



**Standard Change-Makers, Inc.**

3130 N. Mitthoeffer Road

Indianapolis, IN 46235 U.S.A.

PH: 317.899.6966 FX: 317.899.69777

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## HOW TO ORDER A CREDIT CARD ACCEPTING CHANGE MACHINE

Steps for proper ORDERING and PROCESSING a Credit Card Accepting Machine

**1. DETERMINE THE RIGHT MACHINE FOR YOUR APPLICATION** – We have machines that will accept credit cards only and dispense tokens or tickets. We have machines that will accept credit cards and cash (bills) and dispense tokens or tickets. To determine which machine will best meet the needs of your business model, you will need to decide whether you want to accept credit card only or credit card and cash. The second step would concern coin capacity needs – one or two hoppers. Do you need Coin Acceptance as well? There are limitations to these configurations, and you need to work with your salesman to determine what is available – and how to price it properly.

**2. DIAL-UP vs. HIGH SPEED COMMUNICATION** -- At this same time, you will need to determine if you want a **DIAL-UP** or **HIGH SPEED** (Cable modem, DSL, T1, etc.) connection. The Dial-Up connection uses a dedicated phone line that must be run to the machine. In this case you will connect your phone line into the DataTran 162SL POS Terminal Device (black box located inside the change machine).



DataTran 162SL POS Terminal Device ("black box")

On a High Speed connection, in addition to the DataTran device, you will also need the IPTran device. The IPTran is mounted somewhere outside the changer cabinet and requires an Ethernet connection from the DataTran and into your high speed modem (or a router in your system network). The IPTran basically converts the signal of the DataTran into an encrypted digital signal that can travel over the higher speed line.

If you are interested in a high-speed connection, Standard Change-Makers recommends that you contact your local cable network, phone company and a computer network solutions provider to determine what equipment will be required and the cost of setting up a high speed communications system, as well as the monthly cost of the connection.

**IMPORTANT NOTE:** It is highly recommended that you use a high speed compatible network router between the high speed modem and the IPTran device. The router must have DHCP active server capability. DataCap Systems recommends the **LinkSys Model BEFSR41 EtherFast Router**. For more information on this product, visit their website:

[http://www.linksys.com/servlet/Satellite?c=L\\_Product\\_C2&childpagename=US%2FLayout&cid=1115416832116&pagename=Linksys%2FCommon%2FVisitorWrapper](http://www.linksys.com/servlet/Satellite?c=L_Product_C2&childpagename=US%2FLayout&cid=1115416832116&pagename=Linksys%2FCommon%2FVisitorWrapper)

**3. DETERMINE HOW YOU WANT YOUR MACHINE TO PAY-OUT** – Once you've selected the right machine, you should spend some time determining how to price your dispensed items. Likewise, you will need to decide which button selection kit will work best for your customers. You have a choice between CREDIT SELECT, PULSE SELECT and PACKAGE SELECT. Here is a brief description of each:

**a) CREDIT SELECT** – Credit Select is available with the Package Selection kit (explained below). Credit Select means that the selection buttons on the machine are directly related to the Credit Card reader ONLY. **The buttons do not interface with the bill acceptor.** In this instance, the owner can provide different levels of pay-outs for credit card use (\$7, \$15, \$25, etc.) – while the pay outs for cash would only correspond to the specific denomination of the bills the customer chooses to accept (\$1, \$5, \$10, \$20, etc.).



**b) PULSE SELECT** – (Also called 3-Button Select) Pulse Select has three buttons: ADD/MORE, CANCEL and VEND/DISPENSE. With the Pulse Select package there is a minimum amount of tokens/tickets you wish to sell. This minimum is displayed on the LCD screen. The amount can be incremented by pushing the ADD/MORE button. When the customer gets to the correct amount they want, they push the

VEND/DISPENSE button and the machine is ready to accept their credit card swipe or cash deposit.

An example would be for roller skate rental. A family of four walks up to the machine and pushes the ADD/MORE button until they get to (4 TOKENS for \$10). The customer then pushes the VEND/DISPENSE button. The LCD screen will read: PLEASE SWIPE CARD OR DEPOSIT \$10. The customer can swipe their credit card -OR- insert a five dollar bill, the

screen reads: DEPOSITED: \$5, STILL OWED: \$5. The customer deposits another \$5 bill. The machine has accumulated the \$10 total payment and dispenses (4) skate rental tokens.



**c) PACKAGE SELECT** – (Also called 4-Button Select) Package select has four buttons, each of which corresponds to a specified number of tokens (or tickets) for a specified amount of money. Once the customer decides which package suits their needs they push the button, and then swipe their card, or deposit the proper funds, and the machine dispenses the specified number of tokens/tickets.

Another consideration in your pay out should be whether you want to set your package levels at such a point that you will also dispense change for cash acceptance. For example, you have a Package Select button that reads: \$17.00 = 19 Tokens. Your customer may swipe their credit card and have a \$17.00 charge. Or they may deposit a \$20 bill. In this case, your machine should be configured to dispense change back to the customer.

You would need a two hopper machine (MC535RL-CC) in which one hopper contains tokens and the other quarters or dollar coins. In the example above – you would accept the \$20 bill and dispense a combination of (19) tokens from Hopper A and (12) Quarters from Hopper B.

So you see, there is much to consider when determining which machine is best for you and how to set up your pay out schedules to maximize profits and meet your customers' needs.

**4. CHOOSING A CREDIT CARD PROCESSOR** – A Credit Card processor is a company that processes your credit card transactions. This includes authorizing the card to be sure it is an

authentic card number, within its credit limit and not reported lost or stolen; submitting the charge to VISA, MasterCard, American Express or Discover for payment; and collecting the payment from the card holder's account and forwarding these funds to your bank account (also called settlement of funds).

Credit Card Processors charge various fees for these services. Among them are the monthly **Service Fees** for maintaining your account and providing you with regular reports and information on the status of your account, and **Transaction Fees**, which is a certain amount per each credit card transaction accepted by your machine. The Transaction Fee can be a flat rate (such as \$0.10 per transaction as an example); a percentage of the transaction amount (3% of the total amount charged, as an example); or a floating percentage (such as 5% on transactions under \$15 and 4% on transactions over \$15 as an example). It is different for every processor company, so take the time to discuss any questions you may have about accepting credit cards at your business. This is the single most important relationship that you will establish in this process!

You will want to not only base your decision on the amount of the transaction fees and service fees, but also consider how easy it is to reach the processor's service representatives to get answers to your inquiries. You will be communicating with these people regularly, and you need to have a level of confidence that they will provide sufficient service for the money you are paying them to handle your credit card transactions. Likewise, if you are interested in having a high speed connection, you should clarify that high speed service is available to you in HOST PROCESSING mode.

Currently, we are able to offer you a choice between three recommended Processors. There are other processors available (in addition the companies listed below), but these three have been very helpful in providing information to us and have established relationships with our POS terminal device manufacturer.

**Chase-Paymentech**

Mr. Eric Kugle

Phone: 1-800-619-1982 – ext. 7450

E-Mail: [Eric.Kugle@Paymentech.com](mailto:Eric.Kugle@Paymentech.com)

**Mercury Payment Systems**

Mr. Andy Dasheil

Phone: 1-800-846-4472

E-Mail: [adasheil@mercurypay.com](mailto:adasheil@mercurypay.com)

**Sterling Payment Technologies**

Ms. Trudi Horne

Phone: 1-800-591-6098 – ext. 143

E-Mail: [trudi.horne@sterlingpayment.com](mailto:trudi.horne@sterlingpayment.com)

If you would like information on additional processing providers, please contact Mike Coons at Standard Change-Makers for more information (800-968-6955, ext. 111 -or- [sales@standardchange.com](mailto:sales@standardchange.com))

**When contacting the Processing companies – please tell the representative that you are going to order a Standard Change-Makers change machine and that we recommend that you configure for HOST Processing.** Host Processing (as opposed to Terminal Processing) allows that your authorization verifications and transaction data are stored

on the processor's HOST server. This helps eliminate back-and-forth communication in the event that a dispute over a charge arises. The processor will have the transaction data readily available.



**5. ESTABLISH A MERCHANT ID ACCOUNT** – Once you have determined which credit card processing company you would like to work with, you will need to establish a Merchant ID account with them. They will have forms that you must fill out concerning your business. The Merchant ID establishes you with the VISA and MasterCard networks.

**NOTE:** You will need to go direct to Discover Card and American Express to establish independent merchant accounts with them. Once you have these account numbers – you can provide your Discover and AmEx account information to your credit card processor and they will add that information to your Merchant ID account.

**American Express Financial Services**

Phone: General Customer Service – 1-800-528-5200

Web Site: <http://home.americanexpress.com>

**Discover Network Services**

Phone: Merchant Services – 1-800-347-6673

Web Site: <http://www.discovernetwork.com>

**6. FILL OUT THE DATACAP PROCESSOR PARAMETER FORM** – After you have been approved for a Merchant ID with your chosen processor, you are responsible for obtaining the correct Processor Parameter Datasheet from Standard Change-Makers. Your Standard Change-Makers sales contact can provide this form via e-mail (PDF format) or fax it to you. This sheet must be completed by your credit card processor and sent back to Standard Change-Makers. It gives the POS terminal manufacturer the information they require to properly program your “black box” (POS terminal device). Standard Change-Makers cannot accept an order without the proper form(s) being completed.

**IMPORTANT NOTE: If you have more than one machine – you must have a separate form completed for each machine. Each form must identify a different TERMINAL ID NUMBER!**

The programmed box is customized to your specific business, supplying the processor's computer the required information to establish a secure, encrypted connection with their server and identifying it as your business and what should be done with the transaction data. Without this information, the credit card processor will not allow the change machine to communicate with the proper server.

**The completed Processor Parameter Form(s) should be faxed to:**

Standard Change-Makers, Inc.

Indianapolis, IN

Fax: 317-899-6977

ATTN: Mike Coons/Barb McColly

**7. PLACE YOUR ORDER** – Once you have started the process of establishing your Merchant ID account with your processor (Step 4) or submitting your request for the Processor Parameter Form with your Credit Card Processor (Step 6), you may enter your order for the change machine. The clock for delivery does **not** start until the Processor Parameter Form is received by Standard Change-Makers. We cannot proceed until we order your device from Datacap, and Datacap cannot program the device until they receive your information. Orders can be placed through your distributor, but it will be up to you, the customer, to ensure that all the information is provided. **Any delays caused by orders submitted without the proper information will significantly delay shipment of your machine.**

It is very important that you include your payout schedule to with your machine order. Here is a list of the pertinent information you want to be sure to include:

- ❑ **Model Number**
- ❑ **Credit Cards you wish to accept and are approved to accept:**  
VISA, MasterCard, Discover, American Express, Diner's Club, etc.
- ❑ **Credit Select -or- Package Select -or- Pulse Select**
- ❑ **Payout Schedule:**

Button 1: \$ \_\_\_\_\_ = \_\_\_\_\_ Tokens/Tickets

Button 2: \$ \_\_\_\_\_ = \_\_\_\_\_ Tokens/Tickets

Button 3: \$ \_\_\_\_\_ = \_\_\_\_\_ Tokens/Tickets

Button 4: \$ \_\_\_\_\_ = \_\_\_\_\_ Tokens/Tickets

**Cash Pay Out Schedule:** (Credit Select on MC535RL-CC ONLY)

\$20 Bill = \_\_\_\_\_ Tokens/Tickets

\$10 Bill = \_\_\_\_\_ Tokens/Tickets

\$5 Bill = \_\_\_\_\_ Tokens/Tickets

\$1 Bill = \_\_\_\_\_ Tokens/Tickets

- ❑ **Bill Acceptor Choice** (MC535RL-CC Only): – Pyramid, Mars, Coinco, Cashcode
- ❑ **Token Size:** Diameter: \_\_\_\_\_ in. / mm **AND** Thickness: \_\_\_\_\_ in. / mm  
Please note: samples may be required for verification and testing purposes
- ❑ **List any Optional Features & Upgrades desired**
- ❑ **Show the Contact Name & phone number of your Credit Card Processor on the order**

8. **STANDARD CREATES A SALES ORDER** – Once all the above information is received, our Sales Dept. creates an order and assigns a Sales Order Number. Once the SO Number is established, we place a Purchase Order for the DataTran POS Terminal Device. The DataTran device is custom programmed to the customer's specific parameters (likewise for the IPTran high-speed internet device). This provides additional security for your connection – because if it is stolen it will only work in your set-up.

9.

**9. STANDARD RECEIVES DATATRAN AND ASSEMBLES THE MACHINE** -- When the DataTran equipment is received, we match it to the proper machine. This includes marking the Customer and Sales Order Number on a sticker that is applied to the DataTran device. All equipment is provided to our Assembly Dept. They install the DataTran in the machine and test it in “Demo” mode to insure it communicates properly.

**10. CHANGE MACHINE SHIPS TO CUSTOMER** – Once the final inspection is completed, the machine is shipped to the designated location. Upon installation, it will be the customer's responsibility to follow the directions included with the machine from Datacap Systems, and your credit card processor, to be sure the DataTran is properly programmed and that communication between the DataTran and the Processor's server have been properly established.

All that is needed is a connection to a dedicated phone line into the DataTran 162SL device, and then follow the directions provided by Datacap Systems. Your log-in ID and password information are provided on the information sheet.

**If you have any problems, please contact the Standard Change-Makers Service Dept: 1-800-968-6955 (Monday – Friday, between 8:30 AM to 4:30 PM Central)**

**11. YOUR CHANGE MACHINE IS READY TO ACCEPT CREDIT CARDS!** – Once you have connected to the processor, the changer is ready for action. At this point, you will need to communicate with your processor about checking your account status and transaction activity.

### **HOW CREDIT CARD PROCESING WORKS**

This is a frequently asked question. In simple terms you have six basic components in processing a credit card transaction: (a) Card Reader, (b) Data Terminal, (c) Communication Link (phone line or Internet Connection), (d) Credit Processor Service (e) ACH (Automated Clearing House), and (f) your Bank.

In FIGURE 1 (Page 9), you will see a chart that shows a simplified version of how this process works. The USER inserts their credit card into the CARD READER, which takes the embedded information on the magnetic stripe of the credit card and sends it to the POS TERMINAL DEVICE (or “BLACK BOX”). Both the Card Reader and Data Terminal are located in the Standard Change machine. That information coupled with the amount of the transaction are stored temporarily in the POS terminal (black box). The black box dials out for card authorization. This process simply checks to see if the credit card is legitimate, not reported as being lost or stolen, and the account has funds available within its credit limit. This process can take from 10 to 20 seconds or more (depending upon the data traffic). Once the transaction is authorized, the dispense of tokens begins.

At a specified time, referred to as a trigger point, the CREDIT CARD PROCESSING SERVICE will take the transaction data and proceed with settlement. The Service will begin processing the data, which is the beginning of the process of settling funds. The data is then submitted to the ACH (AUTOMATED CLEARING HOUSE).

The ACH is the central processing center for most financial transactions. It takes the transaction

data and pulls the funds from the USER's account and transfers them into your MERCHANT ACCOUNT at the CREDIT CARD PROCESSING SERVICE. Once all the funds have been settled or transferred, they are verified for accuracy. The MERCHANT will be able to see all the activity on their MERCHANT ACCOUNT via online access to the Processing Service.

They will allow you to view all your transactions and status reports - and when funds are transferred to your MERCHANT ACCOUNT and/or BANK ACCOUNT. All fees and charges are taken from the balance in your Merchant Account prior to transfer into your BANK ACCOUNT.

### **HOW MUCH WILL I PAY IN TRANSACTION FEES AND MONTHLY SERVICE CHARGES?**

You should contact the previously listed Credit Card Processors (see Page 3) to determine which company can provide you with the best program available for your business category and level of expected transaction traffic at your business location. Each Processor has various programs available to you and they can answer any questions you have concerning Merchant Accounts.

### **HOW LONG DOES IT TAKE TO GET A MERCHANT ACCOUNT ESTABLISHED?**

Most of the processors can get you set up within two weeks after they receive your completed application form. Any delays may be due to incomplete applications or high number of applications in process at the same time.

### **WHAT CREDIT CARDS CAN I ACCEPT?**

Most Credit Card Processing Services are recognized by Visa and MasterCard. To accept Discover and American Express - you will be required to apply direct to Discover and American Express and get a unique Merchant ID established in order to accept these two credit cards. You simply give your DISC and AMEX Merchant IDs to your Processing Service and they will include these in your Merchant Account data.

### **CAN I DO BATCH PROCESSING?**

**Batch Processing** is only available in Terminal Processing Mode. This allows transactions to be stored in the POS Terminal Device's memory module. Then, at a specified time the terminal dials out to the Processor's server and uploads all the transactions for authorization and settlement. For example, this upload can be at 2:00 AM (when data traffic is minimal), it could be on every 8<sup>th</sup> transaction on your machine, it could be triggered when you have \$50.00 in total transactions. There are many different ways of flagging the upload. The advantage of batch processing is that it saves time for the customer using the machine. The machine does not dial out for authorization and that saves about 10 to 30 seconds per transaction.

Batch processing has some disadvantages as well. First, are the security risks to the owner, because batch processing just assumes that all credit cards are legitimate and it does not require authorization. Therefore, you would be susceptible to backcharges for stolen or fraudulent cards. Second, the DataTran dials out for authorization on every card swipe. This can not be overridden, and therefore no time is really saved in having batch processing.

### **WHY DOES STANDARD REQUIRE HOST PROCESSING?**

Host Processing or Host Data Capture simply means that the authorized transaction data is recorded by the Computer System of the Processing Service at the time of the initial approval. The data is not retransmitted back to the black box for storage in the terminal's limited memory space (as with TERMINAL PROCESSING). The Processing Service has quick access to this data in cases where a dispute arises during the settlement process.

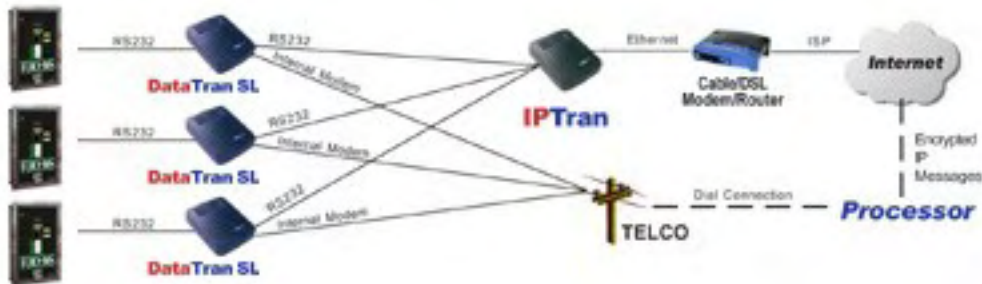
## WHY SHOULD YOU USE A NETWORK ROUTER FOR HIGH SPEED INTERNET PROCESSING?

The IPTran relies on the availability of a persistent IP connection (typically Internet) either through cable, DSL, dedicated line or even dial-and-hold service. A DHCP server must be available to provide the IPTran with an IP address (typically provided by an on-site router or switch). For most current DataTran installations, simply attaching the IPTran and updating the DataTran software is all that's required.

The purposes of a Network Router in the high speed processing connection are: (A) the **LinkSys BEFSR41** can act as a DHCP server for your network, so your PCs and IPTran are configured automatically. Universal Plug-and-Play (UPnP) lets specialized Internet applications configure the Router so you don't have to. This eliminates the need for a workstation computer to run your network on site. (B) Allows easier troubleshooting capability – by plugging a laptop to your router, you can quickly check to see if you have access the internet via your laptop.

Estimated Cost of this LinkSys model is approximately \$40-\$50, and is available at most national electronics stores.

### IPTran / DataTran SL/LT





**Standard Change-Makers, Inc.**

3130 N. Mitthoeffer Road

Indianapolis, IN 46235 U.S.A.

Toll Free: 800-968-6955

Phone: 317-899-6966

Fax: 317-899-6977

Web Site: [www.standardchange.com](http://www.standardchange.com)

**REGIONAL SALES & SERVICE CENTERS:**

**Los Angeles, CA:** 11731 Telegraph Road, Suite C  
Santa Fe Springs, CA 90670  
Toll Free: 866-394-5411  
Phone: 562-942-7188  
Fax: 562-801-1180

**Philadelphia, PA:** 507-G W. Dutton Mill Road  
Aston, PA 19014  
Toll Free: 866-394-5412  
Phone: 610-859-0530  
Fax: 610-859-0627

**Montreal, Quebec:** 6020 Van DenAbeelee  
St. Laurent, QC H4S 1R9 Canada  
Phone: 514-332-2196  
Fax: 514-332-3963

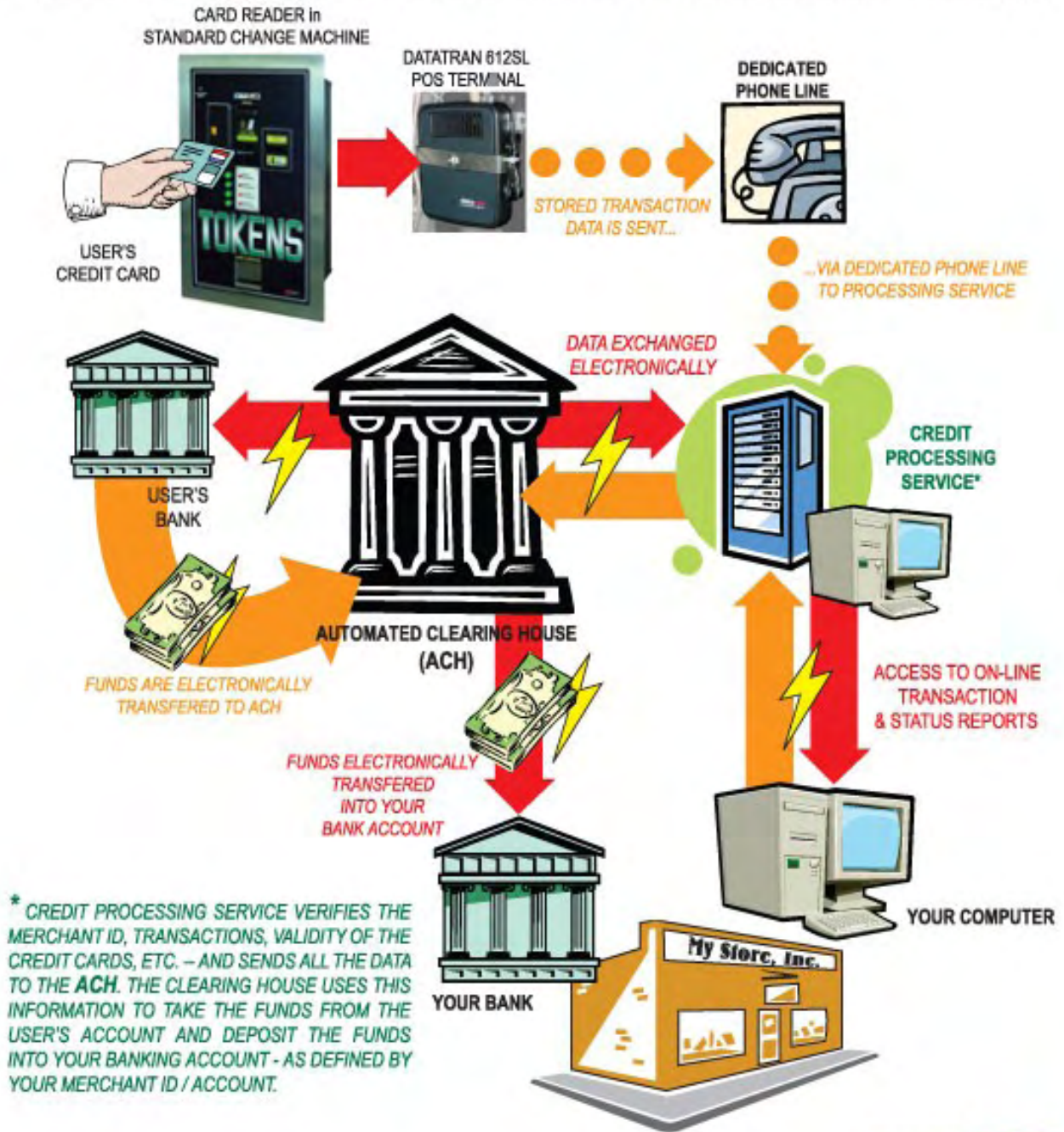


*(L to R): Standard's Credit Card-to-Tokens Changers: MC315RL-CC (credit card only), MC525RL-CC (credit card only), MC535RL-CC (credit card and cash)*

Figure 1.

# STANDARD CHANGE-MAKERS CREDIT CARD PROCESSING INFORMATION SHEET

## how does the credit card processing work?



CREDIT CARD INFORMATION SHEET - FIGURE 1