

The ultimate guide to cashless payments

Walking you through the cashless journey with our end-to-end guide for adopting and implementing cashless payments in your school.



Introduction and contents

Adopting or changing a cashless payments solution can seem more trouble than it's worth. Trying to jump through all the hoops, wade through the sea of red tape, and consider enough to ensure that your school and its parents are receiving the best possible system sounds like a mountain to climb.

But if you're not happy with your current payments provider, or are yet to kickstart your cashless journey, making the change to a top-of-the-range cashless solution will be worth it.

That's why we've put together this step-by-step guide to walk you through the process of adopting or switching your cashless solution.

In here, you'll find everything from why schools are choosing to fully embrace a cashless environment all the way down to how you can get the most out of your new software, with everything in between.



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Benefits of going cashless

Cashless school payment systems are becoming the standard as schools seek to decrease administrative burdens, lower expenses, and improve the overall experience for parents and pupils.

With the cashless revolution gaining even more momentum, the UK Finance's [Payments Market 2023](#) Report found that:

- The share of cash payments made up just 14% of total payments in 2022. While a decade ago, the share of cash payments was at 54%.
- Cash use is expected to halve, resulting in less than 7% of payments being made using cash by 2032.

Many schools have already implemented a cashless system such as ParentPay, which transforms the school's money management as well as parent communication, club bookings, meal management, data processing, and much more. Having everything in one customisable and streamlined platform makes life easier for parents, guardians, and employees.

In the case of Southborough Primary, the school was able to almost immediately notice the benefits since introducing online payments.



The amount of cash and cheques our team has to count, and bank has dropped significantly, which has had a positive impact on staff due to the time this has saved.

With all the payments and receipt records available online, it is easy for us to locate and check payment details to answer any payment queries.

Parents can also readily see what they have paid and what they owe.

**Phase: Primary
Local Authority: Bromley**

Whether you're looking to make the leap to become a cashless school or wanting to know how you could be making the most of your cashless capabilities, there are many benefits for schools who fully utilise a cashless system...



Some of the benefits of cashless payments



1

Easier to check payment details

With powerful software, you're able to view the full payment history per item, easily record a manual transaction, or refund and view settled and unsettled transactions.

2

Pupil safety

Not only do parents get peace of mind that their money has reached the office, but pupils are safer as a result - there's no risk of misplaced money or potential bullying.

3

Reduced paper handling

Automated receipts and consent forms make slips of paper a thing of the past. Parents can view receipts, see their payment history, and provide online consent.

4

Reduced debt

Parents have more opportunities to pay online or through other means such as PayPoint. Schools can efficiently manage debt by monitoring payments.

5

Saves you time and money

An average primary school can save 25 hours a month by no longer having to chase parent debt, manually record transactions, count out cash payments, or take trips to the bank.

6

Security

There's no risk of any monies going missing or not reaching the school office. Schools no longer need to store cash on site and there's no risk of misplaced payments or fraud.

7

It's convenient for parents

Parents can make a payment anytime from home, removing the need to remember exact amounts of cash or having to rush into the school office first thing in the morning.

8

It's inclusive

Parents can pay online and on their phones if they have access to a computer and/or smartphone. Parents without online access can pay with cash via PayPoint in their local store.

9

Increased free school meal uptake

Online and PayPoint payments remove the need for pupils to reveal their entitlement for free school meals (FSM), meaning parents are more likely to opt for FSM and pupil premium.

How to make school payments more inclusive

The most recent estimates from the Financial Conduct Authority (FCA) say that approximately 1.1 million adults in the United Kingdom are currently “unbanked”. According to the regulator’s [Financial Lives 2022 report](#), this proportion represents 2.1% of the country’s adult population.

When considering going completely cashless, it is important to ensure that the system does not block any pupil’s or parent’s access to school activities and payment items. While the cashless revolution has provided the economy with several benefits, it also has the potential to widen the [social inequality gap](#). Therefore, these concerns should be fully understood and addressed.

Fortunately, certain features of a cashless school payments system help in ensuring that financial backgrounds are confidential, each family has access to topping up their accounts, and instances of bullying, isolation, and insecurities are eliminated.



Cashless with PayPoint

PayPoint is a system that allows parents to make cash payments at their local shop, saving school staff from having to count, bank, and reconcile the funds.

With over 28,000 locations across the UK, PayPoint’s network is bigger than that of the banks, posts offices, and supermarkets put together.

This system ensures that schools can transition to a cashless approach while remaining accessible to families who still rely on cash.



De-stigmatising free school meals

Research has shown that children who are eligible for free school meals [are much more likely to be experiencing bullying](#) than their peers. In fact, embarrassment and stigma surrounding the initiative can deter many eligible students from taking up free school meals.

The unintentional social segregation can be caused due to either pupils receiving vouchers instead of cash or being seated separately according to the school meal plan. Social inclusivity can be ensured by employing applications, such as Online Free School Meals (OFSM), that help maintain confidentiality around the eligibility and facilitation of free school meals.



Providing flexible payment options

To assist parents in managing the cost of expensive payment items, consider utilising the ‘instalment’ functionality, which allows them to spread payments over time. When transitioning to a cashless system or selecting a new payments provider, ensure they offer this feature.

It enables parents to choose the number of instalments and sets deadlines for payment, making paying for significant expenses like school trips more accessible.

Protecting your school's systems and data against the growing wave of cyber threats

Cyber crime poses a threat which schools can no longer afford to ignore. Criminals are becoming better at seeking out weaknesses in an organisation's IT infrastructure to launch devastating and costly attacks.

According to the [National Cyber Security Centre](#) (NCSC) schools are highly attractive targets for cyber criminals due to the large amounts of sensitive personal and financial data they hold. This means an incident could damage a school's reputation as well as its operations.

Unfortunately, the prospect of being a victim of a cyber security breach is becoming more and more likely. There has been a disturbing increase in attacks against schools and MATs. [According to Malwarebytes](#), the education sector witnessed a 70% surge in cyber attacks in 2023 compared with the previous year.

The effects of a cyber attack can be far reaching for a school.

With data being so critical to everything a school does from teaching and assessment through to finance and HR, a breach could have a whole range of consequences.

The first step is to fully understand what could happen without good cyber security, and what that might mean for your school.

When people think of cyber attacks, they tend to imagine major threats to our critical national infrastructure or attacks on large commercial organisations. But when it comes to ransomware – which is one of the most common types of cyber crime – education was the sector which suffered the [most attacks in 2023](#).



Keep your schools and pupils safe

Cyber crime is big business.

Criminals operate in organised groups and are constantly finding new ways to hack into IT systems, steal data and extort money. They are increasingly targeting the education sector which holds sensitive data which schools cannot afford to lose or be made public.

To avoid becoming one of the growing number of victims of cyber crime, schools need to improve their security controls, and this relies on having an effective security strategy.

By building a comprehensive cyber security strategy, schools can defend themselves against cyber attacks and keep their data and systems safe so they can focus on improving outcomes for their students. You can read more about this in our [2024 cyber security whitepaper](#) and [cyber security strategy guide](#).



2024 Cyber Security Whitepaper

Our 2024 whitepaper looks at the importance of choosing a supplier that is committed to cyber security and compliance and includes:

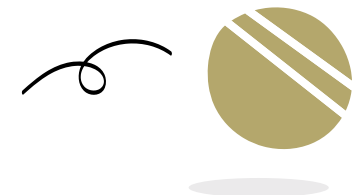
- A detailed look at the cyber threat landscape in the UK education sector
- An independent analysis of the information security of ParentPay and our competitors by Black Kite
- Information on our grade A security rating
- Details of our comprehensive security activities
- And much more



Cyber Security Strategy Guide

This guide shows you how to build a successful cyber security strategy for your school or MAT and includes guidance on:

- Why schools need a cyber security strategy
- The impact of a cyber attack on a school or MAT
- The foundations for a cyber security strategy
- How using cloud-based systems helps with cyber security
- How to choose a safe supplier
- Questions to ask when choosing a supplier
- Keeping your school and pupils safe



Boosting school income with fundraising

Selecting the appropriate online payment solution can offer many benefits. It can open up new revenue streams by enabling features like booking systems for school amenities and nurseries, managing external bookings, and supporting charitable and school fundraising efforts through cashless donations.

The reality that schools are under increasing financial strain is not new. Implementing a streamlined cashless payment system presents lucrative opportunities for your school to generate passive income.



Maximising the possibilities of fundraising through online payment methods

With each passing day, the idea of internet fundraising gains traction. This is mostly owing to the convenience and efficiency it offers. Crowdfunding is a strong tool used by companies across various industries to raise funds for a wide range of initiatives and endeavours.

So why not use it in your school?

Setting up a Donations Page is simple thanks to [ParentPay's Donations](#) functionality. Add your school's logo and branding, establish a fundraising goal, and share your page in minutes. You can use any of the major social media sites to promote your fundraising efforts and generate traffic to your Donations Page.

Claim 25% additional income for all donations

The [government's gift-aid policy](#) allows charity to claim an additional 25p for every £1 donated. This increases the amount donated by UK taxpayers to community sports clubs and organisations, including schools, by 25%. That means you can claim extra funds through non-uniform days, sponsored events, building appeals, equipment appeals and more.

While this scheme has been in place since the early 1990s, many schools continue to lose out on an additional 25% of their revenue due to the complicated claim process. There are solutions, such as ParentPay Donations, that entirely automate the process, allowing you to sit back and enjoy the benefits. All eligible donations will be automatically topped up with Gift Aid, resulting in an extra 25% without a second thought. It is that simple.

Engaging with the parents and members of the community

Whether it's working with the PTA or interacting outside the digital space with other parents and members of the community, it is important to ensure that potential donors are involved in the process of fundraising.

The Institute of Development Professionals in Education (IDPE) discovered in their [Schools' Fundraising and Engagement Benchmarking Report](#) that when donors are invested and involved in a cause, they are more inclined to contribute to it.

From identifying well thought-out channels and creating a targeted campaign plan according to your budget to finding a relevant cause that your school community is passionate about and communicating a meaningful story, there are several steps that you could take to achieve this.

Top tips for school fundraising

1

Finding a cause

Identifying a cause that parents and pupils are passionate about can ensure that they are involved from the start. This begins with understanding the donor pool and selecting a cause to which they are truly committed.

2

Promoting the cause

Consider creative ways to reach out to parents and key members of the community, such as using your school's physical setting, optimising your school newsletter, or mentioning the opportunity to make a difference at Parents' Evenings.

4

Advertising school space rentals

To maximise efficiency, you can create marketing materials that contain details about school spaces available for hire and send them to local organisations. You can also create a team consisting of existing school staff who could deal with lettings and quickly respond to all enquiries.

3

Renting out school spaces

Several school sites such as school halls, school fields, and playgrounds can be rented out to provide space for exercise classes, support groups, adult education classes, and community groups. Empty parking spaces could be used by nearby event organisers as additional parking facilities.

5

Involving PTAs

As an external entity, PTAs can apply for funding and grants that the schools may not be eligible for or cannot access. PTAs can even tap into the corporate sector and collaborate with businesses or even access corporate funding through match funding. Working with local charities can also help PTAs by providing support services at the school.

6

Online fundraisers

Online fundraising initiatives such as an online Read-A-Thon and online workshops for parents could help better pupil performance outcomes. While traditional fundraisers are great, these online fundraising opportunities could have a broader reach and even be more cost-effective.

Tips for switching to a new cashless solution

If you've come to the decision to switch to or implement a new cashless payments software, it can feel like there's a lot to do and consider to ensure a smooth transition. But if it feels overwhelming or confusing, we're here to shine a light on all of the things that you could consider to make this change as easy as possible for your school...

1

If you're switching supplier, check the terms of your current contract and consider any notice periods which might apply.

2

Make sure that you have saved any reports you need from the current payment system before it is decommissioned.

3

Update any references to the old payment system on the school website and other resources (e.g. parent's handbook). Add a link to your new software's login page to your school's website.

4

You should contact parents to advise them of the planned change to the payment system, and use any materials given by your new provider to inform parents about your new service.

5

If you're using your current payment system to settle dinner money direct to the caterer's bank account, you should contact the caterer to make them aware of the change.

6

If you have been collecting income via PayPoint with your current payment system, you should ensure that users return/dispose of any existing barcoded letters/cards, as these will not be recognised once the old payment system is switched off.

7

If you're using a cashless catering system linked to your current payment service, you should contact the provider of the till system to advise of the switch to your new software. There may be charges made by the till provider associated with the change.

8

If you're running trips which are midway through the payment plan, make sure to set up the trip in your new software, as required, and record the money received to-date as account adjustments against each pupil. Parents can then pay the outstanding balances for the trip using your new system.

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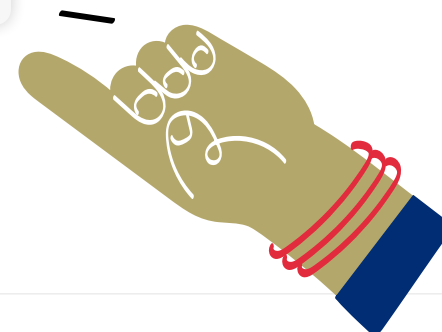
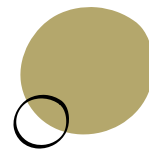
Make sure you note down any starting balances and outstanding debts that need to be reflected in your new software. Check that a report can be run showing the closing balances from your current system.

10

If you're using a Private Funds system such as Pebble Fund Manager, or Istek's Private Funds Manager, then you may be able to integrate these with your new software. Check this and contact the provider of the system to confirm what is required to enable the link, and any associated charges for this.

11

If you want to link your new service to a print management system, such as Papercut or Pcounter, then you should contact the provider of the print management system to confirm what is required, and any charges associated with this.



How to get your parents on board

So, you've been able to successfully implement your new cashless software, but the journey doesn't end there.

Some parents take time and encouragement to become fully invested in a new process. Whatever the reason, widespread parent activation is the final piece of the puzzle.

We know that generating parent uptake can be one of the hardest parts of the cashless process. In our [recent whitepaper](#), we found that 27% of surveyed schools see parent uptake and usage to be the biggest barrier to successfully adopting EdTech solutions.

To try and overcome this, [being able to communicate the benefits of your new software is essential](#), and to deliver this message in places where your parents will be.



Utilise parents' evenings

Having parents engaged in 1-1 conversations is a golden opportunity to mention how their involvement with your new software can enrich their and their children's school experience.



Include in your school newsletter

Most parents want to be actively involved in their children's education, and will welcome a [carefully curated newsletter that benefits their parental involvement](#). Optimise your newsletter with a good, digitally-focused template that will engage your readers and they'll thank you for it.



Optimise your social media

Post regular, relevant updates and shout about the benefits of your software using simple language and engaging visuals.



Use a strong demonstration video

Ask your software provider for a snappy video which shows off all of its benefits. Set this running on a screen in reception, at events, or host it on your website.



Consider incentives

Try running competitions that utilise your software's functionality or enter everyone who signs up for your new system into a prize draw.



1

Put up posters around the school to raise awareness. Put them up at places where parents will be, such as payment queues and waiting areas, for maximum exposure.

2

Make announcements in the school newsletter, on the school website, or on the school's social media platforms.

3

Make an announcement at parents' evenings or new intake meetings outlining the reasons why the school is making these changes, and how they can benefit parents and students.

4

Promote your new software at school plays, concerts, or any school event, encouraging parents to activate their accounts before they leave.

5

Have a computer set up in reception and at school events demonstrating your new system and how easy it is to use.

6

Run a PowerPoint presentation promoting the key features of the system in the school reception area.

7

Help parents of disadvantaged families learn how easy your new solution is to use by providing them with access to a computer or tablet.

8

Any time a parent comes to the office to pay for an item, offer help to get them set up with online payments, or provide them with an instruction sheet explaining how they can do it at home.

9

Consider incentivising your parents. You might run a competition where everyone who activates their account or makes a payment online or through another means, such as PayPoint, is put into a prize draw.

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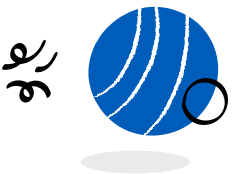
Allow certain events or trips to be booked in advance using online methods or other means, such as PayPoint. This allows parents using your new cashless payments software to secure tickets or book places before they reach capacity.

Speaking to Maria Smith, School Bursar at Barton St Lawrence CofE Primary School, we find out how important achieving 100% parent activation with their cashless provider, ParentPay, has been:

“

The key is communicating with parents. We sent out school newsletters outlining what we were planning and the benefits.

From here, everything went online. Parents know that if they don't activate their accounts they won't be able to pay for what they need to, and they're happy with this as they don't want their child missing out.



To find out more, or to book a consultation
with our cashless payments specialists, visit:

parentpay.com/request-more-information