

The power to simplify financial aid

Middlesex Community College adopts Digital Disbursements, reducing costs, simplifying compliance and boosting student satisfaction.

Offering outstanding academics, modern infrastructure and technology, and job placement services are among ways that colleges and universities are competing for millennial students. For higher-ed finance officers, improving operational efficiency through use of Digital Disbursements can provide additional resources for these important initiatives.

Commitment to innovation

For Middlesex Community College, a Massachusetts-based institution founded in 1970, the commitment to innovation runs deep. It's a core part of their identity, and has helped them grow to more than 12,000 students across two campuses.

In 2016, the college adopted digital payments — which millions of people already use to pay each other — as a key part of their financial aid process. After exploring several options, including some designed specifically for higher ed, the college opted for Digital Disbursements from Bank of America Merrill Lynch.

“Middlesex is always trying to make things easier for students. It's within our mission statement to try to be innovative. And that shows in our everyday services to the student.”

Kathy Rich
Comptroller, Middlesex Community College

Key takeaways

- Making and receiving payments digitally has been widely adopted, especially by millennials, and can offer benefits to higher ed
- Colleges and universities can now send payments to students via text message and email
- Middlesex Community College already sends 39% of its Title IV payments using Digital Disbursements



ABOUT DIGITAL DISBURSEMENTS

- Pay students via text message or mobile phone
- Same- or next-day settlement
- Easy enrollment

Meeting speed and compliance needs

Middlesex is using Digital Disbursements for Title IV, the Department of Education Act that regulates federal financial aid, including Pell Grants, federal scholarships and student loans. Colleges and universities receive these funds from the government, apply a portion for direct expenses (such as tuition) and disburse the remainder to students. Often, the biggest challenge can be time, since regulations require that students receive the funds within 14 days.

Some institutions have begun sending these funds via direct deposit. This can increase speed, but also adds administrative burdens such as needing to securely store and maintain students' bank account info. Instead, Middlesex offers payment via students' email address, which makes disbursement even faster while alleviating the need to safeguard their bank account info.

“The majority of our students receive Title IV funds to come to Middlesex. Digital Disbursements reduces some of the compliance areas around disbursing these funds.”

Chris Fiori
Director of Student Financial Services, Middlesex Community College

Reducing costs and hassles

Digital Disbursements can also help eliminate paper checks — a big consideration for Middlesex, which issues thousands of financial aid checks each semester. Factoring in the cost and manual review time for paper checks, Middlesex had a clear business case for adopting Digital Disbursements.

“With Digital Disbursements, we don't have to write as many checks, so that's a lower cost to the college. It takes less time to reconcile a bank statement, because you don't have all these outstanding checks. So it just makes it easier overall, for reconciliation purposes.”

Kathy Rich
Comptroller, Middlesex Community College

Going live, getting results

The bank team worked closely with Middlesex during the three-month implementation, helping test systems and build student awareness. The Middlesex team applied their own creativity by devising a “penny test” to ensure that enrolled recipients could receive their funds — which has since become a standard part of every Digital Disbursements implementation.



Marketing efforts included posters throughout the campus, a sign-up link on the school's website and emails targeting students eligible for financial aid. Using Middlesex email addresses meant the college could draw on information it already has, while allaying student concerns about phishing, smishing and other scams.

Middlesex surpassed its enrollment goals just a week after launch, and within two semesters it had already reached 39%. As this forward-thinking institution explores additional uses for Digital Disbursements, it's clear they're just getting started.

“The thing that blew me away about the implementation was the amount of resources that Bank of America provided to the college. Everyone from the IT department to marketing. We met weekly, so it was almost impossible for Middlesex to not have a successful implementation.”

Chris Fiori
Director of Student Financial Services, Middlesex Community College