UAF Refund Improvement Process (RIP) Team

Project Background

UAF's student refund process has always been manual and cumbersome resulting in delayed refunds, and excessive labor costs and resources. The Process Improvement Team (PIT) selected student refunds as an important area where an improvement to the process would have a significant impact and would make an immediate enhancement to customer service and the overall student experience.

RIP Purpose and Goal

The Refund Improvement Process (RIP) team was selected and began work in March 2015. Initially the RIP team's objective was to find areas for process improvements to positively impact the student experience. The main goals set forth by the team were to find ways to streamline, improve processes, and make the refunds faster and more efficient.

The team quickly identified improving customer service, creating a better student experience and staff work environment as top priorities. Additional goals established by the RIP team were to brainstorm methods to automate the current process, make refunds more timely, increase training and knowledge of student services staff, improve communication with students regarding direct deposit, reduce manual labor and refund processing time.

RIP Members

- Amanda Wall, Director, UAF Office of the Bursar
- Mark Steele, Financial Analyst, UAF Office of Finance and Accounting
- Gabrielle Russell, Advisor, UAF Rural Student Services
- Julie Parshall, Associate Director, UAF Financial Aid Office
- Kim Runnion, Registrar/Schedule Coordinator, UAF eLearning and Distance Education
- Jolie Phillips, Student and Enrollment Services Coordinator, UAF Community and Technical College
- Caitlin Kaber, Admissions Counselor, UAF Office of Admissions and Registrar
- Kaitlin Tom, UAF Student and Financial Aid Office Student Employee
- Holly Sherouse, Manager, Curriculum & Records, UAF Office of Admissions and Registrar

Current Process - Major Areas of Inefficiency or "Rubs"

- ## Technical Limitations
  Rub: Currently campuses do not have access to sort refund requests by type (direct deposit, check, etc.). Until there is an automated sorting process there will continue to be an excessive manual part to the refund process.
  Impact: If this capability existed the Bursar's office could identify those who have not signed up for direct deposit and communicate with them. The benefits of direct deposit include faster refunds, reduced staff time spent tracking checks sent to incorrect addresses, and increased satisfaction for students due to quicker access to funds for rent, textbooks, and other educational expenses. The team identified a list of priorities for creating a report which automatically sorts refunds and tracks students who are signed up for direct deposit.
  Rub: Current security settings within Banner does not allow for privileges to be granted to print schedule bills without also granting access to alter student accounts.
  Impact: Students often seek help from student services staff but are often times required to first go to the Bursar's Office in order to obtain a copy of the schedule bill. This can lead to time delays and frustration for students.
  Rub: Banner is not currently configured to proactively communicate with students immediately when refunds are issued.
  Impact: Students frequently call or visit the Office of the Bursar, Financial Aid, and Office of Admissions and the Registrar to check on the status of their refunds. Each of these phone calls and stops take time away from employees who are attempting to work on the refunds or other assigned tasks and requires students to spend extra time either in line or on the phone. This leads to increased pressure and stress on employees and a feeling of lack of communication for the students.
  Rub: Lack of full communication between TouchNet and Banner.
  Impact: Payments made through TouchNet feed automatically into Banner but refunds require a manual entry in both TouchNet and Banner. This requires customer services representatives to process the refunds in two separate systems and slows down the process and increases the chance for human error to occur.
  Early wins: Pending Statewide (SW) Financial Systems Banner Enhancement Requests (in priority order):
  - a. *Schedule bill sort process to print direct deposits separate from check requests, this will eliminate manual sorting of refund requests and reduce time and effort of Office of the Bursar staff, increase efficiency, improve timeliness of issuing refunds, and reduce paper consumption.*
  - b. *Send auto generated email from Banner to students when a refund has been issued. This will reduce phone calls, wait time, email traffic, in-person inquiries, employee stress, and improve the student experience.*
  - c. *Create a separate security class in Banner to allow Office of the Bursar management the ability to grant student services staff members (Financial Aid, Office of Admissions and the Registrar, Advising staff) access to print the schedule bill in order to better assist students regarding their financial status.*

This will better enable to student service staff to provide information to students without requiring students to make another stop at the Bursar's office.

d. *Implement a process to automatically accept charges and payments to students' accounts nightly (avoids manual entry of tuition waivers and exemptions). This will reduce the number of phone calls, confusion, and refunds issued in error.*

Recommendation: Request to SW Financial Systems in April 2015. The ability to print refunds by refund method will eliminate the need for staff to sort refund requests by hand (Direct Deposit, Check, Credit Card, etc.). This will also help eliminate errors, increase employee satisfaction, and efficiency.

Recommendation: Modifying TouchNet and Banner to process refunds similarly to payments should be revisited by the AR Workteam and SW Financial Systems.

- **Required documentation for audits**
  Rub: Bursar's Office staff was required to document the date of refund and who has completed it as backup in the event of an audit. This process required two ink signatures on every refund request. This was time consuming and unnecessary.
  Impact: This issue was resolved, now requiring only one signature. This change has reduced time and effort at a minimum of two hours each week during peak times.
  Early win: With concurrence from the Associate Vice Chancellor of Financial Services (AVC), a second signature is not required, and the process has been adjusted. This eliminates an unnecessary step and saves approximately two hours of staff time per week.

- **University roles (who is responsible for process)**
  Rub: There are process inconsistencies across universities - (UAA/UAF/UAS).
  I**mpact:** Confusion arises with regards for who is responsible for initiating refunds when charges and payments are posted for multiple universities on a single student account. All three universities have different refund practices.
  Recommendation: Statewide in consultation with campus stakeholders should find a standardized solution to the manner in which Banner is utilized across all three universities. As long as we have a single instance of Banner, this will continue to be a problem.

- **Time delay**
  Rub: Due to budget constraints, a part-time benefited position with specialized refund experience was eliminated from the Office of the Bursar (Business Office) in 2008. The cumbersome process combined with the high volume activity at the start of each semester results in overextended staff and a short term backlog.
  Impact: Customer service to students and staff morale are negatively impacted.
  Recommendation: A temporary, part-time employee with the skill-set to process refunds was identified and hired in fall 2015. This employee proved to be highly effective due to their in-depth Banner knowledge and could provide a dedicated focus to student refunds.

- **Increase participation in direct deposit**
  Rub: We have not achieved 100% participation in direct deposit and do not currently have the capability to generate a report to capture a list of students who have or have not

signed up for direct deposits. We currently priority process direct deposits. Students who do not participate in direct deposit experience a delay in receiving their refund. Additionally, the university incurs a higher cost associated with processing check refunds.

Rub: International students often do not update their mailing address, which results in their refund being mailed to their home country.

Impact: This limits the ability for student refunds to be processed quickly or electronically and requires a paper check be mailed to a student, who may be in a rural area or overseas. There has been an increase in the number of students signed up for direct deposit.

Findings: A student survey was conducted in which respondents expressed a preference for direct deposit as the primary vehicle for refunds. Seventy-one percent of respondents indicated they prefer direct deposit over other refund options.

Early win: A notification on UAOnline was added to encourage students to sign-up for direct deposit. In process - Branded direct deposit instructions and guide to students with intent to increase effective communication.

Recommendation: Based on these results, we suggest continued efforts to increase efficiency in processing both direct deposits and check requests (see figure 2). A request has been sent to SW Financial Systems for a process to identify students who have opted for direct deposit. This will help allow targeted communications to increase the number of students enrolled in direct deposit to reduce refund processing time. Target Date: fall 2016 campaign and drawing for prizes.

- **UAOnline enhancement**
  Rub: UAOnline student statements are difficult to read.
  Impact: Students need increased time with staff to comprehend account status.
  Rub: Students mailing address are not always updated when a student moves.
  Impact: Refund checks are occasionally sent to invalid mailing address, significantly increasing the amount of time and trouble a student goes through in order to receive their refund.
  Rub: Students are often unaware of the benefits of direct deposit or can forget to update their banking information after changing banks or accounts.
  Impact: Benefits of direct deposits are covered in Increase participation in direct deposits above. Failure to update banking information for direct deposits can result in refunds being sent to the wrong financial institution and create a significant delay in students receiving their refunds.
  Recommendation: The team is working on a UAOnline task request to improve the format of the student billing statement and provide a function to print. This change will result in reduced time spent manually printing scheduled bills not only in the Bursar's Office but across all student offices, and explaining charges on the student account. This will improve accessibility and clarify charges, payments and class schedule for students.
  Recommendation: Create a UAOnline mandatory mailing address update. This will prevent checks from being mailed to invalid addresses, and will automatically redirect students to an address verification screen in UAOnline upon logging in. This would require that the current address is confirmed or edited and should work similarly as the

process that was implemented for veteran and disability/ethnicity status. If the system can't/won't allow year-long redirects, then UAOnline should be configured to redirect during peak times (fall and spring semesters).

Recommendation: Create a UAOnline notice to sign up for direct deposit/verify banking information. This will increase the number of students signed up for direct deposit and ensure that their banking information is up to date. After the student's address is verified per the above recommendation, an announcement should be inserted regarding direct deposits and a redirect provided to the direct deposit enrollment page allowing students to confirm their information or enroll if interested. This will reduce manual labor hours associated paper checks, decrease the time it takes for students to receive their refunds and ensure that direct deposits are being sent to the proper account.

- **Agency communication problems**

  Rub: There are agency/third party payor communication problems, inconsistent timelines, and delays in aid sent to UAF to pay UAF student bills on time. Often times this is a result of the timing of private funding or Native Corporations practices.

  Impact: UAF Financial Aid sent a letter to more than 75 agencies that award scholarships to our students informing them of deadlines and enrollment definitions impacting their students' university charges and refunds.

  Early win: Fall 2014, 700 scholarship checks were received on time; fall 2015, 850 checks were received on time (out of 1,200 total). This resulted in an increase of 58.3% to 70.8% of checks being received on time. Even with no direct feedback from agencies, process improvement was successful.

  Recommendation: The UAF Financial Aid Office will send a revised and updated letter every academic year moving forward.

- **Automation**

  Rub: The refund process could be more efficient if it were automated. Automation would eliminate human error.

  Impact: After multiple conversations with Ellucian it was determined automation was not possible with the way we use Banner (three universities sharing one instance of Banner - see Technical Limitations recommendation).

  Recommendation: Continue having a skilled employee position to focus on refund processing during peak times reduced the time to process refunds and the need to train multiple individuals. Again, this was demonstrated in fall 2015 with the hire of a temporary employee who had strong Banner skillsets.

Summary of Recommendations in order of preference

1. **Skilled refund specialist** – see Time delay and Automation above.

2. **Modify student bill report to print/sort by refund type** – see Technical Limitations above.

3. **Direct deposit campaign** – see Increase participation in direct deposit above.

4. **Function to print bill from UAOnline in an easy to read format** – see UAOnline enhancement above.

5. **New user security class** – see Technical Limitations above.

6. **Auto generate email notice to students when a refund is issued** – see Technical Limitations above.

7. **Cross Communication between TouchNet and Banner** – see Technical Limitations above.

8. **UAOnline: Create student mailing address mandatory update** – see UAOnline enhancement above.

9. **UAOnline: Notice to sign up for direct deposit** - see UAOnline enhancement above.

10. **Brand the direct deposit guide**

Conclusion

After reviewing current processes, potential improvements and possible third party refund vendors, the RIP Team feels we have a system in place to work well for us, however to improve we need a dedicated, experienced Banner user to process refunds during peak times. This should be prioritized over other actions as it would be the least expensive and most effective solution. The RIP Team identified funding a programmer position as the second priority to help with task request on hold in lieu of spending money on a refund vendor. With a dedicated programmer UAF will be able to realize system improvements.

Third party vendors would not improve the refund process because university staff would still have to take all the same actions that are currently necessary. While some features are attractive they are not significant enough to warrant the expense of the product. The vendors are simply the vehicle to get money from the school to the student. All of the vendors we viewed would cost UAF more, as they charge per transaction fees (ACH, paper check, address research, check reissuance, etc.) and require the university to send funds in advance of issuing refunds to students.
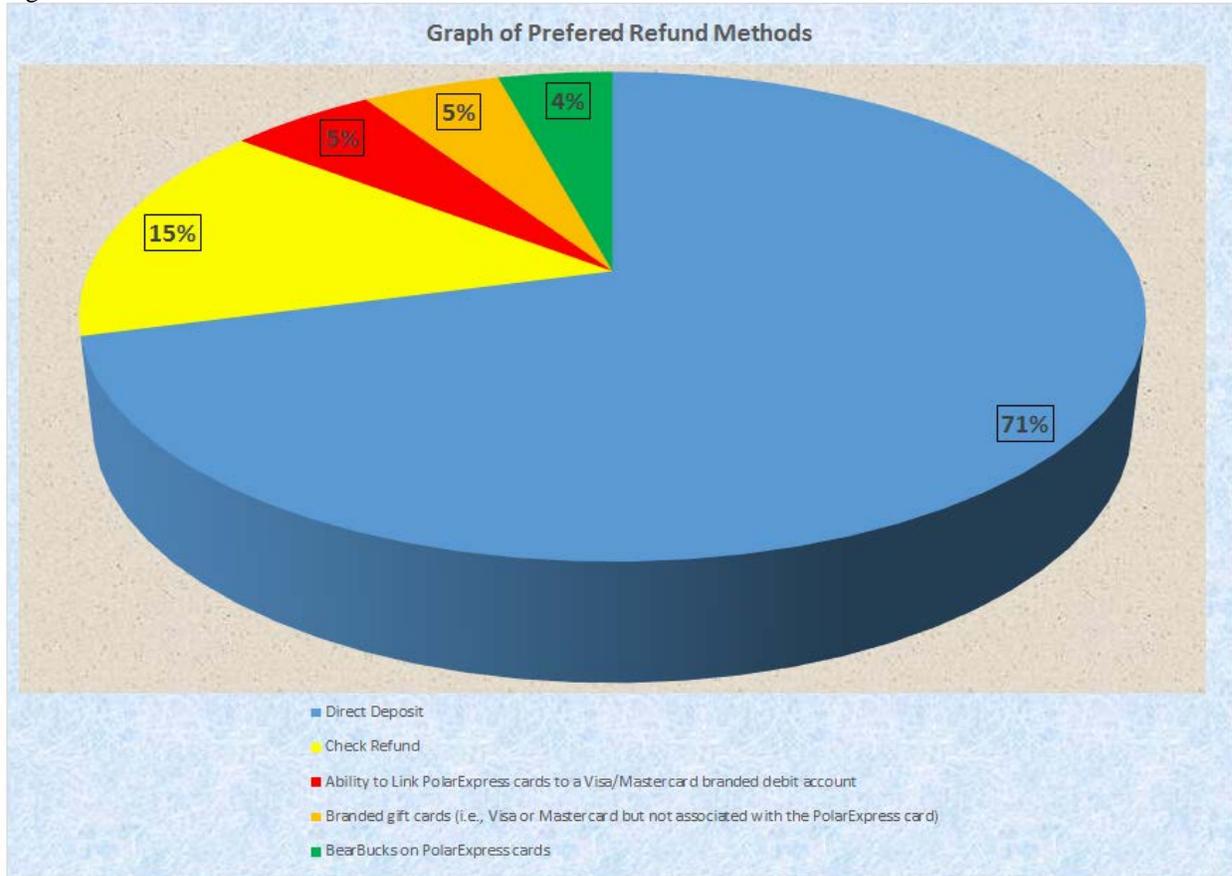
Appendix Resources

- The following graph shows the number of actual refunds issued by UAF for AY09-10 through AY14-15 along with enrollment activity. In AY14-15, UAF issued a total of 12,729 refunds. Some general trends noticed:

    1. The slight decline in number of refunds issued is most likely being driven by decreasing enrollment.
    2. There are encouraging signs showing more students appear to be opting for direct deposits rather than paper checks.

Figure 1
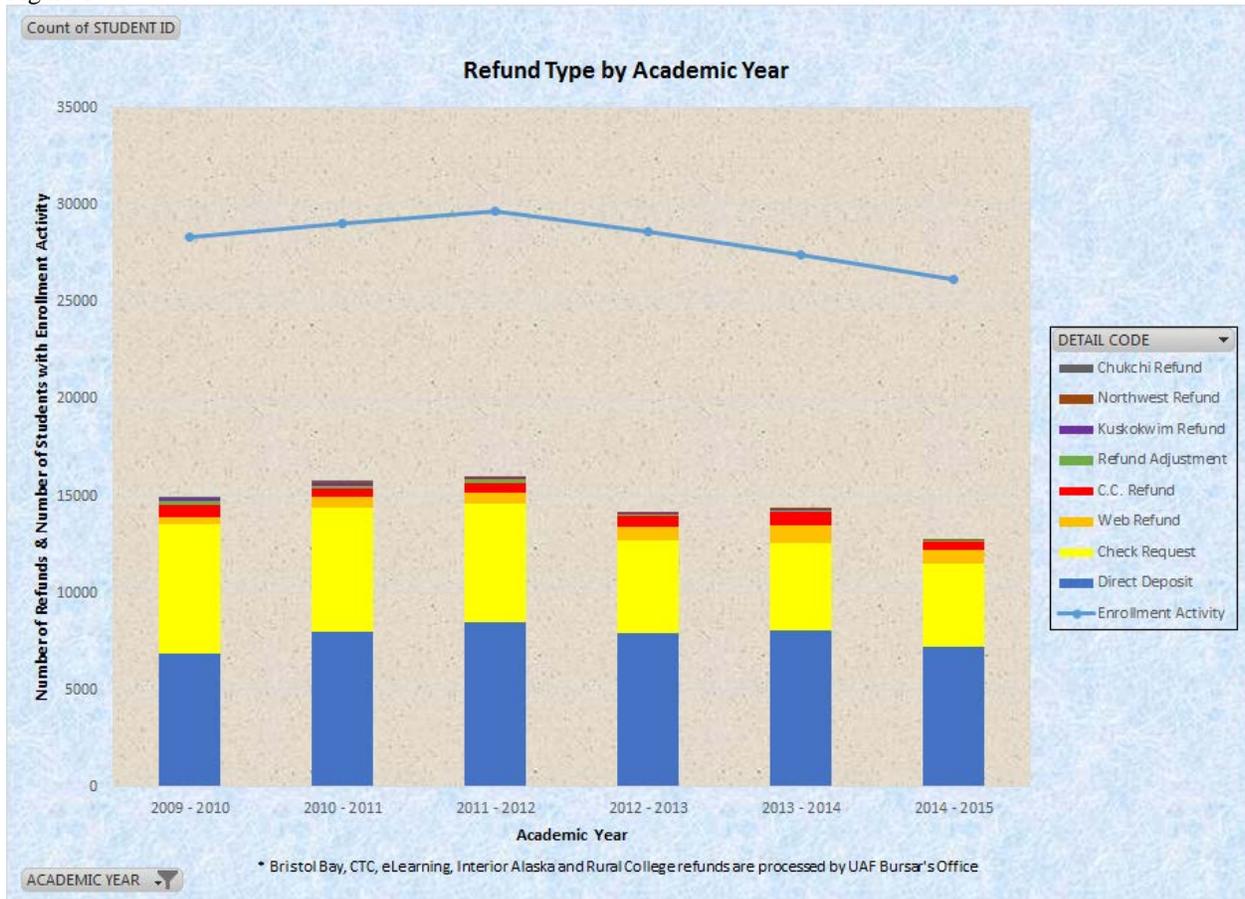
- The following is a weighted logarithmic graph showing student preferences for methods of refunds as a result of the Student Refund Survey run from April 20th - May 26th of 2015:

Figure 2

Graph of Prefered Refund Methods

- 71% — Direct Deposit
- 15% — Check Refund
- 5% — Ability to Link PolarExpress cards to a Visa/Mastercard branded debit account
- 5% — Branded gift cards (i.e., Visa or Mastercard but not associated with the PolarExpress card)
- 4% — BearBucks on PolarExpress cards

Based on these results, we suggest continued efforts to increase efficiency in processing both direct deposits and check requests.