

# Credit Card Surcharging Checklist

Looking to implement a surcharge on Credit Card transactions? Use this **Credit Card Surcharging Checklist** to make sure you cover all the critical issues involved!

## How to use this template:

This checklist is intended as guidance to help merchants ensure all the critical elements of Credit Card Surcharging are being addressed.

### ✓ Considerations before credit card surcharging

#### *What is your business cost to accept credit cards?*

Does your business accept Visa or Mastercard?
What are the fees you pay to process a credit card transaction?
What are the other fees you pay for payment processing? I.e., terminal rentals or purchases
Does this work for you and your tax plan? Think about GST, business expenses, and surcharging income (accountant recommended)

#### *How much will you surcharge?*

Which cards (product and brand) will you surcharge?  Brand-level surcharges are when a fee is surcharged to cards within the same brand such as Visa or Mastercard. These will be capped at the lesser of the merchant's average effective merchant discount rate (this can be found on your payment processor statement) paid to the acquirer (the financial institution that enables a merchant to accept credit card payments) for credit card acceptance or the 2.4% cap.  Product-level surcharges are when a fee is charged to a specific product within the brand such as the Infinity Visa card. These will be capped at the lesser of the merchant's cost to accept that particular credit card product or the 2.4% cap.  You can choose to surcharge specific credit card products or brands; however, you may also need to equally surcharge other competing credit card networks depending on your agreement with your acquirer. Call your acquirer to learn more.
What amounts will you surcharge customers?  Surcharges are capped at 2.4% or the amount it costs you to accept those credit cards, whichever is less. This percentage or flat rate must be tied to the decision to pay with credit card rather than the good/service. The amount you charge will be your business decision and you can decide to charge different amounts for different products.

How will you track the amounts you surcharge?	<p>If you decide to surcharge, you will need to display the surcharge amount clearly on the customer's receipt. Some acquirers may not be ready to add surcharging in their systems. As an alternative, you can track this through your cash register or manually.</p> <p>Tracking your totals is recommended for tax purposes.</p>
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*Consumers*

How will your clients react to a surcharge?	
Will it impact your sales?	
How will you notify your customers?	<p>Giving your customers advance notice will help mitigate misunderstandings when they see a new charge on their receipt.</p> <p>If you decide to surcharge you will need to display posters to meet surcharge disclosure requirements.</p>
Will you educate consumers on the cost to accept credit cards?	<p>Educating your customers about this change and its impact on them will be important for mitigating any misunderstandings.</p> <p>If you decide not to surcharge at this time, you may still want to educate your customers about the cost to accept credit cards and alternatives like discounts on cash and Interac.</p>

**✓ At least 30 days before Surcharging credit cards**

Notify your credit card network	<ul style="list-style-type: none"> <li>- Visa does not require a form</li> <li>- Mastercard requires a form</li> </ul>
Notify your acquirer	<p>Note that not all acquirers are ready for this change.</p>
Notify your clients	<p>Avoid any misunderstandings by educating your clients directly about the new fee they can expect to see. Explain your reason for increasing the cost of paying by credit card and alternatives that can be used to avoid the surcharge.</p>

**✓ When Surcharging on Credit Cards**

Post a surcharge disclosure at the point customers enter your business or website	
Post a surcharge amount/percentage disclosure	<p>Post a surcharge amount/percentage disclosure at the point of sale or transaction, both in-store and online. Should a sale be over the phone, this must be disclosed verbally.</p>

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Itemize the dollar amount clearly on the customer's receipt

This can be produced on the receipt provided by the cash register or the point-of-sales machine. Contact your electronic cash register or point-of-sale system company to get more clarity on how to capture the amount of the surcharge, display the amount on the receipt, and pass that information to your acquirer. Please contact your acquirer for more information.

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