

**IMPROVING COMPLIANCE, COSTS & MARGINS:****21<sup>ST</sup> CENTURY CARD PROCESSING for GSA Contractors**

When it comes to accepting government purchasing cards, it's time to leave the 20<sup>th</sup> century behind. 21<sup>st</sup> century technology is required to keep businesses both competitive and compliant with ever increasing regulations designed to reduce fraud.

**Current Situation- GSA Contractors being paid w/ Credit Cards**

- Companies are using outdated equipment & practices to process credit card payments, which incurs wasted time and data entry inefficiencies.
- Companies are improperly storing credit card data which puts them in non-compliance with Visa/ MasterCard regulations.
- Companies are paying unnecessarily high processing fees. With greater and greater utilization of purchasing cards, it has become even more important to properly manage their acceptance.

**The Solution: Install a Virtual Terminal System at no cost**

- Sophisticated virtual terminal technology is now available to meet the demands of card acceptance in the 21<sup>st</sup> century.
- New virtual terminal technology will meet all industry PCI DSS Compliance regulations.

Successful businesses always seek the most cost-effective, reliable, and secure systems for accomplishing their business affairs. With no more complication than it takes to purchase a book online, businesses today can accurately and efficiently process cards, reducing costs. And there is no more important cost to a business than losing its customers' trust by having its security breached. This is why processing with technology that provides cutting edge payment security and compliance with Payment Card Industry data security standards is essential.

- **Save up to 40%** of your current credit card processing costs by submitting credit card transactions with proper information to meet Visa/ MasterCard Interchange requirements.

To encourage merchant participation and support of purchasing card programs, Visa and MasterCard have created special incentive rates. 21<sup>st</sup> century processing technology enables businesses to easily meet the requirements for these rates. This can often mean a 30% to 40% reduction in processing fees, allowing for substantial reclaiming of margin.

Businesses that want to remain successful must adopt the most efficient and cost-effective technology available. This is no more apparent than in the area of purchasing card acceptance. Processing credit cards, as if you are still in the last century, is no longer an option your business can afford.

## Summary

- **Improve your margins by as much as 3/4 to 1% by getting the benefit of special rates set up by Visa and MasterCard for processing the GSA SmartPay cards.**
- **Protect all cardholder data by adopting a “best in class” virtual terminal system and meet PCI DSS Compliance regulations.**
- **Significantly reduce your man hours spent on processing credit cards and have a system in place that will give you any and all reporting information needed to run your business.**

## Additional Solution Information

Processing GSA SmartPay cards requires a more sophisticated technology platform to capture what Visa and MasterCard call Level 3 data. Level 3 data will allow the GSA SmartPay card to meet the Visa and MasterCard Interchange requirements and get lower rates associated with government purchasing cards.



## LEVEL 3 CARD PROCESSING

- Government purchasing cards can be processed with the same level of detail normally associated with an itemized invoice. This is known as level 3 line-item transaction data.
- When level 3 technology is in place, a merchant can submit electronically to a government buyer complete transaction detail. This can automatically be entered into its accounting system and reviewed each day, thus providing for greater financial accountability.
- To encourage merchant participation and support of purchasing card programs, Visa and MasterCard have created special interchange rates to reduce a merchant's transaction costs whenever level 3 line-item detail is transmitted with the financial settlement.
- In providing level 3 data, a government contractor may substantially reduce their credit card processing fees – sometimes by up to 40%. This savings is available for any size purchasing card ticket. However, this savings can be further increased for contractors that process large tickets, by enrolling in the special “large ticket” program for the GSA-SmartPay program.
- Up until last year, only large ticket Visa transactions were eligible for the special reduced interchange rates. This is one reason why the great majority of government contractors have remained unaware of the tremendous savings they are missing in not having a merchant account with level 3 technology.
- Virtual terminal technology is now available that makes processing a level 3 transaction much simpler and faster than in the past.
- Some of the features associated with this new technology include the ability to do recurring billing; accept payment by electronic check; a feature called Secure Vault which stores cardholder data securely; automated online invoicing; shopping cart integration; and integration with a merchant's accounting system.
- The detailed real-time reporting tools available with the virtual terminal are especially useful for businesses that want to be able to closely monitor their transaction activity.



- Visa and MasterCard have formulated regulations designed to reduce fraud. Many businesses are not in compliance with these regulations, especially with regard to storage of cardholder data. Processing with the new virtual terminal technology insures that data is securely stored offsite and that the business is in PCI (Payment Card Industry) DSS (Data Security Standard) compliance.

What is PCI DSS Compliance?

PCI DSS stands for [Payment Card Industry \(PCI\) Data Security Standard \(DSS\)](#). It was developed by the major credit card companies (VISA, MasterCard, Discover, American Express and JCB) in 2004 as a guideline to help organizations that process card payments prevent credit card fraud, hacking, and various other types of card security breaches. A company processing, storing, or transmitting card numbers **must** be PCI DSS compliant or they risk losing the ability to process credit card payments.

What if I don't comply?

These new card data security standards come with serious consequences. Failure to comply with PCI-DSS requirements can result in stiff contractual penalties or sanctions from members of the payment card industry. These include:

- Fines of \$500,000 per data security incident
- Fines of \$50,000 per day for non-compliance with published standards
- Liability for all fraud losses incurred from compromised account numbers
- Liability for the cost of re-issuing cards associated with the compromise
- Suspension of merchant accounts

**In summary**, incorporating a level 3 technology system can greatly simplify workflow and operations for the government contractor, while reducing their costs substantially, even to the point of offsetting the Industrial Funding Fee (IFF) or more and meet all PCI DSS Compliance regulations.



## The Financial Transaction Services Solution- “FTS Connect”

Strategic GSA Transaction Services, a division of Financial Transaction Services (FTS), is a leader in credit and debit card processing in the U.S. Financial Transaction Services has formed payment-processing relationships with GSA Contractor merchants and businesses of every size in the U.S.

FTS offers the most complete solution to processing Level 3 GSA card transactions with a system called “FTS Connect”.

### What you can expect from “FTS Connect”

- Immediate Savings on your Payment Processing costs.
- 24 hour funding.
- No Software to Buy or Install.
- 24 hour Customer Care.
- Ability to do Recurring Billing & Payments.
- Branded Shopping Cart Technology, if desired.
- Online Bill Pay.
- Credit and debit cards including MasterCard, Visa, Discover, AMEX, Diners Club and GSA Purchasing Cards.
- Check processing with electronic deposits to you bank.
- PCI Compliance. (rules and regulations for credit card transactions by Visa/MC Associations)
- World-class security and fraud detection.
- Level 2 and 3 card processing capability to meet V/MC Interchange requirements
- Detailed reporting.
- Web-based management tools.
- Web-based terminals at no charge.
- Emailed receipt for each transaction.
- Secure login for each employee to help track sales and activity.



## **About Strategic GSA Transaction Services, a division of Financial Transaction Services**

Financial Transaction Services is a full service provider of electronic transaction processing services for Merchants, Government Vendors and Contractors and Financial Institutions. Financial Transaction Services offers a comprehensive line of solutions for credit and debit cards including Level 3 transactions (GSA SmartPay Card), gift cards, electronic check conversion, verification and guarantee as well as terminal services and online Payment Gateway Solutions to include “best in class” FTS Connect virtual terminal system.

FTS was founded by a group of industry executives to bring new solutions to the payment marketplace. Strategic GSA Transaction Services was formed as a special division of FTS, with specialties in Level 2 and level 3 transactions to include GSA card transactions. Currently, we have over 25,000 clients with annual Visa/MC/Discover volume exceeding 4.5 billion

To learn more about Financial Transaction Services and Strategic GSA Transaction Services, visit [www.ftservice.com](http://www.ftservice.com) and [www.ftswpa.com](http://www.ftswpa.com).

## **Financial Transaction Services Named ISO of the Year Finalist**

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The Electronic Transactions Association (ETA) held its annual conference in Las Vegas, NV this past week and announced the nominees for multiple achievements in the payments industry, including ISO of the Year. During the Presidents Dinner on Tuesday night at the Mandalay Bay Hotel & Casino, FTS was named a top three finalist for ISO of the Year.

The criteria for this award is a current registered ISO whose actions move the payments industry forward, that exhibits high ethical standards, and has successfully met industry challenges with demonstrated results.



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