



## Credit Card Processing Fee Terminology

### Quick Reference Guide

There are a variety of fees that may be assessed to your processing account depending on who your processor is. Some are periodic, while others are charged on an item or percentage basis. Most fees are set by your payment processor, while some are passed through to you from your customer's card issuer, as set by the card brands like Visa<sup>®</sup>, MasterCard<sup>®</sup>, American Express<sup>®</sup> and Discover<sup>®</sup>.

**Account Maintenance** – Charged to perform changes to your account after it has been set up, such as change of address, banking information and business status.

**Automated Clearing House (ACH) Reject** – Charged when your payment processor tries to electronically withdraw funds to cover the cost of processing services and there is an insufficient balance in your account. An ACH Reject fee is similar to a returned check insufficient funds (NSF) fee.

**Annual** – Flat yearly fee assessed to maintain your account.

**Application** – Fee to process your account application paperwork.

**Authorization** – Charged when your credit card processing equipment obtains authorization for a transaction.

**Address Verification Service (AVS)** – Assessed for transactions when billing address and zip code are entered into the point-of-sale equipment for verification against the information on file at the cardholder's issuing bank.

**Batch Settlement** – Charged when a batch of credit card authorizations is sent to the networks for processing and payment.

**Cancellation** – Applies when you terminate or close your processing account. This fee may or may not be waived after an account remains open for a certain time period.

**Chargeback** – Assessed when a cardholder or issuing bank disputes a transaction that you processed. You can be notified of the dispute via mail, email or fax. Common dispute reasons are: your customer doesn't recognize the charge, someone fraudulently used their card or when the product or service sold did not perform as described. You have the opportunity to contest disputes by providing written response and documentation.

**Debit Network** – Fee for accessing the debit card networks like STAR<sup>®</sup>, Interlink<sup>®</sup>, NYCE<sup>®</sup> and PULSE<sup>®</sup>.

**Discount Rate** – Fee for the time and expense involved in processing an electronic transaction. It's a percentage applied to the dollar value of each transaction based on your company's risk evaluation, average sales ticket, transaction types and total sales volume. It covers dues, assessments, network charges and interchange fees are wholesale fees set by the card brands and the debit networks, to pay or reimburse the various entities involved in processing your transactions. The discount rate often accounts for the majority of charges on your monthly statement.

**Equipment** – Fee which can be assessed for leasing or renting point-of-sale equipment such as a terminal or electronic cash register.

**Gateway** – Monthly fee for access to an Internet payment processing gateway in lieu of using a point-of-sale terminal.

**Help Desk** – Charge sometimes assessed for customer service related issues when you call for assistance with your account.

## Credit Card Processing Fee Terminology

**Monthly Minimum** – The lowest dollar amount you will be charged during a monthly time period. If you do not meet the minimum amount for any given month, you will incur additional charges equal to the difference between the actual fees and the monthly minimum amount.

**Over Limit** – Percentage of sales that is charged if you process in excess of the monthly sales volume you declared in your processing contract.

**PCI Compliance** – Assessed to cover programs your payment processor employs to help you meet Payment Card Industry (PCI) data security standards.

**PIN Debit** – Charged when a cardholder pays for products or services using their debit card and enters their personal identification number (PIN) into an encrypted PIN pad.

**Reprogramming** – Charged to reprogram your existing payment card processing system including point-of-sale equipment, gateways and software.

**Reserve Account Maintenance** – Assessed when your payment processor is required to keep a rolling reserve on your behalf.

**Retrieval** – Fee levied to cover the cost of providing documentation to an issuing bank to validate transactions that a cardholder does not recognize or remember.

**Return** – Charged when a cardholder's purchase is reversed and funds are restored to their account. A flat return fee may be applied instead of the discount rate.

**Reversal** – Assessed for returning funds to a cardholder for a disputed transaction because a chargeback ruling in favor of the cardholder or issuing bank has been made.

**Set-Up** – Usually charged to complete set-up of your account after it has been approved by your payment processor.

**Shipping & Handling** – May be charged for mailing items like equipment, software, documentation and quick reference guides.

**Shopping Cart** – Assessed for e-Commerce businesses who utilize a shopping cart software Application Programming Interface (API).

**Signature Debit** – Charged when a cardholder uses their debit card like a credit card to pay for products or services instead of entering their PIN number into a keypad.

**Statement** – Flat monthly fee for generating and mailing your monthly statements. The statement fee may be incorporated into a number of other fees such as a monthly maintenance fee, support fee or monthly account fee.

**Transaction** – Charged every time your point-of-sale equipment contacts your processor to give or receive information. Transaction fees can often piggyback other fees such as return fees or batch fees.

**Voice Authorization** – Fee for verbally authorizing a transaction via telephone.

**Wireless Service** – Charged for carrier service making it possible for you to process payment cards remotely. This is usually a flat monthly fee that allows unlimited access to a wireless network.

**Wireless Transaction** – Assessed per transaction and is usually charged by the wireless network provider. It is in addition to Wireless Services fee.

**800 Number** – Surcharge when a credit card processing terminal is unable to contact your provider using the local default telephone number and rolls over to a toll-free number instead.

---

As you explore your current rates, consider evaluating your processor too. Contact us today at 800.354.3988 or visit [www.tsysmerchantsolutions.com](http://www.tsysmerchantsolutions.com) for a complimentary statement review.

---



## Credit Card Processing Fee Terminology

### WHO WE ARE

TSYS Merchant Solutions is a leading payment processor with more than 30 years of experience providing first-rate service and comprehensive end-to-end payment solutions to businesses accepting payments across North America. Our dedicated, experienced team of industry professionals provides innovative card-acceptance solutions and unparalleled customer service every day to meet the long-term needs of our customers.

TSYS Merchant Solutions is a wholly owned subsidiary of TSYS® (NYSE: TSS). TSYS delivers advanced technology and enhanced value to many of the world's leading companies, making it possible for hundreds of millions of consumers to use their credit, debit, commercial, private-label, prepaid and chip cards safely and securely.

### TO LEARN MORE

contact 800.354.3988  
or email [merchantsales@tsys.com](mailto:merchantsales@tsys.com)



[www.facebook.com/tsysmerchant](http://www.facebook.com/tsysmerchant)



[www.twitter.com/tsysmerchant](http://www.twitter.com/tsysmerchant)



[www.youtube.com/tsysmerchant](http://www.youtube.com/tsysmerchant)



[www.plusgoogle.com/+tsysmerchantsolutions](http://www.plusgoogle.com/+tsysmerchantsolutions)



[www.linkedin.com/company/tsysmerchantsolutions](http://www.linkedin.com/company/tsysmerchantsolutions)

### GET TO KNOW TSYS

AFRICA +27 21 5566392	ASIA-PACIFIC +603 2173 6800	COMMONWEALTH OF INDEPENDENT STATES +7 495 287 3800	EUROPE +44 (0) 1904 562000	INDIA & SOUTHEAST ASIA +911204191000	MIDDLE EAST +971 (4) 391 2823	NORTH & CENTRAL AMERICA, MEXICO & THE CARIBBEAN +1.706.644.3819	SOUTH AMERICA +1.706.644.3819
--------------------------	--------------------------------	---	-------------------------------	---	----------------------------------	--	----------------------------------