Newsletter for August, 2009
from
Club Data Corporation

This newsletter is sent monthly to Club Office users to provide helpful hints or information that you may find of value.

This Month:

Club Industry Trends:
It's our observation that more and more club members in all tiers of clubs are expecting to use an on line means to review their current billing status and want to use Visa or another credit card to easily pay their recurring bills - without having to present the card to the club office. To achieve this, clubs need to have access to member's credit card information without compromising the data security and want to be able to effortlessly use that credit card information to create a payment from the member. In this scenario, members are looking for the ease and convenience their computer allows while the club is looking to receive their payments in a very timely and efficient manner.

If you look at your own personal situation, you are probably checking your bank checking balances electronically, paying bills (like utility and insurance bills) automatically, and checking your credit card statement on line. Why not include paying club bills automatically if the function is offered?

For those clubs that provide this service, their receivables and their cash on hand conditions are managed more effectively. Member satisfaction and convenience match their expectations.

Members need to be aware that it costs the club a fee to accept credit cards for payments and should expect to pay for the convenience and the additional payment flexibility that this offers. If the members are willing to pay that fee, then everyone wins.

Rather than raise dues for all members to cover credit card fees, some clubs use a special interest charge for those members using electronic payment processing. If a member does not choose automatic electronic payments, they would not be charged the fee and would continue to pay as normal.

This gets into policy type questions:

Is offering automatic credit card processing right for your club?
- Does it fit your image?
- Will members pay for the convenience of automatic credit card processing?
- Is it practical, given your current practices and systems?
- How much does the software cost to allow these transactions and is it affordable?

Having elected to offer automatic credit card processing, other questions need to be addressed:
- When would you actually process the credit cards? You might do it immediately after month end, you might give a few days grace period for members to review their statement prior to charging their card, or you might process the credit card billing on a specific date each month.
  - Some clubs bill for prior month activity and process credit cards immediately after the month is closed.
  - Some clubs bill ahead and might process credit cards some time out.
  - Some clubs process several times month.
- What should be included in an automatic transaction? Procedurally, you might include the "Balance Forward" amount from the previous month end or you might choose the current balance which would include balance forward plus current charges minus payments.

Software is available: The software is available for members to have online viewing of their statements and to have their bills paid via credit card. The techniques between software vendors can differ – and the costs are significantly different – but the basic result is the same: credit card payment of statements and visibility of the current statement.

If you are looking for ways to use your Club Data system to help you process your member billing electronically, contact Club Data. We have several tools to help you.

Please share this newsletter with your colleagues.

Bill Hallberg
Club Data Sales and Service