



Credit Card Terminology

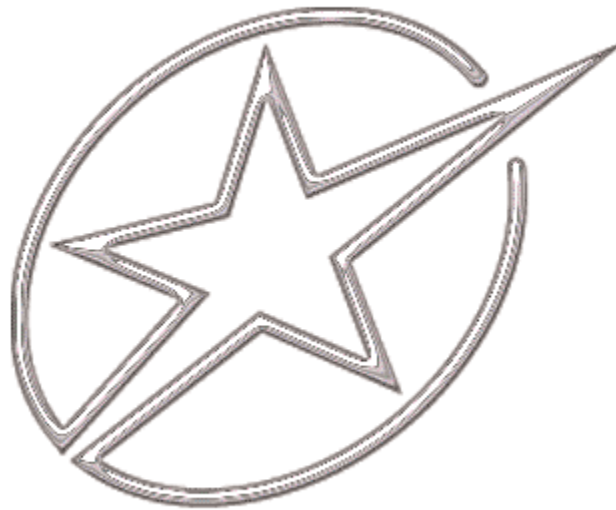




Table of Contents

A	1
B	2
C	3
D	7
E	8
F	9
G	10
H	10
I	11
J	12
K	12
L	12
M	13
N	15
O	15
P	15
Q	17
R	17
S	18
T	19
U	20
V	20
W	21
Z	21

ABA Routing Number: Also referred to as Transit Routing Number. Directs electronic ACH deposits to the proper bank institution.

ACH: Automated Clearing House. A regional organization used by member banks to electronically transfer funds between members.

ACH Network: A central distribution and settlement point for electronic items exchanged among depository financial institutions.

ACH Operator: A central clearing facility, operated by a Federal Reserve Bank or a private sector organization on behalf of depository financial institutions, in which participating financial institutions transmit or receive ACH entries.

AMEX: Abbreviation for American Express - an organization that issues travel and entertainment cards and acquires transactions, unlike Visa and MasterCard, which are bank associations.

AVS: See Address Verification.

Access Provider: A company that provides its customers a service to access the Internet. The user normally connects to the access provider's server via a modem using a dial-up connection.

Account Number: A unique sequence of numbers assigned to a cardholder account that identifies the issuer and type of financial transaction card.

Acquirer: A licensed member of MasterCard and/or VISA (or its agent), which maintains merchant relationships, receives all bankcard transactions from the merchant, and initiates that data into an interchange system.

Acquiring Bank/Merchant Bank: The bank that does business with merchants enabling them to accept credit cards. A merchant has an account with this bank and each day deposits the value of the day's credit card sales. Acquirers buy (acquire) the merchant's sales slips and credit the tickets' value to the merchant's account.

Acquiring Processor: The processor provides credit card processing, billing, reporting and settlement, and operational services to the acquirer. Many financial institutions hire a third party for more cost-effective bankcard processing.

Address Verification (AVS): A service provided through merchant services in which the merchant verifies the cardholder's address. Primarily used by mail/telephone order merchants to combat fraud. Not a guarantee that a transaction is valid.

Affinity Card: A credit card issued in conjunction with an organization or collective group; for example, profession, alumni, retired persons association. The card issuer often pays the organization a royalty.

Altered Card: A card on which the original embossed or encoded information has been altered for fraudulent purposes.

Approval: An acceptance of a payment. Usually in the form of an authorization code provided by the Issuing bank.

Arbitration: The procedure used to determine responsibility for a chargeback-related dispute between two members.

Assessments: Fees paid quarterly by members to VISA and MasterCard to support marketing and operating activities.

Association: An organization owned by members, which services and obtains processing services for members and functions as a principal/proprietary member of VISA or MasterCard.

Authentication Verifying: That a person is who he/she claims to be, or that an email message is actually from the person or organization that claims to have sent the message.

Authorization: The act of ensuring the cardholder has adequate funds available against his or her line of credit. A positive authorization results in an authorization code being generated, and those funds being set aside. The cardholder's available credit limit is reduced by the authorized amount.

Authorization Approval Code: The numerical code designated by the issuer, given to a sales transaction as verification that the sale has been authorized. The authorization code is always included on the merchant sales draft.



Authorization Capture: A payment capture method that is used by merchants who ship orders on the same day that they receive orders. The payment is captured when the merchant authorizes the credit card used by the customer.

Authorization Center: A department within First Data that electronically communicates a merchant's request for authorization on credit card transactions to the cardholder's bank and transmits such authorization to the merchant via electronic equipment or by voice authorization.

Authorization Request: An electronic message sent from the Merchant's business to the customer's credit card issuing bank to request an authorization code for a sale transaction.

Authorization Response: An issuing bank's electronic message reply to an authorization request.

Auto Representation: Chargebacks (credit not issued, transaction not authorized, etc.) that were automatically resolved by FDC on the merchant's behalf without their knowledge or intervention.

Automated Bill Payment: The crediting of funds from a consumer's account to a company's account for the payment of a consumer's bill or obligation.

Available Credit: The difference between a cardholder's credit limit and the present balance on the account, including outstanding transactions not yet received through interchange.

Average Ticket: The average size of a merchant bankcard transaction. Generally used in pricing decisions and calculations.

Bandwidth: The amount of data (i.e., text, images, video, sound) that can be sent through a given communications circuit.

Bank: An institution that handles savings and checking accounts, issues loans and credit, and deals in government and corporate issued securities.

Bank Account: An account that holds funds within a bank and is subject to additional deposits and withdrawals.

Bank Identification Number (BIN): A unique series of numbers assigned by MasterCard or VISA to a principal member institution that identifies the member in transaction processing. It is the first three to six digits of a standard cardholder account number and can be used by the member's affiliates, if necessary.

Bank Routing Number: The first nine digits that appear across the bottom of a personal check; they identify the financial institution.

Bankcard: A financial transaction card (credit, debit, etc.) issued by a financial institution.

Bankcard Association: A group of institutions formed for sponsoring a bankcard program, using a common processing and administrative center.

Banknet: The primary data transport communications facility that links all MasterCard customers and MasterCard data processing centers into a single on-line financial network (also called a packet-switching network). Banknet separates communications processing from financial applications processing, allowing an unlimited variety of financial applications to transmit messages over a single communications network.

Bank Wire Transfer: Transfer of funds to any bank within the Federal Reserve System.

Base I: The VISANet data processing systems, networks, and operations that provide authorization and authorization-related services to VISA members.

Base II: The VISANet data processing systems, networks, and operations that provide clearing, settlement, and other interchange-related services to VISA members.

Batch: The accumulation of captured (sale) transactions waiting to be settled. Multiple batches may be settled throughout the day.

Batch Authorization Transaction System (BATS): A system designed to allow certain merchants ' for example, mail order merchants ' to batch process authorizations on their own time schedules.



Batch Header Ticket: The identifying form used by the electronic submission merchant to indicate a batch of sales/credit slips (usually one day's work).

Batch Processing: A type of data processing and data communications transmission in which related transactions are grouped together and transmitted for processing, usually by the same computer and under the same application.

Batch Settlement: Each time an order is placed, it is approved and added to a "batch". But the funds have not actually been charged against the credit cards nor transferred to the merchant's bank account. That happens when the business manager accesses the Backoffice Order interface to first "capture" the funds for orders in a batch and then to "settle" the batch. Capturing the funds causes the credit cards to get charged and the funds to be transferred to the merchant bank account.

Baud: The number of electrical symbols per second that a modem sends down a phone line.

Bill Payment Provider (BPP): An agent (usually a financial institution) of the biller that originates and accepts payments on behalf of the biller.

Bill Payment Service Provider (BPSP): A financial institution or non-financial entity acting as an intermediary between the biller and consumer for the exchange of electronic bill payment information.

Bill Service Provider (BSP): An agent of the biller that provides an electronic bill presentment and payment service for the biller.

Billback: A means of recovering or reducing interchange fees for transactions clearing differently than planned. The processing company (FDC) passes through the charges to the merchant.

Biller: A company or organization that sends a bill or statement to a consumer, usually requesting payment for a product or service.

Biller Direct: One of four models of electronic bill presentment and payment (EBPP). A biller establishes an electronic billing capability on its own web site and provides its consumers with their billing information and the capability to make payments directly from the site. Other models include: Thick Consolidator, Thin Consolidator and Customer Consolidation.

Browser: Short for 'Web Browser,' the tool (program) that allows users to surf the Web. The most popular Web browsers are Netscape Navigator and Microsoft Internet Explorer.

Bulletin Board System (BBS): An electronic message system that you dial up directly on your computer to read and post messages or pull off files.

Business Card: A bankcard issued to companies for use by company employees. The liability for abuse of the card typically rests with the company, not with the employee.

Business Community: A central point where buyers and sellers can engage in electronic commerce, or build and manage an online business. <http://www.ecplace.com> is a free Business Community index that Multiactive Software provides free of charge to all ecBuilder merchants.

CTMF: Combined Terminated Merchant File

CARDnet: A proprietary authorization and draft capture network owned and operated by FDC (also known as the 'North Platform').

Call Center: A functional area within an organization or an outsourced, separate facility that exists solely to answer inbound or place outbound telephone calls. Usually refers to a sophisticated voice operations center that provides a full range of high-volume, inbound or outbound call-handling services, including customer support, operator services, directory assistance, multilingual customer support, credit services, card services, inbound and outbound telemarketing, interactive voice response and web-based services.

Cancellation Number: A number provided by a hotel/motel to verify a cardholder's notification to cancel a guaranteed reservation or advance resort deposit.



Capture: Converting the authorization amount into a billable transaction record within a batch. Transactions cannot be captured unless previously authorized and the goods or services have been shipped or transmitted to the consumer.

Capture Date: The date on which a transaction is processed by an acquirer.

Card Base: A population of cardholders, especially in the context of a single-card family.

Card Holder: Any person who opens a credit card account and makes purchases using a credit card.

Card Issuer: 1) The financial institution or retailer that authorizes the issuance of a card to a consumer (or another organization), and is liable for the use of the card. The issuer retains full authority over the use of the card by the person to whom the card is issued. 2) Any bank or organization that issues, or causes to be issued, bankcards to those who apply for them. 3) Any organization that uses or issues a personal identification number (PIN).

Card Verification Code (CVC): A unique value calculated from the data encoded on the magnetic stripe of a MasterCard card, validating card information during the authorization process.

Card Verification Value (CVV): A unique value calculated from the data encoded on the magnetic stripe of a VISA card, validating card information during the authorization process.

Cardholder: The person to whom a financial transaction card is issued or an additional person authorized to use the card.

Cardholder Bank: The bank that has issued a bankcard to an individual. The term is frequently used in conjunction with interchange arrangement to identify the card-issuing bank.

Cash: Money in the form of paper or coin that is readily available for use as a medium of exchange.

Cash Advance: An amount advanced by a bank teller (or ATM) to a bankcard holder against the cardholder's line of credit.

Cash Bank: A purchase for more than the amount of goods or services with the cardholder receiving the difference in cash.

Certificate: An electronic affidavit, issued by a trusted organization, like a bank, that vouches for the identity and the authority of an individual or business to conduct any transaction over the Internet.

Certificate Authority: A Certificate Authority can be an issuer of Security Certificates used in SSL connections, as well as a trusted third-party organization that can verify the identity and origin of a person or organization. These institutions issue digital certificates directly to end-users or to other certificate authorities allowing them to also issue digital certificates. A certificate authority, such as Thawte or VeriSign, vouches for the identity and the authority of an individual or business to conduct transactions over the Internet.

Chain: A series of merchant locations that are managed/owned by the same entity.

Charge Per Transaction: A fee charged on any authorized transaction to cover costs usually associated with delivery of the authorization.

Chargeback: A transaction that is challenged by a cardholder or card issuing bank and is sent back through interchange to the merchant bank for resolution.

Chargeback Period: The number of calendar days (counted from the transaction processing date) during which the issuer has the right to charge the transaction back to the acquirer. The number of days varies according to the type of transaction from 45 to 180 days.

Chargeback Reason Code: A numerical code that identifies the specific reasons for the chargeback. VISA and MasterCard each have their own chargeback codes.

Chargeback Reference Number: A 10-digit number assigned to every chargeback, unique (in a 12-month period) for each individual chargeback. The first four digits of the chargeback reference number are the issuer's identification (BIN/ICA) number.



Check Card: A bankcard that enables the user to purchase goods and services, obtain cash disbursements against his or her asset account, generally a checking account. The check card is also called an 'offline debit card' or 'deposit access card.'

Check Guarantee: A service provided by a third party vendor who guarantees a customer's payment by check for a specified amount. Stipulations require that the merchant follow correct authorization procedures.

Check Verification: A service provided in which a merchant accesses a national negative file database through their terminal/register to verify or authorize the person has no outstanding bad check complaints at any of the member merchants. This is not a guarantee of payment to the merchant.

Check and List Payment: A paper-based processing method in which the biller is sent a single check representing multiple payments accompanied by a list of payments that it represents.

Checking Account: A bank account that the account holder can draw checks against without giving prior notice or having a passbook.

Checks By Phone(SM): A system that allows consumers to provide their checking account information to a merchant over the phone and a duplicate check (paper draft or electronic check) is created for payment.

Chip: A small square of thin semiconductor material, such as silicon, that has been chemically processed to have a specific set of electrical characteristics such as circuit storage, and/or logic elements.

Chip Card: See Smart Card.

Clearing: The process of exchanging financial transaction details between an acquirer and an issuer to facilitate posting of a cardholder's account and reconciliation of a customer's settlement position.

Clearing Account: An account at the clearing bank that will receive a member's credit or debit for net settlement.

Clearing Bank: A bank designated by the member to receive the member's daily net settlement advisement. The clearing bank will also conduct funds transfer activities with the net settlement bank and maintain the member's clearing account. This bank may be the member itself.

Client Reference Number: An eight-digit number supplied by the establishment for Electronic Draft Capture, Electronic Cash Register, or Direct Solutions transactions. This number is given to the establishment by First Data along with a retrieval request.

Closed System: A kind of payment card system in which one organization both issues cards and acquires merchants. American Express, Diners Club, and Discover are examples of closed systems.

Co-Branded Card: A credit card issued jointly by a member bank and a merchant, bearing the 'brand' of both.

Common Gateway Interface (CGI) Script: A computer program that allows web servers to forward requests for processing to other programs, which then return their results to the web server.

Compliance: The procedure a VISA or MasterCard member may use to resolve a dispute between members when no chargeback reason code applies. The challenging member must prove financial loss due to a violation of MasterCard and/or VISA rules by the other member.

Concentrator: A financial institution or a third party service provider that has been retained by a biller to handle payment and/or remittance data.

Confirmation Number: A number provided by a hotel or motel to verify a cardholder's guaranteed reservation or advance resort deposit.

Congestion: Density of traffic when the load exceeds the capacity of a data communication path.

Connection Establishing: Contact with a remote computer.



Consolidator: A bill service provider (BSP) that consolidates bills from other BSP's or billers and delivers them for presentment to the customer service provider. Also referred to as a Bill Consolidator.

Consumer: A person who purchases goods and services.

Convenience User: A cardholder who pays the balance in full on each payment due date.

Cookie: A small chunk of information, stored on your computer by a Web site you have visited, that's used to remind that site about you the next time you visit it.

Corporate Card: A bankcard issued to companies for use by company employees. The liability for abuse of the card typically rests with the company and not with the employee.

Correspondent Bank: A bank that accepts deposits and performs banking services for other banks. Correspondent banking arrangements exist between local banks and banks located throughout the world.

Counterfeit Card: A plastic card which has been fraudulently printed, embossed, or encoded to appear to be a genuine bankcard, but which has not been authorized by MasterCard or VISA or issued by a member. A card originally issued by a member but subsequently altered without the issuer's knowledge or consent.

Credit: The extension of funds issued by a bank that allows a consumer to purchase goods or services from a merchant. The consumer then pays back the bank either in full or in installments, at an interest rate determined by the bank.

Credit Card: A plastic card with a credit limit used to purchase goods and services and to obtain cash advances on credit for which a cardholder is subsequently billed by the issuer for repayment of the credit extended.

Credit Card Gateway: A reference to both the actual machine and the company hosting the credit card gateway server, acting as a middleman between the ecBuilder merchant and the merchant bank. The Credit Card Gateway passes data between the merchants business Web site and the banks.

Credit Deposit: The value of a merchant's credit card purchases that are credited to its bank account after the acquiring bank buys the merchant's sales slips. The deposit is credited but is not funded until the acquiring bank gets the monetary value from the issuer during settlement. Also referred to as Deposit Credit.

Credit Limit: The maximum amount the cardholder may owe to the issuer on the card account at any time.

Credit Loss: The amount lost (charged off) as a result of failure of the cardholder to repay the amount owed on the account.

Credit Scoring: A method for predicting the credit worthiness of applicants for credit.

Credit Transaction: A claim for funds by a cardholder for credit against his or her account. At the same time, it provides details of funds acknowledged as payable by the acquirer, the card acceptor, or both, to the card issuer.

Current Risk: The risk exposure presented in the given month projected from the prior month's processing volumes.

Customer Consolidation: One of four models of electronic bill presentment and payment (EBPP). Bill content and payment instructions and/or a payment mechanism are sent to the customer via e-mail. Other models include: Biller Direct, Thick Consolidator and Thin Consolidator.

Cyberspace: A term coined by the science-fiction novelist, William Gibson, in his fantasy novel, Neuromancer. Used to describe the 'world' of computers. Used as a reference to the 'Internet.'

Cycle: The grouping of cardholder accounts to provide for a distribution of workload and easier account identification.

Cycle Billing: The preparation of monthly cardholder statements by group (cycle) for the purpose of evenly distributing the workload and receipt of cardholder payments.

Cycle Period: A specific period of time during which both debit and credit transactions are accumulated from billing.



Data Capture (a/k/a Draft Capture): The collection, formatting, and storage of information in computer memory. Some point-of-sale terminals perform data capture functions. See EDC Terminal.

Data Encryption Key (DEK): Used for the encryption of message text and for the computation of message integrity checks (signatures).

Data Encryption Standard (DES): A popular standard encryption scheme.

Database: A collection of data organized and designed for easy access i.e., a collection of customer names and addresses.

Debit: A charge to a customer's bankcard account.

Debit Card: An ATM bankcard. This type of card allows a merchant to deduct money directly from a customer's bank account.

Debit Transaction: A bankcard used to purchase goods and services and to obtain cash, which debits the cardholder's personal deposit account.

Decrypt: The process of converting encrypted data or text back to plain data or text.

Demand Deposit Account (DDA): Usually abbreviated as DDA, it refers to the merchant bank account First Data credits or debits for deposits, fees and adjustments.

Denial: When permission to perform a particular action has been declined.

Deposit Credit: See Credit Deposit.

Dial-Up Line: A communications medium described as a non-dedicated telephone line, in which a connection is established by dialing a destination number and broken when the call is complete. This is the same type of phone line that you use at home.

Dial-Up Terminal: An authorization terminal that (like a telephone) dials the authorization center for validation of transactions.

Digital Cash: Money, in the form of information that can be stored in electronic wallets or on smart cards. Digital cash systems have been designed for use on the Internet for so-called "micro payments" - payments for goods that are too inexpensive to be paid for by credit cards.

Digital Certificate: A digital certificate is a special kind of message that contains information about whom it belongs to, who it was issued by, a unique serial number or other unique identification, valid dates, and an encrypted "fingerprint" that can be used to verify the contents of the certificate. Digital certificates are issued by trusted third parties, known as Certificate Authorities. The public key of the ecBuilder merchant's digital certificate is used to encrypt the shopper's order information before it is emailed to him.

Digital Signature: A way to ensure whether a message was actually sent by the person who claimed to have sent it. The sender's private key encrypts the signature, and the recipient decrypts the signature with the sender's public key. Digital signatures use public key cryptography and work in conjunction with certificates.

Direct Marketing: A transaction category for providing customized services and procedures for merchants that offer merchandise or services via catalogs, telephone calls, mailings, and/or advertisements.

Direct Payment: A method of collection used in the ACH network for certain claims, generally those that are repeated over a period of time, under which the debtor gives the originator a standing authorization to debit his or her account.

Disclosure: The information required by federal or state law to be relayed to the cardholder concerning the terms of the credit agreement. Disclosure must be made by the issuer before the first use of the card by the cardholder, and must subsequently be included on all monthly statements and other documentation mentioning finance charges.

Discount Rate: An amount charged a merchant for processing its daily credit card transactions.

Doing Business As (DBA): Refers to the specific name and location of the merchant establishment where credit card purchases are made.



Domain Name System (DNS): A general-purpose data query service whose principal use is the lookup of host addresses based on host names. Important domains are .com (commercial), .edu (educational), .net (network), .gov (U.S. government), .mil (U.S. military) and .org (organization).

Down Time: A period when all or part of a system or network is not available to end users due to failure or maintenance.

Download: To copy a file from a remote computer 'down' to your computer.

Drop-Shipping: An arrangement whereby a mail order or Internet merchant accepts orders for products, and then pays a manufacturer or distributor to ship the product to the customer.

Duality: The membership of a financial institution in both MasterCard and VISA. Legality outside of the U.S. varies according to nation.

E-Cash: Electronic cash is a payment mechanism designed for the Internet. It is electronic money that can be passed along from person to person like cash. It is anonymous like cash, and has value immediately. It's cash, not a promise to pay later.

E-Check: The electronic equivalent of a traditional paper check. It includes all the components of a paper check and can be used as a method of payment on the Internet. Currently the Payment Gateways that are integrated with ecBuilder do not support Electronic Checks.

Electronic Check Security: A combination of state of the art technology and established business practices to prevent fraud on electronic checks. Electronic check pilots are currently being conducted using a combination of technology tools, data encryption, digital signatures, certificates, secure e-mail and smart card technology to ensure that the security of the system is not compromised.

Electronic Check Verification: The validation of an electronic check using certificates and digital signatures. Once the electronic check is deposited, the bank will perform additional verification against internal databases.

Electronic Banking: A form of banking in which funds are transferred through an exchange of electronic signals between financial institutions, rather than an exchange of cash, checks or other negotiable instruments.

Electronic Bill Delivery: A bill delivery system offered by Visa Interactive that allows banks to send consumers their bills through their personal computers or via telephone lines. This system now allows consumers to transfer funds through their bank to the billing agent itself.

Electronic Bill Payment (E-pay): An alternative to paper checks for paying bills. Consumers can use PCs, telephones, screen phones or ATMs to send electronic instructions to their bank or bill payment provider to withdraw funds from their accounts and pay merchants. Payments may be made either electronically or by a paper check issued by the bill payment provider.

Electronic Bill Presentment (EBP): The electronic delivery of vendor requests for payment. Vendors send consumers their bills via PCs, telephones or screen phones.

Electronic Cash Register (ECR): A system that functions most efficiently and effectively for large businesses with many registers in single or multiple locations. Provides a direct, computer-to-computer linkup between the First Data host and the merchant's host.

Electronic Check Acceptance(SM) or ECA: A system that captures banking information off a paper check and converts it into an electronic item processed through the Automated Clearing House network. With ECA, checks are processed similarly to credit cards, and the paper check is returned to the consumer at the point of sale.

Electronic Commerce (E-commerce): The transacting of business electronically rather than via paper.

Electronic Data Interchange (EDI): The electronic communication of business transactions; specifically the exchange of trade-related documents, such as purchase orders, invoices and corporate Electronic Funds Transfer (EFTs) in a standard format. With EDI, electronically transmitted data replaces paper documents in the business accounts receivable cycle.



Electronic Draft Capture (EDC) Terminal: Also referred to as Electronic Data Capture terminal. A point-of-sale device, which reads information, encoded in the bankcard's magnetic stripe, performs authorization functions, stores transaction data, and batches, and transmits that data to the acquirer for processing. The stored transactions are used to create settlement files and transaction reports.

Electronic Financial Services (EFS): Financial services that are provided via electronic delivery channels (e.g. PCs, telephones, screen phones and ATMs). These services may be transaction and/or information oriented and may be provided by bank and non-bank providers.

Electronic Funds Transfer (EFT): A transfer of funds between accounts by electronic means rather than conventional paper-based payment methods. EFT is any financial transaction originating from a telephone or electronic terminal, or from a computer or magnetic tape.

Electronic Funds Transfer at the Point of Sale: The technology and practice of making payments for goods and services by means of electronic funds transfer initiated at the point where goods and services are purchased.

Electronic Mail (E-mail): A system where a computer user can exchange messages with other computer users (or groups of users) via a communications network.

Electronic Point of Sale: A point-of-sale merchant with electronic equipment for pricing and recording transactions, but not necessarily incorporating functions for electronic funds transfer.

Electronic Wallet: Also called a virtual wallet, a software mechanism that allows commerce server users to store and use credit card and electronic payment information. Typically, information in the wallet is encrypted and is persistent from session to session. Currently the Payment Gateways that are integrated with ecBuilder do not support the use of Electronic Wallets.

Embossing: The process of printing data, in the form of raised characters, on the bankcard. Provides identification of the card and allows the imprinting of sales drafts.

Encryption: The technique of scrambling data automatically in the terminal or computer before data is transmitted for security/anti fraud purposes.

Enveloping: A process whereby documents of the same type or purpose are grouped together, bound and sent to the same destination into an electronic envelope. This is done by an electronic data interchange management software function.

Expiration Date: The date embossed on a bankcard, beyond which the card becomes invalid.

Extranet: A Web site that links businesses to consumers, suppliers, etc., for electronic commerce. These sites usually provide more consumer-specific information than public sites and may have security devices such as passwords for a user to gain access to more sensitive information.

Facsimile Draft: A paper record that may be provided by an acquirer as a substitute for the sales draft. A substitute document.

Factoring/Laundering: The coercion/bribery of a merchant to process another merchant's transactions (often fraudulent) for payment.

Fiber Optic Cable: A transmission medium composed of small strands of glass, providing a path for light rays that act as a carrier.

File Transfer: The copying of a file from one computer to another over a computer network.

File Transfer Protocol (FTP): A method of transferring files from one computer to another over the Internet.

Financial EDI: Electronic exchange of payments, payment information or financially related documents in standard formats between business partners.

Financial Institution: Any organization in the business of moving, investing, or lending money, dealing in financial instruments, or providing financial services. Includes commercial banks, thrifts, federal and state savings banks, saving and loan associations, and credit unions.



Firewall: A specially programmed computer that connects a local network to the Internet and for security reasons only allows certain types of messages through.

Floor Limit: A dollar amount set by the acquirer in accordance with MasterCard and VISA rules and regulations. The merchant must obtain authorization for any transaction over the floor limit.

Folio: A lodging merchant's guest file that contains the cardholder's transaction information, including check-in and out dates, rate, intended length of stay at check-in time, applicable charges and taxes.

Force / Offline Transaction: The after-the-fact entry of a purchase resulting from a referral ('call Authorization Center') message or a downtime interruption of service from a Network that enables the merchant to enter (as a force/post authorization) the transaction and the approval code into the EDC batch.

Frame Relay: An emerging network access protocol designed to accommodate data applications. It is characterized by four important features: 1.High transmission speeds 2.Low network delay 3.High connectivity 4.Efficient bandwidth use

Franchise: An organization that grants a license to a group of merchants to market a company's goods or services in a particular territory, and wants to provide bankcard processing to its members from First Data.

Frequently Asked Questions (FAQ): A term that refers to a list of questions/answers provided by companies relating to software products, Web site, etc.

Fulfillment: The acquirer's response to an issuer's retrieval request for a sales draft. The acquirer supplies the issuer with the original draft or a clear reproduction. The fulfillment record confirms the response and initiates reimbursement to the acquirer for fulfilling the request.

Full Service Processing (FSP): A relationship with a Bank whereby First Data provides a series of services on an outsourcing basis. First Data is paid fees for the services performed and does not hold the risk for Credit/Fraud losses.

Funding: Refers to the payment to a merchant for his submitted deposits.

Funding Correction: A payment made by First Data to a merchant to rectify an error made by First Data subsequent to clearing a merchant's bankcard deposit/transmission through the Associations and First Data receiving payment from the Associations for said bankcard deposit/transmission.

Funds: Availability The amount of money available for a consumer to use to make purchases.

Funds Transfer System: A wire transfer network, ACH, or other communication system or clearing house or association of banks in which First Data's Clearing/Funding Bank is a member and through which a payment order by a bank may be transmitted. Includes: SWIFT, CHIPS, Fedwire, the National Association of Clearing House Associations, MasterCard and VISA.

Gateway: The interconnection between two networks with different communication protocols.

Good Faith: An attempt to resolve a dispute regarding a violation of the Association Bylaws and Rules by written communication, before filing a compliance case.

Gross Deposit: Submitting bankcard sales and credits at the face amount. The acquirer later deducts the discount.

Handshake: A preliminary procedure, usually part of a communications protocol, to establish a connection.

Hard Copy: The original document of a transaction (such as sales drafts, credit slips, etc.).

Hard Goods: Tangible products that are distributed through the postal or other delivery service. Contrasts with soft goods, which are distributed electronically.

Helper Application: A software application that supports another software application. For example, the ecOrderDesk is a helper application ecBuilder.



Headquarters / Head Office: The main office of a retail chain through which all communication, supply orders and funding with First Data takes place.

Hologram: A laser-created photograph that creates a three-dimensional image; used as an anti-counterfeiting measure on bankcards.

Home Page: The page where a user normally enters a Web site. Also contains the major hotlinks to various features/contents of the site.

Host: A computer running Internet protocols that can act as either a client or a server on the Internet.

Host Capture: A credit card processing model where the authorization and capture of the transaction data are accomplished within a single message sent to the payment processor.

Host Computer: The central computer in a data communications system that provides the primary data processing functions, such as computation and database access.

Hot Card: A card account on which excessive use is occurring often an indication that the card (or account number) has been stolen.

Hyperlink: A hypertext connection that can take you to another document or another part of the same document. On the World Wide Web, hyperlinks appear as text or pictures that are highlighted. To follow a hyperlink, click the highlighted material.

Hypertext: A system of writing and displaying text that enables the text to be linked in multiple ways, be available at several levels of detail, and contain links to related documents.

Hypertext Mark-Up Language (HTML): The language used to write pages for the World Wide Web. This language lets the text include codes that define fonts, layout, embedded graphics, and hypertext links.

Hypertext Transfer Protocol (HTTP): The way in which World Wide Web pages are transferred over the Internet.

Hypertext Transfer Protocol (HTTP) Proxy Server: A server that forwards client requests using the HyperText Transfer Protocol (HTTP) over the World Wide Web.

Hypertext Transfer Protocol Secured (HTTPS): A variant of HTTP that encrypts messages for security.

Imprint: An imprint of a customer's credit card can be electronic, swiping the card through a credit card terminal, or manual, taking a physical impression of the credit card. Either of these two methods is required to prove the customer's credit card was present.

Imprinter: A device used by merchants to imprint embossed card information onto the sales drafts for bankcard transactions.

Incentive: A reduction in price given to customers after a purchase has been made.

Independent Sales Organization (ISO): Also called a member service provider. An outside company (not MasterCard or VISA member) that is contracted by members to administer merchant and/or cardholder servicing.

Industry Server: A computer that facilitates electronic financial transactions and information flows. Servers function either via private (Intranet) or public (Internet) communication networks. Servers can have three potentially complementary sets of capabilities: 1) The gateway/switch function manages the connection between consumers and their financial institution(s). It also facilitates transfer of information between consumers and institutions. 2) The transaction processor executes consumer requests for transactions by assembling information in an appropriate form or actually conducting transactions. Electronic bill payment is a good example of a transaction facilitated by servers. 3) The settlement facilitator enables banks to settle transactions between themselves. Servers can prepare information for settlement as well as conduct settlement activities. The facilitator may use existing payment networks (e.g., Fedwire, ACH and ATM) or develop a new settlement approach.

Integrated Services Digital Network (ISDN): A faster, digital phone service that operates at speeds as high as 128 kilobits per second.



Integration: The act of combining or coordinating several parts or elements into an entire whole. For example, the Cardservice International payment-processing engine is integrated with the ecBuilder Web site creation software.

Interactive Financial Exchange (IFX): A standard for the exchange of financial data and instructions independent of a particular network technology or computing platform. It builds upon previous industry experience, including OFX and GOLD, two standards currently implemented by major financial institutions and service providers to enable electronic exchange of financial data between themselves and their consumers.

Interactive Voice Response (IVR): The process in which the voice processing system prompts the caller for information that can then be used as a search key to a database. The result of the search is subsequently reported back to the caller. A typical and most common application of IVR is in the banking system. A caller calls the bank's IVR lines, enters an account number and receives information such as account balance, last check cleared, etc.

Interbank Card Association Number (ICA): A four-digit number assigned by MasterCard to a financial institution, third party processor, or other member to identify the member in transactions.

Interchange: The domestic and international systems operated by VISA and MasterCard for authorization, settlement and the passing through of interchange and other fees, as well as other monetary and non-monetary information related to bankcard activities.

Interchange Fee: Fees paid by the acquirer to the issuer to compensate for transaction-related costs. VISA and MasterCard establish interchange fee rates.

Internet: A system by which all the computers in the world talk to each other.

Internet Bill Delivery and Payment (IBDP): An Internet-based service that securely and reliably delivers richly formatted bills, statements, invoices, notices and associated advertising to any online consumer or business, and returns payment, remittance instructions and related information to the biller and/or designated payee.

Internet Check Acceptance: A payment system that allows consumers to enter their checking information online; electronic items are created and processed through the Automated Clearing House network.

Internet Merchant: A business owner who sells products or services over the Internet.

Internet Service Provider (ISP): A commercial provider of a connection to the Internet, i.e., AOL, CompuServe, etc.

Intranet: A private version of the Internet that lets people within an organization exchange data using popular Internet tools, such as browsers.

IP Address: A unique number that is assigned to any device connected to the Internet.

Issuer / Issuing Bank: The financial institution (a licensed member of MasterCard or VISA) that holds contractual agreements with and issues cards to cardholders.

Issuing: The act of providing a bank card to a cardholder and authorizing them to use it to make financial transactions.

Japanese Credit Bureau (JCB): Issuers of the JCB card.

Java: A computer language invented by Sun Microsystems. Because Java programs can run on any modern computer, Java is ideal for delivering application programs over the Internet.

Key Pair: The use of the public and private key together. The public key is used to exchange and encrypt the private key.

Kitting: A scheme where a merchant submits a sales transaction on his/her personal bankcard account(s) to obtain cash advances through their business.

Leased Line: A communications medium described as a dedicated telephone line reserved for the permanent use of communicating between two points.

Link: Means a URL hidden behind a formatting option that may take the form of a colored item of text, logo or image, and which allows a user to automatically move between WWW pages, WWW sites or within a WWW document.



Local Area Network (LAN): A data communications network confined to a limited geographic area with moderate to high data rates. The area served may consist of a single building or a cluster of buildings. It is owned by its user, and does not use common carrier circuits, although it may have gateways or bridges to other public or private networks.

Logs: Records of network activities. These activities can include access records, errors, and financial transactions. MCC: See Merchant Category Code.

MICR Number Method: A check authorization procedure that uses the bank routing/transit numbers, checking account numbers and check number encoded along the bottom of the check.

Magnetic Information Character Recognition (MICR): Imprinted banking numbers (routing/transit number, checking account number, check number) at the bottom of the check.

Magnetic Stripe: A stripe (on the bankcard) of magnetically encoded cardholder account information affixed to a plastic card.

Mail Order / Telephone Order (MO/TO): The direct marketing catalog industry.

Mall: A group of businesses, usually retail, that have individual managements, but are also managed under one administrator. Online malls are virtual malls, and may consist of one business under individual management. ecPlace is an example of an online mall.

Manual Entry: The entering of credit card information via computer keyboard or terminal keypad instead of swiping the card through a credit card reader terminal. ecOrderDesk support the act of manually entering a customer's credit card information for processing directly against a payment gateway.

MasterCard: An association of banks that governs the issuing and acquiring of MasterCard transactions.

Media: The documentation of monetary transactions (i.e. sales drafts, credit slips, computer printouts, etc.)

Member: A financial institution that is a member of VISA USA and/or MasterCard International. A member is licensed to issue cards to cardholders and/or accept merchant drafts.

Merchant: A retailer, or any other person, firm, or corporation that, according to a Merchant Agreement, agrees to accept credit cards, debit cards, or both, when properly presented.

Merchant Account: A written, commercial bank account established by contractual agreement between a merchant/business and a bank and/or a payment gateway. The agreement contains the respective rights, warranties, and duties with respect to accepting bankcards like Visa or MasterCard. You must apply for this account directly from your bank, or from the Payment Processor.

Merchant Account Initiation (MAI): A full-cycle credit management system that statistically credit scores and rates new merchant applications, tracks accounts from contract signing to achievement including an on-going profitability analysis, and retains a paperless credit file online.

Merchant Acquirer: A member that has entered into an agreement with a merchant to accept deposits generated by bankcard transactions; also called the acquirer or acquiring bank.

Merchant Agreement: The written contract between merchant and acquirer who detail their respective rights, responsibilities, and warranties.

Merchant Category Code (MCC): Merchant classification code that identifies the merchant by type of processing, authorization and settlement.

Merchant Fraud: The act of submitting sales drafts that are not the result of legitimate sales for the purpose of defrauding the services, the client bank, or individual cardholders. Fraud includes knowingly accepting lost, stolen, or counterfeit credit cards.

Merchant Number: A number that numerically identifies each merchant to the merchant processor for accounting and billing purposes.

Merchant Outlet: The physical premises of the merchant at which a transaction is consummated.



Merchant Sales Agreement: The written contractual agreement between a merchant, First Data, and First Data's clearing/funding member bank. This agreement contains their respective rights, duties, and warranties with respect to the acceptance of credit, debit, or charge cards and payment system processing.

Merchant Service Charge: The discount rate or other fees assessed by the acquirer.

Merchant Settlement Amount: The net dollar amount for each business day of card transactions processed, less chargebacks debited to the merchants and other debits or credits to the merchants.

Merchant Station Plate: A metal embossed plate to be attached to the imprinter machine and used for imprinting sales slips and batch headers/summaries. Embossed data includes merchant name, account number, city, state, and may include service entitlement numbers or checking account number. Also known as a 'slug.'

Message: Information sent and received that communicates various parts of a transaction.

Micro Payments: Payments, usually in very small amounts (< \$3.00) for goods purchased over the Internet.

Modem: A device that converts serial digital data from a computer to a signal suitable for transmission over a telephone line and then reconverts the signal to serial digital data for the receiving PC.

Money: A means of payment or a measure of value.

MO/TO: Refers to Mail Order / Telephone Order sales where the customer's card is not present at the time of transaction.

National Automated Clearing House Association (NACHA): The national association that establishes the standards, rules and procedures that enable depository financial institutions to exchange ACH payments on a national basis.

Negative File: A collection of records (cardholder accounts) containing all accounts on which charge privileges have been revoked and/or require a voice authorization.

Net Payment: Payment to the merchant for sales drafts less credits minus the appropriate discount fee.

Net Revenue: Discount income less interchange expense.

Net Settlement: The settlement, through an actual transfer of funds, of the net effect of a series of financial transactions involving customers of two or more banks.

Network: Computers that are connected together.

Network Service Provider: A terminal-centered system that allows the merchant to obtain authorization and/or data captured through the network. A third party vendor who provides authorization network services such as Banknet, VISANet, and NDC.

Nexus: A seller's minimum level of physical presence within a state that permits the taxing authority to require the seller to register, collect and remit sales/use tax and comply with the Country's, Province's, State's and/or County's taxing statutes and regulations.

No Show: A charge processed by a hotel or motel when a cardholder fails to arrive within a specified time or fails to cancel the guaranteed reservation within a specified period. The words 'no-show' must be written on the signature line of the sales draft.

Note: The network telecommunication access point that can be accessed by the terminal dialing a 'local' telephone number, or a toll-free '950' or '800' telephone number for authorization.

Non-Delivery Risk (NDX): A processed and cleared transaction charged to a cardholder's account for full or partial payment for a product/service in advance of delivery/receipt of the product/service to the cardholder.

Non Face-to-Face Transaction: Any transaction where the card is not presented, such as a mail order purchase.

Non-Bank: In a payment system, a financial institution not offering retail banking services.

North Platform: See CARDnet.



Offline Capture: A payment capture method used by merchants who ship an order one or more days after they receive it. The payment is captured when the merchant ships the order and sends a post-authorization message to the payment processor.

Offline Debit: Debit card transactions using a VISA/MasterCard branded card that looks like a credit card. The transaction must adhere to VISA/MasterCard debit regulations and the merchant is required to pay a discount fee. Cash back is not available.

Offline Transaction: See Force.

On-Us Entries: Financial institution debit and credit entries to accounts held at the same institution. Such entries are posted internally to the appropriate accounts.

On-Us Transaction: Any electronic banking transaction in which the acquirer and the issuer are the same institution.

Online: A computer or user is online when connected to a network or server that allows communication flow between computers.

Online Capture: A payment capture method used by merchants who ship an order on the same day that they receive it. The payment is captured when the credit card is authorized.

Online Debit: Debit card transactions that are instantly debited from the cardholder's bank account. No signature is required. A pin pad is required at the point of sale. Cash back is available and the funds are guaranteed.

Online Store: A web site that accepts direct payments in exchange for goods and services.

Open-to-Buy: The difference between the credit limit assigned to a cardholder account and the present balance on the account.

Operating Procedures: The current manual prepared by an acquiring processor, containing operational procedures, instructions and other directives relating to card transactions.

Operating Risk: The sum total of cumulative chargeback risk exposure plus the cumulative credit risk exposure with a given merchant.

Operating Rules: Rules and business practices meant to increase consistency and interoperability among the various financial service providers that will interact with each other and end-users. Examples of operating rules include: authorization procedures, settlement timing requirements, audit and accounting rules, and credit limits.

Original Draft: The actual bank copy of the form used in the transaction. Also referred to as the 'hard copy.'

Originator: A financial institution that initiates a wire transfer or Automated-Clearing-House (ACH) payment.

Outlet: One location of a chain.

PDF File: A method for distributing formatted documents over the Internet. You need a special reader program called Acrobat, and you can get it at <http://www.adobe.com>.

PIN: Personal Identification Number. The confidential individual number or code used by a cardholder to authenticate card ownership for ATM or POS terminal transactions.

PIN Authorization Request: A procedure enabling the issuer to validate cardholder identity by comparing the PIN to the account numbers.

POS Terminal: A device placed in a merchant location that is connected to the bank's system or authorization service provider via telephone lines and is designed to authorize, record, and forward data by electronic means for each sale.

POS2000: A client database (entitlements and equipment) and terminal tracking system (shipment status and serial numbers). This sub-system uploads to the First Data terminal billing information system.

Packet: A chunk of information sent over a network. Each packet contains the address that it's going to and the address from which it came.



Paper: Sales slips, credit slips, cash disbursement slips, and other obligations indicating use of a card or a card account. Also referred to as 'media.'

Paper / Voice: The oldest, yet most familiar bankcard process mode whereby a merchant must call the authorization center for approval of a credit card transaction and then submit their sales slips to First Data for processing.

Pass Through: Transactions that are processed by First Data for statement purposes, but are not funded by First Data (i.e., American Express).

Password: A sequence of characters paired with a user name that assures only the user with that password can log on with the particular user name associated with it.

Payment Capture: A method used to receive payment. This method is determined by the merchant's bank and/or payment processor.

Payment Gateway: A combination of software and hardware that provides an interface to the bankcard processing network.

Payment Methods: A means for accepting payment. The most common are credit card, electronic check, phone charge, corporate account, and invoice.

Payment Processor: A financial institution distinct from the bank that processes data from credit card transactions. Providing pre-authorization, post-authorization, and refund services to businesses accepting credit cards. They are responsible for the distribution of funds between consumers and businesses. Sometimes also referred to as a Transaction Processor.

Payment System: A set of instructions and procedures used for the transfer of ownership and settlement of obligations arising from the exchange of goods and services.

Pick-Up Card: An issuer's response to an authorization request stipulating that the card be confiscated by the merchant and returned to the issuer.

Point of Sale (POS): The location of a merchant where the customer makes a purchase.

Point-of-Sale System: An electronic system that accepts financial data at or near a retail selling location and transmits that data to a computer or authorization network for reporting activity, authorization and transaction logging.

Port: Generally, port refers to the hardware through which computer data is transmitted; the plugs on the back of computers are ports. On the Internet, port often refers to a particular application. For instance, one might telnet to a particular port on a particular host. The port is actually an application.

Positive File: A file listing the current balance and available credit for each active cardholder account. PIN and other cardholder information may also be included.

Posting: The process of recording debits and credits to the cardholder's credit or deposit account.

Presentment: The process by which the acquirer sends the transaction to the issuer for reimbursement.

Principal Member: A financial institution that directly participates as an issuing and/or acquiring member of MasterCard International.

Private Key Encryption: An encryption system that uses two private keys for encrypting and decrypting messages. Both parties must have a secret key to decrypt a message encrypted by the other. The drawback with this method of encryption is in the difficulty of distributing the private keys.

Private Label: A retailer's proprietary card. Accepted only at that merchant's retail establishments.

Processing Date: The earliest date stamped on the transmittal summary and draft by the member or its processor. The date on the 603-transmission header record for electronic transactions.

Processor: An organization that is connected to VISA Net and or Banknet and provides authorization and/or clearing and settlement services on behalf of a member.

Proprietary Card: A card issued by a financial institution to its customers for access to their credit or deposit accounts.



Protocol: The agreed-on rules that computers rely on to talk among themselves. A set of signals that mean 'go ahead,' 'got it,' 'didn't get it, please resend,' 'all done,' and so on.

Public-Key Encryption: An encryption system that uses two keys, a public key for encrypting messages and a private key for decrypting messages, to enable users to verify each other's messages without exchanging secret keys. ecBuilder uses Public Key technology.

Purchase: The act of providing a payment in exchange for a product or service.

Purchasing Card: Designed to help companies maintain control of small purchases while reducing the administrative cost associated with authorizing, tracking, paying and reconciling those purchases.

Queries: Inquiries that are performed about transactions, databases, or other records.

Real-Time: An activity that occurs "while you wait", rather than being delayed for processing at a later time.

Reason Code: A code used to provide additional information to the receiving clearing member regarding the nature of a chargeback, subsequent presentment, fee collection, funds disbursement, or request for a source document.

Receipt: A hard copy description of the transaction that took place at the point-of-sale, containing at minimum: date, merchant name/location, primary account number, type of account accessed, amount, reference number, and an action code.

Reconciliation: The act of balancing debits, credits, and totals between two systems.

Recurring Transaction: A transaction charged to the cardholder (with prior permission) on a periodic basis for recurring goods and services, i.e., health club memberships, book-of-the-month clubs, etc.

Reference Number: A twenty-three (23) position number assigned by the acquiring member and used to identify a transaction.

Referral: The message received from an issuing bank when an attempt for authorization requires a call to the Voice Authorization Center or Voice Response Unit (VRU).

Refund: A return of funds to a consumer for a returned product.

Regional Network: A network that processes debit transactions for financial institutions and retailers in a given geographic area. Regional networks are not part of the national interchange system.

Registration: An entry of personal information in a formal record. When customers shop at your online business, they will have the opportunity to register as a member of your online business. The registration usually consists of user name, password, billing/shipping address, and e-mail address.

Remittance Information: Information required by the biller to post customer bill payments effectively.

Remittance Processing Service: An electronic routing and settlement service that accepts previously captured and authorized payment transactions from members for delivery to other financial institutions.

Rental Agreement: A detailed contract with the cardholder indicating all charges the cardholder is responsible for.

Representation: A transaction presented to the issuer by the acquirer, when the merchant requests a reversal of a chargeback.

Reseller: A person who is authorized to sell someone else's goods and/or services.

Response: A reply, answer, or additional message that is returned to a sender.

Retention Period: The minimum time the member must retain microfilm or other reproduction of interchange paper and chargeback documentation.

Retrieval Request: A request by the issuer to the acquirer for a copy of the actual ticket of a transaction. The initial step that the issuer takes in the event that either the issuer or the cardholder disputes a transaction.



Return: A transaction in which a consumer wants to return a purchase and receive his/her money back. (Contrast with void.)

Roll Printer: A dot matrix printer connected to a POS terminal and used to print receipts and reports on carbonless roll paper. Not an imprinter.

RSA: A method of public key encryption developed by Rivest, Shamir, and Adelman at the Massachusetts Institute of Technology that is sold by RSA Data Security Inc. RSA technology is one of the most popular public key encryption technologies currently available.

SNA: A communications protocol describing a terminal-to-mainframe type connection.

Sales Draft: Paper documentation of a transaction. Also called a sales slip, charge slip, or hard copy.

Secure Electronic Transaction (SET): A standard electronic transmission security format developed by Visa/MasterCard that uses a combination of encryption, digital signatures, certificates and third-party validation for secure credit card transactions over the Internet.

Secure Socket Layer (SSL): A Web-based technology that lets one computer verify another's identity and allows secure connections.

Security: The area within Credit/Risk Management tasked with monitoring the performance of the entire active First Data portfolio by means of exception reports identifying, investigating and monitoring suspect accounts for fraud related activities.

Security Certificate: A chunk of information (often stored as a text file) that is used by the SSL protocol to establish a secure connection. A Security Certificate contains information about to whom it belongs, who it was issued by, a unique serial number or other unique identification, valid dates, and an encrypted "fingerprint" that can be used to verify the contents of the certificate. In order for an SSL connection to be created both sides must have a valid Security Certificate (also called a "Digital ID").

Serial Port: The place on the back of your computer where you plug in your modem. Also called a communications port or comm port.

Server: A computer that provides a service to other computers (known as clients) on a network.

Service Entitlement Number (SE NUMBER): Assigned by and required for processing American Express, Discover, Diners Club, and JCB.

Session: In terms of the payment system, a session manages the exchange of money.

Settlement: As the sales transaction value moves from the merchant to the acquiring bank to the issuer, each party buys and sells the sales ticket. Settlement is what occurs when the acquiring bank and the issuer exchange data or funds during that function.

Settlement Statement: A document issued to the merchant, indicating the sales and credit activity, billing information, discount fee and chargebacks (if any) occurring during a particular time frame (one week, one month).

Shopping Cart Software: Shopping cart software allows the cardholder to select items from an online store and place them in a 'virtual shopping basket or shopping cart.' The shopping cart remembers which items are selected while the cardholder views other items within the 'virtual storefront,' keeps a running total, and may calculate taxes and shipping. The items in the shopping cart are eventually ordered if the cardholder chooses.

Singleton: A merchant operation consisting of one location with no future plans to open another.

SKU: This is referred to as a stock-keeping unit, which is a specific number designating one specific product.

Slug: See Merchant Station Plate.

Smart Card: A plastic card resembling traditional credit or debit cards that contains a computer chip; the chip is capable of storing significantly more information than a magnetic stripe.



Soft Decline: A declined response in which authorization is not granted on a valid card, not because it has been stolen or lost, but because the credit card already exceeds the credit line.

Soft Goods: Soft goods are products that can be distributed electronically. Examples of soft goods, also known as digital goods, include software, music files, images, or any other type of data that can be sent electronically from one computer to another.

Software: License A document that verifies a person has permission to use a software program.

Split Dial / Capture: Process that allows the authorization terminal to dial directly to different card processors (e.g. Amex) for authorization and 'Electronic Draft Capture.'

Split Dial Authorization: A process allowing the authorization terminal to dial directly to different card processors (e.g. American Express) for 'authorization.' In this instance, the merchant cannot be both EDC and Split Dial. Split Dial is also utilized for Check Guarantee companies.

SSL: A protocol first designed by Netscape Communications to enable encrypted, authenticated communications across the Internet. SSL is used mostly, but not exclusively, in communications between web browsers and web servers. URLs that begin with "https" indicate that an SSL connection will be used. SSL provides 3 important things: Privacy, Authentication, and Message Integrity. In an SSL connection each side of the connection must have a Security Certificate, which each side's software sends to the other. Each side then encrypts what it sends using information from both its own and the other side's Certificate, ensuring the authenticity of the message's origin, that only the intended recipient can de-crypt it, and that the data has not been tampered with. ecBuilder provides for an SSL connection between the shopper's browser and the merchants' web site.

Start Up Kit: Supplies shipped to new merchants including sales slips, credit slips, batch header tickets, return envelopes, VISA/MasterCard decals, merchant plastics, imprinter slugs and instructional materials.

Status Change: A non-monetary change such as an account change or update, i.e., new merchant address.

Stored-Value Card: A pre-paid payment card that stores a monetary value from which the purchase amount is deducted from the card each time the card is used.

Strip Off: The process of separating transactions during submission of a batch for settlement. For example, First Data strips off American Express transactions and sends them directly to Amex for processing.

Submission: The process of sending batch deposits to Merchant Services for processing. This may be done electronically or by mail.

Support Documentation: The forms necessary to affect a chargeback processing cycle, and any additional material to uphold a dispute.

Suspect Transaction: A transaction that occurs one-day prior to or following the account number being listed in the combined Warning Bulletin or listed as pickup card.

Swiped Card: Credit card information that is electronically entered into a computerized system by swiping the credit card through a card reader or terminal.

Switch: An electronic mechanism that routes transaction data from a point-of-sale terminal to the authorizing data processor for approval of the card-issuing institution.

T&E CARD: Travel and Entertainment card issued by a private, non-bank company which deals directly with the cardholder and merchant and which generally requires payment in full monthly.

T&E MERCHANT: An airline, car rental company, lodging, or restaurant establishment whose primary function is to provide travel/entertainment-related services.

TCP/IP: The system networks use to communicate with each other on the Internet. It stands for Transmission Control Protocol/Internet Protocol.

Tax Class: Defines the type of taxes that are being applied i.e. G.S.T, VAT, Federal, State, or County tax.



Tax Jurisdiction: Defines a geographic area that has its own distinct set of tax rules and regulations i.e. a Country, a State, a City, a Municipal, or a County.

Telephone Bill Payment: A service that permits a customer to pay bills electronically. The customer gives a corporation the authority to debit his or her account for a specific amount or within a specified range of amounts.

Terminal Based: A system that captures card transactions and holds them until settlement.

Terminated Merchant File (TMF): A file listing the names of merchants and their principals whose bankcard relationships have been terminated for some reason by an acquirer. Operated jointly by VISA and MasterCard.

Thick Consolidator: One of four models of electronic bill presentment and payment (EBPP). The biller sends all of its billing data to a central service provider that consolidates electronic bills from different billers so that the consumer has a single site of access for viewing billing information and making payments electronically. Other models include: Biller Direct, Thin Consolidator and Customer Consolidation.

Thin Consolidator: One of four models of electronic bill presentment and payment (EBPP). The biller sends summary billing data to a central service provider that consolidates electronic bills from different billers so that the customer has a single site of access for viewing billing information and making payments electronically. The customer may access full billing data through the biller's web site. Other models include: Biller Direct, Thick Consolidator and Customer Consolidation.

Third-Party Processing: Processing of transactions by service providers acting under contract to card issuers or acquirers. First Data is a third-party processor.

Ticket: Another name for the sales slip 'or its monetary value' that results when a credit card purchase is made.

Transaction: Any event that causes a change in an organization's financial position or net worth, resulting from normal activity. Advance of funds, purchase of goods at a retailer or when a borrower activates a revolving line of credit. Activities affecting a deposit account carried out at the request of the account owner. One example of a transaction is the process that takes place when a cardholder makes a purchase with a credit card.

Transaction Date: The actual date on which a transaction occurs. Used in recording and tracking transactions.

Transaction Fees: Service costs charged to a merchant on a per transaction basis.

Uniform Resource Locator (URL): A method of identifying a document or resource on the Internet. A web page address.

Upload: To transfer data/files from your computer to another computer.

Valid Date: The date embossed by the card issuer on the credit card. An establishment cannot accept a card for payment of goods or services prior to this date.

Virtual Reality: A 3-D visual computer simulation that responds to your inputs so realistically that you feel you're inside another world.

Visa: An association of banks that govern the issuing and acquiring of Visa credit card transactions.

Visanet: The data processing systems, networks, and operations used to support and deliver authorization services, exception file services, and clearing and settlement services.

Voice Authorization: When a merchant makes a telephone call to obtain a credit card authorization rather than using a terminal, or credit card software to obtain the authorization. The merchant must, in addition to the voice authorization, submit the credit card information via telephone, terminal, or software to close out the transaction and transfer the funds to their bank account.



Void: The act of canceling a purchase. There is only a small period of time in which a purchase can be canceled. Voids are typically handled by issuing credit to the consumer's account.

Voice Response Unit (VRU): An automated authorization support system for touch-tone telephones.

Wang: A stand-alone system developed to handle chargeback processing with First Data. Also called the Chargeback Image Processing System (CIPS).

Wide Area Network (WAN): A network using common carrier provided lines (in contrast to LAN).

World Wide Web (WWW): A hypermedia system that allows you to browse through an unlimited amount of interesting information.

Zero Floor Limit: Requires that all cardholder transactions be authorized.

