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## CASE STUDY



### Florida State University - 1098-T's



#### 1098-T Requirements

According to the Tax Payer Relief Act of 1997, all higher education institutions must provide a 1098-T Tax Form to any student that paid any qualified tuition and/or expenses in a given year.

#### Problem Being Addressed

In October of 2006, Florida State University (FSU) conducted a review of their internal processes of printing and mailing 1098-T Tax Forms. FSU concluded that they needed to investigate the possibility of outsourcing this process to determine which would be the most efficient and cost-effective way to provide this mandatory form. With upwards of over 40,000 students, 1098-T processing was digging deep into FSU's time and budget.

In past years, FSU's 1098-T processing consumed about five days of their office staff's time. Time was spent ordering, printing, sealing, sorting, and mailing these forms. Additionally, more time was spent validating the data in the forms, as well as conducting test runs. Moreover, FSU's budget was feeling the 1098-T impact by having to purchase blank forms (FSU would regularly order 10 percent more forms than they needed to allow for any spoilage by the printer), set-up extra phone lines, hire two temporary workers to answer inquiries for at least 2-3 months, and assign a project manager to the 1098-T project from early November through late April.

#### Selection Criteria

FSU based their needs on the following processes, which an external third party would provide.

- *Printing and Sending 1098-T Forms*
- *Sending Reportable Data via Electronic Form to the IRS*
- *Providing Electronic Access to the Students*
- *Providing Telephone Support to Answer Questions*
- *Maintaining Archived Records for the Forms for Five (5) Years*
- *Providing a CD of the 1098-T Forms that were Sent for FSU to Maintain*

With FSU already a client of ECSI's industry leading Student Loan Servicing (SAL), they started their search for an outsourcer with ECSI; it would prove to be as far as they needed to go.

#### Service Description and Value

After a quick and easy conversion to ECSI's 1098-T solution, FSU was the envy of other schools in their area, according to Marcia Murphy, Director – Student Financial Services for FSU. ECSI was

able to provide to FSU a solution that works exceedingly well and saves them both time and money. ECSI's 1098-T solution included:

- *Ability to Accept Files in Any Format, Layout, or SIS System(s)*
- *Dedicated Project Managers who assisted with File Preparation, Testing, and Staff Training*
- *Unlimited Customer Service and Phone Support for FSU's Staff and Student/Taxpayers*
- *Mailing of all forms prior to the January 31st deadline*
- *Customization of each 1098-T Form to assist Student/Taxpayers and Reduce Questions*
- *IRS Data File Submission by the March 31st Deadline*
- *Storage of all 1098-T Forms Stored on ECSI's Web Site for Ten (10) Years*

According to Greg Atkins, Assistant Controller – Lending Operations, ECSI was able to save them 10 percent over their past 1098-T expenses. Due to this savings, FSU was able to better handle budget cuts that were implemented over the past year. As for time saved, ECSI's 1098-T solution provided FSU relief during a busy time of year and allowed their staff to concentrate on their regular duties without having to worry about 1098-T's.

Today, FSU's 1098-T processing now only consists of sending a file. This translates to no more than a few hours of work by an IT staffer. FSU is now able to rest easy come 1098-T season, knowing a company with an excellent reputation is handling their processes.

## Strengths

ECSI is able to stay ahead of our competition by being very flexible with the customization of the form and we also possess the ability to handle special requests in a very fast and accurate manner. This means that if things need changed come January 1st, ECSI will still be able to get the 1098-T's out the door by the January 31st deadline.

## References

**"Florida State University is thrilled that ECSI's 1098-T solution provides workload relief during a hectic time of the year. Plus, it makes it much easier on our budget during these tough economic times."**

- *Marcia Murphy, Director-Student Financial Services*

**"ECSI's 1098-T solution has not only saved Florida State University upwards of 10 percent over our regular 1098-T budget, but they also save us from any headaches that come with having to process and send the forms or taking the extra calls that usually come flooding in."**

- *Greg Atkins, Assistant Controller -Lending Operations*

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## ECSI Background

Since our inception in 1972, ECSI has established itself as the Industry Leader by being the most responsive, stable, and cost-effective company in the Student Loan Management Industry.

More than 1300 Colleges and Universities across the country would agree. Our Superior Technology, Custom-Designed Solutions and World Class Customer Service are evidence that 39+ years of continuous ownership fulfills a promise of unparalleled quality and reliability.

**For more information or to arrange a demonstration, please contact the ECSI Sales Department at 1.866.841.ECSI (3274) or e-mail us at [sales@ecsi.net](mailto:sales@ecsi.net). We'd love to hear from you.**