



Summit Strategies Educational Brief:

10 Things to Know

The 10 Things You Need to Know About Merchant Processing

1. Will the merchant agreement you have to sign contain an early termination fee? Most processors lock their customers into a 2-3 year contract with early termination fees that can range between \$200 and \$500.

With SUMMIT there is NO early termination fee. We earn your business each and every month.

2. Is there a monthly or annual minimum required? Certain processors will charge an additional monthly fee of up to \$25 if your monthly processing volume is not higher than \$1,200. In addition, if you are getting a “free terminal”, you might be charged an additional fee, which is sometimes called an annual fee, membership fee or risk assessment fee.

With SUMMIT there are no monthly or annual minimums and the only monthly fee is a \$10 statement fee.

3. Were you asked if you want to lease a terminal? This is one of the biggest money makers for processors. Don't be talked into leasing your equipment for any monthly amount. You can most likely purchase the same terminal for a much cheaper price.

SUMMIT does not participate in any leasing programs. It is our opinion that if a merchant needs a new terminal, the most cost effective way to obtain one is to purchase the terminal.

4. Are you being offered a free terminal? Remember, nothing in life is free. Either the cost of the terminal will be made up in your monthly processing fees and/or if you do a high volume of transactions, the processor will only allow you to use that terminal as long as you maintain an account with them.

SUMMIT is always open to a conversation with our clients about their current pricing and associated cost of obtaining the right technology. We have implemented certain custom programs for our loyal customers that benefit all of the parties involved.

5. Are you being offered the option of INTERCHANGE PLUS pricing for your merchant account? Interchange Plus pricing is the most transparent method of pricing in merchant services. It is also the least profitable for the processor. Many processors do not even offer this type of pricing. Please request our white paper on common merchant services pricing strategies for a more detailed description of the various pricing methods that are being used in merchant processing.

SUMMIT only offers INTERCHANGE PLUS pricing. In our effort to achieve full transparency with our customers and provide them with the best solution for their needs, SUMMIT leadership has determined that this type of pricing is the only product to offer to our valued clients.

6. Are you being offered one “LOW” rate for all transactions? If you are, I am sure it is one very low,

attractive rate like 1.65%. Be sure to ask about “downgrades”. Downgrades are additional fees you incur when the card provided to you by your client does not meet the strict requirements to obtain that rate of 1.65%.

SUMMIT has taken the strong position in the market to fully educate our clients of the pitfalls in the merchant services industry and strongly believes that Interchange plus pricing is the best solution for ANY merchant. Do not be fooled by “low rates”. All transactions that occur are priced on an interchange schedule of rates (in other words there is your cost to the processor). To be priced under any other method other than a % over that cost will only hurt you, the merchant, in the long run.

7. Will you have 24/7 live personal support? Yes, all merchant service providers have a support group. What you want is support where you will always speak to a live person. Most of the time, questions you have are easily fixable over the phone but if you have to wait to speak to someone, you are losing business.

SUMMIT offers personal live 24/7 support to all of our customers. As a client of SUMMIT you will be teamed up with one of our senior service specialists who will be available to answer your questions 24/7.

8. Ask for referrals. If you are at all concerned about a specific company, ask to speak to some of their existing customers. If they do not readily provide that information to you, maybe they aren't the right processor for you.

SUMMIT is proud to provide any prospective merchant with names and contact information for any of our existing clients. We take great pride in our loyal client base and are glad to have a below market attrition rate. Once you experience the SUMMIT Difference, there is no reason to speak with any other processor.

9. Will my American Express® charges be included in your Visa™ /MasterCard®/Discover® statement? With most processors, you will continue to have a separate processing relationship with American Express® from what you have for Visa™ /MasterCard®/Discover®. Nothing will change in your American Express® funding either.

With SUMMIT's American Express® One-Point Program, we will combine both statements into one and provide you with the same funding timing as you are used to for Visa™ /MasterCard®/Discover® . You made the sale, you deserve to get your money as quickly as possible. We might even be able to save you on your American Express® processing rates as well.

10. Who is the actual processor and banking organization behind the scenes making sure my transactions are moving properly? It is always important to know who you will ultimately be working with. There are a lot of processors out there, some are good and some are not. You need to be sure that you team up with the right organizations.

SUMMIT prefers to use two main processor partners to support our clients including First Data Merchant Services and Elavon. They are two of the largest credit card processing companies in the U.S.