

## Oregon Department of Transportation

Response to Questions from Joint Committee on Ways and Means,  
Subcommittee on Transportation and Economic Development  
March 23, 2015

### 1. Description of Merchant Fees

The Oregon State Treasury supplied a brief description of merchant fees for the Legislative Fiscal Office recently and the documents are attached.

#### Examples of a few selected Motor Carriers in 2014

Carrier: 1

Largest *single* credit card transaction at MCTD in 2014  
\$1,999,510.69 (\$39,990.21 merchant fee)

Carrier: 2

Largest Monthly Mileage Report in 2014 paid with credit card  
\$604,208.89 (\$12,084.17 merchant fee)

Carrier 3

38 transactions in 2014 paid with credit card  
\$207,983.65 (\$4,159.67 merchant Fees)



## OREGON STATE TREASURY

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### MEMORANDUM

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**TO:** John Borden, Principal Legislative Analyst  
**FROM:** Cora R. Parker, Director of Finance, Oregon State Treasury  
**SUBJECT:** Merchant Card Information Request  
**DATE:** March 17, 2015

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This memorandum and the attached materials are in response to your recent request for information relative to merchant card acceptance services provided to agencies through Oregon State Treasury. Notably, your questions pertained to merchant card related fees, including: current and recent historical fees, how such fees are negotiated or otherwise determined, and additional value the state may receive relative to the current program and contract. Attachments include:

- **Attachment A – LFO Merchant Card Response:** This attachment outlines more detailed responses to the questions in your original request, including a description of details found in the related Excel spreadsheet.
- **Attachment B – LFO Merchant Card Response Spreadsheet:** This attachment provides a history of merchant card sales and fees paid by state agencies for calendar years 2010 through 2014. In addition, it includes a “Sample Fee Transactions” outlining how Interchange, Assessments, and Processing fees impact a variety of transaction types. Finally, this attachment includes Visa Interchange Categories and related percentage and per transaction fees. While Visa is just one card-type, the other industry providers are similar.
- **Attachment C – Merchant Card Convenience and Service Fees:** This attachment includes a description of convenience or service fees allowed to be passed through to the consumer by the card associations. Notably, Visa’s Government Service Fee Program allows government merchants to charge a service fee under specific criteria.

While detailed information is included in the above-referenced attachments, a summary of the program is provided below.

As you know, Treasury maintains the Merchant Services (aka “credit card” acceptance) contract on behalf of state agencies. We currently contract with U.S. Bank/Elavon for these services. The

agreement was most recently renewed in October 2012, with an end date of October 2016. Through this contract, agencies can accept Visa, MasterCard, and Discover (Treasury also holds a separate agreement for acceptance of American Express).

The State pays no additional ongoing fees to U.S. Bank/Elavon beyond the merchant card fees charged to agencies for provision of the services. Further, Treasury has been able to negotiate merchant processing fees that are lower than might otherwise be available due to statewide volumes/economies of scale rather than individual agency volume. In addition to volume-based pricing considerations, including discount transaction pricing and simply not being charged for a variety of other potential charge categories, Treasury has been able to negotiate same day funding to Treasury's primary bank account for merchant card transactions. Most private sector firms must wait at least 48 hours for funds to be deposited to their accounts.

Merchant card acceptance is playing a growing role in helping agencies to: increase customer access and satisfaction, enhance payment compliance, improve cash flow, reduce risk of losses from bad checks, and increase operational efficiencies. Currently, there are approximately 700 agency locations (including physical locations, as well as telephone and online acceptance) accepting credit/debit cards. Annual net sales for CY 2014 was more than \$840 million, representing just under 14 million transactions. As the state moves more fully into adoption of e-commerce alternatives, and agencies such as DMV move to accept merchant cards, these totals are expected to further increase.

We hope you will find these materials responsive to your original request. We recognize that the merchant card acceptance industry is very complex. With that in mind, please let me know if you have any additional questions or concerns, or if you would like to meet to discuss any of these materials.

## **Attachment A – LFO Merchant Card Response**

***Q: Please provide a history of the fee for the last five periods (biennia, or fiscal year, or contract period) that includes the amount or percent charged per component.***

See first tab “Merchant Fee History” in the Attachment B spreadsheet. This spreadsheet provides a history of merchant card sales and fees paid by state agencies for calendar years 2010 through 2014. Important points include:

- Annual totals for Net Sales, Item Count, Merchant Card Fees and Discount Effective Rate are provided for each Agency Merchant Group. Agency Merchant Groups are established by the bank based on volume/complexity of the accounts and for reporting purposes.
- Net sales represents total gross sales less refunds.
- The Discount Effective Rate is the percentage of fees paid compared to Net Sales. A rate of less than 2% is considered very good across the merchant card industry as a whole.
- The total Merchant Card Fees presented in the spreadsheet is made up of three components: Interchange, Assessments and Processing Fees. For more information on these three components, go to the “Sample Fee Transactions” tab of the attached spreadsheet. These rates fluctuate based on the type of card presented by the consumer.
- See “Sample Fee Transactions” tab for sample information related to Interchange, Assessment, and Processing fees.
- The “Interchange Pricing” tab includes a listing of Visa Interchange Categories and related percentage and per transaction fees. While only Visa is represented here, the other card-types are similarly structured for category and pricing purposes. Visa was used for this example, because more than 75 percent of state agency customers paying for services with a credit card use a Visa branded card.

***Q: Please provide the total amount of credit card fees paid by the state, for the last five periods (biennia, or fiscal year, or contract period) and by state agency.***

See first tab “Merchant Fee History” in attached spreadsheet. Per our recent discussion, the fees here are outlined by Agency Merchant Group for ease of use. If additional per agency information is still necessary, please let us know.

***Q: Please provide general contract details, such as who is the merchant services provider(s); how long is the duration of the current contract; how long the current contract has been in place; and the price of the contract with any amendments.***

Treasury, Elavon, and U.S. Bank entered into the initial Master Agreement for Merchant Card Services effective September 26, 2005. The latest renewal period began in October 2012 with a contract end date of October 2016. Agencies are charged merchant card fees of \$0.07 per transaction. Treasury pays no additional fees to U.S. Bank. Interchange and Assessment fees are established by the industry and are non-negotiable.

***Q: What evidence shows the value (i.e., discount?) that the state is receiving from its merchant services provider(s) compared to private sector firms?***

- Importantly, agencies receive same day funding into Treasury's primary account. Most private sector firms must wait at least 48 hours for funds to be deposited to their accounts.
- State agencies enjoy volume based pricing due to statewide volumes and economies of scale, rather than individual agency volume.
  - The current merchant card processing rate is \$0.07 per transaction.
  - There are a variety of other fees and charges that State of Oregon Agencies are simply not charged for.
- Agencies do not need to dedicate staff time to establish and maintain banking relationships for merchant card services, as the contract is centrally managed by Treasury. Centralized oversight and training through the Treasurer's Office helps agencies understand payment industry regulatory and processing requirements. This allows agencies to process cards in the most cost efficient and effective manner.
- Treasury works with U.S. Bank/Elavon to complete an annual evaluation and strategic analysis of our account. In addition to analyzing sales levels by card type and other volume related data, this review provides us with a variety of useful recommendations regarding opportunities to save costs within the program.
  - For example, recommendations include information on chargebacks and how agencies can work to prevent them and the costs that are associated with them.
  - Treasury typically shares this information with agencies at a summary level, but we are always available to work with agencies directly regarding additional training for those on the frontline accepting merchant cards.

***While not specifically requested, we believe the below information may be of additional value in understanding the merchant card acceptance program and the industry in which it operates.***

### Merchant Card Acceptance Industry Participants

The following is taken, in large part, from: <http://www.practicalcommerce.com/articles/2771-Understanding-Credit-Card-Fees-Part-1-The-Basics>

Merchant card processing is a complex industry with several layers of middlemen each performing a function and each charging a fee for their service. Key players include:

- ***Card Associations.*** Visa, MasterCard, Discover, and American Express. The card associations set the overall rules and guidelines for their individual brands and market their brands to both merchants and consumers.
- ***Issuing Bank.*** The financial institution that issues the Visa or MasterCard credit or debit card to the cardholder — your customer. Discover and American Express act as both the card association and the card issuer.

The card associations and issuing banks set “Interchange rates” and “pass-through” fees for each type of card. Think of this as the wholesale price for processing a specific card type. The card associations have many card types — debit cards, basic credit cards, reward cards, business cards, purchasing cards, and more — each with their own wholesale price. Every merchant account provider pays the same wholesale price.

- ***Processor/Acquirer.*** When the merchant processes a sale, it is the processor/acquirer that routes the transaction to the card association network, which then drives the transaction to the issuing bank for the authorization. The processor/acquirer also funds the merchant’s bank account, provides monthly statements, handles risk management and charge-backs, and provides customer and technical support to a merchant’s business. In reality, there could be three or more companies working together to provide these services. The State’s Processor/Acquirer is U.S. Bank/Elavon.
- ***Merchant Account Provider.*** This is a general term used to describe the company you signed up with to handle your card processing. This could be a processor/acquirer, or a financial institution, or an independent sales organization — called an “ISO” — that uses a processor/acquirer. Generally, the merchant account provider is the company whose name is on the merchant agreement you signed. The State’s Merchant Account Provider is U.S. Bank/Elavon.
- ***Payment Gateway.*** Shopping carts need to route the transactions through a special routing system called a payment “gateway.” The gateway routes the transaction to the

processor/acquirer. There are a variety of gateways used by agencies to process transactions through U.S. Bank/Elavon including DAS E-Government's payment gateway.

There are fixed costs involved with driving transactions through a gateway. Ultimately, the merchant account provider or the gateway itself may charge you a monthly fee and a per-transaction fee.

### Merchant Card Acceptance Fee Components

The primary components of merchant card pricing include:

- **Interchange:** A percentage plus a per transaction fee set by the card associations (for example, Visa and MasterCard). Rates will vary by card type and how the transaction is processed. This fee component is non-negotiable, and is paid to the cardholder's card issuing bank.
- **Assessment Fee:** Fees set by Visa, MasterCard, Discover and American Express. This fee component is also non-negotiable, and is paid to Visa, MasterCard, Discover and American Express.
- **Processing fee by Merchant Services Provider:** This is the portion of the fee negotiated by Treasury with our Merchant Services Provider. This fee is paid to the state's Merchant Services Provider.
- **Equipment and Software Costs:** In addition, agencies may also have equipment lease or rental fees, or if they decide to purchase equipment, the cost of such a purchase. Software may also be purchased by some agencies for use in processing merchant card payments.

### Merchant Card Rate Categories

Merchant card rates are typically broken into two categories:

- **Card Present** (where the card is physically swiped through a credit card terminal). The lowest rates are typically applied to card-present transactions.
- **Card Not Present** (any type of transaction where the card cannot be swiped). This type of transaction is also referred to as MOTO (mail order/telephone order). All transactions where a credit card is not physically swiped through a terminal, including internet transactions, phone transactions, or credit-card numbers keyed into a terminal, fall into this category.

<b>History of Merchant Card Sales and Fees by Agency Merchant Groups</b>				
<b>Calendar Years: 2010 through 2014</b>				
<b>2014 Totals</b>				
<b>Agency Groups</b>	<b>Net Sales</b>	<b>Item count</b>	<b>Merchant Card Fees*</b>	<b>Discount Effective Rate VISA M/C</b>
Courts	\$36,413,986.45	309,945	\$409,669.13	1.125%
DAS Egovernment	\$148,039,967.43	766,029	\$2,503,165.22	1.722%
OLCC	\$286,179,081.21	8,943,562	\$4,390,089.19	1.812%
Parks	\$19,931,932.80	406,323	\$313,424.12	1.572%
Universities	\$175,382,572.26	2,439,975	\$2,970,828.67	1.728%
All Other Agencies	\$175,991,345.98	1,095,107	\$2,520,942.00	1.657%
	\$841,938,886.13	13,960,941	\$13,108,118.33	
<b>Avg Effective Rate 2014</b>				1.603%
<b>2013 Totals</b>				
<b>Agency Groups</b>	<b>Net Sales</b>	<b>Item count</b>	<b>Merchant Card Fees*</b>	<b>Discount Effective Rate VISA M/C</b>
Courts	\$38,617,845.85	319,788	\$480,696.63	1.099%
DAS Egovernment	\$120,537,436.78	682,020	\$2,212,552.56	1.694%
OLCC	\$391,677,389.78	12,858,181	\$4,275,384.90	1.712%
Parks	\$19,345,529.60	383,901	\$348,244.23	1.577%
Universities	\$159,655,430.52	2,397,671	\$2,946,019.88	1.643%
All Other Agencies	\$184,791,762.52	1,393,082	\$2,568,377.14	1.604%
	\$914,625,395.05	18,034,643	\$12,831,275.34	
<b>Avg Effective Fee Rate 2013</b>				1.555%
<b>2012 Totals</b>				
<b>Agency Groups</b>	<b>Net Sales</b>	<b>Item count</b>	<b>Merchant Card Fees*</b>	<b>Discount Effective Rate VISA M/C</b>
Courts	\$33,508,663.63	281,921	\$356,798.13	1.648%
DAS Egovernment	\$101,706,656.61	610,416	\$1,778,949.89	1.602%
OLCC	\$322,279,328.82	10,621,277	\$3,772,867.32	1.658%
Parks	\$18,014,359.19	353,619	\$317,650.05	1.556%
Universities	\$149,865,455.06	2,231,135	\$2,727,704.84	1.703%
All Other Agencies	\$161,806,225.96	1,323,930	\$2,242,806.32	1.554%
	\$787,180,689.27	15,422,298	\$11,196,776.55	
<b>Avg Effective Rate 2012</b>				1.620%



<b>2011 Totals</b>				
<b>Agency Groups</b>	<b>Net Sales</b>	<b>Item count</b>	<b>Merchant Card Fees*</b>	<b>Discount Effective Rate VISA M/C</b>
Courts	\$29,157,179.74	227,586	\$381,486.74	1.185%
DAS Egovernment	\$92,224,299.89	599,757	\$1,745,181.43	1.758%
OLCC	\$221,693,005.03	7,309,050	\$3,888,238.40	1.824%
Parks	\$17,396,295.09	303,174	\$319,759.34	1.651%
Universities	\$148,649,599.33	2,028,985	\$2,790,465.26	1.734%
All Other Agencies	\$142,587,510.37	1,157,130	\$2,492,050.82	1.767%
	\$651,707,889.45	11,625,682	\$11,617,181.99	
<b>Avg Effective Rate 2011</b>				1.653%
<b>2010 Totals</b>				
<b>Agency Groups</b>	<b>Net Sales</b>	<b>Item count</b>	<b>Merchant Card Fees*</b>	<b>Discount Effective Rate VISA M/C</b>
Courts	\$28,990,678.02	221,345	\$411,929.52	1.308%
DAS Egovernment	\$75,141,016.78	533,036	\$1,467,200.10	1.828%
OLCC	\$206,389,271.62	6,795,993	\$3,807,650.28	1.903%
Parks	\$16,297,029.42	281,271	\$324,999.46	1.816%
Universities	\$121,263,552.81	1,755,092	\$2,086,150.77	1.796%
All Other Agencies	\$113,112,165.62	1,024,580	\$2,082,052.93	1.870%
	\$561,193,714.27	10,611,317	\$10,179,983.06	
<b>Avg Effective Rate 2010</b>				1.754%
<b>Merchant Card Fees are also know as the Discount Rate</b>				
The <b>Discount Rate</b> is a fee charged on each transaction and is assessed to all merchant accounts for accepting and processing merchant cards.				
The Discount Rate is made up of three components: <b>Interchange, Assessments, and Processing Fees</b> . All three of these components				
are included in the totals provided in the <b>Merchant Card Fees</b> and <b>Discount Effective Rate</b> columns in the totals above.				
For more information about these three components, go to the " <b>Sample Fee Transactions</b> " tab of this spreadsheet.				

## Sample Information of Interchange, Assessment, and Processing Fees

**Interchange fees** are set individually by Visa, MasterCard, Discover and American Express and they are universally applied to all merchants. This fee is made up of a fixed per item fee and a percentage based fee and is determined by Card Type (Consumer, Corporate Rewards, etc.), Merchant's Business Type (Retail, Gov't, Utilities, etc.), how card data was obtained (at Point of Sale, via the Internet, etc.); Data requested/obtained/processed by merchant (Address verification), and Timeliness of settlement of transactions. This fee component is non-negotiable, and is paid to the cardholder's card issuing bank. See "Interchange" tab for Interchange rates/structure established by Visa.

Please note that because Visa cards are used by more than 75% of agency customers, we've only provided Visa's Interchange rates under the "Interchange" tab. If you would like to see the other card associations' schedules, we will provide those to you.

### EXAMPLES OF INTERCHANGE RATES for a \$50 Transaction processed with different card types used by customers via the Internet and Point of Sale:

#### Internet Interchange Rates

Interchange Category	Per item	Rate	Dollars	Count	Interchange
Comm CNP C	\$0.10	2.65%	\$50.00	1	\$1.43
RTL2 CNP	\$0.05	1.43%	\$50.00	1	\$0.77
RTL2 CNP PP	\$0.15	0.65%	\$50.00	1	\$0.48
RTL2 CNPDMX	\$2.00	0.00%	\$50.00	1	\$2.00
CNP BUS DR	\$0.22	0.05%	\$50.00	1	\$0.25
CNP BUSENH	\$0.15	2.45%	\$50.00	1	\$1.38

#### Point of Sale Interchange Rates

Interchange Category	Per item	Rate	Dollars	Count	Interchange
Retail DR	\$0.22	0.05%	\$50.00	1	\$0.25
Retail PP	\$0.15	1.15%	\$50.00	1	\$0.73
Rewards	\$0.10	1.65%	\$50.00	1	\$0.93
CP BUSDB	\$0.10	1.70%	\$50.00	1	\$0.95
CPS Retail	\$0.10	1.51%	\$50.00	1	\$0.86
COM RET B	\$0.10	2.20%	\$50.00	1	\$1.20

**Assessment Fees** are set individually by Visa, MasterCard, Discover and American Express. This fee component is non-negotiable, and is paid to Visa, MasterCard, Discover, and American Express.

**EXAMPLES OF ASSESSMENT FEES** may include a per item rate and/or an item percentage rate. Examples of Assessment fees include but are not limited to:

<b>Assessment Description</b>	<b>Item Percentage Rate</b>	<b>Per Item Rate</b>
Assessment Fee	0.1300%	
Network Access Charge		\$0.0025
Acquirer Processing Fee		\$0.0195

**Processing Fees** are retained by the Processor (U.S. Bank/Elavon for State of Oregon). This fee component is negotiable and is negotiated by Treasury on behalf of State Agencies. The fee is currently \$0.07 per transaction.

**EXAMPLES OF PROCESSING FEES:**

<b>Processing Fee Description</b>	<b>Fee Per Item</b>
Visa Processing Fee	\$0.07
MasterCard Processing Fee	\$0.07
Discover Processing Fee	\$0.07
American Express Processing Fee	\$0.07

**Sample Transactions reflecting impact of Interchange, Assessment, and Processing Fees on Total Merchant Card Fees**

Please keep in mind that the following are just examples and Total Merchant Card Fees could change if the customer uses a different card type.

Key points to note:

The Processing Fee is always \$0.07 per transaction and does not fluctuate based on the Sale Amount. This is the amount that is paid to U.S. Bank/Elavon.

The Interchange fees fluctuate based on the Total Sale Amount and are the largest portion of the Total Merchant Card Fee, which are paid to a cardholder's card issuing bank

The Assessment fees fluctuate based on the Total Sale Amount and is paid to the Card Associations: Visa, MasterCard, Discover, and American Express.

<b>Card Type</b>	<b>Sale Amount</b>	<b>Interchange per tran</b>	<b>Interchange Percent</b>	<b>Total Interchange</b>	<b>Assessment</b>	<b>U.S. Bank Processing Fee</b>	<b>Total Merchant Card Fee</b>
C DATA I F	\$999,511.69	\$0.10	2.65%	\$26,487.16	\$1,299.37	\$0.07	\$27,786.60
C DATA I F	\$3,000.00	\$0.10	2.65%	\$79.10	\$3.90	\$0.07	\$83.07
RTL2 CNP	\$50.00	\$0.05	1.43%	\$0.77	\$0.065	\$0.07	\$0.91
Rewards	\$50.00	\$0.10	1.65%	\$0.93	\$0.065	\$0.07	\$1.07

# VISA Interchange Categories (US)

CONSUMER & COMMERCIAL Interchange Category	MPS SHORT DESC	Chg Type	Oct 2014		Jan 2015	
			% Rate	+ Per Item	% Rate	+ Per Item
CPS Retail	CPS RETAIL	1056	1.51%	+\$0.10	1.51%	+\$0.10
CPS Rewards 1	REWARDS 1	1093	1.65%	+\$0.10	1.65%	+\$0.10
CPS Rewards 2	REWARDS 2	1094	1.95%	+\$0.10	1.95%	+\$0.10
CPS Rewards 2 T&E	REWDS2 T&E	1095	1.95%	+\$0.10	1.95%	+\$0.10
CPS Card Not Present	CPS CRD NP	1067	1.80%	+\$0.10	1.80%	+\$0.10
CPS Retail Key Entered	CPS KEYED	1069	1.80%	+\$0.10	1.80%	+\$0.10
CPS Small Ticket	SMALL TKT	1084	1.65%	+\$0.04	1.65%	+\$0.04
CPS Restaurant	RESTAURANT	1085	1.54%	+\$0.10	1.54%	+\$0.10
EIRF	EIRF	1059	2.30%	+\$0.10	2.30%	+\$0.10
Standard	CONS STND	1683	2.70%	+\$0.10	2.70%	+\$0.10
Utility***	UTILITY	1092	0.00%	+\$0.75	0.00%	+\$0.75
CPS Retail 2 Card Present	RTL2 CP	1050	1.43%	+\$0.05	1.43%	+\$0.05
CPS Retail 2 Card Not Present	RTL2 CNP	1060	1.43%	+\$0.05	1.43%	+\$0.05
CPS Retail Tier 1	RETAIL TR1	1009	1.43%	+\$0.10	1.43%	+\$0.10
CPS Retail Tier 2	RETAIL TR2	1036	1.47%	+\$0.10	1.47%	+\$0.10
CPS Retail Tier 3	RETAIL TR3	1037	1.51%	+\$0.10	1.51%	+\$0.10
CPS Supermarket	VI SUPRMKT	1053	1.22%	+\$0.05	1.22%	+\$0.05
CPS Supermarket Tier 1	SUPRMKTTR1	1010	1.15%	+\$0.05	1.15%	+\$0.05
CPS Supermarket Tier 2	SUPRMKTTR2	1038	1.20%	+\$0.05	1.20%	+\$0.05
CPS Supermarket Tier 3	SUPRMKTTR3	1039	1.22%	+\$0.05	1.22%	+\$0.05
CPS Charity	CPSCHARITY	7800	1.35%	+\$0.05	1.35%	+\$0.05
CPS Hotel CNP	CPS HTL-NP	1063	1.54%	+\$0.10	1.54%	+\$0.10
CPS Hotel CP	CPS HOTEL	1064	1.54%	+\$0.10	1.54%	+\$0.10
CPS Car Rental CNP	CPS CAR-NP	1065	1.54%	+\$0.10	1.54%	+\$0.10
CPS Car Rental CP	CPS CAR	1066	1.54%	+\$0.10	1.54%	+\$0.10
CPS Retail Service Station	CPS SVCSTN	1086	1.15%	+\$0.25	1.15%	+\$0.25
CPS E-commerce Basic	ECOM BASIC	1051	1.80%	+\$0.10	1.80%	+\$0.10
CPS E-commerce Preferred	ECOM PREF	1052	1.80%	+\$0.10	1.80%	+\$0.10
CPS E-commerce Preferred - Hotel	ECOM PFHTL	1082	1.54%	+\$0.10	1.54%	+\$0.10
CPS E-commerce Preferred - Auto Rental	ECOM PFCAR	1083	1.54%	+\$0.10	1.54%	+\$0.10
CPS E-commerce Preferred - Pass Transport	ECOM PF PT	1081	1.70%	+\$0.10	1.70%	+\$0.10
CPS Account Funding	CPS ACCTFD	1055	2.14%	+\$0.10	2.14%	+\$0.10
CPS/Recurring Bill Payment	RECUR PMT	8038	1.43%	+\$0.05	1.43%	+\$0.05
GSA G2G	GSA G2G	1654	1.65%	+\$0.10	1.65%	+\$0.10
GSA Large Ticket	GSA LG TKT	1014	1.20%	+\$39.00	1.20%	+\$39.00
Purchasing Large Ticket	PUR LG TKT	1015	1.45%	+\$35.00	1.45%	+\$35.00
CPS Automated Fuel	CPS AFD	1068	1.15%	+\$0.25	1.15%	+\$0.25
CPS Passenger Transport - Card Present	CPS AIR CP	1061	1.70%	+\$0.10	1.70%	+\$0.10
CPS Passenger Transport - Card Not Present	CPSAIR CNP	7832	1.70%	+\$0.10	1.70%	+\$0.10
CPS Automated Fuel Max	CPSAFDMAX	7860	0.00%	+\$1.10	0.00%	+\$1.10

CPS Retail Service Station Max	CPSSVCMAX	7861	0.00%	+	\$1.10	0.00%	+	\$1.10
EIRF Fuel Consumer Max	EIRFFUELMX	7863	0.00%	+	\$1.10	0.00%	+	\$1.10
Purchasing Card - Large Purch Advantage 1	PURCH LPA1	7816	0.70%	+	\$49.50	0.70%	+	\$49.50
Purchasing Card - Large Purch Advantage 2	PURCH LPA2	7817	0.60%	+	\$52.50	0.60%	+	\$52.50
Purchasing Card - Large Purch Advantage 3	PURCH LPA3	7818	0.50%	+	\$55.50	0.50%	+	\$55.50
Purchasing Card - Large Purch Advantage 4	PURCH LPA4	7819	0.40%	+	\$58.50	0.40%	+	\$58.50
Purchasing Card Level III Data Rate	COMM L3 P	1088	1.85%	+	\$0.10	1.85%	+	\$0.10
Corporate Card Level III Data Rate	COMM L3 C	7812	1.85%	+	\$0.10	1.85%	+	\$0.10
Corporate Card Level II Data Rate	US CORP L2	1687	2.05%	+	\$0.10	2.05%	+	\$0.10
Business Card Level II Data Rate	US COMM L2	1087	2.05%	+	\$0.10	2.05%	+	\$0.10
Purchasing Card Level II Data Rate	USCOMML2 P	1681	2.05%	+	\$0.10	2.05%	+	\$0.10
Commercial Card Retail - Corporate	COM RET C	1600	2.50%	+	\$0.10	2.50%	+	\$0.10
Commercial Card Retail - Business	COM RET B	1653	2.20%	+	\$0.10	2.20%	+	\$0.10
Commercial Card Retail - Purchasing	COM RET P	1650	2.50%	+	\$0.10	2.50%	+	\$0.10
Commercial Card Business to Business - Corporate	COM B2B C	1601	2.55%	+	\$0.10	2.55%	+	\$0.10
Commercial Card Business to Business - Business	COM B2B B	1652	2.10%	+	\$0.10	2.10%	+	\$0.10
Commercial Card Business to Business - Purchasing	COM B2B P	1651	2.55%	+	\$0.10	2.55%	+	\$0.10
Purchasing Card - Card Not Present	COMM CNP P	1604	2.65%	+	\$0.10	2.65%	+	\$0.10
Business Card - Card Not Present	COMM CNP B	1602	2.25%	+	\$0.10	2.25%	+	\$0.10
Corporate Card - Card Not Present	COMM CNP C	1603	2.65%	+	\$0.10	2.65%	+	\$0.10
Utility Business	UTILITY BUS	1692	0.00%	+	\$1.50	0.00%	+	\$1.50
Purchasing Electronic with Data	PURCH ELEC	1688	2.95%	+	\$0.10	2.95%	+	\$0.10
Corporate Electronic with Data	CORPELCDAT	7813	2.95%	+	\$0.10	2.95%	+	\$0.10
Purchasing Card Electronic	COM ELEC P	1686	2.95%	+	\$0.10	2.95%	+	\$0.10
Business Card Electronic	COM ELEC B	1685	2.40%	+	\$0.10	2.40%	+	\$0.10
Corporate Card Electronic	COM ELEC C	1684	2.95%	+	\$0.10	2.95%	+	\$0.10
Purchasing Card Travel Service	COMMTRVL P	7815	2.55%	+	\$0.10	2.55%	+	\$0.10
Corporate Card Travel Service	COMMTRVL C	7814	2.55%	+	\$0.10	2.55%	+	\$0.10
Purchasing Card Standard	STND PURCH	7838	2.95%	+	\$0.10	2.95%	+	\$0.10
Business Card Standard	STND BUS	7839	2.95%	+	\$0.20	2.95%	+	\$0.20
Corporate Card Standard	STND CORP	1682	2.95%	+	\$0.10	2.95%	+	\$0.10
Signature Preferred Card Not Present	VSP CNP	1674	2.40%	+	\$0.10	2.40%	+	\$0.10
Signature Preferred Retail	VSP RTL	1675	2.10%	+	\$0.10	2.10%	+	\$0.10
Signature Preferred B2B	VSP B2B	1676	2.10%	+	\$0.10	2.10%	+	\$0.10
Signature Preferred Electronic	VSP ELEC	1678	2.40%	+	\$0.10	2.40%	+	\$0.10
Signature Preferred Standard	VSP STND	1677	2.95%	+	\$0.10	2.95%	+	\$0.10
International Commercial Card	V INTLCOMM	1660	2.00%	+	\$0.00	2.00%	+	\$0.00
International Electronic	V INTLELCT	1661	1.10%	+	\$0.00	1.10%	+	\$0.00
International Issuer Chip	V INTLCHIP	1662	1.20%	+	\$0.00	1.20%	+	\$0.00
International Acquirer Chip	V INTLACQR	1663	1.00%	+	\$0.00	1.00%	+	\$0.00
International Standard	V INTLSTND	1664	1.60%	+	\$0.00	1.60%	+	\$0.00
International Airline	V INTL AIR	1665	1.10%	+	\$0.00	1.10%	+	\$0.00
International Infinite Card	V INTLINFN	1666	1.97%	+	\$0.00	1.97%	+	\$0.00
International Signature Card	V INTLSIGN	1667	1.80%	+	\$0.00	1.80%	+	\$0.00
International Secure E-Commerce	V INTLSECR	1668	1.44%	+	\$0.00	1.44%	+	\$0.00

International Merchant E-Commerce	V INTLECOM	1669	1.44%	+	\$0.00	1.44%	+	\$0.00
International Premium Card	V INTLPREM	1388	1.80%	+	\$0.00	1.80%	+	\$0.00
International Super Premium Card	INTLSUPPRM	1391	1.97%	+	\$0.00	1.97%	+	\$0.00
Signature Card Electronic	SIGN EIRF	1012	2.30%	+	\$0.10	2.30%	+	\$0.10
Signature Card Standard	SIGN STND	1011	2.70%	+	\$0.10	2.70%	+	\$0.10
Signature Preferred - Fuel	VSP FUEL	1468	1.15%	+	\$0.25	1.15%	+	\$0.25
Signature Preferred - Fuel Max	VSPFUELMAX	7862	0.00%	+	\$1.10	0.00%	+	\$1.10
Signature Preferred Standard - Fuel Max	VSPSTNDFMX	7864	0.00%	+	\$1.10	0.00%	+	\$1.10
Spend Qualified T&E	T&E SQ	7596	2.40%	+	\$0.10	2.40%	+	\$0.10
Spend Qualified Retail	RETAIL SQ	7597	2.10%	+	\$0.10	2.10%	+	\$0.10
Spend Qualified CNP	CNP SQ	7598	2.40%	+	\$0.10	2.40%	+	\$0.10
Spend Qualified Fuel	FUEL SQ	7599	1.15%	+	\$0.25	1.15%	+	\$0.25
Spend Qualified Fuel Max	FUELSQ MAX	7995	0.00%	+	\$1.10	0.00%	+	\$1.10
Spend Qualified B2B	B2B SQ	7996	2.10%	+	\$0.10	2.10%	+	\$0.10
Spend Qualified Standard	STND SQ	7997	2.95%	+	\$0.10	2.95%	+	\$0.10
Spend Qualified Standard Fuel Max	STND SQMAX	7998	0.00%	+	\$1.10	0.00%	+	\$1.10
Cash Advance	CASH ADV	70	0.00%	+	-\$2.00	0.00%	+	-\$2.00
International Cash Advance	INTLCASHAD	75	-0.33%	+	-\$1.75	-0.33%	+	-\$1.75
Consumer Credit Vouchers	US CR CONS	1077	1.76%	+	\$0.00	1.76%	+	\$0.00
Commercial Card Credit Vouchers	US CR COMM	1078	2.35%	+	\$0.00	2.35%	+	\$0.00
Consumer MO/TO Credit Vouchers*	US CR MOTO	1079	2.05%	+	\$0.00	2.05%	+	\$0.00
Passenger Transport Credit Vouchers (Cons/Comm)	US CR PASS	1076	2.33%	+	\$0.00	2.33%	+	\$0.00
Commercial Credit Voucher - Purchasing GSA 1	CRVCHRGSA1	7981	2.35%	+	\$0.00	2.35%	+	\$0.00
Commercial Credit Voucher - Purchasing GSA 2	CRVCHRGSA2	7982	2.15%	+	\$0.00	2.15%	+	\$0.00
Commercial Credit Voucher - Purchasing GSA 3	CRVCHRGSA3	7983	2.00%	+	\$0.00	2.00%	+	\$0.00
Commercial Credit Voucher - Purchasing GSA 4	CRVCHRGSA4	7984	1.80%	+	\$0.00	1.80%	+	\$0.00
Commercial Credit Voucher - Purchasing GSA 5	CRVCHRGSA5	7985	1.80%	+	\$0.00	1.80%	+	\$0.00
Commercial Credit Voucher - Purchasing 1	CRVCHRPUR1	7986	2.40%	+	\$0.00	2.40%	+	\$0.00
Commercial Credit Voucher - Purchasing 2	CRVCHRPUR2	7987	2.30%	+	\$0.00	2.30%	+	\$0.00
Commercial Credit Voucher - Purchasing 3	CRVCHRPUR3	7988	2.20%	+	\$0.00	2.20%	+	\$0.00
Commercial Credit Voucher - Purchasing 4	CRVCHRPUR4	7989	2.00%	+	\$0.00	2.00%	+	\$0.00
Commercial Credit Voucher - Purchasing 5	CRVCHRPUR5	7990	1.80%	+	\$0.00	1.80%	+	\$0.00
Commercial Level II - Bus Enh	LVL2BUSENH	7801	2.05%	+	\$0.10	2.05%	+	\$0.10
Commercial CNP - Bus Enh	CNP BUSENH	7802	2.45%	+	\$0.15	2.45%	+	\$0.15
Commercial Retail - Bus Enh	RETLBUSENH	7803	2.30%	+	\$0.10	2.30%	+	\$0.10
Commercial B2B - Bus Enh	B2B BUSENH	7804	2.25%	+	\$0.10	2.25%	+	\$0.10
Commercial Electronic - Bus Enh	ELECBUSENH	7805	2.75%	+	\$0.15	2.75%	+	\$0.15
Commercial Standard - Bus Enh	STNDBUSENH	7840	2.95%	+	\$0.20	2.95%	+	\$0.20
Commercial Level II - Bus Sign	LVL2BSIGN	7806	2.05%	+	\$0.10	2.05%	+	\$0.10
Commercial CNP - Bus Sign	CNP BSIGN	7807	2.60%	+	\$0.20	2.60%	+	\$0.20
Commercial Retail - Bus Sign	RETL BSIGN	7808	2.40%	+	\$0.10	2.40%	+	\$0.10
Commercial B2B - Bus Sign	B2B BSIGN	7809	2.40%	+	\$0.10	2.40%	+	\$0.10
Commercial Electronic - Bus Sign	ELEC BSIGN	7810	2.85%	+	\$0.20	2.85%	+	\$0.20
Commercial Standard - Bus Sign	STND BSIGN	7841	2.95%	+	\$0.20	2.95%	+	\$0.20
Private Label Basic	USPL BASIC	7292	0.00%	+	\$0.00	0.00%	+	\$0.00

Private Label Standard	USPL STND	7293	1.75%	+	\$0.20	1.75%	+	\$0.20
Private Label Enhanced	US PL ENH	7294	5.00%	+	\$0.00	5.00%	+	\$0.00
Private Label Specialized	USPLSPECIL	7295	25.00%	+	\$0.00	25.00%	+	\$0.00
Private Label Premium	US PL PREM	7296	30.00%	+	\$0.00	30.00%	+	\$0.00
International Private Label Basic	INTPLBASIC	7297	0.00%	+	\$0.00	0.00%	+	\$0.00
International Private Label Standard	INTLPLSTND	7298	1.75%	+	\$0.20	1.75%	+	\$0.20
International Private Label Enhanced	INTLPL ENH	7299	5.00%	+	\$0.00	5.00%	+	\$0.00
International Private Label Specialized	INTPLSPECL	7542	25.00%	+	\$0.00	25.00%	+	\$0.00
International Private Label Premium	INTLPLPREM	7543	30.00%	+	\$0.00	30.00%	+	\$0.00



UNREGULATED DEBIT Interchange Category	MPS SHORT DESC	Chg Type	Oct 2014		Jan 2015	
			% Rate	+ Per Item	% Rate	+ Per Item
CPS Retail Debit	RETAIL D	1590	0.80%	+\$0.15	0.80%	+\$0.15
CPS Card Not Present Debit	CARD NP D	1567	1.65%	+\$0.15	1.65%	+\$0.15
CPS Retail Key Entered Debit	KEYED D	1569	1.65%	+\$0.15	1.65%	+\$0.15
CPS Small Ticket Debit	SML TKT D	1584	1.55%	+\$0.04	1.55%	+\$0.04
CPS Restaurant Debit	RESTRNT D	1585	1.19%	+\$0.10	1.19%	+\$0.10
EIRF Debit	EIRF D	1559	1.75%	+\$0.20	1.75%	+\$0.20
EIRF Debit Fuel Max	EIRF MAX D	1657	0.00%	+\$0.95	0.00%	+\$0.95
Standard Debit	VI STND D	1558	1.90%	+\$0.25	1.90%	+\$0.25
CPS Debit Tax Payment	TAX PAYMT	1588	0.65%	+\$0.15	0.65%	+\$0.15
CPS Debit Tax Payment - Convenience Fee	TXPYMT FEE	1589	0.00%	+\$0.00	0.00%	+\$0.00
Debt Repayment	DEBT REPMT	1587	0.65%	+\$0.15	0.65%	+\$0.15
CPS Debit Tax Payment Max	TAXPMT MAX	7158	0.00%	+\$2.00	0.00%	+\$2.00
CPS Debt Repayment Max	DEBTPMT MX	7157	0.00%	+\$2.00	0.00%	+\$2.00
CPS Supermarket Debit	SM CHK D	1591	0.00%	+\$0.30	0.00%	+\$0.30
CPS Retail 2 Card Not Present Debit	RTL2 CNP D	1560	0.65%	+\$0.15	0.65%	+\$0.15
CPS Retail 2 Card Not Present Cap Debit	RTL2CNPDMX	7159	0.00%	+\$2.00	0.00%	+\$2.00
Utility*** Debit	UTILITY D	1592	0.00%	+\$0.65	0.00%	+\$0.65
Utility*** Business Debit	UTLTY BUSD	7979	0.00%	+\$1.50	0.00%	+\$1.50
CPS Hotel CNP Debit	HTL-NP D	1563	1.70%	+\$0.15	1.70%	+\$0.15
CPS Hotel CP Debit	HOTEL D	1564	1.19%	+\$0.10	1.19%	+\$0.10
CPS Car Rental CNP Debit	CAR-NP D	1565	1.70%	+\$0.15	1.70%	+\$0.15
CPS Car Rental CP Debit	CAR D	1566	1.19%	+\$0.10	1.19%	+\$0.10
CPS Retail Service Station Debit	SVCSTN D	1586	0.80%	+ 0.15****	0.80%	+ 0.15****
CPS E-commerce Basic Debit	ECOM BC D	1551	1.65%	+\$0.15	1.65%	+\$0.15
CPS E-commerce Preferred Debit	ECOM PF D	1552	1.60%	+\$0.15	1.60%	+\$0.15
CPS E-commerce Preferred - Hotel Debit	ECM PF H D	1582	1.70%	+\$0.15	1.70%	+\$0.15
CPS E-commerce Preferred - Auto Rental Debit	ECM PF C D	1583	1.70%	+\$0.15	1.70%	+\$0.15
CPS E-commerce Preferred - Pass Transport Debit	ECM PF P D	1581	1.70%	+\$0.15	1.70%	+\$0.15
CPS Account Funding Debit	ACCT FD D	1555	1.75%	+\$0.20	1.75%	+\$0.20
CPS Automated Fuel Debit	CPS AFD D	1568	0.80%	+ 0.15****	0.80%	+ 0.15****
CPS AFD Debit Max	CPSAFDMAXD	1659	0.00%	+\$0.95	0.00%	+\$0.95
CPS Service Station Debit Max	SVCSTNMAXD	1658	0.00%	+\$0.95	0.00%	+\$0.95
CPS Passenger Transport - Card Present Debit	CPSAIRD CP	1561	1.19%	+\$0.10	1.19%	+\$0.10
CPS Passenger Transport - Card Not Present Debit	CPSAIRD CNP	7833	1.70%	+\$0.15	1.70%	+\$0.15
Commercial Card Present - Business Debit	CP BUSDB	7835	1.70%	+\$0.10	1.70%	+\$0.10
Commercial Card Not Present - Business Debit	CNP BUSDB	7836	2.45%	+\$0.10	2.45%	+\$0.10
Commercial Card Standard - Business Debit	STND BUSDB	7837	2.95%	+\$0.10	2.95%	+\$0.10
Passenger Transport Credit Vouchers Debit	CR PASS D	1576	0.00%	+\$0.00	0.00%	+\$0.00
Consumer Credit Vouchers Debit	CR CONS D	1577	0.00%	+\$0.00	0.00%	+\$0.00
Consumer MO/TO Credit Vouchers Debit*	CR MOTO D	1579	0.00%	+\$0.00	0.00%	+\$0.00
Credit Voucher Commercial Debit	CR COMM DB	7171	0.00%	+\$0.00	0.00%	+\$0.00

REGULATED DEBIT Interchange Category	MPS SHORT DESC	Chg Type	Oct 2014		Jan 2015	
			% Rate	+ Per Item	% Rate	+ Per Item
CPS/Retail Debit Reg	RETAIL D R	7000	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Key Entered Debit Reg	KEYED D R	7004	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Small Ticket Debit Reg	SML TKTD R	7005	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Restaurant Debit Reg	RSTRNT D R	7006	0.05%	+\$0.22	0.05%	+\$0.22
EIRF Debit Reg	EIRF D R	7034	0.05%	+\$0.22	0.05%	+\$0.22
EIRF Max Debit Reg	EIRFMAX DR	7035	0.05%	+\$0.22	0.05%	+\$0.22
Standard Debit Reg	V STND D R	7039	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Supermarket Debit Reg	SPMKT D R	7026	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Supermarket Max Debit Reg	SPMKTMAXDR	7027	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Retail 2 CNP Debit Reg	RTL2CNPDR	7007	0.05%	+\$0.22	0.05%	+\$0.22
Utility Debit Reg	V UTLTY DR	7009	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Hotel Card Present DB Reg	HOTEL D R	7010	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Hotel CNP Debit Reg	HTLCNP D R	7011	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Car Rental CP Debit Reg	CAR D R	7012	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Car Rental CNP Debit Reg	CARCNP D R	7013	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Passenger Transport Card Present DB Reg	CPSAIRCPDR	7014	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Passenger Transport Card Not Present DB Reg	AIR CNP DR	7182	0.05%	+\$0.22	0.05%	+\$0.22
CPS/CNP Debit Reg	CNP D R	7015	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Auto Fuel Dispenser DB Reg	AFD D R	7016	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Auto Fuel Max DB Reg	AFDMAX D R	7017	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Service Station Debit Reg	SVCSTN D R	7018	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Service Stn Max Debit Reg	SVCSTNMXDR	7019	0.05%	+\$0.22	0.05%	+\$0.22
CPS/E-Commerce Basic Debit Reg	ECOMBC D R	7020	0.05%	+\$0.22	0.05%	+\$0.22
CPS/E-Comm Preferred Debit Reg	ECOMPF D R	7021	0.05%	+\$0.22	0.05%	+\$0.22
CPS/E-Comm - Hotel Debit Reg	ECMPFHD R	7022	0.05%	+\$0.22	0.05%	+\$0.22
CPS/E-Comm- Car Rental Debit Reg	ECMPFCD R	7023	0.05%	+\$0.22	0.05%	+\$0.22
CPS/E-Comm Passenger Debit Reg	ECMPFPD R	7024	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Account Funding Debit Reg	ACCT F D R	7025	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Debt Repayment Debit Reg	DEBTMTD R	7031	0.05%	+\$0.22	0.05%	+\$0.22
CPS/Debit Tax Payment Debit Reg	TAXPMT D R	7032	0.05%	+\$0.22	0.05%	+\$0.22
Debit Tax Convnc Fee Debit Reg	TXPMTF D R	7033	0.05%	+\$0.22	0.05%	+\$0.22
Credit - Passenger Debit Reg	CR PASSD R	7036	0.00%	+\$0.00	0.00%	+\$0.00
Credit Non Passenger Debt Reg	CR CONSD R	7037	0.00%	+\$0.00	0.00%	+\$0.00
Credit Voucher - Moto Debit Reg	CRMOTOD R	7038	0.00%	+\$0.00	0.00%	+\$0.00
Commercial Level II- Debit Reg	COMM L2D R	7040	0.05%	+\$0.22	0.05%	+\$0.22
Commercial Electronic - DB Reg	COMELECD R	7041	0.05%	+\$0.22	0.05%	+\$0.22
Commercial CNP - Debit Reg	COMCNP D R	7042	0.05%	+\$0.22	0.05%	+\$0.22
Commercial Retail - Debit Reg	COMRET D R	7043	0.05%	+\$0.22	0.05%	+\$0.22
Commercial Bus 2 Bus - Debit Reg	COMB2B D R	7044	0.05%	+\$0.22	0.05%	+\$0.22
Commercial Standard - Debit Reg	COMSTD D R	7045	0.05%	+\$0.22	0.05%	+\$0.22
Commercial Utility - Debit Reg	COMUTY D R	7046	0.05%	+\$0.22	0.05%	+\$0.22
Commercial Card Present - Business Debit Reg	CP BUS DR	7183	0.05%	+\$0.22	0.05%	+\$0.22
Commercial Card Not Present - Business Debit Reg	CNP BUS DR	7184	0.05%	+\$0.22	0.05%	+\$0.22

Commercial Standard - Business Debit Reg	STNDBUS DR	7185	0.05%	+	\$0.22	0.05%	+	\$0.22
Corporate Level III- Debit Reg	COMML3C DR	7179	0.05%	+	\$0.22	0.05%	+	\$0.22
Corporate Electronic w/ Data - DB Reg	CRPELCDTDR	7180	0.05%	+	\$0.22	0.05%	+	\$0.22
Corporate Travel Service - Debit Reg	COMTRVLCDR	7181	0.05%	+	\$0.22	0.05%	+	\$0.22
Commercial Level III Debit Reg	COMLVL3 DR	7172	0.05%	+	\$0.22	0.05%	+	\$0.22
GSA Large Ticket Debit Reg	GSALGTKTDR	7173	0.05%	+	\$0.22	0.05%	+	\$0.22
GSA Gvmnt To Gvmnt Debit Reg	GSA G2G DR	7174	0.05%	+	\$0.22	0.05%	+	\$0.22
Purchasing Large Tkt Debit Reg	LG TKT DR	7175	0.05%	+	\$0.22	0.05%	+	\$0.22
Commercial CR Voucher Debit Reg	CRCOMM D R	7047	0.00%	+	\$0.00	0.00%	+	\$0.00
International Commercial Debit Reg	INTLCOMDR	7048	0.05%	+	\$0.22	0.05%	+	\$0.22
International Electronic Debit Reg	INTLELCTDR	7049	0.05%	+	\$0.22	0.05%	+	\$0.22
International Issuer Chip Debit Reg	INTLCHIPDR	7050	0.05%	+	\$0.22	0.05%	+	\$0.22
International Acquirer Chip Debit Reg	INTLACQRDR	7051	0.05%	+	\$0.22	0.05%	+	\$0.22
International Standard Debit Reg	INTLSTNDDR	7052	0.05%	+	\$0.22	0.05%	+	\$0.22
International Electronic Airline DB Reg	INTLAIRDR	7053	0.05%	+	\$0.22	0.05%	+	\$0.22
International Secure Ecomm Debit Reg	INTLSECRDR	7054	0.05%	+	\$0.22	0.05%	+	\$0.22
International Ecomm Merch Debit Reg	INTLECOMDR	7055	0.05%	+	\$0.22	0.05%	+	\$0.22
International Premium Debit Reg	INTLPREMDR	7056	0.05%	+	\$0.22	0.05%	+	\$0.22
International Super Premium Debit Reg	SUPPRMDR	7057	0.05%	+	\$0.22	0.05%	+	\$0.22

Oct 2014

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UNREGULATED PREPAID Interchange Category	MPS SHORT DESC	Chg Type	% Rate	+	Per Item	% Rate	+	Per Item
CPS/Retail Base Prepaid	RETAIL PP	7132	1.15%	+	\$0.15	1.15%	+	\$0.15
CPS/Restaurant Prepaid	RSTRNT PP	7135	1.15%	+	\$0.15	1.15%	+	\$0.15
CPS/Small Ticket Prepaid	SML TKT PP	7134	1.60%	+	\$0.05	1.60%	+	\$0.05
CPS/CNP Prepaid	CNP PP	7143	1.75%	+	\$0.20	1.75%	+	\$0.20
CPS/Key Entered Prepaid	KEYED PP	7133	1.75%	+	\$0.20	1.75%	+	\$0.20
EIRF Prepaid	EIRF PP	7153	1.80%	+	\$0.20	1.80%	+	\$0.20
EIRF Fuel Prepaid Max	EIRFMAX PP	7166	0.00%	+	\$0.95	0.00%	+	\$0.95
Standard Prepaid	V STND PP	7154	1.90%	+	\$0.25	1.90%	+	\$0.25
CPS/Supermarket Prepaid	SPMKT PP	7152	1.15%	+	\$0.15	1.15%	+	\$0.15
CPS/Supermarket Prepaid Max	SPMKTMAXPP	7163	0.00%	+	\$0.35	0.00%	+	\$0.35
CPS/Service Station Prepaid	SVCSTN PP	7145	1.15%	+	\$0.15	1.15%	+	\$0.15
CPS/Service Station Prepaid Max	SVCSTNMXPP	7165	0.00%	+	\$0.95	0.00%	+	\$0.95
CPS/Auto Fuel Dispenser Prepaid	AFD PP	7144	1.15%	+	\$0.15	1.15%	+	\$0.15
CPS/Auto Fuel Dispenser PP Max	AFDMAX PP	7164	0.00%	+	\$0.95	0.00%	+	\$0.95
CPS/Car Rental CNP Prepaid	CARCNP PP	7141	1.75%	+	\$0.20	1.75%	+	\$0.20
CPS/Car Rental CP Prepaid	CAR PP	7140	1.15%	+	\$0.15	1.15%	+	\$0.15
CPS/Hotel CNP Prepaid	HTLCNP PP	7139	1.75%	+	\$0.20	1.75%	+	\$0.20
CPS/Hotel Card Present Prepaid	HOTEL PP	7138	1.15%	+	\$0.15	1.15%	+	\$0.15
CPS/Passenger Transport Card Present Prepaid	CPSAIRPPCP	7142	1.15%	+	\$0.15	1.15%	+	\$0.15
CPS/Passenger Transport Card Not Present Prepaid	AIR CNP PP	7834	1.75%	+	\$0.20	1.75%	+	\$0.20
CPS/Retail 2 CNP Prepaid	RTL2CNP PP	7136	0.65%	+	\$0.15	0.65%	+	\$0.15
CPS/Retail 2 CNP Prepaid Max	RTL2CNPPMX	7161	0.00%	+	\$2.00	0.00%	+	\$2.00
CPS/E-Commerce Basic Prepaid	ECOMBC PP	7146	1.75%	+	\$0.20	1.75%	+	\$0.20
CPS/E-Comm Preferred Prepaid	ECOMPF PP	7147	1.75%	+	\$0.20	1.75%	+	\$0.20
CPS/E-Comm- Car Rental Prepaid	ECMPFC PP	7149	1.75%	+	\$0.20	1.75%	+	\$0.20
CPS/E-Comm - Hotel Prepaid	ECMPFH PP	7148	1.75%	+	\$0.20	1.75%	+	\$0.20
CPS/E-Comm Passenger Prepaid	ECMPFP PP	7150	1.75%	+	\$0.20	1.75%	+	\$0.20
CPS/Account Funding Prepaid	ACCT F PP	7151	1.80%	+	\$0.20	1.80%	+	\$0.20
Utility Business Prepaid	UTLTYBUSPP	7980	0.00%	+	\$1.50	0.00%	+	\$1.50
Purchasing Large Ticket Prepaid	LRG TKT PP	7978	1.45%	+	\$35.00	1.45%	+	\$35.00
Commercial Card Present - Business Prepaid	CP COMM PP	7975	2.15%	+	\$0.10	2.15%	+	\$0.10
Commercial Card Not Present - Business Prepaid	CNP COMM PP	7976	2.65%	+	\$0.10	2.65%	+	\$0.10
Commercial Card Standard - Business Prepaid	STND COMMPP	7977	2.95%	+	\$0.10	2.95%	+	\$0.10

CARD ASSOCIATION FEES Interchange Category	MPS SHORT DESC	Chg Type	Oct 2014		Jan 2015			
			% Rate	+ Per Item	% Rate	+ Per Item		
International Service Assessment	VI ISA	213	0.40%	+	\$0.00	0.40%	+	\$0.00
Cash Advance International Service Assessment	CA ISA FEE	215	0.40%	+	\$0.00	0.40%	+	\$0.00
Account Verification†	VI ACTVER	3042	0.00%	+	\$0.0250	0.00%	+	\$0.0250
Mis-Use of Auth†	VI MISUSE	3043	0.00%	+	\$0.0450	0.00%	+	\$0.0450
Zero Floor Limit†	VI ZEROFL	3044	0.00%	+	\$0.1000	0.00%	+	\$0.1000
NAPF†	VI NAPF	3040	0.00%	+	\$0.0195	0.00%	+	\$0.0195
NAPF Debit†	VI NAPF DB	3048	0.00%	+	\$0.0155	0.00%	+	\$0.0155
NAPF Exempt†	APF EXEMPT	3045	0.00%	+	\$0.0000	0.00%	+	\$0.0000
Echeck Acquirer Processing Fee	ECHK APF	3047	0.00%	+	\$0.0000	0.00%	+	\$0.0000
Clearing Access	VI BII ACS	202	0.00%	+	\$0.0025	0.00%	+	\$0.0025
Int'l Acquiring Fee (IAF)	IAF	210	0.45%	+	\$0.0000	0.45%	+	\$0.0000
IAF High Risk	IAF HGHRSK	216	0.90%	+	\$0.0000	0.90%	+	\$0.0000
Assessments %	VI ASMT	200	0.1100%	+	\$0.0000	0.1300%	+	\$0.0000
Visa Debit Assessments	VI ASMT DB	209				0.1100%		\$0.0000
Visa Transaction Integrity Fee (TIF)	VI TIF	207	0.00%	+	\$0.10	0.00%	+	\$0.10
International Service Assessment - Asia Pacific Region	AP ISA	226	0.40%	+	\$0.00	0.40%	+	\$0.00
Cash Advance International Service Assessment - Asia Pacific	CA AP ISA	227	0.40%	+	\$0.00	0.40%	+	\$0.00
International Service Assessment - AP Region Issuer Currency	AP ISA ISS	228	0.80%	+	\$0.00	0.80%	+	\$0.00
International Acquiring Fee - Asia Pacific Region	AP IAF	229	0.20%	+	\$0.00	0.20%	+	\$0.00
Cash Advance International Acquiring Fee - Asia Pacific Region	CA AP IAF	230	0.10%	+	\$0.00	0.10%	+	\$0.00
Fixed Acquirer Network Fee - Table 1A Tier 1**	FANF 1A 1	240	0.00%	+	\$2.90	0.00%	+	\$2.90
Fixed Acquirer Network Fee - Table 1A Tier 2**	FANF 1A 2	241	0.00%	+	\$2.90	0.00%	+	\$2.90
Fixed Acquirer Network Fee - Table 1A Tier 3**	FANF 1A 3	242	0.00%	+	\$2.90	0.00%	+	\$2.90
Fixed Acquirer Network Fee - Table 1A Tier 4**	FANF 1A 4	243	0.00%	+	\$4.00	0.00%	+	\$4.00
Fixed Acquirer Network Fee - Table 1A Tier 5**	FANF 1A 5	244	0.00%	+	\$4.00	0.00%	+	\$4.00
Fixed Acquirer Network Fee - Table 1A Tier 6**	FANF 1A 6	245	0.00%	+	\$4.00	0.00%	+	\$4.00
Fixed Acquirer Network Fee - Table 1A Tier 7**	FANF 1A 7	246	0.00%	+	\$5.00	0.00%	+	\$5.00
Fixed Acquirer Network Fee - Table 1A Tier 8**	FANF 1A 8	247	0.00%	+	\$5.00	0.00%	+	\$5.00
Fixed Acquirer Network Fee - Table 1A Tier 9**	FANF 1A 9	248	0.00%	+	\$8.00	0.00%	+	\$8.00
Fixed Acquirer Network Fee - Table 1A Tier 10**	FANF 1A 10	249	0.00%	+	\$12.00	0.00%	+	\$12.00
Fixed Acquirer Network Fee - Table 1A Tier 11**	FANF 1A 11	250	0.00%	+	\$18.00	0.00%	+	\$18.00
Fixed Acquirer Network Fee - Table 1A Tier 12**	FANF 1A 12	251	0.00%	+	\$25.00	0.00%	+	\$25.00
Fixed Acquirer Network Fee - Table 1A Tier 13**	FANF 1A 13	252	0.00%	+	\$35.00	0.00%	+	\$35.00
Fixed Acquirer Network Fee - Table 1A Tier 14**	FANF 1A 14	253	0.00%	+	\$45.00	0.00%	+	\$45.00
Fixed Acquirer Network Fee - Table 1A Tier 15**	FANF 1A 15	254	0.00%	+	\$55.00	0.00%	+	\$55.00
Fixed Acquirer Network Fee - Table 1A Tier 16**	FANF 1A 16	255	0.00%	+	\$65.00	0.00%	+	\$65.00
Fixed Acquirer Network Fee - Table 1A Tier 17**	FANF 1A 17	256	0.00%	+	\$75.00	0.00%	+	\$75.00
Fixed Acquirer Network Fee - Table 1A Tier 18**	FANF 1A 18	257	0.00%	+	\$85.00	0.00%	+	\$85.00
Fixed Acquirer Network Fee - Table 1B Tier 1**	FANF 1B 1	260	0.00%	+	\$2.00	0.00%	+	\$2.00

Fixed Acquirer Network Fee - Table 1B Tier 2**	FANF 1B 2	261	0.00%	+	\$2.00	0.00%	+	\$2.00
Fixed Acquirer Network Fee - Table 1B Tier 3**	FANF 1B 3	262	0.00%	+	\$2.00	0.00%	+	\$2.00
Fixed Acquirer Network Fee - Table 1B Tier 4**	FANF 1B 4	263	0.00%	+	\$2.90	0.00%	+	\$2.90
Fixed Acquirer Network Fee - Table 1B Tier 5**	FANF 1B 5	264	0.00%	+	\$2.90	0.00%	+	\$2.90
Fixed Acquirer Network Fee - Table 1B Tier 6**	FANF 1B 6	265	0.00%	+	\$2.90	0.00%	+	\$2.90
Fixed Acquirer Network Fee - Table 1B Tier 7**	FANF 1B 7	266	0.00%	+	\$4.00	0.00%	+	\$4.00
Fixed Acquirer Network Fee - Table 1B Tier 8**	FANF 1B 8	267	0.00%	+	\$4.00	0.00%	+	\$4.00
Fixed Acquirer Network Fee - Table 1B Tier 9**	FANF 1B 9	268	0.00%	+	\$6.00	0.00%	+	\$6.00
Fixed Acquirer Network Fee - Table 1B Tier 10**	FANF 1B 10	269	0.00%	+	\$8.00	0.00%	+	\$8.00
Fixed Acquirer Network Fee - Table 1B Tier 11**	FANF 1B 11	270	0.00%	+	\$10.00	0.00%	+	\$10.00
Fixed Acquirer Network Fee - Table 1B Tier 12**	FANF 1B 12	271	0.00%	+	\$14.00	0.00%	+	\$14.00
Fixed Acquirer Network Fee - Table 1B Tier 13**	FANF 1B 13	272	0.00%	+	\$24.00	0.00%	+	\$24.00
Fixed Acquirer Network Fee - Table 1B Tier 14**	FANF 1B 14	273	0.00%	+	\$32.00	0.00%	+	\$32.00
Fixed Acquirer Network Fee - Table 1B Tier 15**	FANF 1B 15	274	0.00%	+	\$40.00	0.00%	+	\$40.00
Fixed Acquirer Network Fee - Table 1B Tier 16**	FANF 1B 16	275	0.00%	+	\$50.00	0.00%	+	\$50.00
Fixed Acquirer Network Fee - Table 1B Tier 17**	FANF 1B 17	276	0.00%	+	\$60.00	0.00%	+	\$60.00
Fixed Acquirer Network Fee - Table 1B Tier 18**	FANF 1B 18	277	0.00%	+	\$65.00	0.00%	+	\$65.00
Fixed Acquirer Network Fee - Table 2 Tier 1	FANF 2 1	280	0.00%	+	\$2.00	0.00%	+	\$2.00
Fixed Acquirer Network Fee - Table 2 Tier 2	FANF 2 2	281	0.00%	+	\$2.90	0.00%	+	\$2.90
Fixed Acquirer Network Fee - Table 2 Tier 3	FANF 2 3	282	0.00%	+	\$5.00	0.00%	+	\$5.00
Fixed Acquirer Network Fee - Table 2 Tier 4	FANF 2 4	283	0.00%	+	\$7.00	0.00%	+	\$7.00
Fixed Acquirer Network Fee - Table 2 Tier 5	FANF 2 5	284	0.00%	+	\$9.00	0.00%	+	\$9.00
Fixed Acquirer Network Fee - Table 2 Tier 6	FANF 2 6	285	0.00%	+	\$15.00	0.00%	+	\$15.00
Fixed Acquirer Network Fee - Table 2 Tier 7	FANF 2 7	286	0.00%	+	\$45.00	0.00%	+	\$45.00
Fixed Acquirer Network Fee - Table 2 Tier 8	FANF 2 8	287	0.00%	+	\$120.00	0.00%	+	\$120.00
Fixed Acquirer Network Fee - Table 2 Tier 9	FANF 2 9	288	0.00%	+	\$350.00	0.00%	+	\$350.00
Fixed Acquirer Network Fee - Table 2 Tier 10	FANF 2 10	289	0.00%	+	\$700.00	0.00%	+	\$700.00
Fixed Acquirer Network Fee - Table 2 Tier 11	FANF 2 11	290	0.00%	+	\$1,500.00	0.00%	+	\$1,500.00
Fixed Acquirer Network Fee - Table 2 Tier 12	FANF 2 12	291	0.00%	+	\$3,500.00	0.00%	+	\$3,500.00
Fixed Acquirer Network Fee - Table 2 Tier 13	FANF 2 13	292	0.00%	+	\$7,000.00	0.00%	+	\$7,000.00
Fixed Acquirer Network Fee - Table 2 Tier 14	FANF 2 14	293	0.00%	+	\$15,000.00	0.00%	+	\$15,000.00
Fixed Acquirer Network Fee - Table 2 Tier 15	FANF 2 15	294	0.00%	+	\$30,000.00	0.00%	+	\$30,000.00
Fixed Acquirer Network Fee - Table 2 Tier 16	FANF 2 16	295	0.00%	+	\$40,000.00	0.00%	+	\$40,000.00

\*excludes Direct Marketing Sic Codes 596X

\*\*Fee billed per active location

\*\*\*program requires registration

\*\*\*\* \$0.95 Cap (see cgt 1659, 1658 or 1657)

† Fee Billed on Authorizations

## Merchant Card Convenience and Service Fees

A convenience or service fee is a fee paid by a consumer in addition to the payment amount for goods and services provided by a merchant. These fees allow merchants to transfer many or all of the costs associated with payment collection via credit and debit cards from the merchant to the payer, and are highly regulated by the card associations. Agencies choosing to assess these fees must ensure they are complying with the card associations' rules and state legislation.

Each of the four major card brands – Visa, MasterCard, Discover, and American Express - has slightly different rules concerning these fees. Because Visa's rules tend to be the most restrictive, compliance with Visa rules for convenience and service fees will generally ensure compliance with the other card brands' rules.

Given that over 75% of agency customers use Visa to make credit card payments, this document focuses on two programs that are most applicable to agencies – Visa's Convenience Fee Program and Visa's Government and Higher Education Payment Program (Service Fee program). In addition to the general guidelines regarding the programs this document also provides a list of considerations and other information to help agencies determine whether or not to charge a convenience or service fee.

Questions about these fees should be referred to Treasury at [tms@ost.state.or.us](mailto:tms@ost.state.or.us).

## Overview of Convenience and Service Fee Programs

### **Convenience Fee Program**

Convenience fees are charges levied to a customer for the privilege or convenience of paying for a product or service using an alternative payment channel or payment method that is in addition to a merchant's standard payment options, for example online or over the telephone.

### **Summary of Visa's Convenience Fee Rules**

According to Visa's rules, certain criteria must be met in order for a merchant to charge a convenience fee including:

- The merchant must provide a true "convenience" in the form of an alternative payment channel outside the merchant's customary face-to-face payment channels, and the fee must be disclosed by the merchant to the cardholder as a charge for the alternative payment channel convenience that is provided.
- Merchant-of-record must be the biller/merchant.
- Customers must be told about the fee in advance.
- The fee must be a flat-fee fixed amount rather than a percentage of the payment.
- Card payments are processed as single transaction inclusive of payment and fee.
- The fee must be applied to all means of payment that are accepted in that alternative payment channel.
- Available across all industries (no limitations on what Merchant Category Codes can participate).
- Fee cannot be charged with recurring payments.
- Eligible payment types: Visa, MasterCard, Discover, American Express credit and debit cards.

*See Exhibit A for a snapshot of convenience fee rules.*

## ***Service Fee Program***

Service Fee is the term that has been associated with the Government and Higher Education Payment Programs, which enable qualified government and higher education merchants to accept Visa cards and assess a Service Fee as a separate transaction in all card-present and card-not-present payment channels.

The Service Fee Program is available to certain government and higher education merchants in the following Merchant Category Codes (MCC) provided they register with Visa and comply with all program rules.

- Government merchants:
  - MCC 9311-Tax
  - MCC 9222-Fines
  - MCC 9211-Court Costs
  - MCC 9399-Miscellaneous Government Services
- Tuition payments for higher education:
  - MCC 8220-College Tuition
  - MCC 8244-Business
  - MCC 8249-Trade Schools

The MCC assigned must be the code that most accurately reflects the primary business of the agency location. Treasury will work with Elavon to ensure the accuracy of the MCC at the time an agency expresses an interest in participating in the service fee program.

### **Summary of Visa's Service Fee Program Rules**

According to Visa's rules, certain criteria must be met in order for a merchant to charge a service fee including:

- The payment and service fee transaction must be submitted and processed as two separate transactions.
- Merchant card fees will be applied to both transactions (customer payment and service fee).
- Third Party processing of the service fee is permitted if all processing and disclosure requirements are met.
- The fee must be clearly disclosed to the cardholder.
- The fee may be assessed in all payment processing channels (i.e., internet, face-to-face, telephone, mail).
- The fee may be applied to recurring payment transactions.
- The fee may be a fixed/flat rate or a variable (percentage) of the payment.
- Eligible payment types: Visa, MasterCard, Discover, American Express credit and debit cards.
- An enrollment process is required by Visa and can take approximately 60 business days to complete. This process will be coordinated through Treasury.

*See Exhibit B for a snapshot of service fee rules.*



## Merchant Card Fee-Based Program Considerations

The following is a list of considerations to help your organization determine whether or not to assess a convenience or service fee.

### Agency Business Considerations:

- What are the reasons for implementing a fee-based program?
  - Offset costs associated with credit card payment acceptance?
  - Shift customer behavior to preferred payment methods and channels by applying fees to less-preferred methods and channels?
- What payment types and channels do or will you make available to customers?
- In addition to credit cards, what other payment options are available online or over the phone? Will you charge a fee for those?
- Are your customers willing to pay a convenience or service fee and through which channels?
  - Customers may be more willing to pay with a credit card regardless of an additional fee because of time sensitivity, financial limitations, or accessibility.
  - Keep in mind that many consumers are not familiar with paying a fee for face-to-face transactions.
  - Agencies should prepare staff to answer customer questions regarding convenience or service fees. *See Exhibit D for sample FAQs.*
- Will a convenience or service fee lower customer adoption rates of a particular payment channel and usage of credit cards to make payments?

### Compliance/Regulatory Considerations:

- Like other fees agencies charge, they must have statutory authority to assess a convenience or service fee. Contact your BAM analyst and/or DOJ Attorney to confirm authority. *See Exhibit C for examples of agency statutes that address these types of fees.*
- Agencies are responsible for complying with the payment industry rules.
  - Rules of a particular card association may drive entire program
  - Different rules for government, education vs. others (MCC codes)
  - Single versus recurring payments
  - Which payment types, channels and card brands?

### Cost Analysis Considerations:

- Should you charge a convenience or service fee or absorb the costs associated with payment acceptance?
  - What is the average ticket size and implications to cost?
  - What are the true costs of any payment option (including exceptions, returned items handling, fraud)?
  - What efficiencies have or will your organization gain with credit card acceptance?

### Convenience or Service Fee Calculation Considerations:

- How do you determine what fee to charge?
  - What is the average ticket size?

- What percentage of customers uses credit cards versus debit cards?
- What percentage of cards is accepted online, point of sale, over the telephone, or through the mail?
- Do you intend to transfer only a percentage or all of the merchant costs to the payer?

Other Considerations:

- Hardware and software applications are currently limited for Service Fees.
- Convenience fees can be implemented in a very short timeframe.
- Service fee program requires enrollment which may take up to 60 business days.

Questions about these considerations should be referred to Treasury at [tms@ost.state.or.us](mailto:tms@ost.state.or.us).

## Exhibit A – Snapshot of Convenience Fee Programs

**Reminder: if you are accepting Visa, you must comply with the requirements listed in the Visa column**

CONVENIENCE FEES				
	MC Convenience Fees	Visa Convenience Fees	Discover	American Express
Description of Fee	Handling fee assessed to the cardholder which is applied equally across all payment channels including cash and checks..	Categorized as charges associated with a bona fide alternative payment channel offering a convenience to the cardholder- the ability to pay, for example, through a website, as opposed to in person..	A checkout fee or additional fee that a merchant adds to a consumer's bill when he or she uses a card for payment.	A checkout fee or additional fee that a merchant adds to a consumer's bill when he or she uses a card for payment.
Fee Structure (Tiered, Fixed Amount or Fixed %)	Tiered, Fixed Amt. or Fixed %	Fixed Amount	Fixed % or Variable %	Fixed % or Variable %
Allowed for Recurring Payments	YES	NO	YES	YES
MCC's Eligible	All	All	All	9311, 9211, 9222, 9399, 8220, 8211, 4900
Eligible Environments	MOTO / Electronic Commerce /Face-to-Face	MOTO & Electronic Commerce	MOTO / Electronic Commerce /Face to Face	MOTO / Electronic Commerce /Face to Face
Types of Transaction	N/A	N/A	All-except Cash Advance	All-except Cash Advance
Number of MID's required:	1	1	1	1
Registration Required	NO	NO	YES by Merchant	NO
Registration Fee	NO	NO	NO	NO
Registration Lead Time (prior to implementation)	N/A	N/A	30 Days	N/A
Cardholder Disclosure of Fee on Receipt	YES <sup>1</sup>	YES <sup>1</sup>	YES	YES
Store Entry and POS Disclosure Required	NO	NO	YES	YES
Cap/Limitation of Fee	NO	NO	NO	NO
Allowed for Debit Cards	YES	YES	YES	N/A
Authorized & Settled as Separate Transactions	NO	NO	NO	NO
PCI DSS Compliant for eligibility	YES	YES	YES	YES

<sup>1</sup> At check-out or on invoice. Disclosure required to the Cardholder as a charge for the alternative payment channel outside the Merchants customary payment channels. Disclosure must occur prior to the completion of the Transaction and also provide the Cardholder the opportunity to cancel.

## Exhibit B – Snapshot of Service Fee Programs

**Reminder: if you are accepting Visa, you must comply with the requirements listed in the Visa column.**

SERVICE FEE PROGRAMS for GOVERNMENT and HIGHER EDUCATION				
	MC Convenience Fee Program	Visa Service Fee Program	Discover	American Express
Description of Fee	Service Fee is the terminology that has been associated with the Government and Higher Ed Programs.			
Fee Structure	Tiered, Fixed Amt. or Fixed %	Tiered, Fixed Amt. or Fixed %	Fixed % or Variable %	Tiered, Fixed % or Variable %
Recurring Payments	YES	YES	YES	YES
Eligible Environments	MOTO / Electronic Commerce / Face to Face	MOTO / Electronic Commerce / Face to Face	MOTO / Electronic Commerce / Face to Face	MOTO / Electronic Commerce / Face to Face
Types of Transaction	9311 - Taxes 9211 - Court Costs 9222 - Fines 9399 – Misc. Gov. Services 8220 - College - Tuition 8211 – Elem. and Secondary Schools	9311 - Taxes 9211 - Court Costs 9222 - Fines 9399 – Misc. Gov. Services 8220 - College - Tuition 8244 - Business Schools - Tuition 8249 - Trade Schools - Tuition	All	9311 - Taxes 9211 - Court Costs 9222 - Fines 9399 - Miscellaneous Gov. Services 8220 - College - Tuition 8211 – Elem. and Secondary Schools 4900 - Public Utilities
Number of MID's required:	2	2	1	1
Registration Required	YES	YES	YES by Merchant	NO
Registration Fee	NO	NO	NO	NO
Registration Lead Time (prior to implementation)	N/A	45 Days	30 Days	N/A
Cardholder Disclosure of Fee on Receipt	YES	YES	YES	YES
Store Entry and POS Disclosure Required	NO	NO	YES	YES
Cap/Limitation of Fee	NO	NO	NO	NO
Allowed for Debit Cards	YES	YES	YES	N/A
Authorized & Settled as Separate Transactions	Recommended <sup>3</sup>	Required	NO	NO
PCI DSS Compliant for eligibility	YES	YES	YES	YES

<sup>3</sup> MC will allow one MID for processing Convenience Fees however if the merchant is also processing Visa the standard process for Elavon is to assign two MID's for processing these transactions. This means two transactions will be authorized and settled as separate transactions.

**Note:** Per U.S. Bank/Elavon: Discover doesn't really have a defined program for convenience and service fees. They do have some specific rules around surcharging which is some of what you see reflected in the chart above (which might be a little misleading). So there's not really any defined rules from Discover on how the fee structure might be outlined or what would be allowable (except what is defined under their surcharging rules which fits with Visa/MC surcharging rules). Visa has the most rules related to Service fees and convenience fees so if a merchant is taking Visa, MC, and Discover typically the Visa guidelines will be used to determine what is allowed and restrictions. Discover does have verbiage in their rules about "Equal Treatment of Cards Issued or Operating on the Discover® Network with Other Payment Cards" which basically outlines that their cards should be treated and accepted just as others are. Based on these facts a fixed fee amount would be acceptable for Discover as long as that's how other cards are being assessed the fee.

## Exhibit C - Examples of Agency Fee Statutes

Following are examples of Agency statutes that address the establishment of fees. Please contact your BAM analyst and/or DOJ Attorney to confirm authority.

**677.265 Powers of board generally; rules; fees; physician standard of care.** In addition to any other powers granted by this chapter, the Oregon Medical Board may:

(1) Adopt necessary and proper rules for administration of this chapter including but not limited to:

(a) Establishing fees and charges to carry out its legal responsibilities, subject to prior approval by the Oregon Department of Administrative Services and a report to the Emergency Board prior to adopting the fees and charges. The fees and charges shall be within the budget authorized by the Legislative Assembly as that budget may be modified by the Emergency Board. The fees and charges established under this section may not exceed the cost of administering the program or the purpose for which the fee or charge is established, as authorized by the Legislative Assembly for the Oregon Medical Board's budget, or as modified by the Emergency Board or future sessions of the Legislative Assembly.

**825.502 Payment of taxes and fees by credit card; rules.** For payment of any weight-mile taxes and fees, the Department of Transportation may:

(1) Accept payment of taxes and fees by credit card. Any payment made by credit card shall be for the full amount of the tax or fee, except that a surcharge may be added to the amount tendered by the customer to offset fees charged to the department for acceptance and use of the credit card.

(2) Adopt reasonable rules as necessary or proper for the administration of this section. [Formerly 767.863]

**ORS 182.132 is fee authority for the DAS E-Government program and agencies that use their service. If an agency wants to charge a similar fee outside of E-Government, they must have legislative authorization.**

**182.126 Definitions.** As used in this section and ORS 182.128 and 182.132:

(1) "Convenience fee" means a fee for using an electronic government portal or governmental services available by means of an electronic government portal that the Oregon Department of Administrative Services charges or authorizes an electronic government portal provider to charge under ORS 182.132 (3).

(2) "Electronic government portal" means an electronic information delivery system accessible by means of the Internet that a state agency designates officially as a means by which the state agency delivers information, products or services.

(3) "Electronic government portal provider" means a person that on behalf of a state agency provides facilities, goods or services necessary to develop, host, operate, maintain or otherwise implement an electronic government portal or provides facilities, goods or services that assist a state agency in designing, developing, hosting, operating, maintaining or otherwise implementing an electronic government portal.

(4) "State agency" means the executive department, as defined in ORS 174.112. [2009 c.829 §1]

**182.132 Ability to offer government services through portal; convenience fee.** (1) The Oregon Department of Administrative Services, with the advice of the Electronic Government Portal Advisory Board, shall provide the ability for state agencies to offer government services by means of an electronic government portal. The electronic government portal must be secure and must meet usability standards developed in cooperation with the advisory board.

(2) For the purposes of subsection (1) of this section, the department under the provisions of the Public Contracting Code may contract with an electronic government portal provider.

(3)(a) The department may charge members of the public a convenience fee or may authorize an electronic government portal provider to charge a convenience fee for an electronic government service if the advisory board recommends that the department charge or authorize a convenience fee for the electronic government service. The convenience fee must reflect the costs incurred in hosting, operating, maintaining or implementing the electronic government portal.

(b) The department shall cooperate with the advisory board to identify the electronic government portals or governmental services to which the convenience fee applies.

(4) The department may adopt rules to implement the provisions of this section.

(5) Not later than the beginning of each odd-numbered year regular legislative session, the department shall prepare and submit to the Legislative Assembly a report in the manner provided in ORS 192.245 that summarizes the department's activities under the provisions of this section. [2009 c.829 §3; 2011 c.545 §30]

## Exhibit D - Sample Service Fee FAQs for Agency Customers and/or Customer Service Reps:

The following is a sample list of questions and responses. Fee amounts, card brand acceptance, etc. will need to be determined by each agency.

1. What credit cards does (agency name here) accept?

VISA, MasterCard, American Express, and Discover. Credit card payments can be made online, over the phone, by mail, or in person.

2. Why is (agency name here) charging a fee for the use of my credit card?

Agency is committed to providing our customers a range of options for paying their fees. The credit card payment method is becoming prohibitively expensive because of the fees to our organization for credit card transaction processing. This expense is paid by program revenues and therefore reduces the dollars available for program improvements. Therefore, a fee on credit card transactions in the amount of 2.70% of your total bill will be charged by a third party company. This will provide nearly (enter dollars here) in annual savings for the agency.

3. Why is the fee 2.70%? How was that percentage established?

2.70% is the amount established by our third party credit card processor, Nelnet Business Solutions, to cover the credit card transaction fees assessed by credit card companies.

4. Is there any way I can avoid paying a fee?

You can avoid paying the 2.70% fee by paying online with an e-check, an electronic debit to your checking or savings account. You may also mail or deliver a check to our office with no convenience fee to the address below. Always include your coupon (other requirements) with your payment.

5. Can I pay in person using a credit card?

Yes, payments can still be made at the agency, located at \_\_\_\_\_. The fee still applies for credit card payments made at our office.

6. If I make a credit card payment in error, will my convenience fee be refunded?

No. The convenience fee is not refundable, even if the payment to which it relates is cancelled, refunded, credited, or charged back.

7. If I use my debit card to pay my account charges, will I be charged a fee?

Yes. If you use your debit card like a credit card to pay your account charges, you will be charged the 2.70% fee. For checking or savings account debits, please use the e-check option to avoid paying the fee.

8. How will this appear on my credit card statement?

Two separate transactions will appear on your credit card statement. One transaction for the license renewal payment and one transaction for the service fee. The transaction for the license payment will appear as "DBA name here" and the transaction for the service fee will appear with "Svc Fee" in the description.