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FOR IMMEDIATE RELEASE

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NACUBO Offers Best Practices Guide for Safeguarding Student Finances

Washington, D.C. December 17, 2012 – In response to the growth of campus-based banking options for students in recent years and recent public interest and concerns about student debit card options, the National Association of College and University Business Officers (NACUBO) has created a [best practices guide](#) for colleges and universities.

In the guidance, NACUBO places an emphasis on keeping students' interests first and urges colleges and universities to ensure students have sufficient information available to allow them to be informed consumers.

The document will be distributed to chief business officers at colleges and universities across the country. NACUBO strongly encourages campuses to identify banking services that offer low- or no-fee options for students, calls for the disclosure of contracts with third parties offering debit card services to college students, and promotes competitive selection processes when engaging vendors to handle student financial transactions.

NACUBO President and CEO John Walda remarks, "Higher education institutions are constantly exploring ways to offer improved service to students and their parents, as well as find cost savings for the institution, and campus debit cards have evolved to provide an administratively efficient, cost-effective, customer-oriented product. At the same time, colleges and universities need to ensure that students' consumer interests are protected as they shift more financial transactions to third-parties."

Electronic transactions have become the norm in all aspects of consumer finance, from government payments to retail transactions, because they are faster, safer, and cheaper. Colleges and universities realize cost savings by encouraging electronic funds transfer. Third-party financial institutions can assist institutions with data management, compliance with federal regulations, identity and information protection, and more. This is particularly beneficial for large campuses enrolling tens of thousands of students.

NACUBO conducted a survey about student debit card options on college and university campuses in July, and learned that of the institutions responding, 26 percent contract with a third-party vendor to process credit balance refunds; a third of those that do not are considering doing so in the future. Only 12 percent indicated that they have a relationship with a bank, separate from the credit balance refund process, which allows students to tie bank accounts to the institution's primary campus identification card. However, nearly 14 percent of institutions that do not have an existing banking-ID card relationship are considering it for the future.

The survey also found that many schools use a competitive bidding process and are already making the effort to negotiate good terms for students, be it for processing refunds or arranging campus-card affiliated personal banking choices. Following the survey, NACUBO recognized that best practices and guidance needed to be shared broadly.

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About NACUBO

NACUBO, founded in 1962, is a nonprofit professional organization representing chief administrative and financial officers at more than 2,100 colleges and universities across the country. NACUBO's mission is to promote sound management and financial practices at colleges and universities.

