

Making the Cashless Campus a Reality



For colleges and universities, the journey to cashless payment systems has taken place over many years. For many campuses, this time frame was accelerated by the pandemic and its resulting shift to remote operations and learning. Bank of America convened a panel discussion with higher education decision-makers who shared their experiences achieving approval for and managing the transition. The panel was attended by over 160 individuals from nearly 90 colleges and universities. The following is a summary of the conversation.

Digital payments are improving the student experience, and stakeholders are buying in

As the national head for our higher education treasury practice at Bank of America, Lynn Wiatrowski hosted this forum, dedicated to thought leadership and sharing ideas on emerging topics for the industry.

Andrew Ilnicki describes his role as “weird and wonderful.” As director of strategic technology and a faculty member at Virginia Commonwealth University, Ilnicki teaches at some of its innovation centers of excellence. While working at the sprawling urban campus in Richmond, VA, he’s witnessed the rapid rise in high-frequency transactions and peer-to-peer payments.

Today, VCU is going more digital, cashless, perhaps even cardless. According to Ilnicki, it’s driven by a larger vision of how they can enable a more connected campus. **“In working with our students and taking a bottom-up approach, we’ve been able to really advise the greater university and campus community ecosystem on where our students are and where we can meet them,”** he said.

A successful transition is very much about trying to become a more efficient campus — for students, staff and visitors. When they visit university bursar and registrar offices, students have typically used cash for a wide range of payments, which ties up lines and creates longer service times. So from a student perspective, digital payments are more efficient. And from a staff perspective, the move toward digital payments allows people who were traditionally cashiers to spend more time on value-driven activities like problem solving with the students and helping visitors find their way around campus.

The same thing is true when staff members from various departments deliver cash for deposit at vault locations. They end up sitting in lines and holding up student services. Pace quickly experienced a variety of efficiencies — including the elimination of the expensive armored car service. The transition began with check scanning, then moved to coin and currency.

MODERATORS



Lynn Wiatrowski
National Head
Higher Education, Treasury
Bank of America



Charles Colliton
Treasury Advisor Executive
Bank of America

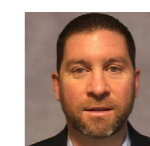
PARTICIPANTS



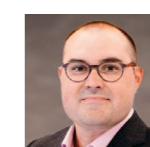
Rich Steele
Interim AVC for Facilities Management
University of North Carolina, Charlotte



Bruce Guiot
Associate Treasurer
Miami University
Oxford, Ohio



Tom Brady
Treasurer
Pace University
New York, New York



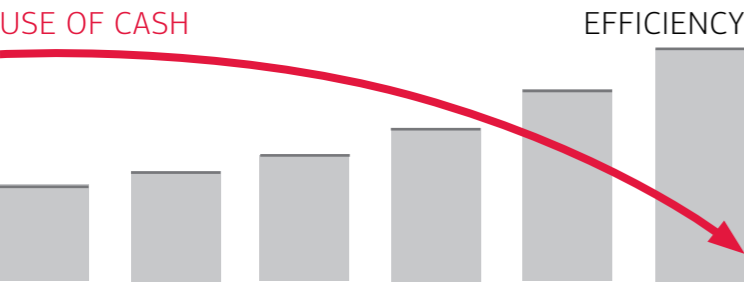
Andrew Ilnicki
Director of Strategic Technology
and faculty member, School of Arts
Virginia Commonwealth University
Richmond, Virginia

Clearly present the benefits of your planned changes to find the support you need

For Rich Steele, interim AVC for facilities management, University of North Carolina, Charlotte, the transition into cashless was through “cashier-less” operations in the service sector, particularly in dining operations. Digital payments meant students didn’t have to waste their time paying cash for their food. They could also order in advance. This was a major innovation that enhanced the ability to address capacity issues. Prior to the transition to digital payments, production systems really struggled to keep up with the volume of dining traffic during class change or the short breaks students have for lunch. According to Steele, **“Digital payments helped us provide the services that students needed in the short window of time that they had, and it helped eliminate the lines.”**

Going without cashiers didn’t mean that all of those positions were eliminated. In fact, it allowed cashiers to be less transactional and more relational. UNC Charlotte stationed them near the front counter to greet customers and instruct them on how to use the technology by downloading the mobile ordering app and guiding them to the kiosk locations.

With this approach, if one cashier position was eliminated, it essentially meant that five other employees who were converted to the greeter role could receive a 20% wage increase. This model of being able to make things more efficient, redirecting money and being more focused on student success in a service arena also provided higher wages for some of the lowest-wage earners at UNC Charlotte.



Bruce Guiot, associate treasurer at Miami University in Oxford, Ohio, commented about early efforts to introduce efficiencies: **“We started using the term ‘cashless campus’ more than a decade ago, and it was really an aspirational kind of a term for us, meaning even if we could just take some of the paper out of circulation, we would make progress.”** Over a period of time, paper money and coins were taken out of circulation around the campus. Without the need to count, handle and transport cash to the bank, they had a much more efficient workflow.

For many institutions of higher learning, the journey to cashless actually started pre-pandemic. But when the pandemic hit, that journey was greatly accelerated. At UNC Charlotte, the focus was suddenly on more contactless services to avoid having face-to-face interaction with others. According to Rich Steele: **“We thought that the pandemic shouldn’t change us, but the pandemic should teach us. And it really did teach us that we have a rare opportunity to implement radical change and to change behaviors.”**

Test your assumptions under real-world conditions

Bruce Guiot observed that, at Miami University, the long road to cashless began back in 2011. At that time, the bursar’s office operated essentially as a bank on campus. Employees could go and present a check there and walk away with cash. University travelers could go there to get a cash advance for their travel expenses. And of course, they accepted student payments, many of which were walk-up. This was all a very labor-intensive, high-risk cash-handling endeavor. So the staff started trying to find ways to improve efficiency. The volume was just getting to be too large, and they didn’t have the capacity or the resources to meet the demand.

They began shifting the focus toward electronic tuition payment instead of having students walk up and pay, whether it was cash or check. They also started to issue many more university credit cards for travelers, and converted all of their vending machines to accept card payments only, including credit and prepaid. Another

big piece of the cash-driven puzzle was parking, for which they switched to kiosks that accepted credit card payments instead. Guiot remembers, **“One constant was that the treasury office was going out to our partners around campus and trying to help them identify ways to be more efficient, to reduce fees, to just reduce costs.”**

Some schools use a program that allows for a monetary balance to be loaded onto a closed-loop campus card that often also functions as a student ID card. The card can be used at the laundry, for parking, at stores, at copy machines, etc., and also provides building access.

For many student organizations, like athletic teams, a prepaid card or digital payment program can be used for hosting student activities and for student emergency needs. The efficiency and security of these programs are key benefits.

Prepare for unanticipated events that could derail your plan

As treasurer at Pace University in New York City, Tom Brady learned firsthand that a good communication plan lets students and faculty know what to expect, and exactly when. **“The key thing was to convey the benefits that would happen,”** said Brady. **“It’s just a more efficient campus, with better service for students, and it frees up staff to better serve those students.”**

Brady went on to explain how certain events can provoke action: **“At one of our smaller campuses, we had a theft, which prompted that one campus to go cashless immediately.”** But for Pace’s two primary campuses, the catalyst was the pandemic.

When the pandemic hit, Pace’s treasury department quickly recognized that expense cuts were inevitable, so they made the decision to go cashless, university-wide, in the spring of 2020. The already-successful implementation on the campus that had experienced the theft was a key factor in gaining rapid and wide approval for this change.

Student attitudes and preferences are major factors driving the move to cashless. Virginia Commonwealth University has a very urban campus of 30,000 stakeholders, plus many interested third parties and partners. Andrew Ilnicki noted that the school encourages its students to speak up about any pain points that exist, so they can work on developing solutions for the future. He also provided some telling statistics:

- Out of a hundred students that were surveyed, only 1 out of 100 used cash and didn't use any peer-to-peer payment apps or digital wallets of any kind.
- 75% of students use peer-to-peer payment or digital wallets.
- 85% of students use multiple forms of payment.

VCU is a very active campus community where the vast majority of students are not using cash. Although 50% of students carry cards, they don't use them, because they prefer to use other methods of payment. They typically don't want to carry a wallet. They only want to carry their phone, which acts as a mobile wallet.

Being able to operate cashless is huge — from tuition to food to professional services to vending to paying fees, students are driving the digital movement. And it's everywhere, from email to social media to VCU's various social avenues across the campus. Students want to go there — and quickly.

It's also very important to communicate the movement away from cash as an option to campus visitors, especially those who rarely visit campus except for special events or other one-time activities. This can be handled by posting notices online or at event locations about limitations on handling cash. That way, their campus experience will not be negatively impacted by the change.

Seek out the best ideas

According to Ilnicki, students were directly involved in a lot of the outcomes at VCU. Like any university, VCU has student committees, student government and a student technology committee specifically engaged to deal with issues like digital payments, and they provide feedback that flows back up through university channels. Ilnicki explained that the College of Engineering came forward with some ideas to help envision a more digitally connected campus. **“We’ve even launched an internship program recently, and it’s been going extremely well,”** he said. **“It’s wonderful to watch this beautiful thing unfold organically.”**

Conclusion

In a very real way, a college campus is like a micro society — a micro economy — and campus card and digital payment systems have become the backbone for cashless operations. Today, colleges are witnessing the transition from physical plastic to digital cards and payment systems. At the same time, thanks to smartphones and smartwatches, they are experiencing the transition from physical credentials to mobile credentials. And all of this is being tested and proven with students. Taking the time to have students and staff weigh in on and then embrace the changes taking place is the surest route to success.

Contact us to learn more

Contact your Bank of America representative to discuss these topics or ways we can help your institution.



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