

Payment Processing 101 for Small Businesses

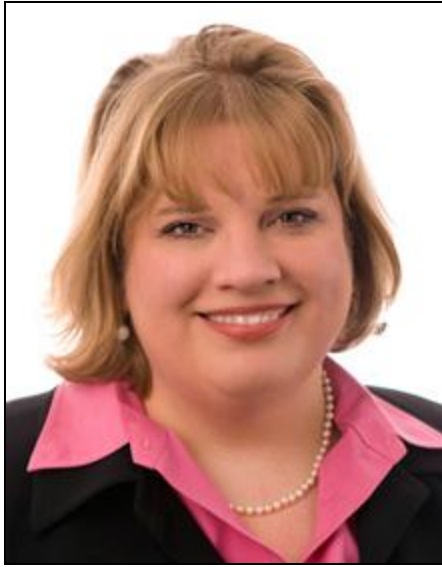
Presented by:



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101



Kathleen Ervin



Ron Demmans

Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive



Payment Processing 101

We find savings for over 70% of NFIB members...
an average savings of \$1,352 a year!



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

- An introduction to the world of payment processing
- Payment processing solutions
- Tips on the best payment processing tools for your business
- What to look for to get the best pricing

Payment Processing 101

Payment Processing

A non-cash transaction used for the payment of products or services



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

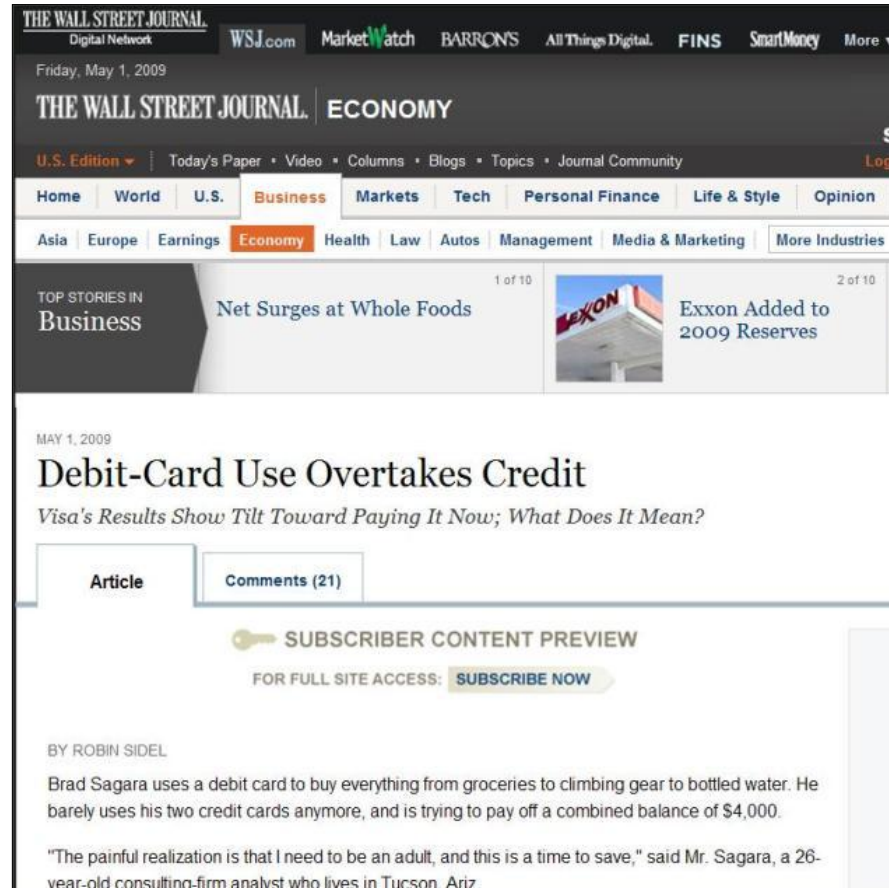
Credit Cards vs. Debit Cards



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

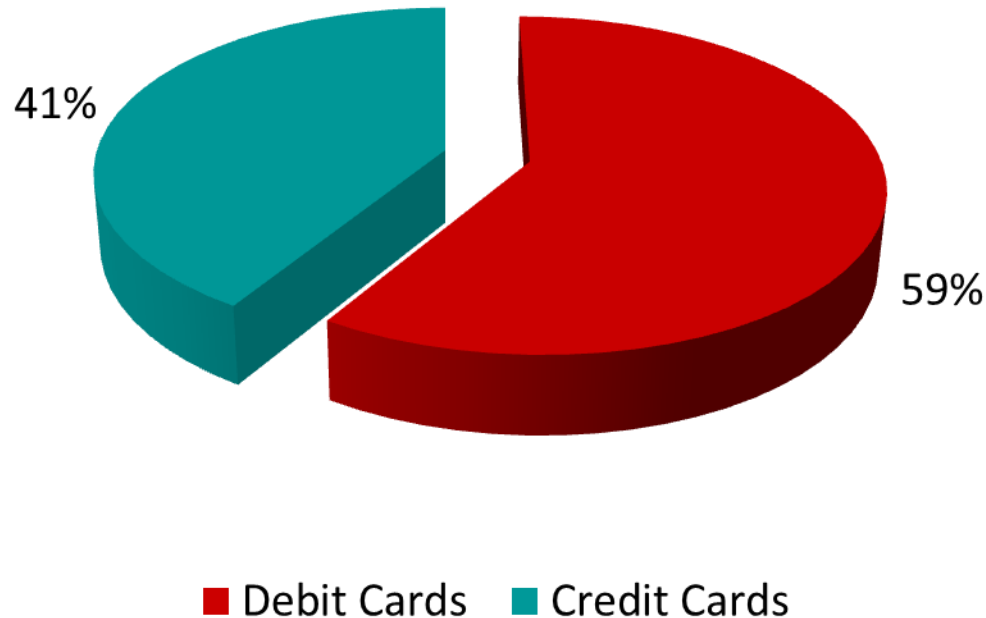


Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Credit Cards vs. Debit Cards



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Debit cards can be processed in two ways:



- With the usage of a cardholder PIN
- Without the usage of a cardholder PIN

Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Consumer • Commercial • International



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Consumer Credit Cards

Issued to consumers and enables the cardholder to make purchases against a predetermined line of credit



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Commercial Credit Cards

Issued to businesses



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

International Credit Cards

Issued by banks that are governed outside the United States



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Interchange

Wholesale pricing structure established by the major card brands



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Over 300 different pricing levels that are calculated by:

- Type of card
- Entry method
- Amount of data passed



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

ALL credit card processors have the same interchange cost structure that makes up their wholesale costs for processing



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfilive and use hashtag #nfilive

Payment Processing 101

What are your rates?



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

One size does not fit all

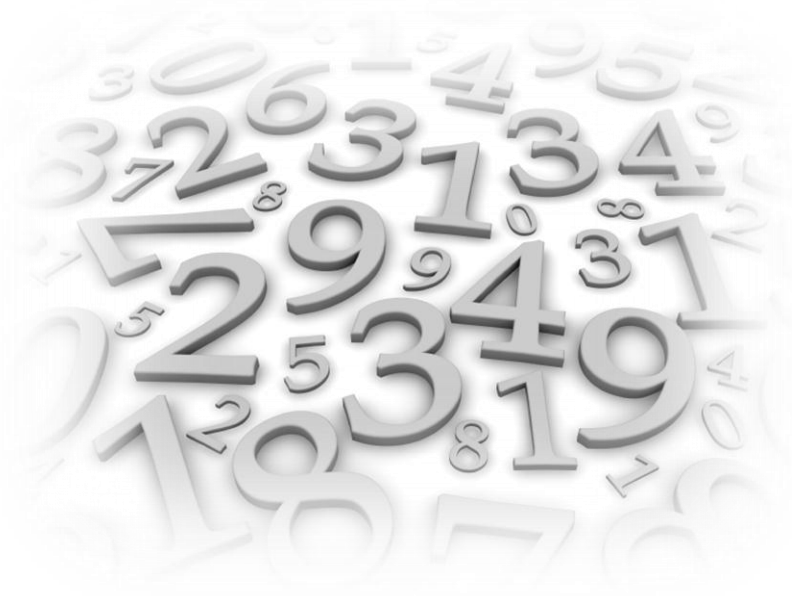


Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Know your rates



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

The Bucket System



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Bucket 1:

Swiped check card/signature debit is the lowest rate



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Bucket 2:

Qualified rate applies to consumer credit cards that are swiped

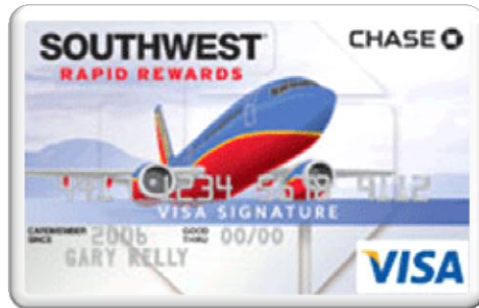


Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Rewards Cards



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Bucket 3:

Mid-qualified rate applies to consumer credit cards that are keyed-in (aka card not present)



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Bucket 4:

Non-qualified rate applies to International cards and some corporate cards



Download slides at: <http://www.nfib.com/paymentprocessing101>

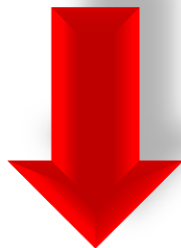
Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Downgrades

Occur when one or more of the following requirements have not been met:

- Not settling the transaction within 24 hours of the initial authorization
- Failure to attempt address verification on manually keyed transactions
- Failure to charge sales tax on a transaction



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

How to Read Your Merchant Statement

Summary of Total Monthly Activity

Breakdown of deposits by date

Summary of individual Fees, Rates & Charges for the Month

SAMPLE MERCHANT STATEMENT

SOLVERAS
A DIVISION OF TRANSFIRST

ADDRESS: WALLACE ALTO BOPAR
100 WHEEL AVE
SANTA MONICA, CA 90404

STATE: CA
CITY: SANTA MONICA
ZIP: 90404
PHONE: (310) 440-0000
FAX: (310) 440-0000
E-MAIL: WALLACE@SOLVERAS.COM

AMOUNT DEDUCTED FROM ACCOUNT: 768.76

PLAN SUMMARY									
PL	Y	S	S	S	S	S	S	S	S
PLAN	YEAR	SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES
01	2014	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
02	2015	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00

DATE	REF NUMBER	PL	S	S	S	S	S	S	S
DATE	REF NUMBER	PLAN	SALES	SALES	SALES	SALES	SALES	SALES	SALES
10	00001430001	01	000	6,522.89	000	000	000	000	6,522.89
11	00001440001	01	000	250.00	000	000	000	000	250.00
12	00001450001	01	000	548.92	000	000	000	000	548.92
13	00001460001	01	000	3,040.00	000	000	000	000	3,040.00
14	00001470001	01	000	475.00	000	000	000	000	475.00
15	00001480001	01	000	1,756.47	000	000	000	000	1,756.47
16	00001490001	01	000	1,260.00	000	000	000	000	1,260.00
17	00001500001	01	000	107.00	000	000	000	000	107.00
18	00001510001	01	000	1,225.00	000	000	000	000	1,225.00
19	00001520001	01	000	295.70	000	000	000	000	295.70
20	00001530001	01	000	2,619.00	000	000	000	000	2,619.00
21	00001540001	01	000	1,197.46	000	000	000	000	1,197.46
22	00001550001	01	000	1,125.00	000	000	000	000	1,125.00
23	00001560001	01	000	1,125.00	000	000	000	000	1,125.00
24	00001570001	01	000	1,125.00	000	000	000	000	1,125.00
25	00001580001	01	000	1,125.00	000	000	000	000	1,125.00
26	00001590001	01	000	1,125.00	000	000	000	000	1,125.00
27	00001600001	01	000	1,125.00	000	000	000	000	1,125.00
28	00001610001	01	000	1,125.00	000	000	000	000	1,125.00
29	00001620001	01	000	1,125.00	000	000	000	000	1,125.00
30	00001630001	01	000	1,125.00	000	000	000	000	1,125.00
31	00001640001	01	000	1,125.00	000	000	000	000	1,125.00
32	00001650001	01	000	1,125.00	000	000	000	000	1,125.00
33	00001660001	01	000	1,125.00	000	000	000	000	1,125.00
34	00001670001	01	000	1,125.00	000	000	000	000	1,125.00
35	00001680001	01	000	1,125.00	000	000	000	000	1,125.00
36	00001690001	01	000	1,125.00	000	000	000	000	1,125.00
37	00001700001	01	000	1,125.00	000	000	000	000	1,125.00
38	00001710001	01	000	1,125.00	000	000	000	000	1,125.00
39	00001720001	01	000	1,125.00	000	000	000	000	1,125.00
40	00001730001	01	000	1,125.00	000	000	000	000	1,125.00
41	00001740001	01	000	1,125.00	000	000	000	000	1,125.00
42	00001750001	01	000	1,125.00	000	000	000	000	1,125.00
43	00001760001	01	000	1,125.00	000	000	000	000	1,125.00
44	00001770001	01	000	1,125.00	000	000	000	000	1,125.00
45	00001780001	01	000	1,125.00	000	000	000	000	1,125.00
46	00001790001	01	000	1,125.00	000	000	000	000	1,125.00
47	00001800001	01	000	1,125.00	000	000	000	000	1,125.00
48	00001810001	01	000	1,125.00	000	000	000	000	1,125.00
49	00001820001	01	000	1,125.00	000	000	000	000	1,125.00
50	00001830001	01	000	1,125.00	000	000	000	000	1,125.00
51	00001840001	01	000	1,125.00	000	000	000	000	1,125.00
52	00001850001	01	000	1,125.00	000	000	000	000	1,125.00
53	00001860001	01	000	1,125.00	000	000	000	000	1,125.00
54	00001870001	01	000	1,125.00	000	000	000	000	1,125.00
55	00001880001	01	000	1,125.00	000	000	000	000	1,125.00
56	00001890001	01	000	1,125.00	000	000	000	000	1,125.00
57	00001900001	01	000	1,125.00	000	000	000	000	1,125.00
58	00001910001	01	000	1,125.00	000	000	000	000	1,125.00
59	00001920001	01	000	1,125.00	000	000	000	000	1,125.00
60	00001930001	01	000	1,125.00	000	000	000	000	1,125.00
61	00001940001	01	000	1,125.00	000	000	000	000	1,125.00
62	00001950001	01	000	1,125.00	000	000	000	000	1,125.00
63	00001960001	01	000	1,125.00	000	000	000	000	1,125.00
64	00001970001	01	000	1,125.00	000	000	000	000	1,125.00
65	00001980001	01	000	1,125.00	000	000	000	000	1,125.00
66	00001990001	01	000	1,125.00	000	000	000	000	1,125.00
67	00002000001	01	000	1,125.00	000	000	000	000	1,125.00
68	00002010001	01	000	1,125.00	000	000	000	000	1,125.00
69	00002020001	01	000	1,125.00	000	000	000	000	1,125.00
70	00002030001	01	000	1,125.00	000	000	000	000	1,125.00
71	00002040001	01	000	1,125.00	000	000	000	000	1,125.00
72	00002050001	01	000	1,125.00	000	000	000	000	1,125.00
73	00002060001	01	000	1,125.00	000	000	000	000	1,125.00
74	00002070001	01	000	1,125.00	000	000	000	000	1,125.00
75	00002080001	01	000	1,125.00	000	000	000	000	1,125.00
76	00002090001	01	000	1,125.00	000	000	000	000	1,125.00
77	00002100001	01	000	1,125.00	000	000	000	000	1,125.00
78	00002110001	01	000	1,125.00	000	000	000	000	1,125.00
79	00002120001	01	000	1,125.00	000	000	000	000	1,125.00
80	00002130001	01	000	1,125.00	000	000	000	000	1,125.00
81	00002140001	01	000	1,125.00	000	000	000	000	1,125.00
82	00002150001	01	000	1,125.00	000	000	000	000	1,125.00
83	00002160001	01	000	1,125.00	000	000	000	000	1,125.00
84	00002170001	01	000	1,125.00	000	000	000	000	1,125.00
85	00002180001	01	000	1,125.00	000	000	000	000	1,125.00
86	00002190001	01	000	1,125.00	000	000	000	000	1,125.00
87	00002200001	01	000	1,125.00	000	000	000	000	1,125.00
88	00002210001	01	000	1,125.00	000	000	000	000	1,125.00
89	00002220001	01	000	1,125.00	000	000	000	000	1,125.00
90	00002230001	01	000	1,125.00	000	000	000	000	1,125.00
91	00002240001	01	000	1,125.00	000	000	000	000	1,125.00
92	00002250001	01	000	1,125.00	000	000	000	000	1,125.00
93	00002260001	01	000	1,125.00	000	000	000	000	1,125.00
94	00002270001	01	000	1,125.00	000	000	000	000	1,125.00
95	00002280001	01	000	1,125.00	000	000	000	000	1,125.00
96	00002290001	01	000	1,125.00	000	000	000	000	1,125.00
97	00002300001	01	000	1,125.00	000	000	000	000	1,125.00
98	00002310001	01	000	1,125.00	000	000	000	000	1,125.00
99	00002320001	01	000	1,125.00	000	000	000	000	1,125.00
100	00002330001	01	000	1,125.00	000	000	000	000	1,125.00
101	00002340001	01	000	1,125.00	000	000	000	000	1,125.00
102	00002350001	01	000	1,125.00	000	000	000	000	1,125.00
103	00002360001	01	000	1,125.00	000	000	000	000	1,125.00
104	00002370001	01	000	1,125.00	000	000	000	000	1,125.00
105	00002380001	01	000	1,125.00	000	000	000	000	1,125.00
106	00002390001	01	000	1,125.00	000	000	000	000	1,125.00
107	00002400001	01	000	1,125.00	000	000	000	000	1,125.00
108	00002410001	01	000	1,125.00	000	000	000	000	1,125.00
109	00002420001	01	000	1,125.00	000	000	000	000	1,125.00

Payment Processing 101

Charge-Back

A card holder has up to 180 days from the statement date to dispute what you charge them.



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

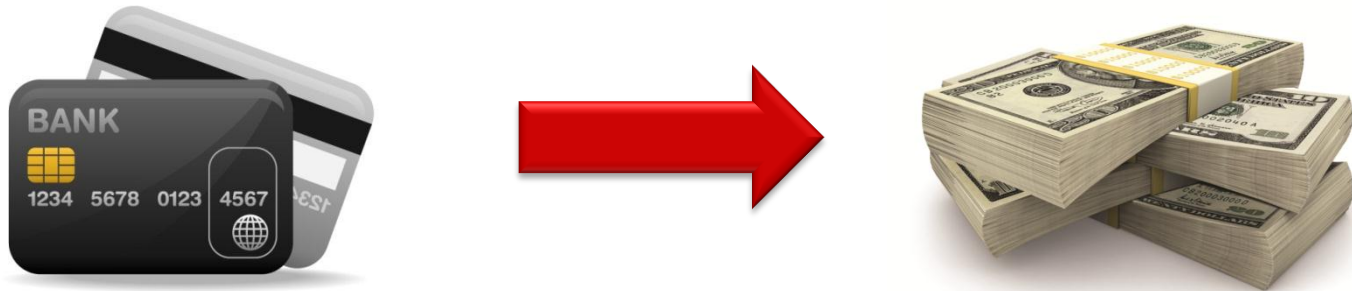
Merchant Processor

Handle the transmission of payment data that is necessary to authorize and settle credit card transactions.

Payment Processing 101

Payment Processor

Company appointed by a merchant to handle credit and debit card transactions

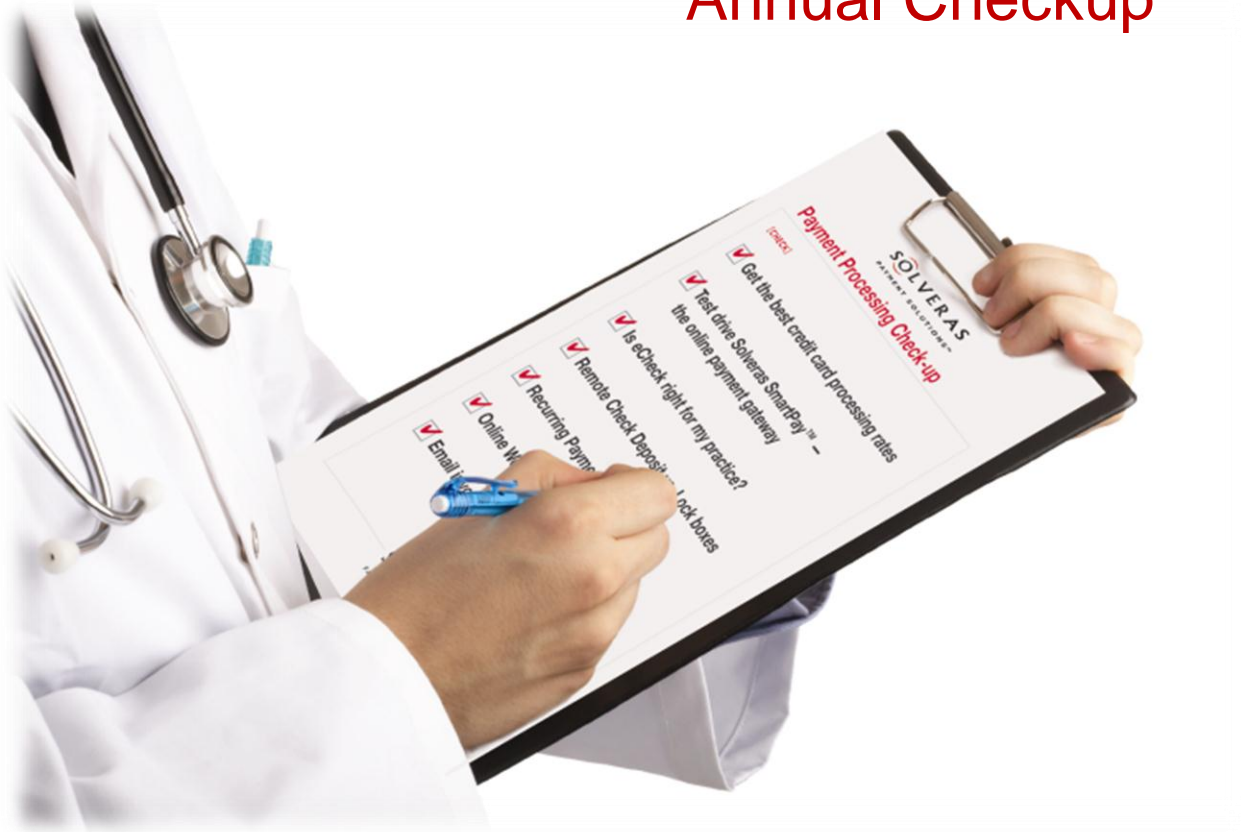


Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Annual Checkup



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

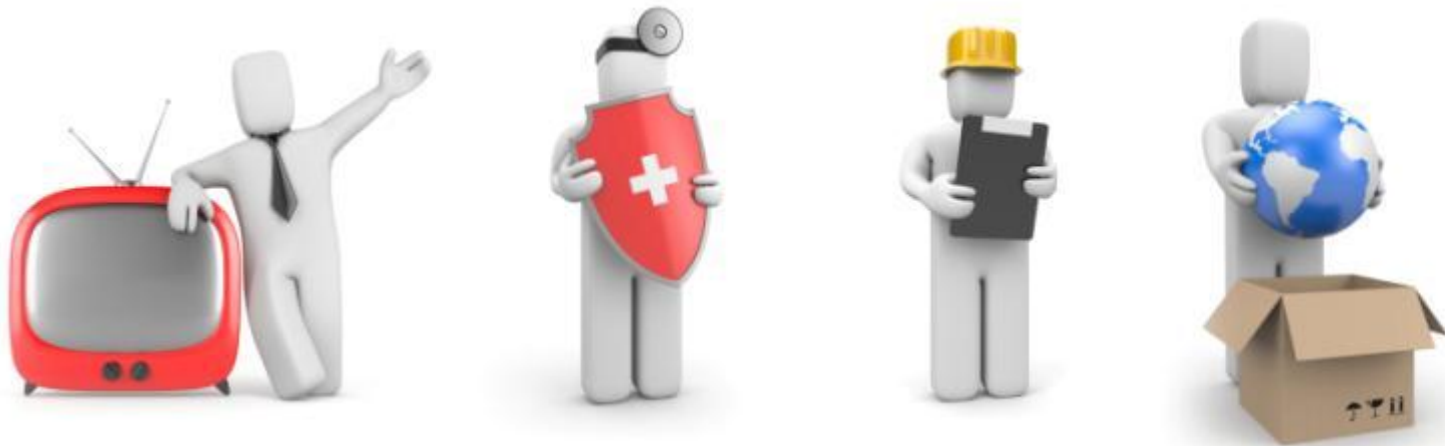
How to get the best rate for your payment processing

- Don't be fooled by a low rate.
- Read your merchant statements.
- Watch out for lengthy contracts with early termination fees.
- Get your annual rate review.
- Know the “Ten Questions to Ask Your Processor.”

Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Sign right on your phone's screen



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Virtual Terminal

A Web gateway that permits you to process all of your payments – cards, ACH, recurring payments – through your computer.



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfilive and use hashtag #nfilive

Payment Processing 101

Automated Clearing House (ACH)

Also known as “eCheck” is an inexpensive alternative to credit card payments. Transactions are direct debits to a customer’s bank account



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Recurring Payments

The ability to charge your customer by credit card or ACH by automatic billing.



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Verification • Guarantee • Conversion



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Check Verification

Verifies if the check writer has previous outstanding unpaid bad checks



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfilive and use hashtag #nfilive

Payment Processing 101

What to look for in check verification

- Use a provider that uses the largest national database possible and make sure the database has a large amount of merchants in your area



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Check Guarantee

Your check insurance policy - makes sure you get paid for a returned check



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

How to get the best price for check guarantee

- Look for monthly minimums and statement fees.
- Look for a provider that has a liberal check acceptance policy.
- Be clear about what checks are not covered.



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Check Conversion

Converts the check into an ACH payment (eCheck) canceling the paper check.



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Remote Deposit Capture

Never go to the bank again. Scan paper checks into a bank account.



Download slides at: <http://www.nfib.com/paymentprocessing101>

Participate on Twitter: Follow @nfiblive and use hashtag #nfiblive

Payment Processing 101

Go Learn



www.solveras.com/NFIB



1-800-613-0148

www.solveras.com/NFIB

Kathleen@solveras.com

Ron@solveras.com