

## Payments across The Basketball Network (revised)

30 November 2018

### *Introduction*

In 2017, administrators saw the following changes to the way payments were managed through The Basketball Network, basketball's whole-of-sport technology solution powered by SportsTG:

- Instead of NAB, the payment gateway switched to BrainTree, a subsidiary of PayPal. With the move to BrainTree, PayPal became a payment option.
- All organisations within the Basketball Network transitioned to an Inclusive processing fee model on 1 July 2017.
- With the move to an Inclusive processing fee model, POLiPay (bank transfer) was offered as another payment option. POLiPay has a reduced rate of 2.7% and was made available from 10 April 2017, or as organisations transitioned across to an Inclusive processing fee model.

### *Benefits*

- An introductory processing fee of 2.7% is offered for POLiPay.
- Additional payment options for participants – POLiPay (at 2.7%), PayPal, and Pay Later at the standard processing fee of 3.9%.
- Compliance with Competition and Consumer Amendment (Payment Surcharges) Act 2016.
- Participants have the option to Pay Later without having to complete the form in its entirety again.

### *Why did these changes occur?*

- Associations, Clubs, Teams and Participants had expressed a strong desire for alternate payment options to credit card.
- To ensure our sport's compliance with the introduction of the Competition and Consumer Amendment (Payment Surcharges) Act 2016.
- As a result of SportsTG transitioning to the best payment gateway system from within their business and making it available across all sports in every country. BrainTree isn't new, SportsTG have utilised this gateway for over 5 years and it has proven to be the best payment solution available.

### *What does the SportsTG fee cover?*

SportsTG charge a fee (between 2.7% and 3.9%\*, depending on payment method) that was negotiated with Basketball Australia which is inclusive of:

- Merchant processing fees
- Bank fees
- Settlement processing and reporting back to BA
- Managing chargebacks
- Platform maintenance

- Licence Fee which enables the whole suite of products that make up the TBN to be provided free of charge to affiliated associations.
- Sport-specific product development that is fully integrated with the core platform, e.g. Courtside, Stadium Scoring
- Operational staffing (including account managers and support)
- Future product development, enabling the vendor and the sport to work together to build the next evolution of the platform
- Ensuring that the platform is compliant with privacy legislation, PCI PSS security compliance, plus any others
- Integration with other vendors who develop other products for basketball in Australia, such as FIBA LiveStats, Glory League, Active Kids Rebate Program

\* 2.7% for PoliPay, 3.9% for debit/credit card.

### *What do administrators need to be aware of regarding payments?*

#### All administrators need to;

- Read the FAQs – both for administrators and participants.
- Circulate the FAQs for participants to your basketball community.
- Review your saved financial reports. Do you need to adjust to include the additional payment types?
- Review your website and registration forms. Do you need to update to reflect references to all payment options?
- Check your product prices to make sure that they take into account the SportsTG fee, such that the amount your association or club will receive will be net of this fee.

### *Resources*

Changes to Payments across The Basketball Network, FAQ's for Participants is available for you to distribute as required. Our recommendation is that this information be made available on your website and referenced in communication regarding payments.

### *Links*

[BrainTree Payments](#)

[POLi Payments](#)

SUPPORT: [Processing Fee Model and \\$1 minimum explained](#)

SUPPORT: [Transfer funds from your bank using POLiPay](#)

SUPPORT: [How to Pay Later](#)

SUPPORT: [POLiPay FAQs](#)

### *Contact*

For more information, please lodge a support ticket to the TBN Support Team via [basketball.net.au/tbnsupport](https://basketball.net.au/tbnsupport)

## Payments across The Basketball Network

FAQs for Administrators

### *Will the processing fee of 3.9% (and \$1 minimum) increase?*

Basketball Australia is committed to ensuring there is not an increase to the processing fee. In fact, POLiPay comes with an introductory fee of 2.7%.

### *Can I charge a different amount for participants who pay online vs a participant who pays at the venue?*

No. The Competition and Consumer Amendment (Payment Surcharges) Act 2016 requires that products sold via the same means (i.e. via a card system) are sold at the same price regardless of whether they are sold online or at venue. However, if clubs/associations take payments for basketball network registration in cash, they would (under the Laws) be permitted to impose a surcharge in order to encourage online payments.

### *Can I mandate compulsory online payments?*

Yes, if clubs/associations wanted to avoid the administrative burden of handling cash, they should remove manual payment in person as a payment method and require all registration payments to be made online. This would result in one fee being charged for all registrations (increasing fairness) and removal of the administrative burden of manual payment processing. There is no legal obligation on clubs/associations to offer an option to pay by cash if they do not wish to do so.

### *Is AMEX or Diners Club offered as a means of payment?*

No, due to additional fees associated with these payment types, the processing fee would exceed 3.9%. As a result, Basketball does not offer these payment types.

### *How does the Inclusive Model work?*

Offering an Inclusive model ensures that your participants know the full cost before registering, thereby improving the overall experience.

#### *Example*

	Inclusive
Club Registration (Product price)	\$100
Consumer Pays	\$100
SportsTG Fee *	\$3.90
Club Receives	\$96.10

**\* In this example, SportsTG's fee would be less than \$3.90 if POLiPay was selected by the customer.**

### *Our organisation is GST registered. How do I report on the cost of the processing fees?*

The processing fee is GST inclusive. If you are GST registered, then you are able to claim the GST credits for the processing fee.

#### Example

All Stars Basketball Club sell their annual registration product for \$100 (on an inclusive basis). When John Smith purchased this product, online via credit card, All Stars incurred the processing fee of \$3.90.

The processing fee of \$3.90 includes GST. To figure out how much, you must divide by 11.

$\$3.90 / 11 = 0.35$  which is 35 cents

This amount of 35 cents can be claimed as GST credits.

#### Calculations

- Registration (inclusive of Payment Fees) = \$100.00
- Processing Fee ( $\$100.00 \times 0.039$ ) = \$3.90
- GST =  $\$3.90 / 11 = \$0.35$

### *I know the amount our organisation needs to receive; how do I determine how much to set the product price to?*

Take the amount you need to receive and divide by 0.961 – this will determine the product price.

#### Calculations

- Association/Club to receive = \$96.10
- Divide by 0.961 ( $1.0 - 0.039$ )
- Consumer Pays (Product Price) = \$100

### *I know the amount our organisation needs to charge our participants; but what amount will we receive?*

Take the amount you will charge the consumer and multiply by 0.961 to determine the amount you will receive after processing fee.

#### Calculations

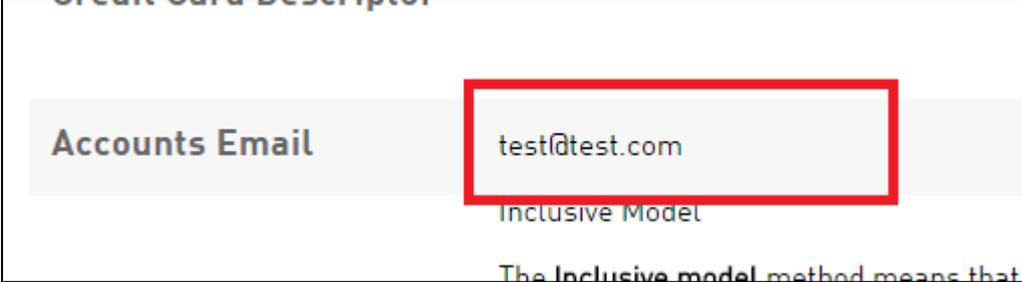
- Consumer Pays = \$100
- Multiply by 0.961 ( $1.0 - 0.039$ )
- Association/Club Receives = \$96.10

### *Do we receive a tax invoice outlining the cost of the processing fee?*

A monthly tax invoice outlining GST costs for Processing Fee Model is emailed to your organisation and sent to the email listed in the payment application. To review this email;

- Navigate to your Membership Dashboard
- Select Registrations
- Click Payment Configuration

- Click View Payments Application
- Scroll to the bottom and review the section Accounts Email



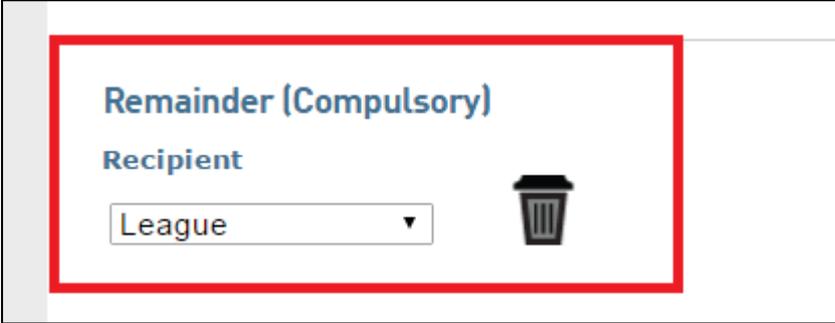
### *How do I update the accounts email?*

Lodge a support ticket via <http://support.sportstg.com/help/contact-us> with the following information (allowing 3 working days for action);

- Database Name(s)
- Please adjust the accounts email to <insert new association email address>

### *When a product has a payment split with multiple levels receiving funds, who pays the processing fee?*

The processing fee is paid by the entity listed in 'Remainder' – this field is compulsory. This should be considered when determining pricing and the payment split.



### Example

Jacksonville Basketball Association and All Stars Basketball Club offer the combined annual registration product to their participants of \$200. The Payment Split is set up with \$100 to the association and the remainder to the club. The settlement is broken down as follows;

### Calculations

- Registration (inclusive of Payment Fees) = \$200
- Processing Fee (200 x 0.039) = \$7.80
- Association receives \$100
- Club Receives \$92.20 (Club set as Remainder Recipient).

### *How do I manage refunds?*

Refunds cannot be processed through The Basketball Network as the required information is not stored within the system. Refunds should be processed outside of The Basketball Network system,

ensuring you notify users of your refund policy via your terms and conditions. Once the refund has been processed according to your club or association's refund policy you can change the transaction status from 'paid' to 'cancelled' in the system.