

OREGON STATE GRANGE



Electronic Commerce Handbook

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This document discusses how to set up an Online Payment System and a Credit Card reader. PayPal and Square are recommended and discussed in detail. A Subordinate Grange is free to choose any system they desire, but should carefully research the costs and fees of any systems they may consider.

This document will also discuss best practices for electronic commerce and some policies Subordinate Granges may wish to consider.

ESTABLISHING AN ONLINE PAYMENT SYSTEM

To establish an online payment platform, you will need an email address for your Grange and a website on which to put your payment icon. If your Grange does not currently have your own website, think again! The National Grange has established an email for each Community Grange, as well as a basic WordPress website. Of course, you can use your own pre-established emails or sites or if you have not yet logged into your National Grange provided email or grange.org website, contact National Grange IT Director Stephanie Wilkins at swilkins@nationalgrange.org or by calling at (202) 628-3507 ext. 101. See best practices for why you should only use a Grange email account for this purpose.

PAYPAL SET UP

Follow the instructions below;

1. To begin, go to paypal.com and click Sign Up in the upper right-hand corner.
2. Select Business Account and click Next.
3. Enter the email address for your Grange (one that is not a personal email address), and click Continue. Then enter a password for your PayPal account and click Continue.
 - a. The email and password should be shared with at least one other officer in your Grange and kept in the records of your Grange for when a transition in officer positions occurs.
4. The next page will ask you to enter the contact information for your business (your Grange).
5. After entering the contact information for your Grange, the next page will be information about your Grange including the type of business you are, your estimated yearly sales and your Federal Employer Identification Number (EIN). The “Business Type” is Nonprofit Organization, the “Product or Service Keywords” should be Civic, Social and Fraternal Associations. Enter your estimated sales, EIN and website for your Grange, then click Continue.
6. Next, you will be prompted to enter information about the person establishing the account. This should be someone designated by the Grange.
7. After completing this step, your account is created! From this point you will receive an email from PayPal asking you to confirm the email address on the account and your business identity.
8. After confirming the email address and the business identity, you will be able to link your bank account to receive payments.

LINKING A BANK ACCOUNT TO PAYPAL

1. Click Wallet at the top of the page (if you're on a mobile device tap Menu, then Wallet).
2. Click + Link a card or bank.
3. Click Link a bank account.
4. If you don't see your bank listed, then click I have a different bank at the bottom right.
5. Depending on the bank you select, you may have an option to link your bank instantly using your online banking log in information.**If you don't see the option to link instantly:
 - Select Checking or Savings.
 - Enter the bank's routing number and your account number, then click Agree and Link.
 - Verify that your routing and account number are correct and click Continue***You will need to enter your user ID and password for your online bank account. This information is not stored in PayPal's system and is used to match up with your banking institution to confirm ownership. Once this information is entered correctly, your bank account will be confirmed instantly.*

If you don't or can't confirm your bank instantly, you will be prompted to manually confirm your bank account (your bank account needs to be confirmed in order for you to use it as a funding option when making purchases).

In two to three business days, review your bank statement to find two small deposits (each between \$0.01 and \$0.99 USD) that PayPal sent to your bank account. There will be a third entry on your statement combining these two amounts as a withdrawal. For example, you may see two deposits of \$.05 and \$.15 and a withdrawal of \$.20. Enter the 2 small amounts, in this example this would be \$.05 and \$.15, on the confirm bank screen. With this information, you can complete the confirmation process online or follow the steps below:

Click Wallet at the top of the page.

Click the bank you want to confirm.

Enter the exact amounts of the 2 deposits made to your account, then click Submit.

IMPORTANT NOTE

Some banks combine the 2 small deposit amounts into one lump sum. In this situation, you will need to call PayPal to confirm your bank, or follow the instant confirmation process.

Your routing number is the first set of numbers at the bottom of your check. The routing number usually has 9 digits.

Your bank account number is the second set of numbers at the bottom of your check.

If you receive the message "Check and Try again," you may have typed the wrong number, or PayPal may not accept your bank. If you encounter this issue, contact PayPal customer service.

MIND THE FEES

PayPal service comes with a 2.9% plus \$0.30 per transaction fee. If you are setting up your account to take your Grange's annual dues QUARTERLY (so in four payments), for example, and your total dues are \$50 per person, you would pay \$1.20 in per transaction fees (4 x \$0.30) and \$1.25 in percent transaction fees (4 x \$0.3125) totally \$50 collected from the payer but only \$47.55 collected into your account. For some Granges who wish to encourage younger members or those who prefer to pay in this fashion to remain with the Grange, losing \$2.45 annually per member that pays in this manner may be OK but for others, the budget is already down to the penny and they may wish to include in the payment amount the fees (ex. Instead of charging \$12.50 quarterly, charge \$13.12 to recover all fees).

USING THE ACCOUNT FOR MORE THAN JUST DUES

Donations to the Grange and sales of items at events may also be taken using this account.

SETTING UP "ITEMS" & TAKING IN YOUR FIRST PAYMENT

You can start receiving payments after you confirm the email address on your PayPal account.

To confirm your email address:

1. Click Settings (the gear icon) near the top right corner of the page.
2. Click on the email address you want to confirm under "Email address".
3. Click Confirm this email address and we'll send you an email with a confirmation link.
4. Click the link in the email to complete the confirmation process.

Note: The first time you receive payments with PayPal, you will be requested to accept the payment manually by logging in your PayPal account and clicking the Accept button.

The payments you received will be available in your PayPal balance. You need to add a bank account to your PayPal account for future withdrawals.

SETTING UP RECURRING BILLING

Recurring billing allows you to break down your annual dues into smaller payments (i.e. semi-annually, quarterly or monthly). Recurring billing is desirable to people who are accustomed to paying their bills online. To explore this option, after you have set up your PayPal business account, click on Tools > Recurring Payments. More information can be found by visiting <https://www.paypal.com/us/brc/article/setting-uprecurring-payments-for-business>

USING A PAYPAL READER

Having a card reader is a good piece of equipment to have on hand at your business meetings or events to take electronic payments. Card readers can be obtained from PayPal for a minimal cost here: us.paypal.com/card-readers, or through online retailers like Amazon. Using a card reader will require a smartphone or tablet with the PayPal app. The advantage of using a PayPal credit card reader is that PayPal setup is much of the setup of PayPal has already been performed. You will still need to setup your business profile in the reader app.

USING A SQUARE READER

If your Subordinate Grange decides to use a Square Credit Card reader, it will need to perform additional setup steps. This will not distinct from any PayPal account you may have created.

You can obtain a free Square reader, once, directly from Square. You will need to be aware of how the Square reader will connect to the portable device you are using and select accordingly. The two connection types for the magstripe readers are a headphone jack and a Lightning connector.

You can request a free reader at this URL:
<https://squareup.com/us/en/hardware/reader>

You will also need to create a Square account. This account is controlled on the Square website, where you will link it to your bank account. Once the account is configured, you simply log in to your Square account on your portable device with the reader inside the Square app.

SQUARE SET UP

Go to <https://squareup.com> and select the “Start a Square Account” button. You can select your free reader as part of this process.

1. Enter your email address and the password you would like to use. Please see the Best Practices section of this handout for suggestions on email and passwords. Select “Continue”.
2. You will then be asked which type of Merchant best describes you. As an organization, select “Business”. Select “Continue”.
3. Enter your Subordinate Grange Name and optionally, your Employee Identification Number (EIN) and estimated annual income. Select “Continue”.
4. Enter “Membership Organization” for What type of Business Do you Run. Select “Continue”.
5. You now have your option of where you will sell and take payments. The most common is “On-the-go or at an event” but you are free to select others. If you have established a Paypal account, it would be capable of handling all the other options. Select “Continue”.
6. For the “What else can we help you manage”, it is recommended you select the radio button at the bottom “I don’t need any of these features for now”. Select “Continue”.
7. The final page used to create an is required to run a credit check, in order to verify the identity of the person creating the account. You will need to enter Legal Last and First Name, Home Address, Zip Code, City, State, Date of Birth, Last 4 digits of Social Security Number and Phone Number. Select “Continue”.

You should then be able to request a free reader. Additional readers cost \$10.

The setup process will then take you to the Dashboard, where it will allow you to personalize your Dashboard. It is recommended you skip customizing reports for now.

The next page will ask you about the Square Point of Sale App. You can find this app in the App Store of your device, or follow the screen instructions. If you install manually, just select the “Send me a link instead” option on this page, or “Done”.

Once the Square Point of Sale App is installed on a device, it will need the reader, and the Square account email and password to log in and accept payments.

You will now be in the Dashboard, where you can monitor and report on your Square activity.

Your Square reader will be mailed to you.

LINKING YOUR SQUARE ACCOUNT TO YOUR BANK ACCOUNT

One final step remains before you can use your Square reader, you must define where the payments you accept end up.

1. Log in to the Square Dashboard and select “Account&Settings” from the left hand menu pane.
2. On the following page, select “Bank Accounts” from the left hand menu pane.
3. On the following page, select “Add Bank Account” on the right side of your Square account name.
4. Complete the information on the following page – Account Type, Account Holder’s Name (must be an authorized name, usually your Treasurer), Routing Number and Account Number (which must be confirmed by entering twice) and select “Verify”.

In the next few days, Square will make a small transfer to your account, then reverse it, to ensure everything is correctly established. Once this occurs, you can then start accepting payments

SQUARE POINT OF SALE APP

Insert the reader into your device, start the app, and log in.

You will be in a screen resembling a calculator. Enter the amount you wish to charge, confirm with the payer, and select the “Charge *your_amount*” button. You should then be asked to swipe the card through the magstripe reader. The magnetic stripe on the card should face the fat side of the reader. You can make practice swipes on your own card of \$0.00 charges to become familiar with the process.

SQUARE FEES

Square will charge 2.6% and \$0.10 per transaction. A fifty dollar charge on a Square reader will net your Grange \$48.90, as the Square fee will be \$1.10

REPORTING TO THE TREASURER and GRANGE

PayPal has a user-friendly dashboard that shows how much money has come in over a period of time, what fees were deducted and when money was moved from the PayPal account into another account (like your Grange's linked bank account).

The Square Dashboard also contains a Reporting tool in the left hand menu pane that can be used to generate activity reports.

FOR ADDITIONAL INFORMATION

Additional information on setting up a PayPal Business account can be found at "paypal.com/cs/smarthelp/home" or "developer.paypal.com".

Additional information on setting up and using Square can be found here - <https://squareup.com/help/us/en/article/5123-square-get-started-guide>

Square also provides some useful information on electronic payments that may be useful in helping you determine if your Subordinate Grange wishes to explore the subject in more depth at <https://squareup.com/guides>.

BEST PRACTICES FOR ELECTRONIC COMMERCE

Use email accounts that are Grange specific, not personal email accounts. If ever something happens to you or you are no longer in charge of taking online payments, you will have a hard time changing the system and by using your personal account, you may have to supply access information to others, something you probably do not wish to do.

Use strong, secure passwords (the longer the better, use numbers and symbols and mix up letter case). A common phrase can often be adapted, and is easy to remember. "A penny saved is a penny earned." can become Ap3nnY\$@ved3@rnEd (A penny saved earned) for example.

Use a dedicated device for electronic commerce. If your Subordinate has its own cell phone or tablet, use that instead of a member's phone for credit card readers, as the account login information must be entered in each phone that uses the reader, for the reader to work. Consider acquiring a tablet or smart phone if your Grange wants to use a credit card reader and does not have a tablet or smart phone. If you absolutely must use a member phone, restrict the number of phones that are used for this purpose as much as possible.

Ensure two people, but no more, know the admin passwords. If only one person knows them, and something happens, recovery or resetting the account can take time. One person should manage/report/use the system, while the other should know the password only to ensure access to the system remains uninterrupted. They should be able to allow a new manager/reporter/user access the system.

Change your passwords regularly. It is best to do this every six months to a year, but at the very least, change them when the responsible parties for credit card payments change.

You will notice most of these practices revolve around passwords. That is the most vulnerable portion of the online payment system process. If you are lax with passwords, it is more likely you will suffer adverse consequences. Use strong passwords, change them at the very least when people transition out of roles, if not more frequently, and ensure that only the person responsible for using the password (most likely Treasurer) and a person responsible for password recovery in case of emergency (Master, or someone with strong IT skills) knows the passwords.

POLICIES TO CONSIDER

Where will the credit card reader be stored?

Who will know the administrative passwords for PayPal and/or Square accounts? Ideally this should probably be the Treasurer and Master, however, a member with technology skills may be involved. In that case it may be the Treasurer and the person who helps maintain the systems.

Will your subordinate allow monthly dues payments?

Will you add a slight increase to credit card payments, or enact a minimum payment?