

MERCHANT PROCESSING NEWS

... EDUCATING AND ASSISTING BUSINESS OWNERS ON THE SUBJECT OF
"MERCHANT SERVICES"



May 2008

What's Inside:

- Purpose of this newsletter
- Create a transfer account
- Merchant Services NSF's
- General rule of thumb

PURPOSE OF THIS NEWSLETTER

This month's newsletter covers topics focusing on "financial" awareness.

CREATE A TRANSFER ACCOUNT



A large number of business owners I consult with initially allowed deposits / withdrawals of monies for utility fees, telephone services, merchant services, monthly &, yearly fees, debits and credits, etc. - - from a single bank account. I strongly suggest businesses have an additional account separate from their primary account to utilize Electronic Funds Transfer (EFT) and Automated Clearing House (ACH) access for both deposits and / or withdrawals necessary to pay fee obligations. You make a decision on how much money needs to be left in the secondary account and transfer extra funds as needed. The frequency and amounts should be discussed with your CPA or accountant; however, responsibility for adequate funds for all presumed fees is the business owners' sole responsibility.

Merchant Services NSF's



I am frequently asked to explain the variety of fees present on most merchant services agreements. Fees such as Statement & Minimum Fees are monthly service fees. The Annual Fee is a once a year fee based upon your contract's "anniversary" date. Retrieval and Chargeback Fees are deducted per each occurrence. An ACH Reject Fee occurs when there are not sufficient funds in the bank account to cover any fees and can be penalized by compelling an account reserve percentage or a cash reserve requirement. *(Clarification of such terms can be found in previous newsletters or may be accessed through our [Dictionary of Terms](#) where the definition of a Chargeback Fee, for example, is found on page 8.)*

GENERAL RULE OF THUMB



I can't stress enough the need for business owners to thoroughly read and fully understand contracts before they obligate themselves by signature. In most states you can not use ignorance as a reason to terminate commercial contract agreements.

... more to come on "financial awareness" next month.

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