

# TAKE THE LEAD – Going cashless is the future



Every School Business Manager knows what an administrative headache collecting payments from large numbers of pupils for items such as school meals, uniforms, stationery, events, club fees and school trips can be. The emergence of a cashless solution could be the next best thing, but is going 'cashless' a recipe for good financial management?

It has to be said that pupils are not always the most reliable carriers of cash, and lost or misplaced payments and bouncing cheques (from the parents) are always a problem. In fact, an online study carried out by ParentPay<sup>1,3</sup> revealed that in Secondary schools up to 50 per cent of dinner money handed over from parents to pupils fails to make it into school bank accounts. For any other business this would be a disaster.

Online payments help to reduce bullying by removing cash from the playground, they encourage the take-up of school meal facilities, and they save time and reduce administration costs because there is little or no cash to manage. They also ensure that those students who receive free school meals\* are not discriminated against because recording on the system that a child receives free school meals means that it is only the school management team that need know the status of this child. So once a system has been installed, the benefits are real.

According to market research, parental interest and willingness to use cashless payments is vast, with 89 per cent preferring to pay online. But despite this, Primary schools seem reluctant to make the switch. However **Nicky Gillhespy, SBM at Cheam Fields Primary School** in Sutton, Surrey, has certainly found that cash is no longer 'king'. Cheam Fields went completely cashless in January 2011 and it has never looked back. "From an administrative point of view, it was one of the best decisions we've ever made," explains Nicky. "We no longer accept cash or cheque payments – all payments are made online using debit or credit cards. For families without internet access, we enable them to pay through PayPoint<sup>2</sup> shops, so as far as I'm concerned, it's a 'win-win' situation all round where everyone benefits – the school, parents, teachers and pupils."

The advantages of a cashless system are obvious. All transactions happen online so there is a clear audit trail which means that payments can be tracked, and because most people now use credit or debit cards to pay bills and to shop, it is a familiar process.

"It's a much more convenient way for parents to pay for things. It is very similar to internet banking in that parents have 24/7 access to their account and can pay at their convenience," continues Nicky. "Previously, the major problem was when parents gave their children money to take in and it was lost or misplaced. This would lead to disagreements because the school would ask for the money again, and the parent would insist they had already paid. Bouncing cheques was another

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big problem," adds Nicky. "Now, with all payments made online, both the school and the parents can see exactly what has been paid for, and when it was paid."

Nicky's team used to spend a lot of time manually compiling reports in Excel but, now that it is all managed online, a variety of reports can be printed whenever they are needed. "The reduction in the administration time spent chasing up payments and related problems is huge and, in my opinion, far outweighs the initial set-up costs of installing an online payment system," says Nicky.

"There's no more handling envelopes of cash, no classroom collections, which means there is less work for the teachers because they are no longer involved in any cash collection. We can filter >



Nicky Gillhespy

The increasing part that cashless catering is playing in schools is reflected in the growth and development of the systems available. But, as with any use of technology, management and security is a concern and should be a key consideration when implementing any cashless catering system. There are many 'cashless' schemes available and more information can be found on:

- NASBM's website at: [www.nasbm.co.uk/Home/Companies.aspx](http://www.nasbm.co.uk/Home/Companies.aspx) or by emailing NASBM on [info@nasbm.co.uk](mailto:info@nasbm.co.uk)
- NASBM Approved Partner, **Capita SIMS** has released its online payments solution. '**SIMS Agora**' is described as '...the new online payments solution that powers cost-effective and secure transactions in a user-friendly way.' Working across Primary, Secondary and Independent schools, Agora promises to '...clear the headache and admin resource involved in taking payments from parents and offer a more convenient and flexible way to pay for school meals, trips, stationery, uniforms and much more'. [www.capita-sims.co.uk/onlinepayments](http://www.capita-sims.co.uk/onlinepayments)
- **Live Register Suite** offers '...a range of card and biometric solutions bringing new levels of efficiency and control to Cashless Catering, Attendance, Visitor Management, Access Control, Print and Copy... Not just for checkouts in the canteen but also for 24/7 vending and pre-order collection points.' [www.liveregister.co.uk/app/](http://www.liveregister.co.uk/app/)

## “PARENTS CAN PAY IN ADVANCE AS MUCH AS THEY CHOOSE, WHICH HAS GOT TO BE BETTER THAN SCRAMBLING FOR CHANGE FOR DINNERS EACH MORNING.”

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the information to see who has paid for trips or meals or other items, so it's a very powerful tool that allows us to deal quickly and accurately with any queries.”

The benefits for a SBM are also plentiful, attests Nicky. “Security, ease of use, reporting functionality, accountability and audit trails enable me to know exactly what goes into the school bank account.”

So how did Cheam Fields switch to cashless online payments?

“In September 2010 we decided to do one term of online payments for school meals,” explains Nicky. “We gave parents the option to continue paying with cheques and cash but, within half a term, 80 per cent of parents preferred to use the online payment method. After one term the Governors took the decision to go completely cashless. Now with 470 pupils, we have just five families preferring to pay through PayPoint.”

The school offered on-site training for parents when the system was implemented but only a few required the training, “because the system is simple to use,” adds Nicky. “There is no need to own a computer these days. Most people have internet access on their smartphone so payments can be made that way.”

**Sue Edwards, NASBM Trustee** and the **Director of Business & Finance at Ripley St Thomas Church of England Academy** in Lancashire, another firm supporter of cashless schools, has found that online solutions can also support healthy eating. “Our system allows parents to see how their children are spending their money, which enables them to keep a check on what they are eating. It also means parents can pay in advance as much as they choose, which has got to be better than scrambling for change for dinners each morning.”

The system that Sue's school uses is from cashless solution providers, Cunninghams<sup>4</sup>, which she used in her previous school as well. “My old school's decision to use Cunninghams was based on what they considered to be best value,” explains Sue. “Cunninghams' price was not the lowest, but the school felt it would be able to provide the support it needed. It was already in

place when I moved to Ripley St Thomas Church of England.”

A cashless school offers a great range of benefits to parents, pupils and to the school; it has to be the way forward in the future. The reporting facility of these systems and the range of services provided, over and above simple data capture, are vital to the school's management. As more autonomy is given to schools we can expect to see an increase in the adoption of cashless systems. But whatever online payment system a school selects, it must be one that can integrate with any Student Information Management System (SIMS) already used by the school. ■

\*NASBM is aware of the Government's announcement that from September 2014, all infant pupils will qualify for free school meals, regardless of their parents' income.



Sue Edwards



### DID YOU KNOW...



- <sup>1</sup> The full LACA/ParentPay School Meals market research report is available as a free download from [www.parentpay.com](http://www.parentpay.com)
- <sup>2</sup> PayPoint is a leading international provider of convenient payments to major consumer service organisations in the utility, housing, water, telecoms, media, transport, retail and public sectors. [www.paypoint.co.uk](http://www.paypoint.co.uk)
- <sup>3</sup> ParentPay is a privately owned software company offering a complete solution for income management for schools in the UK. [www.parentpay.com](http://www.parentpay.com)
- <sup>4</sup> Cunninghams is an Electronic Point of Sale (EPOS) provider that is one of the leaders in the EPOS market and the growing cashless market. [www.cunninghams.co.uk](http://www.cunninghams.co.uk)