

A background image showing a group of students in a school hallway. A male student in a red shirt and jeans is looking at a book. A female student in a plaid shirt is also looking at the book. In the foreground, a student with long dark hair is looking down at a smartphone. The hallway has wooden lockers in the background.

# 3

## Compelling Reasons Your School or District Should **Go Cashless**

A WHITE PAPER FOR  
SCHOOL BUSINESS OFFICIALS  
AND ADMINISTRATORS

## ABSTRACT

America's former reliance on cash is quickly being **overtaken by the move to digital transactions.**

The balance has decidedly tipped toward digital, and K-12 districts, like most organizations, now have the opportunity to go cash-free. For parents as well as school staff and business officials, this switch will **enhance convenience, efficiency, and accountability.**

PaySchools specializes in helping schools set up and run cashless systems.



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## INTRODUCTION

**Cash may have been king for centuries, but its reign has ended.**

Ten years ago, six of every ten transactions were in cash, according to Forbes. Today, cash is used for just three in ten transactions. And just a decade into the future, it's predicted that number will plummet to one in ten.

29%

Right now, 29 percent of Americans make no purchases with cash during a typical week, said a new Pew Research survey.

In the same survey, 46 percent of respondents said they “don’t really worry about whether or not they have cash with them, since there are lots of other ways to pay for things.”

### CASH BY THE NUMBERS

7 in 10 financial transactions are now **digital**

\$\$\$\$\$\$\$\$\$

29% of Americans have **zero** cash transactions each week



46% of Americans no longer worry about **carrying cash**



### INTRODUCTION CONTINUED

And the younger people are, the less likely they are to carry cash. This is true among all Americans, regardless of household income, education level, gender, and race or ethnicity.

Because K-12 schools primarily serve young people and younger families, this puts them on the vanguard of the cashless movement.



## INTRODUCTION CONTINUED

In our increasingly cashless society, K-12 districts across the country are beginning to move toward cash-free schools.

**The good news is that making the transition to electronic payments is relatively simple.**



This white paper looks at these three reasons for school districts to go cashless. In schools, electronic payment systems are:

1. more **convenient** for families and staff,
2. more **efficient** for families and staff,
3. and, importantly, more **transparent**, exposing staff and volunteers who formerly handled cash to less risk and yielding better security and accountability.

This white paper looks at these three reasons for school districts to go cashless. Given the swift pace of the trend toward a cashless society, now is the time for school districts to update their payment processes and policies.

PaySchools is in the business of helping schools convert to cashless processes and is available to provide additional information as well as software tools and unparalleled support.



# 1

## The Convenience of Cash-Free

The trend toward a cashless America and world is driven largely by this criterion: it's more convenient. With a debit or credit card and a smartphone, **the families you serve have all their spending power at their fingertips.**



Today, digital payment options proliferate—from debit and credit cards to ACH transfers, Apple Pay, Venmo, and more—and the software and apps supporting these options are now extremely user-friendly, stable, and secure. With a couple of clicks and swipes, buyers are on their way.

Many of your district's families wonder: should they carry cash when they can use the cards and phone they're already carrying? **Cash can be lost or stolen, and it's just one more thing to keep track of.**



Gen Xers (ages 39-54) and younger Millennials (ages 23-30) **prefer to use credit cards**, according to a study by PSCU, while older Millennials (ages 31-38) **prefer debit cards**.

**Either way, the parents of your students rely on plastic.**





## SCHOOL SYSTEMS TO CONVERT TO CASHLESS

In addition to lunch payments, schools can also use payment and software tools to go cashless with:

- fees
- events tickets (sports, theater, music, etc.)
- registration fees
- library or other fines
- field trips
- club dues
- fundraising
- merchandise sales (like spirit wear)
- concession stands
- school supplies
- after-school programs
- and more!

**Anywhere you now accept cash can be converted to cash-free.**





## WHERE EASIER IS BETTER

In K-12 schools, the convenience of cash-free can transform many systems.

94%

Digital lunch payments have already swept the country, with 94 percent of schools now using online meal payments, according to the School Nutrition Association.

PaySchools provides its software QuikLunch and PaySchools Central to many of these schools for just this purpose. Our platforms allow families to load and even auto-replenish lunch accounts online. **Schools no longer have to ring in cash and checks in the lunch line, which maximizes plated seat time and makes cashiers' jobs much simpler.**

Receive Payments:  
Paul Miller - Anywhere USA - District School - Printer: Windows Printer

**SELECT PATRON**  
Enter Name or ID: Search Exit Search

ID	Last	First	Grade	School	Actions
421117	Smith	Alice	5	District School	edit
324470	Smith	Alexander	10	High School	edit
327884	Smith	Melissa	10	High School	edit
455078	Smith	Crane	9	Middle School	edit
400020	Smith	Jarvis	7	Middle School	edit

Page 1 of 3, Items 1 to 5 of 61

**RECEIPT**  
Lisa Paul Smith (421117)  
Lunch Payment \$10.00

Total Payment: \$10.00

**FEES**  
Lisa Paul Smith (421117)  
Name Amount Add To Pay  
Lunch Payment amount \$0.00 \$10.00

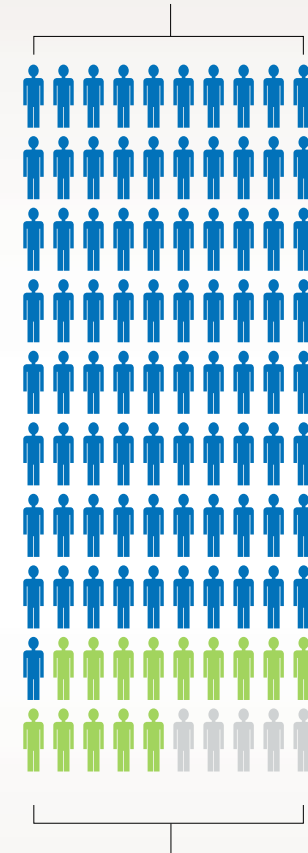
Enter amount to apply to bill fees: 0.00 Pay All Pay Cancel

**PAYMENT TYPES**  
Credit Card Check Cash Account  
Card Num: Exp: 01-January 2019 VISA  
Name First Last  
Address: (Optional) City, St. Zip: (Optional)  
Email: (Optional) Fax: 0.00 Pay: (Optional) Submit Payment

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81%

of Americans own smartphones



95%

of Americans aged 18-34 own smartphones



**Similar cash-free benefits accrue to all the other K-12 school systems that continue to accept—or sometimes require—cash. By going cashless with fees, events, fundraising, merchandise sales, and more, you’re not only moving to the payment methods preferred by your constituents, you’re also making these tasks more convenient for your staff and volunteers.**



Ask any parent who’s had the option of paying fees and buying event tickets for their children’s activities online:

***“Is it more convenient for you to take care of these things from the comfort of your own couch?”***

The answer is obvious.

With PaySchools Central, parents manage payments online and on their phones for lunches, fees, and more.



# 2

## The Efficiency of Cash-Free

For cashless schools, convenience and efficiency go hand-in-hand. Accepting digital payments for all of your systems is typically more convenient for families, staff, and volunteers at the moment of the transaction, yes, but it's also more efficient overall.

### FAMILY EFFICIENCY

Families find it more efficient to top up all of their children's lunch accounts in one place online, for example.

Auto-replenishment features such as PaySchools' further enhance this efficiency.

It's also efficient for families to use software such as PaySchools Events to not only register and pay for an activity such as ACT testing, but also to submit registration forms and read instructions, all on the same interface.



Families prefer to top up all of their children's lunch accounts in one place online.



### STAFF EFFICIENCY

Efficient digital processes save time for staff as well as families. We've mentioned that lunch lines move more quickly with digital payment systems in place.



If you save just three seconds per student per lunch line, per day, **how much efficiency has your meal program gained with just this one switch?**

But for school business officials, the real efficiency gains come when it comes time to collect, deposit, and reconcile all those payments for all the activities school-wide and district-wide.

Picture the many cash drawers and cashboxes stuffed with currency and checks across all of your district's schools and departments. Yikes. How much staff time could be freed up by converting those laborious cash piles and checks to automatically deposited and reconciled digital payments? What if staff no longer had to routinely visit the bank to make deposits?

Like you, we at PaySchools believe that the more time school staff have to focus on the students they serve, the more effective they can be at their most important mission—**educating young people.**



## AUTOMATING EFFICIENCY

Of course, many of the efficiency gains of digital payments are tied to technology's capacity for automation. PaySchools' software can be set to automatically generate payment reminder and low-balance emails, for example—a feature that can save even more staff time.

To maximize efficiency, PaySchools' systems takes it one step further. At no additional cost, we allow our customers to designate multiple bank accounts to receive payments. Districts often maintain separate accounts by school or even by department, so this flexible feature makes the flow of funds clean and extra-efficient.

## INTEGRATING EFFICIENCY

As you consider converting to cashless, look for a digital payment services provider that can integrate with all of your existing systems. After all, it's inefficient and unnecessary to disrupt entrenched and trusted systems as you move to cash-free.

**PaySchools integrates digital payments seamlessly into the following types of K-12 systems:**

- Student information systems
- Financial systems
- Cafeteria point of sale
- Library systems
- Content management systems
- and more

Tell us about your existing systems, and we'll demonstrate how PaySchools works with them.

Amount	District	School	Credit Account	Transaction Item
\$5,575.00	(All Districts)	(All Schools)	920.1048.9780.000000.000	NEST
\$465.00	Anywhere USA		901.1211.0000.000000.002	KID
\$180.00	Anywhere USA		901.1211.2017.000000.002	FY17 ALL DAY KINDERGARTEN TUITION
\$5,722.00	Anywhere USA		901.1211.2019.000000.000	FY18 Preschool Tuition
\$5,955.00	Anywhere USA		901.1211.2019.000000.002	FY19 All Day Kindergarten Tuition
\$5,582.00	Anywhere USA		901.1698.9383.000000.000	PTP
\$72.00	Anywhere USA		901.1728.9190.000000.001	WORKBOOK FEES - EAST
\$121.00	Anywhere USA		901.1728.9331.000000.003	HIGH SCHOOL STUDENT WORKBOOK FEES
\$12.50	Anywhere USA		901.1728.9335.000000.006	Science Workbook Fee





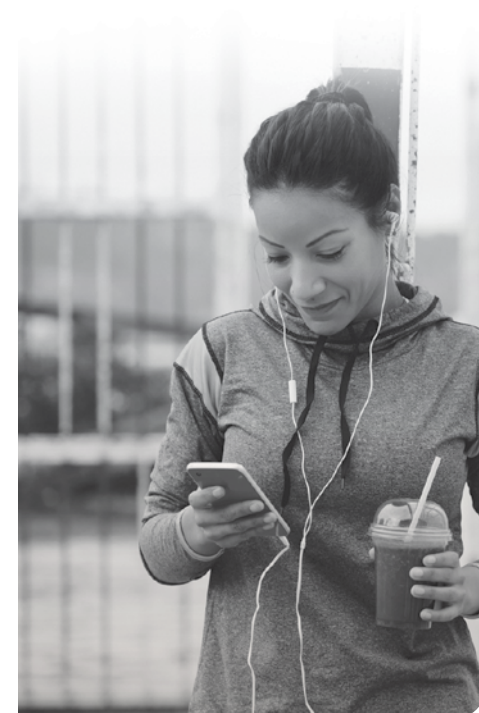
What's more, we also guarantee ACH transfers. If an ACH transfer bounces, the money remains in the school's account, and PaySchools handles the collection—not the district. For business officials, this is another significant timesaver.

**And the robust reporting features built into our software puts all the financial data at your fingertips. It doesn't get much more efficient than that.**

The screenshot displays the PaySchools Admin web application. At the top, it says "Anywhere USA" and "User: Paul Miller". Below is a navigation bar with links like Home, Profiles, Reports, and more. The main section is titled "View Reports" and "Batch Summary, Batch". It shows details for a batch from District: Anywhere USA, Merchant Account: (All Merchant Accounts), Payment Method: Bulk, and Date Range: 4/1/2019 to 5/1/2019. Below this is a table with 10 columns: Deposit Batch ID, Deposit Date, Type, Merchant Account, Trans. Count, Payment Amount, User Fees, District Fees, and Net Deposit. The table contains 10 rows of data for various deposit batches.

Deposit Batch ID	Deposit Date	Type	Merchant Account	Trans. Count	Payment Amount	User Fees	District Fees	Net Deposit
7566C-2023-Juan	4/5/2019	CC	Local SD Fees MID (7566)	1	\$1,592.90	\$60.99	\$213.47	\$1,317.44
7566A-4428-Juan	4/6/2019	ACH	Local SD Child Care	5	\$467.60	\$6.75	\$0.00	\$460.85
7566A-2024-Juan	4/6/2019	ACH	Local SD Fees ACH	8	\$532.90	\$7.00	\$0.00	\$525.90
7566A-3023-Juan	4/6/2019	ACH	Local SD - ACH	15	\$695.60	\$30.25	\$0.00	\$665.35
7566C-2023-Juan	4/6/2019	CC	Local SD Fees MID (7566)	29	\$5,471.95	\$50.99	\$213.47	\$5,207.50
7566C-4427-Juan	4/6/2019	CC	Local SD Child Care MID (5421)	22	\$3,394.90	\$66.69	\$132.42	\$3,205.79
7566C-2021-Juan	4/6/2019	CC	Local SD MID (7566)	75	\$5,441.90	\$187.50	\$238.63	\$5,015.77
7575A-4428-Juan	4/15/2019	ACH	Local SD Child Care	4	\$436.90	\$7.00	\$0.00	\$429.90
7575A-3023-Juan	4/15/2019	ACH	Local SD - ACH	8	\$523.20	\$14.99	\$0.00	\$508.21

Busy parents appreciate the efficiency of PaySchools Central's mobile app.



# 3

## The Accountability of Cash-Free

If you read the news, you know that school embezzlement incidents are, well, a dime a dozen.

Office staff, teachers, lunchroom workers, volunteers, even nuns—in recent years all have been caught and convicted of skimming hundreds of thousands of dollars in school cash. Written cash management policies that divvy up cash-handling tasks among several staff members lower the likelihood of fraud but don't preclude it.

Of course, most school staff and volunteers are honest beyond reproach, but even they can be put at risk by accepting and storing cash on the premises.

What happens when a parent insists they've paid for something but there's no record? What about when an events cashbox is misplaced or stolen?

### DIGITAL PAYMENTS: SECURE AND TRANSPARENT

Digital payment made



Payment securely accepted and transferred to school bank accounts



System generates electronic paper trail



Data sorted and filtered to generate customized reports



As you know, your students, too, can lose cash and checks, creating a whole host of problems.

Digital payments, on the other hand, automatically create a detailed electronic record of money in and money out. This transparency allows school staff, administrators, and business officials—with multi-level permissions access—to view transactions and create reports from a centralized database that can include a single department or school or all the schools and departments in a district.



When you go digital, the risks relocate, from the cashbox to the cloud. **It's critical to ensure digital payment and data security.**

As K-12 payment experts, PaySchools know that school districts' needs are different from those of traditional businesses. Our platforms are PCI-FERPA-compliant and completely secure.

View Reports

Applications Eligibility Lunch Patron PPS/MSL QuickLaunch School Programs Systems Verification Report Builder

Report Criteria View Report

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### Daily Transaction Report

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6/22/2019

No Grouping

Fee District: Anywhere USA

Date: 4/3/2019 To 5/3/2019

Fee School: (All Schools)

Homework: All Homeworks

Patron Grade: (All Grades)

Patron ID:

Payment Methods: PASS - Cash Account, PASS - CC, PASS - Check, Check, Adjustment, Online Payment - CC, Online Payment - Check

Payment Types: Fee Payments, Lunch Payments, Received on Account, Other Payments

Payment Status: Success

Date	Grade	Patron	Patron ID	Fee Name	Fee Code	Fee Type	Fee Description	Fee Note	Print Method	Amount	Status	GL Name	GL Account	Drawer ID
4/16/2019	3	Abdelrhaby, Bridget	420171	Lunch Payment SOMS Payment		None			PASS - CHECK 1224	\$45.00	S	LUNCH RECEIPTS, HERITAGE SOUTH	999.1512.0003.000003.037	8138
4/16/2019	3	Abdelrhaby, Bridget	420171	Lunch Payment PSC Payment		None			Online Payment - CC	\$26.00	S	LUNCH RECEIPTS, HERITAGE SOUTH	999.1512.0003.000003.037	
5/5/2019	3	Abdelrhaby, Bridget	420171	CMED Case		None		Received on Account	Online Payment - CC	\$200.00	S	WEST	025.1500.0700.000003.030	

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Criteria Regenerate Report

### LOW-CASH OFFERS BENEFITS, TOO

If your district isn't ready to—or chooses not to—go completely cashless, taking steps to increase the use of digital payments will still garner you all the benefits we've discussed in this white paper.

In the short term, it's likely that a small percentage of families will continue to prefer to pay fees and other costs with cash. Moreover, some families do not have bank accounts and may lack access to digital payment methods. Both of these situations can be accommodated.



Even as they move toward a cashless structure, some school districts are maintaining, for now, the option to pay with cash in an effort to remain inclusive and nondiscriminatory.

### FERPA COMPLIANCE

As you know, all educational institutions that receive federal funding must conform to the Family Educational Rights and Privacy Act. PaySchools goes above and beyond in ensuring FERPA compliance, not only protecting student information but parent information as well.







**Keep in mind that minimizing the amount of cash and the number of cash transactions you accept in turn minimizes the inconvenience, inefficiency, and risk.**

It does not have to be an all-or-nothing plan, however. In fact, you might consider creating a multi-year plan to step from your current mix of cash and digital to totally cash-free. PaySchools' flexible software tools and customizable service agreements allow us to meet your unique digital payment needs and requirements, no matter how complex.



## CONCLUSION

Some American schools have already gone **totally cash-free**, and more and more will soon follow. **The benefits are significant** and the drawbacks few.

PaySchools specializes in helping K-12 districts convert to cashless systems. Our software is designed to provide **seamless digital payment solutions** that fit within your existing record management system. In fact, our customizable products integrate with more than **25 SIS and POS systems, and more than 40 accounting systems**. We look forward to speaking with you about moving your district toward the new cashless paradigm.



## A CHECKLIST FOR EVALUATING DIGITAL SOLUTION PROVIDERS

Use the following checklist to help evaluate online & mobile payments solution providers.

FEATURE	PAYSCHOOLS	COMPARE	COMPARE
Multiple integration options	●		
Deposits into multiple bank accounts	●		
ACH (eCheck) payment acceptance	●		
Guaranteed ACH payment	●		
Assign G/L codes to fees	●		
Payment card industry (PCI) compliance	●		
Assign optional fees by school, grade or roster	●		
Manage multiple payment types	●		
Parent/guardian account management	●		
Customizable transaction messaging	●		
View transaction history	●		
Email transaction verification	●		
Opt-in email notifications	●		
Non-district user management	●		
Multiple payments in a single transaction	●		
Default payment set up	●		
Schedule based fee payment management	●		
Group/individual fee management	●		
Fee schedules by group type	●		
Student and family max payment set up	●		
Financial reporting – G/L codes	●		
Financial reporting – Fee types	●		
Financial reporting – ICF and transaction fees	●		
Adding funds to student lunch accounts	●		
Automatic funds replenishment	●		
Partial payments	●		
Set fee participation maximums for groups	●		
Installment payment enablement and tracking	●		
Afterschool program payment management	●		
Purchase tracking per student	●		
Outstanding balance reporting	●		
Balance and pending payments reporting	●		
State reporting capabilities	●		
User support provided by PaySchools staff	●		

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