Managing Your Credit Card Processor Fees

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This guide offers recommendations for proactively making decisions about your credit card fees. It is intended for system administrators.

Credit card processing companies typically make small increases to their rates each year. In addition, many clients implement aACE during a period of growth, which is reflected in your statement by increased volume and therefore higher costs. This may hide rate increases within the natural growth of your business. If you do not review your statement periodically, you may be surprised later to find that the rates appear to have jumped dramatically.

We understand the concern this may cause. And we know that with increased awareness of the following important details, you'll be able to make an informed decision about managing your credit card processing fees. For any of the credit card processing situations described below, you can use the methods presented here to explore possibilities for improving your rates.

Understanding Credit Card Processing and aACE

All credit card transactions take place *external* to aACE. In other words, aACE facilitates the transactions, but does *not* process them, does *not* charge or control the processing fees, and does *not* control security code preferences or similar.

Instead, aACE offers a seamless integration with various payment processors. Read more about the details and benefits of this approach through credit card integration (https://aace6.knowledgeowl.com/help/understanding-credit-card-processing).

Proactive Approach to Your CC Processing

Each year you should schedule a time to review the details of your statement. If your rates have increased or you are otherwise dissatisfied with them, you can use one of the three methods described below to seek an improvement.

Reactive Approach to Your CC Processing

Another possible prompt for reviewing payment processing rates might be contact from an alternative processor. Often the salesperson will discuss an attractive rate calculated for an ideal company (e.g. low-risk industry, impeccable credit history, high volume of transactions, etc).

To verify whether switching will in fact benefit *your* company, you will need to get a formal rate quote that reflects your specific business details.

Methods to Seek Improved Rates

Negotiate with Your Current Processor for a Reduced Rate

Your current processor will obviously be interested in keeping your business. After you get a formal quote from another vendor, you can present it to your current processor. They may be able to reduce their rates for you. Keep in mind that your ability to negotiate is contingent upon a formal quote from a competitor.

Use an Alternative Processor Without Integrated Payment Processing

If another credit card processor can offer you better rates, it may be worthwhile to rearrange your aACE workflow to take advantage of it by disabling the integration. This approach requires that you have credit card processing tools external to aACE (e.g. a physical credit card machine that all your relevant personnel can access or a virtual credit card terminal they can log into).

System administrators can deactivate the integration: Navigate from Main Menu > System Admin > Preferences > Database Management > Payment Processing, then clear the flag for "Enable credit card integration”.

Your team will then process credit cards outside of aACE and manually post credit card receipts in aACE to account for each transaction. Note: This may introduce inefficiencies into your processes (e.g. user errors, double entry, etc). Be sure to update your processes so that any costs from these inefficiencies do not eclipse the benefit of lower transaction fees.

Build a Custom Integration

Leveraging FileMaker's flexibility, aACE Software can develop a new integration for your preferred credit card processor. Note: A development project of this scope will require significant resources. Benefits will be most apparent in the long-term.

Basic requirements for building a credit card processor integration include:

- **API** — The CC processor must have a REST API for the integration to be possible.
- **Credit card tokenization** — For PCI compliance, aACE must never “touch” your customers’ credit card information. Instead that information is stored on external

secure servers, while aACE stores an "alias". This alias represents your customer's credit card, contains no sensitive information, and can be used for subsequent transactions without re-entering card info.
- **Hosted iFrame** — This allows aACE and your users to interact with the credit card processor securely and seamlessly. It helps minimize the data exchanged between the two systems. In short, the screen where aACE users enter credit card information is *not* an aACE interface; rather, it is hosted on the processor's secure servers to ensure that aACE never touches the card information.
- **Authorization preceding capture of funds** — To ensure data integrity, processing a credit card in aACE requires two steps:
    1. Authorization — Funds must be available *before* aACE generates the accounting transactions.
    2. Capture — The credit card transaction is finalized and funds are transferred.

Additional considerations for developing a robust integration include:

- **Pre-authorization** — Many credit card processors simply charge the credit card at the time of processing. Additional flexibility would allow requesting a hold on funds for a period of time prior to the final charge. This precaution can reduce problems in your workflow and prevent lost product (e.g. when customer funds are unavailable at the time of shipping).
- **Flexible terminals** — aACE supports multi-entity accounting, enabling you to process payments using multiple terminals, one for each accounting entity. If you require multi-entity accounting (https://aace6.knowledgeowl.com/help/understanding-multi-entity-accounting), your new payment processor must also support this flexibility.
- **Cards on file** — If you currently process credit card transactions using stored credit cards (i.e. card-on-file transactions such as recurring orders), all stored credit cards will be unavailable to use with the new processor. You will either need to contact each customer individually to enter their credit card information into the new processor, or you may need to run two credit card processors simultaneously for a time — new transactions running through the new processor, while existing transactions run through your current processor.