



PAYMENT FOR CLUB SESSIONS

FREQUENTLY ASKED QUESTIONS - CLUBS

Why is the ABF offering this?

My ABF is a tool being built for the benefit of all affiliated bridge clubs. It contains numerous features to help clubs manage their bridge operations. This one is a means to streamline the collection of entry fees and table money and reduce the amount of cash being used (already a big factor as a result of Covid).

Transaction fees on electronic payments are generally higher on smaller, less frequent transactions. Instead of each individual club needing to negotiate its own merchant facility (and pay regular fees on all the transactions) the ABF can obtain greater leverage to negotiate transaction fees if there is a greater \$ value going through a single payment provider. Clubs can therefore benefit from these lower fees.

Is it compulsory to use My ABF?

No. It's completely up to the State bodies and the clubs. But there are now many possible ways in which My ABF can be used:

- Manage your basic club details and who has administration access
- Manage a list of your members
- Send communications to your members (or tagged subgroups of them)
- Publish results from your sessions for players
- List congresses and continue to take payment by cash, cheque, EFTPOS, etc
- List congresses and accept online payment via bridge credits
- Include club sessions and allow players to use online payment via bridge credits (they can also use other payment methods – it's completely up to the club).

The aim of My ABF is to make life easier for clubs and players. Try it and see!

How does payment for club sessions work?

My ABF allows registered players (and clubs) to run accounts (known as “bridge credits”) with the ABF. Players can put money into their account and use it to pay for their bridge – very similar to a public transport card. This already happens for congresses. A new feature of My ABF now allows payments by bridge credits to be extended to club sessions – provided the club offers the facility and the player wants to use it.

If a club runs a session through My ABF it gives players the chance to pay in the form of bridge credits. Players adopting this payment method have their table fees charged to their bridge credit account and credited to the club's account. Each transaction is itemised in both the player and the club's account.

The club's account records the money that the ABF has collected on behalf of the club from players. Periodically (usually monthly but that can vary based on size, dollar value, etc) a "settlement" payment of the club's income during that period is paid to the club.

Players have the convenience of paying for their bridge sessions without needing cash, coupons, credit cards and without needing to pay individually each time. Their table fees are simply taken off their account balance each time they play.

Most clubs that already operate some form of prepay system have seen players embrace the convenience and frequently over 90% of payments are made this way. It also helps the club as it means far less cash to count, reconcile and bank (or far fewer individual EFTPOS receipts to check and reconcile). Similarly, if a club currently sells books of prepaid tickets/vouchers, this can be eliminated, freeing clubs from the task of having to continually print, sell, and reconcile tickets/vouchers (and avoid visitors using member's vouchers!) Further, it is a truer reflection of the club's finances as it shows actual income – as opposed to players purchasing a block of vouchers to be used at some point in future.

What does it cost?

There is no cost for the software itself. At the point a settlement is paid to a club (representing the entry fee or table money income paid by players using bridge credits into their events) a 2% amount is withheld. This covers transaction costs which the ABF bears when players make a payment (and which the club would be bearing if it took money electronically itself). Detailed figures are provided below. Note if prizes are given in the form of credits, the 2% is charged on the net amount after that.

How does it know what our table fees are?

It uses information that is set up by the club beforehand. These include:

- The types of membership for the club (especially if different types pay different table money)
- What sorts of payment methods the club is willing to accept (you can choose what is available for players)
- The types of session you run – and what all the possible fees are for each type of session
- A list of your current members

When the list of player names at the session is uploaded the system then references all this information (e.g. the session type, whether the player is a member or not, what type of member, how they are paying, etc) and uses it to calculate the table money.

The director can also amend it if required (an example might be someone joins the club on the day so they should get charged member rates but the system obviously didn't know that beforehand so would have charged visitor rates).

Why should we let the ABF collect our table money?

You don't have to. But this facility allows you the chance to:

- Massively reduce the cash you collect (and then have to count, reconcile and take to the bank).
- Massively reduce the number of individual vouchers, tokens or individual credit card receipts you have to process, reconcile and pay transaction fees for.
- Make things a lot easier for your players who can just turn up and pay with money already in their account.
- Make it a lot easier to reconcile the session takings.

This can add up to a significant amount of volunteer or paid time each session.

Clubs that have operated other prepayment type schemes have typically seen their members embrace the convenience with up to 90% of the members using it and over 90% of the table money being collected this way.

How do we keep track of the money?

Each club has a Bridge Credits statement in exactly the same way that players do. That statement tracks every transaction. It can be summarised by event, session, etc. It can also be downloaded. It is available online at all times to those with financial access for the club (the club controls access across all functions of My ABF).

So when does the club get paid?

The regular settlement period is each month. If, however, there are special circumstances where you require funds earlier you only have to contact us. Interim settlements can be made to aid cashflow (they already are for the larger national congresses and some clubs using My ABF for all their sessions).

So does the ABF charge GST? Won't we lose 10% of our income?

No. The money collected from players entering either a congress or playing club sessions is not the ABF's income – it is still the club's. The ABF is acting as an agent in helping to collect it, that's all. So the club needs to account for the income in the normal way in their accounts and, if they are GST registered, they would need to account for GST on the income as well. This is exactly the same as the current situation.

The only item that GST is charged on is the 2% withheld by the ABF for the transaction costs. The 2% includes GST. Therefore, if a club is GST registered, they can obtain a tax invoice from the ABF and reclaim that GST.

My ABF charges 2% - that's too high, my card provider only charges 1%.

This is a common misconception. Almost all card providers actually charge a fixed amount PLUS a percentage for each transaction and the charges will almost always amount to more than the headline percentage, especially on small amounts.

The transaction fees your merchant provider charges are likely to be something like 30c plus, say, 1%. So, consider a transaction for table money of \$5:

	Fixed	Percentage	Total	Effective percentage
My ABF	-	2% = 0.10	\$0.10	2%
Other using your own EFTPOS machine (example)	0.30	1% = 0.05	\$0.35	7%

The smaller the transaction, the greater the effective percentage usually ends up being.

But the ABF must be making money out of the 2% charge?

No it isn't. My ABF began in December 2020. A reconciliation is done each month to make sure all player and organisation balances are in order and to verify our ongoing position with Stripe, the online payment provider. So we have complete figures. Up to 31 March 2023 the following amounts were relevant:

<i>Total settlements made from My ABF accounts:</i>	<i>\$2,300,985</i>
<i>Internal settlements ABF run events (e.g. Summer Festival):</i>	<i>\$273,842</i>
<i>Total entry fee/table money collected & settled back to clubs:</i>	<i>\$2,027,143</i>
<i>Total fees charged to clubs on these settlements (2%):</i>	<i>\$40,543</i>
<i>Total fees paid by the ABF to Stripe:</i>	<i>\$47,898</i>

So the ABF has actually paid MORE in transaction costs than it has recouped from clubs.

Do we pay the 2% fee on entries if players pay by cash or bank transfer?

No. The fee applies to income received by bridge credits (i.e. for which the ABF has paid transaction fees to Stripe). My ABF however also provides the facility for tournament organisers and club administrators to accept entries paying in many other ways (we refer to these as "off-system" payments).

Of course if entries are paid by other means the following should be borne in mind:

- My ABF obviously cannot automatically reconcile those payments so there is additional manual work for organisers to track them.
- Where money is paid by bank transfer someone has to check the bank account that the money has arrived, that it's correct, and be able to identify it to the right player (frequently players give incorrect references so it's hard to trace their payments). Then they need to update the system to mark that it's been paid.

- Where money is paid by cash someone has to count it, reconcile it and physically take it to the bank. Again they then need to update the system to mark that it's been paid. There is also a risk if a relatively elderly volunteer is carrying many hundreds or thousands of dollars to a bank on a frequent basis.

This all takes time which has a direct cost if done by a paid staff member and, even if done by a volunteer, it still takes time and effort. So even though you don't pay the 2% fee directly on "off-system" payments, there are often other costs which clubs frequently don't take into account!

Where can I get more information?

This website has assorted resources on it: <https://www.abf.com.au/member-services/my-abf-resources/clubs/>

These include an overall introduction, user guides, checklists, etc.

A good starting point is two 5 minute overview videos:

- YouTube video on Club Administration: <https://youtu.be/b9sPVLOzSok>
- YouTube video on Club Sessions: https://youtu.be/l_lw2Zbe2xA