

PayPal “white paper” for incoming Club Presidents
Technology Committee
February 2005

PayPal provides a simple and easy method for collecting Club dues. Prospective members may use a bank card to send money to a PayPal account, which can be set up by visiting https://www.paypal.com/cgi-bin/webscr?cmd=_registration-run.

Club accounts may be created by signing up for either a Personal Account or a Business Account. Personal Accounts are restricted to receiving payments from individuals who have accounts of their own (i.e., no debit/credit card payments). For club purposes, it is more convenient to go with a Business Account. Here are the details from the Website:

Fees

PayPal charges Premier and Business accounts to receive payments. Personal accounts are free, but may not receive credit card payments.

	Personal Account	Premier/Business Account
Open an Account	Free	Free
Send Money	Free	Free
Withdraw Funds	Free for US bank accounts Fees for other banks	Free for US bank accounts Fees for other banks
Add Funds	Free	Free
Receive Funds	Free	See fees below*
Multiple Currency Transactions	Exchange rate includes a 2.5% fee	Exchange rate includes a 2.5% fee

* Fees for receiving payments from buyers in the United States

	Standard Rate	Merchant Rate (qualification required)		
Monthly Received Payment (USD)	\$0.00 USD- \$3,000.00 USD	\$3,000.01 USD- \$10,000.00 USD	\$10,000.01 USD- \$100,000.00 USD	> \$100,000.00 USD
Fees per transaction (USD)	2.9% + \$0.30 USD	2.5% + \$0.30 USD	2.2% + \$0.30 USD	1.9% + \$0.30 USD

There is typically a 48-72 hour verification period following an account sign up during which you need to verify two nominal deposits made by PayPal into the linked account. Once the amounts have been verified, you are good to go.

At this point, club can set up their own payment area on their club website that will direct the user to the correct PayPal processing location. They can also create customized payment buttons and post the automatically generated HTML code on their Websites for various donation levels and/or price points. Most of the information becomes accessible once the account has been set up. The processes get updated frequently, so check the Website regularly for more recent information.

Once funds are collected in the PayPal account, it can easily be transferred to the Club's bank account by clicking the "Transfer funds to your bank account" link (accessible from the "Withdraw" tab).

It is key that the incoming and outgoing treasurers for clubs meet after the election in order to transfer the information on the PayPal account. I.e. they need to make sure they transfer usernames and passwords and also set up new e-mail accounts.

***Note:** All Rice University clubs have their bank accounts with Chase. Please contact the Rice Assistant Director of Student Activities (Holly Williams – hollyw@rice.edu) in order to find out who the Chase customer service representative is. There is one single Chase point of contact that deals with all the Rice Club accounts. At the time of this writing, online access to Club accounts is not available.*