

Treasurer Report
For 8/22/15 Board Meeting

- **Banking**

Balances on all Art Alliance of Idyllwild BBVA accounts as of August 20, 2015 are as follows. P&L summary from QuickBooks for 2015 is available upon request.

- \$2,274.33 – Available funds in PayPal to be transferred
- \$ 4,086.29 – Original General Account established 9/13/06
- \$ 6,001.23 – Preferred Money Market Account established 3/9/15
- \$ 4,509.10 – Preferred Money Market Account established 3/9/15
- \$ 4,000.95 – Preferred Money Market Account established 3/9/15
- \$ 13,669.80 – New General Account established 5/20/15

- **2014 Taxes**

The 2014 taxes have been completed, signed, and filed.

- **PayPal vs. AAI Merchant Account**

Per the July general board meeting, I proceeded to look into an alternative credit card processing company to potentially replace PayPal. The company I spoke to is one that I have done business with for years. Below is a summary of the difference between AAI having its own merchant account versus going through PayPal.

While I feel in researching this there is probably not a huge (if any) monetary savings in switching from PayPal to our own merchant account, that being said, I have found PayPal to be very unsatisfactory in their customer service, reporting or reports available. It is very cumbersome in ease of use, as well as we do not having immediate access to funds processed.

In addition, while I was at our mixer this past Tuesday evening, I overheard two people complaining about not being able to get their credit cards to process through the website for memberships, so they just sent in checks instead. This creates additional work for anyone in charge of banking and memberships. This combined with having to buy new processing hardware in the very near future for reading the new chipped cards, I am proposing that the Art Alliance make this change effective January 1st 2016 .

I have personally used the proposed merchant processor myself for the past 15 years and found them to be highly responsive, accessible and customer service oriented. We will also be able to change the processing on the website with no additional cost to the Art Alliance. The software that we would be using is extremely secure and very user friendly, as well as having great reporting functions.

Merchant Account Information

Non-Profit Organizations

Monthly Customer Service Fee-\$10

Customer service fee includes printing and mailing of monthly statements and 24 hour call center services. Call center calls are free to an (800) phone number.

IRS monthly volume reporting fee - \$4.95

Annual Account Fee-\$59 (this fee is billed about 6 months after you sign up)

Annual PCI Compliance Security Fee- \$90

(website and IP address scan included to prevent fraud & identity theft)

Visa & Mastercard per transaction percentage costs:

0.33% - 0.95% PIN debit cards

1.09% - 1.89% for swiped personal credit & debit cards

1.49% - 2.79% for personal credit & debit cards

3.19% - 3.79% for business & corporate credit & debit cards

Transaction Fee - .25 cents each

Monthly Minimum: \$0

Contract Term: Month to Month

Programming, Account Configuration & Set Up: Free

Software Training: Free

USAePay Cost: \$22 per month

We will be able to borrow our mag stripe readers for all iPhones, iPads and Android phones for free for your events.

ODC vs. PayPal

ODC features:

Data Security:

We provide all clients with PCI Compliant (Payment Card Industry) software and hardware. We perform all the labor for free so your website and computers are compliant. The industry requires that we scan your website and computers once a year. If you add a new user to the system with a computer that already has keystroke copying software on it – we provide you with \$100,000 insurance in case data is stolen.

Automatic Deposit of all Funds:

We deposit all money electronically into your bank account automatically for all transactions. All batches are closed automatically and you get a line item descriptor on your bank account showing our deposits. You get the money in 1 to 2 business days and we do not take possession of your money at any time or hold your money in our bank account before sending the money to you. Our online payment software reports show you the amounts of the deposits so you can reconcile an entire month of deposits in 3 or 4 minutes.

Website Integration:

We integrate your website with our payment software. We also integrate your website with online store and shopping cart software. You have over 1,100 different shopping cart software products that integrate with our payment software and you can switch shopping carts and still keep all your transaction history in place on our payment software.

Mobile Apps:

We have free mobile apps for all iPhones, iPads, Android phones and Blackberrys. All transactions on our mobile apps show up in real time on our full website. All full website transactions show up in real time on our mobile apps. You can monitor all transactions from anywhere you have a cell phone signal or internet connection.

Hardware:

You can purchase terminals and mag stripe readers from us that are fully encrypted for data security. If you have a couple of events per year, you can borrow the hardware from our Costa Mesa warehouse for free – and return it to us when you are finished.

Processing Volume:

We allow your organization to grow and process more dollars with us over time. If your volume goes up then we can approve you for higher monthly processing volumes.

Support:

We have a free 24 hour call center in the USA. You can call for help. If you need help on the processing software and features – you can call that free call center anytime from 8 AM to 5 PM on Monday through Friday for specific help on how to use the software. Our staff also provides you with free training on how to use our processing software. Our software is VERY easy to use and training only takes about 5 minutes.

Monthly Fees:

A credit card processing account is similar to a bank account. Our Federal Government requires that the Processor mail you an account statement every month showing your processing volume and the fees for processing those transactions. You pay some monthly fees for these services.

Specific Logins for all users:

Our software allows us to create separate logins for everyone at your organization. You decide which people get master access to all our features and which people only get limited access. Limited access usually means those people can only process Sales and Voids – but they can not process Refunds or see Reports showing how much money has processed on the account. You can also see if one user is making mistakes because each login can be shown separately on our Reports.

PayPal features:

Data Security:

PayPal does not scan your website for viruses or Keystroke copying software. You assume all the risk for data security breaches with PayPal.

Automatic Deposit of Funds:

PayPal takes possession of your money and holds it. You have to manually release all money from PayPal and have it sent to your bank account.

Website Integration:

PayPal has some of their own software products. All PayPal software automatically integrates with the PayPal credit card processing software. Any outside software that does integrate with PayPal requires that you perform the software set up, configuration and integration.

Mobile Apps:

PayPal has some limited features on their mobile apps for iPhones, iPads and Android phones.

Hardware:

You must purchase hardware from PayPal to process transactions on PayPal. Any outside hardware must also be purchased and you have to program that hardware to accept PayPal. PayPal does not have warehouse full of hardware and does not loan you any hardware for free for your events. Also, now that most cards in the future and some already will have chips which will require a whole new set of hardware.

Processing Volume:

PayPal can hold your money for a “Risk” issue if your monthly processing volume increases and keep it for 6 months. You agree to this issue when you sign their agreement to use PayPal.

Support:

PayPal has call in support. The hold times are long and the support staff does not have much expertise to help you. The call in support is free. The support staff can not help you with programming or integration issues.

Monthly Fees:

PayPal has no monthly fees.

Specific Logins:

PayPal can give you multiple logins but their reporting features do not allow you to create reports per login. This means you can not identify people in your organization that are making mistakes using the payment software. You can not create limited access logins for some of your staff.