

10 Money Saving Payment Processing Tips

1 Standard Transactions: transactions that are not done electronically including those entered into a web site, also called “card not present transactions”, are more expensive to process. For example, a “qualified” Visa card might normally cost 1.65% (depending upon Merchant Discount rate) when done electronically (card present), when entered manually or online would cost 1.65% + Differential fee of .11% plus a NQ fee of .35% (depending upon contract rate) total 2.11%.

Where to find Transactions breakdown:

- Chase “Non-Qualified” any cards with “Standard” in their description
- Elavon “Credit Card Processing Charges” any cards with “Standard” in their description
- First Data “Payment Network & Processor Rate Disclosure” any cards with “STD” or “NAT SETTLED” in their description
- Global “Other Charges”, any cards with “Std” in their description
- Moneris “Interchange Differential Analysis” any cards with “Standard” in their description
- TD Merchant Services “Details of Rate Adjustment Fee” any cards with “Standard” in their description

Note: some processors may charge higher discount fee for Visa “non emv transactions” transactions that are swiped and not using a chip, however Visa does not charge them a higher Interchange rate for these.

Depending upon the ISO statements may have a different format

2 Multiple Accounts: Processors often open multiple accounts for the same merchant duplicating fees. This is only necessary when there is more than one location or if the merchant is taking online plus face to face transactions.

3 Lease Insurance: Check statement for a charge for “insurance” usually \$5.95 a month but can vary. This is to insure a leased terminal. Send proof that the terminal is covered the business

Contact Info

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insurance and this can be removed.

4 Notices of Fee Changes: It is very important to follow up on any notices of changes in fees. The wording varies greatly and may be delivered with, or on the monthly statement or in a separate letter. Businesses should always follow up and find out exactly what the changes are one of my clients didn't and paid over \$10,000 in new fees before they were able to cancel the contract.

5 PCI Non Compliance Fees: Some Processors charge a fee for PCI/DSs non compliance. If you are being charged this fee you should check with your Processor on how they will help you become compliant. Most have a QSA (Qualified Security Advisor) that you contact to take the necessary steps. (note all a businesses must be compliant)

6 Returns Charges: Businesses should note that they are charged base discounts for any transactions that are refunded both ways. A purchase that is refunded costs the business between 3% and 6% depending upon the card type.

7 Recurring transactions: Many businesses have transactions that recur on a regular basis. These can be set up as "Recurring Transactions" saving input time and higher discount rates for manually entered transactions. Note MasterCard has introduced new lower recurring fees in the spring of 2015

8 Batches & Batch Fees: Businesses should do a batch close or settlement at least every day as funds will not be deposited until this is done. They should be careful though some Processors charge a "Batch Fee" for every settlement done.

9 Interchange Reductions: In spring, 2015 Interchange fees which (Processors first cost) will be reduced. Businesses need to make sure their fees are reduced as this will not happen automatically unless they are on an Interchange Plus fee schedule most are Interchange Differential.

10 New MasterCard Merchant Classifications: MasterCard has introduced new merchant classifications with lower Interchange rates affective in the spring of 2015. If you business falls into one of these categories you need to make sure you fees are reduced as this will not happen automatically unless they are on an Interchange Plus fee schedule most are Interchange Differential.

[Contact us to receive a free copy of our booklet "Introduction to Processing for Small Business"](#) Your information will not be shared and you will not receive any unwanted communications.

Web: www.smallbizassist.ca blog: www.smallbizassist.ca/blog.html

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