

Campus Finance and Administration Representative Meeting

February 21, 2013



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The Growing Significance of Financial Aid in Higher Education

Presenter: Bill Wells, Director, Financial Aid

University Contractual Obligations

Presenter: Mary Cranfill, Executive Director, Procurement Services

Everything You Need to Know Before and After You Travel for Wake Forest

Presenter: Allison Belton, Director, Accounts Payable

Finance Website Walk Through

Presenter: Jennifer Rogers, Training & Communications Specialist

The Growing Significance of Financial Aid in Higher Education



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Access to higher education for the best and brightest students, and the financial aid which is necessary to make it possible, is a critical issue in this country and at Wake Forest. Many of our peer and aspirant institutions have made financial aid and scholarships an institutional priority, and Wake Forest finds itself competing on an increasingly un-level playing field. Against a backdrop of a struggling national economy, cuts to federal and state financial aid programs, and the increasing cost of higher education, we seem to be facing the perfect storm. At Wake Forest, with our *pro humanitate* foundation and our test-optional, holistic admissions process, we have publicly redefined “merit,” stressing our desire to enroll serious, intellectually curious, and philanthropic young people from a diversity of backgrounds. Sadly, these students are not the norm in a youth culture which appears to be increasingly hedonistic, materialistic and trivial. How do we ensure that Wake Forest will stand as an ideal and compelling model of undergraduate education for the 21st century? Much of the answer lies in our ability to recruit students whose primary motivations are an expansive life of the mind and a commitment to philanthropy and service. Our research suggests that if it were financially feasible, a larger percentage of these students would enroll at Wake Forest. By capping need-based loans and expanding our merit scholarship programs, enabling us to enroll the nation’s finest students, Wake Forest can move ahead in the higher education landscape, raising our undergraduate culture to a new level of purpose and achievement.

Peer schools are reducing loans

Diminishing support from federal and state sources

Demographic elements – more needy students

Less reliable capital markets/wealth creation among middle class citizens

Increasing cost of higher education

Larger Endowments of Other Schools

Per Student

Rice	\$710,000
Notre Dame	\$527,000
Emory	\$393,000
Duke	\$360,000
Vanderbilt	\$265,000
Wake Forest	\$136,000
Tufts	\$125,000
Georgetown	\$67,000

Data Sources: NACUBO, 2012. National Center for Education Statistics, Fall 2011.

The White House “College Scorecard”

2010-11 Cost of Attendance: \$54,135

**Average first-year grant
or scholarship from federal,
state, institution: \$22,950**

Net Price: \$31,185

Date Source: IPEDS, 2011-12, for Aid Year 2010-11

Vanderbilt	\$18,993
Rice	\$19,675
Duke	\$22,879
Notre Dame	\$24,632
Emory	\$25,094
Tufts	\$26,274
Georgetown	\$26,521
Wake Forest	\$31,185

Davidson, Vanderbilt: No Loans to Meet Need

**Rice: No Loans to Students from Families with Income
< \$80,000**

**Emory: No Loans to Students from Families with
Income < \$50,000**

**Duke, UNC-Chapel Hill, UVA, William & Mary: No
Loans to Students from Families with Income < \$40,000**

I was pleased with the admissions process at Wake Forest. There was a good possibility that I would have attended Wake Forest if I had received a monetary amount comparable to that which Davidson offered me. With Davidson, and the help of local scholarships, I would have no debt. With Wake, however, I would owe \$9,000.00 per year, even with the help of those local scholarships. I realize that Wake does everything it can to help students pay for college, and that results in some students not getting the amount that they had previously wanted. Although I could have attended Wake, choosing Davidson and avoiding \$36,000.00 in debt was the logical choice.

How much need do students from middle income families have?

\$100,000 income → \$41,000 need

\$125,000 income → \$37,000 need

\$150,000 income → \$31,000 need

\$175,000 income → \$25,000 need

\$200,000 income → \$18,000 need

\$225,000 income → \$12,000 need

\$250,000 income → \$5,000 need

Based on a family of four with one in college, and home equity of \$165,000 being the only asset.

Tuition/Fees	\$43,200
Room	7,800
Board	3,860
Subtotal	\$54,860
Books	1,100
Transportation	800
Miscellaneous	1,500
Total	\$58,260

Tuition/Fees	\$44,742
Room	8,000
Board	4,000
Subtotal	\$56,742
Books	1,100
Transportation	900
Miscellaneous	1,500
Total	\$60,242

3.4% increase

Annual loans are capped at \$4,000 for students from families with income < \$40,000, beginning in 2008-09 with new students.

Annual loans capped at \$5,000 for 51 middle-class Wake Forest Scholars in 2011-12, and 84 in 2012-13. (22 of 54 are endowed.)

Annual loans are capped at \$10,000 for all other needy students, beginning in 2011-12 with new students.

Only the neediest students receive Pell Grants. Students with Pell Grants have increased from 6% in 2006-07 to 11% in 2012-13.

Students with need have increased from 35% in 2006-07 to 40% in 2012-13.

Students from North Carolina make a significant contribution to our diversity. While 23% of undergraduates are from NC, 36% of students with need-based grants are from NC. 61% of students from NC have need, relative to 33% of students from other states. Students from NC received an average need-based grant of \$35,800, relative to an average \$26,200 to students from other states.

2007-08	\$22,595,821
2008-09	\$25,621,138 (13.3% increase)
2009-10	\$30,188,993 (17.8%)
2010-11	\$33,975,604 (12.5%)
2011-12	\$39,886,117 (17.4%)
2012-13	\$42,719,152 (7.1%)

“The calculation used here takes into account a school's academic quality, as indicated by its 2013 *U.S. News Best Colleges* ranking, and the 2011-2012 net cost of attendance for a student who receives the average level of need-based financial aid.”

Wake Forest, ranked 27th among national universities, is ranked as the 33rd best value .

Duke	9
Rice	10
Vanderbilt	16
Emory	18
Notre Dame	22
Georgetown	25
Tufts	32
Wake Forest	33

56% receive aid (2,688 students)

47% receive WF grants (2,246 students)

61% of NC students have need (665 students)

40% of all students have need (1,902 students)

\$37,551 average need-based award

\$33,271 average award

\$29,732 average need-based grant

\$26,974 average institutional grant

% Students with Need-Based Grants & Average Grant, 2011-12

Vanderbilt	43%	\$37,478
Duke	43%	\$36,877
Emory	47%	\$33,323
Georgetown	38%	\$31,830
Rice	43%	\$31,252
Tufts	37%	\$30,711
Wake Forest	39%	\$28,513
Notre Dame	48%	\$28,324

Rice	\$16,528
Vanderbilt	\$18,543
Duke	\$21,713
Tufts	\$24,468
Georgetown	\$28,035
Emory	\$28,076
Notre Dame	\$30,225
Wake Forest	\$35,070

Institutional Methodology (IM)

Includes home equity

Minimum student contribution

Non-custodial parent contribution

**Income not included in AGI on tax schedules and
corporate & partnership tax returns**

Federal Methodology (FM)

Based on tax form AGI

Eligibility Index for rationing limited grants

**Eligibility Index for work-study and subsidized
loans**

FAFSA

Required for all type of federal aid

FAFSA on the Web: www.fafsa.ed.gov

Submit after January 1 and by **February 15**

Federal processor sends results to student (SAR) and colleges (ISIR)

CSS PROFILE

Required for institutional aid

Apply online: <http://profileonline.collegeboard.com>

Submit after October 1 and by **February 15**



Need Analysis Case Study

Institutional Methodology

Total income for year

(taxable + non-taxable)

MINUS: **Federal tax paid**
 State tax paid
 Social security withholding
 Income Protection Allowance
 Annual Education Savings Allowance
 Child support paid by parents
 Employment allowance

EQUALS: **Available income**

From Income

Available Income

TIMES: Percentage (22% - 46%)

EQUALS: Contribution from Income

Parent Contribution is prorated according to number of children in college

From Assets

Cash, savings and checking accounts

Home equity (market value minus amount owed, capped at two times income)

Investment equity

Other real estate equity

Adjusted business/farm equity

Does not include retirement plans

From Assets

Total Net Assets

MINUS: Emergency Reserve Allowance
 Cumulative Education Savings Allowance

EQUALS: Net Worth

TIMES: 3% - 5%

EQUALS: Contribution from Assets

Parent Contribution is prorated according to number of children in college

Total income for year
(taxable + non-taxable)

MINUS: **Federal tax paid**
 State tax paid
 Social security withholding
(FM only) Income protection allowance of \$6,000

EQUALS: **Available income**

TIMES: **Parent assessment rate (22-46%)**

EQUALS: **Student Contribution from Income**

Student assets x 3 - 5% (parent rate)

+

Trust Funds x 25%

EQUALS: Student Contribution from Assets

Case Study

Parents' Contribution

Total Income	\$150,000
Federal Tax	23,150
State & Other Tax (NC)	13,500
FICA (5.65% of wages)	8,476
Income Protection (family size = 4)	29,020
Annual Ed Savings	2,280
Employment Allowance	4,010
Available Income	69,564
Contribution from Income (33%)	\$22,980

Case Study

Parents' Contribution

Cash, savings, checking	\$10,000
Home equity	100,000
Investment equity	65,000
Other real estate equity	0
Adjusted business/farm	0
Total Net Assets	\$175,000

Case Study

Parents' Contribution

Total Net Assets	\$175,000
Emergency Reserve	27,720
Cum Ed Savings	48,480
Net Worth	\$89,710
Contribution from Assets (3.9%)	\$3,464
+ Contribution from Income	\$22,980
Total Parent Contribution	\$26,444

Case Study

Student's Contribution

Total Income	\$2,500
Federal Tax	0
State Tax (NC)	63
FICA	141
Available Income	2,296
Min. Contribution from Income	1,800
Total Assets	0
Contribution from Assets	0

Case Study

Family Contribution

Parent Contribution	\$ 26,444
+ Student Contribution	1,800
= Family Contribution	\$28,244

Total Costs	\$58,260
- Family Contribution	\$28,244
= Need	\$30,016

WF College Scholarships	18,000
Federal Work-Study	2,000
Loans	10,000
TOTAL AWARD (66% gift)	\$30,000

Total award is 51% of total costs.

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University Contractual Obligations

Mary Cranfill



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Understanding University obligations—SRI initiatives

- ✓ What can be bid?
- ✓ What should we be budgeting for?

Elimination of multiple contracts for the same vendor

- ✓ Same terms, same pricing for all WFU
- ✓ Potential to work with WFBMC on consolidated contract

Review for multiple contracts for same commodity

- ✓ Consolidation of spend can lead to better pricing and more value adds
- ✓ Potential to combine spend with WFBMC

Ensure proper risk management mitigation

- ✓ Certificate of Insurance, W9 or W8-BEN for foreign suppliers
 - ✓ Ensure proper IRS due diligence is performed
 - ✓ Evaluate supplier compliance with contract terms
 - ✓ Compliance with Title IX for the protection of our minors by closely monitoring who is on our Campus
-

We need:

- ✓ All signed current contracts—defined as any signed document between WFU and a third party which obligates any University resources (financial, space, employees, intellectual property)
- ✓ Examples: WFU standard contracts, supplier standard terms and conditions, other agreements, memoranda of understanding, software licensing agreements and letters of intent.
- ✓ When in doubt, send it!

We DO NOT need:

- ✓ Any contracts relating to Employment or University Grants
- ✓ Expired Contracts (exception: if terms of contract are still in force even if expired)

Status Report:

- ✓ To date we have received and cataloged 805 contracts.
-

Develop central repository database

- ✓ **Monitor contract term dates**
- ✓ **Update expired information (COI, W-9)**
- ✓ **Establish proper access & reporting**

Develop process for on-going contract collection

Evaluate current contracts for savings possibilities and budget development

Questions?

What You Need to Know Before and After You Travel

Allison Belton, Director, AP



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Travel Simplified

What to Think About Before and During Domestic Travel

- **Domestic Travel—General Information for Planning**
 - Obtain prior approvals that may be required by policy or your department
 - Review policies to see if anything has changed
 - To ensure the most economical travel, book travel as far in advance as you can—at least 14 days, if possible
 - Know your funding sources and verify your budget
 - Ask yourself if you will need an advance—these take additional processing time
 - **Ensure all expenses are necessary, proper and reasonable.**
 - **Items that are not reimbursable:**
 - Upgrades and preferred seating
 - Airline and hotel memberships
 - Flight insurance (only for domestic travel)
-

- **Keep all detailed and summary receipts for items purchased or services used while traveling**
 - **Exception: Any travel expenses that are \$50 and under do not need substantiation, excluding lodging**
 - **Examples of travel expenses:**
 - **Transportation, such as taxis, shuttles, etc.**
 - **Tips to bellmen, porters, etc. (reasonable in amount)**
 - **Meals for yourself while in travel status**
 - **Per diems are not allowed for domestic travel**
 - **Refer to the Travel, Meals and Entertainment Policy, Schedule E, for a list of non-reimbursable items**
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Travel Simplified

What to Think About After You Return From a Domestic Trip

- **If you received an advance and you did not use all the funds, the unused funds should be deposited at the Cashier's Window and coded to 111111-11022.**
 - **The receipt should be attached to the documentation submitted to Accounts Payable to clear the advance**
 - **All expenses should be accounted for within 60 days from the date the expense was incurred and 30 days from return of trip, whichever is later**
 - **Complete documentation should be submitted to Accounts Payable**
 - **Accounts Payable is located at the UCC building**
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Travel Simplified

Domestic Travel Documentation Requirements

- **By definition a receipt includes:**
 - **Date of transaction**
 - **Merchant / supplier name**
 - **Detail of the items purchased or the services rendered**
 - **Statements and credit card copies are not sufficient**
 - **Form of payment**
 - **Cash, check, credit card**
 - **Amount**
 - **Proof of payment**
 - **Airfare change fees or cancellations should be evidenced by a new detailed itinerary and business purpose for the change**
-

- **Receipts are required if individual charges total \$50 or more for:**
 - **Baggage fees**
 - **Gas for automobile rentals**
 - **Taxi, parking or shuttle services**
 - **Meals—individual**
 - **Meals—group (all internal WFU people in attendance)**
 - **Detailed receipts are required for:**
 - **Airfare**
 - **Automobile rental**
 - **Lodging**
 - **Meals—individual totaling more than \$50 (both detail and summary receipt required)**
 - **Meals—group totaling more than \$50 (both detail and summary receipts required)**
 - **Registration**
-

- **Detailed receipts are required for (cont.):**
 - **Meals—with outside WFU people for any amount**
 - **Registration**
-

Travel Simplified

International Travel

- **International Travel—General Information for Planning**
 - All points from domestic travel, plus:
 - An employee must complete an International Travel Form
 - You cannot seek a per diem and reimbursement for actual meal expense for the same trip; therefore, the University credit card should not be used for meals while traveling internationally
 - **All receipts in a foreign currency should be converted to US dollars prior to sending to Accounts Payable**
 - If you use a bank conversion rate or a rate from an agency other than the rates published at www.exchangerate.com or www.xe.com, you should provide documentation of the exchange rate used.
 - **All receipts in a foreign language should be translated prior to sending to Accounts Payable.**
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- **You cannot seek payment for a per diem and reimbursement for actual expenses for the same trip for meals**
 - **Per diem rates by location are published at <http://aoprals.state.gov/>**
 - **If entertaining someone outside the University, please contact AP for more information**
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- **Quick Guides** that may be of assistance:
 - **How to complete a Travel and Entertainment Voucher**
 - **Traveling Domestically**
 - **Traveling Internationally**
 - **Travel Receipts: Required Information**
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Code of Conduct



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The Compliance Office is seeking input on the redesign of the [code of conduct](#).

Think specifically of your area when you review the code:

- What topics should be covered that aren't?
 - What topics should be removed, if any?
- How can this book be more relevant to your daily life at WFU?

If you would like a hard copy, email Mary Truell at truellmm@wfu.edu.

Also, send your responses/input to Mary by email or phone at 716-5262.

Finance Website Walk Through

www.finance.wfu.edu
