

# The MasterCard® Convenience Fee Program



## Program Summary

MasterCard has put in place a convenience fee program for participating pre-certified government and education entities, or their third-party agents. Participants in the program will be permitted to assess a convenience fee for MasterCard transactions, whether conducted in person, Internet, phone, mail or kiosk, versus other forms of payment, such as cash, check, Automated Clearing House (ACH), and Personal Identification Number (PIN) based debit, provided that the conditions set out below are satisfied.

## Eligible Payments and Allowable Convenience Fees

- Eligible payments include payments collected by the entity from individuals and businesses that are eligible to be collected on a payment card.
- MasterCard cardholders cannot be assessed a convenience fee that would discriminate against the brand relative to other payment card acceptance brands, such as American Express, Discover, and Visa.

## Program Participation Eligibility and Requirements

The MasterCard Convenience Fee Program is open to the following educational institutions and public sector merchant categories:

- Elementary and secondary schools for tuition and related fees, and school-maintained room and board
- Colleges, universities, professional schools, and junior colleges for tuition and related fees, and school-maintained room and board
- Local, state, and federal courts of law that administer and process court fees, alimony, and child support payments
- Government entities that administer and process local, state, and federal fines
- Local, state, and federal entities that engage in financial administration and taxation
- Government Services; merchants that provide general support services for the government

Your acquirer (see “How to Get Started”) will be able to determine whether your institution or public sector agency is eligible for the MasterCard Convenience Fee Program. Once that determination has been made, your acquirer will need to register you for the program—whether you have already started a card acceptance program or are launching a new program.

As a participant in the program, your organization must also meet these additional requirements:

- Participants that store or process MasterCard account data for Internet-based transactions must provide evidence of compliance with the MasterCard Site Data Protection (SDP) program’s underlying Payment Card Industry (PCI) Data Security Standard to their acquirer. Evidence of compliance must include a successful quarterly scan report from a MasterCard approved scanning vendor and a compliant annual self-assessment questionnaire.
- Participants using a third-party agent for storage and processing of MasterCard account data must document such on their registration form so MasterCard can ensure that the agent is SDP compliant.
- Registration of PCI compliance is an annual requirement.

### Processing Requirements

- Cardholders must be notified of the convenience fee at the time of payment and be given the opportunity to opt out of the sale. In no case may the entity collecting payment be allowed to charge the fee without disclosure to the cardholder prior to finalizing payment.
- Payments and convenience fees must be processed under the correct and same merchant category code that is associated with one of the eligible merchant categories.
- A customer service number must be transmitted to your acquirer for both the payment and the convenience fee collected.

The convenience fee charged must not be advertised by the collecting entity or its third-party agent as an offset to the merchant discount rate.

### Best Practice

- To minimize customer service inquiries, it is strongly recommended that the convenience fee charged be processed as a separate and unique transaction and not be included in the total amount for the product or obligation paid for.

### How To Get Started

If you already accept MasterCard payment cards, contact your acquirer for more information about the program.

If you don’t currently accept MasterCard credit and debit cards, it’s easy to begin. Your first step is to obtain an “acquirer,” which is simply a financial institution that is a licensed MasterCard member providing services such as card payment processing, hardware and software, and monthly statements.

Speak to your current commercial financial institution about card processing services. Or register to receive referrals to acquirers that can help you begin accepting payment cards by visiting [www.mastercardmerchant.com](http://www.mastercardmerchant.com).

### To Learn More

To learn more about the MasterCard Convenience Fee Program, contact your acquirer or send an e-mail to [public\\_us\\_acceptance@mastercard.com](mailto:public_us_acceptance@mastercard.com).