



THE RISE OF THE CASHLESS SCHOOL

While many schools are reaping the rewards of going cashless, a number are still not aware of PayPoint. If your school is going cashless, are you catering for the needs of cash based payers? *EdExec* investigates



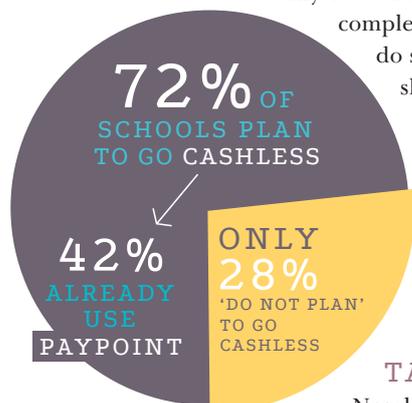
WHAT'S THE DEAL WITH GOING CASHLESS?

Back in 2004, the cashless revolution was just stirring in schools when Croydon Council became one of the first local authorities to adopt a fully cashless system. Since then, thousands of schools have joined the growing trend, seeing an increased uptake in school meals and vastly reduced admin burden as a result. In fact, in some schools using a cashless payment system, a saving of up to £15,000 per annum in administration time and cost has been calculated.

HOW MANY SCHOOLS ARE PLANNING TO GO CASHLESS?

More than 70% of schools surveyed have already taken the first step towards introducing a form of online payment, although only 16% of schools said that they've gone completely cashless or are about to do so. Research by ParentPay

showed that some schools still want to provide for cash-based payment, whilst in many secondary schools pupils still queue up to pay in the canteen.



WHY HAVEN'T ALL SCHOOLS TAKEN THE LEAP?

Nearly 25% of school staff are

unaware that an online payment system could still enable cash-based payers to pay by cash in thousands of local PayPoint shops across the UK. PayPoint enables those who prefer to use cash to pay their utility bills and also school payments to do so; removing the need for the handling and transference of cash by school staff. This system is available in over 27,000 local convenience stores, newsagents, supermarkets, garages and off-licences across the UK, located within a mile of 95% of the UK population.

The commonly-used argument against removing the option to pay with cash is that not every parent is happy or able to use the internet to make payments; either because they receive their income in cash, don't have secure internet access or are experiencing financial difficulties. As a result, many schools, believing they can't ever go cashless because they have a social demographic of cash-based payers, will decide to always accept cash even if online payments are offered.

The vital fact missed by these schools is that those same parents can and probably do use PayPoint to make a huge range of payments such as utility bills. Added to this, 3G/4G internet access via mobile phones is becoming increasingly accessible.

WHAT ARE THE MAIN BENEFITS FOR BUSINESS MANAGERS?

Maria Tillet, business manager at Theale Green Community School, joined the school after working in the world of banking.



Hints and tips on investing in and selecting a cashless payment system

1. Make a business case

Carry out a simple cost analysis based on the time it takes administrators to collect payments and manage the cash. Suppliers should be able to provide case studies and referrals that support your arguments.

2. Decide on your final objective

Ask the supplier/s you're considering working with to provide evidence of what's realistically achievable and check this by contacting schools already using the system.

3. Do the maths

Build a quote comparison between suppliers for the cost of a cashless payment system, and remember to encompass the total cost of ownership; any annual costs; training and support costs (is the support line at a premium rate?) and upgrades. Also ask whether you can easily import new student data directly from your school management information system (MIS).

4. Provide for cash-based payers

Does the solution offer socially inclusive payment options such as PayPoint?

5. Protect against fraud

Ensure your chosen system offers a secure Payment Collection Service to avoid the dangers of collecting money from parents' debit and credit cards. Whoever a school uses to collect payments should be PCI Compliant, ideally Level 1, so ask for the supplier's certificate to prove it. Equally, if you chose to take card payment collection responsibility yourself, consider the cost of security compliance training for staff.

6. Check reporting features

Ensure your system allows you to record and report on Universal Infant Free School Meals (UiFSM), Free School Meals (FSM) and paid for meals. A good system will offer a broad reporting functionality including income reconciliation, electronic payment receipts, audit trails and banking reports.

7. Remember alerts and reminders

Providing balance alerts to parents can help reduce the need to chase parental debt and in turn reduces admin time.

8. Find a healthy supplier

Check the financial stability of your preferred supplier. If they are BESA members they will have had to have been trading profitably for more than two years and must adhere to a code of best business practice.

9. Look to achieve best value

Consider how fit for purpose the product is, its value (based on the total cost of ownership) and the service level agreements, such as whether the company issues new, ideally free upgrades through an investment in development and support services including training.

10. Have a plan

Consult with pupils and parents so that it doesn't come as too much of a shock. Be prepared to insist on the change to parents if you want to make the move completely – any initial sceptics are almost always converts in the long run.

Immediately surprised by the amount of admin time wasted by collecting money, Maria now has more than 85% of parents paying online through the school's payment system. Coupled with the admin efficiencies and related cost savings, the school has seen a tremendous increase in those students accessing FSM (from 50% to 95% uptake) due to the fact that they no longer feel stigmatised.

By incorporating cash collection systems such as PayPoint, schools can still meet the needs of all parents, including those who prefer to pay in cash, while realising the benefits of not having children bring the money directly into school.

Monica Morley, school business manager at St. John Payne Catholic School in Essex, explains why the school went fully cashless and the lessons learned in the process. "Back in 2008, the time required for collecting, reconciling and banking cash and cheques was almost becoming unmanageable; we had to do something to tackle the issue," she says. "Parents were already shopping and banking online so I couldn't see why they wouldn't also want to pay for school items online. In 2008/09 we started to

use the online system and within a year we were starting to see benefits. With over £75,000 collected on trips and other items, we saved numerous admin hours, which were put to good use elsewhere."

So if a payment system with PayPoint functionality incorporated removes potential barriers to adoption, what else do SBMs need to consider before making the cashless leap? The only other issue is cost. Payment systems have to be purchased and online debit/credit card and PayPoint payments do carry a small transactional charge. However, with the significant financial benefits realised as a result of reduced admin time and the value added to parents, the argument against going completely cashless starts to fade rather rapidly. ■

