

Higher Ed Embraces Digital Payments

New tuition reimbursement requirements help accelerate adoption

Driven by speed, flexibility, convenience and high acceptance among digital-savvy students, many higher-ed finance departments are replacing checks with digital payments. College and university check volume fell 8% from 2016 to 2020 — consistent with the decline across other industries — and is poised to go lower as institutions respond to new tuition reimbursement requirements included in last year's Coronavirus Aid, Relief and Economic Security (CARES) Act. With more payments teams working remotely — making check production harder — there's never been a better time to go digital.

A fast and secure experience

Bank of America clients can use Zelle®, a digital payments network that reaches more than 100 million people. Zelle® enables colleges and universities to send money to a student's bank account using an email address or U.S. mobile phone number.

Given the ubiquity of mobile technology among students, they often prefer to receive funds in this fashion. Many students are already enrolled in Zelle®, and it's a simple process for those who aren't yet enrolled.

Going digital can create a number of advantages specific to university administrators. First off, it can eliminate the need to reach students — many of whom maintain a fluid living situation — at a physical address. Instead, it's possible to send a payment to their enrolled university email address. And finance departments also don't need to collect, manage and store their bank account information, which reduces compliance hurdles and risks.

The digital advantage



Can send payments to a student using their university email address



No need to collect sensitive bank account information



Pay digital-savvy students quickly and safely via mobile

Improving three key types of payments



Tuition reimbursement

Title IV of the Higher Education Act requires colleges and universities to carefully manage the disbursement of federal financial aid, such as Pell Grants and other awards. Many institutions have already begun using Zelle® to send surplus funds directly to students, since it's faster, safer and easier than using checks and can help meet tight disbursement deadlines.

More recently, the 2020 passage of the CARES Act has added more layers to the tuition reimbursement mix. Congress allotted billions in new higher-ed funding, including Section 18004, the Governor's Emergency Education Relief Fund (GEERF), funds for minority-serving institutions and more. Federal disbursement guidelines have focused on speed, making Zelle® an attractive option for both universities and students.



Athletic per diems

Paying higher-ed sports teams can present serious operational risks, including the need for coaches and student-athletes to handle large sums of cash during road trips. Zelle® can lessen these risks by replacing cash with digital payments that enable coaches to book hotel rooms and athletes to buy food.



Student compensation

Digital payments can also be an attractive way to pay students for services performed. Whether it's student-teaching, research or work-study, program managers can compensate participants fast, safely and easily via Zelle®.

Getting started

Your team of experts at Bank of America can help tailor your digital payments program to your specific situation. We start by helping you define your needs and determine whether API, file transfer or online is the best way to interact with us. We can also help you design branded materials for recipients, such as email notifications, FAQs and other communications.

After testing and integrating with your systems, we closely monitor payment completion, straight-through processing rates and other metrics to help you find ways to boost ROI even further.

Every day, we're investing in our people and the technology needed to give you the simplicity and connectivity to be at the edge of what's next. Reach out to your BofA representative to learn more.



¹ U.S. checking or savings account required to use Zelle®. Transactions between enrolled consumers typically occur in minutes.

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