



## REPORT TO

## REGULAR BOARD

## SCHOOL CASH ONLINE

*“For I know the plans I have for you, declares the Lord, plans to prosper you and not to harm you plans to give you hope and afuture.”* Jeremiah 29:11

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D. Bilenduke, Sr Coordinator Finance  
 P. De Cock, Comptroller Business Services and Finance  
 L. DiMarco, Superintendent Curriculum Leadership & Innovation; ICT  
 M. Mascarenhas, Sr Coordinator Computer Services

## RECOMMENDATION REPORT

**Vision:**

*At Toronto Catholic we transform the world through witness, faith, innovation and action.*

**Mission:**

*The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ. We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.*



R. McGuckin

Associate Director of Academic Affairs

A. Sangiorgio

Associate Director of Planning and Facilities

C. Jackson

Executive Superintendent of Business Services and Chief Financial Officer

Angela Gauthier

Director of Education

## **A. EXECUTIVE SUMMARY**

School Cash Online provides District School Boards and Schools with an integrated portal for processing school activity fees online and seamlessly interfaces with both Board and School level banking and accounting management systems. The ultimate reduction and/or elimination of cash handling tasks reduces the workload for school staff, mitigates the risk associated with cash transactions at the school level and increases student safety.

The implementation of an online payment processing application will also allow schools to recover HST rebates on invoices paid from school generated funds, which are not currently collected. Thus recovering usable funds for schools to access.

Any resulting shortfall between the administrative fees and the operational costs could be offset by funds derived through the recovery of HST rebates that have not historically been available. The remaining HST rebates would be returned to schools proportionately, based on their rate of collection.

## **B. PURPOSE**

1. Several requests by School Principals and Catholic School Parent Councils have been received to date inquiring into the prospect of implementing eCommerce solutions for school banking transactions.
2. The Toronto District School Board (TDSB) is currently phasing in the implementation of an eCommerce solution, in their elementary and secondary schools. The availability to conduct business with school communities in a safe and secure manner may be regarded as a competitive advantage which may attract enrolment from parents and guardians concerned with student safety.

## **C. BACKGROUND**

1. The TDSB awarded a Request for Proposal to KEVgroup, which contains a piggy-back clause onto which other District School Boards can take

advantage while remaining compliant with the Broader Public Sector Procurement Directive.

2. KEVgroup currently works with 53 Ontario school districts, of which 43 are currently using School Cash Online. School Cash Online is also being implemented in other countries.
3. KEVgroup presented to Education Council on 16 January 2017 and provided an overview of the School Cash Online suite of products and answered questions about how TCDSB could recover the costs of the application.
4. Education Council recognized the need to proceed in this direction and indicated support for this initiative to proceed to Director's Council for review and consideration.

## **D. EVIDENCE/RESEARCH/ANALYSIS**

1. KEVgroup's School Cash Online suite of integrated accounting and fee management tools provides many advantages some of which include the following:
  - One product solution by one company which is compatible with the existing School Banking Software installed at TCDSB
  - Simple and Easy user interface for schools and parents/guardians
  - Many payment methods available for processing student activity fees
  - Advanced security and higher piece of mind by digitizing school banking transactions
  - Increased communications and messaging provided by automatic email notifications/reminders concerning upcoming events and related fees
  - Integrated charitable donation and receipt generation capability
  - Viewable purchase history by which parents/guardians can print receipts
  - Ability to implement payment plans for higher priced events such as school overnight trips and activity fees
  - Ability for parents without chequing accounts to transfer money to the school through an online account
  - A comprehensive canned suite of reports and analysis tools not currently available in SAP School Banking
  - The ability for one family to manage multiple students at multiple schools with multiple payers from one secure source

2. Parents/Guardians who choose to can still send funds directly to the school as in the past.
3. The annual application costs include the use of eCheque, which allows parents to transfer funds as required from their bank account directly to their School Cash Online myWallet account. Parents/Guardians can then pay for school related items (pizza lunches, field trips, etc) directly from myWallet. Parents/Guardians do not have to have a chequing account to use this feature.
4. The application would also allow for the schools to make outgoing payments for invoices received by the school and to track all HST payments on all outgoing payments. This would enable the board to easily apply for HST rebates on behalf of schools. To date it has not been possible to realize the rebates for smaller cost school invoices. Currently some schools are able to claim HST rebates on high cost invoices through a labour intensive process. Currently, TCDSB is realizing approximately \$150 000 in HST rebates on \$1.5 million of expenditures. By moving to School Cash Online, the TCDSB will have the ability to claim potential rebates on \$20 million of expenditures. These rebates could both pay for the system outright and provide a source of revenue to the schools that has not previously been available to them.
5. Once fully implemented, the annual application fees of \$325 902 (approximately 1% of the TCDSB school generated funds OR approximately \$3.50 per student per year) would be recovered by the addition of an administrative fee (1%) to all prices charged to parents/guardians (For every \$9.90 charge, increase cost by \$0.10 to \$10).
6. The one-time cost of implementation and support from KEVgroup staff would be \$87 600. This can be funded from a small portion of the HST rebates that will be recovered from the school generated funds banking activity.
7. The 1% administrative fee and the HST payment rebates would be held centrally to ensure funds are available to pay for the School Cash Online application. Once all costs are covered, remaining collected amounts would be returned to schools proportionately based on the fees collected through the school generated funds banking accounts.
8. Additional costs are incurred if the board chooses to permit the use of Credit Card payments within the application. To add this functionality, the board

would require a third party, online payment provider. The cost to offer this service would amount to approximately 2% per transaction.

9. By using an online payment provider, the Board could also choose to accept Interac Transactions at a cost of \$0.75 per transaction. This option could be pursued at a future date, following a review of administrative fees collected, HST rebates realized and total costs incurred.
10. Summary of all costs:  
One-time set up costs (implementation support for Phases 1-2): \$60 600  
One-time set up costs additional support for Phases 3-5 (optional): \$27 000  
Annual fees (eCheque and myWallet): \$325 902  
Addition of credit cards payment option: approximately 2% of costs
11. The various cost recovery options are outlined below in section F.

## **E. VISION**

<b>VISION</b>	<b>PRINCIPLES</b>	<b>GOALS</b>
Provide a cost-effective and safe environment for conducting school business transactions.	Ensuring Stewardship of Resources and Fostering Student Well-being by providing students and staff with safe learning environments	Reduction and/or elimination of cash-handling tasks in school communities in order to mitigate risk and increase student/staff safety. Increase paperless communication home and streamline the reporting process.

## **F. ACTION PLAN**

### **F. #1 Explanation of Options/Scenarios**

#1 Basic Functionality	#2 Enhanced with Credit Card Option	#3 Enhanced with Credit Card Option – less impact on parents
<ul style="list-style-type: none"> <li>1% administrative fee on all transactions to cover the costs of the application</li> </ul>	<ul style="list-style-type: none"> <li>2% administrative fees on all transactions (1% to cover costs of the application plus 1% toward offsetting the cost of offering a credit card payment option)</li> </ul>	<ul style="list-style-type: none"> <li>1% administrative fees on all transactions to cover the costs of the application</li> </ul>
<ul style="list-style-type: none"> <li>Credit card usage not available</li> </ul>	<ul style="list-style-type: none"> <li>The total cost of adding a credit card option is approximately 2% (1% to be recovered through the administrative fee above and 1% to be recovered through HST rebates)</li> </ul>	<ul style="list-style-type: none"> <li>The 2% cost of adding a credit card payment option to be recovered through HST rebates</li> </ul>
<ul style="list-style-type: none"> <li>Parents able to pay through bank transfers (eCheque) to myWallet</li> </ul>	<ul style="list-style-type: none"> <li>Parents able to pay through bank transfers (eCheque) to myWallet or by credit card</li> </ul>	<ul style="list-style-type: none"> <li>Parents able to pay through bank transfers (eCheque) to my Wallet or by credit card</li> </ul>
<ul style="list-style-type: none"> <li>The fee would recover the annual costs of the application</li> </ul>	<ul style="list-style-type: none"> <li>The fee would recover annual cost of the application and offset costs of credit card usage</li> </ul>	<ul style="list-style-type: none"> <li>The fee would recover annual cost of the application and offset some of the costs of credit card usage</li> </ul>
HST rebates, not previously collected, would be collected		
One-Time Costs could be covered through HST rebates		
Remaining funds collected centrally through HST and admin fee would be distributed to schools based on their rate of collection.		
The option of using Interac could be considered at a later date. Interac fees are a flat rate per transaction. As a result they incur a higher cost per transaction on lower cost items, which represent a high proportion of the funds collected by schools.		

## **G. IMPLEMENTATION, STRATEGIC COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT PLAN**

1. The Secondary Panel presents the greatest opportunity from a dollar volume perspective and maximizes the risk mitigation surrounding cash management.
2. The most successful implementations, as per the experience of the vendor, use a phased approach with the first two phases introducing 25 schools to the application. Additional phases can include 50 schools.
3. Following the suggested implementation plan Phase 1 and 2 would each have 25 schools, phases 3-5 would comprise of approximately 50 schools each.
4. The timeline for implementation would have all schools operational on the application by March 2018.
5. The most successful implementations, as per the experience of the vendor, include secondary schools and their nearby elementary schools. The reason being that parents may have children in both panels. Since our Superintendent areas are approximately 25 schools each, they would fit with the suggested implementation strategy in #2 above.
6. Strategic engagement of the unions and associations representing the impacted employee groups would be required in order to ensure adequate consultation and implementation.
7. KEVgroup will be providing in-servicing activities and communications strategies as appropriate for the implementation.
8. A communications strategy is required in order to create an awareness of the new service offering, and thereby, ensure a greater buy-in by the TCDSB community.

## **H. STAFF RECOMMENDATION**

That the TCDSB embark on the implementation of the School Cash Online suite using scenario #3 enhanced with credit card option, provided in Section F. The addition of alternative payment options be considered at a later date upon review of operational costs.