

INTRODUCTION TO ELECTRONIC PROCESSING COURSE OUTLINE

Learning Objectives:

At the end of the course, participants should be able to:

- Define commonly used terms in the Electronic Processing Industry
- Understand the roles of various participants within the industry
- Understand different payment types and how large the volume is
- Understand how a credit card payment goes from card to statement and how the merchant gets paid
- Understand how debit processing works

I. History of Payment Cards

II. Industry Players

- ❖ Issuer
- ❖ Card Company Networks
- ❖ Association
- ❖ Cardholder / Merchant
- ❖ Acquirer
- ❖ Industry Participants
- ❖ Processor
- ❖ ISO/MSP
- ❖ MLS
- ❖ Member Bank
- ❖ Agent Bank
- ❖ POS
- ❖ Gateway
- ❖ PSPs and Aggregators

III. Card Types

- ❖ Payment card
- ❖ Payment types
- ❖ EMV
- ❖ Mobile Payments
- ❖ Card value-adds and technology
- ❖ Pin debit vs. signature debit
- ❖ Authentication methods
- ❖ Prepaid card types
- ❖ Credit vs. debit vs. prepaid

IV. Standards and Regulations

V. Roles and Responsibilities

- ❖ Hierarchy of players
- ❖ Credit & debt card networks
- ❖ Acquirer
- ❖ Processor (front end and back end)
- ❖ Independent sales organization (ISO/MSP)
- ❖ POS (class A and class B, certification)
- ❖ VARs, value-adds and third party gateways
- ❖ Deployment providers

VI. Market Statistics

- ❖ Top Acquirers
 - By bank card volume
 - By number of transactions
 - By merchant outlets

VII. “A Day in the Life of a Transaction”

- ❖ Seven Stages of Processing
 - Authorization
 - Merchant balancing
 - Capture
 - Clearing
 - Interchange
 - Settlement
 - Merchant Deposit (ACH)
- ❖ Interchange flow (\$100 sale example)

VIII. Summary

- ❖ A final recap of the topics covered, as well as a high level overview of the topics covered in ETAU's operations, technology and sales and marketing introductory courses with Q&A.