

Town Finance Update

Recently the Board of Selectmen voted to move forward with accepting credit cards for payment for recreation programs. Payment via a credit card terminal is now available in the Town's Recreation Office, for Town sponsored recreational programs, as well as online for Windham Lacrosse.

While credit card use is extremely prevalent in the retail environment, this is not the case in most local government environments. The Board of Selectmen recognized that credit card use has a place in the municipal services we provide, thus presenting to the voters an ordinance allowing the Town to accept credit cards. Since this ordinance was passed in March of this year, Town Administration has been working on the best way to implement this program. The Board elected to allow credit cards on a limited basis, for recreation only at this time.

As many residents have asked why we do not accept credit cards at the Town Hall for motor vehicle registrations and property tax payments, the answer is simply due to the potential cost. In order to allow processing of credit cards, over the counter, via a credit card terminal, the cost would be borne by the Town. The ability for the Town to pass along a "convenience fee" directly to the credit card users is limited to certain situations. Therefore, credit card processing generates several transaction processing fees which, for most Town departments, would need to be paid for through the Town budget, thus putting the burden of the cost on all taxpayers.

Recreation programs are primarily funded through user fees which are accounted for through a recreational revolving fund established by Town meeting several years ago. The Board elected to allow credit cards for recreation programs, as the cost will be absorbed within the revenue collected from the program participants. This fund does not generally "make a profit", as programs are priced in order to cover the basic costs of providing the program, with transaction processing fees becoming one of these basic costs. However, the actual costs will not be known until we start accepting credit cards and find out what the level of usage is. Once we have an opportunity to assess the actual cost of offering this service, we can further address any other departments for which the added convenience of paying by credit card would be beneficial, without creating an extensive burden on taxpayers.

If anyone wishes to discuss credit cards or any other Town related finance matters, please feel free to contact Dana Call, Assistant Town Administrator-Finance, at 432-7732.