

This site contains a lot of information. We hope it is useful to you and not confusing. We believe the more understanding and knowledge our customers have, the more they will appreciate what we offer.

[And our many ways to save!](#)

Things to beware of: Is their website hard to read w/small or light Font?



Leasing: The cost of equipment has come down and it is always the best idea to purchase the equipment. Realize that leases are usually for 48 months; they are non-cancelable and there is usually a buy-out at the end which adds to the total cost.

JR-N-Associates offer's two types of leases to fit your needs. Our lease is only 36 months and you own the equipment upon completing the lease terms, with absolutely no buy-out or additional charges of any kind.



Packaging or Grouping: Many companies will offer a group of services which sound like a nice package, but many of the services are really of little value. You may end up paying more than you should for something you don't need.

JR-N-Associates only recommends the equipment which will best fill your needs. Our equipment is programmed with our patented 'state-of-the-art' software, allowing us to offer the security you demand and the lowest rates you will find...



Hidden Fees: Please be sure you are getting the full story. Just remember there are no free lunches... Usually in hidden charges such as their Mid-Qualify & Non-Qualifying rate, among others.

JR-N-Associates has absolutely no hidden charges. As a matter of fact, please find any other processor which openly has their processing agreement on their website for the whole world to see... You will find our agreement under the FAQ's & Forms page.

We offer the lowest overall processing rate possible; 1.69% for qualified Visa/MC, an unbelievable Mid-Qualifying rate of 2.30% and our Non-Qualifying rate is 2.80%. Please remember over half of all credit card transaction are processed at either the Mid-Qualifying or Non-Qualifying Rate. What is your Mid-Qualifying or Non-Qualifying Rate? Please remember you maybe paying one of these two rates on over half all your Visa/MC transactions and this little known secret is where processors make big dollars from you. All processors know exactly what their rates are and if they say "they will have to check or look into it" - RUN, and RUN FAST! If they want to see your processing statement before giving you their rates - RUN, and RUN FAST! If a processor says their rates depend on your average monthly credit card volume or credit card sales - RUN, and RUN FAST! **You're probably asking yourself how we can process credit cards lower than other companies.** The answer is simple, other companies only process credit cards. They charge higher overall fees because credit card processing is the only service they provide. JR-N-Associates provides many services to assist business owner's including e-commerce, websites and SBA business loans to putting a decade of advertising experience behind consulting you on your yellow page and internet advertising business plan as an independent consultant keeping your best interest in mind.

A merchant's revenues are the lifeblood of the business, so a merchant needs to approach selecting a processor with the same diligence they would use in selecting a bank. Important questions a merchant should consider are:

- **Does the processing agreement protect the merchant against rate increases?** Bank of America only increases your rate when the interchange rate changes, which is set by Visa and MasterCard.
- **What is the Credit Card (C.C.) processing rate?** 1.69%
- **What is the C.C. transaction fee?**
All processors have transaction fees. They may call it Item Fees, Inquiries or Watts's fees. Ours is \$.25 per swiped Visa/MC transaction.
- **What is the Debit Card processing rate?** 0% & \$.50 per transaction.
- **What is the Nightly batch fee?** (Sometimes called a settlement fee). \$.25
- **What are the Mid-qualified and Non-qualified discount surcharges?**
(Mid-qualified) .61% Rewards Card
(Non-qualified) 1.11% When Key-In
- **Is there a monthly C.C. and Debit Card statement fee and how much is it?**
\$10.00 Total per month for BOTH Statements!
- **What is the Chargeback Fee?** \$25.00 per Chargeback
- **Are there monthly, quarterly, semi-annual or annual fees?** (Sometimes, called maintenance fees). \$75.00 Annually
- **What is the monthly minimum?** \$25.00 in processing fees per month.
- **Does the provider offer 24 hour support?** Yes 1-866-201-1100 Option #3.
- **Is the equipment you purchase new or refurbished?** Beware of outdated technology when making your decision. New card types such as smart cards may make older terminals obsolete; ask if terminal is upgradeable to these payment options. We offer new and refurbished equipment, with & without smart card technology, allowing us to fit *your* needs.
- **Is there a maintenance plan or warranty for your equipment?**
1 year warranty with No Questions Asked! After 1 year we extend the warranty for only \$9.95 per month!
- **Is There A Set-Up Fee?** Yes, A One Time \$250.00 Charge.
- **What happens if your equipment stops working?**
We Ship You New Equipment Overnight!

CREDIT CARD PROCESSING

Businesses today need to accept multiple forms of payments to better serve their customers, and many businesses have found that this is particularly true of credit cards. Once thought to be for retail purchases exclusively, more and more companies, state, and local municipalities are issuing corporate credit cards to their employees to make budgetary purchases instead of issuing checks or setting up AP accounts. In order for a business to accept credit cards, they must utilize the services of a credit card processing service provider, also more commonly known as a *processor*. In terms of credit card processing, business owners are referred to as *merchants*.

Nationally, all processors pay the same base percentage rate as determined by major credit card companies like Visa and MasterCard. However, not all processors are alike; they offer different services, different levels of service and charge different rates and fees. It is important to understand how credit card processing works and what to look for when selecting a processor, and the information below hopefully assists with that process.

Bankcard Terminology

For the processor, credit card sales are categorized based on the amount of risk associated with the transaction. The money from each transaction is “fronted” to the merchant, because most merchants need the money now, not when the customer decides to pay their bill. Then, the bank that issued the card (referred to as the *issuing bank*) bills the sale to the cardholder's account, and the cardholder pays either all or a portion of it at their convenience.

Overall, the lower the risk associated with a transaction or business type, (card present swiped at the point-of-sale), the lower the discount rate. Conversely, the higher the risk, (card not present at the point-of-sale), the higher the discount rate. For this reason, merchants are classified as listed below to determine their discount rate.

- **Retail Swipe/Qualified - to be categorized as Retail Swipe/Qualified, most processors stipulate that a merchant have a majority of their credit card sales swiped through their terminal. These sales are considered low risk, because the cardholder and the card are both present at point-of-sale. Hence the discount rate is lower.**
- **Mail Order Telephone Order (MOTO) - When a merchant accepts credit cards over the Internet, through the mail, or over the phone, the card and the cardholder are not present at the point-of-sale. These transactions are considered higher risk, and therefore are charged a higher discount rate. MOTO merchants always pay a considerably higher fee to accept card-not-present sales, because the risk is higher. The processors are charged higher rates to cover the increase in credit card and identity theft which is more common on these types of transactions. These higher fees are passed on to the merchants.**

RATES AND FEES

It is important to know what costs your business will incur when you process credit cards; listed here are the majority of processing related rates and fees:

- **Qualified Discount Rate** - This fee is a percentage of the gross dollar amount of the credit card transaction. Example: If the transaction amount was \$100.00 and the discount rate was 2.19%, the discount rate fee charged for that particular transaction would be \$2.19 ($\$100.00 \times 2.19\% = \2.19).
- **Transaction Fee** - This fee is a flat fee that is charged to the merchant on a per item basis for credit card transactions. Note that for this fee a transaction is classified as any transaction including both successful and declined authorizations. Typical transactions fees are between 20 to 35 cents. (Regardless if a transaction is \$20.00 or \$1000.00, the transaction fee in this scenario would be 20 to 35 cents).
- **Batch Fee** - This fee is assessed daily when a merchant closes out all the sales on their terminal and transmits them to their processor for processing, also referred to as batching out.
- **Mid-qualified Retail or Qualified MOTO/Internet Surcharge** - Sales that are manually keyed are charged an additional percentage due to the fact that they are considered higher risk by the card associations than transactions that are swiped through a terminal. This percentage is a SURCHARGE. It is added to the qualified retail discount rate and transaction fee (This surcharge is also applied when a card is swiped, but the machine cannot read the magnetic stripe. When this occurs, the merchant has to manually key the card number into the machine. To the processor, this is a higher risk, so the sale downgrades into a mid-qualified transaction).
- *Have you ever heard of frequent flyer miles? These are special promotional cards that offer some kind of incentive to the cardholder and also are processed at a higher discount rate. These incentives, such as frequent flyer miles, discounts on automobiles, cash back, home rebates, etc., are funded entirely by merchants. Large companies that sponsor these cards typically do not offer their product for free; therefore merchants pay an extra percentage on top of the qualified rate in order to accept these cards. Merchants benefit from these cards because more consumers are willing to carry a credit card and use it if these additional benefits are attached. To recap, if the magnetic stripe cannot be read, or if it is one of the special incentive cards mentioned above, an extra percentage is added on to the qualified rate to compensate for the increased risk and/or the special promotional cards).*
- **Non-qualified Discount Surcharge** - All credit card transactions that do not meet the requirements above fall into this category. They typically include but are not limited to:
 1. Visa/MasterCard Corporate Cards
 2. Foreign credit cards
 3. Any transaction NOT batched out within 48-72 hours

Chargeback's - Whenever a cardholder does not recognize or agree with a sale listed on his statement, he can challenge or dispute the sale with the card issuer. The burden of proof lies with the merchant within 10 business days to prove the validity of the sale. If the merchant has little or no documentation to support the sale, the cardholder may win the chargeback claim, and the money will be deducted from the merchant's account. If the merchant does not have the funds, then the processor is liable to pay. Therefore, most processors monitor transactions closely, and may hold funds on suspicious transactions, until the merchant provides adequate documentation. For this reason, it is very important for the merchant to adequately maintain accurate records of sales transactions, if a chargeback claim is made by a cardholder. There are other ways to minimize the risks of chargeback's and your processor can assist with these.

- **Monthly Service Fee - This fee covers monthly administrative costs incurred by the processor for maintaining and servicing the merchant's account.**
- **Annual Fee - This fee helps to defray various administrative costs and any additional services provided by the processor.**
- **Additional Monthly, Quarterly or Semi-annual fees – These may be listed as Merchant Club fees, Equipment Maintenance fees, etc. These may be charged to offset seemingly low fees in other areas.**
- **Cancellation Fee - If a merchant terminates their agreement before the end of the term, the merchant will be assessed a cancellation fee.**
- **Monthly Minimum – If a merchant owns a particular business type, many processors will require a monthly minimum to meet the basic cost of servicing that merchant account. A monthly minimum is charged if the merchant's processing charges fall below the monthly minimum amount. For example, if the monthly minimum was \$25, this does NOT mean that the merchant must have \$25 or more of sales for the month. It means that he must have at least \$25 in processing charges for the month.**

While most processors charge these fees, the amounts they charge may vary based on the processor, the merchant business type, and the credit of the merchant. Make sure all of the potential fees are clearly stated on the agreement and always ask if there are any additional fees that you should be aware of that may be located in the fine print.

EQUIPMENT

In order to process most credit card transactions, a business owner will need a credit card terminal. When selecting a terminal, it is important to choose a model that has the features that are important to your business; things like memory size, security features and ease of use. Business owners usually acquire their equipment from a processor and maybe given a choice to lease or purchase their equipment. Both options have their advantages: leases break a large purchase in to a manageable monthly payment and offer certain tax benefits, while purchasing allows the costs associated with a terminal purchase to be paid in a single transaction.

Debit and ATM Cards

The use of debit and Automated Teller Machine (ATM) cards comprises approximately fifty percent of all electronic transactions today and it continues to grow every year. Debit cards can be processed either as a credit card or as a debit card, because they are branded by Visa and MasterCard. Sometimes called check cards, debit card transactions are either PIN based or Non-PIN based. A Personal Identification Number (PIN) is tied to every cardholder and is unique to that card. When a customer presents a debit card for payment to a merchant, it is called an online transaction if the customer enters the PIN number and therefore no physical signature is required. If the customer does not enter a PIN number it is processed at credit card rates and considered an offline transaction, with a signature required.

For the merchant, there is a significant difference in processing rates for online vs. offline transactions. **If a PIN number is entered, the merchant can pay the processor a discount rate of as low as 0%! Only a transaction fee and a debit network fee are assessed in this scenario by the respective debit or ATM network. If a PIN number is not entered, the normal credit card rates are assessed. As an example of the potential cost difference, if a merchant processes a \$100.00 debit card (offline) transaction as a credit card and their qualified discount rate is 2.19% with an addition 25 cent transaction fee, it would cost the merchant \$2.44. If they processed the same transaction as an online debit card, the discount rate is eliminated and the merchant could pay fees less than \$1.00 for the same transaction depending on the processor.** There are several debit networks in the United States and worldwide, and these networks usually have varying fees. ATM cards are not branded by the major credit companies, and therefore must have a PIN number entered at point-of-sale for the transaction to be processed.

Travel & Entertainment Cards

Some credit cards are known as Travel and Entertainment (T&E) cards and are used primarily by business people for traveling, entertainment, and business expenses. However, cardholders are not limited to these types of transactions. T&E cards have their own fee structures, similar in concept to other major credit card companies, with both a discount rate and transaction fee. Unlike the major credit card companies, T&E card companies have a sliding scale rate structure. Several factors are considered in determining a merchant's T&E discount rate, such as the merchant's business type and the size of the average sale. Generally speaking, a higher average sale will help to create a lower discount rate and vice versa. Therefore, T&E credit card companies do not use the three-tier rate structure listed above.

We hope you are finding yourcreditcardprocessor.com and this Site information helpful.

We look forward to serving your needs. Please contact us @ (480) 678-9595 with any questions.

Once again, thank you for visiting our site.

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