



REPORT TO APC

ITEM NAME:	FIN-008 Credit Card Rewards Point Plan
MEETING DATE:	5/21/24
PRESENTING COMMITTEE:	APC
COMMITTEE CONTACT:	
STAFF CONTACT:	Lisa Kerstner
PREPARED BY:	Lisa Kerstner

ISSUE: Credit card rewards are now done automatically by US Bank.

under the State of WI, Village of Kronenwetter is eligible to receive a quarterly rebate as follows:

1. Quarter 1 – 01/01-03/31
2. Quarter 2 – 04/01-06/30
3. Quarter 3 – 07/01-09/30
4. Quarter 4 – 10/01-12/31

These rebates are based off of three main components:

1. **Eligible Volume** –All transactions less all credits, fraud, write-offs, and transactions that are processed through a merchant that participates in a discounted interchange rate program (DIRP)
 - For these transactions you receive a rebate percentage of **1.35%**.
2. **Client Held** –Rate of pay
 - The percentage you may receive varies. I have attached a document that shows the grids for Client Held days. This way you can see how the percentages fluctuate as the number goes up or down.
 - To sum up what Client Held days is, this value represents the weighted-average age of bank receivables as they accumulate (through your charge activity) and are liquidated (through your payments). There are various things that could impact the Client Held number, however, essentially this number signifies how quickly transactions are being paid for after their posted date. Generally speaking, the faster payments are made, the lower that number will be.
3. **DIRP** – Transactions that are processed through a merchant that participates in a discounted interchange rate program
 - For these transactions you receive a rebate percentage of **1.35%**.
4. **Ultra-Low Merchant**- This merchant is paid at a lesser percentage as they have negotiated an ultra-low interchange rate.
 - For these transactions you will receive a rebate percentage of **1.0935%**.

We will only pay out if the amount earned is \$75 or over. The rebates are automatically paid within 90 days of the quarter ending, and Village of Kronenwetter is paid via ACH.

RECOMMENDED ACTION: Remove FIN-008