A CLEAR PATH TO PAYMENT

If families had more information about budgeting and paying for college expenses, fewer students might drop out for financial reasons. The University of Illinois developed a six-pronged communication plan to help students and parents find their way.

By Andrea Pellegrini and Joseph Shroyer

Nobody wants to receive a past-due notice, whether delivered by e-mail or snail mail. At the University of Illinois, we have taken steps to curtail the arrival of such notices in student mailboxes.

Our department, the University of Illinois University Student Financial Services and Cashier Operations (USFSCO), handles student billing and collections for all three of our campuses, located in Chicago, Springfield, and Urbana-Champaign. Our mission is to provide timely and accurate financial information and services to support our students and parents in fulfilling their financial responsibilities. To accomplish this, we must effectively communicate, particularly with freshmen, transfer students, and their parents.

Each year, the University of Illinois loses students who cannot fulfill their financial obligations. When a student's bill is unpaid, USFSCO places a financial hold on the account, temporarily freezing the student's registration privileges until the account balance is satisfied. Many students call us in a panic when they realize their registrations are disabled. Some students end up withdrawing from the university, unaware of repayment options to reconcile their student account balances.

In 2008, our USFSCO leadership team—consisting of an assistant director, five associate directors, two directors, and the executive director—recognized the unique changes in the economic environment, families' decreased resources for paying college expenses, and the limited purchasing power of financial aid. We asked parents and students how we could minimize the impact of these issues on students, so they would not feel they had to drop out.

In their conversations with us, students and parents expressed their desire for additional payment options, more proactive outreach regarding services, and improved educational support systems for financial literacy on each of our three campuses, so that students could more easily address their financial obligations to the university. Over the course of the next two years, our leadership team developed six different strategies to address these concerns:

- Parent open houses.
- Webinars.
- Payment plan.
- Individual consultations.
- Web site redesign.
- Student Money Management Center.

We introduced the parent open houses in the spring of 2008 and the webinars and payment plan the following fall. We used the feedback from students and parents during those events to improve service, adding the individual consultations in summer 2010, the money management center in fall 2010, and the Web site redesign at the end of the same year. In 2012, USFSCO—a department within the office of business and financial services—received a NACUBO Innovation Award for our efforts.
PARENTS ENROLL IN OPEN HOUSES

USFSCO began hosting parent open houses in spring 2008 after concluding that our allotted 10 minutes at the summer orientations did not sufficiently educate parents on our policies and procedures. These events, held after hours and on Saturday mornings, are geared toward parents or guardians of newly admitted students at any University of Illinois campus. During the parent open houses, we discuss the following subjects and conclude with a question-and-answer session:

- Student accounts overview.
- Student confidentiality.
- Tuition, fees, and housing costs.
- University billing cycle.
- Direct deposit for student account refunds.
- Payment options.
- Payment plan.
- Late-payment policy.
- Education tax credits.
- Online services demonstration.

For 2012, we renamed the event the "parent information session" to accurately reflect its purpose and to eliminate attendees' confusion regarding the set start time. We also moved the Urbana session to coincide with freshman move-in week. This adjustment proved to be convenient for freshman parents and resulted in a 254 percent increase in attendance at the Urbana campus compared to the previous year.

After analyzing the first year's surveys, we made adjustments to the content and structure of the presentations. Surveys continue to be a valuable tool for enhancing the quality of the presentation and attendees' experiences.

WEBINARS MIRROR OPEN HOUSES

After receiving positive feedback from attendees at parent open houses, we decided to make the information more widely available to parents unable to visit campus. Between June and September 2008, USFSCO conducted 12 live webinars via GoToWebinar. Similar to the parent open houses, the webinars introduced parents and new students to our staff and services. We held the webinars, which ran through the summer and early fall, after hours and on Saturday mornings to ensure that all incoming students, their parents, and transfer students could attend a session. We also archived a recording of the webinar on the USFSCO Web site, providing access 24/7.

Based on the feedback solicited from attendees, we made a number of adjustments to future webinars, such as adding time for the question-and-answer session, making staff available throughout the entire webinar to answer questions using the chat feature, and offering additional webinars during standard lunch hours. The webinars demonstrate how to manage a university account via the payment plan, authorized payer, and direct deposit. The topics covered in the webinars mirror information covered in the parent open houses.

After each webinar presentation, we invited attendees to participate in a survey. Overall, the comments were positive. For example, one attendee wrote that the webinar "was more effective than the presentation at registration, because sitting at your computer is where you'll be looking at this information anyway." Another parent found helpful the ability to see the other parents' questions and the answers.
USFSCO has continued to offer webinars each year. In 2012, we hosted six live webinars in which more than 1,400 students and parents participated.

**PAYMENT PLAN PROVES POPULAR**

After communicating with attendees at the parent open houses and webinars, we realized the need to offer a payment plan and we introduced one in fall 2008. But, we recognized that a payment plan more suitable to higher education was called for.

So in 2009, our department acted as a beta site for a new payment plan tool within QuikPAY, offered by Nelnet Business Solutions. USFSCO helped develop the product, which ensured that it would meet parents' and students' needs. Both parents and students wanted ease of use, flexibility, access to real-time information, a single sign-on, and payment options. The plan allows parents and students to spread their payments of tuition, mandatory fees, and room and board expenses over 12 installments for the full academic year, or 6 installments for the fall term only or spring term only.

In 2010, we added an enhanced budget component to help parents and students accurately estimate their future charges. Once assessments are processed to the student account, payment plan owners are notified of any required adjustments to their payment plan budgets. The e-mail notification includes instructions on how to adjust their payments in the system.

Participants can select an annual plan with 9 to 12 monthly installments or a semester plan with 3 to 6 monthly installments. In addition to this diversity of payment options, the plan offers a $40-per-semester or $66-annual enrollment fee, instead of the university's finance charge of 1.5 percent per month.

As the payment plan enters its fifth year, its popularity continues to grow. Enrollment has increased significantly each year and shows no sign of slowing down. To put this growth in historical perspective, USFSCO first offered the payment plan in July 2008 as an option for families to pay their 2008–09 student account bill. That year, 1,887 participants enrolled in the payment plan and paid a total of $18,812,650. Of these, 726 participants selected an annual plan, 439 selected a fall-semester plan, and 722 selected a spring-semester plan.

Since then, participation in the plan has increased each year, reaching 8,380 participants, who paid a total of $80,543,429 during the 2011–12 academic year. This is an increase of 6,493 participants over our first year's enrollment.

We actively market the plan to ensure that all incoming and returning students are aware of its benefits. Enrollment for 2012–13 began May 1, 2012. As of August 21, 5,500 participants had enrolled, representing a 10 percent increase over the same time last year.

**CONSULTATIONS MEET INDIVIDUAL NEEDS**

During summer 2010, we conducted 108 individual consultations with freshmen and/or their parents. These consultations allow students and parents to work directly with a member of the customer service team. We do not create a formal agenda for these consultations, choosing to gear them toward individual needs. We conduct the majority of the consultations via phone, but we also offer in-person consultations.

The top five topics addressed in these consultations are payment options; the university billing cycle; how to view account activity; how to sign up for direct deposit; and the cost of tuition, fees, and housing.
These individual consultations, along with the webinars and parent open houses, produced a positive effect by educating students and parents, as well as reducing our call volume in 2010 by 15 percent in August and 13 percent in September—two of our busiest months.

WEB SITE FEATURES FEEDBACK LOOP

In 2010, a member of the USFSCO team completely renovated the Web site (http://paymybill.uillinois.edu) to increase financial information, make it easier to navigate, and add visual appeal. From start to finish, the update took about four months. An outside consulting firm that had already contracted with the university to review other Web sites for the office of business and financial services agreed to examine the USFSCO Web site at no extra cost.

As part of the revision, we added a section where new students can sign up to attend a live online webinar session, register to attend a parent open house, view a PowerPoint presentation on the materials covered in the webinar, and find a "New Student To-Do List." The list includes information regarding direct deposit, authorized payer, payment options, and important due dates.

The Web site now features a survey to gauge customer satisfaction and serve as an ongoing feedback loop. We use Google Analytics to track total visits, total page views, pages per visit, average time spent on site, and percent of new visits. August is typically the month when USFSCO's overall traffic peaks; in August 2011, more than 12,000 students and parents viewed the Web site. The payment page (http://paymybill.uillinois.edu/payments.html) was the most-viewed page during the 2011–12 academic year, with more than 169,000 views.

To continue to maintain an approachable online presence, we make monthly in-house edits to the Web site and annually contract with an outside consulting firm to review the USFSCO site for improvements.

THE STUDENT MONEY MANAGEMENT CENTER

Despite increased efforts and the convenience of the payment plan options, each term thousands of students continued to fall past due on their student accounts and were unable to register for the new term due to financial holds on their registration tickets. For example, in October 2010, a total of 5,105 students—6.6 percent of our total student body—experienced a financial hold during priority registration. On average, each student owed the university $3,853.

To deal with this problem, in fall 2010 USFSCO initiated the Student Money Management Center to provide students with the financial education and resources necessary to effectively manage their finances both in school and post-graduation. The center, which is staffed by one USFSCO employee and graduate students, provides financial literacy as part of the past-due payment plan, giving students an opportunity to spread their past-due balance into installment payments and register for the upcoming term.

To participate, students are required to complete a past-due payment plan agreement, pay a minimum of 50 percent of their past-due balances, enroll in automatic withdrawal to complete payments each month, and successfully complete iBudget Financial Literacy. This program consists of watching a 30-minute video on budgeting, saving and credit; passing a quiz; and creating a properly balanced budget. The iBudget Financial Literacy requirement decreased the number of failed payment plans by 14 percent when compared to the previous semester, spring 2010.

In addition to the iBudget Financial Literacy requirement, the center manages multiple resources and ever-changing programs to meet the needs of students, including:
A Web site (http://studentmoney.uillinois.edu).

Social media sites, such as Twitter, Facebook, YouTube, and Foursquare.

Summer webinars for students and their parents.

Offices at the Chicago and Urbana-Champaign campuses with peer mentors.

Financial workshops and seminars for offices on each campus that request them.

Targeted materials developed for specific populations, such as students receiving refunds, international students, and graduate students.

**SIX STRATEGIES OF COMMUNICATION**

USFSCO continues to seek improvements through ongoing feedback from our students and parents. We recently rolled out additional resources, including offering video tutorials available on the USFSCO Web site, communicating about proper management of student account refunds, mailing postcards about USFSCO activities to the permanent address of students, and initiating a product that decreases the cost of wire transfers for international students.

As a result of our ongoing efforts, USFSCO has:

- Decreased call volume 14 percent in fall 2010 compared to the previous fall, through increased communication and multiple payment options.
- Improved work quality for staff, because having students and parents better-informed has minimized stressful interactions.
- Lowered outstanding receivables by $1.7 million in September 2011 compared to the previous September.
- Reduced staffing needs, allowing three full-time positions to remain vacant, which provided a cost savings of $92,000 annually in salaries.
- Saved $45,576 in processing ACH refunds versus distributing checks in fall 2012, by having 98 percent direct deposit enrollment.

Now, six years after the initial launch of our six strategies, students and parents better understand the tools available to help them manage their university accounts, thereby improving our cash flow and preventing unnecessary student withdrawals over delinquent accounts.

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**SFS CONFERENCE: NEW STRATEGIES, BEST PRACTICES, AND MORE**

Here’s an opportunity for you to learn new strategies and best practices at NACUBO’s Student Financial Services Conference to be held March 10-12, 2013, in Austin. This popular conference will kick off with a session on learning about your personal strengths and finding out how best to use that information to maintain healthy relationships. To make the most of this session, you’ll have the opportunity to complete Gallup Inc.’s StrengthsFinder 2.0 assessment prior to the conference.

General session speaker Pam Meyer, a certified fraud examiner and author of the best-selling book *LieSpotting* (St. Martin’s Griffin, 2010), will discuss ways to help you spot lies, find the truth, and build trust.

At the core of the conference is a robust collection of concurrent sessions. Learn how to build collaboration between the financial aid and student accounts offices. Hear how one institution works across campus, along with local high school counselors, to educate families on tuition payment. Gain a better understanding of data security and PCI compliance. Attend the numerous panel discussions that will provide updates on the Consumer Financial Protection Bureau and the U.S. Department of Veterans Affairs.

As always, there will be plenty of opportunities to network with colleagues, including representatives of more than 35 companies providing services to student financial services offices.

**Optional Workshops and a Virtual Event**
For those new to student financial services or for those who just want a refresher, the Bursar Fundamentals program on March 10 provides a comprehensive look at the role of the bursar on campuses-large and small. Back by popular demand is the updated Legal Aspects of Collections postconference workshop on March 12. Attorney Chad Echols will explain bankruptcy laws in a fun and engaging way. You will learn tools and sample language to help assist in the collections processes.

Portions of the 2013 conference will be available online. Virtual “attendees” will have the opportunity to chat online with presenters, making this a valuable resource for those who are unable to attend the event in Austin.

To register or for more information, visit http://www.nacubo.org/ or call 800.462.4916.