

MERCHANT PROCESSING NEWS

... EDUCATING AND ASSISTING BUSINESS OWNERS ON THE SUBJECT OF
"PAYMENT SOLUTIONS TECHNOLOGY"



April 2009

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PURPOSE OF THIS NEWSLETTER

This month's newsletter is directed to the business owner(s) to ensure their employees are trained and motivated to take ownership of their jobs.



BACK TO THE BASICS

The "merchant services" utilized in your business include rules and regulations that must be adhered to, without exception. If you don't have a copy, contact your service provider without delay. All owners and managers should be familiar with these rules and regulations for compliance as well as they can determine the bottom line.

Pertaining to credit card acceptance, the following excerpts are taken from the **Honoring Cards** section under **Terms and Conditions** of a standard agreement.

A. Without Discrimination. You will honor, without discrimination, any Card properly tendered by a Cardholder. "Cardholder"

means a person processing a Card and purporting to be the person in whose name the Card is issued. You will not establish a minimum or maximum transaction amount as a condition for honoring a Card.

B. Cardholder Identification. You will identify the Cardholder and check the expiration date and signature on each Card. You will not honor any Card if: (i) the Card has expired. (ii) the signature on the sales draft does not correspond with the signature on the Card. (iii) the account number embossed on the Card does not match the account number on the Card's magnetic strip (as printed in electronic form) or the account number listed on a current Electronic Warning Bulletin file. You may not require a Cardholder to provide personal information, such as a home or business telephone number, a home or business address, or a driver's license number as a condition for honoring a Card unless permitted under the Laws and Rules (defined in Section 14, below).

C. Card Recovery. You will use your reasonable, best efforts to recover any Card: (i) on Visa Cards if the printed four digits above the embossed account number do not match the first four digits of the embossed account number; (ii) If you are advised by (your processor) or Bank (or a designee) the issuer of the Card or the designated voice authorization center to retain it; (iii) if you have reasonable grounds to believe the Card is counterfeit, fraudulent or stolen, or not authorized by the Cardholder; or (iv) for MasterCard Cards, the embossed account number, indent printed account number and or encoded account number do not agree or the Card does not have

a MasterCard hologram on the lower right corner of the Card face.

D. Surcharges. You will not add any amount to the posted price of goods or services you offer as a condition of paying with a Card, except as permitted by the Rules. This paragraph does not prohibit you from offering a discount from the standard price to induce a person to pay by cash, check or similar means rather than by using a Card.

E. Return Policy. You will properly disclose to the Cardholder, at the time of the Card transaction and in accordance with the Rules, any limitation you have on accepting returned merchandise.

This excerpt is taken from the **Other Important Notices** section.

Mid/Non-Qualified Transactions

You understand and agree to the following: that your discount rate as stated in the Merchant Application will be charged on all electronically authorized and swiped bankcard transactions that meet the requirements of the Visa and MasterCard rules for your approved transaction method (such as same-day batch close, authorization and settlement amounts match, etc.); and that all bankcard transactions that do not meet these requirements will be charged up to 1.98% + \$0.10¢ higher than my discount rate. Visa/MasterCard commercial card transactions will be charged up to 1.98% + \$0.10¢ above the qualified rate. Mail/telephone order and electronic commerce transactions enacted by me if I am set-up to only submit card-present transactions will be charged up to 1.98% + \$0.10¢ higher than my discount rate.

The Mid/Non-Qualified Transactions mentioned above apply when the card is "swiped" through the reader. When the credit card information is "entered manually" there are additional fees charged.

I prefer to conduct on-sight training sessions with both the business owner and any employees. I stress this point repeatedly to insure the importance of "swiping the card" is drilled home. (Note: There may be an occasional card the card reader cannot read so must be entered manually, but this should be the exception and not the rule.). Despite my

efforts, I will still receive the occasional call from a confused business owner questioning added fees on his monthly statement. In one such case I determined that a new employee had manually keyed in every transaction instead of swiping them - - new employees need proper training as well.



NEW EMPLOYEE ORIENTATION

I recommend that every business have an Employee Handbook clearly defining that business's objectives, goals, policies & procedures as well as information pertaining to every position within that business's structure. Included should be a training checklist with step-by-step instructions for each task performed by any employee. Company policies relevant to each position that may not apply to a general employee handbook should also be included.

This resource is important to the new employee but it is especially crucial when working with a motivated individual moving up through the ranks of the company.

Follow up the written orientation by conducting on-the-job training or OJT. This process ensures they not only understand what they've read, but can actually perform the required tasks.

REMINDER: Insure you have all Merchant Guides for every service and / or program you utilize at your place of business - - feel free to contact our friends over at [JG Consulting Group, Inc.](http://www.jgconsulting.com) with any questions.

As always. . . more to come next month.

For more information and timely updates visit: www.merchantprocessingnews.com