

# ELECTRONIC CHECKS



# OVERVIEW OF GVSU

## 4 year public University

- 1 of 15 in state of Michigan
- 1 of 12 in the country in the public liberal arts education space
- Tuition is in the lower half of all Michigan public universities
- Receives the lowest level of state funding of the 15 universities

**Grand Valley's efficient operations have been noted in Michigan and in national rankings.**

**Grand Valley has an economic impact in the West Michigan region of more than \$730 million dollars.**

**Grand Valley was named one of the country's greenest universities by Sierra Club.**

# OVERVIEW OF GVSU

GVSU was founded in 1960

Current ERP (Banner) system was implemented in 2005

- Investment initially was \$7.4 million
- Shares one database between students and vendors
- Banner is only the second ERP system in our history



myBanner 

# OVERVIEW OF GVSU

## 5,500 vendors

- 90,000 invoices in Fiscal year 12/13
  - 30,130 (53%) were ACH payments
  - 27,072 (47%) were check payments
- Added 664 new vendors in the last fiscal year
  - 177 (27%) signed up for ACH payments
  - 72 (9%) signed up for VerifyValid checks

## 30,448 purchasing card payments

# OVERVIEW OF GVSU

## 24,500 students

- 75,000 payments in fiscal year 12/13 for over \$118 million
- 42% with electronic checks
- 30% with credit cards
- 21% with paper checks
- 5% with cash
- 2% with wires
- Issued 50,000 Financial Aid refund checks
  - 61% with ACH
  - 39% with paper checks

# OVERVIEW OF GVSU

**2,400 full & part time employees**

**2,200 student employees**

- 115,207 (86%) ACH payments
- 18,904 (14%) paper checks

**Even though GVSU have been using ACH since 1996, we still have not eliminated paper checks. Adding new forms of electronic payment should help reduce that number.**

# CASE STUDY EXPERIENCE WITH ELECTRONIC CHECK

## Why did GVSU even consider a change?

- Improve efficiency
- Improve the sustainability pledge
- Reduce the time of printing and delivery
- Reduce the cost of printing and postage
- Reduce the chance of fraud
- Reduce the number of phone calls about validity of checks
- Reduce the number of paper checks
- Complete the electronic invoice process system

# CASE STUDY EXPERIENCE WITH ELECTRONIC CHECK

## How does VerifyValid's electronic check work?

- Vendor is set up with a payment email in our ERP system
- Payments are created in our accounting system based on bank code
- Process the VerifyValid bank code like our regular paper checks
- Create a file of payment information and remittance information
- Upload the file to VerifyValid
- Click one button to sign and send emails
- Payee receives a notification email
- Payee clicks the link to view a pdf that is a check with remittance data
- Payee either prints check for deposit or deposits directly into their bank with remote deposit capture



# CASE STUDY EXPERIENCE WITH ELECTRONIC CHECK

## Implications for GVSU and Vendors

- Reduces paper use – improves our green initiative
- Completes the ability to receive and pay invoices electronically
- No software implementation costs – just per item fees which are less than cost of paper check
- Little IT investment
- Vendors recognize a check
- Vendors get paid faster – bigger economic impact with the same dollars
- Vendors can deposit with remote deposit capture same day as university creates the check

# CASE STUDY TAKE AWAYS

- ❖ Going electronic requires thought on how it will impact systems and processes
- ❖ Decreases costs
- ❖ Decreases time for vendors to receive payment
- ❖ Improves access to data
- ❖ Improves security
- ❖ Banks process remains the same

## CASE STUDY TAKE AWAYS

- ❖ Little effort on our part to convert vendors to this type of electronic check
- ❖ No merchant fees
- ❖ Automates the receiving of these payments
- ❖ Payer and Payee benefit

**Why? IT IS JUST A CHECK!**