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RESIDENTIAL WASTE HELPS
HAULERS FIGHT THROUGH
THE RECESSION.



Cards on the Table

Doing a little research can help you cut your credit card processing fees.



America's reliance on credit and debit cards has significantly increased over the past two decades. Much of that growth has occurred in credit card usage for business-to-business transactions.



**BUSINESS
MANAGEMENT**

Obviously, this means a wider range of businesses now accept credit cards. For many in the waste industry, accepting credit cards from both consumer and business clients has become a crucial part of doing business. In addition to the competitive advantage of accepting plastic, customer payment time frames are shortened and collection efforts are simplified. There is no doubt that accepting credit cards has its advantages.

But these advantages come at a cost. Overall, the average cost to accept credit cards is around 2 percent of the transaction amount. For waste and recycling companies, who must key enter credit card data since they are most often taking payment by phone, the costs can be even higher. Further, cards that provide rewards (like frequent flyer miles) or are issued to businesses (known as "corporate,"

"business" and "purchasing" cards) generally carry even higher costs.

Since accepting credit cards has become a virtual necessity, keeping acceptance costs (the set percentage of the transaction, as detailed above, plus transaction fees, monthly fees and other miscellaneous fees that vary by provider) as low as possible is imperative. Fortunately, waste and recycling companies can take steps to lower their costs.

Special Waste Industry Rates

Many waste industry businesses qualify for special, lower acceptance rates, which can reduce the overall acceptance costs to below 2 percent. Many credit processors lack the knowledge and understanding to establish these low rates. And some providers intentionally withhold these rates from their clients. If you are not receiving these lower rates, contact your service provider to see if you qualify.

Security and Compliance

Recently enacted rules by Visa and MasterCard require businesses that accept credit cards to comply with security mandates that safeguard the storage of certain cardholder data. There can be significant financial penalties to businesses in the case of a data breach. Many processors assess fees for this compliance. Many charge penalties for failure to comply.

You may be able to eliminate or reduce these fees by certifying compliance and/or by utilizing compliant software or services. To learn what is required for your business, contact your provider or visit www.pcisecuritystandards.org.

Proper Processing

Each method of processing (swiped, key entered, etc.) and each type of card (consumer, business, etc.) requires specific processing procedures. For example, when cards are key entered, the card billing address must be submitted to achieve the lowest rates.

For business card transactions, which

are common in the waste industry, additional data, such as sales tax amount and an invoice number, are required to receive the lowest rates. It is not uncommon for transactions processed without this data to be assessed an additional 1 to 2 percent penalty by the processor. Unfortunately, some payment devices and processing software aren't capable of processing this additional data.

There are also special lower rates for large transactions — generally transactions exceeding \$5,000. Again, to achieve these special reduced rates, special processing and additional data is required. Review your methods of processing with your provider to ensure you qualify for the best rates possible.

The Bottom Line

As operating costs continue to increase, your credit and debit acceptance costs are one area where you can save money with minimal effort. In fact, it's possible to reduce your processing costs by as much as 25 percent or more.

When reviewing your processor relationship or looking for a new one, be certain to determine the company's experience with and understanding of the waste industry. This is vital to obtaining the lowest possible rate structure for your firm.

When reviewing or negotiating rates, make certain you understand your overall effective rate, not just the advertised low rate. Many processors market a low "qualified" or "teaser" rate with many hidden rates and fees, making your overall costs much higher.

Choosing the right provider is vital to keeping your costs low. With a little work and research, you can reduce this key operating expense. ■

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