

# **Report to GP Committee Alwarestoch Lodge 7805**

## **Electronic Card Readers**

### **Purpose of Report**

The purpose of this report is to present the current situation with regard to electronic bank card readers and their potential use within the Lodge environment, and make a recommendation regarding their use within the Lodge environment.

**Date of Report:** 20 April 2024

**Author of Report:** WBro P Speak Treasurer

### **Introduction**

At present there is little facility for Lodge members to make payments of any type within the Lodge environment by electronic means, apart from subscriptions by Bank Automated Clearing System (BACS) payment. The general trend (outside of the Lodge environment) is towards electronic transfer of funds (A comment was made to the Treasurer that the only cheque payment that been made in several years by a member was to pay his Lodge subscriptions!).

The assumption is that the reader will be familiar with the concept of card readers as they are widely used in most commercial environments. A mobile card reader allows payments to be made in the same fashion without being constrained by a commercial environment e.g. Point Of Sale (POS) terminal, shop till etc.

### **Operation**

The majority of cheaper options require use of a mobile phone application to connect to the bank account. Some card readers use mobile phone technology to connect directly. In general, these are more costly.

### **Scope of use**

The following transactions typically could be expected to be carried out in **any** Lodge (the list is not exhaustive and not all are carried out in every Lodge):

1. Collection of Alms
2. Purchase of Raffle Tickets
3. Payment of subscriptions
4. Purchase of books/regalia from the Lodge
5. Purchase of drinks at an *ad hoc* bar managed by the Lodge (e.g. Domus Dei (5151))
6. Festive Board dining (In Alwarestoch Lodge, Festive Board payments are no longer managed by the Lodge in the form of the Treasurer, although payments for missed meals are (initially) paid by the Lodge, and recovered by the Treasurer)
7. White table functions e.g. Christmas Party, where the Lodge makes a surcharge on the normal dining fee to cover cost of entertainment etc.

Within Alwarestoch Lodge, bar and dining transactions are not carried out by the Lodge, and collection of dining fees is *unusually* carried out by a third party. This arrangement is unique (as far as is known) to the Gosport Masonic Hall, and there is

the possibility, at some time in the future, that management of dining fees will again revert to the Lodge.

A White Table event such as the annual Christmas Party would benefit from the use of a mobile card reader, because the charge made by the bank is on each individual transaction and could be included within the surcharge. Historically, collection of dining fees for the 2023 Christmas Party would have been a great deal more streamlined had a card reader been available!

### **Cost of Facility**

In broad terms card readers fall into two categories:

1. Monthly subscription (some with an additional transaction cost)
2. Up front cost (which varies depending on supplier and functions available) and individual charge on each transaction ranging from just over 1p in the pound to just under 2p in the pound

### **Possible Cost to Lodge**

See table under **References**, below.

### **Disadvantages**

1. Cost to the Lodge (to be absorbed by the Lodge or passed on to the user? (e.g. within the surcharge of the Christmas Party costs)). See table below in **References**
2. Requirement to be connected to a mobile phone (which can stop functioning, get lost, fail to connect, owner be absent etc.)
3. Many more transactions will need to be monitored and reconciled by the Treasurer from within the bank account (time consuming, and requiring good knowledge of internet/online banking use)

### **Advantages**

1. No loose cash/cheques to be managed
2. Convenience
3. Payments can be taken over the phone (payments online require more expensive options)
4. Electronic payments are becoming “the way forward”, people are starting to expect the facility

### **Recommendation**

At this moment in time (April/May 2024) the number of transactions that are currently being carried out is limited and, *provided there is no change in the way these are collected*, there is no strong case to recommend that the Lodge utilise mobile card readers.


However, the view of the writer, as stated above, is that the Christmas Party would benefit from the use of a card reader. In addition, should collection of dining fees fall back to the Lodge, **and/or** the Lodge decides that other, perhaps more unusual payments such as alms collection or raffle ticket purchases, can be made using a mobile card reader, it is recommended that the lowest cost card reader be obtained from Lloyds and set up to connect directly with the General Fund. The details of this reader can be found in the **References** below.

## References


### Lloyds Bank Cardnet mPOS




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 Connects via Bluetooth to an app on a smart device

 £49 upfront, no monthly fee or minimum contract

 Fixed transaction rate of 1.75%

 Send receipts via email or SMS

 Average battery life of eight hours

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Link: [Comparison of some widely available card readers](#)

It should be noted that the Lloyds card reader does NOT appear in this comparison, but is recommended because it is provided by the Lodge Bank, and maintenance, replacement, operational issues etc. would be dealt with by the Bank.

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July 2023 card reader regulations:

The FCA introduced new consumer duty roles to make card reader services simpler and fairer for small businesses, meaning that:

- Contracts cannot exceed 19 months
- Providers must give clear notice when contract is due to expire

Stops small businesses being trapped in lengthy contracts, and allows them to shop around.

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## Possible cost to Lodge on an annual basis

Type of transaction	Amount of transaction	Number of transactions	Number of times per year	Total cost	Total fee
Subscriptions	£170.00	5	1	£850.00	£14.88
Christmas Dining	£22.00	60	1	£1,320.00	£23.10
Alms	£2.00	10	6	£120.00	£2.10
Raffles	£1.00	50	6	£300.00	£5.25
Dining	£18.00	25	6	£2,700.00	£47.25

**The figures above have not been collected by any form of data capture**, they are purely arbitrary, and the following assumptions were made in compiling the table above:

1. 5 members were contacted by the Treasurer for late payment of subscriptions, and chose to make a payment immediately either by card or over the phone
2. Current subscriptions are £170.00
3. A £4.00 surcharge was made for the Christmas Party
4. Current dining costs are £18.00 per person
5. Not all alms donations and raffle purchases were made by card

### Contact

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