



Surcharge FAQ

What is a surcharge?

A surcharge is an additional charge to a credit card transaction added to the total cost of the goods or services to cover the fees associated with the credit card transaction. Sometimes referred to as a "Checkout Fee."

What do I need to do to surcharge?

Register with Visa, MasterCard & Discover
Notify your processor and make sure they allow surcharging
Know the surcharging rules
Know if your State allows for surcharging

Do I need to register with American Express to surcharge?

No. American Express does not require a registration form.

Can I surcharge a debit or a pre-paid card?

No. Credit Cards are the only cards that can be surcharged.

Can I surcharge a debit card if I run it as a credit card?

No. A debit pulls funds from a bank account. A credit card is technically a loan. When you run a debit as a "credit" is still a debit card, pulling the funds from the bank account.

Can I accept Debit if I surcharge?

Yes. If you want to accept debit cards the merchant is responsible for paying the standard processing fees which are the lowest transactions fees in the Interchange table.

Is there a limit to how much I can surcharge?

Yes. Your surcharge cannot exceed your cost of acceptance or 4%.

Do I have to tell my customers I am surcharging?

Yes. If you are surcharging, you must notify your customers before you complete the sale. You also must have a sign at the point of entry, a sign by the register and have the surcharge amount clearly broken out on the receipt.

Can anyone in the U.S. surcharge?

No. There are six states that currently prohibit surcharging: Colorado, Connecticut, Kansas, Maine, Massachusetts and Oklahoma.

What if the customer is from a non-surcharging state?

Surcharging rules apply to where the business that is accepting the payment is located. If the state approves surcharging and the merchant is registered to surcharge and notifies the cardholder, then the cardholder will be surcharged.

Is a Surcharge or Checkout Fee the same as a Convenience Fee?

No. A Convenience Fee is a fee that is added to your bill for the convenience of paying in a way that is not standard for the merchant. Concert tickets, for example, may sell tickets face-to-face at the theater, but if you purchase your tickets online, there may be an additional Convenience Fee added to your total at checkout.

Do I have to surcharge all my customers?

Yes. You cannot pick and choose which customers you will surcharge. You must surcharge all customers paying with credit cards or none of them. Charging some customers a surcharge and not other is not only discrimination but also against the regulations of surcharging.

1721 SE 47th Terrace, Cape Coral, FL 33904
866-207-3298 or 239-549-5055

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