



Safeguarding Activity Funds and Driving Increased SchoolCash Adoption at Knox County Schools

The Challenge

In 2014, Knox County Schools recognized it needed to address its approach to school activity fund management. Knox County Schools collection system relied upon staff and teachers handling cash or checks onsite and delivering it to the District.

Knox County Schools turned to a former auditor with a background in forensic accounting, Garrett Raiden, to create a system that reduced risk and improved internal controls.

In his new role as Supervisor of Internal Funds, Mr. Raiden identified the need for a solution to manage funds generated at the school level as a key control in his plan. According to his calculations, 3-5% of the school activity funds collected in cash or checks onsite could be lost each year due to fraudulent activity. This is in accordance with guidelines published Association of Certified Fraud Examiners.

To address this, he began using competing software that was included in the District's system to manage school activity funds. But the software's usage produced disappointing adoption results.

In 2018, the company that created their accounting software was acquired by KEV. Mr. Raiden worked with KEV's Customer Success Team to implement SchoolCash Online (SCO) in less than three months.

"KEV's implementation of SchoolCash Online exceeded my expectations," said Mr. Raiden. "KEV team members were deployed to our District and managed a detailed, well-organized roll out that accommodated the changes I requested."

Engaging regularly with KEV's Customer Success Team, Mr. Raiden strategically tested and deployed SCO on limited programs over a one-year period. Confident in SCO's ability to

safeguard and automate cash collection and management at the school level, Mr. Raiden developed an approach to begin driving adoption from the district level.

The approach centered around a new Device Insurance Plan created by the District's IT Department as part of its new, annual 1:1 Laptop Program, which loans computers to students.

During the online registration process for the laptops, parents were given the choice to buy \$30 device insurance to cover damages or theft. Mr. Raiden collaborated with KEV to integrate SCO into the process, launching the program in September 2020.

"We were projecting to have 8,300 students register for the insurance plan, which would collect \$250,000 for Knox County Schools," said Mr. Raiden. "We viewed this as an ideal way to drive SchoolCash Online adoption by integrating the software into the 1:1 Laptop program at the District level."

ABOUT KNOX COUNTY SCHOOL DISTRICT

Knox County Schools operates 90 public schools in Knoxville, Tennessee. The local school district is responsible for educating approximately 60,000 students and employs over 8,000 staff including 4,500 teachers. Each year, Knox County Schools manages approximately \$25M in school activity funds with an average daily balance between \$12-15M in assets.

Based on the district's adoption rate of SchoolCash Online, \$11M in activity funds will be safeguarded from impropriety

Results

Knox County Schools exceeded their device insurance plan projections by 200%.

In October, over 25,000 students signed up for the Device Insurance Plan, which raised more than \$750,000 in revenue. Over 90% of device insurance plan revenue—\$650,000—was collected through SCO. This high participation caused SchoolCash adoption to jump 173% compared to July 2020.

Mr. Raiden attributes the success of the

program to the convenience that the process offered to parents.

Making the insurance opt-in part of the online registration process using SchoolCash Online made it easy for parents who were interested in buying the device insurance. Once they opted in, they were taken directly from the school's website to SchoolCash Online for payment.

Without SCO's integration into the payment process, Mr. Raiden believes incidents of fraud would have been widespread.

“SchoolCash Online allowed us to significantly streamline the process which helped us achieve our goal of rolling out the plan to collect and track insurance fees; without it, we would have been saddled with a time-intensive, manual process.”

Thanks to features such as item attachment reports, KEV's solution allows everyone involved in a transaction—including parents, school bookkeepers, District-level staff, and auditors—to easily track the status of fees through the entire payment cycle.

Mr. Raiden believes that SchoolCash Online's integration into the payment process significantly mitigated the possibility of fraud. By driving a higher

SCO adoption rate, the fiscal impact of this unfortunate reality will be lessened. Based on the District's current SCO adoption rate, this means that \$11M in funds in the 2020/21 school year will be safeguarded from impropriety.

“The math is simple in my experience: the higher the SchoolCash Online adoption rate, the less money the District could lose to fraud,” said Mr. Raiden.

The use of SCO also meant that the Device Protection Plan could be administered efficiently. In fact, Mr. Raiden believes that the entire laptop insurance program and the resulting revenue would not have been possible without the software.

“SchoolCash Online allowed us to significantly streamline the process which helped us achieve our goal of rolling out the plan to collect and track insurance fees,” said Mr. Raiden. “Without it, we would have been saddled with a time-intensive, manual process.

Mr. Raiden’s approach to successfully drive early participation in SchoolCash through a district-level program is unique. Traditionally, new KEV customers focus on building momentum through school-level initiatives, but the dramatic gains made by Knox County Schools in this scenario serves as a model for Districts in their quest to achieve accelerated adoption rates more quickly.

Knox At A Glance



Schools in the District

90



Number of Parents Using SchoolCash

31,720



Amount in Annual SchoolCash Transactions

\$6.5 Million



SchoolCash Target Adoption Rate

75%

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— **Garrett Raiden**

Supervisor of Internal Funds
Knox County Schools



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KEV Group provides the most comprehensive activity fund management solution that enables K-12 schools to manage every dollar efficiently, accurately, and consistently. By seamlessly integrating and automating all activity fund management processes, the SchoolCash platform provides real-time visibility and control over how districts and schools create, collect, manage, track, and reconcile activity funds. Parents benefit from an easy-to-use solution that offers convenience and supports all payment types. More than 17,000 schools across North America rely on SchoolCash to manage over \$3 billion in activity funds annually. Visit kevgroup.com to learn more.