



THE LINEUP: Understanding Fee-based Solutions

With the rising popularity of fee-based solutions such as surcharging and cash discount, it's never been more important for you to be aware of the solutions available and the card brand rules surrounding each. And knowing your merchant is just as important, too. Visa and Mastercard's rules are clear in advising exactly when, where and how these fees or discounts should be applied and we're here to take you through the lineup.

FIRST THINGS FIRST: RULES & REGISTRATION

It's important to preface the explanation of each money saving solution with the important note that registration with the card brands, Visa and MasterCard, is required before surcharging or applying a service fee. It's also important to note there are many additional card brand requirements such as proper fee disclosures, signage posted to consumers and even the way each fee is calculated and *this* is why it's so important merchants choose a *compliant* solution.

Solutions Defined

NON-CASH ADJUSTMENT

The name of this program explains exactly how it works. If a non-cash payment such as a credit card or signature debit card is provided as payment, an adjustment or "fee" is added to the customer's bill. This adjustment helps offset the cost of processing that card, whereas if cash or a PIN debit card was presented, no additional fee would be added and that's because the cost of accepting cash and PIN debit cards is minimal in comparison to credit and signature debit cards.

SURCHARGE

Surcharging is similar to non-cash adjustment except that surcharge applies to credit cards only, is prohibited in some states, and requires registration with Visa and MasterCard. When a customer chooses to pay with a credit card, the customer will notice a surcharge or a "fee" added to the bill. Prohibited states are: Colorado, Connecticut, Florida, Kansas, Maine, and Massachusetts. If your merchant is in a prohibited state, the non-cash adjustment solution is a great alternative solution.





CASH DISCOUNT

A cash discount really works in the exact opposite way as non-cash adjustment and surcharging in that it actually applies a discount to the customer's bill and not a fee. A discount appears on a receipt when cash, PIN debit or ACH is presented and customers paying with credit and signature debit cards pay full price. It is assumed the fee is already added into the price of the product, thus no adjustment is added

CONVENIENCE FEE

Convenience fees may only be imposed by those merchants where a brick-and-mortar location is available for transacting AND an ALTERNATIVE payment method is available, such as via phone, mail or a website. That convenience fee may *only* be applied to transactions processed through the alternative payment method.

THE DECISION

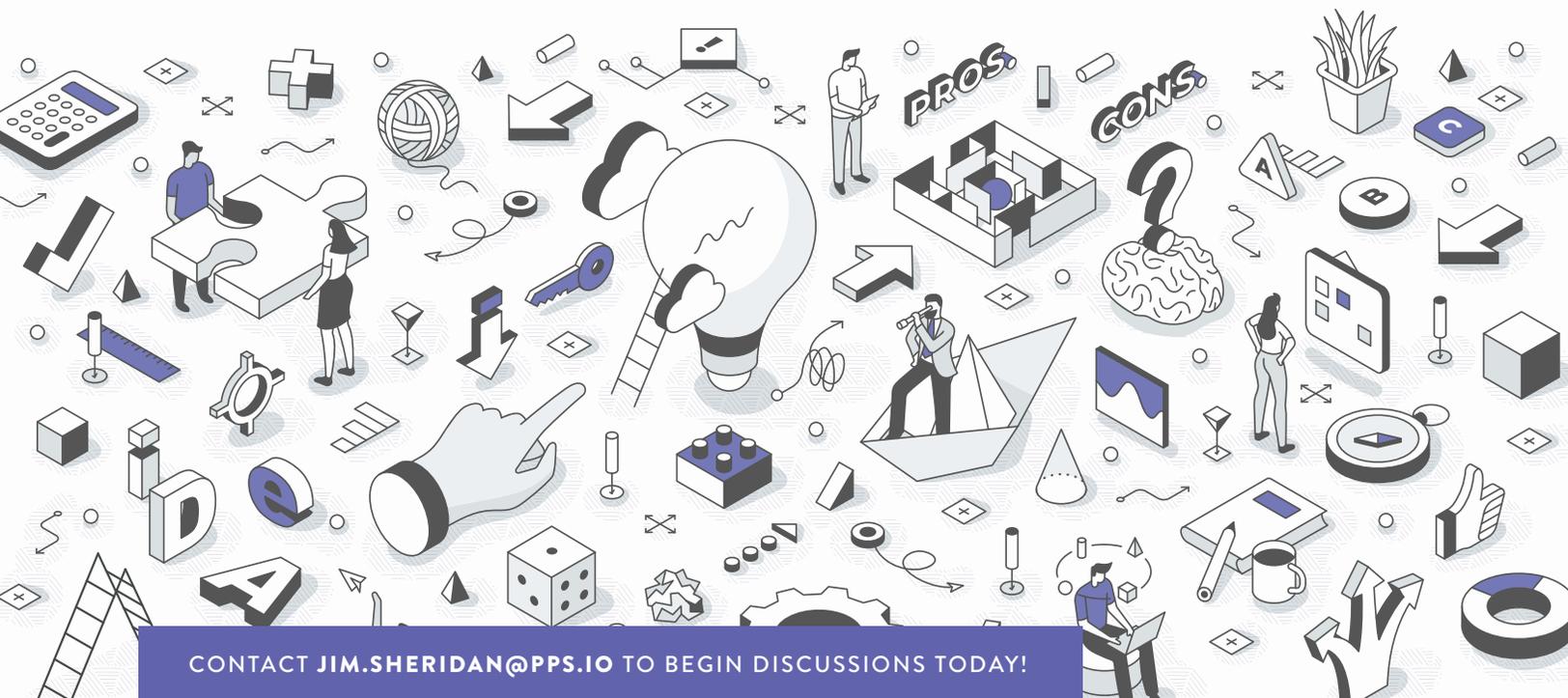
As you can see, it's merchants' unique payment processing environment and the specific rules from the Card Brands that make it so important to understand each fee-based solution and know which is right for your merchants.

At Priority, we are here to help you understand the rules for each solution and how our compliant MX™ Advantage Suite of solutions, gives you additional revenue streams and merchants peace of mind. Come increase your profits while helping merchants save money. It's a Win-Win!

SERVICE FEE

Only government and education merchants may apply a service fee. A service fee is a way to recoup fees associated with providing an actual service and not for processing fees as we've seen with a few other programs. The list below shows the type of merchants or considered to be government/education.

Education	Government
Elementary & Secondary Schools	Taxes
Colleges, Universities, Professional Schools & Junior Colleges	Court Costs
Business & Secretarial Schools	Fines
Vocational & Trade Schools	Misc Government Services



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