



7 Mistakes Schools Can Avoid When Selecting an Online Payment Portal

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Providing an online payment portal is one of the most effective steps a school or district can take to reduce the time and effort needed to process school fees, to get timely access to funds, and to engage parents and students in school activities.

Why an Online Payment Portal?

- Faster Access to Fees
- Engage more families in school activities
- Extend fundraising to non-local family members and alumni
- Save time processing paperwork
- Avoid over-draft fees
- Reduce risk of mis-handled fees



Comparing solutions can be daunting for a number of reasons. Fee management and processing is not a core mission for a school. With the wide variety of options available, it often seems simpler to stick with the status-quo.

A school's payment processing needs are similar to those shared by many non-profits and small businesses. Getting access to funds, reducing paperwork, and making payments easy for parents, (or donors, or customers), are priorities for most organizations. There are a number of technical questions to consider: Who will be responsible for credit card processing fees? How can we serve families without credit? How can we ensure the solution is secure?

Simply choosing a stand-alone solution that's branded for education may seem to reduce the decision pool, but that may just be one of seven common mistakes schools can make when choosing an online payment solution. Other mistakes to avoid include:

MISTAKE 1 - Getting scared off by processing fees

MISTAKE 2 - Losing fast access to your money

MISTAKE 3 - Excluding low-income families by limiting payment options

MISTAKE 4 - Creating complications by trying to manage multiple systems

MISTAKE 5 - Underestimating the need for secure transactions

MISTAKE 6 - Not integrating with cafeteria management or SIS platforms

MISTAKE 7 - Not acting because merchant accounts are confusing

This White Paper will help you understand more about these common mistakes, and how you can avoid them.

MISTAKE 1 - Getting scared off by processing fees.

The most common question about processing school fees online concerns credit card fees. Whether charging for tuition, lunch fees, or overdue library books, most K-12 schools are simply trying to recover costs or raise additional money for student activities. Losing 4% of those fees to credit card processing is a great reason to put online payments at the bottom of a “great ideas” pile.

While many processing vendors will charge a range of fees, there are some standard practices that both schools and non-profits can take advantage of to ensure that they receive the full billable payments on which they rely. Some schools may decide to absorb the fees themselves, while others let parents pay a “convenience fee” for not writing a check or coming into the school office.



Some Configurations Include:

- Parents pay a small “convenience fee” on top of credit or debit card transaction
- Parents pay an incremental fee on top of eCheck or ACH payments based on size of transaction
- Credit card payments only, with traditional % of transaction withheld
- District decides to build credit card processing costs into school fees

Choose a partner that has flexibility in how fees are managed. You may find, after some time, that your community would prefer a different method, and having the option to change gives you the opportunity to serve them best over time.

MISTAKE 2 - Losing access to your money.

Merchant accounts are special accounts created within a network of banks that specialize in processing credit and debit transactions. If you accept any type of credit or debit payment, your fees are being processed through a merchant account.

Some school fee systems will receive your payments directly, aggregate hundreds of schools or districts under a single merchant account, and then distribute the collected fees to the appropriate schools on a schedule. This may provide the fee-system with operational economies of scale, but ultimately means that schools lose control over their funds as they are combined with funds from other schools and then separated for distribution to each account.

This process is time-consuming, and there can be a delay, (and significant risk), in schools receiving funds on statements that have been paid to a third party. In some cases this might be up to 2 months or more.

Avoid losing access to your funds by ensuring that your school has its own dedicated merchant account. While it is possible to establish a merchant account on your own, the process can be made much easier by working with a partner that can help navigate the necessary paperwork and credit checks.

MISTAKE 3 - Excluding low-income families by limiting payment options.

Regardless of whether your school is in the inner-city, the suburbs, a rural area, or whether it is public, independent, or faith-based, serving all students and families with fairness is a significant concern. In a Framework for Understanding Poverty, Ruby K. Payne outlines many of the assumptions that the middle-class takes for granted. One of those is access to credit, or cash-on-hand to cover school expenses. While accepting payments online does assume that your families have access to bank accounts and the Internet, providing a variety of processing options ensures that they have a better chance of enjoying the convenience you will provide.

When evaluating payment processing options, consider a partner that will help extend access over a variety of payment types and schedules such as:

ACH - Automated Clearing House, or eCheck, allows parents to provide basic checking account information through a secure gateway that will deduct funds directly from their bank account. This is a common option, not just for low-income families, but for many families that are trying to minimize their reliance on credit.



Automatic Debit - For larger fees, like tuition or sports programs, look for a system that will automatically manage scheduled payments for your families. Providing families with an option for paying larger fees over time can often help encourage them to push their students to engage in more activities within the school.

Credit and Debit - Many families simply like to put expenses on their credit or debit cards, paying the balance according to their family budget.

Pre-funded Accounts - For certain types of expenses, (like bookstore or cafeteria), many schools will suggest that parents fund an account with a certain amount of money for the semester or school year. This allows students to access these ad-hoc services as needed, without worry.

Each of these methods may have a slightly different fee structure, but school-oriented fee-processors should have a concise fee schedule available for your review. Ask if your partner will provide a parents' guide to help your families make the best decisions when considering their payment options.

MISTAKE 4 - Cutting corners on Student Information System integration.

There are a number of good stand-alone options on the market serving K-12 schools when it comes to fee management. Most systems will provide at least a one-time batch import of parent and guardian information, but like other family-oriented management tasks, this can become far more complicated than anticipated.



Consider how you want to handle changes to the family structure during divorce, or changes to custodial care when serving foster children. Are you managing waivers or other coupons for low-income students?

Ideally, your chosen solution should integrate in real-time with your student information system, which will accommodate these concerns natively.

MISTAKE 5 - Taking security for granted.

While there have been high-profile stories in the news regarding security breaches among large retailers, a school environment is different. Schools are not as likely to be the targets of large scale attacks, however, they are more commonly targets for students looking to push the limits of security and network protocols.

PCI Compliance, a dedicated payment gateway, and a reliable payment processor are necessities. Choose a partner that has an established track record of serving schools and non-profits, and that understands both industry and niche security concerns.



MISTAKE 6 - Not integrating with cafeteria management.

To avoid confusion among parents, choose a fee-processing system that integrates with your cafeteria point-of-sale, and one that allows parents to pre-fund student accounts in real-time.

The “cheese sandwich” is a universal experience for any student that regularly buys lunch. School cafeterias will typically have such a basic item on the menu available for when a student’s account drops below zero. Some fee-processing systems will hold funds from entering lunch accounts for a number of days before appearing as credits. This means that students may not have access to their choice of lunch during that time.

Address this concern by looking for systems that update accounts in real-time, so that when a parent gets a call from their child saying they’d rather not have the “cheese sandwich,” parents can fund that child’s account in real-time from an online portal.

MISTAKE 7 - Not acting at all...

There are many details to manage when implementing an online payment system, and these details can keep schools from doing anything at all. However, with the right partner, the benefits from such a system far outweigh the complications. For instance:

- Schools can save up to 90% of the time they typically spend processing payments by implementing an online payment portal

- Schools with online payment portals collect more fees, on time, and overall, due to the convenience they provide
- Parents may complete the registration for more school activities when they can pay online
- Parents appreciate fees being processed in real-time, rather than waiting for paper checks to be processed and cleared
- Parents respond rapidly when statement email notices include a link directly to their portal where they will find a variety of payment options



As a school professional, choose a vendor who is invested in your success. Stand-alone systems may seem convenient, but when they are integrated tightly with your core systems, (like student information management), schools will benefit from a deeper level of support through both the setup process and future maintenance.

How Computer Resources can help.

Computer Resources, (and their parent company, Softerware), provides the MMS Student Information Platform, a system that helps schools and districts avoid the 7 mistakes outlined above. Here's how:

Flexible options, and great rates on processing fees. The MMS Payment Portal allows schools to configure their fee-processing so it best supports their parents and users. Parents can pay tuition, school and library fees, or fund lunch accounts with credit, debit, or electronic check (ACH). Schools can decide how fees are configured, and who will be responsible for them.

Real-time access to funds. By providing each school or district with their own merchant account, the MMS Payment Portal ensures that payments are made available almost immediately. This makes both parents and school personnel happy, as parents won't be surprised months down the road by a check that has just cleared, and schools will have immediate access to funds.

Offering flexible payment options to include all families. The MMS Payment Portal not only supports electronic checks, credit cards, and debit cards, but also allows schools to extend their own payment plans to families that need to pay bills over time by scheduling automatic



Student Information Platform

withdrawals against fees. MMS also makes it easy for families to fund accounts that students can draw on as needed.

Tight integration with your student information system. The network of services that make up the MMS Payment Portal have been integrated for more than a decade. Their relationship with Softeware, one of the largest processors of non-profit payments in the country, gives MMS access to mature technology and expertise that ties directly into their student information platform. Student, family, lunch and fee data are kept up to date, in real-time, all the time.

Security. The MMS Payment Portal is PCI compliant, isolates each account within its own merchant account, and works with SafeSave- a payment processor known for its security and dependability.

Integration with cafeteria management. MMS has been working with Lunchtime Software for more than 7 years, and is tightly integrated into their cafeteria point-of-sale system so student accounts, health alerts, and menu restrictions are all kept up to date instantly. Our goal is to eliminate the need for the “cheese sandwich,” due to under-funded lunch accounts.

... and it's easy to get started. Computer Resources will walk you through a straightforward implementation process and have your school up and running in a matter of days. After filling out a few forms and taking a couple hours of training, you will have an integrated fee-tracking system and payment portal for your whole school community.

For more information, visit us online at www.cri-mms.com, or call us at **888.665.4046**.