Merchant Processing
Terminology Guide

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General Information

Industry	Information
Retail	Card Present & Swiped
MOTO	Card Not Present, mail order/telephone order
E-Commerce	Card Not Present; acceptance via internet/online

Card Acceptance	Information
Swiped	Card is present and swiped through the terminal
Key Entered	Cardholder information is keyed into the terminal; either cardholder is not present or purchasing online

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General Information

Pricing Structure	Information
Pass-Through Plus Interchange	A simplified pricing plan that passes through the cost of interchange based on how the card transaction qualifies
Interchange Fee	The percentage of a credit card transaction that the merchant must pay back to the card issuer
Discount Rate	The fee or percentage that a merchant is charged to process credit card deposit transactions

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Fee Information

Specific Fee	Information
Transaction/Per Item Fee	A fee charged for each settled transaction.
Authorization/Network Access Fee	A fee charged for each authorized transaction whether approved or declined.
PCI Compliance/Regulatory Fee	A fee charged to provide access to data security information and the certification process. It is mandatory for all processors.
Breach Coverage/Data Security Fee	A fee charged that provides coverage for costs incurred in the event of a data breach. This is an optional feature.

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Fee Information

Specific Fee	Information
Monthly Service Fee	A fee charged by the processor for the use of the merchant processing service.
Batch Header Fee	A fee charged for the processing of credit card batches or settlement files as submitted.
Gateway Fee	A fee charged for the use of a virtual terminal for processing credit cards online (i.e. TransIT).

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Card Brand Information

Card Brand Fees	Information
Assessments	Fees billed as a percentage on the total volume processed for each VS/MC/DS transactions. Used to cover advertisement expenses which promote card usage.
MasterCard NABU/ License/ Digital Enablement	Network Access Brand Usage fee and Digital Enablement Fee charged by MasterCard for the use of their clearing/settlement system.
Discover Data Usage	Fee assessed on all settled Discover transactions.
Visa/ MasterCard / Discover Kilobyte/ Base II	Fee for the electronic clearing and settlement of transactions.

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Card Brand Information

Card Brand Fees	Information
Visa Fixed Acquirer Network Fee (FANF)	Fixed monthly fee that is assessed by Visa based on number of merchant locations, Merchant Category Code, method of card acceptance, and gross monthly sales volume.
Visa US Acquirer Processing (APF)	Fee assessed on Visa authorizations acquired in the United States.
American Express Access	An acquirer processing fee that is assessed on all settled AMEX transactions.
American Express System Processing	The cost associated with processing and settling AMEX transactions.

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Commonly Used Terms

Common Term	Definition
AVS	Address Verification Service – perform more secure transaction when cardholder is not present by verifying the address given for shipping matches that for where the cardholder's statement is sent.
ControlScan	TSYS's PCI Partner – Offers online Self-Assessment Questionnaires and IP Vulnerability scanning for merchants
CVV2 / CVC2	Card Verification Value / Card Verification Character – A three digit number on the back of credit cards to additional frau control for MOTO Merchants

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Commonly Used Terms

Common Term	Definition
EBT	Electronic Benefits Transfer – a means of electronically disbursing government funded benefits using ATMs and POS equipment
EMV	EuroPay/MasterCard/VISA – a global transaction security standard designed to prevent duplicate card fraud through chip-embedded payment cards
Integration	Combining two or more systems; typically involving a payment gateway and a third party system or online shopping cart

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Commonly Used Terms

Common Term	Definition	Requirements
Level II Data	Information required by commercial card issuers for a transaction to qualify at lower interchange rates.	• Tax Amount • Invoice Number • Customer Code/ Purchase Order Number • Tax ID • Customer Service Number
Level III Data	Information required by corporate purchasing card issuers for a transaction to qualify at lower interchange rates.	• Tax Amount • Freight Amount • Duty Amount • Line Item Details (Product ID and Quantity)

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Commonly Used Terms

Common Term	Definition
MID	Merchant Identification Number – used to identify the merchant during processing of any and all transactions.
NFC	Near Field Communication – technology that uses short-range wireless communication to initiate a connection between devices to pass data.
Payment Card Industry (PCI)	A council of the major card brands who manage the ongoing Payment Card Industry Data Security Standard
Point-to-Point Encryption (P2PE)	Encrypts card data from the point of card swipe/dip/key-entry so the card data is never captured by (or exposed to) the POS operating system or merchant network.
POS	Point-of-Sale – The merchant location where transactions are performed between a cardholder and a merchant.
TID	Terminal Identification Number – A unique number assigned to each point-of-sale terminal.

Contact Us!

If you would like to learn more about Meridian's Merchant Services or need assistance understanding a merchant proposal or statement, please visit our website at meridianbanker.com or email us at merchant@meridianbanker.com.

We look forward to hearing from you!

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