

## PayPal for Club Treasurers

It's useful to have an online payment option for collecting club dues, and it's not difficult to set up PayPal for this purpose. Use these tips to save time setting it up and using it effectively.

### Why Clubs Should Use PayPal

Providing a way for club members to pay dues online is easy and convenient. Even if most members pay the Treasurer in person at a club meeting, having an online option is very useful for members who are unable to attend meetings for a while, or simply prefer the convenience of an online payment option. A club can set up a PayPal account at no charge, and use various payment options to collect dues online. It's secure because the member enters credit card info only on PayPal's secure site, not the club website.

The cost for an approved non-profit (which Toastmasters is) is per-transaction: it costs the club 30 cents plus 2.2%, which is modest compared to the convenience. As an example, for a club with \$6 club dues, the total is \$45 (for Toastmasters dues) + \$6 (for club dues) = \$51. To use PayPal to process this transaction, \$1.42 would go to PayPal as "merchant fees". That's not much higher than an envelope and stamp, and a lot more convenient! Usually the club absorbs the fees, but if it cannot it would raise dues to cover the cost—to \$53 in this example, to keep a round number. Note that this is necessary because you cannot charge a handling fee only to members who pay with PayPal as per [paragraph 4.5 of PayPal's User Agreement](#).

It's easy enough to set up an account on PayPal, but there are a few things you can do to make it work better for a Toastmasters club, where leadership changes every six to twelve months.

### How to Get Started

There are three aspects to setting up a PayPal account for a Toastmaster club:

1. Set up the email account(s) to be used with the PayPal account
2. Open the PayPal account
  - a. Link it to your club's bank account and obtain the non-profit discount
  - b. Set up the email account(s) to work with PayPal
  - c. Set up the payment option(s)
3. Use the PayPal account to collect dues

#### 1. Setup the Email Accounts

Don't use your personal email address to setup the PayPal account. Instead, create a free Gmail account which forwards to you, and use that address to create the PayPal account. Why use a separate email account? First, the new email address isn't linked to your personal PayPal account (which would cause PayPal to reject the address anyway), but also it is exceedingly simple to have the account forward to a new Club Treasurer next year. Just change the forwarding on the Gmail account, so you don't have to mess with the PayPal account.



You might also want to create a 2<sup>nd</sup> Gmail account for another Club Officer to monitor and/or process payments; more on this later.

## 2. Opening the PayPal Account

- a. On the PayPal site, open an account using the primary Gmail address you created for this purpose. The site explains how to link a bank checking account to your PayPal account, and verify it. Once this is done, you can transfer funds from PayPal to the club's bank account with just a few clicks.

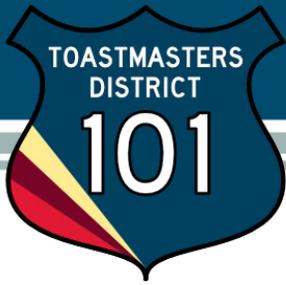
To get the non-profit rate, you need to send some documentation to PayPal, including the IRS ruling on Toastmasters as a non-profit. For U.S. clubs, the IRS document you need is at: [http://www.toastmasters.org/IRS\\_Letter.aspx](http://www.toastmasters.org/IRS_Letter.aspx). You will also need to write up a one-page document briefly describing Toastmasters: borrow a few words from the TI website, include details on what will be purchased with the account (club dues payments), and request the lower fees for non-profits, which have already been granted to other Toastmasters clubs.

- b. There are some situations where another person might need access to the PayPal account. For example, if the club Webmaster rather than the Treasurer sets up and administers the PayPal account. If this is the case, it makes sense to set up a second user within PayPal, with Treasurer/Accountant privileges (so they can see the balance and transactions, transfer funds, etc.) No new email is required, just an ID. The Treasurer can now do his/her work (mostly transferring funds) without bugging the Webmaster.

You can arrange for the 2<sup>nd</sup> user to receive notifications of payment, etc. Even if you register a second email with PayPal, they won't receive important notifications, like who just paid. To make sure they do, add a filter to the primary Gmail (not PayPal) account to forward the appropriate messages. In Gmail, go to Settings/Filters and add a filter for "transfer OR payment" that sends copies of messages that contain these terms to the 2<sup>nd</sup> email address. Messages regarding transfers or payments will be forwarded to that account so the person will see key transactions but not be burdened with any other administrative messages.

**Remember** to send a copy of all the Gmail accounts and all passwords, including the PayPal password, to the club President or another trusted club member so they can still use it if you leave or forget them.

- c. Payment and invoices. There are several options available when it comes time to collect dues.
  - i. You can send PayPal invoices to each member. This is simple to do and makes it easy to track who's paid.
  - ii. You can send the club's [paypal.me](http://paypal.me) link to each member. This can be sent via text, email, or a web page and allows the members to submit payments.
  - iii. You can set up a payment page on your club website. In the Merchant Services section of your PayPal account, you can find the exact HTML code to embed in your website so that



members will be directed to the club's PayPal payment screen. This can be installed on your club's website including a FreeToastHost/Toastmastersclubs.org page.

### 3. Using the PayPal Account

- a. **Paying Dues.** Each time a member pays online, they will be taken to the secure PayPal site to enter their credit card info. They DO NOT have to have a PayPal account to make payment, although the PayPal site encourages them to get one.

Once they have paid, the amount will appear almost immediately in the PayPal balance. The funds can be transferred to the club's bank account any time at no cost, and typically takes three to four business days.

- b. **Change in Officers.** Whenever the officers change, there is no need to change the PayPal account, as it is a cumbersome procedure. Instead, simply log into the Gmail account(s) and change the forwarding to point to the new officer's own email accounts. (For "best practices" also change the passwords when the new officers take office.)

### Acknowledgements

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