

The Changing Landscape of Accepting and Depositing Revenue

The Office of Investments & Banking



UNIVERSITY OF MINNESOTA

Driven to Discover™

Closing the Twin Cities Bursar

Closing June 28, 2013

Objective: Decrease costs & increase treasury efficiency

Improve cash flow & increase investment income

- 12 days to deposit
- Shortest: 2 days
- Longest: 35 days

Align with “enterprise shared service” model

- Centralized billing, accounts receivable & collection processing



UNIVERSITY OF MINNESOTA
Driven to Discover™

Growth in Payment Trends

Increase in electronic funds transfer (EFT)

- 79% of tuition & fee payments paid by EFT
- 49% increase in non-sponsored EFT
- 350% increase in sponsored EFT

Increase in merchant card acceptance

- Current level: \$100 million annually

Increase in lockbox service

- 1,089% increase in the non-sponsored lockbox activity
- 23% increase in the sponsored lockbox activity

Non-Sponsored & Sponsored Dollars Deposited in Millions					
Fiscal Year	Non-Sponsored	Non-Sponsored	Sponsored	Sponsored	Fiscal Year Total
	Lockbox Pmts	EFT Pmts	Lockbox Pmts	EFT Pmts	
FY09	\$ 25.5	\$ 838.7	\$ 117.0	\$ 130.6	\$ 1,112
FY10	\$ 46.1	\$ 1,101.7	\$ 130.5	\$ 471.1	\$ 1,749
FY11	\$ 82.7	\$ 1,067.0	\$ 136.5	\$ 577.6	\$ 1,864
FY12	\$ 303.2	\$ 1,249.0	\$ 143.8	\$ 587.4	\$ 2,283



UNIVERSITY OF MINNESOTA
Driven to Discover™

Manually Processed Non-Sponsored Departmental Deposit Analysis

Total of 23,548 departmental deposits prepared in EFS from November 2011- October 2012

Opportunity to Optimize:

- Prepared in **39 clusters** on Twin Cities campus
- **50%** of the deposits prepared in **6 clusters**
- **75%** of the deposits prepared in **13 clusters**
- **56%** of the deposits (13,155) were check only
- **27%** of the deposits (6,403) were a combination of currency/coin & checks
- **17%** of the deposits (3,990) were currency/coin only

495 Unique Preparers in EFS

- **50%** of the deposits prepared by **59 preparers**
- **75%** of the deposits prepared by **135 preparers**
- **68 preparers** prepared **1 or 2** deposits during the 12 month period



UNIVERSITY OF MINNESOTA
Driven to Discover™

Top 10 Clusters by Deposit Count

U Services	4,354
CFANS - College of Food, Agricultural & Natural Resource Sciences	1,884
Academic Affairs	1,790
AHC - School of Dentistry	1,466
Extension Services	1,381
CLA - College of Liberal Arts	992
College of Education & Human Development	918
AHC - College of Veterinary Medicine	894
Boynton	789
Athletics	749



UNIVERSITY OF MINNESOTA
Driven to Discover™

Operational Excellence Remote Deposit Capture

Implementation: March – June 2013

Office of Investments & Banking (OIB) will:

- Arrange RRC manager meetings
- Identify scanner location(s) & users
- Provide scanners
- Work with departmental IT resources to set up scanners
- Set up users with remote deposit capture online access
- Train users



RRC Managers will:

- Coordinate with OIB to identify scanner location(s) & users
- Coordinate departmental IT resources
- Coordinate participation of departmental personnel



UNIVERSITY OF MINNESOTA
Driven to Discover™

Operational Excellence Processes & Procedures

Remote Deposit Capture Users

Standard Item Processing:

- Scan checks, transmit deposit file to bank, enter deposit into EFS
- Retain scanned checks for 14 days in a secure location & then confidentially shred

Exception Item Processing:

- Foreign items, rejected images & non-scannable checks will be placed in a clear deposit bag with a departmental deposit report
- Currency/coin will be placed in a yellow deposit bag with a departmental deposit report
- Deposit bags will be dropped in a depository box on campus

Other Depositors

- Checks & currency/coin will be processed separately. Checks will be placed in a clear bag & currency/coin will be placed in a yellow bag. A departmental deposit report will be included in each bag. Bags will be dropped in a depository box on campus



UNIVERSITY OF MINNESOTA
Driven to Discover™

Operational Excellence Processes & Procedures

Other

Change Orders:

- Large change orders will continue to be ordered through OIB and delivered by an armored courier service
- Small change orders will be serviced by the Student Union
- Departmental change fund balances may be increased on a case by case basis

Tuition & Fee Payments:

- Lockbox implementation is planned for all campuses
- Each campus will be responsible for their respective exception item processing
- Checks will be imaged and a file transmitted by the bank to the University



UNIVERSITY OF MINNESOTA
Driven to Discover™