Arkansas State University & Blackboard Transact

STUDENTS ON CAMPUS
- 11,000

DEGREE PROGRAMS
- 40 programs across 150 fields of study

CHALLENGES
- A two-person department managed all card services manually
- Merchants had to wait 30 days (or more) to get paid, even for high-volume accounts
- Merchant transactions took 15 to 20 seconds to process via traditional phone lines
- ASU's card department handled all troubleshooting and repair calls at the merchant level

SOLUTION
- In order to address the challenges that its card department, accountant, and merchants were facing, Arkansas State University implemented Blackboard Transact's BbOne solution on their campus.

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Arkansas State University used Blackboard's one card solution with the BbOne off-campus program to decrease merchant settlement times by 29 days and reduce transaction processing times to one second or less.

Since opening its doors in 1909 as First District Agricultural School, Arkansas State University has expanded its urban campus to 1,376 acres and grown its student body to over 11,000. Ranked in the 2013 edition of Best Colleges for regional universities in the south, ASU offers more than 40 degree programs in nearly 150 fields of study, including master's programs in business and health.

Based in Jonesboro, Arkansas, just 80 miles from Memphis, the school also offers about 130 online courses and more than 180 evening classes. ASU, a public university, is the flagship campus of the Arkansas State University System, the state's second largest college system and third largest university by enrollment.

Addressing Key Issues

ASU's "Express Dollars" card program started small in 2000 with just eight merchants. Sheryl Puckett and her assistant managed the campus card center and also assisted with the student accounts area. The Express Dollars program grew exponentially over the next 10 years, but the processes running it stayed the same.

"We were being pulled in several directions at once," said Puckett, manager of the campus card program. "We not only handled the day-to-day responsibilities of the card office, but we also managed the merchant accounts and helped with student accounts through a manual process. It was quite a workload."

Part of that workload involved the processing of purchase transactions of ASU's off-campus bookstore, which grossed more than $20,000 per day during busy times of the year. Reliant on traditional phone lines, Express Dollars transactions took 15 to 20 seconds to transmit. Further, the bookstore and other ASU merchants were paid monthly – a system that created cash crunches for the merchants. When account discrepancies surfaced, the lead-time for settlements stretched out even further.

"The monthly settlements made it difficult for the merchants, who weren't getting their money as quickly as they would have liked," said Puckett, whose two-person office also had to troubleshoot issues that merchants had with their credit card terminals. "I would have to go out and deal with those service calls personally, leaving my assistant short-handed."

After-hours and weekend calls put additional stress on ASU's card services department. "I live 30 miles away from the school," said Puckett, "so if a call came in at night or over the weekend, I'd have to drive back into town to address the problems and get the systems back up and running."

Sticking With What Works Best

After learning about Blackboard Transact's BbOne off-campus merchant program at an industry conference, Puckett realized that implementing the BbOne program would alleviate the headaches that ASU and its merchants were grappling with. Puckett said that adding the BbOne service to their Transact campus card was an easy decision, based on the University's previous positive experiences with Blackboard solutions, and the fact that the solution could be offered to merchants at a minimal cost.

"We'd heard of programs that were charging 18-20 percent commissions and we knew our merchants would not go for that," said Puckett, who also liked the fact that the solution could handle automatic settlements and the ability to send out mass communications via the Blackboard Connect system. "In the past I literally had to pick up the phone and call them individually. Now I can contact everyone at once. This saves us a tremendous amount of time and resources."

The program went live in October 2011 and transferred the management of off-campus merchant interaction from ASU to the BbOne team. Puckett said the transition went smoothly and that Blackboard handled all requests promptly and effectively. "We had a couple of issues getting merchants hooked into the system, but nothing major," said Puckett. "Then we literally flipped the switch and got the entire program up and running across all of our merchants at once."

Improvements Across the Board

Today, ASU's off-campus bookstore, a gas station, several restaurants, and various other merchants participate in the school's Express Dollars program. Merchants use high-speed terminals that complete transactions in one second or less. This improvement over the 15 to 20 seconds that the old system required allows the merchants to serve more customers, more quickly, thus increasing satisfaction, merchant sales and income to the school from the revenue sharing aspect of the program.

And even on days when it brings in $20,000 in sales, ASU's off-campus bookstore knows that it's going to be paid the following day, thanks to BbOne's fast settlement system. "That's by far the biggest benefit we've seen from this implementation," said Puckett. "Not only are our merchants happier, but the pressure is off of us to handle all of those monthly reconciliation duties."

Puckett and her assistant also don't have to worry about troubleshooting calls, which are now handled directly through Blackboard on a 24/7/365 basis. That means no more 60-mile roundtrip repair calls on Sunday afternoon for Puckett and no more short-handed workdays for her assistant.

Since rolling out the BbOne program, ASU has added new merchants, increased stored value deposit levels, and also earned thousands of dollars in increased commissions on its off-campus sales. And thanks to BbOne, ASU's card department needn't worry about 1099-K compliance, which requires processors to provide reporting to the IRS on merchants who gross over $20,000 in annual sales. "All of this reporting is compiled by BbOne and sent to the IRS on our behalf," said Puckett. "It's automated, accurate, safe and secure. Everyone wins."

ACCOMPLISHMENTS

- **Reduced merchant account reconciliation time from 30+ days to just one day**
- **Shortened terminal processing time to less than a second, from a previous 15 to 20 seconds**
- **Added new merchants and increased both card deposits and revenue share income**
- **Handed off onsite troubleshooting at merchant locations to Blackboard on a 24/7/365 basis**
- **Transitioned the 1099-K sales tracking for merchants to BbOne**

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