How to Properly Authorize Credit Card Transactions

The following sections provide guidance on how to obtain the proper authorization for one-time and recurring credit card transactions, and tips on using the fraud prevention tools available to you as part of SkyBank Financial.

ONE-TIME CREDIT CARD MAIL & TELEPHONE AUTHORIZATION GUIDE

Credit card orders received via mail or over the telephone are known as card-not-present transactions, which means that you do not physically have the card in hand when authorizing the payment. However, you do need to enter your customer's billing address in order to process these transactions. The following sections provide instructions for authorizing telephone and written one-time credit card transactions.

How to Authorize One-time Telephone Transaction Authorizations

1. Get verbal authorization over the phone from you customer.
2. Send a receipt via email or regular mail.
3. Confirm billing address and zip code match
4. Confirm CVV match

How to Authorize One-time Mailed Transaction Authorizations

1. Have your customer sign and date a form that includes the items below. Request a template from SkyBank if you do not already have one.
   - The amount of the payment.
   - The date the payment is to be processed.
   - The credit card account number and expiration date from which the payment is to be debited.
2. Keep this form on file, in digital or paper form, for at least one year.
3. Send a receipt via email or regular mail.

Templates Provided:

- One-time Credit Card Payment Authorization Form
  Use this form to authorize a ONE-TIME payment.

ONE-TIME CREDIT CARD ONLINE AUTHORIZATION GUIDE

Online credit card transactions are by definition those that are authorized by a customer entering payment information into a web form, actively checking a box to agree to the terms and conditions for the transaction (pre-checked boxes are not allowed), and clicking a "Submit" button.

How to Authorize:

1. Include the information specified below in your terms and conditions and have the customer check a box confirming their acceptance before processing the transaction.
2. Enable your customer to view and print a receipt immediately after submitting the web payment form.
3. Email a receipt for the transaction.

The following information must be included on your Web Payment Page (in the terms and conditions section, or elsewhere):

- Name of your Business.
- Your business website address.
- Official business mailing address.
- Phone number answered during regular business hours.
- A complete description of the goods/services being purchased.
- Your Return, Refund, and Cancellation policy.
- Your delivery policy and order fulfillment policy (if applicable).

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Sample Language for Authorizing One-time Online Credit Card Transactions

When configuring your Web Payment Page add the following text to the **Terms and Conditions** field. When entering **Terms of Sale** for your invoices include the following text. Be sure to use this text in addition to your company's standard terms and conditions for both fields and have the customers check a box accepting their understanding.

Enter your business information in place of the red insert indicators.

I authorize {insert company name} to charge the credit card indicated in this web form, for the noted amount on today's date. This payment is for {insert description of goods/services}. I understand that returns, refunds and cancellations are {insert your policy here}. I certify that I am an authorized user of this credit card and that I will not dispute the payment with my credit card company, so long as the transaction corresponds to the terms indicated in this web form.

RECURRING CREDIT CARD WRITTEN AUTHORIZATION GUIDE

You are permitted to authorize recurring schedules that debit a credit card account by using a signed paper authorization form. The authorization requires that your customer understand the conditions under which the business is permitted to debit the account (such as amount, date, and frequency), as well as conditions for termination or change of the authorization.

How to Authorize:

1. Have your customer sign and date a form (call SkyBank Financial for templates) that includes the credit card account to be charged, how to terminate the schedule, and the information specified below for the type of recurring payment schedule:
   - **Payments for the same amount on a regular schedule:** Amount, frequency, and start date.
   - **Payments for a variable amount on a regular schedule:** Frequency, start date, not to exceed amount.
   - **Payment plans for discharging a large debt:** Total due, # of payments, amount of payment, frequency, start date.
2. Give your customer a copy of the signed form.
3. Keep this form on file, stored digitally or in paper form, for one year after the last payment on the schedule.
4. Send a receipt for each transaction via mail or email.
5. Mail or email notification to your customer at least 10 days in advance of any change to the schedule amount or frequency.

Templates Provided:

- Credit Card Recurring Payment Authorization Form-Open
  Use this form to authorize the SAME amount each time with an OPEN end date.
- Credit Card Recurring Payment Authorization Form-SET
  Use this form to authorize the SAME amount each time with a SET end date.
- Credit Card Recurring Payment Authorization Form-Variable
  Use this form to authorize a DIFFERENT amount each time, with an OPEN end date.
- Credit Card Payment Plan Authorization Form
  Use this form to authorize a SET number of payments of the SAME amount each time
- ACH Generic Authorization Form
  Use this form to credit/debit one-time or recurring electronic check transactions