

We hope this edition of 4Sight finds you well. Things here at Shift4 Headquarters are great. We just finished an [integration to the Zen Cart e-commerce solution](#) and have a lot of great projects in the works that you'll hear about soon.

It's finally starting to cool down in Las Vegas (it's actually been under 100 degrees a few days this week) and we're hoping for great weather for the upcoming [Justin Timberlake Shriners Hospitals for Children Open](#), which we are proud to be sponsoring again this year. (To see specifics on our involvement, check out the [Public Safety Appreciation Station](#).) Follow us on [Facebook](#) and [Twitter](#) for your chance to win grounds passes to the tournament.

We've also been hard at work getting another information-loaded newsletter put together for you. There are articles in this edition on avoiding downgrades and errors, and on how to take full advantage of the Durbin Amendment – all of which should save you money.

Avoiding Visa's Most Costly Downgrade



Have you ever seen "Electronic Interchange Reimbursement Fee" (EIRF) marked next to a transaction on your statements? Many of us see the word reimbursement and get excited. It sounds like we're getting money back, doesn't it? Well, we hate to break it to you, but that is not the case.

EIRF is actually an interchange surcharge that Visa adds for certain downgraded transactions. (As if a card brand would actually reimburse a merchant, right?) In reality, EIRF increases your discount rate somewhere between .45% and .76%, with the exact amount depending on your merchant type and other factors.

You can avoid these costly downgrades by:

Settling your batches nightly. If you take more than 48 hours to settle a transaction, it will default to EIRF.

Getting all the necessary AVS information. Especially in e-commerce or MO/TO environments, it is vital to get all the required address verification and CVV2 codes and to ensure they are entered into your system correctly. Missing information results in EIRF charges.

Ensuring your final settled amount matches the authorization. While it is possible to use your original authorization even if the final dollar amount decreases, clerks should know that this activity will result in the transactions being downgraded to EIRF. It's wise to always request a new authorization code if the dollar amount changes. (NOTE: Merchant types that generally accept tips or process incremental authorizations, such as F&B or Hospitality, are typically exempted from this requirement.)

Implementing these few tips will help your organization avoid the costliest of Visa's downgrades. The tips will also prevent many Standard Electronic Interchange Reimbursement Fee (SEIRF) interchange downgrades, which are charged by both MasterCard and Visa, and can add as much as 3% to your rate.

Shift4's resolute independence gives us the freedom to share this information with you. We don't profit from your downgrades, and we have no financial ties to banks, processors, or card brands that do. We're merchant advocates, and that means we only succeed when you do.



Shift4 CEO Dave Oder and PGA TOUR professional Ryan Moore at Shift4's corporate headquarters in Las Vegas.

SHIFT4 ANNOUNCES

Sponsorship of PGA TOUR Player Ryan Moore

LAS VEGAS (Marketwire) Tuesday, September 20, 2011 — Shift4 Corporation, the world's largest independent payment gateway, announced today it has signed a sponsorship agreement with PGA TOUR player Ryan Moore.

Moore, a 5-year TOUR veteran, made headlines in the past when he elected to play "sponsor-free" golf. The decision to partner with Shift4 came after in-person meetings and careful consideration.

"We're glad that the reputation of our company and our family is such that Ryan feels he can promote Shift4 without reservation," said Shift4 founder and CEO Dave Oder. "He's a talented young man with a proven track record, ever-increasing skill set, and great potential for the future. We welcome him to the Shift4 family and look forward to watching his success in the years to come."

Moore and Shift4 are both based out of Las Vegas and family managed – similarities that held significance for both parties.

"I don't take the business of sponsorships lightly," said Moore. "There needs to be a level of comfort for the sponsor and for me. Luckily, I was able to find that with Shift4 and the Oder family. I look forward to a long and successful relationship with them."

Shift4 Director of Marketing Gianna Vivo said, "We are unique in our industry because we pride ourselves on being merchant advocates and the only major payment gateway not owned by a bank or processor. Ryan's reputation for independence and originality is a natural alignment for us."

Per the sponsorship agreement, which was facilitated by Icon Sports Management, Shift4's logo will appear on Ryan's left chest, and he will make appearances at Shift4 events throughout the year.

The relationship will kick off at the [Justin Timberlake Shriners Hospitals for Children Open](#) at TPC Summerlin in Las Vegas. At this event, Shift4 is also sponsoring the [Public Safety Appreciation Station](#) to host first responders, active/reserve/retired military personnel, law enforcement, and other public safety officials in this private hospitality venue on the 16th green. The tournament takes place September 28-October 2, and PGA TOUR professionals will be in the venue on September 28 to personally greet the attendees.

About Ryan Moore

Ryan David Moore (born December 5, 1982) is a professional golfer from Puyallup, WA, who is currently playing on the PGA TOUR. Coming up the ranks, he has reached the pinnacle of each echelon, from world's #1 ranked junior golfer in 2001, to being the top collegiate player in the nation, as well as top Amateur in the nation in 2004, to his breakthrough victory on the PGA TOUR at the Wyndham Championship in 2009. He may still be most famous for his record breaking amateur season in '04 where he seized five titles in one summer (including the US Amateur, US Publinks, NCAA Championship, Western Am, and World Am Titles). Many golf experts claim this is the greatest feat by an Amateur golfer in the modern era, dating back to, and only rivaled by the late Bobby Jones himself. For more on Ryan, visit www.RyanMooreGolf.net.

The Latest and Greatest – Why You Need to Update the UTG®



The Universal Transaction Gateway® (UTG®) makes much of what we do at Shift4 possible. The UTG is (at least partly) responsible for DOLLARS ON THE NET's speed, security, reliability, simplicity, and our ability to take your POS out of PCI scope. Needless to say, it is a vital component and a piece of technology that we are quite proud of.

However, just because it's already amazing doesn't mean we're done enhancing it. The UTG regularly receives updates ranging from minor code changes that enhance performance or add functionality with new devices, to major updates containing entirely new features.

Most recently we've published a series of updates and enhancements to our offline functions – including Secure Offline Stand-In (SOS), which keeps your transactions flowing even when your Internet connection is down.

With all the work we put into these features and enhancements, it is puzzling to us that many merchants don't take the time to install the updates.

For those who are concerned about time required for an update, know that we keep these updates as small as possible so that they can be downloaded, unzipped, and installed to the UTG in just a few moments. Then all you have to do is restart the service (not the whole computer, just the software). It's really that simple.

If you have multiple UTGs running in your environment, you can even opt to have Shift4 push the updates to you at a time when your transaction processing is slowest.

In addition to receiving the latest features, keeping the UTG up to date is necessary to ensure that you receive the very best customer support we can offer. Our customer service staff does not support old code. They are trained on the newest technologies and operate only on the current UTG code-base, which means if you do not have the most current version of the UTG installed, their troubleshooting efforts will be severely hampered.

Please review your internal policies and determine who should be responsible for installing UTG updates. If you would like help setting up automatic updates for your UTG(s), please contact [Shift4 Support](#).

What Not to Do: The Easiest Payment Processing Errors to Avoid



Payment processing is an involved (and occasionally confusing) business. There are many players, many systems involved, and therefore many points for potential failure. At Shift4, we do all we can to eliminate or bypass potential points of failure within our sphere of influence. But, did you know there are a few steps you can take on your end to make things run even smoother?

Here are some of the most common errors made by clerks that can negatively affect the payment process and how to avoid them.

Fake Authorization Codes: When a card returns a “voice auth required” or voice referral message, clerks might be tempted to enter a false authorization code. No one wants to take the time to call in and let the line of customers get longer. However, clerks need to know that inputting fake auth codes can not only cause problems with the transaction within DOLLARS ON THE NET® but can also cause an entire batch of transactions to fail to settle at closing time.

Improper Error Handling: Sometimes, a clerk swipes a card and the transaction gets far enough through the process to authorize, but the authorization response (for whatever reason) fails to get back to the POS. Rather than retrying the transaction, some clerks will ring everything up again and resubmit the charge with a new invoice number. If this attempt processes successfully, duplicate transactions will appear in DOLLARS ON THE NET (unless your POS system is specifically set up to automatically void these transactions).

Multiple Card Swipes on a Single Invoice: If a card fails to read on the first attempt, some clerks will try quickly swiping the customer's card multiple times in order to get a good read. This practice really doesn't make any sense because the card readers cannot combine partial data from two bad swipes to make one good swipe and because you run the risk of getting two or more good reads and end up double (or triple) charging your customer. It is a better business practice to have clerks smoothly swipe a card once, try it again if an error results, and then manually key in the card if those attempts fail. Cleaning the swipe readers on a regular basis will also help to keep this issue at a minimum.

F&B Seat Adjustments: This error happens when, at the end of a meal, the waiter collects payment from a guest and authorizes their card for an improper amount. Instead of adjusting the amount of the already completed transaction (or voiding the existing ticket and starting over), the staff member transfers the ticket to an unused seat. He or she then opens a new ticket at the original seat, re-enters the ticket for the correct amount, and authorizes the card. When engaged in this practice, waiters fail to properly void the original ticket, which leads to duplicate charges and/or lingering authorizations on a guest's card. Instruct your staff to only make adjustments to the original ticket and to avoid this practice and its unintended consequences.

Splitting Transactions: Let's assume we have a charge of \$1,000. Because it's a large amount and the clerk is concerned that it may be in excess of the card's transaction limit, the clerk decides to split the transaction in half. The clerk swipes the card twice, charging \$500 each time. However, because it is the same dollar amount, on the same check, and using the same card, DOLLARS ON THE NET sees this as the same transaction (ignoring the second swipe as an accidental duplicate) and only obtains one authorization for \$500. If you're going to split a transaction, it is best to put the amount on two separate checks.

Being too Friendly: No one likes an ornery clerk, but at the same time, a clerk that is too chatty or engaging can actually be a bad thing when it comes time to process the payment. If your employee's conversation with the cardholder distracts them from what is happening on the PIN pad, there's a chance the customer won't enter their pin or complete the signature in time. If your clerk re-runs the card (depending on how your POS handles it), the card could be double-authorized. Encourage your clerks to be vigilant and make sure the customer stays focused on the purchase process.

Please take the time to share these tips with your staff. It may not fix every problem you come across, but it will help you to avoid those that are most easily preventable on your side. As always, if you find yourself facing these or any other issues, contact us and let us help you resolve them. We're available 24/7 by calling 702.597.2480, option 2, or by e-mailing support@shift4.com.



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The Durbin Amendment: How to Ensure You See the Benefits



We've heard a lot of buzz about the Durbin Amendment and the major cost savings that should come in response to the legislation. Last month, we [introduced the main points of the legislation](#) and encouraged those of you who do not currently support debit to consider doing so in order to capitalize on the upcoming rate reductions.

This month we'll talk to those of you who already utilize debit and explain what you need to do to make sure you get all the savings you can out of this new legislation.

The Durbin Amendment regulates the debit interchange rate, not the discount rate you pay to your Merchant Services Provider (MSP). The first thing you should do is contact your MSP and find out if they will be adjusting your debit rate in accordance with the new legislation.

When you call, you may want to have this article open or printed so you have the facts in front of you.

The Facts

- As of October 1, 2011, the new debit interchange fee will be capped at 21 cents plus .05% of the transaction value.
 - If issuing banks implement standardized fraud prevention, they may charge an additional one cent per transaction to recover their costs.
- Under current rates, a \$38 debit transaction (the national average for debit transactions) would cost the merchant approximately 44 cents. The new legislation will cap the fees for this transaction at 24 cents.
- The Durbin Amendment only affects debit transactions. Your credit card interchange should not increase.

If your MSP is not planning to pass these savings on to you, they essentially just gave themselves a 100% raise. Are you OK with this? They're soon to be saving nearly 50% on debit processing; shouldn't the vast majority of those savings be passed along to you? We think so.

Remember, if you need to change banks, processors, or MSPs, Shift4 makes it easy to do.

Changing IP Addresses

In order to avoid disruption of your transaction processing, Shift4 must be notified of any changes to the internal IP addresses of the machines running either the Universal Transaction Gateway® (UTG®) or your POS/PMS terminals. Also, if there is a change to the overall IP address schema of your network, informing Shift4 can save major confusion in the long run.

We [discussed this topic](#) and the reasoning behind it back in February, but we're still handling quite a few support calls stemming from this very issue. We know that members of your IT staff may not always receive our newsletter. However, this article applies specifically to them. If you know your IT team is not on our distribution list, please take a moment and forward this notice to them.

If you use IP address restrictions and change your public IP addresses without informing Shift4, you will be locked out of DOLLARS ON THE NET® and will therefore be unable to process transactions. So please, for your peace of mind and ours, contact Shift4 Support at 702.597.2480, option 2, or e-mail support@shift4.com before you make IP address changes.