# Free ebook - Guide to electronic payments

*By Versatile Merchant Solutions*

# Speed up cash flow in your business

All business owners know that cash flow is essential to running and growing a business. Yet, so many are still sending out invoices by mail and waiting 30 -90 days to get paid. With current inflation and rising interest rates that time is doing more than just slowing your business down, it's costing you money.

There are many solutions that are easy to implement and manage that will speed up cash flow. Here are a few of them:

1.  Set up email invoicing: Simply send an email that arrives right away with a link where your customer can click to pay their invoice. Most systems have the ability to send automatic reminders, at intervals you select, as well.
2.  Add a payment link to your website: If you still want to send out invoices just add "pay online at [www.xxxx.com](www.xxxx.com)". These typically get paid faster than waiting for a check to be cut and mailed back to you. Not to mention getting that check deposited and waiting for it to clear.
3.  Take the payment information over the phone: With a virtual terminal you can key the payment info into a secure web portal where payments are processed and funds are deposited into your account. The very next day in most cases! All you need is a computer or mobile device with access to the internet.
4.  Mobile payments: if you have reps in the field you can add a payments app to their phone and they can take payment right there.
5.  Vault: Most Virtual terminals have a vault where you can store customer payment information for future use. If you have repeat customers that you want to "bill the card on file" you are able to do so and email or text them a receipt.

In all of the above scenarios you can enter transaction information so you'll be able to see who paid for what in your reporting and you can automatically send your customer a receipt when necessary.

At VMS we offer everything you see above to help speed up cash flow in your operations. Let us know how we can help!
[www.govmsusa.com](www.govmsusa.com)
Here is a quick video on 10 things you can do with our portal, Paymentshub:
https://vimeo.com/792052224

# To surcharge or not to surcharge?

Surcharging, in its many forms, has become increasingly popular over the past few years. Ultimately, it is your choice and you know better than anyone else how it would work for your business.

I will say that we have seen it work very well in all kinds of businesses and the savings, depending on how much you pay in card acceptance fees, can be massive. There are various compliant ways in which to pass the fees of acceptance onto the cardholder. "Surcharging" has many requirements and restrictions. We recommend "Dual Pricing" because of its flexibility and ease of implementation.

Regardless of how you set this up there are key factors that will make or break the program in your business:

1. Make sure your staff knows how to explain it. "When faced with increasing costs of acceptance, we had a choice. Raise prices to all, or offer a discount for those that pay with less costly forms of payment like cash. We chose to offer our customers the choice and an opportunity to save wherever possible"
2. When getting started you'll want to make sure your system has the ability to override the increase in case a customer gets upset. Rather than cause a scene, you can waive the increase as a courtesy and say "I understand you weren't expecting this today so we are going to waive it as a courtesy. Please be aware of this when you come back in and bring cash if you'd like the lowest possible price. We appreciate your business."
3. Accounting, This type of program typically works best when the fees are taken out each day so your books will match up. Example, a sale is made on a credit card for $100, you'll want that $100 deposited to your account, not the $100 plus the increase. While you can have the fees taken at the end of the month if you have an internal accounting department to handle the reconciliation, most small businesses are able to keep track of it better on a daily basis. This is the opposite for traditional accounts that are not using surcharge or dual pricing.
4. Make sure you disclose the policy clearly to your customers. You'll want something your staff can point out to the customer so they don't think it's just one person increasing the price. Most providers of these programs provide a sticker that says something to the

effect of: " CUSTOMER NOTICE - ITEMS HAVE BOTH A CASH & A CARD PRICE. PAY WITH CASH & SAVE!"

I hope you've found this helpful and I'd like to introduce you to our dual pricing program "EDGE"! Please let us know if you have any questions or would like to try it out with no commitment.

**[Click here to learn about EDGE](#)**

# Point of Sale

Point of sale (POS) systems can no doubt make a huge difference in your business both from operational and growth perspectives. BUT….So many of our clients have a system or systems that aren't fully meeting their needs. It's important to get a point of sale system that fits your business and has flexibility to change as your business does over time without unnecessary added expense.

Let's start with what a point of sale system is and does. The term POS covers a huge array of systems that help run your business and accept payment from customers. Some are as simple as a web link where you can plug in transactions to get paid for your sales while others will handle employee and customer scheduling, inventory, loyalty programs, sales and tax reporting, integrations with third party systems like payroll & delivery services, online and in-store sales reporting, and endless other features. So, you'll want to take some time to make the right decision when selecting your POS to avoid getting things, and their associated costs, that you don't really need.

Here are some tips for selecting the perfect POS for your business:
1. Have a list of features that you'd like BEFORE you start your search. It's easy to get tied up in all the features a particular POS offers and overlook the ones you actually need. It's also a good idea to separate your list into needs and wants.
2. Always demo the system first. Most POS providers will let you have a virtual demo / presentation of their system so you can see what the features look like including what your staff will see, what your customers will see, and what the back office reporting can provide. If they don't offer a demo before you buy I would consider this a red flag.
3. Beware of high cost systems with long term contracts. Think of a POS as two separate components, hardware and software. The hardware has gotten much less expensive with everything operating on tablets and in the cloud so you should be able to obtain this for a reasonable amount. In many cases you can get your merchant services provider to provide the hardware for free so it's worth asking for. The software should be on a monthly subscription but watch out for any commitments over 12 months.

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4. Make sure there is more than 1 choice for the merchant service provider. If you get a POS that locks you into one provider for processing the credit card transactions you'll be a captive audience and they WILL raise the rates over time.
5. Make sure you are ready to implement the new system. I've seen so many cases where a business owner has three or four different systems that they paid for and never set up. POS systems can be a great way to streamline your operations saving you hours of time and money but they take some time to get set-up correctly. Think about assigning the task of "Point of Sale Manager" to a member or members of your staff and get them involved in the implementation process. After all, they will be interacting with the system regularly.

Have questions or want to demo some point of sale systems? We are ready to help! VMS has built relationships with over 100 POS providers to make sure you get everything mentioned above.

Here is a quick video showing a lot of features bundled into one or our most popular solutions, Payanywhere: https://vimeo.com/792050909

Take the next step in finding the perfect POS for your business [here](here)

## Integrated Payments

Having a point of sale system or software that has integrated payments can make things much easier and eliminate mistakes, saving you both time and money so long as the payments service is competitive. Always be cautious of a POS or software that only allows you to use their payment processing services. You'll want to have options. Otherwise you'll end up captive to that one provider and they will increase your fees knowing that you have no way out but to adopt a whole new system. We have seen this over and over again where you are paying 3 to 5 times what you should be.

There are a few ways to integrate the payments to a software so make sure you ask your point of sale provider what your options are before committing:
1. Direct Integration - This is where the payments are directly integrated to the software
2. Gateway - Many POS providers can use gateways like Authorize.net, PayTrace, USAePay, Velocity, NMI, and others. These gateways allow you to choose from numerous payment providers so you can always be sure you are getting the competitive pricing.

3. API -In addition to being able to process standard payments, APIs can be used to implement memberships, recurring transactions, 3-D secure transactions, cross-sales, tokenization, and other features to completely customize payments.

## What happens when your network goes down?

It's your busiest day of the week, at the busiest time, and BOOM, the card machine stops working! What do you do?

Processors spend huge amounts of money keeping their downtime to a minimum but it does happen and there are many other factors that can cause systems to stop working. These include but are certainly not limited to; Your Internet going down, your power going out, Your device having a mechanical or software issue, or the system falls off the counter and breaks. Ugh!

The point here is to be prepared and make sure your staff knows what to do so you can continue to accept payment. Depending on your situation the best plan will be one that most accurately fits your needs. Here are a few to choose from:

1. Many payments providers offer a virtual terminal for free or a minimal monthly fee so if your system goes down you can log in from any computer or mobile device and process payments. Even if your internet goes down you could use the cellular data on a phone.
2. Have a mobile payments app on someone's (Manager) phone so you can take payments on there until your primary system is back up and running.
3. If all else fails, have a back office system that allows you to send an electronic invoice with a "click to pay" option via email or text. You won't get payment on the spot but at least you have a means of contacting that customer to collect. In this scenario you'll want to have a stack of forms that they sign stating they agree to pay the invoice for $xxx.xx upon receipt and list the goods or services received along with their email or phone number where you can send the invoice.

Downtime is rare in the payments industry but if you are not prepared when it happens, it can be extremely stressful and potentially costly.

Want to explore options? We have all of the options listed above and are ready to make sure your business doesn't miss a beat even when faced with catastrophe.

# Chargebacks

Unfortunately, chargebacks are extremely one sided and typically favor the cardholder over the business. Over the past several years cardholders have gotten more savvy in how they dispute charges on their card accounts. While some are because they weren't able to come to a resolution with the business where they made the purchase, most chargebacks occur without any contact to the business first.

This leaves you in a reactive position fighting an uphill battle that is extremely difficult to win. While there have been some positive steps by the card brands towards leveling the field through the use of 3D Secure; there are still other chargebacks that are free game for fraudsters.

"**3DS provides protection against chargebacks filed using a "fraud" reason code**. So, if a cardholder claims that a transaction was unauthorized and files a chargeback, but 3-D Secure technology was deployed, then you're protected. " *-Chargebacks 911*

Cardholders can call their credit card company and dispute charges by saying certain things that almost guarantee them a win. Here are a few:
- Merchant didn't provide goods/services in a timely fashion. ...
- The goods were damaged, defective, or missing parts. ...
- The cardholder was charged an incorrect amount. ...
- The buyer used stolen cardholder information. ...
- The customer regrets their purchase.
- Product or service was not as described

*-https://chargebacks911.com/chargeback-reasons/*

People dispute purchases for all kinds of reasons. Some are legitimate, most not. Think about the visit to the strip club and the spouse sees the charge on their account. Hubby denies and disputes the transaction. Or perhaps someone had too much to drink and decided to "put it on my tab!" and it turned into an expensive evening. Now what about the person that purchased several thousand dollars worth of goods online and then resold them to get cash. These are all fraudulent reasons to initiate a chargeback.

There are also the chargebacks that happen because the cardholder didn't know how else to address their concerns about the product or service they received. So make sure that your customers know how to contact you and have a plan in place on how to handle disputes internally BEFORE they initiate a chargeback.

We have extensive chargeback mitigation tools and also highly recommend www.chargebacks911.com if you are in need of assistance in handling chargebacks in your business.

Here is a link to a funny chargeback video to lighten the mood https://youtu.be/aetBlRsZei8 Please, reach out to us if you need help with this area of your business. www.govmsusa.com

# Data security

We talk to business owners all the time that are taking card numbers over the phone and writing them down to process later. Some even have a list of customers and their card information so they can run them when the customer makes a purchase in the future. This is a ticking time bomb for a data breach. The good news? It's easily fixed!

Instead, have a virtual terminal that you can key the card info into at the time of the sale. You'll want one that can send an invoice by email or text as well. That way you never handle the card info and remove that liability altogether.

Some virtual terminals also have a Vault feature where you can store the card info for future purchases like a house account. The liability falls on the provider at that point rather than on your business.

Don't be careless with customer card information, it can be devastating to your business. Fines range from thousands to hundreds of thousands and, in some cases, millions. You'll also be risking damage to your business reputation and in extreme cases, where compliance was not addressed, criminal charges.

#### **Meet Our PCIPlus Program**

Securing customer card data can be challenging for small businesses, because they don't have as many in-house resources or budget to put toward security measures as larger businesses. As a result, PCI compliance is often an area that gets tucked away in the corner and most small business owners don't even give it a second thought until an intrusion happens or they start getting fined for non-compliance.

That said, the mention of PCI compliance can simply be overwhelming for these business owners, because of the myriad of standards and requirements a business needs to follow to stay in full compliance.

The PCI Self-Assessment Questionnaire (PCI SAQ) is a record of PCI compliance each merchant is required to keep on file to prove they are complying with mandated PCI security

measures that are designed to help them keep cardholder data secure. There are multiple versions of the SAQ and the one that is right for your business will depend on how your business accepts credit and debit card payments. Each SAQ also varies in length. Some are around 20 questions, with the longest one being 329 questions.

Versatile Merchant Solutions has implemented a program that simplifies PCI compliance for merchants. For many accounts, this program actually eliminates the SAQ step and non-compliance fees. VMS's program, PCI Plus, is an innovative approach to making PCI compliance frictionless, simple, and secure for every merchant.

The benefits of VMS's PCI Plus program are as follows:

- Breach forgiveness – Should an unfortunate fraud event occur at your business, we cover you with up to $100,000 in breach forgiveness coverage for each qualifying merchant account.
- No fees – When you are enrolled in VMS's Edge and flat-rate pricing programs, there are zero PCI fees.
- Elimination of SAQs, scans, and check-ins – Who has time for a 329 questionnaire about PCi security? With many of our programs, these requirements are eliminated, because VMS's support professionals do the work for you.
- Free vulnerability scan – For up to three IP addresses we offer scans for free!

Let VMS's three decades of experience in the payment processing industry go to work for you, so you can keep focused on running your business. With PCI Plus, you can rest assured your business is always PCI compliant. We'll do the heavy lifting to keep your business safe from a breach so you can focus on running the show!

# Bonus

Make sure you are visible!

Did you know?
Customers are 70% more likely to visit and 50% more likely to consider purchasing from businesses with a Google Business Profile? Having a verified Google Business Profile is critical

when it comes to managing your online reputation, engaging with customers, and enabling new customers to find you. Learn how to create one [here](here).

If you need any more reasons to convince you, here are a few:
1. Adds your business to Google Maps and Local Pack Listings, which increases your visibility.
2. Customers can leave reviews, which provides you an opportunity to engage with customers by replying.
3. Shows your potential customers you care about your reputation and what people are saying about you.
4. Surveys have shown that customers are 90% more likely to use a business after reading a positive review.
5. Oh, it's free.
6. And last, but certainly not least, once you've created your profile, you can connect it to Payments Hub and begin taking advantage of our new [Reputation Management](Reputation Management) tools!