

Heartland

Credit Surcharge Program: FAQ



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What is a surcharge?

It enables you to pass the cost of credit card acceptance on to non-cash paying consumers. Instead of your business paying for a credit card transaction, the credit card user pays.

How does a surcharge program benefit my business?

It offsets your cost of credit card acceptance so you can retain more revenue on non-cash sales. In addition to helping your business remain competitive, it allows you to affordably accept all the ways customers want to pay.

How much is the credit card surcharge?

Heartland's Credit Surcharge Program fee is 3.5%, which is within card brand guidelines, and equally applied across all card brands.

Can a surcharge be added to debit, prepaid and gift cards?

No. A surcharge can only be applied to credit cards. Debit cards, prepaid cards and gift cards are exempt.

Is surcharging legal in all 50 states?

All but six states allow surcharges. States that do not are: Colorado, Connecticut, Kansas, Maine, Massachusetts, and Oklahoma. California, Florida and New York having pending litigation that allows the practice to exist.

How is a surcharge different from cash discount?

Surcharging increases a business's revenue, while cash discounting reduces a business's revenue. With surcharging, an additional fee is levied on top of the regular posted price of goods and services when the consumer pays by credit card. Alternatively, a cash discount reduces the regular posted price of goods or services to those paying with cash.

Is there a fee to participate in a surcharge program?

Yes, a small fee is charged for the software upgrades and administration costs of the Credit Surcharge Program. You are charged a \$20 per month enrollment fee, plus 10% of the collected surcharge. This fee is more than offset by the additional revenue earned by your business on each purchase.

How long does it take to get enrolled in the Credit Surcharge Program?

Your business is required to complete the Surcharge Registration Form and submit it to compliance@e-hps.com ahead of being eligible to administer a consumer-facing surcharge. You will also need to purchase a new surcharge-enabled terminal. This entire process can take as little as 24 hours if the hardware is shipped overnight.

Will my current terminal or POS system support surcharging?

You need to purchase a surcharge-enabled terminal. Heartland provides two stand-alone terminals – the Desk 3500 and the Move 5000. When your business enrolls in the Credit Surcharge Program, these terminals will automatically add a 3.5% surcharge on eligible cards. Additionally, these terminals will itemize the surcharge on customer receipts.

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What do I tell customers who want to pay by credit card?

You must disclose your business's surcharge program at both the point of entry and the point of acceptance. In addition, you must reflect the surcharge on a customer's printed or electronic receipt.

Will I see collected surcharges on my Heartland Merchant Statement?

Yes, in a dedicated section below the Fee Summary. You can see the fees paid for processing in comparison to the additional revenue captured by participating in the Credit Surcharge Program.

Do I have to report collected surcharges/pay taxes, and to whom?

Yes, the same way you pay on your existing processing volume today. Heartland's Credit Surcharge Program passes on the additional surcharge amount directly into your bank account, which is considered additional business revenue and must be reported to the Internal Revenue Service (IRS).

What differentiates Heartland's Credit Surcharge Program?

- Recoups 3.5% on purchases made by credit to reduce your service fees on card transactions
- Allows you to remain competitive and affordably accept all the ways customers want to pay
- Automates checkout with intelligent, surcharge-enabled terminals

- Keeps you compliant to protect your business from cost infringement penalties
- Supplies required signage and receipts language
- Shows you exactly how much you recover in surcharge revenue on the Heartland Merchant Statement
- Assists you in providing advance notice to card brands
- Meets federal, state and card brand regulations
- Surcharge feature can be turned off with one call to our Service Center
- Puts sales proceeds, including surcharge revenue, into your pocket with next day deposit

How do I enroll in the program?

Contact your local Heartland Relationship Manager, who will help your business expedite enrollment, set up a terminal and post the required signage. You can also contact Heartland Product Operations Support at productopsintegration@e-hps.com or 866-976-1363, Monday - Friday, 8 a.m. - 7 p.m. EST.

How do I unenroll from the Program?

By calling your Heartland Relationship Manager or the Heartland Service Center. We view the ease of opting out as a distinction of our program, which treats surcharge as a software feature that can easily be disabled.

Who do I call with surcharge questions and equipment issues?

Contact Product Operations Support at productopsintegration@e-hps.com or 866-976-1363, Monday - Friday, 8 a.m. - 7 p.m. EST.