Edge is a winning solution for you and your merchants.

Edge-compatible solutions that add value and are available right now.

Currently, 30-40% of all new Visa submissions are Edge accounts.

Today, we're going to cover:

1. What edge is not.

2. What edge is.

3. Equipment and solutions that can run Edge today.

4. Selling Edge — tips and tactics.

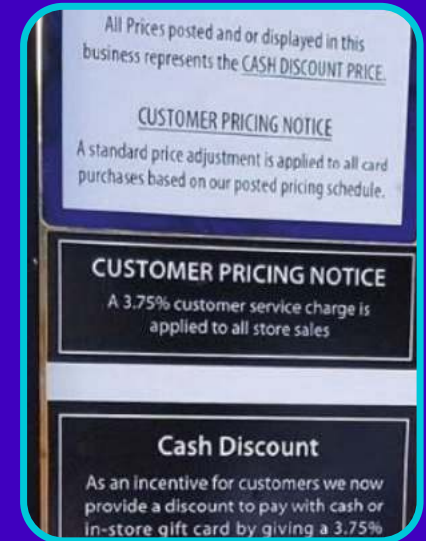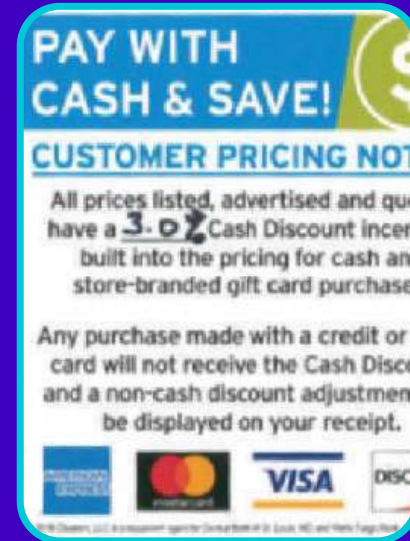# What edge is not.

- A surcharge.

- Cash discount — competitor definition.

- Cash discount — true definition.

RMS offers something better...

Moving away from "cash discount." Edge is "cash discount and more.

We will not let our competitors determine our direction.

Edge program.

Edge enables the merchant to set the retail price at an item level for each item (paying by card or paying by cash).

This is similar to how gas stations have two prices for gas depending on the payment method.

All items have two prices.

Edge program.

Edge is built to support merchants in all 50 states and encourages them to follow the commerce and pricing laws in their specific state.

Edge also is designed to support true cash discount. The programming allows for the merchant to decide how they price their items in accordance with their state laws.

Example: New York State has established that if a business is going to charge two prices based on the form of payment, they must display both prices on that item (or on the shelf)

Edge program. (Continued)

4%

Merchant sets standard retail price to reflect a 4% increase to its prices for all items.

Sales/revenue are increased and sales tax is collected on that increase (depending on the abilities of supporting software).

Edge is the combination of proper equipment programming with the Flat-rate pricing structure.

4.0% to the non-cash payer.

3.8461% to the merchant.

✅ If you need to go less than 4% on your cash discount to the non-cash payor, please contact your Partner Relations Advisor.

✅ Retail accounts should always be on daily discount.

Edge program. (Continued)

Software programming requirements:

- Whenever possible, both prices are displayed when the item is scanned or selected.

- As you add items, it is adding those items to the transaction.

- Ideally, there should be a "cash total" and an "other total."

- When the payment tender is selected, the proper line item price and total appear. Sales tax would be calculated on that total.

- The line-item price changes on the receipt based on the payment tender selected as well as the total.
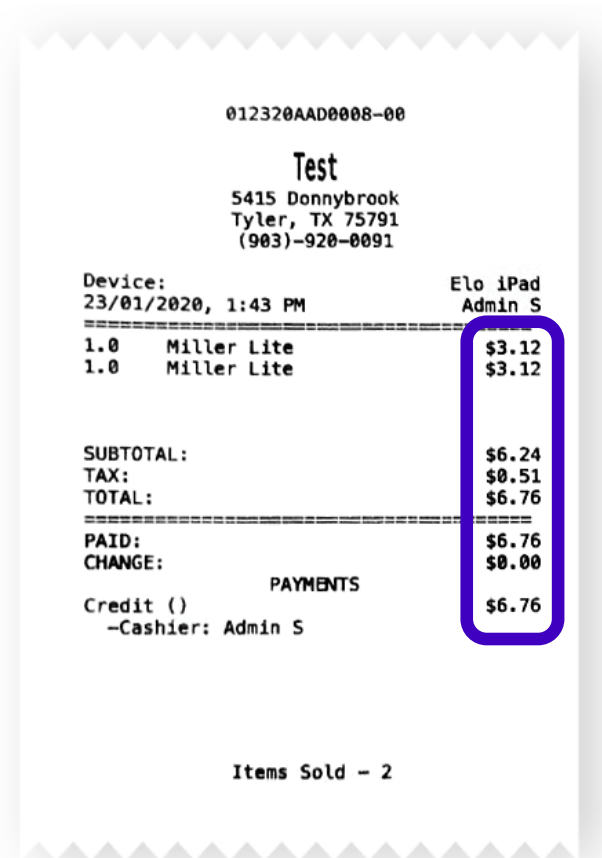
- Software that offers barcode generation will print the labels with both prices on them.

Edge transaction examples.
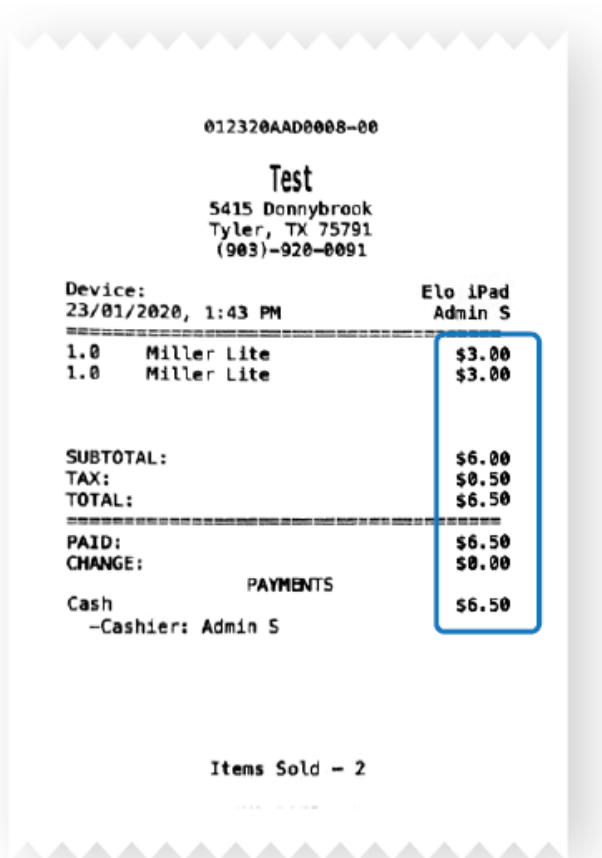
Cash receipt.

Credit receipt.

Edge program positioning.

Edge enables the merchant to set the retail price across all items.

- This makes business sense.

- Easy to explain and give customers the oppotunity to save by paying cash.

- This approach can be applied to all forms of non-cash payment.

Edge program difference.

$ Count the full non-cash price collected as "sales."

ⓘ When the merchant is claiming their sales, they must include the non-cash price increase in the sales totals that they report to the state. Software running Edge will do this for them automatically.

Increases are "sales" and they are subject to sales tax.

If the merchant is in a state that has sales tax, make sure the merchant knows to pay sales tax on the non-cash price increase collected on the transaction amount. Again, software running Edge will do this for them automatically.

Running Edge on Payanywhere.

Merchant facing screen.

Customer cash screen.

Customer credit screen.

Running Edge on Payanywhere.

Detroit Fitted Hat x1	$39.99
Detroit Hoodie x1	$49.99
Fitter Michigan Hat x1	$29.99
Subtotal	**$119.97**
Tax	**$0.00**
Total	**$119.97**
Cash Tendered	$120.00
Change Due	$0.03
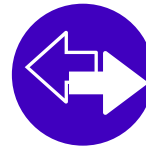
Detroit Fitted Hat – Base Price x1	$41.59
Detroit Hoodie – Base Price x1	$51.59
Fitter Michigan Hat – Base Price x1	$31.59
Subtotal	**$124.77**
Tax	**$0.00**
Total	**$124.77**

Running Edge on Paradise.
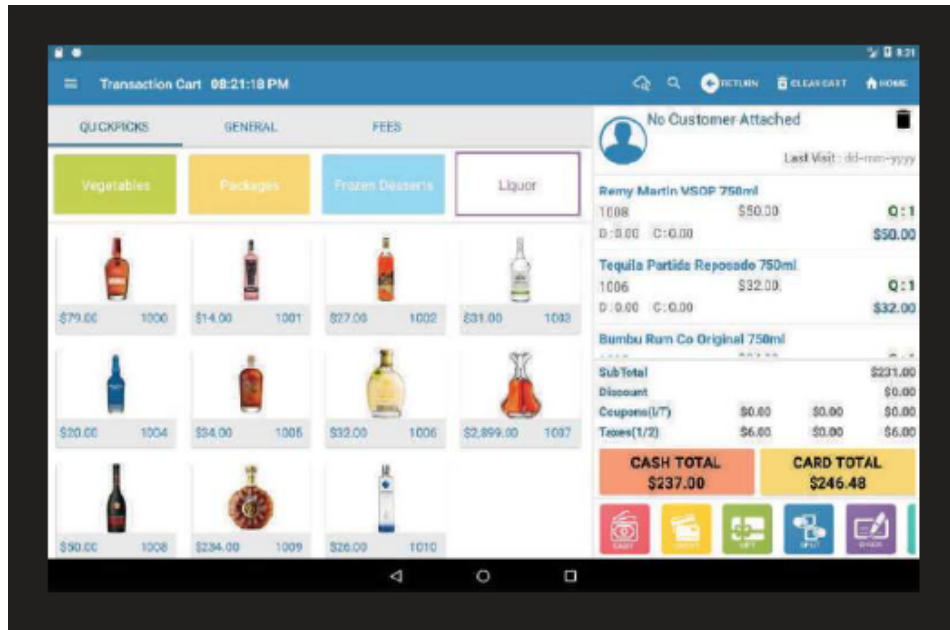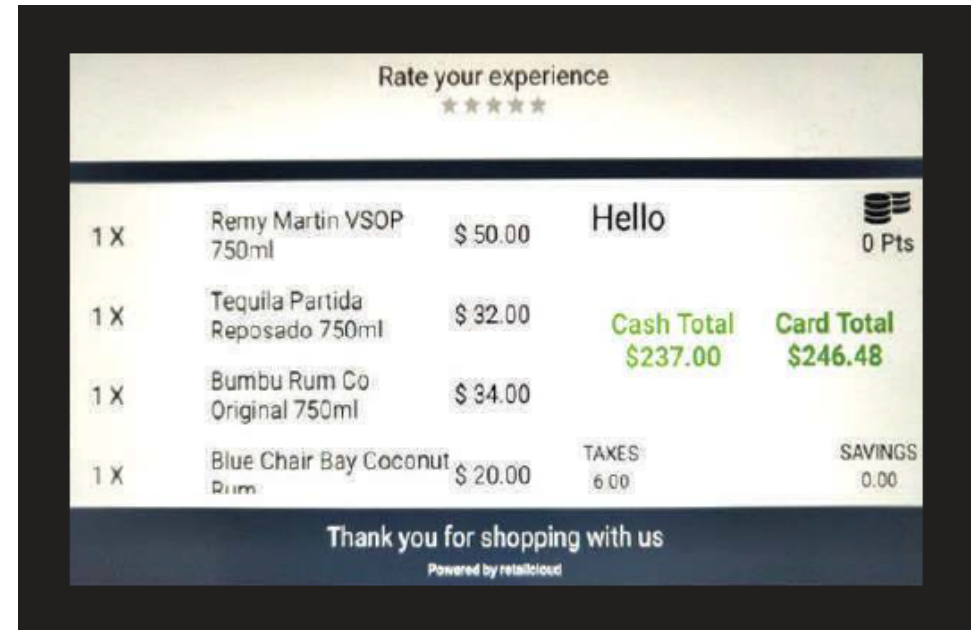

Cash receipt.

Credit receipt.

Running Edge on Retail Cloud.

Cashier display.

Customer display.

Running Edge on Retail Cloud.

Cash receipt. Credit receipt.

Simplified Statements

Simplified, 3-section statements for Edge merchants.

✓ No interchange or other percentages.

✓ Only three sections.

① Deposit Detail Summary.

② Details.

③ Billing Charges.

Retail merchant best practices.

Running a standard terminal and cash register.

When the settlement report does not have a total displayed on it that shows the amount that was collected that day on the price increases:

Daily option

The merchant should take the amount that is showing on their register as credit card sales, multiply that times 4% to get the amount that was collected as the price increase, and ring it into their cash register as misc. sales before closing out the day on the register.

The collected increases will then show as sales on the register "z tape" and can be accounted for properly.

Monthly option

When the merchant receives their credit card statement, they should take the fees that were billed and add that to their monthly sales before they "close" their month.

Retail merchant best practices.

Using Payanywhere in Terminal mode.

When the daily report (manual batch only) has a total displayed on it that shows the amount that was collected that day on the price increases:

- ✅ The merchant should take that amount and ring it into their cash register as misc. sales before closing out the day on the register.

- ✅ The collected increases will then show as sales on the register "z tape" and can be accounted for properly.

Equipment and partner software that can run Edge.

Currently running Edge:

payanywhere

NRS PAY

PARADISE POS

mynt

retailcloud

HotSauce TECHNOLOGIES

clover

Custom APP BUILD

A Business Must!

1 Properly Acquiring Traditionnal Accounts.

2 Overcoming Traditional Frustration with Flat Rate.

3 Lock in Credit Card Rate.

4 Never Worry About How Your Going Pay, Pay Zero for Good!

5 Best Implementation Practices.

6 Secure the Proper Compliant Equipment.

Opening up doors and talking points.

How much did you spend in payment processing so far this year (or last year)? How would you like to have that money in your bank account?

Do you ever raise your prices to cover expenses? We now offer a program that can enable you to do it at the point of the transaction, while displaying a lower price, and a non-cash price.

Overcoming objections.

"I will lose sales."

"This isn't legal."

"My customers will be unhappy."

"Why are you charging me (my customers) more than what I am paying now?"

"I will lose sales."

✓ **How much would you put towards your bottom line with this program?**

✓ **How much revenue do you have to bring in to make that much in net profit?**

Example:

Let's say a business that processes around $45,000 monthly will save $1,000 per month.

If that business is running a 15% net profit, that means they make $1,000 per every $6,600 in sales.

Their break-even point is less than that number in lost sales.

"My customers will be unhappy."

Overcoming the customer push back.

"You can still use the cash payment option."

"This isn't legal."

It is legal, because the program is built on a two-price model for every item and service.

Let's talk about what isn't legal or approved by the card brands.

1 Adding a fee to a transaction without being registered to surcharge.

2 Running a surcharge program in a state that does not allow it.

3 Adding a fee of some sort to all transactions and then removing that fee when cash is used. Many call this a "cash discount" program.

4 Not following your state laws when it comes to communicating pricing on your goods and services.

"Why are you changing more for this program?"

First of all, understand that you make more. This program is priced higher than a traditional processing program. Here is why:

1. It had to be developed and continues to be supported, which has a cost.

2. With the flat-rate pricing structure, we assume all the cost risk on the card mix being used.

3. The pricing includes all PCI expense, monthly fees, etc.

4. 4% increase is a standard, the 3.8461% flat rate allows you to comply with Visa enrichment rules.

5. Let me just ask you, if you created something so amazing that 40% or more of your customers were buying it, would you sell it for the same price as the old version?

Edge against Square.

1 Square increasing their pricing provides the perfect opportunity to move a majority of merchants to Edge as a way to offset their fees.

2 Square doesn't offer any program like this.

3 Small tickets will still need to have a transaction fee added to the merchant pricing in order to be profitable.

4 Approach it wisley from a customer experience perspective.

How you can win business from other "cash discount" programs?

This is what we don't do.

CUSTOMER PRICING NOTICE
A .60¢ customer service charge is applied to all store sales

CASH DISCOUNT
As an incentive for customers we now provide a discount to pay with cash or in-store gift card by giving a .60¢ immediate discount.

⚠ **NOTICE**
This business has a 4% Cash Discount incentive built into all pricing.

Any purchase made with a credit card will not receive the Cash Discount and an adjustment in cost will be displayed on your receipt.

...for your patronage.

All Prices posted and or displayed in this business represents the CASH DISCOUNT PRICE.

CUSTOMER PRICING NOTICE
A standard price adjustment is applied to all card purchases based on our posted pricing schedule.

CUSTOMER PRICING NOTICE
A 3.75% customer service charge is applied to all store sales

Cash Discount
As an incentive for customers we now provide a discount to pay with cash or in-store gift card by giving a 3.75%

PRICES LISTED & ADVERTISED REFLECT CASH DISCOUNT

PAY WITH CASH & SAVE!

CUSTOMER PRICING NOT
All prices listed, advertised and quo have a 3.0% Cash Discount incen built into the pricing for cash an store-branded gift card purchase

Any purchase made with a credit or card will not receive the Cash Disc and a non-cash discount adjustmen be displayed on your receipt.

Are you running a "cash discount" Program?

✓ **Do you have a line item on your receipt that indicates a fee to the cardholder?**

✓ **Did your processor register you with the card brands to run a surcharge program?**

✓ **Do you offer a discount from the listed price when someone pays with cash?**

Does your receipt look like this?

JOEY'S PIZZA

01/12/2018   9:30

Sale

Trans #: 1   Batch #: 5

VISA   CHIP
•••••••••••*8177   **/**

BASE AMT: $35.00
SVC: 3.95% $1.38
DISC: $0.00
SUB TOTAL: $36.38

TIP AMT: $_____
TOTAL AMT: $_____

Resp: APPROVAL 008611
Code: 008611
Ref #:   801214602351

App Name: VISA DEBIT
AID: A0000000031010
TVR: 8080008000
TSI: 6800

Cardholder acknowledges receipt of goods
and obligations set forth by the cardholder's
agreement with issuer

X_____

THANK YOU
COME AGAIN

MERCHANT COPY

Card brands are very clear on the rules.

Mastercard's Statement – June 2019

5.11 Prohibited Practices

An Acquirer must ensure that none of its Merchants engage in any of the prohibited practices set forth in this Rule.

5.11.1 Discrimination

A Merchant must not engage in any acceptance practice that discriminates against or discourages the use of a Card in favor of any other acceptance brand.

NOTE: Modifications to this Rule appear in the "Asia/Pacific Region," "Europe Region," "United States Region," and "Additional U.S. Region and U.S. Territory Rules" chapters.

5.11.2 Charges to Cardholders

A Merchant must not directly or indirectly require any Cardholder to pay a surcharge or any part of any Merchant discount or any contemporaneous finance charge in connection with a Transaction. A Merchant may provide a discount to its customers for cash payments. A Merchant is permitted to charge a fee (such as a bona fide commission, postage, expedited service or convenience fees, and the like) if the fee is imposed on all like transactions regardless of the form of payment used, or as the Corporation has expressly permitted in writing.

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Mastercard Rules • 25 June 2019

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Acquiring
5.11 Prohibited Practices

For purposes of this Rule

1. A surcharge is any fee charged in connection with a Transaction that is not charged if another payment method is used.

2. The Merchant discount fee is any fee a Merchant pays to an Acquirer so that the Acquirer will acquire the Transactions of the Merchant.

Mastercard rules page 107 – December 2019

https://www.mastercard.us/content/dam/mccom/global/documents/mastercard-rules.pdf

Visa's Statement — October 2018

"Models that encourage merchants to add a fee on top of the normal price of the items being purchased, then give an immediate discount of that fee at the register if the customer pays with cash or debit card, are NOT compliant with the Visa Rules and may subject the acquirer to non compliance action."

A Merchant must not directly or indirectly require any Cardholder to pay a surcharge or any part of any Merchant discount or any contemporaneous finance charge in connection with a Transaction. A Merchant may provide a discount to its customers for cash payments.

For purposes of this Rule:

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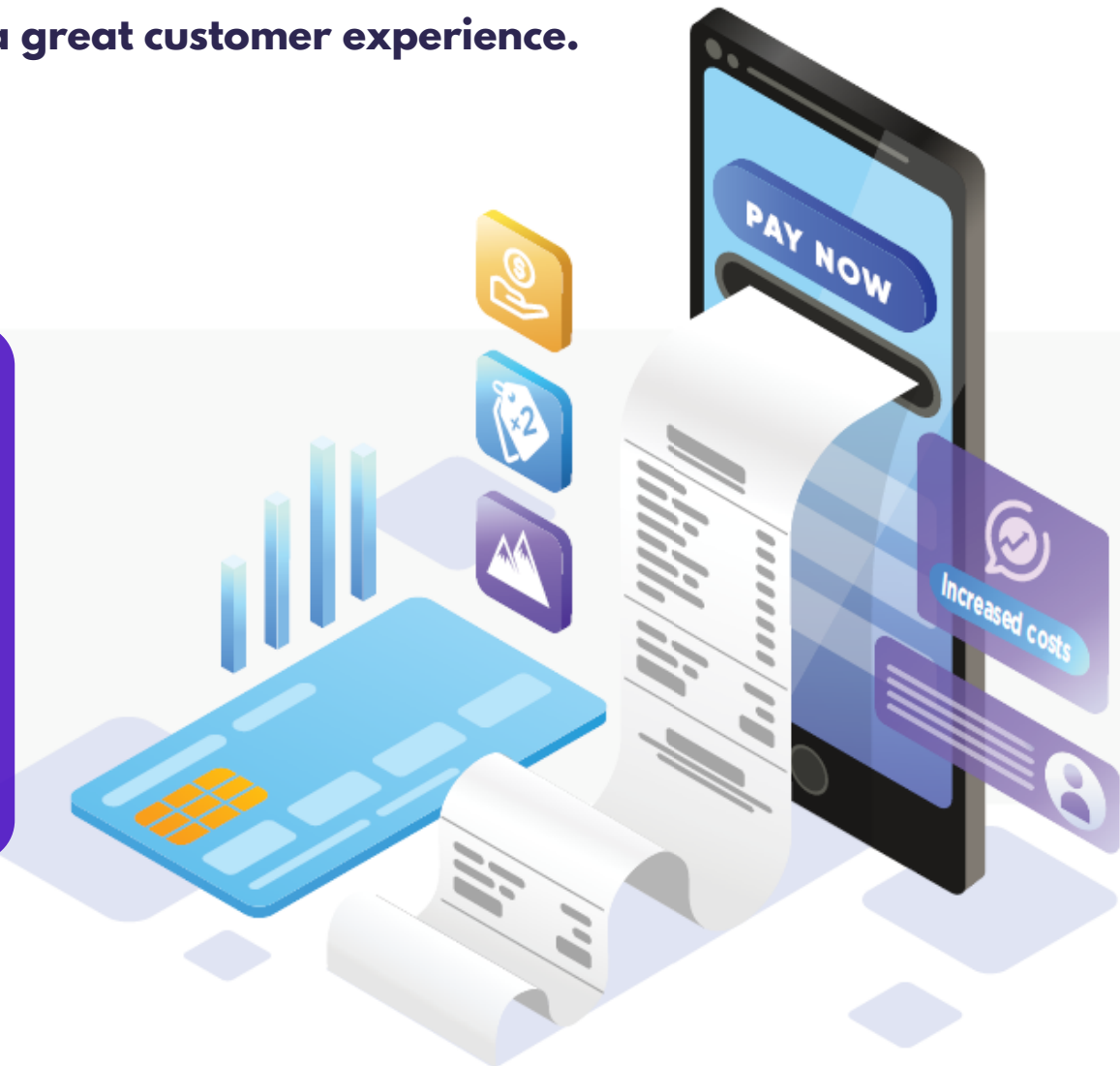
Help the merchant make it stick.

✓ Train them, equip them, and support them, especially in the first few weeks.

✓ Help them create a great customer experience.

CUSTOMER NOTICE

ITEMS HAVE BOTH A CASH & A NON-CASH PRICE.

PAY WITH CASH & SAVE!

Should you provide POS equipment to get the account?

Consider providing POS equipment to increase value, provide a better customer experience, and beat out the competition.

1 Save Merchants approximately $300 per 10k Processed.

2 Merchants Save Thousands Annually!

3 Includes a New POS that will Save Merchants Time and Money.

4 POS provides, Accounting, Payroll, Employee & Inventory Manaagement.