

Industry Insights

from



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2009/10 SSAM BOARD OF DIRECTORS ELECTED

The membership of SSAM has elected the following members to serve the membership. Elected for a two year term were: Maurice Pogoda, Pogoda Companies; Jon Hutto, Hutto Investments; and Theresa Leonard, Northern Self Storage. Elected for a one-year term were: Dan Morris, Chelsea Self Storage; Chad Lundberg, The Storage Group; Richard Alwood, Charlotte Mini Storage; and Karl Jones, Wells Fargo. The election of officers will take place at the first meeting of the new Board on Tuesday, August 11th at the Association office starting at 10 a.m. As always members are invited to attend.

CHARGING EXTRA FOR CREDIT CARDS?

John Mayleben, MRA's vice president, technology and product development, writes a regular column for the Michigan Retailer on retail technology. Contact John at jmayleben@retailers.com.

I have spoken recently to a number of merchants about the various ways that someone might pass along the cost of processing an electronic transaction to the end-user.

While I am sure that most of us, as consumers, have seen signs at a merchant location or on a website or been told that there is an up-charge for using a credit card to purchase goods or services, this issue is a very complex one.

First, most merchant processing contracts prohibit the use of a "surcharge" to offset a transaction fee. An example of this is a merchant who, after ringing up an order and being presented with a credit card, assesses an additional amount to the consumer for the use of a card.

While surcharges are usually prohibited, the federal Truth in Lending Act specifically allows for cash discounts. It states in part, "the card issuer may not, by contract or otherwise, prohibit any such seller from offering a discount to a cardholder to induce the cardholder to pay by cash, check, or similar means rather than use a credit card."

The act also requires that such a cash discount be "offered to all prospective buyers and its availability is disclosed clearly and conspicuously," otherwise it may constitute a "finance" charge and then generate a whole host of other issues for a business to address.

If you are in certain non-face-to-face transaction environments and you are one of the eligible merchant classifications (typically government or other taxing bodies), you may be allowed to assess a "convenience fee." If you elect to charge a convenience fee it has to be assessed on all types of payments collected via that mode of payment. In other words, if you charge a fee for a credit card transaction taken via mail, you must charge the same fee for a check also collected by mail. These fees can never be charged in a face-to-face environment and have to be equal regardless of the card type or payment type.

I understand that in today's difficult economy there is strong interest in recouping as many costs of doing business as possible. But you should be aware that numerous studies have shown that the cost of taking cash or checks, although "hidden" within your bank statements and business structure, is similar to the cost of accepting cards. Whether it is a bounced check, the wrong change given or outright theft of cash, these are all costs of doing business that need to be balanced when comparing different payment channels.

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MRA CREDIT CARD PROCESSING PROGRAM

Michigan Retailers Association is excited to be partnering with SSAM as the credit card processor for the association. As the largest and most established independent processor in Michigan, MRA provides one of the lowest discount rates and service all major credit and debit cards: Visa, MasterCard, Discover and American Express. MRA are the processing experts! To send in your statement and receive a free quote to see how much your business can save, check the website to download a "Quick Quote" form or contact Darcy Clark at (800)366-3699.

ATTENTION MEMBERS...WE NEED YOUR HELP AND WE ARE WILLING TO PAY

As approved by the SSAM Board for each company that becomes an SSAM member that was referred by you, SSAM will send you \$50 for your assistance in helping to make SSAM grow. These members can be fellow self storage owners, your suppliers (locks, doors, building materials, builders, and computer software) or your insurance person, your accountant or your broker/banker. A referral form is included at the end of this Insights. Don't forget to fax in those referral forms!

**Self Storage Association of Michigan
Referral Form**

Contact Name _____

Company Name _____

Address _____

Phone _____ Fax _____

E-mail _____

Referred by _____

Company Name _____

Fax to SSAM at 517.349.3543

**SUPPORT THE SELF STORAGE ASSOCIATION OF MICHIGAN
BRING IN A NEW MEMBER TODAY!**

Download and application at http://www.selfstoragemichigan.org/docs/SSAM_membership_application.pdf