

SURCHARGING B2B CREDIT CARD PAYMENTS FAQ



We are considering accepting credit cards for the first time. Is there anything else we should consider?

Accepting credit card payments can give your business a significant revenue boost. Research shows that people spend more with a credit card than they do with cash or check. Specific to Wholesale Distributors, the average credit card transaction is 185% greater than the average check or ACH transaction and the average American Express transaction is 350% greater. By accepting credit cards, your business can expect larger payments, faster deposits, improved cash flow, and higher customer satisfaction. In addition to these benefits, most states allow businesses to pass along credit card transaction fees to B2B customers in the form of a surcharge.

How do I know if my state allows surcharges on credit card payments?

Surcharging is currently legal in 43 states with more states expected to follow soon. As of today, you cannot surcharge in the following states, nor surcharge credit cards issued in: CO, CT, KS, MA, ME, OK and CA. Our technology recognizes the state in which the transaction takes place as well as the state in which the credit card was issued, and automatically applies the appropriate surcharge rate. Should these laws change in the future and surcharging become legal in these states, our technology will update automatically. To keep track of changing laws that may affect your state, visit Unified's Surcharge Education Page.

Will I need to change credit card companies in order to surcharge?

Not necessarily. You will, however, want a processing company with technology that adheres to all surcharging rules and regulations to ensure you maintain compliance. The processing company you choose should identify your savings when you transition to a surcharge program, register you with the major credit card brands as a surcharge account, and specify at the point of sale which transactions can be surcharged.

What if we are already surcharging?

Although surcharging is currently legal in 43 states, there are strict rules and regulations which must be followed, including but not limited to:

- The surcharge amount and product or service must be processed together in the same transaction.
- Surcharges must be a line-item on receipts.
- Surcharging may not result in a profit and cannot exceed 4% of the sale.
- You cannot surcharge a debit card or surcharge a transaction with a billing address in a state in which it is not yet legal.

If you are currently surcharging in a non-compliant manner, your business is at risk and may be subject to monetary fines and/or may lose the right to accept credit cards as a form of payment at your business.

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How can I prevent losing customers when I begin surcharging?

Wholesaler-distributors who have implemented Unified's Surcharge Solution have reported no customer loss due to surcharging. At the point of sale, our technology notifies your customer of the surcharge for choosing the convenience of paying with credit card. Customers who do not want to pay the fee are automatically presented with the option to change their payment method to no-fee debit card or ACH (eCheck) payment. Transitioning to a surcharge model is a process. Your business should take some time to inform and educate your customers about the upcoming change. We provide our clients with information templates to help communicate the process.

How do we scale the fee based on the individual card rates?

A surcharge environment is completely different than a cost-plus program. Our technology automates the entire process, including calculating and adding the fee amount to the invoice.

How do I get started?

Contact the Unified Payment Experts today at 888.440.0117.

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