
Blue Marble University

A New Education Model for a New World

Dr. Walter P. Drake, Director

**3rd Floor, C & H Towers
Corner of Great Marlborough
and Great George Streets
Roseau, 00152
Commonwealth of Dominica**

**WalterDrakeJD@bluemarbleuniversity.com
<http://bluemarbleuniversity.com>**

Why We Changed to Private Banking

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We operate out of the *Commonwealth of Dominica* as an international educational institution. Consequently, we have to have a smooth process for receiving payments from our international students all over the world. And likewise, we need to make international cross border payments for faculty, operations, and supplies. All such activities have been made more difficult due to new banking and other regulations which went into effect in the USA after 9/11, and additional regulations implemented world wide relating to the "war on terror".

Western Union is the gold standard for international cross border payments. Western Union is essentially an international person to person payment system. It is generally not possible to send a Western Union payment to a bank account, nor to a company. Only individuals may be recipients.

An international bank account for our institution in Dominica has proven to be unwieldy and unworkable. There are language issues, translation delays, and high fees for wires in and wires out, not to mention substantial account maintenance fees. A \$70 USD wire fee on an outgoing payment of \$250 for a staff member makes little sense when we are trying to offer the lowest cost program possible. And when a student's wire may have been misplaced many times due to the failure to notate it properly, it has been difficult to obtain proper credit.

We have tried various third party payment processors. These are financial services companies that allow our students to make payments via credit card. But third party payment processors have come under the gun from USA regulations, and may likely either be out of business, or limit their business to a narrow range of customers, such as online retailers that charge small amounts per item. In addition, these third party payment processors are also expensive to use, in some cases charging 15% or more on transactions. These charges have to be passed on in higher tuition fees.

When it comes to credit cards, there is a massive credit card fraud occurring at this time. The result of it has been that when credit card payments are accepted, those payments to us can be held up for extended periods of time to determine if fraud is occurring. Moreover, since most of our fee amounts are large (for example, \$2700 USD for full year tuition in advance),

most people, particularly international students, do not have credit card access to those levels of funds or even for our \$250 USD monthly payment. Consequently, the ability to offer payment via credit card, has not proven to be very useful to our students.

Our main mission is to offer a scholarly, low cost educational program. Everything that can be done to reduce our operating costs must be considered. And in the area of banking and financial transactions, we have concluded that reduced costs can be obtained by establishing our own in house private banking procedures using primarily **Person to Person Transfers to our Designated Payment Agents Walter P. Drake (Director) and Acharaporn Udomsri (Comptroller and Registrar)**.