

"This remarkable FAQ guide contains everything you've always wanted to know about payment processing but were afraid to ask."  
Joe Shmoe, PhD, University of Smart Business Practices

# Merchant Services FOR DIMWITS

Latest Edition: New and Improved!

No-fail methods  
for learning the world  
of payment processing

Go from blockhead  
to brainiac in  
no time—**guaranteed!**

Yes—it's that easy!



  
cynergydata®

## **No Einstein when it comes to payment processing? No worries. With these handy FAQ, you'll quickly go from blockhead to brainiac.**

### **How do I know whether I'm really getting the best rates and fees?**

Rates and fees vary by business and transaction types, so unless you ask salespeople what they mean by "the lowest rates out there," you may not get the deal you think you're getting. When you meet with a sales representative, be sure to ask how your business and transaction types are categorized for non-bank cards (American Express®, Discover®) as well as Visa®/MasterCard®: Qualified, Mid-Qualified or Non-Qualified. Credit card companies—not payment processors—determine these categories.

### **Am I reading my monthly statement correctly—what are those extra fees?**

If you're not sure how to read your monthly statement, don't be afraid to ask your service provider for help in doing so. Nor should you hesitate to ask for explanations about any fees listed on your statement. In addition to percentage and transaction fees, you may also see batch, statement and monthly minimum fees.

### **Is there anything I can do to cut my processing costs?**

Yes! You can trim costs in a variety of ways:

- If you're a retailer, accept pin-based debit cards. When customers authorize debit card payments with pin numbers, you pay lower interchange fees.
- When manually entering credit cards in a retail setting, always get an imprint of the card using a manual imprinter. Compare the name, number and signature on the card to those on the transaction receipt. This protects you from accepting a stolen card, reduces potential chargebacks and provides proof that the card was present at the time of the sale. If you suspect fraud, call your voice authorization center and report a Code 10.
- In mail-order/telephone, request the security code found on the back of the credit card (last 3 digits on Visa/MasterCard; last 4 digits on American Express). For mail-order and e-commerce sales, enter your

customer's complete billing address, including street and zip code. Make sure there's a match of address for Address Verification Service (AVS).

Following these steps may protect your business from fraud and financial penalties from the credit card companies.

- Batch out at the end of each business day. When you batch out, funds are routed to your merchant bank account. By not batching out within 24 hours of the authorized payments, you weaken security of your customer's cardholder data and will therefore pay higher per-transaction fees.

### **What is PCI compliance, and why does it matter to my business?**

PCI is the acronym for Payment Card Industry. The PCI Data Security Council, an organization founded by the credit card companies (American Express, Discover Financial Services, JCB® International, MasterCard Worldwide and Visa), requires merchants to meet various security standards. Failure to meet the Payment Application Data Security Standard (PA-DSS) puts your business at risk for fraud as well as fines from the credit card companies, which could revoke your ability to accept card-based payments.

### **Here's what every business owner should know about PCI compliance:**

- Identity theft is one of the fastest-growing crimes in the United States. Using processing hardware/software that meets the PA-DSS helps you safeguard your customer data and your business.
- Your merchant service provider can tell you whether your point-of-sale system meets the PA-DSS. If it doesn't meet security standards, you must immediately update your terminals and/or processing applications.
- Failure to meet PA-DSS regulations can result in significant fines for your business. Depending on the violation, fines range between \$5,000 and \$10,000 per month.
- To learn more about PCI compliance, visit the PCI Data Security Council website:

**[www.pcisecuritystandards.org/security\\_standards/pa\\_dss.shtml](http://www.pcisecuritystandards.org/security_standards/pa_dss.shtml)**

