

Proposed Partner Model for Rensselaer Fraternity / Sorority Billing with Housing Grants

Draft 3 (comment stage): May 07, 2009

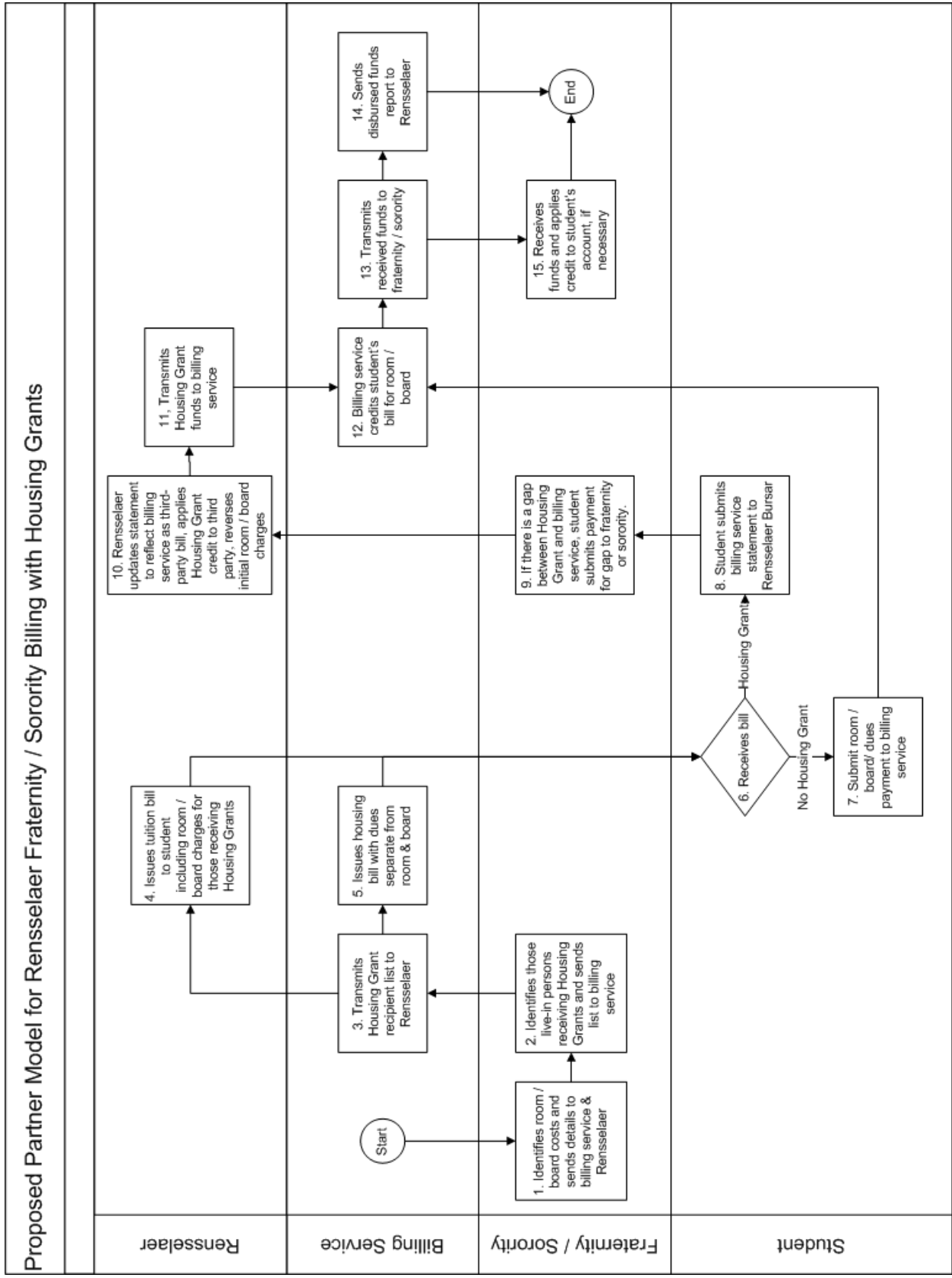
Beginning with the Fall 2009 semester, Rensselaer will apply Housing Grants to those eligible students who choose to live in a fraternity or sorority house. While the Housing Grants are intended for students with on-campus housing, Rensselaer recognizes that compelling these students to live only in Rensselaer-owned facilities would be severely detrimental to the Rensselaer Greek system. Therefore, Rensselaer has designated fraternity and sorority houses as on-campus housing for the purposes of Housing Grant eligibility.

The only option available today for Housing Grant-eligible students to be able to pay fraternities and sororities for their services is for the fraternity or sorority to register all students for the Rensselaer Bursar Billing service. Several fraternities and sororities use this service today but compelling all Greek organizations to use the Rensselaer Bursar Billing service places a greater burden onto already-strained Rensselaer resources. It also places a greater burden on the thinning ranks of fraternity and sorority volunteers with less available time to coordinate the billing process with Rensselaer.

Indeed, for many fraternities and sororities, their time is more wisely spent building a great chapter and strengthening the foundation of its chapter at Rensselaer. For those chapters, partnering with a third-party billing service gives them that lost time. Several Rensselaer fraternities and sororities have used Omega Financial with great success. Some chapters may be using other billing services today. While the AIGC has a list of chapters who use Omega Financial today, it does not yet have a list of other billing services in use today.

Unfortunately, a process to include a third-party billing provider does not exist at Rensselaer. This author believes it to be in best interest of both the chapter and Rensselaer to have such a process in place so a third-party billing service can do what it does best: ensure the proper collection of monies owed to its clients. This frees the chapter to do what it was meant to do: build a great chapter for the benefit of the Rensselaer community.

The attached process and description documents a proposal to implement a third-party billing partnership for fraternities and sororities housing students eligible for Housing Grants at Rensselaer. Because Rensselaer has already entered into discussions with Omega Financial to assist in identifying the proper process, the proposal uses Omega Financial as the standard for a third-party billing partner. The author bases much of the proposed process on existing features and functionality in both the Rensselaer Bursar Billing service and Omega Financial. However, the goal is a process for which any chapter can use any third-party billing partner, perhaps even its own housing corporation, provided that the billing partner can meet all the requirements outlined in the process.



1. The process starts with the fraternity or sorority detailing the room and board costs for those living in its facility. Because Rensselaer does not distribute Housing Grants for more than the cost of room and board, the burden is on the fraternity or sorority to correctly detail its room and board costs separate from dues, which are not considered part of the costs covered by the Housing Grant.

It may be possible to use portions of the existing process already in place with the Rensselaer Bursar Billing service to document and submit the necessary data to Rensselaer. Once complete, the chapter would also send to the billing service the amount to be billed to the student.

2. The fraternity or sorority sends a list of students living in its house to the billing service. The list will include an identifier for those students receiving Housing Grants.
3. To keep the process simpler with the fewest paths, the billing service will be the sole recipient of the student list from the previous step. The billing service will disburse that list to Rensselaer in a prompt fashion, ensuring that the fraternity or sorority need only send one list to one entity.
4. Rensselaer issues a tuition bill to its students. For those Housing Grant-eligible students living in a fraternity or sorority (as determined by the list from the previous step), Rensselaer will include the fraternity's or sorority's room and board cost in the bill.

At this point, Rensselaer will also include a credit equal to the value of the Housing Grant to the appropriate students' bills.

5. The billing service issues its bill for room, board, and dues to students living in the fraternity or sorority house. The bill will separate room, board, and dues as separate line items.
6. The student receives bills from both Rensselaer and the billing service.
7. If the student is not eligible for a Housing Grant, there will be no overlap between the bill from Rensselaer and the bill from the billing service. The student pays both bills separately.
8. If the student is a Housing Grant-eligible student, the student must submit the billing service statement to the Rensselaer Bursar. The process for submitting and processing this bill at Rensselaer does not exist today so Rensselaer and the students must work together to create this process.
9. If the Housing Grant-eligible student receives a Housing Grant that does not sufficiently cover all the costs billed by the fraternity or sorority, the student is responsible for the difference and submits payment for that difference directly to the fraternity or sorority.
10. Rensselaer updates the student's account to reflect the submitted bill from the billing service. Once certified, Rensselaer applies the Housing Grant credit from step 4 to the third party billing partner. Rensselaer reverses the initial room and board charge. The goal of this process is to reconcile the billing overlap in room and board such that the Housing Grant monies can be disbursed to the billing service.
11. Rensselaer disburses the Housing Grant funds to the billing service.
12. The billing service applies the Housing Grant funds to the correct students' bills.
13. The billing service disburses the correct Housing Grant funds to the appropriate fraternity or sorority.
14. The billing service sends whatever reports are necessary to satisfy and ensure Rensselaer that the billing service disbursed the Housing Grant funds to the correct group and students'

accounts. This process does not exist today and the billing service and Rensselaer must coordinate a reporting standard and methodology for these reports.

15. The fraternity or sorority receives the Housing Grant funds and validates that the billing service applied the Housing Grant correctly. If necessary, the fraternity or sorority collects dues directly from the student.

Change History:

Draft 1: Initial Release (March 2009)

Draft 2 (04/21/2009):

- Changed references to “Omega Financial” to “third-party billing partner” or “billing partner” to make process as generic as possible
- Began numbering drafts
- Introduced draft 2 to Rensselaer AIGC meeting (04/25/2009)
- Began comment stage

Draft 3:

- Included Step 9 to note that any difference between the Housing Grant and the fraternity / sorority bill is the responsibility of the student and the student should expect to pay the fraternity / sorority directly (added 05/07/2009)