On April 24, the Governance Framework Formation Team (GFFT) released its Operating Vision for the U.S. Faster Payments Council, asking for stakeholder feedback and highlighting the two areas that remain open—the proposed board structure and the approach to funding.

Our first Member Guide and Summary focused on the board structure and included a discussion on the decisioning process. Today, we examine GFFT’s proposed approach to funding, primarily through its membership structure.

The following section focuses on the proposed funding structure, which relies heavily on membership fees.

As a reminder, the feedback period closes this Friday, June 22.

**FPC FUNDING**

The FPC seeks to run a lean, adaptable organization with a small paid staff and heavy reliance on volunteers. Projected start-up funding of $2 million will support the hiring of an executive director and cover expected legal, support, and administrative expenses. After startup, an annual operating budget of $4 million will cover ongoing expenses and additional staff as required.

To meet these requirements, FPC funding will come from membership dues as well as other revenue sources, such as “directed contributions,” which would be over and above membership dues (for example, to support user education

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1 Material contained in this summary is excerpted or adapted from the Operating Vision.
materials or awareness campaigns).

The GFFT proposes a tiered membership fee structure that takes into account the size of the participating members:

PROPOSED ANNUAL MEMBERSHIP FEE STRUCTURE

<table>
<thead>
<tr>
<th>Tier</th>
<th>Annual Revenue</th>
<th>Annual Membership Fee</th>
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<tbody>
<tr>
<td>1</td>
<td>&lt;$5 million</td>
<td>$500</td>
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<tr>
<td>2</td>
<td>$5 million – &lt;$10 million</td>
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<td>7</td>
<td>$5 billion – &lt;$10 billion</td>
<td>$75,000</td>
</tr>
<tr>
<td>8</td>
<td>$10 billion – &lt;$20 billion</td>
<td>$100,000</td>
</tr>
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Consistent with the guiding principles (located in the sidebar on page 1), membership fees may vary, but member rights and responsibilities remain the same. To meet start-up costs and ongoing expenses, GFFT proposes three types of membership dues: founding member and sponsor, founding member, general member. FPC may consider other membership types, such as advisory member, once it is operational.

As noted in the Operating Vision:

**Founding Member and Sponsor** provides sponsor-level funding equal to the greater of $25,000 or 2x a given member’s annual dues.

- Dues paid by Jan. 31, 2019
- Funds applied to 2019 and 2020 membership dues
- One-time, 10 percent discount on prepaid annual membership dues and included in the initial FPC promotional campaign
- Eligible to run for and vote on the initial and future FPC Boards.

**Founding Member** provides one-year membership dues.

- Dues paid by Jan. 31, 2019
- Funds applied to 2019 membership dues
• Eligible to run for and vote on initial and future FPC Boards.

General member provides one-year membership dues.

• Dues paid in 2019
• Eligible to run for and vote on future FPC Boards

QUESTIONS TO CONSIDER

As you prepare your responses to the GFFT Operating Vision for FPC Survey, consider the following question:

• Does the proposed membership fee structure align with the FPC Guiding Principles?
• What changes would you propose to the membership fee structure?
• What, if anything, is missing?
• Does the proposed fee structure influence your decision to join the FPC? If so, how?

WE WANT TO HEAR FROM YOU

NEACH welcomes your thoughts on these questions. Please feel free to contact Joe Casali at jcasali@neach.org with your perspective on these or related issues and with any additional questions you might have.