

# PayPal Tip Sheet

## Summary

With advances in online payment security, a number of our GBA associations have implemented PayPal. They've found it easy to use with the ability to process international transactions into Canadian dollars, and eases the work of volunteers in managing dues payments. <https://www.paypal.com/ca/home>

PayPal has been used for 1 – 5 years by four associations. Their initial member use ranged from 10 to 43% and after a few years grew to 30 – 65%. PayPal charges vary depending upon the origin of the payee with U.S. rates higher than Canadian. Fees can be \$2.33 for 70 memberships, or \$.30 per transaction plus 2.9% of the transaction value. Associations say they have no regrets and urge other associations to “Do it!”.

## What Associations Using PayPal Told Us

We asked associations to share their PayPal experiences by answering a few questions. This is what **Rob Reed of Bayfield Nares Islanders'**, **Eric Armour of Sans Souci & Copperhead**, **Douglas Carr and John Maynard of Cognashene Cottagers** and **Marc Cooper of West Carling Associations** said:

1. Why did your association implement PayPal?  
**Extremely easy to use and universally available. PayPal is free if done a particular way. PayPal offers international transactions. Pay in Cdn dollars no matter what bank you use. Security measures implemented by PayPal in recent years are world class. We use the Invoicing function also to collect from advertisers.**  
**To speed up and increase people paying their dues.**  
**Enough members had expressed interest in having an electronic &/or credit card option.**  
**We wanted an integrated user driven approach to accepting payments and updating membership information to ease the work of volunteers and some members were asking if they could pay by credit card.**
2. Did you consider other online payment services, if so what were they and why weren't they chosen?  
**Looked at several options available at the time. Bank fees precluded using their website's bill paying feature for our small needs. Interac was a close second to PayPal but, has limitations.**  
**We thought about e-transfer and bill payment. e-transfer meant a password which was going to be confusing. Bill payment was going to be too costly to get set up. No. They were asking for it.**  
**We looked at services offered by banks directly and through payment processing vendors like Chase Paymentech and Moneris, but the fees were too high for our low volume.**
3. Did you survey members on their payment preferences?  
**Committee of Directors reviewed and agreed.**  
**No. They were asking for it.**  
**We basically decided as a Board to go ahead and offer PayPal because it was becoming a fairly popular method of electronic payment. We made reference to it in the renewal mailing. We offered it for payment of the Rec program fees.**  
**No**

4. Do you offer payment options, such as paying by cheque?  
Yes... will always be folks that will insist on this. And one member pays via Interac.  
Yes, we offer both cheque and PayPal.  
We continue to accept cheques. Anyone who wishes to pay by credit card is directed to do so through PayPal.  
Yes, cheque and cash (cash only in person not by mail).
5. What does PayPal charge?  
No charge if member follows step by step instructions. Otherwise a small percentage fee.  
It can depend on the origin of the payee. US rates are higher than Cdn. We added the US rate fee to the cost of the membership explaining to members that we didn't want to absorb the costs. We didn't get a single pushback from members that used the service.  
\$0.30 per transaction plus 2.9% of the transaction value.  
We pay \$2.33 on a 70-membership payment.
6. How did you announce the use of PayPal?  
General meeting and by email. Attached step by step instructions with screen shots  
In our Dues notice and through an email blast to members.  
In our annual renewal letter, this was highlighted as a new option.  
On our membership form, on the website and by email.
7. When did you implement PayPal?  
About five years ago.  
Jan 2017.  
For the 2014 renewal process.  
4 years ago.
8. How many users the first year?  
About 150.  
30% of members.  
Slightly less than 20% of the membership.  
10.
9. How many users now?  
About 150.  
30% of members.  
So far in 2017, over 82% of renewals are via PayPal and virtually 100% of the Recreation Fees.  
60+
10. What advice would you give to an association considering use of PayPal?  
We have no regrets about choosing PayPal. Provide the step by step instructions so even the most skittish computer user can follow. Research the security and worldwide use statistics and inform your membership. Set up your own domain email account for payment and create an error handling notification if a member typos the email address. Pay Pal allows you to redirect the email to the correct account within your own domain. So even though we have several email address typos each year, no money has ever been uncollected. (it would never be lost... it goes back to sender in a set time).  
Do it.

We have had no negative issues. It is easy for us to keep track, when required issue the occasional refund. It integrates easily & well with our on-line web site & database. The occasional member (maybe 3 times a year) has had trouble with their card acceptance. . of course, blaming PayPal . . 100% of these have been traced back to problems with their card or bank, not PayPal.

It's easier than you think, and if integrated with an online membership tool (contact Marc from West Carling) it makes membership management easy.

11. Is there other PayPal related information you'd like to share with GBA associations?

We have now processed over 500 transactions and not one reported system problem. Most that use it are very positive. Some are just not computer folks and will always write a cheque. Some members don't like it but, the number is much lower than the typical dissenting views an online system normally will get. Our PayPal emails go to a dedicated email address for membership, which is forwarded to 2 people. So every transactions is seen by 2 people and the books are audited each year by our accountants.

Nope.

Would be great if GBA could negotiate a better collective deal. Also, PayPal has insisted on having an individual's name & SIN on an account. . This complicates things when organizations change their Treasurer. We sort of got half way around this . . when I set up the new PayPal Account, we used [Treasurer@Cognashene.com](mailto:Treasurer@Cognashene.com) as the official PayPal email address so everything is sent to our "@cognashene" server and redistributed simultaneously to everyone who is registered to receive [Treasurer@Cognashene.com](mailto:Treasurer@Cognashene.com) email .. names can be easily added or deleted from this distribution list.

Understand that there is a cost associated with PayPal and your website, but it frees volunteer hours for other activities. A small increase in membership fees could offset any costs.