer to internal collections unit at 150 days delinquent. Accounts are worked internally for 60 days and then assigned to the Ohio Attorney General (OAG) as required by Ohio Revised Code 131.02. Primary goal is to collect a higher percentage of accounts internally than through the OAG with their network of agencies, attorneys, and tax offset capabilities. A secondary goal is to keep annual write-offs under 1% of total receivables.

Data: NACUBO Student Financial Services Survey (classified as "Research" institution) and data obtained after Bursar concludes year-end write-off procedure.

Result: The number of accounts into collections are those unpaid accounts over 150 days delinquent with a balance of $400 and greater. As our total headcount declined through the years, the number of accounts to collections stayed fairly stable or risen slightly. The second section shows a large decline in write-offs from 2015 followed by fairly stable levels since that time. Our A/R total decreased with enrollment while recoveries were over 50% of the write-off amount. While NACUBO doesn't present a benchmark on write-off percentage, our half of a percent would seem to be very good.

Response/Action Plan: We monitor the collection accounts closely and always look for ways to increase our collections. The AG is primarily responsible for the recovery totals with their state income tax offset program being the main producer.

Data: Monthly totals from collection process and from OAG pay sheets

Result: This table shows how much our internal collections outperform the Attorney General. We are able to get over 50% of the dollars coming into collection paid in full, or in a payment plan, within the two months we work them. The AG collects less than 20% of accounts in a given year. Their total includes payments from previous year's accounts, tax refund offsets, and their added collection fees.

Response/Action Plan: We continue to work with the OAG to increase their collection rates. While we like taking advantage of their tax offset program, we are looking into keeping the accounts longer in-house. These numbers also might point out that we are doing a good job collecting on the open accounts and the accounts we are sending to the AG are, for the most part, uncollectable.

Section III- Treasury Services

Success Outcome 1: Optimizing bank balances to reduce bank fees

Optimizing bank balances to reduce bank fees but not incur excessive credits is essential to minimize costs and maximize investment yield. Bank credits in excess of $300 indicate bank balances in excess of those required. Fees in excess of $0 indicate that balance were not sufficient to eliminate fees. Both of these would indicate bank balances that were not optimal and foregone investment interest. JPMorgan charges WSU bank fees based on a semi-annual basis; Key Bank charges WSU bank fees on a quarterly basis. WSU bank fees for JP Morgan and Key Bank will fall within the range of having bank credits of $500 to $500 in fees on a semi-annual and quarterly basis, respectively for the aforementioned banks.

Data: Semi-annual bank fee billing statements from JPMorgan Chase Bank. Quarterly billing statements from Key Bank. Bank billing statements provide the fees or excess credits earned by the University in their billing cycle timeframe.

Result- JPMorgan: Fiscal years 2016-2018 impacted by banking cost structure. Renegotiated rates (June 2016) achieved through the RFP process and the inclusion of the Foundation bank accounts (April 2017) resulted in a pricing structure and sufficient bank balances to be able to manage its bank fee costs.

Result- Key Bank: The transfer of payroll banking from Key Bank to JPMorgan (February 2017) has afforded WSU the ability to better control balances and minimize bank fees/credits.

Response/Action Plan: Bank balances are forecasted and monitored/managed daily to manage anticipated bank credits. Increases in bank credit rates (currently 87 bps) may put WSU at a point sometime in the future where credits will exceed the $500 threshold as short term interest rates and earnings credit rates trend higher. Should this situation develop, the threshold fee range will need to be revised to accommodate the market change in interest rates.

Success Outcome 2: Negotiating Lower Costs for Banking Services

Secure banking services for the university with a financial institution that can deliver both robust technology and customer support with competitive contracted bank fees. Perform periodic Request For Proposals (RFPs) to ensure WSU receives competitive market rates given the university's size and complexity. Using a third party to validate contracted rates versus our peers ensures that WSU contracted rates are cost effective.

KPI: 2.1 Contracted JP Morgan banking costs in the bottom third percentile as verified by Phoenix-Hecht Services. Represents how our banking costs compare to other organizations.

	FY 2016	FY 2017	FY 2018
Banking Services Percentile	47 (Reasonable)	3 (Low)	4(Low)

Data: Phoenix-Hecht provides annual analysis of contracted JPMorgan Chase billing charges versus the industry average.

Result: Renegotiated rates (June 2016) achieved through the RFP process drove WSU banking servicing costs from around the 50th percentile in Fiscal 2016 to being within the top 5th percentile for Fiscal 2017/2018.

Response/Action Plan: Monitor quarterly or semi-annually to ensure cost structure remains low.

Success Outcome 3: Promote Secure E-commerce Across Campus Community

MarketPlace is a secure e-commerce platform (part of the TouchNet suite of services) that allows departments, campus organizations, and other campus merchants to create, manage, and operate online storefronts, registration sites, and secure payment pages. MarketPlace allows departments/campus organizations to generate incremental revenue beyond the traditional general funds and it facilitates departments to host events and attract visitors to campus. Treasury Services, working jointly with CaTS, promotes secure e-commerce activity across the campus community and administers the process of setup, training, maintenance and monitoring.

Data: Annual TouchNet MarketPlace e-commerce activity count and dollars processed as percentage of fall term student headcount of the university.

Result: MarketPlace e-commerce dollars per student headcount has remained relatively flat for the past three years as student headcount has decreased 5.3% in that same three year period.

Response/Action Plan: Continue to promote this secure e-commerce platform across the university to maximize the benefits from this technology.

Section IV- Wright1 Card Center

Success Outcome 1: Increase Stored Value (Discretionary) Deposits

Maintain or increase stored value (SV) deposits to the Wright1 Card system. By increasing discretionary deposits for Raider Cash and Financial Aid (FA) Raider Cash, more funds are held by the university until the cardholders elect to spend down the funds.

KPI: 1.1 Aggregate Deposits of discretionary funds

Data: Data table above is the aggregate deposits of discretionary funds regardless of patron classification (student, staff, etc.) obtained from Banner/Wright1 Card system.

Result: Raider Cash & FA Raider Cash (Stored Value) deposits are declining with the decline of student enrollment and the rise of credit card acceptance as an alternative form of payment.

Response/Action Plan: Develop an easier way for the campus community to make deposits to their stored value account via mobile/online applications. Current process is cumbersome and requires repetitive entry of personal information with every deposit (no credit card on file).

Success Outcome 2: Maintain or Increase Spending of Discretionary Funds held on Deposit
Maintain or increase spending of stored value (SV) revenues generated from the Wright1 Card. By increasing discretionary spending, both on campus and off campus merchants will increase their overall revenue.

KPI: 2.1 Aggregate spending of discretionary funds from Raider Cash and Financial Aid (FA) Raider Cash

Data: Data table above is tracking discretionary spending only (Raider Cash, FA Raider Cash), meal plans are not included.

Result: Consistent with the "Result" of Outcome 1, the decline of Raider Cash & FA Raider Cash (SV deposits), SV sales both on and off campus are declining.

Response/Action Plan: Again, consistent with Outcome 1's Response/Action Plan, develop an easier process for the campus community to deposit discretionary funds to their Wright1 Card. The acceptance/convenience of using credit cards both on/off campus is negatively impacting discretionary deposits.

Success Outcome 3: Card Production Trends

Card production trends should follow campus population increases/decreases.

KPI: 3.1 Physical card production revenues

Revenues from Card Production

Data: Information obtained from Wright1 Card system.

Result: Decline in card production revenues is consistent with the decline of the campus population.

Response/Action Plan: An increase to the campus population would reverse the declining trend in revenues. An immediate option would be to charge a fee for the first card issued to students/faculty & staff, currently the first card is free. This option was proposed to senior level management and is under consideration.

Section V- Vending Services

Success Outcome 1: Vending Revenues

Vending revenue should correlate to changes in campus population increases/decreases.

KPI: 1.1 Compare how change in vending revenue corresponds to change in campus population

Data: Aggregate revenues obtained from Vending Services software and Banner Finance.

Result: Aggregate revenues have declined in relationship to the decline in campus population.

Response/Action Plan: Grow enrollment to increase revenues. Incremental price increases where/when appropriate to maintain profit margins on products.

Success Outcome 2: Trending Cost of Goods/Revenues
Cost of goods purchased for resale should trend with increasing/decreasing revenues.

KPI: 2.1 Annual revenues compared to Cost of Goods (COG) purchased for resale. Products are summed in two categories, drinks (Pepsi) and snacks (Vistar).

Data: Information obtained from Vending Services budget, YTD totals.

Result: Aggregate cost of goods purchased for resale have declined each FY with the decline in revenues; ratio of COG to Gross Revenue was relatively flat due to better pricing on the snacks and minor increases on product selling prices.

Response/Action Plan: Continue to monitor cost of goods to ensure products purchased are purchased at the best price possible. In addition, ensure the retail prices of products sold are in line with both consumer expectations and ROI needed to support the operation.

Concluding Remarks:

The Office of the Bursar encompasses a broad set of core functions from billing, accounts receivable, collections, treasury/banking, e-commerce storefronts to Wright1 Card Center operations and Vending Services, where we strive to deliver a high level of service to the university community including students, faculty, staff, alumni and the general public. Most of our KPIs compare favorably or are in alignment with peer institutions and industry standards when compared to objective benchmarking data from third party sources. Our operation leverages both innovation and technology to deliver these services in an efficient, cost-effective manner.