

**BILL BOOTHE**

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## Credit Cards and eChecks

### *Some Concepts to Consider*

**Does allowing club members to pay their monthly statements with a credit card make sense?**

There's been a long tradition in the private club industry of prohibiting members from paying their monthly billing statements with a credit card. Of course, there are exceptions (especially city/athletic clubs with heavy business activity) but by and large, the industry has frowned upon this practice.

Clubs haven't wanted to pay the fees associated with credit card transactions and haven't found a palatable way to pass those costs on to the membership. But the tide seems to be turning. Recently we've

Members go to the payment site to pay their statement balances, using a major brand credit card. The payment company then sends the payment information back to the club and credits the club's bank account accordingly.

The fees to the member range from two to three percent, depending upon the credit card used, *with no fees to the club*. Clubs using these services generally report great satisfaction with this no-cost and easy-to-use service.

Even if your club isn't comfortable offering the service to your membership at large, you might consider using it *just for delinquent accounts*. It may be easier for a member to pay a past due account with a credit card than to cough up the cash for a large delinquent balance. Many clubs have reported success with this method of encouraging payment of past due amounts. So think about it. Maybe it's time to consider some form of credit card payments at your club. What have you got to lose?

eCheck is the newest payment method to hit the club industry. The concept is pretty simple: instead of paying vendor invoices with a printed check or a virtual credit card (VCC), simply pay with an electronic check. Benefits to the club are huge. No costs or labor for printing, envelope stuffing, postage or mailing. eChecks are generated just like VCC payments, at a fraction of the cost of producing a manual check. Rates range from 50 cents to \$1.00 a check.

seen a growing number of clubs accepting credit card payments from members – in an innovative fashion.

Here's what's new. There are now services available that make it easy for members to pay their statements online with a credit card. And the associated fees are charged directly to the members, not to the club.

For members who are laser-focused on accumulating rewards points on their cards, this could be a nice service to offer. Credit card payment companies generally work with all of the major club management packages by placing a link on the club's website.

#### **ECHECKS...A NEW TECHNOLOGY**

eCheck is the newest payment method to hit the club industry. The concept is pretty simple: instead of paying vendor invoices with a printed check or a virtual credit card (VCC), simply pay with an electronic check.

The eCheck is sent as a PDF to the vendor and contains all of the information that's found on a printed check. The vendor simply prints out the eCheck and deposits it - just like they would with a printed check received by regular mail.

Benefits to the club are huge. No costs or labor for printing, envelope stuffing, postage or mailing. eChecks are generated just like VCC payments, at a fraction of the cost of producing a manual check. Rates range from 50 cents to \$1.00 a check.

Fast, easy, inexpensive. Look for this technology to blossom in the next 12 months as an increasing number of banks and VCC processors add eChecks to their list of payment methods. **BR**