How to Boost Your Card Office Budget Without a Banking Partner

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The George Washington University

- *Private University located in Washington DC, 4 blocks from the White House*
- *Established by an act of Congress in February 1821*
- *26,000 Students (11K Undergrad, 15K Graduate)*
- *3 primary campuses (Foggy Bottom, Mount Vernon, & Virginia Science & Technology Campus in Ashburn VA)*
- *10 separate schools*
The GWorld Card Office

Created in 1997

Campus Enterprise System

Business/Auxiliary Unit within the Division of Operations

6 Professional Staff + 4 IT Technicians assigned to GWorld

Cbord CS Gold using iCLASS Elite cards
The GWorld Card

9 Different Card Affiliations

3 Main Card Functions

• IDENTIFICATION

• ACCESS
  • Library Turnstiles
  • Residence Halls 24/7
  • Door Rooms/Suites in 7 Res Halls
  • Medical School, Law School 24/7
  • Academic Buildings/Offices after hours

• DECLINING BALANCE ACCOUNTS
  • Non-traditional Declining Balance Meal Plans
  • Over 130 partners on and off campus
  • Pay for Laundry, Printing, Vending, Parking
Why a Budget Presentation?

3-5% Budget Cuts for the past 3 years

Banking partners aren’t the only solution.
The Process & The Lessons

- Know Your Budget
- Run the Numbers
- Make Informed Proposals that you are willing to live with
- Work with Approvers & key Stakeholders
- Know how to Implement
Know Your Budget

GWWorld Budget

◆ Self Funded
◆ Business Auxiliary
◆ Revenue > Expenses
◆ Cut Expenses or Add Revenue
Know Your Budget

Revenue
◆ ID Replacements
◆ Partner Commissions
◆ GWorld Card Services Revenue
  ◆ Equipment Installation
  ◆ Reader Maintenance Fees NEW
◆ Other Miscellaneous Revenue
  ◆ Lanyard & Card Case Sales
  ◆ Alumni & Friends Cards
  ◆ Fees Collected under Escheatment

Expenses
◆ Salary & Fringe Benefits
◆ Equipment
  ◆ Stock used for repairs
◆ Cardstock & Supplies
  ◆ Preprinted iCLASS cards
  ◆ Ribbon & Custom Laminate
◆ Contracts
◆ Bank Fees
◆ Interdepartmental Charges
◆ Capital Purchases
◆ Other Expenses
# GWorld Proposals Year 1

## Revenue
- Increase **Replacement Fee**
- Raise **Meal Plan** rates
- Standardize **Commission** rates for both on and off campus partners
- **Reader Maintenance Fees** for GW schools/departments
- **Banking Partnership**

## Expenses
- Bid out carding supplies
- Reduce travel/conference expenses
- Eliminate Overtime
- Eliminate water delivery
Increase Replacement Card Fee

Proposal, increase fee from $25 to either $30 or $35

- Last increased in 2003 when cards were mag-stripe only
- 2010 switched to iCLASS Elite cards, card cost went up to the university but no increase to the customer

Who Needs to Know & Approve

- $35 fee was approved by Division of Operations VP
- Requested Feedback from Dean of Students

Implementation

- Updated POS register key, website, forms, legal documents
- Communications Plan
Standardize Commission Rates

Proposal, off campus rate 8%, on campus rate 5%

- Rates have never been raised and vary widely
- Will bring fairness across all vendors & increase revenue

Who Needs to Know & Approve

- Div Ops VP approved standardizing on campus rate to 5%
- Other business auxiliary units were exempt from rate increase
- Off campus rate changes were declined
- Notified impacted on campus merchants

Implementation

- Updated spreadsheet formulas for monthly payment processing
Reader Maintenance Fees

Proposal, charge $50 per month for all readers on campus

◆ Proposal 2 years prior to budget cuts, fast-tracked with cuts
◆ Many GW services are charged to departments (IT, telecom, rent, etc)

Who Needs to Know & Approve

◆ Required Executive Vice President & Treasurer approval
◆ Approved $25 per month charge for self-funded schools & units
◆ Notified Finance Directors

Implementation

◆ Accurate reader counts
◆ Obtain accounting codes for quarterly billing
Year 1 Expense Reductions

Bid Out Carding Supplies
- No approval required
- Bid out to multiple vendors and saw improved pricing on all products

Reduce Travel/Conference Expenses
- Div ops directive

Eliminate Overtime
- Div ops directive

Eliminate Water Delivery
- Minimal savings, not worth staff inconvenience
Year 1 Declined Proposals

**Increase Meal Plan Rates**
- Higher Plan Rates = Higher Sales = Higher Commissions
- Requires Board of Trustees approval
- Proposal was declined

**Banking Partnership**
- Requires Executive Vice President & Treasurer Approval,
- Leadership was interested but decided to wait because of Department of Ed uncertainty
Year 1 Results & Lessons

GWorld Budget Results

- 23% Revenue Increase
- Used extra $$ to replace computers & card printers
- 8% overall budget improvement
- No surprises

Lessons Learned

- Take budget cuts seriously and have a plan
- Know who to work with
- Know how to implement
- Departments without plans got surprises, including staff cuts
GWorld Proposals Year 2

**Revenue**
- Raise *Meal Plan* rates
- Standardize *Commission* rates for off campus partners
- Banking Partnership

**Expenses**
- Reduce Office Hours and eliminate 1 Staff Position
Year 2 Proposals & Outside Projects

Proposals
◆ On hold

Outside Projects
◆ Restructuring Dining
◆ Large Reader Installations
Year 2 Results & Lessons

GWorld Budget Results
- Projected 11% Budget Improvement
- Temp CSR
- Good surprises from outside projects

Lessons Learned
- Take budget cuts seriously and have a plan
- Know who to work with
- Departments without plans got surprises, including staff cuts
- Good surprises/outside projects require work
GWorld Proposals Year 3

Revenue
- Raise Meal Plan rates
- Banking Partnership

Expenses
- Reduce Office Hours and eliminate 1 Staff Position
- Reduce # of VTS machines
Reduce # of VTS Machines

Proposal, Eliminate 4 of 7 VTS units
- 50% drop in VTS deposits over 5 years
- Dunbar pickup/bank deposits are EXPENSIVE
- VTS expense > Revenue

Who Needs to Know & Approve
- Div Ops VP Approved
- Got Library Approval
- Notified Dunbar for billing

Implementation
- Scheduled VTS removals
Existing Office Hours & Staffing

Hours
◆ Monday-Thursday 8:30 to 6:00
◆ Friday 8:30 to 4:30
◆ Saturday-Sunday 10:00 to 2:00

Staffing
◆ 4 full time Customer Service Reps
◆ 2 weekday shifts
◆ + Weekend rotation
Proposed Office Hours & Staffing

**Hours**
- Monday-Friday 8:30 to 5:00
- Saturday 10:00 to 2:00

**Staffing**
- 3 full time Customer Service Reps
- 1 weekday shift
- + Weekend rotation

**Enhanced Online Services**
- Mobile ID for dorm room entry
- GET FOOD mobile ordering
Office Hours & Staffing

Proposal, Reduce Hours & Eliminate 1 Position
- More online services available, less need for extended hours

Who Needs to Know & Approve
- Executive Vice President & Treasurer Approved
- Notified GWorld team

Implementation
- Approved in late December for spring semester rollout
- Single shift is way easier to manage
- Updated hours on website
- Notified campus community via Infomail
Meal Plan Rates

**Current Rates** (per semester)
- Freshman $1,950
- Sophomore $1,250
- Junior $1,000
- Senior $500

- No increases in 12 years

**Proposal Justifications**
- Declining Balance Meal Plans
- Sales Commission REVENUE
- Our plans are well below average

Any Increase in Mandatory Money = More Sales Revenue
Meal Plan SURPRISE

Proposal, Please increase meal plan rates

Who Needs to Know & Approve
❖ Board of Trustees approved
❖ $100 per semester increase to all plans
❖ Notify GWorld, Dining, Housing, etc

Implementation
❖ Update websites & collateral
❖ Update billing systems
Year 3 & Beyond

Banking Partnership
◆?

Charge for More Services
◆?
The Process & The Lessons

- Know Your Budget
- Run the Numbers
- Make Informed Proposals that you are willing to live with
- Work with Approvers & key Stakeholders
- Know how to Implement
Don’t Forget Make Friends with your Budget/Finance Team
Questions & Contact

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