

MERCHANT PROCESSING NEWS



January 2007

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PURPOSE OF THIS NEWSLETTER

It is my desire to both educate and assist business owners on the subject of "merchant services".

DO I REALLY NEED TO ACCEPT CHECKS?

A "No Checks Accepted" sign or a display of bad checks is a dramatic indication that a merchant has had a bad experience with check acceptance as a form of payment. To eliminate the check option for *ALL* check paying customers who may not utilize credit cards, however, is not a wise business decision.

FACT: Checks are still the most used method of payment and, in most cases, costs can be lower than accepting a credit card.

WHAT IS CHECK VERIFICATION?

This service enables a merchant to verify the check writer's information, i.e., driver's license number, address and checking account information against a national negative check writer database. This service does not guarantee re-payment but provides the opportunity to eliminate acceptance of checks from a customer with an irresponsible check payment history. Fees are usually per-check rather than a percentage of the check value.

WHAT IS CHECK GUARANTEE?

This service guarantees payment of the check to the merchant in the event the check does not clear the merchant's account. This guarantees NSF checks, fraudulently issued checks and account-closed checks. "Disputed stop payment coverage" is an additional benefit that may be provided depending upon the service provider. Fees are similar to credit card fees.

WHAT IS CHECK CONVERSION?

This service enables a merchant to accept a check at the point of sale. Using an imager converts the data into an electronic format allowing the funds to be debited from the customer's account and deposited into the merchant's account. No more NSF fees, standing in line at the bank, etc. Funds are usually available within 2 business days. Rates and fees are normally less than credit card rates and fees.

... *More next month* ...

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