

The card rules state that in a non tax environment, Visa does not allow a percentage based convenience fee to be charged. A flat fee must be assessed. In order to calculate a flat fee that will cover the costs of processing and providing a safe and secure environment for the payment to be processed, Federal Payments requests to be provided with the average size payment that is made today in the form of a check, cash or money order for the applicable payable (i.e. parking ticket, utility bill, park and recreation fee, etc.). Once we have this information, we can calculate our costs and provide you with the flat fee that we would charge the citizen for their use of the system. If the average size ticket has a wide range where it is not advantageous for the program to utilize a flat convenience fee (meaning the fee is too high for small ticket items and too low to cover our costs), a percentage based convenience fee can be utilized and Visa would not be accepted; **as in Florida and Illinois.**

Federal Payments does not make money unless the systems are used for making payments therefore we strive to work with you on offering the most efficient, user friendly and secure systems that are available in the marketplace. The following grid displays the flat convenience fee that needs to be charged to the citizen.

Average Payment Amount	Flat Convenience Fee
\$0.00 - \$50.00	\$2.00
\$50.01 - \$100.00	\$2.75
\$100.01 - \$125.00	\$3.50
\$125.01 - \$150.00	\$4.25
\$150.01 - \$175.00	\$5.00
\$175.01 - \$200.00	\$5.75
\$200.01 - \$250.00	\$6.75

For example, if the Agency's average payment for a parking ticket is \$25.00, Federal Payments would charge all citizens paying a parking ticket (whether the amount was \$10 or \$50) a convenience fee of \$2.00 to make their payment via a credit card or electronic check. If the City's average payment for a utility/sewer bill is \$135.00, Federal Payments would charge all citizens paying their utility bill (whether the amount was \$25 or \$150) a convenience fee of \$4.25.

If the Agency chooses not to use the flat convenience fee provided above, a 2.5% percentage based fee schedule can be used. Visa cannot be accepted when using a percentage schedule as mentioned previously. The sticker at the bottom of this page is displayed in a Florida Agency office.

2.5 % of the payment amount with a minimum fee of \$2.00

During the past couple of months, we have been reviewing the payment history of your Agency's account with Federal Payments.

**Your Agency's average ticket projected at the start of the program was \$20.00.
Your Agency's actual calculated average ticket is \$81.00.**

We would like to understand the types of payments that your agency is accepting so that we can offer a low convenience fee for those types of payments that are in the low payment range and we would also need to adjust and charge a higher convenience fee for payment types that fall in a higher range category as our costs are higher to process these payments. We have a few options:

- **Option A** Keep all payment types like they are today and the flat convenience fee will increase to \$2.75 on March 15, 2010.