

# EVALUATION FORM DEFINITIONS 1/4

## YEARS IN BUSINESS

The longer a company has been around the better, this gives you the ability to get some history about the company.

## PROCESSOR OR ISO

It is important to know if you are dealing with a middleman (ISO) or if you are dealing with a processor. There are only a handful of processors and everyone else buys from them and sells the services at a markup. Additionally, it is easier to resolve issues if you are dealing with a processor.

## BBB RATING

This is important in vetting a company. Keep in mind the larger the company the more likely it is that they will have complaints. This is only one piece of the vetting process and your entire decision shouldn't be made on this factor.

## SALES REP CONTACT INFORMATION

It is important to know that your sales rep is knowledgeable and has been in the business and with their company for some time. Their knowledge can not only make conversions easier, but also the longevity with the company could directly affect your ability to resolve any issues that may arise.

### Interchange Markup –

- Visa/MasterCard/Discover Basis points:  
This is the percentage markup that will be charged on all of these transactions. Example: .1% may also be referred to as 10 basis points. Therefore on 100,000K in processing, that would equate to \$100.
- Visa/MasterCard/Discover Transaction Fee:  
This is the amount that will be charged on all cards that you swipe.
- American Express Basis points:  
This is the percentage markup that will be charged on American Express transactions.- American Express Transaction fee:  
This is the amount that will be charged on all American Express swipes.

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- **Pin Debit Basis Points:**  
This is the percentage that will be charged on pin debit sales, where the customer enters their pin number into the machine.
- **Pin Debit Transaction Fee:**  
This is the amount that will be billed on all pin debit transactions.

### **Setup Fees –**

- **Application Fee –** Fee charged to process your application. Should be \$0
- **Reprogramming Fee –** Fee to reprogram an existing terminal. Should be \$0
- **Setup Fee -** Fee charged to setup your account. Should be \$0
- **Other Setup Fees –** These are any other fees they are charging to setup your account.

### **Monthly Fees –**

- **Monthly Statement Fee –** Monthly fee to send you a paper statement
- **Monthly PCI Fee-** A fee for PCI compliance, some companies may charge an annual fee
- **Monthly Service Charge –** This can be miscellaneous type of charge to have your account
- **Other Monthly Fees –** These would be other monthly fees not disclosed elsewhere

### **ANNUAL FEES**

- **Annual Fee –** This is typically a once year fee charged for various reasons.
- **Annual PCI Fee –** This is a fee that is charged to cover PCI compliance
- **Other Annual Fees –** These would be any other fees not disclosed elsewhere

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### INCIDENTAL FEES

- Batch Fee – Fee charged each time you transmit a batch, usually at the end of the day.
- Retrieval Fee – Fee charged to retrieve a transaction for the merchant
- AVS Fee – Fee charged each time you verify the address for a cardholder. (Very common for online transactions or gas stations that have fuel dispensers)
- Chargeback Fee – Fee charged to process a dispute
- Voice Authorization Fee – Fee charged when the merchants verifies a transaction by calling the payment company.
- ACH Reject Fee – Similar to an NSF that is charged if the payment company tries to draft your account and it is rejected.

### EQUIPMENT

- Equipment Purchase/Lease Amount – Purchasing is preferred, with leases it is recommended to confirm the term of the lease, such as 36 or 48 months. Also, it is recommended to do an online search and see what the equipment sales for online.
- Most times you can't cancel the lease and may be stuck with the payment even if you close your business.
- Equipment Type – This would be the make and model of the equipment.
- Monthly Equipment Fees (SAAS) – These fees would include any type of additional fee that you have to pay monthly outside of processing that is related to equipment.
- Annual Equipment Fees – These are typically bogus fees that are charged

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## AGREEMENT TERMS

- Early Termination Fee – This is the fee that is charged if you cancel your agreement. You should never agree to any type of termination fee, unless you are receiving upfront monies to cover conversion fees to your existing processor or point of sales company. Then it should be the same amount, to cover the payment companies expense.
- Contract Term – This is the length of the agreement. If you have a \$0 cancellation or early termination fee, this shouldn't matter much.
- Are my rates guaranteed? If your rates are subject to increase outside of direct interchange, then you are not receiving a deal at all. This is the first sign of a teaser rate or bait and switch program.
- How long are my rates guaranteed? You want to make sure they are guaranteed for life, if not the payment company can quickly change them and you have fallen to a "bait and switch" program.

If you are still not sure about the deal you are receiving, we will review your payment companies agreement and terms for a small fee of \$25.