

To Fee or Not to Fee...

Choosing a Pricing Approach for
for Your Organization



PRESENTED BY



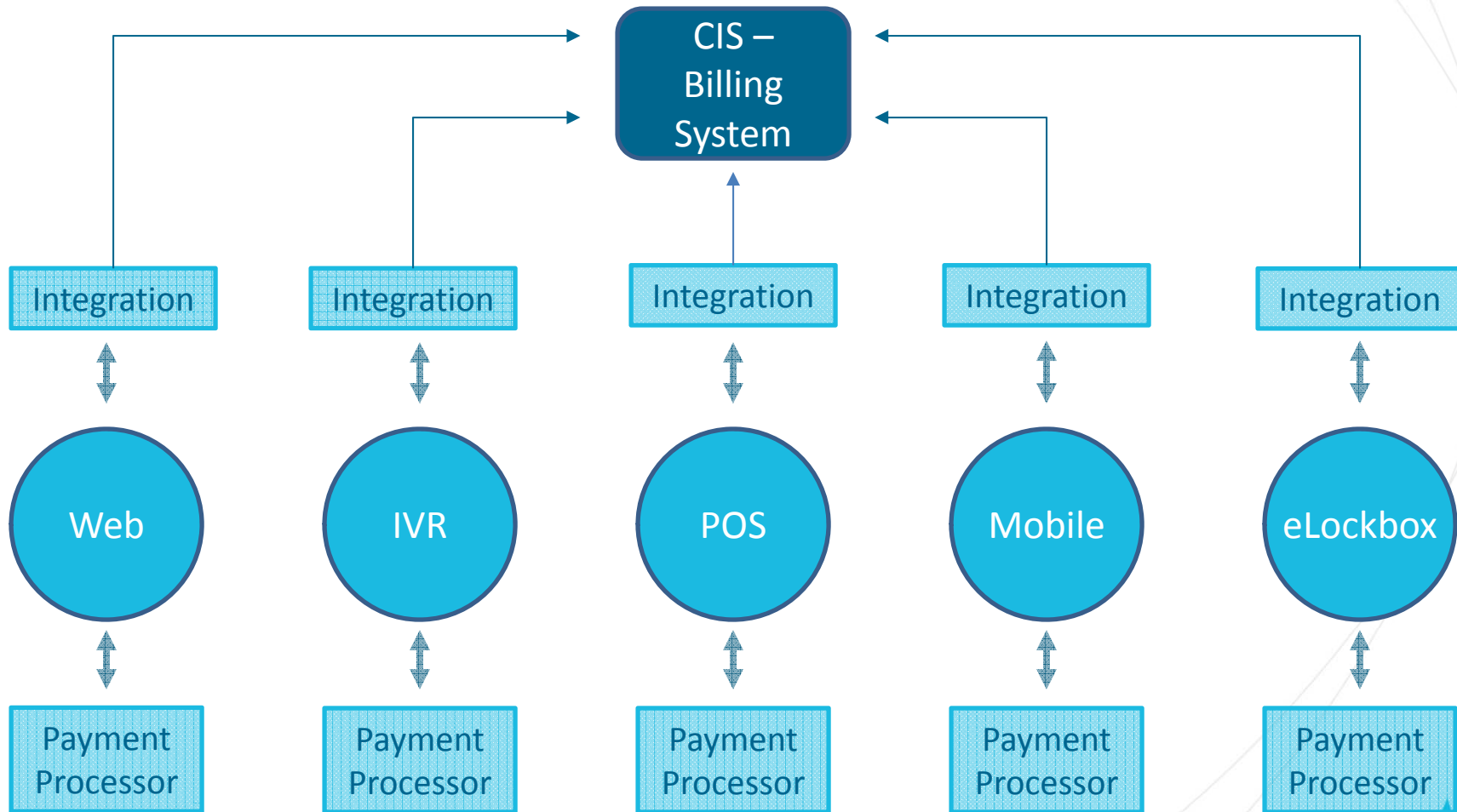
August 23, 2017 | www.clearwaterpayments.com

First: Am I buying the right solution/vendor?

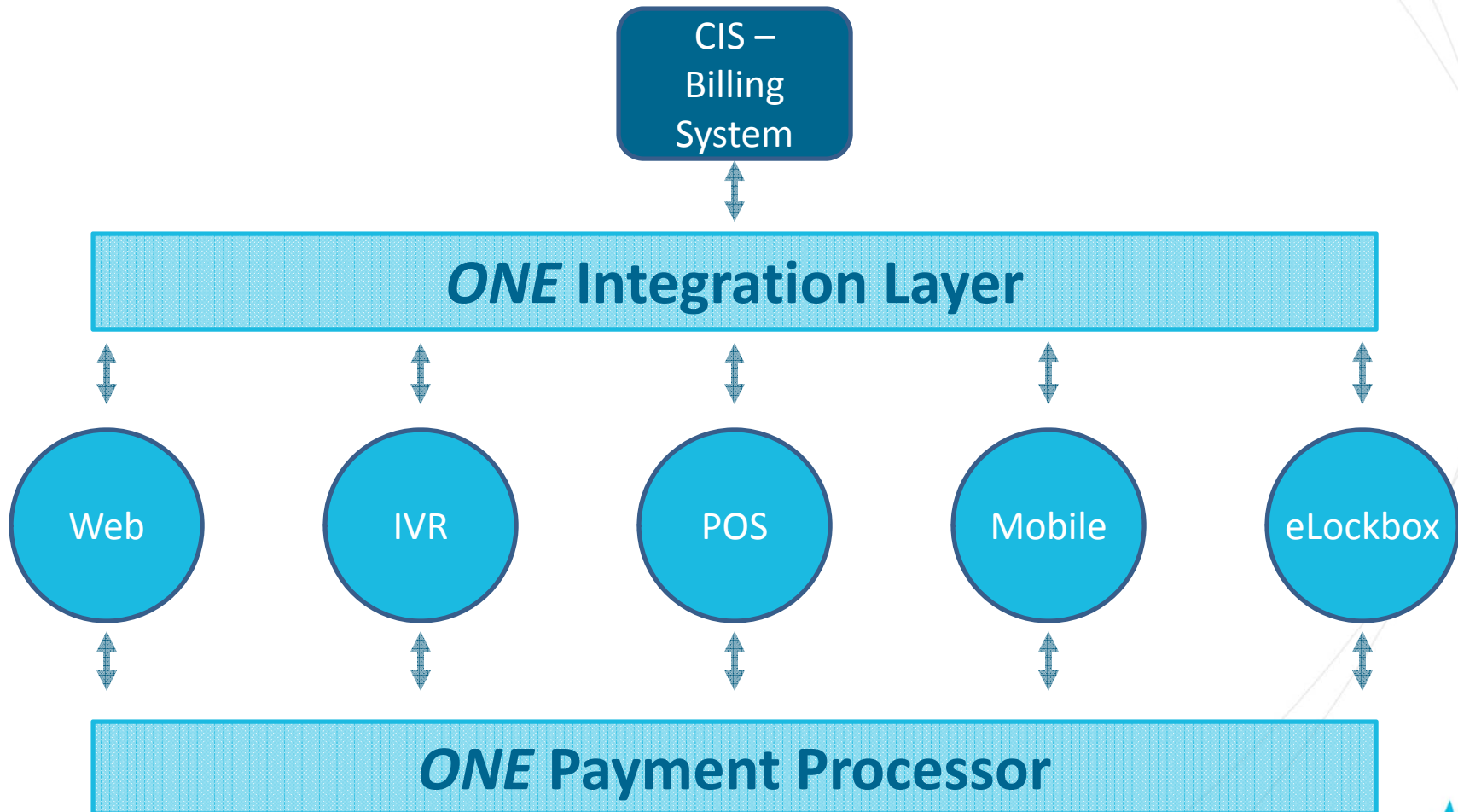
- What is included in my cost?
- What payment options do I want my customers to have?
- When do we get our money?
- How are payments posted to a customer's account?
- PCI Certification?
- When will the solution get implemented and how long does it take to go live?



Typical Payment Deployment



Consolidate, Simplify, Save...



What is the motivation?

Convenience Fee

- Budget shortage?
- Need to save money?
- Faster approval through board, council, or management process?
- Gain efficiencies in your back office?
- Offer more payment choices at reduced or no costs to your organization?

Absorbed Fee

- Market competition requirement?
- Relieve pressure on staff?
- Reduce the need for additional hiring?
- Operational savings?
 - Higher adoption of electronic payments
 - Increased participation in ebilling/paperless/auto-pay



Customer Adoption

Adoption Factors

- Payment options available for customers
- Quality of payment channels (ease of use)
- Demographics of customer base

Consumer Paid Convenience Fee

- Higher the fee, lower the adoption
- Average – Between 3%-10%

Billor Absorbed Fee

- Higher adoption, but difficult to budget
- Average – between 8%-20%



Types of Fees Available

Convenience Fee

- Flat rate
- Tiered rates (based on payment amount)
- Percentage

Absorbed Fee

- Flat Rate
- Cost plus
- Subscription

Hybrid

- Split convenience fee (i.e. pass \$1 convenience fee to customer and absorb the rest of the fees)
- Payment Channel dependent or Method dependent (ex. **Absorb eCheck/ACH only**)

Also Consider:

- *Card Brand Rules*
- *Budget (How much consistency do we need?)*
- *Transitioning to a new customer fee (How will customers react?)*



The *People* behind the *Payments*

Increased Customer Convenience

Customers can make payments when and how they want

Faster Funding

Our solution shortens your receivables time-frame & consolidates all payment channels in one simple daily deposit

Flexible Pricing

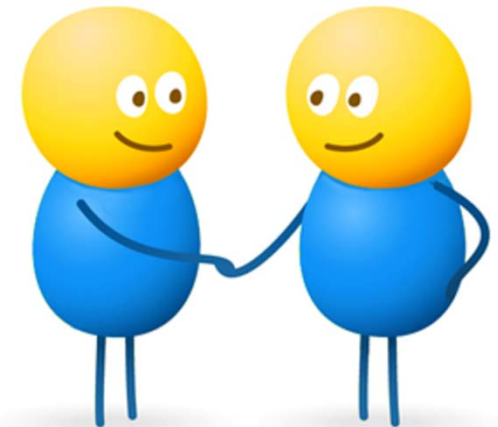
Convenience fee, flat rate, cost-plus, or hybrid model

Speedy Implementation

Start collecting payments quickly with our streamlined, fast implementation process that eliminates lengthy project queues

Enhanced Security

Fully-PCI certified solution that employs leading edge security – including encryption, tokenization, & state-of-the-art fraud detection tools



Thank You!

Stephanie Warren | Director, National Sales | Clearwater Payments

Phone: 586.536.4389 | Email: swarren@clearwaterpay.com

