Branch District Library
www.BranchDistrictLibrary.org

On our existing policy for listing our fines and fees (www.BranchDistrictLibrary.org/fines_and_fees), fees for credit card payments to the library are listed as:

"Credit card processing fee: 2.75%"

Square, our credit card processor, changed their rates effective 11/1 from 2.75% to 2.6% + 10¢. We have been generally quite happy with Square and are not looking to shop around for a new system if we can avoid it. It was quite a lengthy journey getting to Square, as you might recall if you were on the board in 2016.

Square has no built-in function to pass along fees. This is due to the fact that it's a turn-key solution offering vendors the ability to easily take payments from VISA, MasterCard, Discover, and American Express. Square requires you to accept all these card types to use their service. Each of these companies have their own rules regarding fees that you have to accept if you accept their payments. Visa, for example, virtually forbids fees of any kind, and MasterCard requires that any fees applied to their transactions be applied to all other cards you accept. These two rules collide, and it gets worse when you add the other two credit card companies. So, effectively, you can't use Square and charge fees to your customers.

We didn't fully understand this when setting up the service. We mostly just figured out a way to technically make it work with the system, even if it wasn't exactly allowed with our service provider as we know now. So currently, we pass along the 2.75% fee by adding a "tax" to the bill, called "Credit Card Fees". Staff must remember to add this fee manually, which they probably successfully remember to do about 80-90% of the time.

If we want to continue to be risky by disregarding the credit card companies' rules, and exactly match the new Square fee, we'd have to ask staff to remember to add an item costing 10¢ called "Credit Card Fee", in addition to the percentage fee. It's already hard enough to remember to add the existing fee, much less two, and I think the public would be confused to see two different credit card fees on their bill. Or we could use a single rate that would match the new Square charges as close as possible with our typical dollar amount charges. If we go this route, 3.1% would make the most sense for the typical dollar amount of credit card transactions we see.

Since we went live with Square in 2016, we've had $12,787 worth of credit card transactions. On those, the fees to Square were $349, broken down as follows:

2016: $45
2017: $120
2018: $93
2019 YTD: $91

Absorbing round $100 a year for the benefit of probably taking in way more than we would have if we didn't accept credit cards makes sense to me. **I am recommending that we simplify this process and just absorb the cost by removing the credit card processing fee from our List of Fines and Fees**.

Submitted by John Rucker