

Keep More of Your Donation Dollars

No one knows the importance of cutting costs wherever and whenever you can more than those who work in the nonprofit sector. At their core, many nonprofits function thanks to donations. Unfortunately, in our modern world where credit and debit reign supreme, cash donations are few and far between. Since donations keep many nonprofits afloat, it's very important to make sure you're reducing your card-processing fees as much as possible.

If you're a nonprofit that relies on funding, you know the uncertainty that often accompanies it. When you're not sure if funding levels will be maintained year after year, it's imperative to free up as much room in your budget as possible. Reducing overhead costs such as telecom expenses and processing fees on donations can help to offset the unknown and give your organization some much needed wiggle room.

Here are six tips to reduce processing fees and make the most of your donation dollars.

1. You can't get what you don't ask for:

In some cases, you can lower your processing fees by asking nicely. If you can provide proof of your nonprofit status, (such as your 501(c) status in the United States) your processor could be willing to lower your rate. If your processor is unwilling to offer a lower rate, don't be afraid to apply pressure and look for other options. They want your business, and they're often willing to negotiate if they think they're going to lose it. Remember, your goal for seeking the most competitive processor is finding the one with the lowest markup and greatest value. Some things aren't negotiable when it comes to processing fees – the markup is not one of them.

2. Keep an eye on your rates:

Complete monthly audits of your merchant services statements to check for billing errors and avoid rate creep. Processors usually offer seemingly standard contracts, but many contain provisions that allow them to increase your rates. This often comes with the caveat they must notify you first – but those notifications

could appear in small print on one of your statements. Be sure to read your statements for notification of rate increases and periodically check your rate to see if it has mysteriously increased. Often, all it takes for them to waive the rate increase is a phone call to object.



Author: Shannon Mischler

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3. Research programs that can reduce your fees:

Many programs out there are tailored to reducing fees for nonprofits. One processor covers the majority of fees for donations made through its donation processing page. Others have programs where donators can opt to use their reward points to cover the processing costs of their donations. Do your research, find out if your processors offer these programs, and if they do, put them in to play as soon as possible.

4. Make sure PCI Compliance is up-to-date:

A vendor will incur monthly fees from the Payment Card Industry (PCI) if its compliance questionnaire is not completed annually. These fees will continue to build up indefinitely until compliance forms are completed. The online questionnaire usually takes less than 30 minutes and saves



hundreds of dollars every year. By completing the questionnaire, you assure your credit card processor that you are taking the proper steps to keep customer information safe and minimize the risk of fraud.

5. Swipe cards and answer questions:

Credit card fees are primarily based on risk. This means you're better off swiping or inserting a card than entering the number manually. Whenever a number is entered by hand, your processor considers it a higher risk transaction and may charge a higher fee. However, not all organizations have the resources to physically swipe or insert a card. If you're inputting the card number manually, answer as many of the processor's questions as possible. Providing information such as the customer's zip code, debit vs. credit, and the three-digit or four-digit code on the back of the card are all designed to lower the risk of fraud. By entering as much information as possible and lowering the risk, you'll see reduced transaction fees!

6. Hire a professional:

An independent merchant services consultant will find you the lowest rates possible in your area, and can also track your rates going forward to make sure you're never paying more than you should. Schooley Mitchell looks out for your best interests by providing objective advice to reduce your electronic payment processing spend and improve service.

Systematic analysis and auditing will:

- Uncover and eliminate hidden fees.
- Identify and recover overcharges and billing errors.
- Select and apply appropriate rate categories.
- Ensure government legislation is properly applied.

Schooley Mitchell's services are risk free – our only fee is a shared portion of the found savings. If we don't find you savings, there are no fees for our services.

