



# Avoid Payment Gateway Fees

## How Payment Gateways work

1.) The merchant submits a credit card transaction to the Payment Gateway on behalf of a customer via secure Web site connection, retail store, MOTO center or wireless device.

2.) The Payment Gateway receives the secure transaction information and passes it via a secure connection to the Merchant Bank's Processor.

3.) The Merchant Bank's Processor submits the transaction to the Credit Card Network (a system of financial entities that communicate to manage the processing, clearing, and settlement of credit card transactions).

4.) The Credit Card Network routes the transaction to the Customer's Credit Card Issuing Bank.

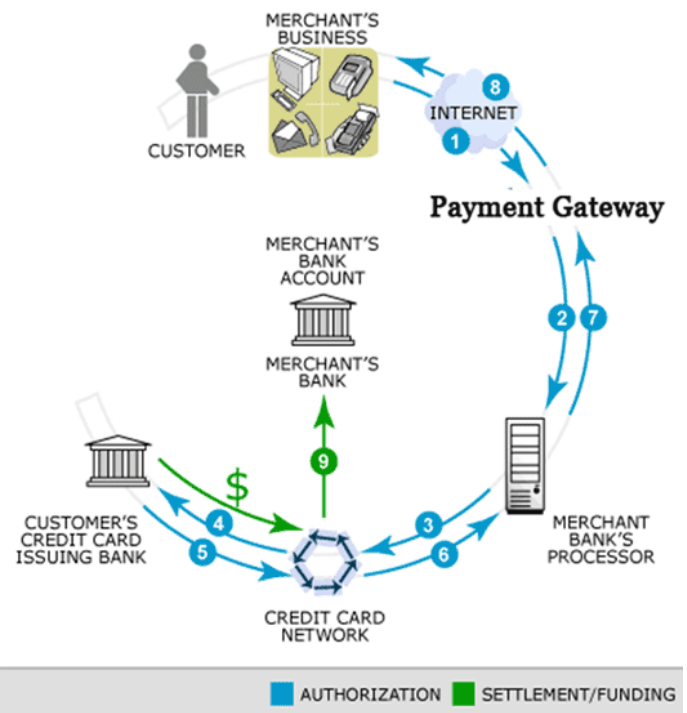
5.) The Customer's Credit Card Issuing Bank approves or declines the transaction based on the customer's available funds and passes the transaction results back to the Credit Card Network.

6.) The Credit Card Network relays the transaction results to the Merchant Bank's Processor.

7.) The Merchant Bank's Processor relays the transaction results to Payment Gateway.

8.) The Payment Gateway stores the transaction results and sends them to the customer and/or the merchant. This step completes the authorization process

9.) The Customer's Credit Card Issuing Bank sends the appropriate funds for the transaction to the Credit Card Network, which passes the funds to the Merchant's Bank. The bank then deposits the funds into the merchant's bank account. This step is known as the settlement process and typically the transaction funds are deposited into your primary bank account within two to four business days.



## How CCQ-FM Works

1.) Merchant submits customer's credit card transaction through their credit card terminal, POS system, software package via a secure connection through a landline, wireless signal, or over the Internet to National Bankcard's Processor.

2.) National Bankcard's Processor submits the transaction to the Credit Card Interchange network (a network of financial entities that communicate to manage the processing, clearing, and settlement of credit card transactions).

3.) The Credit Card Interchange network routes the transaction to the customer's credit card issuing bank to see if the necessary funds are available on the card to complete the transaction.

4.) The credit card issuing bank approves or declines the transaction based on the customer's available funds and passes on the transaction results back through the Credit Card Interchange network.

5.) The Credit Card Interchange network relays the transaction results to National Bankcard's Processor.

6.) National Bankcard's Processor then sends either the confirming approval number back to the merchant's credit card processing equipment, if the funds are available, or a decline message, if the funds are not available. Steps 1 through 5 take approximately 5-7 seconds.

7.) The merchant then "batches out" or sends a record of all the transactions that took place within their credit card processing equipment at the end of the business day. (Most equipment is setup to batch out automatically at a specific time each day.) By sending the batch back to National Bankcard's Processor and the Credit Card Interchange network, the settlement process is initiated. Funds are then transferred from the customer's credit card issuing bank through the Federal Reserve System and are deposited into the merchant's checking account within approximately 48-72 business hours

