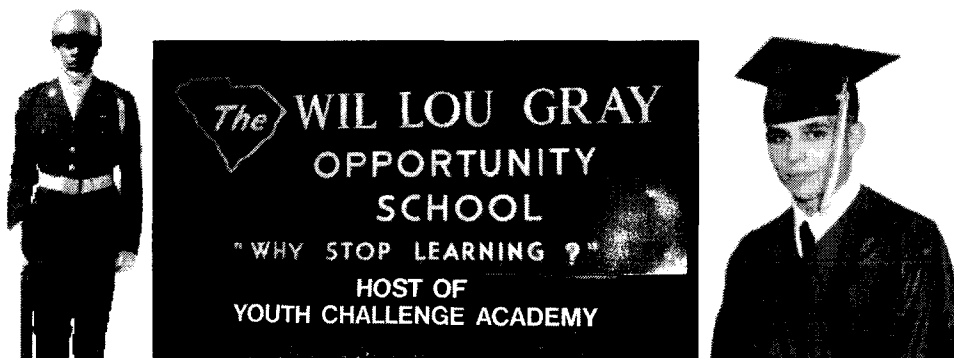


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AUTOMATE THE STUDENT BANK PROCESS



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CPM PROJECT PAPER
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AUTOMATE THE STUDENT BANK PROCESS

INTRODUCTION

I started as the Finance Director for the Wil Lou Gray Opportunity School on August 8, 2005. During my interview for the position, the Director of the School, Pat G. Smith, expressed his concern over the way the student bank was being handled. He wanted the process updated to allow for a quicker turn around and computerized checks to be issued. After starting the new position, the two employees of the section, Libby Key, Accountant I, and Donna Jeffcoat, Fiscal Technician II, approached me about the issue. They were also looking for a better way to process the information but felt they had not been given the tools or knowledge to improve the situation. The ultimate goal is to reduce the reconciliation time to 1 day and the time to issue checks at the end of the cycle to 1 day also. The two employees and I discussed the history of the bank and possible alternatives.

BACKGROUND

The Youth Challenge Academy is a 17-month program for 16 to 18 year olds designed to teach teamwork, self-worth, citizenship, individual responsibility, and life and work skills in addition to academic class work primarily focused on the GED. The School partners with the South Carolina National Guard to host residential phase of the Youth Challenge Academy. The residential phase is a twenty-two week cycle at the beginning of the program. The Guard provides each student a living allowance of \$15 for each week the student is in the residential phase. The School is the custodian of the student funds. Each school year consists of two cycles, one from July to December and one from January to June. A new class of students starts at the beginning of each cycle and at the end of

the cycle, the students graduate from the residential phase. The number of students varies from one hundred to two hundred and each student must have an account established to deposit the living allowance. At the end of the cycle, the account balance is disbursed to the student.

The person responsible for maintaining the student bank retired a year and a half ago. As part of the budget cuts, the position was not filled and the duties were split between two employees. The former employee maintained the student bank manually. Each student's funds were maintained in a separate envelope on site.

Upon the retirement of the employee, a bank account was established and all funds were combined. Currently, individual accounts are kept on Excel spreadsheets. The employees manually total all the individual spreadsheets to reconcile to the bank account. No mechanism exists to allow for entries to affect multiple accounts. For instance, the payroll must be posted manually to each worksheet for each student. Finally, checks at the end of the cycle must be written to the 100 -200 students to close their accounts. The checks are being handwritten along with the mailing envelopes.

The process for reconciling and closing the accounts is very labor intensive and time consuming. According to the two employees involved, the bank account requires up to 2 days to reconcile each month, the data entry takes on average ½ day per week, and closing the accounts (writing checks and preparing envelopes) takes two weeks of manpower. A general flowchart of the process is at Appendix 1.

Through discussions with the two employees currently involved in the process, I determined that three alternatives for tracking the Student Bank exist. The National Guard has a system for tracking the students in the program through their DMARS software. The

software has a living allowance/stipend module. The retired employee had briefly used DMARS with many reservations. The practice was discontinued well before she retired. Currently no one in the department has access to the system. The second option is to modify the Excel spreadsheets to allow for more automation rather than just record keeping. A linked rollup sheet would be needed to capture all the account balances and items that affect all accounts for reconciliation purposes. The last option is to find a specialized program for student bank accounting.

At a minimum, the items that must be addressed by any alternative are the ability to post to multiple sheets, a rollup of amounts to allow for reconciliation, and generate checks automatically.

INFORMATION SOURCES

I met with the Deputy Director of the Youth Challenge Academy, Jackie Fogle, about establishing access to the DMARS system for our office. We discussed the Living Allowance/Stipend module of the system. Since it had not been used in several years, he suggested I contact other Youth Challenge Academies to see if they were using that function. The Users Manual was in the DMARS systems and the portion covering Living Expenses/Stipends is attached at Appendix 2. Based on the review of the manual, we discovered that there was no way to issue checks from the system nor could we determine if there was any way to track expenses or balances in the system.

I did call other Academies in neighboring states. None of the Academies I talked to used DMARS to keep up with a student bank and each Academy handles the living expenses differently. For instance the Virginia Academy sets up an account for students in

conjunction with the Academy's store and the living expense allowed their cadets is \$5 per week. Most of the Academies kept the student funds in cash.

We also discussed using a modified version of the current Excel spreadsheets. The staff wanted an easier way to reconcile the bank account, which was one of the main issues with the current spreadsheets. One solution discussed was to develop a workbook/worksheet with links to the individual worksheets. These links would allow the balances on the worksheets to be updated automatically. We could use the workbook/worksheets to total the student account balances. This worksheet, if set up correctly, can also be used to issue checks through a mail merge. The only concern the staff expressed was their inexperience with Excel.

In order to allay the staff's concern about Excel, both employees were sent to Excel Level I and II classes. Based on the information from those classes, the employees indicated that they could make entries over multiple worksheets with minimal effort. However, the worksheets would have to be set up in such a way to "reserve" areas for certain transactions and we would have to separate the male and female student accounts since male students are required to have haircuts. It was also decided a third workbook for terminated students would be needed. Appendix 3 is a sample of the worksheet redesigned. This way any transactions made to the active students would not affect the terminated students' balances. Based on our discussions, the decision was made to do a trial for the current cycle of the modified Excel worksheets with the Summary Sheets.

During the current cycle, I continued to research the third option of specialized software for student bank accounting. After performing a Google search for student bank accounting software. I found a site for school accounting software. (www.capterra.com/school-accounting-software) The majority of software programs

listing at the site were academic, designed for tracking students with accounting, payroll and budgeting added. Two items appeared to be designed track student activity funds. These two items could be used to track individual student accounts. The two software programs were Kimputer Evolutions SchoolCash.NET (www.schoolcash.net) and Surfside Software School Ledger Report System (<http://www.surfsidesoftware.com/index.php?module=ContentExpress&file=index&func=display&ceid=6&meid=20>). I signed up to attend one the training sessions for SchoolCash.net and downloaded a trial version of the School Ledger Report System.

The School Ledger-Report System is a small accounting program that is very similar to Quickbooks, Quicken, or MS Money. The cost for the School Ledger Report System is \$299 for each copy. We could use one copy on the network and all access it from our computers. Based on the trial version, it is not possible to import the student names into the system and have an account established automatically. Entries can be made to individual sheets through the use of a drop down menu. However, each account must be selected separately. You cannot select multiple accounts. Checks can be written but the students would also have to be put in as vendors and each check would have to be processed individually.

The School Cash system is a web based system. The cost was not indicated on the website. Training sessions are held every Tuesday and Thursday via the web. I requested a seat in one of their training sessions but never heard back from them.

RESULTS

Based on the discussions with other Youth Challenge Academies and the USERS manual, the employees involved and I decided that DMARS would not suit our needs for the Student Bank.

After the cycle ended in December, I found out that the accounts were not reconciled during the cycle due to the late start on the Student bank. As a result, we had three months of activity to review and reconcile. However, once we were within a reasonable amount of reconciliation, we decided to issue the checks. The mail merge for the checks from the Student Summary Sheets worked and checks were printed and signed in one day. We used computer generated information from the DMARS system to print labels for the student refund envelopes. Using the modified Excel Student Bank, we were able to have all checks in the mail within one day vs. the two weeks it took in the previous cycle. If the reconciliation had been done every month, the entire refund process would have been done within three days of graduation, one day over the two-day goal (1 day-reconciliation and 1 day – check issuance).

Surfside Software School Ledger Report System would allow computerized check writing and automatic bank reconciliations but does not allow for entries over multiple accounts. Also the students' names would have to be entered twice, once as an account and once as a vendor. Therefore, we could not do mass transactions as is necessary at the end of the cycle.

CONCLUSION

The project was to determine if there was a way to improve the Student Bank accounting process by automating functions. The three most important issues when

considering the solutions were the ability to post to multiple sheets, a rollup of amounts to allow for reconciliation, and generate checks automatically. Three options were considered and researched. The options were the National Guard's DMARS tracking system, modifying the current Excel spreadsheets, and specialized accounting software such as School Cash or the School Ledger Reporting System.

The DMARS system is available at no cost to the School but did not allow for automated check writing or for entries against multiple accounts. We eliminated this option due to the limitations in the system.

The modified Excel spreadsheets with the rollup sheet and a check mail merge allowed us to post items over multiple worksheets, eased the reconciliation burden by automating the totaling of the student bank balances, and checks were printed from the mail merge as a mass transaction. This solution met all our immediate needs. The mail merge for check writing worked well enough with the Student Bank, we have expanded its use to another fund collected from parents at the beginning of the cycle to pay for miscellaneous expenses.

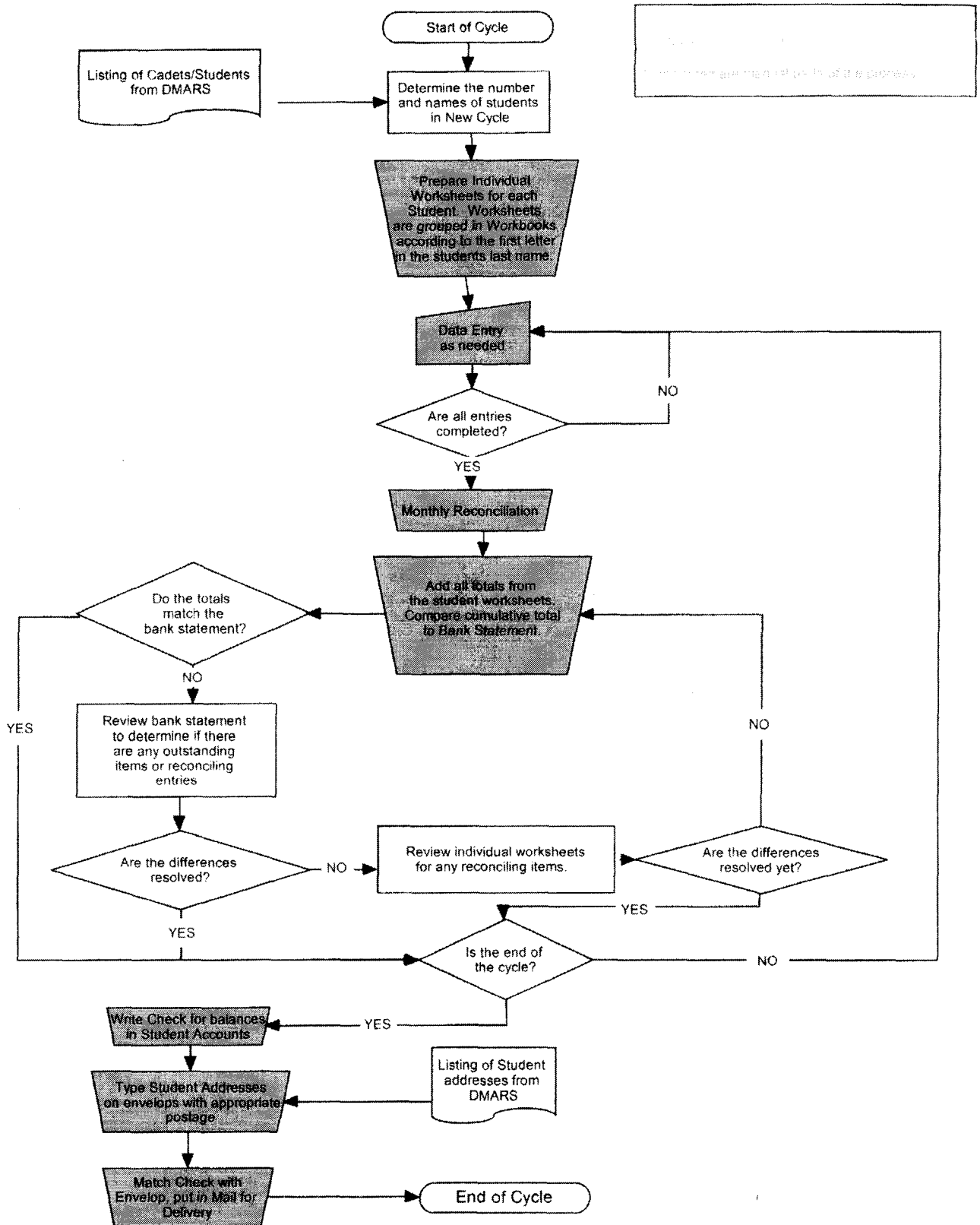
The specialized School Accounting Systems researched did not allow for automatic check writing and the students had to be entered as accounts and as vendors. The method for posting transactions to multiple accounts was tedious. This solution was the only one with a cost associated with it.

RECOMMENDATIONS

Based on the discussions and research, the group (the employees involved in the process and I) decided to use the modified Excel process for the immediate future. The project will not be considered a total success until all aspects is automated, from using an

Excel generated spreadsheet to set up accounts automatically to the final check issuance.
We will continue to research the market and update our training on current software's to ensure that we take advantage of any new developments.

Appendix 1 - Overview of Student Bank



Appendix 2 DMARS User's Manual Excerpt

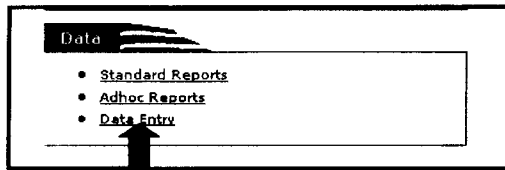
Chapter 15 – Payments

Under Corpsmembers, the Payment forms allow data to be entered to monitor and manage the payments to Corpsmembers for Living Allowance and Stipend. The amounts for these categories **MUST BE ENTERED ON THE CLASS INFORMATION SCREEN UNDER ADMINISTRATION AND MUST BE UPDATED FOR EACH CLASS.**

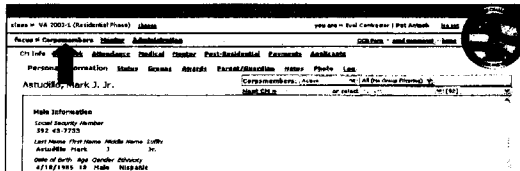
15.1 Living Allowance: This is an "allowance" that is authorized as a payment to Corpsmember as indicated in the Cooperative Agreement. This amount cannot exceed \$15.00 per week.

To view and/or edit a Living Allowance:

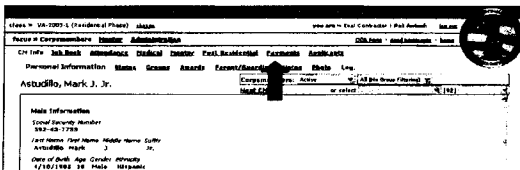
Step 1: From the Home screen, click on the *Data Entry* link.



Step 2: From the Data Entry screen, click on the *Corpsmembers* link near the top of the screen.

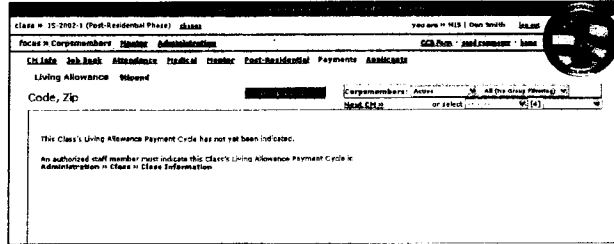


Step 3: From the Corpsmembers screen, click on the *Payments* link.



Step 4: From the Payments screen, click on the *Living Allowance* link.

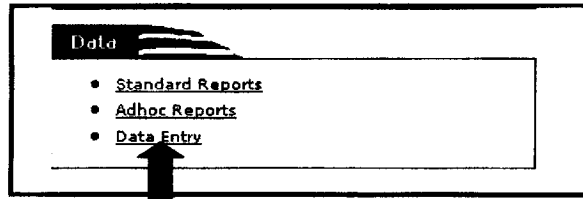
Step 5: From the Living Allowance screen, a Corpsmember Living Allowance can be viewed. If a living allowance authorized amount does not appear, a staff member must enter the amount on the Class Information screen in Administration.



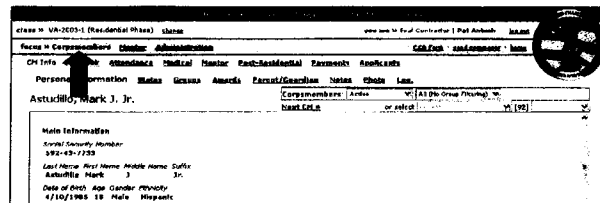
15.2 Stipend: This is a "stipend" that is authorized as a payment to Corpsmember as indicated in the Cooperative Agreement. This amount cannot exceed \$2,200.00 and is paid during the Post-Residential Phase in accordance with the NGB Policy Letter.

To view and/or edit a Stipend:

Step 1: From the Home screen, click on the *Data Entry* link.



Step 2: From the Data Entry screen, click on the *Corpsmembers* link near the top of the screen.



Step 3: From the Corpsmembers screen, click on the *Payments* link.

class = VA-2002-1 (Residential Phase) Class you are = 1st Clerk (1st) Pat Arkosh 12/28/02

Focus = Corpsmembers Member Administration CCR Form - and Comments - Help

CM Info Job Rank Attendance Medical Number Post-Residential Payments **Appellate**

Personal Information State Group Awards PAROLE/STATUS Status LSA

ASTUDILLO, Mark J. Jr. [Corpsmembers] [Active] [All the Group (Ranking) W] [Post-Residential] [W] [or select] [12/28/02]

Main Information
 Social Security Number
 392-43-7733
 Last Name First Name Middle Name Suffix
 ASTUDILLO Mark J Jr
 Date of Birth Age Gender Ethnicity
 4/16/1965 16 Male Hispanic

Step 4: From the Payments screen, click on the *Stipend* link.

class = VA-2002-1 (Post-Residential Phase) Class you are = NTE (1) Don Smith 12/28/02

Focus = Corpsmembers Member Administration CCR Form - and Comments - Help

CM Info Job Rank Attendance Medical Number Post-Residential Payments Appellate

Living Allowance **Stipend**

Code, Zip [Redacted] [Corpsmembers] [Active] [All the Group (Ranking) W] [Post-Residential] [W] [or select] [12/28/02]

This Class's Living Allowance Payment Cycle has not yet been indicated.
 An authorized staff member must indicate the Class's Living Allowance Payment Cycle in Administration > Class > Class Information.

Step 5: From the Stipend screen, a Corpsmember's stipend can be viewed. If a stipend amount does not appear, a staff member must enter the amount in the Class Information screen in Administration.

class = VA-2002-1 (Post-Residential Phase) Class you are = NTE (1) Don Smith 12/28/02

Focus = Corpsmembers Member Administration CCR Form - and Comments - Help

CM Info Job Rank Attendance Medical Number Post-Residential Payments Appellate

Living Allowance **Stipend**

Code, Zip [Redacted] [Corpsmembers] [Active] [All the Group (Ranking) W] [Post-Residential] [W] [or select] [12/28/02]

This Class's Stipend Payment Cycle has not yet been indicated.
 An authorized staff member must indicate the Class's Stipend Payment Cycle in Administration > Class > Class Information.

