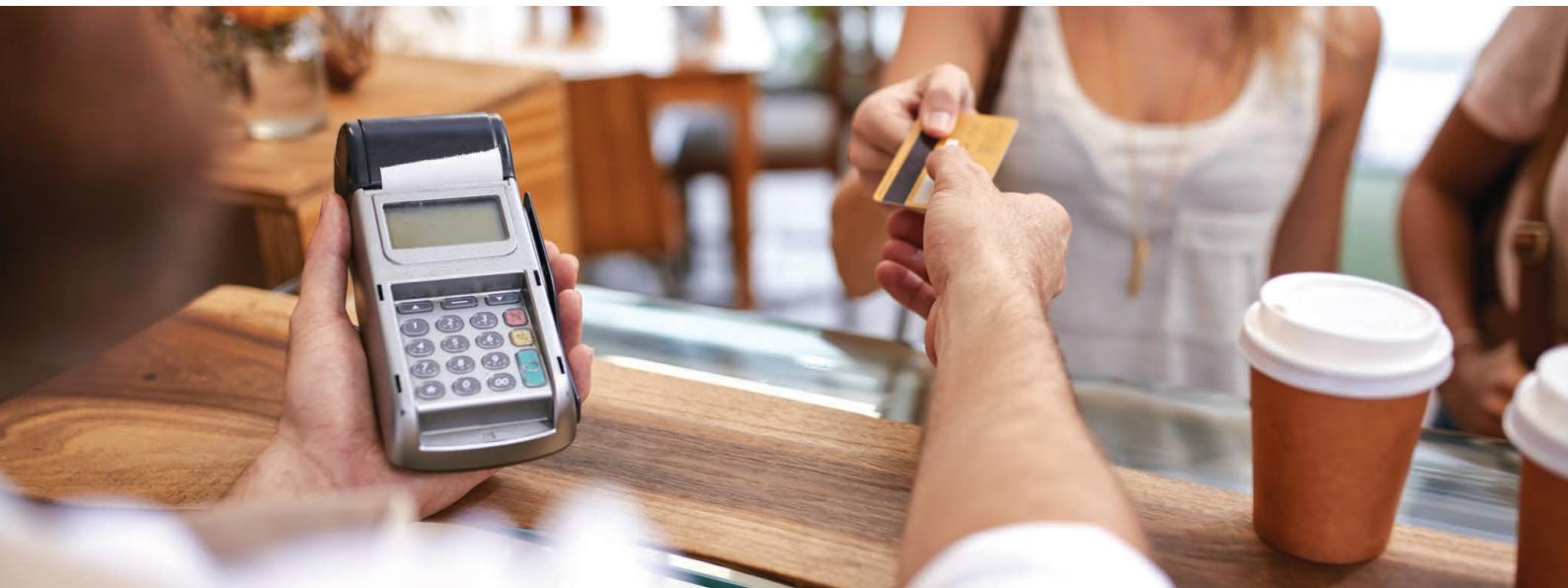


# Calculating the cost of payment acceptance



The Universities of Birmingham, Sheffield and Southampton were the lead institutions for WPM's work on Payment Acceptance Strategies. SUMS was commissioned by WPM, payment experts within the higher education sector, to work with these universities to calculate the costs of processing cash payments.

The project was extended to understand the cost of accepting payment types from cheque to direct debit and to make recommendations for conversion opportunities across a range of channels.

SUMS worked with colleagues within each institution's Income Office to collect data and information relating to payment handling policies and processes before interviewing colleagues from across payment-accepting functions in each university. The payment-accepting channels ranged from central cash offices, through catering, accommodation, libraries and print services to parking, fundraising and theatres.

Calculations showed that there was a great range in the cost of cash handling across the different channels within each institution. Channels which were cash-dependent with high cash volumes tended to be more efficient in their cash handling, while channels which took little cash were less efficient, and in some cases, non-compliant with institutional policies.

SUMS made recommendations to each institution to convert cash to other payment types depending on the specific channel requirements relating to customers and payment types. Additional recommendations were grouped around reducing the cost of cash handling, reducing the risks associated with cash handling and reducing the cost of other payment acceptance. A set of benchmarking data was also produced, which is now available to inform institutions' plans for payment acceptance.

If you would like to understand more about the costs associated with payment acceptance and how your institution can minimise these costs, please contact [SUMS@reading.ac.uk](mailto:SUMS@reading.ac.uk).

The evidence we collected showed that across all channels, processing cash payments was more expensive than electronic forms of payment. However, it's not all about the cost: there are service expectations to meet and risks to manage, so universities need to balance these objectives. For the universities involved in the project, SUMS was able to identify ways of reducing cash, improving processes, reducing risk and the reducing the potential cost of payment processing.

**Claire Taylor**  
**SUMS Consultant**

The SUMS report made for interesting reading, and the information was presented in a clear and concise fashion. We have taken forward recommendations about reducing cash and associated risks in specific channels, and have just implemented a cash-free system for our print services.

**Dave Lund Yates**  
**Deputy Head of Income (Payment Strategy and PCI DSS Compliance)**  
**University of Southampton**

SUMS works for universities. SUMS is different – we really understand the culture of universities and how to bring about change within them.

SUMS consultants combine commercial expertise with a deep understanding of the sector. Our consultants come from the commercial sector – including from the big four consultancy firms – and senior roles within universities. Our principal consultants are a professional team that share their experience of commercial and public sector best practice. We learn from what has worked well elsewhere, from other sectors and within HE. We horizon scan, are aware of the issues that will be impacting UK HE and are developing solutions to help our Members meet the challenges ahead.

SUMS membership gives unique access to other Members and other SUMS international networks: in USA, EU and Australia.



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