

Glossary of Credit Card Fees

INTERCHANGE FEES

Set by the payment networks such as Visa and MasterCard and are paid to the bank that issued the credit card. The fee is based on card type. Each card type (rewards credit card, debit card, American Express, etc.) has a specific interchange rate + transaction fee.

On your statement you will see:

VI-BUSINESS CARD CNP -16.68

MC-BUS LEVEL 2 DATA RATE II -0.86

MAESTRO REGULATED -2.76

NYCE PREMIER -0.38

STAR W - ALL STAR -0.38

PULSE PAY CHOICE REGULATED -0.60

*Interchange fees appear in 2 sections on your statement. In "Fee's Charged" (above) the fees are totaled by card type. Then, under "Pending Interchange Charges" you can see the breakdown of this line item.

PENDING INTERCHANGE CHARGES			Number of Transactions	% of Total Transactions	Interchange Cost Rate	Cost Per Transaction	Sub Total	Total Interchange Charges
Product/Description	Sales Total	% Of Sales						
MASTERCARD NONDEBIT								
MC-BUS LEVEL 3 DATA RATE II	10.00	3	1	8	2.21	0.100	0.32	
MC-BUS LEVEL 4 DATA RATE II	70.00	18	2	17	2.31	0.100	1.82	
MC-MERIT I ELECTRONIC COMMERCE	70.00	18	1	8	1.89	0.100	1.42	
MC-WORLDCARD MERIT I	35.00	9	1	8	2.05	0.100	0.82	
MC-CORP DATA RATE II (US) PUR	20.00	5	1	8	2.50	0.100	0.60	
MC-BUS LEVEL 2 DATA RATE II	35.00	9	1	8	2.16	0.100	0.86	
MC-CORP DATA RATE II (US) CORP	35.00	9	1	8	2.50	0.100	0.98	
MC-COMML DATA RT II FLT NONFL	35.00	9	1	8	2.50	0.100	0.98	
MC-WORLD ELITE MERIT I	35.00	9	1	8	2.50	0.100	0.98	
MC-ENHANCED MERIT I	35.00	9	1	8	2.04	0.100	0.81	
MC-HIGH VAL MERIT I	5.00	1	1	8	2.50	0.100	0.23	
MASTERCARD NONDEBIT TOTAL	385.00		12					9.82
VISA NONDEBIT								
VI-CPS/RETAIL 2(EMERGING MKTS)	905.00	32	11	23	1.43	0.050	13.49	
VI-BUSINESS CARD CNP	710.00	25	7	15	2.25	0.100	16.68	
VI-CORPORATE CARD CNP	70.00	2	2	4	2.20	0.100	1.74	
VI-PURCHASING CARD CNP	360.00	13	6	13	2.65	0.100	10.14	
VI-BUS ENH CARD NOT PRESENT	395.00	14	6	13	2.45	0.150	10.58	
VI-US SIG BUS CNP	70.00	2	2	4	2.60	0.200	2.22	
VISA NONDEBIT TOTAL	2,510.00		34					54.85
VISA DEBIT								
VI-US REGULATED (DB)	80.00	3	7	15	0.05	0.220	1.58	
VI-US REGULATED COMM (DB)	190.00	7	5	10	0.05	0.220	1.20	
VI-BUSINESS CARD CNP (DB)	80.00	3	2	4	2.45	0.100	2.16	
VISA DEBIT TOTAL	350.00		14					4.94
Total	3,245.00		60					69.61

Understanding the fee description:

See the example to understand how to calculate the interchange cost for Visa's Business Card CNP in the picture above.

Example: Visa's Business Card CNP had a sales total of \$710.00. The interchange rate is 2.25% with a transaction fee of \$0.10 per transaction.

$\$710.00 \times 2.25\% = \15.98

$7 \text{ Transactions} \times \$0.10 = \$0.70$

$\$15.98 + \$0.70 = \$16.68$

ACCESS FEES

This fee applies to all US-based transactions that are authorized and settled. The Card Payment Networks (Visa, MasterCard, and Discover) receive the revenue for this fee.

On your statement you will see:

VISA ACCESS FEE 232 TRANSACTIONS AT .022000

MASTERCARD ACCESS FEE 1,398 TRANSACTIONS AT .022000

Discover:

On your statement you will see:

NETWORK AUTHORIZATION FEE 312 TRANSACTIONS AT .002500

DISCOVER DATA USAGE FEE 307 TRANSACTIONS AT .018500

Understanding the fee description:

This fee is calculated by multiplying .022000 by total transactions for Visa and MasterCard. Discover charges an authorization fee of .0025 for each payment attempt not each completed transaction. This is why the network and data usage fee are charge separately. The total fee for an authorized and settled Discover transaction is .02100.

NETWORK FEES

Network fees cover the cost of operating the payment card's network.

MasterCard

On your statement you will see:

MC LICENSE VOLUME FEE .000042 DISC RATE TIMES \$

Understanding the fee description:

This fee is calculated by multiplying .000042 by total MasterCard sales.

Example: You have \$20,000.00 in MasterCard sales.

$0.000042 \times \$20,000.00 = \0.84 (MC License Volume Fee)

Visa

On your statement you will see:

VISA NETWORK FEE CNP 2-09

VISA NETWORK FEE CP 1B-08

Understanding the fee description:

For Card Present (CP) merchants, the Visa Network Fee is calculated based on how many CP merchant locations

the University has. However, Card Not Present (CNP) merchants are charged the Visa Network Fee based on total Visa sales volume.

- CPN= Card Not Present
- CP= Card Present
- 2 (or 1B) = Describes what [fee table](#) to look at.
- 09= Tier based on University's total Visa sales or # of merchant locations.

Example: NCSU has \$1,000,000.00 in Card Not Present Visa sales for July. The fee description on your statement is CNP 2-09. Look at Table 2 (shown below) and find Tier 9 (since the University's total Visa sales is \$1,000,000.00). For Tier 9, the July Visa network fee is \$350.00. Suntrust divides this fee among all NC State CNP merchants with Visa sales.

Table 2: Card Not Present, Fast Food Restaurants, Merchant Aggregators

1	< \$50	\$2.00
2	\$50 – \$199	\$2.90
3	\$200 – \$999	\$5.00
4	\$1,000 – \$3,999	\$7.00
5	\$4,000 – \$7,999	\$9.00
6	\$8,000 – \$39,999	\$15.00
7	\$40,000 – \$199,999	\$45.00
8	\$200,000 – \$799,999	\$120.00
9	\$800,000 – \$1,999,999	\$350.00
10	\$2,000,000 – \$3,999,999	\$700.00
11	\$4,000,000 – \$7,999,999	\$1,500.00
12	\$8,000,000 – \$19,999,999	\$3,500.00
13	\$20,000,000 – \$39,999,999	\$7,000.00
14	\$40,000,000 – \$79,999,999	\$15,000.00
15	\$80,000,000 – \$399,999,999	\$30,000.00

ASSESSMENT FEES

MasterCard, Visa, and Discover charge an assessment fee based on sales volume to cover their branding costs.

On your statement you will see:

DISCOVER ASSESSMENT FEE .001050 BASIS PTS TIMES \$

MASTERCARD ASSESSMENT FEE .001100 BASIS PTS TIMES \$

VISA ASSESSMENT FEE .001100 BASIS PTS TIMES \$

Understanding the fee description:

1 basis point = one one-hundredth percent= 0.0001

MasterCard and Visa charge

- *11 basis points (or .001100)

*MasterCard will increase their assessment fee 1 basis point (.0001) for all transactions under \$1,000.00 on January 5, 2015, and assessing a Digital Enablement Fee of 1 basis point (.0001) on all Card Not Present Transactions.

Discover charges

- 10.5 basis points (.001050)

Example: Visa sales are \$35,000.00. Multiply .001100 by \$35,000.00. The Visa Assessment Fee is \$38.50

INTERNATIONAL CREDIT CARD SERVICE FEE

MasterCard and Visa charge 40 basis points (.0040) on all transactions acquired in the US but the credit card used was issued in another country.

On your statement you will see:

VISA INTL SERVICE FEE TRANS TOTALING \$

US CROSS BORDER FEE TRANS TOTALING \$

Understanding the fee description:

This fee is calculated by multiplying 40 basis points by total foreign credit card sales.

Example: \$20,000.00 of your MasterCard sales are from credit cards issued outside of the US.

$$0.00400 \times \$20,000.00 = \$80.00$$

SALES TRANSACTION FEE

SunTrust charges a flat fee of \$0.0425 per transaction it processes.

On your statement you will see:

MASTERCARD SALES TRANS FEE 11 TRANSACTIONS AT .042500

VISA SALES TRANS FEE 48 TRANSACTIONS AT .042500

AMEX AUTH FEE 570 TRANSACTIONS AT .042500

DISCOVER SALES TRANS FEE 307 TRANSACTIONS AT .042500

DEBIT/ATM CARD TRANSACTION FEE 58 TRANSACTIONS AT .042500

Understanding the fee description:

To calculate the fee for 48 Visa transactions:

$$48 \times \$0.0425 = \$2.04$$

PER TRANSACTION FEES

Each of these fees can be calculated by multiplying fee x amount of transactions.

Visa/MasterCard Zero Floor Limit Fee – The cost for this fee is \$0.10. It is applied to any clearing transaction that can't be matched to a previously or partially approved authorized transaction.

On your statement you will see:

VISA ZERO FLOOR LIMIT FEE 2 TRANSACTIONS AT .100000

Visa/MasterCard Misuse of Authorization Fee – The cost for this fee is \$0.045. It is applied when authorizations are not followed by a matching clearing transaction (or in the case of a cancelled or timed out transaction, one that is not properly reversed).

On your statement you will see:

VISA MISUSE OF AUTH FEE 1 TRANSACTIONS AT .045000

Visa Integrity Fee – The cost for this fee is \$0.10 for Visa and \$0.055 for MasterCard. This fee is applied to all Debit & Prepaid cards that do not meet CPS Qualification (Custom Payment Services). The most common transaction to incur the transaction integrity fee will be keyed in debit card transactions that are processed without address verification information (AVS).

On your statement you will see:

VI TRANSACTION INTEGRITY FEE 1 TRANSACTIONS AT .100000

MC PROCESSING INTEGRITY FEE 3 TRANSACTIONS AT .055000

Address Verification- MasterCard charges a fee each time a merchant access the address verification service when processing a transaction. MasterCard's AVS fee is a little higher for card-not-present merchants than it is for card-present merchants.

On your statement you will see:

CNP AVS FEE 1,398 TRANSACTIONS AT .007500

AVS WATS AUTHORIZATION FEE 295 TRANSACTIONS AT .020000

AVS 950 CALL AUTHORIZATION FEE 35 TRANSACTIONS AT .020000

MC ACQUIRER AVS BILLING 8 TRANSACTIONS AT .005000

Chargeback- A customer disputes the credit card transaction through their issuing bank.

On your statement you will see:

CHARGEBACK FEE 1 TRANSACTIONS AT 9.750000

Debit Network Annual Fee- PIN debit networks such as Pulse, Jeanie, Star, etc. charge an annual merchant participation fee. This fee varies by PIN debit network.

On your statement you will see:

PULSE NETWORK ANNUAL FEE Pulse Annual Billing Fee -9.00