

Eight Ways You Can Reduce Fees

How to better manage your processing costs

A variety of factors affect the fees associated with card acceptance. Some factors are beyond your control and ours (for example, if the card presented has a reward program); others are not. By managing the factors you can control, you can help minimize transactions with higher-than-usual fees, and ultimately reduce your monthly processing expense. The following eight approaches will ensure that you'll save the most you can.



1 Settle transactions in a timely manner.

If you usually settle transactions more than 24 hours after they are authorized, the fee rate could be higher.

What you can do:

Make it easy — ensure that your terminal is set up to settle card transactions automatically at the end of your business day. If not, call Technical Support at **1.800.430.7161**.

2 Accept PIN debit transactions at the point of sale.

Fees for credit and signature debit card transactions over \$40 are usually higher than those for debit (non-signature) transactions. By enabling your customers to enter their PINs when paying with debit cards, you may be able to reduce your cost on these transactions.

What you can do:

Make sure your terminal has an internal or handheld PIN-pad. If you're not sure, please contact us.

3 Capture card numbers by swiping them through a card reader.

When a customer presents a card in person, using a keypad to enter the card information can lead to higher fees because hand-keyed information is more likely to be entered incorrectly and has a higher potential for fraud.

What you can do:

Obtain a card reader or replace malfunctioning equipment.

Clean card readers regularly so they capture all magnetic stripe information. One way to do this is to wrap a dollar bill around a card and swipe it through the terminal a few times.

Train personnel to avoid unnecessary key-entered transactions.

Answer all terminal prompted questions.

4 Enter the correct zip code when a card number must be hand-keyed.

Sometimes the magnetic stripe on a card is worn and your card reader is unable to process, and you have to hand-key the transaction. This will result in a higher fee than when a card is swiped, but you can minimize this fee.

What you can do:

When prompted for the zip code during a hand-keyed transaction, ask cardholders for the zip code used for their billing statement. The zip code must match the one on record to ensure that you pay the minimum fee for this type of transaction. If this does not match, you may elect to process the card anyway. There may be a higher risk of fraud, however, and you will pay a higher fee.

5 Limit card-not-present transactions.

Card-not-present (CNP) transactions occur when cardholders provide their card number and other information over the phone, internet, fax or mail. Since there is no face-to-face interaction or physical signature, these transactions are higher-risk and often result in higher fees.

What you can do:

Use the address verification service (AVS) correctly.

Answer all terminal-prompted questions.

– You must enter address, zip code and an invoice number to receive a more favorable rate.

– If you do not have an invoice number, we recommend you enter the last four digits of the card number for reference.

If you are not prompted to enter address, zip and invoice for a CNP transaction, please call Technical Support at **1.800.430.7161** to ensure the AVS and the invoice prompt are activated in your terminal.

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6 Lower your risk of chargebacks.

A chargeback is a transaction that has been disputed by the cardholder or issuer. Some business types experience more chargebacks than others, but every business can take steps to lower the risk. For more detailed tips, visit www.bankofamerica.com/chargebacks.

Check your customer's card.

Verify card types. Do not accept a major card without a brand logo and hologram.

Verify card number. Always compare embossed numbers to those on receipt. If they do not match, obtain another form of payment.

Compare signatures. Be sure signature on card is similar to signature on sales draft. If suspicious, ask for ID and compare signatures.

Check expiration date. Make sure transaction is after card's valid from date and before its expiration date. However, if authorization approval is received on an expired card, sale may be processed.

Provide key information to your customers.

Use a recognizable business name.

Ensure the business name you use with us is the one that customers will recognize when they get their statements.

Verify that your phone number appears correctly. Ensure both your receipts and the customers' card statements reflect your correct phone number so they are able to contact you with a question or issue before it results in a chargeback.

Print your return/exchange policy. Your return/exchange policy should be printed close to the signature line on the sales draft. See www.bankofamerica.com/chargebacks for important internet sale details.

Follow authorization policies and procedures.

Adhere to the floor limit. Floor limit is the largest payment you may accept via credit card or check without authorization. Zero limit requires authorization for every non-cash transaction.

Call the voice authorization center for approval when necessary. If the problem is limited to the magnetic stripe, key in account number for authorization approval. Otherwise, call for approval. It's a good idea to get a manual imprint in either case.

Do not process transaction if declined. Do not repeat a declined authorization request — simply ask for another form of payment.

Maintain back-office best practices.

Deposit all transactions within 30 days.

For card-not-present merchants, transaction date is shipping date, not order date. Transactions deposited after 30 days may be charged back to the merchant.

Retain records. Visa® requires you retain sales draft for 12 months from processing date. MasterCard® requires 18 months. It is best to retain for two years, in case the issuing bank submits a case on the last day of 18th month.

Respond to requests quickly with required documentation. When acquirer requests signed and imprinted sales draft, both cardholder's signature and manual imprint of embossed account number are required on front of draft. (A full, unaltered mag stripe reading is the equivalent of a manual imprint.)

7 Process commercial card transactions correctly.

Visa and MasterCard business, commercial and purchasing cards carry higher fees because of the value-added features they offer to companies.

What you can do:

Educate personnel on entering the customer code and sales tax for these transactions.

If you are not prompted to enter customer code and sales tax for a business, commercial or purchasing card, please call Technical Support at **1.800.430.7161** to ensure the customer code and tax prompts are activated for your terminal.

8 Limit transaction authorization and settlement amount mismatches.

Variation between authorization and settlement amounts usually triggers additional charges, unless your business is one that commonly processes tips, such as restaurants, taxis or salons.

What you can do:

If you're accepting tips at your business, ensure your terminal allows you to add and adjust them. If not, call us at **1.800.430.7161**. You may not be set up for that type of service.

We're hopeful that implementing the strategies recommended here will make a substantial difference in the fees you pay.

Review your monthly statements to be sure you are receiving the lowest costs for your business. If you have questions on how to read your statement or on the fee categories for each of your transactions, call Customer Service at **1.800.430.7161** — available Monday through Friday, 8:00 a.m. to 10:00 p.m. Eastern and Saturday, 9:00 a.m. to 6:00 p.m. Eastern.