



Some colleges are no dummies: Smart cards have nearly unlimited possibilities

Last in a [five-part series](#) on college life and money

By [Lucy Lazarony](#) • Bankrate.com

Remember when a student ID was used for registration, midterms, movie discounts and not much else?

Well, times have changed.

Today students can buy books, do laundry, pay tuition, order pizza, make long-distance phone calls and more, all with their trusty student ID cards and thanks to the power of magnetic stripes. Many cards are linked to bank accounts and students can use them to get cash at automated teller machines and to pay by debit both on campus and at stores around the country.

And that's only the beginning.

Some universities have taken it a step further: They've added computer chips to their ID cards, which are called "smart cards." These new cards can store up to 500 times more data than traditional magnetic stripe cards.

A glimpse of the future

In the future, a university smart card could be used to access university records, check test scores, tally customer loyalty points at stores and restaurants, store medical information and make travel arrangements -- not to mention accessing the Internet and online shopping.

"The only constraint is the amount of memory on the chip and that seems to be growing every year," said Don Gentry, national sales manager of card systems at Diebold Inc., the Canton, Ohio-based company that provided smart card terminals to the campuses of California's Pepperdine University, the University of Pennsylvania and Penn State University.

- advertisement

See Also

- [Check out other reports in our 'Off to College' series](#)
- [Banking information](#)
- [The basics: ATMs](#)
- [Definitions: ATM and checking terms](#)
- [More ATM stories](#)



National Rates

OVERNIGHT AVERAGES

Rates may include points.

30-yr fixed mtg	6.29%	▼
48-month new car loan	6.91%	▲
1-yr CD	4.90%	▲

[Compare rates](#)

[Rate Alerts](#)

CD & INVESTING NEWS

Free newsletters!

Sign up now. See [sample](#).

E-mail address: ZIP Code

RELATED CALCULATORS

[How long will your savings last](#)

[How to reach a savings goal -- with scheduled payments](#)

[Watch your savings grow with regular deposits](#)



The
AARP Money Market Fund
has one of the
highest yields
in the market today.

[DOWNLOAD PROSPECTUS](#) ▶ See our current yield now

AARP Financial
Mutual Funds
Distributed by ALPS Distributors, Inc. From AARP Financial Inc.

The
AARP Money Market Fund
has one of the
highest yields
in the market today.

[DOWNLOAD PROSPECTUS](#) ▶ See our current yield now

AARP Financial
Mutual Funds
Distributed by ALPS Distributors, Inc. From AARP Financial Inc.

[VIEW ALL](#)

BASICS SERIES

[Checking Basics](#)

Manage your account in a fee-friendly way.

- [What's the best checking account for me?](#)
- [ABCs of ATMs](#)
- [What are all these fees?](#)
- [Is online banking secure?](#)

MORE ON BANKRATE

[Banking glossary](#)

[News archive](#)

[Keep an eye on the leading rates](#)

[Find a high-yielding CD](#)

ADVERTISING PARTNERS



Get a 5.40% APY Savings Account

Smart uses

More than 40 universities across the country have made the leap to smart cards. The reason? New uses for magnetic stripe cards on campus are dwindling, while smart card applications are just beginning to emerge.

"Most of the universities going to smart chips are forward-thinking," said Lyn White, executive director of the National Association of Campus Card Users in Durham, N.C. "They want to be known as top of the line."

For now, most campuses with smart cards are thinking small, as in small change. Rather than fumbling in their pockets for coins, students can pop their student ID card into campus laundry machines, photocopiers and vending machines, then the value of the item is automatically deducted. Students can load as much as \$100 in value on the cards by inserting \$5, \$10 and \$20 bills in cash-to-card terminals around campus.

Some college programs

"Students like to go pretty light. They don't like to carry a lot around with them," said Joel Weidner, project manager for [Penn State University](#)'s id+ program. "If they can use the card to get a snack or soda or to get something to eat, they're happy."

Penn State's id+ program is being rolled out this fall on its main campus, and it will eventually make its way to Penn State's 23 satellite campuses. Unlike many ID card



WORLD ALLIANCE: 12 Clos Belmont – 1208 Geneva – Switzerland

EUROPEAN ALLIANCE: Na Porici 12, - CZ – 11530 Praha 1 – Czech Republic

YMCA Kosovo: Ali Kelmendi 35, 10000 Prishtina, Kosovo, + 377 44 310231 ymcacosovo@yahoo.com www.ymcaks.com



programs that link to the checking accounts of one or two financial institutions, Penn State id+ gives students the choice of six banks and the Penn State Federal Credit Union.

It plans to accept ATM cards at its cash-to-card terminals sometime next year. That way students would be able to load money on their ID cards from their banking accounts.

That's already happening at the [University of Michigan](#), which has had a smart card program since 1995. The cards can be used at 345 locations on campus and at 85 off-campus stores and restaurants as well.

"Students basically like the system but they'd like to see it used at more locations," said Robert Russell, assistant director of financial operations at Michigan.

At present, the university is working with the city of Ann Arbor to have the "Mcard" accepted at city buses and parking meters.

[Florida State University](#) is also eyeing the future with its 2-year-old smart card program. Students will soon be able to pay by smart card at 68 pay phones around campus. It is also looking to add loyalty programs with off-campus stores and restaurants, and to allow students to use their smart card for online access to university records. Students would be able to access transcripts, course schedules and more from any computer with Internet access, by inserting their FSU Card into a portable smart-card reader.

FSU is also considering adding a separate book-buying account to its ID card. Money loaded into these accounts could only be used to buy course materials at bookstores.

What about security?

With as much as \$100 already being loaded on the card, is there a concern about security? After all, losing an ID card with \$20 loaded on it is the same as dropping a \$20 bill on the ground. Anyone who finds the card has access to that money.

Remarkably, universities say card loss is generally low. Because of all the functions on the cards, students keep them close at hand and take them everywhere they go.

"They're very careful with it. More so than they would be with an ID that you pull out once in a while," said Dianna Norwood, director of the Card Application Technology Center at Florida State.

And just as remarkable, when a student does lose a card, it often turns up at the FSU Card center with its full value still loaded on the card.

"It kind of redeems your faith in humanity," Norwood said. "Nine out of 10 times the money is still there."



Save your money with
[ING DIRECT!](#)

<>



5.05% APY Savings:
[E*TRADE Bank](#)



[Citibank Ultimate Money. Details.](#)

<>



- advertisement -

5.05%
ANNUAL PERCENTAGE YIELD
American Dream Savings Account
EmigrantDirect™

[Learn More ▶](#)



4.75% APY*
High Yield Money Market Account

