

Tradition 7 collection using Electronic (digital/cashless) Payments

As many of us rarely use cash in our daily lives, it is increasingly common to find ourselves without cash when the Tradition 7 pot is passed around.

It is time for AA to consider electronic methods as a means to collect Tradition 7 contributions.

There is no suggestion that any AA group should stop collecting cash, but a blended approach could suit more members.

Almost all our AA groups in Nottingham and Leicester could easily offer an electronic (cashless) collection method and it is worth each group holding a Group Conscience meeting to decide whether to do so.

The following is a brief outline of some of the cashless methods available.

Hopefully, group treasurers can use this as a guide when deciding how to proceed.

PayPal using a QR code

A printed QR code can be attached to the Tradition 7 “pot” as it is passed around (or passed around on a sheet of paper). All donations are collected in a single PayPal account. This is a method that has worked successfully for two groups in our region for over 18 months. This method can be used even if the group does not have a dedicated bank account. It does require the payer to use a smart phone

Instructions for the treasurer.

- a. Create a generic email address for the group. ***This has already been done for the majority of groups in Leicester and Nottingham as each group has an “official” email.*** Make sure to retain all the login details used to create this email account.

- b. Create a personal PayPal account using the official email address. Make sure that all information used to create this account E.g. name, password, etc. is recorded and kept confidential. Do not make this information personal to the treasurer. Instead make the information, generic so, when the current treasurer rotates out of the position, the details can be passed to the next treasurer.

- c. Once the PayPal (***personal not business***) account is set up, there is a tab on PayPal to generate a QR code. (From the Home Screen tap the three lines inside a circle in the top left-hand corner, scroll down to the ‘get paid’ heading and select ‘request money’ tap the four little squares in the top right-hand corner and select ‘your code.’ This is the personal PayPal code). This QR code can be saved, printed, and as mentioned above, either attached to the pot or kept on a piece of paper, so it can be handed around at the same time as the cash is collected or a number of copies printed and placed on the meeting table(s).

- d. When the Tradition 7 announcement is made, before the pot goes around, make sure, to state **'can you please tick friends and family before making the payment, otherwise a charge will be incurred, and we will not receive your full payment'**
- e. The digital payment can then be retained in the PayPal account until the treasurer transfers it.
- f. When the current treasurer's period of service is over, they can remove their card or bank details, and the incoming treasurer can add theirs as they take over the PayPal account. Alternatively, the new Treasurer could create a new PayPal account and issue new QR codes. Similarly, in the personal details section, the primary mobile phone number needs to be changed from the outgoing treasurer to the new treasurer.

Electronic payments that need a bank account

GSO recommends that each group has its own bank accounts. Business or club bank accounts usually have high bank charges attached and require a level of complexity in terms of dual signature etc so are probably not attractive to many groups.

The group's Treasurer, as a trusted servant, could set up a personal bank account for the sole use of managing the group's finances. The newer app-based accounts (Starling, Monzo, Revolut) are very easy to set up and use, and they are free to use.

With a bank account the main ways to collect Tradition 7 contributions from Group members are:

1) Standing order,

The Treasurer can invite group members to set up a monthly standing order to the bank account. Group members who consider the Group as their 'Home group' are most likely to do this for ease and convenience.

Instructions

- a. The treasurer shares the bank account details with the group members: name of the bank, the treasurer's name that the bank account is held in, the sort code and account number.
- b. A group member then sets up the standing order from their own bank account. They select the amount, the frequency, and the duration. They have the ability to change or cancel the standing order at any time.

2) Generate a bank QR code

QR codes can be printed and passed around at the same time the Tradition 7 cash collection or included in laminated cards placed on meeting tables. Tradition 7 contributions are transferred directly to the Group's bank account.

Each bank has a slightly different procedure for generating the QR codes/ payment request so the treasurer will need to check the method in their bank account.

3) Card payment readers/apps

The most widely used apps are SumUp and Square, but new contenders such as Lopay offer all the benefits, but at a lower cost (see below FAQs). These apps operate the same way as the debit/credit card readers used in shops, garages, hairdressers, etc. At a meeting, members could make their donation by card by tapping the card reader or tap-to-pay on the Treasurer's phone. While most of these apps do not charge a monthly fee, they do charge a pay-as-you-go transaction fee of 1.69% (SumUp) and 1.75% (Square) per in-person transaction. While the app is free, hardware readers cost between £16 and £59+ (one-time cost), or you can use free "Tap to Pay" features on your phone.

Should you or your group have any questions or concerns regarding electronic payments please contact the NLIG Treasurer email: treasurer.nleic@aamail.org

FAQ

Q. What banks support receiving payment using QR codes?

A. The following banks currently support receiving or making payments via QR codes:

Bank of Scotland, Barclays (offers a digital receipt service where transaction records are sent directly to the banking app for certain retailers, Coutts, Danske Bank, First Direct, Halifax, HSBC, Lloyds Bank (uses its Cardnet service and 'Pay by Link' to generate QR codes for business payments), Monzo, Nationwide, NatWest (uses its "Payit" platform for businesses to request payments via QR codes and offers receipt management within its app), Revolut, Royal Bank of Scotland (RBS) (uses its "Payit" functionality for eligible business customers to create links and QR codes), Santander (began rolling out an app with QR code payment collection features for SME customers in 2021), Starling Bank (offers marketplace integrations with digital receipt and accountancy software for businesses), TSB and Ulster Bank (N.I).

Q. if a Treasurer uses a business account, will they have to do a tax return?

A. No, a tax return will not be needed. However, with the exception of some card readers it is probably better to avoid using a business bank account to collect Tradition 7 donations.

Q. Will the Group conscience have to agree to allow electronic payments in the first place but allow the Treasurer just to use whatever method (such as the above examples) suits them?

A. It will always have to be the individual Group's decision to proceed using electronic payments. Following this decision the Treasurer, working as a trusted servant, will do what works for them/they feel is within their competency.

Q. Is NLIG responsible for recommending or insisting on any of these payment methods or is each group autonomous in this matter?

A. NLIG cannot insist on a group using any of the methods above as Tradition 4 ensures that all groups are autonomous and therefore, responsible for setting up and managing their own approach to digital payments. The above methods are suggestions only and NLIG is only collating and distributing information to save each group repeating the same research. However, NLIG is always happy to receive updates and answer any questions that are not covered here.

Q. Can you give more specific information about the Lopay card reader App?

A. Generally this looks to be a better option than SumUp and Square. The card reader is £35 to purchase with postage. You can use your smart phone too but perhaps a card reader looks more differentiated and formal. Clubs and societies can subscribe as Lopay is specifically designed for businesses, charities, and community clubs, providing tools for collecting membership subscriptions, refreshments payments, or raffle tickets, with no mandatory contracts or monthly fees. The general benefits are:

- **Sign-up Ease:** It is straightforward for clubs to set up, with no long-term contracts.
- **Payment Methods:** Clubs can take payments via card readers, "Tap to Pay" on a smartphone, or by sending payment links via email/WhatsApp.
- **Subscription Feature:** You can set up recurring, automated weekly or monthly payments for member subscriptions.
- **Multi-User Access:** Lopay allows multiple team members (e.g., committee members) to take payments on behalf of the club using their own phones, while the lead administrator retains control over permissions and views reports.
- **Pricing:** Transaction fees are competitive (e.g., 0.79% or 0.99% depending on the payout speed), with lower fees often available.