New Application Fee Flow

For those trips that require an application fee, we have been listening to the questions coming in from participants and administrators and realized the current process is not as clear to trip participants as it could be. Therefore, we are making a slight change to our process in January 2016.

From this point forward, ServiceReef will no longer authorize the full application fee on the credit card when the trip participant first applies. Instead, only $1 will be authorized at the time of application. If the participant is accepted on the trip, the admin will still get the pop-up allowing the admin to charge the full application fee or skip the application fee (e.g. for trip leaders, etc.). At that time, the user will no longer see the $1 pending transaction and will see the full amount of the application fee on their bank statement. Additionally, ServiceReef is introducing the ability for admins to have a choice when declining an applicant for a trip. Now, trip administrators will have an option to still charge the application fee when declining an application (e.g. for non-refundable application fee situations).

We feel that this process will make it much more intuitive to participants, as they have probably seen this same process when filling their vehicles with gas (many stations charge $1 initially to verify the card data and then send through the actual amount at a later point). Additionally, it should reduce the amount of questions to you, which saves you time… and we are ALL about saving you time!

For those desiring additional information, please see the following questions/scenarios. As always, if the following information does not answer your specific question, you can always ask us and we would love to help (e.g. support@servicereef.com).

Thanks!
ServiceReef.com

Why make the change?
Stripe changed their pre-authorization process slightly back in September 2015. As a result, we have seen an increase in questions from applicants around this authorization charge, especially when they look at their bank statements. Some banks/credit cards show the authorization charge as a "pending" transaction. Since the pending authorization remains for 7 days (based on bank preference), we have had some users get confused when they see both the authorization and the actual charge and think that their card was charged twice. We've even had some organizations refund the user, only to find out later that there was no need for that refund. Now, the description and amount of the authorization should clear this up and reduce confusion/questions from applicants.

What is the risk to my organization?
The biggest risk is that the funds are no longer available on the card (or the card is no longer active) when the applicant is approved for the trip. In this situation, when the administrator goes to approve the participant, ServiceReef would present a message if the card information is no longer valid or the transaction was rejected by Stripe in some way. At this point, the organization would need to contact the user and obtain a different way of getting that fee from the user (e.g. check to the organization directly, etc). Technically, this risk is present even in the old way of doing application fees and we do not believe that this will occur very often, if at all.

How long does the pre-authorization appear to users?
This is difficult to answer as the specific bank used by the trip applicant might handle this differently than another bank/card company. Stripe allows ServiceReef to pre-authorize a card and typically, this type of transaction will no longer be valid after 7 days (i.e. it "falls off" the applicant's bank statement). Since Stripe will not allow us to "fulfill" the authorization after 7 days, the initial card validation (the $1 charge) and the actual application fee payment need to be treated as two different transactions. Otherwise, all trip applications would need to be approved/declined within seven days and that isn't possible (or fair) to require of you as an administrator.

What happens if the trip applicant is approved within that 7-day window?
In these situations, ServiceReef will send through a "void" transaction to Stripe on the initial pre-authorization charge (i.e. the $1 transaction) and then send through another transaction for the full amount of the application fee. If the applicant is approved after the initial 7-day window, the "void" on the $1 authorization charge is not needed, as those funds would have been already released back to the user.

Can you give me an example?
Absolutely! Let's assume that your trip has a $150 application fee and the decision is occurring within seven days of the application being completed. Based on that, let's walk through a couple of quick scenarios:
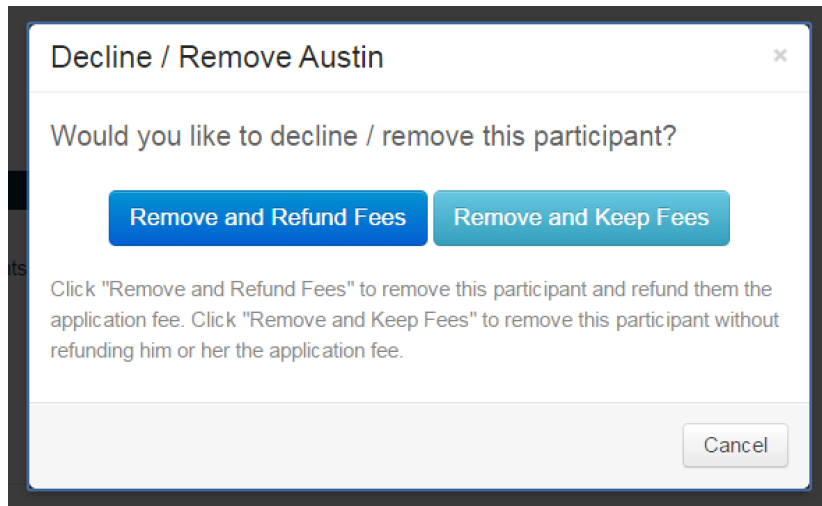
SCENARIO 1:

1) A user applies for a trip

2) After filling in the application, this users enters their credit card information and a $1 charge is shown as pending on their statement.

3) The Trip Administrator approves the applicant and chooses to charge the application fee. The $1 charge is refunded (due to being within the 7-day window) and the full amount is charged to the card on file (e.g. $150)

SCENARIO 2:

1) A user applies for a trip

2) After filling in the application, this users enters their credit card information and a $1 charge is shown as pending on their statement.

3) The Trip Administrator decides to decline the user. The following message is presented to the administrator:

Decline / Remove Austin ✕

Would you like to decline / remove this participant?

Remove and Refund Fees   **Remove and Keep Fees**

Click "Remove and Refund Fees" to remove this participant and refund them the application fee. Click "Remove and Keep Fees" to remove this participant without refunding him or her the application fee.

Cancel

  a. If "Remove and Refund Fees" is selected, then the $1 authorization charge is voided/released and the applicant is not charged the $150 application fee.

  b. If "Remove and Keep Fees" is selected, then the applicant is charged the full $150 application fee.

SCENARIO 3:

1) A user applies for a trip, is accepted and charged the full application fee.

2) The trip participant now realizes that he/she cannot make the trip and clicks the "I can't make it" button on the trip page.

3) The fee is not refunded to the user automatically. The user would need to contact the organization and the organization would need to determine if a refund is warranted.

4) If the organization desires to refund the amount, the administrator would need to go into Stripe, type in the user's email address to find the transaction, and click the "Refund" button. At this point, an option appears to the administrator to refund a smaller amount or refund the full amount. Our suggestion is to select the "Refund full amount" option, as that would return the $150 back to the participant within a couple of business days.