

Leaders Merchant Services Glossary

ABA (American Bankers Association)

The national trade association of commercial banks.

ABA Routing Number

Also referred to as Transit Routing Number. Directs electronic ACH deposits to the proper bank institution.

Access Card

A plastic card given by a financial institution, used in an automated teller machine (ATM) to complete deposits, cash withdrawals, account transfers, and other related account functions.

Access Fees

Fees associated with using the secure server (such as Authorize.Net) to approve and process transactions. Depending on arrangements with the payment gateway processor, a credit card merchant account may also be charged gateway processing fees as a separate line item or as part of the monthly processing fee.

Account History

The payment and transaction history of an account over a specified period of time, including the number of times the account was past due or over the credit limit.

Account Number

A unique sequence of numbers assigned to a cardholder account that identifies the issuer and type of financial transaction card.

ACH (Automatic Clearing House)

Electronic payment networks most commonly associated with payroll direct deposit and recurring payments and is the network most commonly used to settle merchant card accounts. ACH is also the most common way Leaders Merchant Services makes and collects payment to and from our sales Partners. Those not participating in the ACH option will be paid by check and need to make alternate payment arrangements for funds due to Leaders Merchant Services.

Acquiring Bank or Acquirer

A financial institution that provides accounts for merchants. It is also called a merchant bank, or acquirer. The acquiring bank processes the merchant's transactions and credits payment to the merchant account. Your merchant account at the acquiring bank receives funds from a cardholder when a transaction is complete. Acquirers are so named because they acquire a merchant's sales tickets and credit the order value to the merchant's account.

Address Verification Service (AVS)

Address Verification Service is a system available to merchants who key transactions which matches the street number and zip code of the cardholder with the information given to the merchant. This allows the merchant to verify that the person requesting the goods or services is the person who owns the cards.

ADSL (Asymmetric Digital Subscriber Line)

A communications protocol for connecting computers and other electronic devices to a network, such as the Internet. ADSL offers more bandwidth than current telephone modem connections. ADSL can operate over most existing telephone lines but is currently available in only a few areas and generally costs more.

Affiliate

A member or licensee of Visa International, Visa U.S.A. or an organization associated with a MasterCard member that contributes under the member's rule or card plan on either the cardholder or merchant side.

Agents

Individuals who sell bankcard services to merchants on behalf of ISOs, acquirers and processors. Also known as merchant level salespeople (MLSs) and independent sales agents (ISAs), most agents are independent contractors. Others are paid employees of ISOs, acquirers and processors.

American Express (Amex)

An organization that issues cards and acquires transactions, unlike Visa And MasterCard, which are bank associations.

AMEX

Abbreviation for American Express. An organization that issues travel and entertainment cards and acquires transactions.

Approval

A code issued by a card issuing bank allowing a sale to be charged against a cardholder's account. Approval means that the amount is within the cardholder's remaining credit limit and the card has not been reported lost or stolen. Approvals are requested via an AUTHORIZATION.

Approval/Authorization

All participants in the chain from the retailer to the cardholder have said that they are ready, willing, and able to complete this Sale, Refund or PreAuth. Note that money does not actually flow out of (or back into) the cardholder's account upon Approval/Authorization. Rather, the transaction is queued for completion during the next batch closure.

Arbitration

The procedure used to determine the responsibility for a chargeback-related dispute between two members.

Assessments

Fees paid to MasterCard and VISA for marketing and administrative costs. This is a percentage of the sales passed through interchange.

Associations

Licensing regulatory agencies for bankcard activities which include MasterCard International, Visa U.S.A., or Visa

ASP (Active Server Page)

An HTML page that includes one or more scripts, or small embedded programs, that are processed on a Microsoft Web server (Internet Information Server) before the page is sent to the user. Typically, the script in the Web page (at the server level) uses input from a user's request to access data from a database and then builds or customizes the page before sending it to the requester.

ATM

ATM is an acronym for Automated Teller Machine.

Authentication

Identification of individuals and businesses through the use of digital certificates.

Auth Only

A transaction in which the merchant does not intend to charge the cardholder until a later time, if at all. See PRIOR AUTHORIZATION.

Authorization

The request to charge a cardholder. Reduces the cardholders "Open to Buy" but does not actually charge the account. Authorization must be FORCED in order to charge the account. If not used within a certain time period, the authorization will expire. Time period determined by issuing bank.

Authorization Center

A department that electronically communicates with a merchants request for an authorization on credit card transactions to the cardholders bank and transmits the authorization via voice authorization or electronic point of sale equipment.

Authorization Code

The numerical or alphanumeric code sent by the card issuer, given to a sales transaction as verification that the sale has been authorized. The authorization code is always included on the merchant sales draft.

Automated Response Unit (ARU)

An ARU allows the manual keyed entry and subsequent authorization of a credit card over a cellular or land-line telephone. A business typically imprints their customer's card with an imprinter and then processes the transaction instantaneously over the phone.

Average Ticket

The average size of a merchant's bankcard transaction. Generally used in pricing decisions and calculations.

AVS (address verification system)

See "Address Verification Service"

Backbilling

A pricing structure where the qualified discount rate for the current month is detailed on that month's statement and downgrades, transaction fees, and monthly fees are billed on the following month's statement.

Balance Sheet

A financial statement showing assets, liabilities, and net worth as of a specific date.

Bandwidth

The amount of electronic data that can be transferred through an electronic connection in a given time. For modems connected by telephone to the Internet, the modem's "speed" represents the maximum possible bandwidth of the connection, such 56.6 Kps (kilobits per second). Competent Web site operators strive to keep the size of Web page files low to conserve bandwidth and speed downloading.

Bankcard

A plastic card that is widely accepted by merchants as a result of a standard set of rules for the authorization of its use, clearing, and settlement of transactions, used to credit an account for processing a sales transaction. The most common bank card is a credit card. Transactions are usually not profitable for amounts of less than \$5 (U.S.); micropayment schemes are designed for much smaller increments of payment.

Bank Identification Number (BIN)

The digits of a credit card that identify the issuing bank. Sometimes the first six digits. Often referred to as a BIN.

Bank Routing Number

the first nine digits that appear across the bottom of a personal check, they identify the financial institution

Basis Point

One one-hundredth of a percent. Discount rates are expressed as basis points.

Batch

A collection of credit card transactions saved for submitting at one time, usually each day. Merchants who do not have real-time verification systems must submit their transactions manually through a POS terminal. Batch fees are charged to encourage a merchant to submit his or her transactions at one time, rather than throughout the day.

Batch Close

The process of sending a batch to the financial institution for settlement.

Batch Fee

A fee incurred for settling each batch from the terminal.

Batch Header Ticket

The identifying form used by the electronic submission merchant to indicate a batch of sales or credit slips (usually one day's transactions).

Batch Processing

A type of data processing where related transactions are transmitted as a group for processing.

Batch Settlement

An electronic procedure in which the front-end processor consolidates the transactions within a group or batch and forwards the batch to the back-end processor for submission to the card company for clearing and later settlement or payment of funds to the acquirer. The acquirer then funds the merchant's account for payment.

BIN see "Bank Identification Number"

Browser

A software program used for locating, requesting, and displaying Web pages. Examples include Netscape Navigator, Microsoft Internet Explorer, and Opera.

Bundled Rate

A discount rate which includes communication costs as well as transaction fees. Also referred to as a flat rate.

Buy Rate

The fee associated with the acquiring bank that is equal to interchange (which is paid to the issuing bank) plus the acquiring bank's markup.

Cancellation Fee

A fee incurred if a merchant cancels prior to the completion of the agree-upon contract term.

Capture

The submission of a credit card transaction for processing and settlement. POS terminals and real-time processing software capture transactions to submit to merchant account providers or credit card processors.

Card Issue

Financial institution (or its agent), which issues the financial transaction card to the cardholder. The card issuer remains unchanged throughout a transaction.

Card Laundering

When a merchant processes sales through his or her merchant account on behalf of another merchant. Laundering violates the terms of merchant agreements, also known as draft laundering or factoring

Cardholder

A person or company who has an active credit card account with which transactions can be processed.

Card-Not-Present

Card transactions (Internet or MOTO purchases, for example) for which the customer's card is not physically present and therefore not handled by the merchant. Interchange is set higher on these transactions because there is a greater likelihood of fraud involved during the transaction process.

Card Validation Code (CVC)

A unique encrypted 3-digit value that is encoded in the magnetic stripe and printed on the back of a MasterCard. It is used as an additional means of Cardholder validation during the authorization or referral process.

Card Verification Value 2 (CVV2)

A unique encrypted 3-digit value that is encoded in the magnetic stripe and printed on the back of a Visa Card. It is used as an additional means of Cardholder verification during the authorization or referral process.

Cascading Style Sheets (CSS)

A method used to attach styles such as specific fonts, colors, and spacing to HTML documents. Because they "cascade," some elements take precedence over others.

Cash Advance

The amount advanced by a bank teller or ATM to the bankcard holder against the cardholder's line of credit.

Cash Back

In the credit card industry, cash back refers to a rewards program that returns a percentage of the total amount spent on the credit card over a specific period of time to the cardholder, usually monthly or quarterly

CDPD

Cellular Digital Packet Data; Wireless Technology allows data files to be broken into a number of "Packets" and sent along idle channels of existing cellular voice networks.

Certification

Process during which a terminal or software provider meets certain standards required by the certifier.

CFR (Cost and Freight)

Indicates that a quoted price includes the cost of the goods and transportation charges but not of insurance.

Chain

A series of merchant locations that are managed/owned by the same entity.

Channel

A path along which a POS communication signal is transmitted.

Chargeback

Fee charged for transactions that are successfully challenged by a credit card holder. After a charge is disputed and adjudicated in the cardholder's favor, the transaction total and chargeback fee are deducted from the merchant account.

Chargeback Reason Code

A two-digit code identifying the specific reason for a chargeback.

Check 21

Check 21 is referred to as Remote Deposit Capture because an image of a check is captured and used in place of the original document.

Check Cards

A card tied to a cardholder's DDA bearing the logo of Visa, MasterCard, or Discover. A PIN is not entered at the point of sale and the transaction is assessed through the Visa, MasterCard or Discover Interchange. The transaction does require a cardholder signature, similar to a credit card transaction.

Check Guarantee

A service which guarantees check payment (up to the limit defined for the account), provided that the merchant follows correct procedures in accepting the check. The service determines whether the check writer has previously written delinquent checks.

Check Imager

A counter-top device used to scan images of checks, according to legal specifications, for electronic clearing and settlement.

Check Imaging

The conversion of a paper check to digitized images at various points along the collection process, eliminating the need for unsecured paper hand-offs.

Check Reader

A hardware device that can be integrated to a terminal or point of sale device that reads the MICR line on a check for authentication, negative file comparison, or truncation.

Check Services

Authorization of a check.

Class A Certified

Certification of a product WITH Help Desk support.

Class B Certified

Certification of a product WITHOUT Help Desk support.

Clearing

The process of exchanging financial details between an ACQUIRER and an ISSUER to facilitate posting of a cardholder's account and reconciliation of a customer's settlement position.

Client

A computer that requests and receives data over a network, including the Internet. The most common types of client on the Internet are computers running browsers or e-mail programs.

Close Batch

The process by which transactions with authorization codes are sent to the processor for payment to the merchant.

Code 10

Code 10 calls are made when merchants are suspicious about accepting a credit card. The phrase "Code 10 authorization" is used to avoid alerting the customer to the fact that the merchant is suspicious of their card. The operator then asks the merchant a series of YES or NO questions to find out whether the merchant is suspicious of the card or the cardholder. The merchant may be asked to retain the card if it is safe to do so.

Commerce Server

A Web server that contains the software necessary for processing customer orders via the Web, including shopping cart programs, dynamic inventory databases, and online payment systems. Commerce servers are usually also secure servers.

Commercial Cards

Commercial cards are credit cards utilized by corporations/businesses.

Compliance

Compliance to the Visa and MasterCard rules and regulations.

Cookies

Small files that are automatically downloaded from a Web server to the computer of someone browsing a Web site. Information stored in cookies can then be accessed any time that computer returns to the site. Cookies allow Web sites to "personalize" their appearance by identifying visitors, storing passwords, tracking preferences, and other possibilities.

Corporate Card

A bankcard issued to companies for use by company employees.

Crawler

A software application that automatically finds and retrieves information from the Web. Also called a "spider" or "robot."

Credit

Commonly referred to as a "Refund," this is a transaction that transfers money from the merchant to the cardholder's account.

Credit Bureau

A company that records and sells information regarding payment behavior of consumers and issues credit reports. Also called a credit-reporting agency.

Credit Card

A bankcard establishing the privilege of the person to whom it is issued to present it as payment to a merchant; the card bearer must reimburse the credit card company the amount of the sale. Credit card transactions are usually not profitable for amounts of less than \$5 (U.S.); micropayment schemes are designed for much smaller increments of payment.

Credit Card Processors (or third-party processors)

Merchant services providers that handle the details of processing credit card transactions between merchants, issuing banks, and merchant account providers. Web site operators usually must first establish their own merchant account before contracting for credit card processing services.

Credit Limit

The maximum amount the cardholder may owe an issuer on the card.

CVV

See "Card Verification Value".

CVV2

See "Card Verification Value 2".

Daily Discount

For a merchant who does not have previous processing, their qualified discount rate is deducted from their batch sales total before their batch deposit is made. At the end of the month, the transaction fees and monthly fees are deducted from the merchant's DDA.

Data Capture

Input of data, not as a direct result of data entry, but instead as a result of performing a different but related activity.

Data Encryption

The scrambling of information sent over the Internet. Data encryption ensures that only the intended recipient has the ability to read and understand the information.

Database

A file or file system containing organized information and, most commonly, a filing and retrieval system for storing information. Most database software also includes tools for data analysis. Examples of database software include Oracle, Sybase, and Microsoft Access.

DBA

"Doing Business As"

DCS (Destination Control Statement)

A document that accompanies nearly all commercial shipments that declares the shipment's contents are licensed for export to a particular destination. The anti-diversion clause in the DCS precludes the diversion of the shipment to any other destination.

DDA

See "Demand Deposit Account"

Debit

A charge to the customer's bankcard account.

Debit Card

A financial instrument used by consumers in place of cash. Unlike a credit card, debit card purchases are deducted automatically from the cardholder's account, like a check. Visa and MasterCard now offer debit cards through banks and other financial institutions.

Debit Network

Debit Networks transmit transaction data between the Merchant Bank and debit card Issuer. There are a variety of Debit Networks and each network supported by a debit card will have its logo printed on the debit card. Some examples are STAR, NYCE and MAESTRO.

Debit Transaction

A transaction involving a pin based debit card.

Demand Deposit Account

The individual bank account that is credited or debited for deposits, fees, and adjustments.

Decline

The processing network or the cardholder's bank has refused to complete a transaction for Sale, Refund or PreAuth. The processor passes back to the retailer any reason it receives if a Decline is issued.

Deposit

When a merchant closes a batch and sends the transactions to the host computer for settlement. Compare to RELEASE. Batches should be closed on a daily basis to ensure the lowest discount rates.

Dial-Up Terminal

A terminal that, like a telephone, dials the authorization center for validation of transactions.

Direct Marketing

Marketing via a promotion delivered directly to the individual prospective customer.

Digital Certificate

Online identification that authenticates a consumer, merchant and financial institution. Digital certificates are used during SET transactions.

Digital Wallet

A consumer account set up to allow e-commerce transactions through a particular credit card processing system. Before the consumer can make a purchase, he or she must first establish an account with the credit card processor, who provides an ID and password. These can then be used to make purchases at any Web site that supports that transaction system. CyberCash's "Digital Coin" system is an example of a digital wallet system.

Discount Rate

The amount a merchant processor charges a merchant to give credit for depositing and handling merchants' daily credit card transactions.

Discover Card

The Discover Card began as a reward-based card issued by Sears. Since its founding, Discover has grown to over 5 million merchants accepting the card. In 2007, Discover went to an indirect acquiring model by allowing acquiring processors to acquire and sell Discover as part of the MasterCard/Visa package. All Discover Cards begin with a "6."

Doing Business As (DBA)

Refers to the specific name and location of the merchant establishment where credit card purchases were made.

Domain

A designation for particular location on the Internet. A domain, for example "Merchantstorez.com," contains files that make up the content of Web pages under that address. Merchantstorez.com/intro.htm and MerchantWorkz.com/report3.htm are different Web pages located within the same domain. Domain names are associated with IP addresses.

Downgrades

When a transaction does not meet the qualifications for a particular level and it is assessed with an additional fee. For example, if a transaction that would normally be swiped is keyed, that transaction will downgrade and will be assessed accordingly.

DUKPT

Derived Unique Key Per Transaction (DUKPT) is a key management scheme in which for every transaction, a unique key is used which is derived from a fixed key. Therefore, if a derived key is compromised, future and past transaction data are still protected since the next or prior keys cannot be determined easily. EBT- See "Electronic Benefits Transfer".

E-Check

The electronic equivalent of a paper check.

Early Termination Fee (ETF)

A fee charged for the termination of the merchant account prior to the contract end date.

EBT

See "Electronic Benefits Transfer "

E-commerce

The processing of economic transactions, such as buying and selling, through electronic communication. E-commerce often refers to transactions occurring on the Internet, such as credit card purchases at Web sites. See also Internet commerce.

EDC

See "Electronic Data Capture"

EDI (electronic data interchange)

EDI is a global computer network, separate from the Internet, used to handle financial transactions between banks and other institutions.

EFT (Electronic Funds Transfer)

A method of transferring money from one bank account to another using a variety of electronic methods such as bank wire transfer, federal wire transfer, international wire transfer.

EIRF (Electronic Interchange Reimbursement Fee)

A Visa classification level that is charged to the merchant when a credit card is not present, swipe not read, card number is manually key entered.

Electronic Banking

A form of banking where funds are transferred via an exchange of electronic signals between financial institutions instead of exchanging cash or checks.

Electronic Benefits Transfer (EBT)

The delivery of annuity and public assistance benefits through the application of plastic card technology.

Electronic Commerce (E-Commerce)

Conducting business electronically instead of using paper.

Electronic Draft Capture (EDC)

A system in which each transaction is routed to the host computer for processing and storage. The stored transactions are used to create settlement files and transactions reports.

Electronic Financial Services

(EFS) financial services that are provided electronically via personal computers, ATM machines, etc.

Electronic Wallet

Software that enables a cardholder to conduct online transactions, manage payment receipts and store digital certificates.

EMC (Export Management Company)

A firm that provides exporting services to other firms. The export management firm will either take title to act as an intermediary merchant or provide export management services in exchange for fees or a commission.

Embossing

The raised characters that are printed on all credit cards. Embossing provides the cardholders information and allows the card to be imprinted.

EMV (Europay, MasterCard, Visa)

EMV is a technical standard for smart payment cards and for payment terminals and automated teller machines that can accept them. EMV cards are smart cards (also called chip cards or IC cards) which store their data on integrated circuits rather than magnetic stripes.

Encryption

The process of encoding a PIN pad with the processor's configuration and key injection for the purpose of accepting debit cards. Most common formats are DUKPT (Derived Unique Key Per Transaction) and Masterkey (MasterCard's debit key encryption format). "The Debit Process" - The transformation of data for the purpose of privacy into an unreadable format until reformatted with a decryption key.

Entitlements

Also known as card types. The credit card processing services provided to an establishment.

ESN (Electronic Serial Number)

The unique serial number assigned to a RAM Modem terminal by the manufacturer.

Ethernet Processing

To process over an IP-based system.

Expiration Date

The date embossed on the credit card beyond which the card is not acceptable by the establishment at the point-of-sale.

Export License

Permission granted to ship a product to a foreign recipient. In the United States, export licenses are either general licenses or IVLs (individual validated licenses).

Facsimile Draft

a paper record that is provided to an acquirer as a substitute for an actual sales draft.

Factoring

The purchase of debts owed, or "accounts receivable," in exchange for immediate payment at a discount. In e-commerce, the term is often applied to ISOs that offer to process credit card transactions through their own merchant account rather than through an account established by the merchant, in exchange for a percentage of the transaction or other fee. Factoring of credit card debt is illegal.

FDIC (Federal Deposit Insurance Corporation)

The federal program that protects consumers by providing insurance for bank deposits in the event that a bank becomes insolvent. All funds from PPI merchant accounts, including credit, debit (ATM) and EFT transactions are FDIC insured throughout the entire transaction process from authorization and settlement through ACH deposit into the merchant's bank account.

Federal Reserve

The central banking system of the U.S., comprised of the Federal Reserve Board, the 12 Federal Reserve Banks, the Federal Open Market Committee, and the national and state member banks.

Finance Charge

Fee assessed by the issuer on a cardholder's ongoing balance, providing the financial institution with income.

Financial Institution

Any organization that provides an avenue to move, invests, lend or provide financial services. This would include federal & state savings banks, savings and loan associations, credit unions and commercial banks.

Financial Transaction

A transaction from the acquirer to the card issuer containing all the necessary data elements for authorization, posting and reconciliation.

Fleet Cards

Private label credit cards designed mainly for repairs, maintenance and fueling of business vehicles.

Floor Limit

The dollar amount an acquirer sets in accordance with Visa/MasterCard guidelines. The merchant must obtain an authorization for all transactions above the floor limit.

Force Transaction/ Offline Transaction

The entry of a transaction after a referral message is displayed on the POS terminal or network interruption of service that allows the merchant to enter a transaction and the approval code as a forced entry with an authorization code.

Four Tier Pricing

A pricing structure offering four distinct tiers - one qualified rate for credit cards, one qualified rate for check cards, a mid-qualified surcharge, and a non-qualified surcharge.

Freight Forwarder

A firm that handles export shipments for other firms.

Front-End

The front-end is responsible for collecting card information in various forms (terminal, gateway, software) and processing it to conform to a specification the back-end can use. The front-end is a kind of interface between the user and the back-end, which allows merchant to request authorization for transactions. Example: Global Payments utilizes the front end Global East, Global Central, and Vital front-end. First Data utilizes the Omaha, North, Nashville, Memphis/Stratus, and Atlanta/Bypass front-end.

FTP (File Transfer Protocol)

A set of standard codes for transferring files over the Internet. FTP is usually used for retrieving large files or files that cannot be displayed through a browser. Windows FTP and Fetch are examples of FTP software.

Fulfillment

The acquirer provides the issuing bank with an original sales draft or a legible copy.

Funding

The payment a merchant receives for his settled and captured deposits.

Gateway

In payment processing, any network that connects merchant POS terminals with transaction processing and settlement networks, such as the MasterCard and Visa settlement networks. Gateways can also provide related services, including transaction management and reporting. Gateways more commonly refer to an Internet Gateway, such as Authorize.Net, which allow merchants to set up shopping carts or accept transactions when the card is not present.

General License

A declaration by the U.S. Bureau of Export Administration that permits the open export of certain nonstrategic goods and services to designated countries. Exporters of these goods need not acquire an IVL (individual validated license).

GIF (Graphic Interchange File)

A file type that contains a graphic, photo, or other image. GIFs are commonly found on the Web, along with another graphic file format, the JPEG. GIFs tend to take less memory and bandwidth than JPEGs, and can contain animation. JPEGs offer greater image clarity, especially for photo images.

Gift Card

Type of stored-value card used for payment of products or services commonly issued by retailers and banks. Gift cards are preloaded with a set value.

Good Faith

An attempt to resolve a dispute regarding a violation of Visa/MasterCard rules and regulations via written correspondence/documentation.

Gross Deposit

Submitting the total dollar amount of bankcard credit and sales drafts for payment.

Guarantor

One who guarantees an obligation and has a legal duty to fulfill it.

Hard Copy

The original document of an application, credit slip, sales draft/slip.

High Ticket

The dollar amount of a merchant's largest sale or transaction.

Holdback

A portion of the revenue from a merchant's credit card transactions, held in reserve by the merchant account provider to cover possible disputed charges, chargeback fees, and other expenses. After a predetermined time, holdbacks are turned over to the merchant. Note Merchant account providers almost never pay interest on holdbacks.

Hologram

A laser photograph of an image to create a three dimensional image. Primarily used within the bankcard industry as an anti fraud/counterfeit deterrent.

Home Page

The page where a user enters a Web site.

Host Capture

Type of transaction capture in which transaction information is stored in the processor's host computer and not at the merchant's POS system. Compare to Terminal Capture. Settlement occurs at the host computer and is automatic no merchant initiation is required.

Hot Card

A bankcard that has been used excessively. Usually indicating that the card has either been stolen or counterfeit.

HTML (hypertext markup language)

A set of codes that determine how a Web page will appear, including graphics, links, and text characteristics. Other code sets that build on HTML include dHTML, VRML, and XML.

ICS (Internet commerce services)

The services an Internet commerce provider offers to enable clients to handle many facets of their business on the Internet.

Imprint

Can be electronic (by swiping a card thru a card reader) or manual (by obtaining a physical imprint using an imprinter). One of the two is always required on a credit card transaction to prove that the card was present.

Imprinter

A piece of equipment used by merchants to imprint embossed information off of a bankcard onto a sales draft.

Independent Sales Agent (ISA)

An independent contractor used to broker accounts for merchant processing and or servicing.

Independent Sales Organization (ISO)

Also referred to as a Merchant Member Service Provider, a type of Member Service Provider (MSP) that supports a member's acquiring program by soliciting merchants and presenting the member merchant agreement.

Interchange

A standard format for sharing or transferring data electronically between parties that do not share a common application. Usually a format that is platform-independent is agreed upon as a standard. Examples of common interchange formats include EDI (electronic data interchange), ASCII (American Standard Code for Information Interchange), and GIF (graphics interchange format). Interchange is the operating system of Visa/MasterCard for authorization, settlement, capture and passing through of interchange and other fees in addition to monetary and non-monetary information regarding bankcard transaction/processes.

Interchange Fee

Servicing fees paid by acquirers to issuers for transaction costs. Visa/MasterCard establishes and periodically reviews interchange rates.

Interchange Plus Pricing

A pricing structure in which the interchange and dues/assessments are passed directly through to the merchant. Basis points are added for profit and a charge per transaction for authorization is added to cover the cost and secure profit. This structure is sometimes also referred to as cost-plus pricing. This type of pricing is usually used for larger volume merchants.

Internet Commerce

A broad term covering all commercial transactional activities on the Internet. Internet commerce can range from vendors selling software from a Web storefront (Web site) to large corporate procurement systems using an Internet-based VPN (virtual private network) to deal with trading partners. Internet commerce is not synonymous with e-commerce, which covers all electronic commercial activities.

Intranet

An application that allows individuals within an organization to exchange information.

IP Address (Internet protocol address)

A designation for a particular location on the Internet, such as "140.23.719.6." IP addresses are associated with domain names.

ISO (Independent Sales Office)

A firm or organization that offers to process online credit card transactions, usually in exchange for transaction fees or a percentage of sales. Merchants must generally establish a merchant account before contracting for ISO services, although some ISOs claim not to require separate merchant accounts. See also factoring.

ISO 9000

A set of standards for electrical and electronic products, formulated by the International Standards Organization. Product quality standards in most nations must either meet or exceed ISO 9000 standards.

ISP (Internet service provider)

A firm that provides access to the Internet, including Web browsing and e-mail. ISPs often offer connections that can be accessed by dialing a telephone number through your computer's modem.

Issuer/Issuing Bank

A licensed member of Visa/MasterCard that holds the contractual agreements with other financial institutions and issues bankcards.

Issuing bank

The bank that maintains the consumer's credit card account and must pay out to the merchant's account in a credit card purchase. The issuing bank then bills the customer for the debt.

IVL (individual validated license)

Written declaration by the U.S. Department of Commerce granting permission to export specified products to a specified foreign recipient. See also general license. (J) Java A programming language frequently used on Web sites. Some Java programs, or "applets" are downloaded from the Web server to the visitor's own computer, which then runs them. This distinguishes Java programs from other Web programming languages, such as PERL, that reside and run on the Web server (only the results are downloaded to the visitor's computer).

Japanese Credit Bureau (JCB)

Issuers of the JCB bankcard.

JPEG (or JPG)

A file format used for storing graphic images, usually photographs. JPEG files are larger than GIFs of the same image but offer better color control and clarity. See also GIF.

Kiting

A scam in which a merchant submits a sales draft from his or her personal account(s) to get cash advances from their business.

Local Area Network (LAN)

A data communication network confined to a limited geographic area with moderate to high data information. The area consists of single or cluster buildings. It is owned solely by its user and does not use common carrier circuits although it may have gateways or bridges to other public or private networks

Level II Corporate Cards

Business, corporate or government GSA purchasing cards (known as p-cards or purchase cards) that require certain data to qualify a certain interchange levels. To have transactions qualify for level 2 pricing, you must use a certified product that collects and submits the data properly to Visa/MC must be used. Required data to qualify for Level 2: 1. Standard Info - credit card number & expiration date, billing address, zip code & invoice number. 2. Customer Code - no longer required, but encouraged if they have it. 3. Sales Tax - an amount must be submitted separately from the total transaction amount.

Level III Corporate Cards

Business, corporate or government GSA purchasing cards (known as p-cards or purchase cards) that require certain data to clear at certain interchange levels. To have transactions qualify for Level 3 pricing, a certified product that collects and submits the data properly to Visa/MasterCard must be used. Required Data to Qualify for Level 3: 1. Standard Info - credit card number & expiration date, billing address, zip code & invoice number. 2. Customer Code - no longer required, but encouraged if they have it. 3. Sales Tax - an amount must be submitted separately from the total transaction amount. 4. Freight Amount - If unavailable, enter \$0.00 5. Duty Amount - If unavailable, enter \$0.00 6. Line Item Details: o Product / Service ID (item ID) o Product / Service Description o Quantity o Item Amount (like \$100) o Unit of Measure.

Magnetic Ink Character Recognition (MICR)

A character-recognition technology used mainly by the banking industry to ease the processing and clearance of checks and other documents. The numbers are imprinted at the bottom of a check.

Magnetic Stripe

A stripe on the back of a bankcard that contains magnetically encoded cardholder account information. The name of the cardholder is stored on Track I and the account number and expiration date are stored on Track II.

Mail Order/Telephone Order (MOTO)

The direct marketing catalog industry. Potentially risky business types.

MAN (Metropolitan Area Network)

A network covering a larger area than a Local Area Network (LAN).

Manual Entry

Credit card information that is entered via terminal keypad or keyboard instead of swiping the card through a card reader.

MAP (Merchant Account Provider)

A bank or other institution that hosts merchant accounts and processes online credit card transactions. The term is also often used broadly to include any credit card processing service, including ISOs.

MasterCard

An association of banks that governs the issuing and acquiring of MasterCard credit card transactions and Maestro debit transactions.

MATCH List

See "TMF"

Member

A financial institution that is a member of VISA USA and or MasterCard International. A member licensed to issue cards to cardholders and to accept merchant sales receipts.

Member Service Provider

See "Independent Sales Organization"

Merchant Account

A bank account established by a merchant to receive the proceeds of credit card purchases. By establishing a merchant account, the merchant bank agrees to pay the merchant for valid credit card purchases in exchange for the right to collect on the debt owed by the consumer.

Merchant Account Types

There are two basic types of merchant accounts. A Retail account is merchant account that is approved for use in a physical store where the cardholder and the card are present. Typically the merchant swipes the card through a card reader to get your card numbers so this account is sometimes referred to as a "swipe" account or "cardholder present" account.

Retail accounts are the least risky type of account and therefore the merchant account provider charges the merchant must less than the riskier "card not present" type of accounts.

A "card not present" account is also called a Mail Order - Telephone Order (MOTO) account. This is the account used by mail order companies, anyone accepting phone orders or any other system where the merchant can't physically see the card and/or the cardholder. Currently this is the type of account used for Internet Businesses accepting credit cards online.

Because there is increased risk for charge backs and fraud with MOTO accounts, merchant account providers always charge the merchant higher rates and fees for this type of account.

Merchant Acquirer

A member that has entered into agreement with a merchant to accept deposits via bankcard transactions.

Merchant Agreement

The written contract between the merchant and the acquirer regarding their rights, rates, and responsibilities.

Merchant Bank

A bank that holds a merchant account. After a consumer buys a product using a credit card, the merchant bank places funds into a merchant account in exchange for the right to collect on the debt owed by a consumer. See also merchant account provider.

Merchant Category Code (MCC)

Merchant classification code that identifies the merchant by business type and or processing type, authorization and settlement.

Merchant Number

A number that identifies each merchant to the processing company.

Merchant Services Provider

A bank, ISO, or other firm that provides services for processing financial transactions, usually credit card sales. Many MSPs provide merchant accounts, while others require their clients to establish merchant accounts on their own. Some MSPs claim that they do not require merchant accounts; this may indicate factoring, which is illegal in many areas. See also holdback.

MICR

See "Magnetic Ink Character Recognition"

Micropayment

Very small charges, perhaps even less than a penny, processed through e-commerce systems. Until this time, e-commerce has been largely limited to purchases of \$10 (U.S.) or more. With micropayments, however, e-commerce merchants can sell products for far lower prices, such as charging small fees for downloading documents or charging per click for online advertising. Micropayment systems are still largely experimental and not widely available.

MID (Merchant Identification Number)

Refers to the Merchant Identification Number. This unique number identifies a merchant.

Mid-Qualified

A broad term that describes a transaction that did not interchange at the best rate because it was entered manually or was not settled in a timely manner.

MID/TID

MID - Merchant ID number and TID - Terminal ID numbers. For example, a grocery store typically has a single MID but has a distinct TID for

each cash register terminal. By sorting all of that MID's traffic by TID, management can see which register contributed which set of transactions. Most Web retailers have just one terminal, so all traffic is associated with a single MID/TID. However, You may have more than one account associated with the same MID/TID. In that event, you'll find that batches often contain transactions from more than one account.

Minimum Discount Fee

A fee that is assessed a merchant that does not process at least \$25 per month.

Modem

Stands for MOdulatorDEModulator. An electronic telecommunications hardware device used by the terminal or PC POS to dial up the PROCESSOR.

MOTO (Mail order, telephone order)

This is the account used by mail order companies, anyone accepting phone orders or any other system where the merchant can't physically see the card and/or the cardholder. Currently this is the type of account is used for Internet Businesses accepting credit cards online. Because there is increased risk for charge backs and fraud with MOTO accounts, merchant account providers always charge the merchant higher rates and fees for this type of account. A classification of merchant account with a specific set of rules that are more restrictive than retail merchants. Enables a merchant to accept credit card payment without a cardholder's signature. The merchant and the cardholder do not need to be in the same physical location. MOTO accounts are also known as Card Not Present or CNP accounts.

MOTO Discount Rate (mail order / telephone order discount rate)

The discount rate charged by the merchant account provider for credit card transaction in which the actual credit card was not available to the merchant. MOTO discount rates are generally higher than swipe discount rates to account for the increased chance of fraud or nonpayment.

Monthly Minimum

The minimum amount in fees and percentages charged by a merchant services provider in a given month. If account activity does not generate the monthly minimum, the account holder must make up the difference.

MSP (Merchant Services Provider)

A firm that is directly certified by an acquiring bank to provide credit card accounts.

National Automated Clearing House Association (NACHA)

The national association that establishes the standards, rules and procedures that enable depository financial institutions to exchange ACH payments on a national basis.

Net Payment

Payment to the merchant for sales drafts less credits minus the specified discount fee.

Net Revenue

Discount income less interchange expenses.

Net Settlement

The settlement through an actual transfer of funds.

Non-Bankcard

A non-bank company that deals directly with the cardholder i.e. American Express, Diners, Discover, Carte Blanche and JCB.

Non Face-to-Face Transactions

Any transaction where the card is not present at the time of the sale.

Non-Sufficient Funds (NSF)

Used to indicate that a demand for payment cannot be honored because insufficient funds are available in the account on which the instrument was drawn.

Non-Qualified Rate

A fee that applies to all retail, MOTO, internet items without an AVS match, AVS Request, delayed or incomplete transactions/batches/batch settlements for foreign cards, business cards and or corporate cards.

Notification

A message where the sender notifies the receiver of an activity taken, requiring no approval or response.

No Show

A charge processed by a hotel or motel when a cardholder fails to arrive at a certain time or fails to cancel a guaranteed reservation with a certain timeframe. The wording "no show" must be written on the signature line of the sales draft.

Off-line Debit

An off-line debit card does not deduct funds from the checking account immediately. Transactions are processed like a regular credit card and the funds are not deducted for approximately 24-72 hours. Off-line debit cards have a MasterCard, and Visa, or Discover logo.

On-line Debit

An on-line debit card deducts funds from the bank account immediately, as soon as the card is used. There is no delay for processing the transaction. On-line debit cards can either have the MasterCard, Visa, or Discover logo, or they can have only the user's logo, like an ATM card.

Online Storefront

A commerce-enabled Web site available on a public network, such as the Internet, that offers goods and services for sale. An online storefront is the equivalent of a store or place of business that a customer would visit to purchase goods and services.

Open to Buy

The amount of credit available at a given time on a card holder's account

Packet

A bundle of data organized in a specific way for transmission. The three principal elements of a packet include the header, the text, and trailer (error detection and correction bits).

Pass-Through Pricing

See "Interchange Plus Pricing"

Payment Card Industry (PCI) Data Security

Created to ensure the security of payment card information. Failure to adhere to the standard (by any party that handles card information, including merchants and ISOs) can result in hefty fines. Often shortened to PCI.

Payment Gateway

An e-commerce application service provider service that authorizes payments for e-businesses, online retailers, bricks and clicks, or traditional brick and mortar. It is the equivalent of a physical point of sale terminal located in most retail outlets; see also "Gateway".

PCI Compliance

Adherence to the Payment Card Industry Data Security Standard. PCI compliance is required by all card brands.

PCI DSS

See "Payment Card Industry Data Security Standard".

Personal Identification Number (PIN)

A number issued to a cardholder to use towards authorizing card payments and make ATM withdrawals.

PIN

See "Personal Identification Number"

PIN Debit

A debit card transaction authorized by a cardholder using a personal identification number to complete the transaction.

PIP

Refers to Plural Interface Processing. Split dial capability that allows terminal to process American Express directly thru the AMEX network, thereby eliminating AMEX authorization fees.

Plug'n Pay

A pioneer of Internet payment solutions that enable customers to maximize online and point-of-sale profits, reduce risk of fraud and build customer loyalty with a wide array of leading-edge premium products and services. All of Leader's products are simple to use, fast to integrate and highly cost effective.

Point of Sale (POS)

The place and time at which a transaction occurs. This term also refers to the devices or software used to capture transactions.

Post Authorization

A sale transaction for which you received a VOICE AUTHORIZATION at an earlier time.

POS Terminal

A piece of equipment used at a merchant location that is connected to the bank and or their authorization service provider via phone lines to authorize, record and forward information electronically. If the credit card is available, the merchant can swipe the card through the terminal. See also swipe discount rate and MOTO discount rate.

Posting

The process of recording debits and credits to individual cardholder account balances.

Point of Sale (POS)

The merchant location where the customer makes a purchase.

Pre-Auth

An event where no money flows but the cardholder's account is asked whether a pending Sale is likely to be successful. The authorization/approval of a Pre-auth usually indicates that a follow-up Sale will also be approved, but do keep in mind that the favorable condition of the cardholder's account may change before you can issue a Sale.

Prepaid Card

A payment card with a set amount of money that has been preloaded onto it for future use by the consumer. It is not a credit card or debit card. Prepaid cards can be used in an open-loop (branded by Visa, MasterCard and so forth) or closed-loop (merchant or mall-branded). The most common type of prepaid card in use today is the gift card.

Presentment

The process the acquirer uses to send transaction information to the issuer for reimbursement.

Private Label

Proprietary cards only accepted at that merchant's retail location.

Prior Authorization

An authorization that has been obtained previously, either through operator or through credit card equipment.

Processor

A transaction processor; a large computer center that processes data from credit card transactions and settles funds to merchants.

Protocol

A specific set of rules for organizing the transmission of data in a network.

Purchase Cards

A purchasing card is a form of company charge card that allows goods and services to be procured without utilizing a traditional purchasing process.

QSR

See "Quick Serve Restaurant".

Qualification

A level at which a transaction interchanges. Level of qualification (qualified, mid-qual, e.t.c.) is dependent on how credit card number is entered, how quickly a transaction is settled, the type of industry, specific information, etc.

Qualified Discount Rate

The percentage of the merchant's volume that is charged to process their transactions. The qualified rate is the best rate a merchant can receive per their merchant agreement. For a retail merchant, this will be a swiped consumer credit or check card transaction. For a MOTO or Internet merchant, this will be a keyed consumer credit or check card transaction using AVS and including an invoice number. For both retail and MOTO/Internet merchants, the transaction must be batched out within 24 hours of the time of the transaction.

Quick Serve Restaurant

No signature required for transactions under \$25.00 for certain MCC/SICs.

QuickBooks

Business accounting software.

RDC

See "Remote Deposit Capture".

Real-Time Authorization

Authorizes a credit card in real-time, as a customer makes their purchase.

Real-time Processing

The verification and processing of credit card transactions immediately following a purchase. Real-time verification on the Web usually takes less than five minutes. Real-time verification is especially important for Web sites that sell products and services that consumers expect immediately, such as memberships to the site or software downloads.

Reason Code

A code used to provide additional information to a member regarding chargebacks, presentments, or retrieval requests.

Receipt

A hard copy of an invoice or sales draft that took place at the point of sale that includes a date, merchant name and or location, account number, dollar amount, reference code and the type of account.

Reconciliation

An exchange of messages between two institutions (acquirer, card issuer, or their agents) to reach agreement on their financial totals.

Recurring Fees

Regular, usually monthly, charges for maintaining a merchant account. Recurring fees include the discount rate, transaction fees, statement fee, and monthly minimum.

Recurring Transaction

A transaction that is charged to the cardholder on regular scheduled intervals for goods and or services provided.

Reference Number

A code given to a transaction by Host based processors.

Referral

The message received from an issuing bank when an attempt for authorization requires a call to the Voice Authorization Center.

Remote Deposit Capture

A transaction presented to the issuer by the Acquirer when the establishment requests a reversal of a chargeback.

Replacement Authorization

An authorization used when a previous authorization was approved and a subsequent authorization is required because the amount of the transaction is now different from the originally approved amount.

Representment

A financial transaction originated by a merchant to recover funds charged back by a card issuer.

Request

A message where the sender informs the receiver that a transaction is in progress and a response is required to complete the activity.

Reserve Account (or Holdback)

A portion of the revenue from a merchant's credit card transactions, held in reserve by the merchant account provider to cover possible disputed charges, chargeback fees, and other expenses. After a predetermined time, holdbacks are turned over to the merchant. Note Merchant account providers almost never pay interest on holdbacks.

Response Code

A number provided by a card issuing bank to a merchant explaining why a particular transaction was declined, or verifying the transactions acceptance.

Retrieval Request

A request to a merchant for documentation concerning a transaction, usually a cardholder dispute or suspicious sale/return. A Retrieval Request can lead to a CHARGEBACK.

Reversal

A transaction from the acquirer to the card issuer informing the card issuer that the previously initiated transaction cannot be processed as instructed, i.e., is undeliverable, unprocessed or cancelled by the receiver.

Reverse PIP

The terminal is set up to dial direct to AMEX for authorization and settlement.

Robot

A software application that automatically finds and retrieves information from the Web. Also called a "spider" or "crawler."

Sales Draft

An actual paper documentation of a transaction.

Sales Partner

The independent contractor that submits merchant account business to Leaders Merchant Services.

Secure Server

A Web server or other computer connected to the Internet that is capable of establishing encrypted communication with clients, generally using SSL or SET.

Security

an internal department within the Credit/Risk Department that monitors the performance of the entire portfolio/merchant client base by monitoring suspect accounts and or transactions for possible fraudulent activity.

SET (secure electronic transaction)

A system for encrypting e-commerce transactions, such as online credit card purchases. Developed by Visa, MasterCard, Microsoft, and several major banks, SET combines 1,024-bit encryption with digital certificates to ensure security. SET is still in development.

Settlement

The process by which transactions with authorization codes are sent to the processor for payment to the merchant.

Setup Fees

Fees charged for establishing a merchant account, including application fees, software licensing fees, and equipment purchases.

Shopping Cart Program

A software package that runs as part of a Web site to collect and record purchasing decisions by a visitor. Shopping cart programs are stored on Web servers.

SIC Code

See "Standard Industry Classification Code"

Signature Debit

A Visa Debit or Debit MasterCard transaction authorized by a cardholder's signature; to the casual observer it looks just like a credit card transaction; See also "Check Card" and "Off-line Debit".

Skimming

A method of stealing credit card information using a small, handheld electronic device that scans and stores card data from the magnetic strip. This process can be done manually by criminals who place a skimming device on top of a regular credit card reader (usually at gas stations or ATMs machines) and retrieve it later.

Small Ticket Program

Pricing available on the interchange for certain MCC/SICs when the average ticket is less than \$15.00.

Smart Card

A plastic card containing a computer chip that can store electronic "money." Unlike a credit card, a smart card can only spend out the dollar amount its owner has already put into the card account. It's similar in function to a prepaid calling card but is available for all purchases.

Spam

Unsolicited e-mail. There are two common usages 1) mass e-mailings by commercial sites to recipients who have not requested any contact, and 2) e-mail sent to intentionally annoy or harass the recipient, including crashing his or her computer by overloading its e-mail capacity.

Spider

A software application that automatically finds and retrieves information from the Web. Also called a "robot" or "crawler."

Split Dial

The terminal dials direct to AMEX for authorization and settles at the Visa/MasterCard Host.

Sponsor Bank

See "Acquirer"

SSL (Secure Socket Layer)

A system for encrypting data sent over the Internet, including e-commerce transactions and passwords. With SSL, client and server computers exchange public keys, allowing them to encode and decode their communication.

Standard Industry Classification Code (SIC Code)

Four-digit code assigned by an Acquirer to identify a merchant's business type.

Starter Kit

Supplies that are shipped to new merchants including sales drafts/slips, credit slips, batch header tickets, Visa/MasterCard decals, imprinter plates, terminal overlays and instruction guides.

Stored Value Card

A pre-paid card that stores a monetary value from which the purchase amount is deducted after each transaction.

Super ISO

A large, independent sales organization that supports multiple downstream ISOs and MLSS. Some super ISOs are also processors.

Surcharge Table

A check card rewards a mid-qualified or non-qualified bump selection that is part of tiered pricing structure.

Suspect Transaction

A transaction that occurs one day prior to or directly after an account number is listed in the Warning Bulletin or pick up list.

Swiped Card

Credit card information that is read directly into the terminal as a result of swiping or sliding the credit card thru a card reader. The information magnetically encoded in the magnetic stripe is transmitted. This information includes secret data that helps validate the card.

Swipe Discount Rate

The discount rate charged by a merchant account provider for transactions in which a credit card is swiped on the POS Equipment. It is also available for inspection by the merchant. Swipe discount rates are generally lower than MOTO discount rates because the merchant can match signatures and perform other checks for fraud or misuse.

Switch

An electronic service that routes transaction information from the point of sale terminal to the authorization center for approval.

T-1 (also T-2, T-3)

Commercial connections to the Internet. T-1 connections offer approximately 25 times the bandwidth of 56.6 Kps telephone modems.

Tag

A code within a data structure that gives instructions for formatting or other actions. HTML documents are set up using HTML tags, which serve various functions, such as controlling the styling of text and placement of graphic elements and providing links to interactive programs and scripts.

T & E Card

A Travel and Entertainment (T&E) card is a charge card that is issued by a banking institution or merchant service provider to a business so it can pay for hotels, airline tickets, automotive rentals, meals and other business-related expenses.

Terminal

An end-use device (usually with display monitor and keyboard) with little or no software of its own that relies on a mainframe or another computer (such as a PC server) for its "intelligence." A variation of this kind of terminal is being revived in the idea of the thin client or network computer. The term is sometimes used to mean any personal computer or user workstation that is hooked up to a network.

Terminal Capture

A piece of software that acts as an online store's catalog and ordering process. Typically, a shopping cart is the interface between a company's Web site and its deeper infrastructure, allowing consumers to select merchandise; review what they have selected; make necessary modifications or additions; and purchase the merchandise.

T & E Merchant

An airline, lodging, restaurant or card rental company whose main function is to provide travel/entertainment related services.

Terminal Based

A system that captures credit card transactions and holds them until settlement.

Terminal Capture

Type of software in which transaction information is stored in software, not at the host computer. Merchants using terminal capture must initiate SETTLEMENT at the end of each day or shift. Compare to HOST SETTLE.

Terminated Merchant File (TMF)

A file listing the names of merchants and their principals whose bankcard relationship has been terminated by the acquirer.

Thin Client

A simple client program (not required to know how to interpret and display objects much more complex than menus and plain text) or hardware device that relies on most of the function of the system being in the server.

Third Party Processor

A non-member agent, employed by an acquiring bank, which provides authorization, settlement, and merchant services to a merchant.

Ticket Size

The monetary value of an order placed by credit card.

TID

A unique identification number assigned to a specific point of sale device by the Acquirer.

TMF

See "Terminated Merchant File"

Tiered Pricing

Pricing structure that has set amounts for the different qualification levels.

Touch Tone Capture

Allows the manual keyed entry and subsequent authorization of a credit card over a cellular or land-line telephone. With this method, a merchant typically imprints their customer's card with an imprinter to create a customer receipt and merchant copy, and then processes the transaction instantaneously over the phone.

Transaction

Action between cardholder and merchant that results in activity on a cardholder account.

Transaction Date

The actual date on which a transaction occurs.

Transaction Fee

A per transaction charge incurred by merchants. This is in addition to the percentage DISCOUNT fees.

Travel and Entertainment Cards (T&E Card)

Charge card used to pay for hotel, airline, and other business related expenses.

Truncation

An anti-theft mechanism in which the complete credit card number and expiration date does not appear on the sales receipt. The last four digits of the credit card number will appear on the sales receipt.

Turnkey Application

Software that requires little or no modification when inserted into a Web site. In e-commerce, many MAPs (merchant account providers) and ISOs offer turnkey applications for processing credit card orders online.

URL (uniform resource locator)

An address for a file (or page) located on the Internet, usually the Web. Example www.leadersmerchantservices.com.

Valid Date

The date embossed by the card issuer on the credit card.

Value Added Reseller (VAR)

A company that adds features to an existing products, then resells it (usually to end-users) as an integrated product or complete "turn-key" solution.

VAR Sheet

A sheet used by Value Added Resellers to assist in setting up the merchant account.

VIVOpay

Line of contactless payment devices.

Vivotech

A market leader in contactless/NFC (Near Field Communication) payment software, over the air (OTA) card provisioning, promotion, and transaction management infrastructure software, NFC smart posters, and contactless readers/writers.

Voice Authorization

An approval response that is obtained through interactive communication between an issuer and an acquirer, their authorizing processors or stand-in processing or through telephone, facsimile or telex communications.

Voice Response Unit (VRU)

An automated authorization support system for touch-tone phones.

Voyager Card

A Fleet card that provides an array of fuel, maintenance and service solutions.

VPN (virtual private network)

A private network of computers that's at least partially connected by public phone lines. A good example would be a private office LAN that allows users to log in remotely over the Internet (an open, public system). VPNs use encryption and secure protocols like PPTP to ensure that data transmissions are not intercepted by unauthorized parties.

Web Host

The computer which has your active website on it. To host a website, a host computer must have proper server software, connection capacity for

the traffic that comes to the website and a unique and static internet protocol (IP) address. An IP address looks like 4 sets of numbers separated by periods, i.e. "201.11.123.1" A uniform resource locator, or URL, is a unique name that has been assigned to a static IP of a specific host computer making it easier to find a website.

Web Server

A computer dedicated to storing the various files that make up Web pages and the protocols needed for communicating with other computers via the Internet.

WEX Card (Wright Express)

A commercial fleet fuel (gas)/vehicle service charge card programs

World Wide Web (or simply Web)

The entire collection of files written in HTML and similar mark-up languages available on the Internet. Clients on the Internet use their browsers to request these files from Web servers and then display them as Web pages. The Web is only a portion of the Internet; other parts include e-mail communication and FTP.

Wireless Credit Card Terminal

A machine that allows usage over wireless networks similar to a cell phone.

Wireless Fees

Fees charged for wireless usage.

Wireless Merchant Account

An account using a wireless terminal/POS system.

XML (extensible markup language)

A metalanguage containing a set of rules for constructing other markup languages. With XML, people can make up their own tags, which expands the amount and kinds of information that can be provided about the data held in documents. It enables designers to create their own customized tags to provide functionality not available with HTML. For example, XML supports links that point to multiple documents, as opposed to HTML links, which can reference just one destination each.

Zero Floor Limit

A zero floor limit means that every card transactions has to be authorized. This is most commonly used at fast food restaurants and convenient stores.