



Search CreditCards.com

Search

Search by Type Of Card

- ▶ Low Interest Credit Cards
- ▶ Balance Transfer Cards
- ▶ Instant Approval Cards
- ▼ Reward Credit Cards
 - Points
 - Retail
 - Gas Cards
 - Hotel/Travel
 - Home Improvement
- ▶ Cash Back Credit Cards
- ▶ Airline Credit Cards
- ▶ Business Credit Cards
- ▶ Student Credit Cards
- ▶ Prepaid & Debit Cards
- ▶ Credit Card Specials

Search by Credit Quality

- ▶ Excellent Credit
- ▶ Good Credit
- ▶ Fair Credit
- ▶ Bad Credit
- ▶ No Credit History

Search by Bank or Issuer

- ▶ Advanta
- ▶ American Express®
- ▶ Bank of America®
- ▶ Capital One®
- ▶ Chase
- ▶ Citi® Credit Cards
- ▶ Discover®
- ▶ First National Bank of Omaha
- ▶ First Premier Bank
- ▶ HSBC Bank
- ▶ MasterCard®
- ▶ Orchard Bank®
- ▶ Visa®

News and Advice

- ▶ News About Credit Cards
- ▶ Credit Card News Archive
- ▶ Credit Card Blogs

Tools

- ▶ Credit Card Calculators
- ▶ PrivacyWise™
- ▶ Credit Card Site Map

Accept Credit Cards

- ▶ Merchant Account Providers
- ▶ Merchant Account Articles

[Credit Cards](#) > [Stories](#) > Lunch money goes cashless in many school cafeterias

Kids' lunch money lost less often in cashless cafeteria lines

More school districts converting to cashless cafeterias nationwide

By Steve Holt

The days of sending children to school with their lunch money neatly wrapped in handkerchiefs or inside their shoe or pocket is quickly giving way to a new cashless lunch payment system.

Following a national trend toward credit card-based cashless transactions for everything from [taxicabs](#) to [bail](#), more school districts across the country are adopting automated school lunch payment systems. Instead of fumbling through their pockets for dollar bills or change to pay for lunch, elementary, middle and high school students are increasingly breezing through the lunch line -- some swiping or waving bar-coded student ID cards or punching PIN numbers on a keypad and others scanning their fingerprints on biometric readers.

Keeping track

"It tracks who bought what, when," says Crystal Thill, food service director for the Fairfield Independent School District, located southeast of Dallas. All but 25 of that district's 1,800 students use a Web-based account system that allows parents to use credit cards or debit cards to replenish lunchroom accounts and monitor their children's meal plans.

"Parents enjoy being able to go online to check students' balances and monitor what the students are eating. It's a great way to keep track of everything," Thill says.

Lost their lunch money? A bully took it? Those familiar complaints of old are fading. Schools that have launched automated payment systems often still have traditional cash registers onhand to accept cash. School lunchroom administrators say dumping those old-style cash registers helps speed the lunchroom lines in a country where, according to [data](#) compiled by the U.S. Department of Agriculture, 30.5 million school lunches are served every school day.

A May 2007 survey of 1,200 nutrition directors from school districts across the country found that 62 percent reported their districts were currently using some form of automated lunch payments while another 4 percent indicated they would be implementing a system within 12 months. Nearly 11 percent said they were considering converting, according to the survey conducted by the School Nutrition Association, an Alexandria, Va.-based nonprofit group representing 55,000 school lunch providers nationwide.

Automated lunch payments

The survey noted that the greatest increase in cashless cafeterias was in school districts accepting credit cards and debit cards via the Internet. The number of respondents reporting this type of automated payment rose from 16.4 percent in 2005 to 35.8 percent in 2007.



Print
Email



Cash no more: Students at Fairfield High School in Texas check out of the lunchline with biometric fingerprint scanners. Their lunch accounts are automatically debited and track their purchases.

Photo by Caitlin Neal, Eagle Publications

"As more and more business processes are conducted via the Net through electronic transactions, this will certainly grow," says Mitch Johns, president and CEO of Food Service Solutions Inc. (FoodServe.com), the Altoona, Penn., company that develops the software used in the Fairfield, Texas, lunchrooms.

The

Type of automated payment	System currently in use (%)	System planned in next 12 months (%)
Cash or check mailed or taken to school	91.9	
	67.3	
Credit card or debit card via Internet	35.8	
	59.6	
Automated payment from checking account	12.3	
	15.4	
Credit or debit card via mail, phone or fax	7.7	
	11.5	
Credit card or debit card at point of sale	3.4	
	7.7	
Other payment	0.7	
	0	
<i>Source: School Nutrition Association, May 2007 survey of school district nutrition directors.</i>		

company serves 300 school districts nationwide through its online account management system, MySchoolAccount.com. Parents sign up on a Web site to view their children's lunch account. Information on what students bought for lunch, how much it cost and when their balances drop below certain levels is available 24 hours a day. Parents can reload the accounts using credit cards or debit cards linked to their checking accounts.

Alternatives to cash

As an alternative to sending little Johnny or Suzy to school with cash to pay for lunch, many school districts allow parents to send paper checks, but this doesn't eliminate the possibility of children losing checks en route to school. A lunchroom account manager collects the checks (although sometimes homeroom teachers are charged with gathering up lunch money and checks from students in lower grades). Paper checks may take several days to be credited to the student's lunch account.

Recent rising food prices are putting upward pressure on school lunch prices. Many school districts are contemplating charging more for children's lunches. The rising prices may prompt more parents to sign up for automated payment systems.

Johns, the Food Service Solutions CEO, says school districts pay \$5,000 plus \$1,000 per cafeteria in software fees to install his company's automated system and another \$1,800 to \$3,000 per cash register for hardware. Additionally, parents pay a transaction fee of between 3 percent and 6 percent to add funds to an account using a credit card, and a flat rate of \$1.50 for all ACH debit transfers, regardless of the amount.

According to Galen Reigh, MySchoolAccount.com's system administrator and lead developer, each school district decides how it will allow parents to pay for lunches. "Some school districts do what we call ACH payments, and some school districts do credit card payments and some do both," Reigh says.

Another automated lunch payment provider -- New Jersey-based PayPAMS.com -- allows parents to use its Web site to pay for more than just meals. School activities such as community education classes, after-school care, athletic events, donations, summer school and transportation are among the student payments that can be processed online.

"More and more parents have access to high speed Internet access and are getting

Four to five years

from now, the majority of the parents will pay online not only for school lunch, but for all school activities.

-- Dov Abramson,
PayPAMS operations manager

familiar with online payments," says Dov Abramson, operations manager at PayPAMS (Payment Account Management System). The company contracts with school districts in 23 states, including Miami-Dade County, Fla., San Diego and Prince George's County, Md .

"Four to five years from now, the majority of

the parents will pay online not only for school lunch, but for all school activities."

Parents like convenience

Parents say they like the peace of mind that cashless lunch payment brings because they know exactly how their money is being spent.

"It is certainly better than giving the children money to buy lunch," says Tom Miller, who enrolled a middle schooler in the PayPAMS program in Miami-Dade County schools, the nation's fourth largest school district.

More privacy

Proponents of the payment systems point to another advantage of cashless cafeterias. How much each student pays for lunch is kept private. In districts where students from low-income families receive reduced priced or free lunches, they are scanned through checkout like all other students. Classmates in line behind them do not know these students are receiving reduced priced meals -- a potential source of embarrassment for some students and families.

Automated payments are not perfect, however. Students can still lose their ID cards or reveal their PIN to others who can fraudulently debit their accounts. The fingerprint scans help reduce the likelihood of these things happening.

Both PayPAMS and Food Service Solutions say parents are spreading the word about their services and asking school districts to set up online lunch payment accounts.

Says Reigh, the MySchoolAccount.com developer: "We're getting more and more calls from school districts that want to get in the system and as parents learn about it, they say, 'Hey, we want to do that too.'"

To comment on this article, please write to: Editors@CreditCards.com

See related: "[Cashless colleges: Student IDs turn into payment systems](#)," "[3 must-ask questions for multi-use college campus cards](#)," "[Blog: Is next generation already wrapped in plastic?](#)"

Published: June 11, 2008

[Comments or Questions](#), [Library of Stories](#)



Three most recent Innovations, features, new products stories:

- ▶ [Even card purchases at home trigger 'international' fee](#) – Credit card purchases may be 'international,' even if you aren't. ...
- ▶ [Many airlines now accepting plastic for in-flight purchases](#) – Weary travelers, take heart. On most airlines, you are now free to pay for your in-flight Heineken or Harry Potter movie with your credit card. ...
- ▶ [Shariah-compliant credit cards become more common](#) – As credit card companies reach out to specific groups by offering credit cards with ties to everything from charities to pro sports teams, they are also actively pursuing a group of people who have traditionally shunned credit cards for religious reasons. ...



Secure SSL
Technology

Home

Site Security
Privacy Policy
Site Map
FAQs

About Us

Overview
Leadership Team
Media Center
Careers

Contact Us

Customer Support
Partnership Opportunities
Business Development
Media Relations

Related Sites

Tarjetas de Credito
UK Credit Cards
Australian Credit Cards
Canadian Credit Cards
Credit Card Blogs



© Copyright 2008 Credit Cards.com. All Rights Reserved. [Terms of Use](#)