



CASE STUDY

A Payments Graduation Model for Pay Theory

For many people, school brings back sweet memories of braces, being reunited with old friends, and the all-important first day of school outfit. Less frequently remembered, however, are the associated school costs for parents. Dues for participation in school clubs and sports, gym uniforms, lunch costs, and the like can quickly add up to thousands of dollars per year, even for a “free” public school education.

In a digitized world, the school system is one of the few places where cash and checks are still essential for many parents. But more than 40% of parents with school-aged children are unbanked, meaning they have no access to a financial institution. This lack of access makes online and credit card payments for associated school costs, in most cases, near impossible.

With the goal of eliminating barriers to education, Pay Theory is the easiest way for schools and parents to manage both cash-based and digital payments. As a trusted partner, Pay Theory provides comprehensive payments solutions for the entire life cycle of school fees and expenses.

Cash on Campus

Cash, both for the holder and recipient raises a security issue for students and adult staff on campus. An institution opens itself to increased risk and potential fraud when cash is the primary way to manage payments transactions. For students, cash-on-hand presents the danger of theft and upkeep. For adult staff -- teachers, administrators, operators -- cash-based transactions require a suite of manual support systems like lockboxes, safes, and cash registers. Additionally, storing cash onsite requires finding ways to protect it and prevent others from illegally accessing it.

Pay Theory manages cash and digital payments for schools and parents for a variety of associated fees. Through a unique set of product features that support student account reconciliation, cash payments, school fees, and donations and one-time fees, Pay Theory increases access to financial services for students and parents while enabling schools to limit and drastically reduce cash on campus without discriminating against parents who are unbanked. By bridging the gap between schools, families, and technology, Pay Theory helps students, their parents, and the organizations that serve them focus on what’s most important, learning.

“Schools have been left to navigate an increasingly technologically-demanding world while using systems that are several decades old. We’ve also seen families become frustrated with the lack of transparency, complexity of tools, and abandonment of cash as a means to pay for their children’s expenses.”

Founder, Pay Theory

Roadblocks to building a better solution

As payment and edtech-industry veterans, Pay Theory was looking for the right partner to accelerate their go-to-market strategy and bridge the gap to becoming a payment facilitator. While they had a keen understanding of what their customers (schools) and their end-users (families) needed, designing and executing their solution presented a series of challenges. Early on, one of the most important choices they had to make was whether to integrate directly with a processor or use an Independent Sales Organization (ISO) until they had enough processing volume to become a payment facilitator themselves. Regardless of the path they would choose to take, either direction would mean an intensive amount of product re-work to convert. For ease and efficiency, they wanted a partner that would allow them to expand their product offering as their customer-base and volume grew.

A lot more lunch money

According to Brad Hoeweler, Co-CEO at Pay Theory, Finix Flex was the ideal solution for their launch plans. He says, “easy to use tools, payfac capabilities, and excellent support were exactly what we needed to build our solutions.” Flex customers can start processing payments right away while learning the requirements to become a full payment facilitator in the future. Software companies that start on Flex can later enjoy a seamless transition to payment facilitation with no switching costs when they’re ready.

Pablo Martinez continues, “Finix has been a consistently reliable partner. As soon as we experience a new challenge, the Finix team has been there to help us navigate through the obstacle at hand. As a startup, having Finix’s capabilities driving our payments infrastructure has moved us ahead several years in our development. Finix’s support team has allowed us to leverage capabilities immediately.”

Every software company can become a payments company with the right tools, dedicated support, and forward-thinking vision for the future. Finix enables companies to gain more control over their product experience and customer satisfaction by owning their payments with Finix.



Location

Cincinnati, OH

Industry

Family Tech

The Numbers

46%

of parents with school-aged children are unbanked.