

General Industry terms

Address Verification: A service provided through which the merchant verifies the Cardholder's address. Primarily used by Mail/Telephone order merchants. Not a guarantee that a transaction is valid.

Association Rules: Any entity formed to administer and promote Cards, including without limitation MasterCard International, Incorporated, Visa U.S.A, Inc. and Visa International.

Authorization: Approval by, or on behalf of, the Card Issuer to validate a transaction for a merchant or another affiliate bank. An authorization indicates only the availability of the Cardholder's credit limit at the time the authorization is requested.

Authorization Approval Code: A number issued to a participating merchant by the Authorization Center, which confirms the authorization for a sale or service.

Authorization Center: A department that electronically communicates a merchant's request for authorization on credit card transactions to the Cardholder's bank and transmits such authorization to the merchant via electronic equipment or by voice authorization.

Batch: A single submission to us of a group of transactions (sales and credits) for settlement. A batch usually represents a day's worth of transactions.

Business Day: A day (other than Saturday or Sunday) on which Bank is open for business.

“Call” or “Call Center” response: A response to a merchant's authorization request indicating that the issuer needs more information about the card or cardholder before a transaction can be approved; also called a referral response.

Card: A valid credit card or debit card bearing the service mark of Visa or MasterCard and, to the extent the schedules so provide, a valid card issued by any other Associations specified on such schedules.

Card acceptance procedures: The procedures a merchant or merchant employee must follow at the point of sale to ensure a card and cardholder are valid.

Card expiration date: The date after which a bankcard is no longer valid, embossed on the front of all valid Visa cards. The Expiration Date is one of the card security features that should be checked by merchants to ensure that a card-present transaction is valid.

Card-not-present: A merchant, market or sales environment in which transactions are completed without a valid Visa card or cardholder being present. Card-not-present is used to refer mail order, telephone order, and Internet merchants.

Card-present: A merchant, market or sales environment in which transaction can be completed only if both a valid Visa card and cardholder are present. Card-present transactions include traditional retail-department and grocery stores, electronics stores, boutiques, etc.-cash disbursements, and self-service situations, such as gas stations and grocery stores, where cardholders use unattended payment devices.

Card security features: The alphanumeric, pictorial, and other designs elements that appear on the front and back of all valid credit and debit cards. Card-present merchants must check these features when processing a transaction at the point of sale to ensure that a card is valid.

Card Verification Value 2 (CVV2): A Visa fraud prevention system used in card-not-present transaction to ensure that the card is valid. The CVV2 is the three-digit value that is printed on the signature panel on back of a Visa card, after the full account number or the last four digits of the account number. Card-not-present merchants ask the customer for the CVV2 and submit it as part of their authorization request. For information security purposes, merchants are prohibited from storing CVV2 data.

Cardholder Information Security Program (CISP): A Visa program that establishes data security standards, procedures, and tools for all entities-merchants, service providers, issuers, and merchant banks that store Visa cardholder account information. CISP compliance is mandatory.

Cash disbursement: A bankcard transaction involving the payment of cash or travelers cheques to a cardholder. In general, only financial institution branches are allowed to make cash disbursements.

Chargeback: A transaction that is returned as a financial liability to a merchant bank by a card issuer, usually because of disputed transaction. The merchant bank may then return or “charge back” the transaction to the merchant.

Check Guarantee Service: A service provided through a merchant’s POS equipment, which guarantees payment up to a defined limit, provided the merchant, follows proper steps in accepting the check.

Check Verification: A service provided in which a merchant accesses a national negative file database through its terminal/register to verify or authorize that a person has no outstanding bad check complaints at any of the member merchants. This is not a guarantee of payment to the merchant.

Code 10 Call: A call made by a sales associate to the merchant’s voice authorization center when the appearance of a card or the actions of a cardholder suggests the possibility of fraud. The term “Code 10” is used so calls can be made without arousing suspicion while the cardholder is present. Specially trained operators then provide assistance to point-of-sale staff on how to handle the transaction.

Credit: A refund or price adjustment given for a previous purchase transaction.

Credit Draft: A document evidencing the return of merchandise by a Cardholder to a merchant or other refund made by the merchant to the Cardholder.

Credit Limit: The credit line set by the Card Issuer for the Cardholder’s account.

Cyber Source Advanced Fraud Screen Enhanced by Visa: A real-time fraud-detection service that examines transaction generated from online stores. It estimates the level of risk associated with each transaction and provides merchants with risk scores, enabling them to more accurately identify potentially fraudulent orders.

Dial-Up Terminal: Authorization devices, which like a telephone, dials an authorization center for validation of transactions.

Disclosure: Merchants are required to inform cardholders about their policies for merchandise returns, service cancellations, and refunds. How this information is conveyed, or disclosed, varies for card-present and card-not-present merchants, but in general, disclosure must occur before a cardholder signs a receipt to complete the transaction.

Discount Rate: An amount charged to a merchant for processing its qualifying daily credit card transactions. Transactions that fail to meet applicable interchange requirements will be charged additional amounts.

“Doing Business As” (DBA): A merchant’s legal business name as differentiated from the names of a company’s principals or other entity that owns or manages the business. A DBA that is significantly different from the principals’ or other entity’s name can result in a unrecognized merchant name, or descriptor, on a cardholder’s monthly Visa statement, which can in turn lead to potential copy requests and chargebacks.

Dove hologram: A three-dimensional hologram of a dove in flight that appears on all valid Visa cards. When the card is tilted back and forth, the dove should appear to “fly.” The dove hologram is one of the card security features that merchants should check to ensure a card-present transaction is valid.

Electronic Benefit Transfer (EBT): An electronic system that allows a government benefit recipient to authorize the transfer of their benefits from a Federal, State or local government account to a merchant account to pay for products and services received.

Electronic Draft Capture (EDC): A process, which allows a merchant’s dial-up terminal to receive authorization and capture transactions, and electronically transmit them to a Card processor. This eliminates the need to submit paper for processing.

Embossed number: The 16-digit account number that appears in raised print on the front of all valid Visa cards. The embossed number is one of the card security features that should be checked by merchants to ensure that a card-present transaction is valid.

Exception file: A list of lost, stolen, counterfeit, fraudulent, or otherwise invalid account numbers kept by individual merchants or their third-party processors. The exception file should be checked as part of the authorization process, particularly for transactions that are below a merchant’s floor limit.

Firewall: A security tool that blocks access from the Internet files on a merchant’s or third-party processor’s server and is used to ensure the safety of sensitive card-holder data stored on a server.

“Flying V”: The stylized, embossed “V” located to the right of the Good Thru date on all valid Visa cards. The “flying V” is one of the card security features that should be checked by merchants to ensure that a card-present transaction is valid.

Good Thru date: The date after which a bankcard is no longer valid, embossed on the front of all valid Visa cards. The Good Thru date is one of the card security features that should be checked by merchants to ensure that a card-present transaction is valid.

Gross: When referred to in connection with transaction amounts or fees, refers to the total amount of Card sales, without set-off for any refunds or credits.

High-Risk Chargeback Monitoring Program (HRCMP): A Visa program that notifies merchant banks when a high-risk merchant has a chargeback-to-transaction rate of over one percent. Fines of \$100 per chargeback are imposed until the merchant reduces chargebacks to acceptable levels.

High-risk merchant: A merchant that is at a high risk for chargebacks due to the nature of its business. As defined by Visa, high-risk merchants include direct marketers, travel services, outbound telemarketers, inbound tele-services, and betting establishments.

Imprinter: A manual or electric machine used to physically imprint the merchant’s name and ID number as well as the Cardholder’s name and Card number on Sales Drafts.

Internet Protocol address: A unique number that is used to represent individual computers in a network. All computers on the Internet have a unique IP address that is used to route messages to the correct destination.

Issuing Bank: Cardholder’s bank, or the bank, which has issued a Card to an individual.

Key-entered transaction: A transaction that is manually keyed into a point-of sale device.

Laundering: Deposit transactions only for your own business. Depositing transactions for a business that does not have a valid merchant agreement is called laundering or factoring. Laundering is not allowed; it is

a form of fraud associated with high chargeback rates and the potential for forcing merchants out of business.

Magnetic Stripe: A stripe of magnetic information affixed to the back of a plastic credit or debit Card. The magnetic stripe contains essential Cardholder and account information.

Mail order/telephone order (MO/TO): A merchant, market, or sales environment in which mail or telephone sales are the primary or a major source on income. Such transactions are frequently charged to customers' bankcard accounts.

Member: An organization that is a member of Visa and which issues cards or signs merchants, or does both.

Merchant Number (Merchant Account Number): A number that numerically identifies each merchant, outlet or line of business to the merchant processor for accounting and billing purposes.

Merchant agreement: The contract between a merchant and a merchant bank under which the merchant participates in the Visa payment system, accepts Visa cards for payment of goods and services, and agrees to abide by certain rules governing the acceptance and processing of Visa transactions. Merchant agreements may stipulate merchant liability with regard to chargebacks and may specify time frames within which merchants are to deposit transactions and respond to request for information.

Merchant Bank: A financial institution that enters into agreement with merchants to accept Visa cards as payment for goods and services; also called acquirers or acquiring banks.

Merchant Chargeback Monitoring Program (MCMP): A Visa program that alerts merchant banks when one of their merchants has a chargeback-to-transaction rate over one percent. Merchants then work with the bank to reduce their chargeback rates to acceptable levels. Failure to reduce chargebacks can result in fine for a merchant.

Merchant Identification Card: A plastic embossed Card supplied to each merchant to be used for imprinting information to be submitted with each batch of paper Sales Drafts. Embossed data includes Merchant Account Number, Name and sometimes-merchant ID code and terminal number.

Merchant Processing Application: The Application executed by Client, Processor and Bank, which is one of the documents comprising the Agreement.

Mid-Qualification Fee: A surcharge applied to any transaction that fails to qualify for the anticipated reduced interchange fee and is therefore downgraded to a lower interchange level. The Mid-Qualification Fee, the amount of which is set forth in the Services Fee Schedule, is applied to the volume of transactions that fail to meet the appropriate qualification interchange level.

Non-Qualification Fee: A surcharge applied to any transaction that fails to qualify for the anticipated reduced interchange fee and is therefore downgraded to a lower interchange level. The Non-Qualification Fee, the amount of which is set forth in the Services Fee Schedule, is applied to the volume of transactions that fail to meet either qualification or mid-qualification interchange levels.

Off-Line Debit Card: A debit Card with either a Visa or MasterCard mark that is tied to a cardholder's bank account or a prepaid account and which is processed with the use of a PIN.

On-Line Debit Card: A debit Card used at a merchant location by means of a cardholder-entered Personal Identification Number (PIN) in the merchant PIN Pad. On-Line Debit Cards bear the marks of ATM networks (such as MAC, NYCE, Star).

Payment gateway: A system that provides services to Internet merchants for the authorization and clearing of online Visa transaction.

Pick-up response: An authorization response instructing a card-present merchant to refuse a transaction and recover the card. In all circumstances, card recovery should only be attempted if it can be done by reasonable and peaceful means.

PIN: A Personal Identification Number entered by the Cardholder to submit an On-line Debit Card transaction.

Point of Sale (POS) Terminal: A device placed in a merchant location which is connected to the Processor's system via telephone lines and is designed to authorize, record and settle data by electronic means for all sales transactions with Processor.

Processor: (Merchant Processor) the entity identified on the Application (other than the Bank), which provides certain services under our Agreement.

Program Agreement: The document that contains Operating Procedures, General Terms and the Application and Agreement, all of which constitute your Agreement with Processor and Bank.

Recurring Payment Indicator: A value used to identify transactions for which a consumer provides permission to a merchant for a recurring payment to be billed on the credit card provided.

Referral: This message received from an Issuing Bank when an attempt for authorization requires a call to the Voice Authorization Center or Voice Response Unit (VRU).

Representment: A chargeback that is rejected and returned to an issuer by a merchant bank on the merchant's behalf. A chargeback may be re-presented, or re-deposited, if the merchant or merchant bank can remedy the problem that led to the chargeback.

Reserve Account: A fund established and managed by us to protect against actual or contingent liability arising from Chargebacks, adjustments, fees and other charges due to or incurred by us.

Retrieval Request/Transaction Request: A request for documentation related to a Card transaction such as a copy of a Sales Draft or other transaction source documents.

Sales Draft: Evidence of a purchase of goods or services by a Cardholder from Client using a Card, regardless of whether the form of such evidence is in paper, electronic or otherwise, all of which must conform to Association Rules.

Settlement Account: An account at a financial institution designated by Client as the account to be debited and credited by Processor or Bank for Card transactions, fees, Chargebacks and other amounts due under the Agreement or in connection with the Agreement.

Signature panel: The panel for cardholders' signature on the back of all valid Visa cards. Valid panels are white with a blue, or blue and gold, pattern of the repeated word "Visa" printed at an angle and may also contain the full or truncated account number and the three-digit CVV2, printed in reverse italics. The words "Not Valid Without Signature" or "Authorized signature" should also appear below or to the side of the panel on most Visa cards. The signature panel is one of the card security features merchants should check to ensure that a card-present transaction is valid.

Skimming: The replication of account information encoded on the magnetic stripe of a valid card and its subsequent use for fraudulent transactions in which a valid authorization occurs. The account information is captured from a valid card and then re-encoded on a counterfeit card. The term "skimming" is also used to refer to any situation in which electronically transmitted or stored account data is replicated and then re-encoded on counterfeit cards or used in some other way for fraudulent transactions.



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Split Dial: A process, which allows the authorization terminal to dial directly to different Card processors (e.g. Amex) for authorization. In this instance, the merchant cannot be both EDC and Split Dial. Split Dial is also utilized for Check Guarantee companies.

Split Dial/Capture: Process which allows the authorization terminal to dial directly to different Card processors (e.g. Amex) for authorization and Electronic Draft Capture.

Split sales: The illegal preparation of two or more sales receipts for the purchase of a single item, using a single cardholder account, in order to avoid authorization limits.

Split tender: The use of two forms of payment, or legal tender, for a single purchase. For example, when buying a big-ticket item, a cardholder might pay half by cash or check and then put the other half of his or her Visa credit card. Individual merchants may set their own policies about whether or not to accept split-tender transactions.

Store and Forward: An on-line debit transaction that has been authorized by a merchant when the merchant cannot obtain an authorization while the customer is present, typically due to a communications failure. The merchant will store the transaction electronically in their host system and retransmit the transaction when communications have been restored.

Third-party processor: A non-member organization that performs transaction authorization and processing, account record keeping, and other day-to-day business and administrative functions for Issuers and merchant banks.

Transaction: The act between a cardholder and merchant that results in the sale of goods or services.

Transaction Fees: Services costs charged to a merchant on a per transaction basis.

Unsigned card: A seemingly valid Visa card that has not been duly signed by the legitimate cardholder. Merchants cannot accept an unsigned card until the cardholder has signed it, and the signature has been checked against valid government identification, such as a driver's license or passport.

Truncation (PAN Truncation or Card Truncation): A procedure by which a Cardholder's copy of a Sales or Credit Draft will only reflect the last four digits of the Card.

Verified by Visa: A Visa Internet payment authentication system that validates a cardholder's ownership of an account in real-time during an online payment transaction. When the cardholder clicks "Buy" at the checkout page of a participating merchant Web site, a Verified by Visa screen automatically appears on the cardholder's desktop. The cardholder enters a password that allows the Issuer to verify his or her identity.

Voice authorization: An authorization obtained by calling a voice authorization center

Datalink voice authorization numbers are:

Visa and MasterCard	1-800-944-1111
Discover	1-800-347-1111
AMEX	1-800-528-2121

Voice authorization center: An operator-staffed center that handles telephone authorization requests from merchants who do not have electronic POS terminals or whose electronic terminals are temporarily not working, or for transactions where special assistance is required. Voice authorization centers also handle manual authorization requests and Code 10 calls.

Merchant Fee Definitions

Discount Fee: A fee, based on a percentage, which is charged to the merchant for each credit card or check transaction processed. Example. (A merchant with a discount rate of 2.00 % with 1,000.00 dollars in credit card sales would pay \$20.00 in discount fees. $(2.00\% \text{ or } .02 \times \$1,000.00 = \$20.00)$)

Transaction Fee: A fee charged per item to a merchant for each transaction processed. (Also known as per item fee, inquiry fee and auth fee.) Example. (A merchant with a transaction fee of \$0.30 per item having 10 transactions would pay \$3.00 in transaction fees. $(\$0.30 \times 10 = \$3.00)$)

Voice Authorization Fee: A fee charged to a merchant for each time they call into the authorization center by phone for an authorization number. (Mostly used if terminal is down)
Example. (A merchant with a \$2.00 voice authorization fee having called in 10 authorizations would be charge \$20.00. $(\$2.00 \times 10 = \$20.00)$)

Application Fee: A one-time fee that covers setup costs of their application. Datalink will lower or waive this fee if the merchant fills out the referral program.

Statement Fee: A fee charged to the merchant on a monthly basis to maintain the account as well as process and report the account to merchant via mail. (Also know as account maintenance fee) This charge will vary per account.

Monthly Minimum: The minimum that a merchant must incur on a monthly basis in discount fees. Example. (A merchant having a \$25.00 monthly minimum must incur this amount in discount fees. If the discount rate is 2.50 % and the monthly volume is \$1,000.00 the merchant would meet the monthly minimum. $(2.50\% \text{ or } .025 \times \$1,000.00 = \$25.00)$ A merchant who does not meet their monthly minimum would be charged the difference between the monthly discount fees and the monthly minimum.)

Set-up Fee: A one-time fee charged for setting up the account with the bank. Datalink will waive this fee if merchant has processed credit cards before.

Programming Fee: A one-time fee for programming the merchant's existing terminal. Datalink will waive this fee if merchant has purchased the equipment from us.

Debit access Fee: A monthly fee charged to the merchant in order to maintain and access the debit networks.

AVS: Address Verification Services. A fee charged to the merchant who are MOTO and have a higher risk factor.

Batch Header Fee: A fee charged to the merchant for each time they settle or batch the transactions. A merchant usually batches once a day or per shift.

Help Desk Fee: A fee charged to the merchant for technical support with their credit card terminal or statements questions. Datalink chooses to waive this fee as a promotion at this time.

Annual Fee: A fee charged to keep the account in compliance with Visa and MC regulations. Also covers charges for file changes, additional downloads, and general reporting to the different institutions.

Chargeback Fee: A per Item fee charged to the merchant if a chargeback occurs. Datalink passes the charge from the bank to the merchant.

Retrieval Request Fee: A per item fee charged to the merchant when the bank request information from the merchant for investigation purposes.



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Amex/Disc Diner's Fee: A transaction fee charged for running these card types. These are not subject to a discount rate.

Payment Gateway Fee: An additional monthly and transaction fee passed onto the merchant from the internet processing gateway network.

Wireless Fee: An additional monthly and Transaction fee passed on to the merchant from the wireless network provider.

External Network Fee: An Additional fee charged to the merchant for using an external network providers.

Reserve Rates: Based on a percentage some merchants can be placed on a reserve depending on their service industry code and credit score.