



# Quick Payment Service Program Guide

*Open the door to small ticket acceptance*

**31 March 2004**



# Table of Contents

<i>Section</i>	<i>Page</i>
<b>1.0</b>	<b><i>Introduction</i></b>
1.1	Objective .....2
1.2	Program Overview .....2
<b>2.0</b>	<b><i>Qualification Requirements</i></b>
2.1	Qualified Merchant Segments .....3
2.2	QPS Operational / Procedural Requirements .....3
2.3	Floor Limits .....4
2.4	No-Authorization.....4
2.5	Quick Payment Service Quick Reference Table .....5
<b>3.0</b>	<b><i>Interchange Considerations</i></b>
3.1	U.S. Transactions.....6
3.2	Canadian Transactions .....6
<b>4.0</b>	<b><i>Chargebacks</i></b>
4.1	Procedures for Handling Retrieval Requests and Chargebacks.....7
<b>5.0</b>	<b><i>Other Operational Considerations</i></b>
5.1	Clearing Time Frames.....8
5.2	Draft Capture.....8
5.3	Risk Monitoring Program .....8
5.4	Losses.....8
5.5	Audits.....8
<b>6.0</b>	<b><i>Additional Program Terms and Requirements</i></b>
6.1	Members .....9
6.2	Terminal Considerations.....10
<b>Appendix</b>	
A.	Quick Payment Service Variance Request Form
B.	Merchant Category Code (MCC) Descriptions

# 1.0 Introduction

## 1.1 *Objective*

This guide has been prepared to help acquiring members in the North America Region develop card acceptance programs for the Small Ticket merchant segment. The Small Ticket segment includes merchant categories such as Fast Food, Movie Theatres, Parking Garages, Miscellaneous Food Stores (i.e., Convenience Stores/Vending Machines), Drug Stores/Pharmacies, and Service Stations. This guide has been updated to reflect the three additional merchant segments that have been added to MasterCard's Quick Payment Service (QPS) program\*: Miscellaneous Food Stores, Drug Stores/Pharmacies, and Service Stations. The guide provides rules, best practices, and procedures for the QPS program.

This program applies to those qualifying merchants that register with MasterCard International. The registration form is provided at the end of this guide. Registration into the program is not a requirement for Small Ticket merchants to accept MasterCard nor to qualify for specific MasterCard Interchange rates, but offers many benefits that merchants can take advantage of to speed-up the check out lines while introducing card acceptance.

## 1.2 *Program Overview*

The QPS program is designed to facilitate our members' ability to penetrate the Small Ticket industry segments, which have traditionally accepted cash only. The program is applicable to convenience-oriented environments where the speed of the payment transaction is critical to the sale. MasterCard created the QPS program to facilitate payment by MasterCard in these queue sensitive environments.

QPS provides MasterCard members with a sales tool to promote MasterCard usage in these industries by offering registered merchants specific rule waivers for certain transactions that are processed in accordance with the guidelines set forth in the guide. MasterCard recognizes the uniqueness of the Small Ticket merchant, which operates their business with a need to quickly move customers through the ordering and payment process in order to maximize sales and provide added customer convenience.

MasterCard has waived certain operating rules and regulations for program participants which allow QPS merchants to process under floor limit transactions without having to obtain a cardholder's signature or provide a receipt.

\*Effective April 1, 2004

## 2.0 Qualification Requirements

### 2.1 *Qualified Merchant Segments*

Quick Payment Service is currently available to six industry segments—Fast Food Restaurants, Movie Theaters, Miscellaneous Food Stores, Drug Stores/Pharmacies, Service Stations, and Parking Lots. The following Merchant Category Codes (MCC) can participate in the program:

- MCC 5814 – Fast Food Restaurants
- MCC 7832 – Motion Picture Theaters
- MCC 7523 – Automobile Parking Lots and Garages
- MCC 5499 – Miscellaneous Food Stores, Vending Machines
- MCC 5912 – Drug Stores, Pharmacies
- MCC 5541 – Service Stations

The six targeted merchant segments were identified based on their potential for card acceptance volume and on the following criteria:

- Speed and convenience are critical to the sale; generally, payment-tendering time must be 7 seconds or less.
- Lines tend to form at the point of interaction.
- Card acceptance may not be predominant in these industries.
  - Payment is normally made directly by the customer to the cashier, usually at the time the order is placed. This criterion, therefore, excludes restaurants where table service payments are made to a server.
  - Delivery-only restaurants typically do not qualify for the QPS program unless the restaurant is using wireless technology to capture the magnetic stripe and perform a face-to-face transaction when food is delivered.

MasterCard may evaluate other merchant segments for qualification into the program based on business needs and market dynamics.

### 2.2 *QPS Operational / Procedural Requirements*

The waivers to MasterCard operating rules for the Quick Payment Service program address QPS floor limits\*, authorization procedures for certain transactions, and a variance to certain chargeback rules. All are explained in further detail on the following pages.

\* “Floor limits” and “floor,” as used throughout this document, are interchangeable and apply solely to the QPS floor limits for the six industry segments qualified.

### 2.3 **Floor Limits**

QPS floor limits have been established for each targeted industry. Transactions below these floor limits can be processed as QPS transactions using the exceptions provided by this program. Transactions above the floor limits and/or non-magnetic stripe read transaction are processed like all other MasterCard transactions (online authorizations, customer-signed receipt, etc.). The established floor limits for the QPS program are as follows:

- |                           |            |       |
|---------------------------|------------|-------|
| • Fast Food Restaurants   | (MCC 5814) | USD25 |
| • Movie Theaters          | (MCC 7832) | USD35 |
| • Parking Lots            | (MCC 7523) | USD50 |
| • Convenience Stores      | (MCC 5499) | USD25 |
| • Drug Stores, Pharmacies | (MCC 5912) | USD25 |
| • Services Stations       | (MCC 5541) | USD25 |

MasterCard reserves the right to make exceptions to these floor limits on an ad hoc basis, to better accommodate the needs of specific merchants. When such exceptions occur, they will be communicated to the list of participants published in MasterCard's Operations Bulletins.

### 2.4 **No-Authorization**

**“No-Authorization”** is permitted for MasterCard magnetic-stripe read transactions under the established QPS floor limit for the Fast Food Restaurants, Movie Theaters and Parking Lot categories. The MasterCard card must be presented for “no-authorization” transactions.

**Non-magnetic stripe read transactions must be routed on-line for authorization, and if the card is not present, the transaction is not a QPS transaction.**

- To expedite point-of-interaction transactions, signature and imprint requirements are waived under QPS for below-floor transactions at registered merchants where the transaction has been executed according to the terms provided in this guide.
- Receipts must be made available at the cardholder's option. In most cases, the merchant's Electronic Cash Register (ECR) receipt will suffice.

The Convenience Store, Drug Store/Pharmacy, and Service Station categories must continue to authorize all transactions regardless of the dollar amount, but can now take advantage of the receipt and signature waiver offered under the QPS program.

## 2.5 *MasterCard International*

### *Quick Payment Service • Quick Reference Table*

MCC	Description	Floor Limit	Authorization Required	Customer Signature	Receipt	Chargeback Protection
5814	Fast Food Restaurants	USD25	Optional	Optional	Optional	4801 4802 4837 4808
7832	Movie Theaters	USD35	Optional	Optional	Optional	4801 4802 4837 4808
7523	Parking Lots	USD50	Optional	Optional	Optional	4801 4802 4837 4808
5499	Misc Food Stores: C-Stores, Vending Machines	USD25	Yes	Optional	Optional	4801 4802 4837
5912	Drug Stores, Pharmacies	USD25	Yes	Optional	Optional	4801 4802 4837
5541	Services Stations	USD25	Yes	Optional	Optional	4801 4802 4837

MasterCard highly recommends that all transactions be completed with online authorization.

**Reminder:** The Convenience Store, Drug Store/Pharmacy, and Service Station categories must continue to authorize all transactions regardless of the dollar amount, but can now take advantage of the receipt and signature waiver offered under the QPS program.

## 3.0 Interchange Considerations

### 3.1 ***U.S. - issued Cards at U.S. Merchants***

The QPS program does not affect interchange rates. To qualify for MasterCard interchange programs in effect in the U.S. region, an acquirer or its designated processing agent must comply with all of the requirements detailed in Section 7.9 of *the GCMS Reference Manual (Interchange Programs)*. Failure to comply can result in rejection of transactions entered into settlement.

### 3.2 ***Canadian-issued Cards at Canadian Merchants***

Canadian issued cards at Canadian merchants—the applicable country interchange rates for Canada are used regardless of the authorization method.

Canadian Merchants and Acquirers interested in the QPS Program are asked to contact MasterCard's Canada office: 1-416-365-6655, for a copy of the Canadian QPS Guide and Canadian merchant registration.

#### **Canadian QPS Program Managers:**

Nagesh Devata 1-416-365-6671

Colin Wright 1-416-365-6668

## 4.0 Chargebacks

### 4.1 *Procedures for Handling Retrieval Requests and Chargebacks*

If an issuer's request for retrieval is researched and identified as a below-floor-limit QPS transaction, the acquirer should return an IPM 2713 (Acquirer Retrieval Request Response) with a "C" [corresponding to Invalid Request (QPS Only)] in the "acquiring member's response" field, which indicates that the request was a below-floor-limit QPS transaction for which documentation is unavailable.

Acquirers that respond through the MasterCom "electronic image system workstation" should select "Invalid Request - Code" from the acquirer response menu and provide a memo stating "QPS - No item available." The issuer should direct the item to Image Review only if the original financial detail record does not carry the three-digit identifier as part of the merchant description. In those instances where the issuer wishes to reject to Image Review, the issuer must send a legible copy of the research document through MasterCom Image Mail. The legible copy must show the original financial detail record received from the acquirer. The acquirer will be reimbursed if the issuer accepts responsibility for the item or if the Image Review decision favors the acquirer.

A properly identified, below the floor limit QPS transaction is protected against chargebacks for 4801, 4802, and 4837. Merchants have chargeback protection for 4808 if an online authorization is requested and approved or is not required.

Note that although on-line scenarios are zero floor, the QPS merchant need not comply with the standard signature and imprint requirements on transactions below the QPS floor-limit dollar amounts addressed in Section 2.3.

If an issuer repeatedly disputes QPS magnetic-stripe-read transactions from one cardholder account, and this situation is brought to the attention of the QPS program office at MasterCard, the issuer will be asked to place that account number on the applicable Electronic Warning Bulletin file or Warning Notice, since it will be assumed that the card is lost or stolen.

## 5.0 Other Operational Considerations

### 5.1 **Clearing Time Frames**

Normal interchange qualification requirements and time frames apply.

### 5.2 **Draft Capture**

All systems must employ electronic data capture.

### 5.3 **Risk Monitoring Program**

To determine the impact on risk, pertinent usage data will be reported to the International Operations Committee, International Security Committee and U.S. Marketing Committee. *If at any point in time the Quick Payment Service program begins to generate unacceptable losses, the program will be discontinued immediately.*

### 5.4 **Losses**

Risk will be monitored by MasterCard, based upon the monthly reporting of chargebacks and retrievals, and on the fraud reporting system. Total QPS program losses will be deemed unacceptable if total fraud and chargebacks within the QPS program are significantly higher than the system average for non-QPS losses.

### 5.5 **Audits**

Regular auditing of the accuracy and timeliness of all participating QPS vendors will be conducted. MasterCard International has the option to change the applicable interchange fee assigned by the acquiring bank if the quality of the database updates or other application requirement does not meet designated interchange requirements.

## 6.0 Additional Program Terms and Registrations

MasterCard reserves the right to add to, delete, or otherwise modify any of the QPS program procedures in order to (1) protect MasterCard members and/or (2) enhance the quality of the QPS program.

MasterCard reserves the right to discontinue any specific merchant, industry, communications technology, or acquirer based on excessive losses incurred in conjunction with that entity. MasterCard also reserves the right to terminate the QPS program effective immediately upon notice at any time and for any reason, if determined in the best interest of its members.

In the event of excessive loss associated with any particular QPS participant, written notification to the acquirer will be made. If the situation is not remedied within 30 days of the notification, the participant may lose the benefits of the QPS program, including chargeback protection and/or reduced interchange benefits.

### 6.1 **Members**

To ensure the greatest control over risk levels, *all acquiring members wishing to participate in the Quick Payment Service program must register for the program with the MasterCard QPS program office.* Registration will establish qualification for the chargeback rules variance and level of interchange fee, and is accomplished by executing each of the following:

- Sign the QPS Variance Request Form (see Appendix).
- Primary Member contact completes the QPS Variance Request Form, providing general information about the type of merchant and merchant location(s) being registered.
- Submit form to MasterCard International and receive an executed copy of the Variance Request Form and a three-position code developed and assigned by MasterCard.
- Members identify a QPS transaction by values in Card Acceptor Name (DE 43, subfield 1) and Program Registration ID (PDS 0043). This field starts with a Q and is followed by a unique alphanumeric ID.
- Turnaround time: minimum 5 business days
- Coordinate the equipment installation, merchant training, and support.

### 6.2 **Terminal Considerations**

The minimal QPS program terminal requirements are as follows:

- Magnetic-stripe read capabilities
- Mod 10 check digit routine, verifying account number, and expiration date
- Data entry of account number and expiration date via a key pad
- Automatic routing online for transactions over the established floor limit and for non-magnetic-stripe read transactions (where applicable)
- Display of authorization code
- Receipt printing

# MasterCard International

## Quick Payment Service • Variance Request Form

I, (Print Name) \_\_\_\_\_ as a qualified officer of  
(Print Acquirer): \_\_\_\_\_, for the purpose of participating in “Quick Payment Service” at the merchant designated on the attached questionnaire, request a variance from the standard chargeback rules for transactions verified in accordance with Quick Payment Service program rules.

Accordingly, I agree to comply with the requirements of the program, as follows:

- Identify a QPS transaction by values in Card Acceptor Name (DE 43, subfield 1) and Program Registration ID (PDS 0043). This field starts with a Q and is followed by a unique alphanumeric ID, (to be assigned by MasterCard upon registration).
- To abide by all other terms of the QPS program as set forth in the Quick Payment Service program documentation.

\_\_\_\_\_  
Signature of Qualified Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

Member contact (please print): \_\_\_\_\_

(\_\_\_\_) \_\_\_\_\_

Phone number

(\_\_\_\_) \_\_\_\_\_

Fax number

Member ICA#: \_\_\_\_\_

Merchant Name \_\_\_\_\_

Type of business \_\_\_\_\_

MCC #: \_\_\_\_\_

DBA Name: \_\_\_\_\_

Merchant Address \_\_\_\_\_

Phone number (\_\_\_\_) \_\_\_\_\_

City, State, Zip \_\_\_\_\_

For additional merchant locations, please attach a list with all above information.

2. \_\_\_\_\_

3. \_\_\_\_\_

1. Authorization method employed:  On-Line (zero-floor)  No Authorization

\*Not applicable to all industry segments.

2. Assigned floor limit in US\$ \_\_\_\_\_

\_\_\_\_\_  
Executed by MasterCard International

\_\_\_\_\_  
QPS Code Assigned

MasterCard Use only:

Assigned tracking codes(s): 1. \_\_\_\_\_

2. \_\_\_\_\_

Please Fax form to: MasterCard International North American Acceptance  
Small Ticket Markets – QPS Registration Fax: 914-249-4107

# MasterCard International

## Quick Payment Service • Participating MCC Descriptions

MCC	MCC Description
5814	<p><b>Fast Food Restaurants:</b>            Merchants that sell prepared food and beverages for immediate consumption either on the premises or packaged for carryout. Fast food restaurants may or may not operate a drive-up window for ordering and pick-up, and may or may not provide table service by a waiter or waitress. In any case, orders are paid for at the counter or at a drive-up window.</p> <p>Fast food restaurants include cafes, cafeterias, grills, coffee shops, diners, pizza parlors, sandwich bars or shops, deli shops, and snack shops. If table service is provided, a gratuity may be added to the bill. Such merchants generally do not sell alcoholic beverages.</p>
7832	<p><b>Motion Picture Theaters:</b>            Merchants that operate movie theaters, including drive-in theaters. Such merchants sell tickets and refreshments, and may or may not offer advance ticket reservations via the phone. Use a TCC of T if the ticket is prepaid via phone order, and later picked up by the customer at the box office.</p>
5499	<p><b>Miscellaneous Food Stores, Convenience Stores, Markets, Specialty Stores, and Vending Machines:</b>            Merchants that sell specialty foods not elsewhere classified. It includes specialty food markets, health food and dietary supplement stores, delicatessens, poultry shops, coffee stores, vegetable and fruit markets, ice cream and yogurt shops, and convenience stores. For convenience stores that also sell automotive gasoline, use MCC 5541. For merchants that primarily sell meat and seafood, use MCC 5422.</p>
5912	<p><b>Drug Stores, Pharmacies:</b>            Merchants that sell prescription and proprietary drugs and nonprescription (over-the-counter) medicines. Drug stores may also sell related products and sundries such as cosmetics, toiletries, tobacco, heating pads, back supports, novelty merchandise, greeting cards, and a limited supply of food items. Operators of soda fountains or lunch counters within drug stores should also use this MCC.</p>
5541	<p><b>Service Stations (with or without Ancillary Services):</b>            Merchants that sell fuel for consumer use and may or may not also have a convenience store, car wash, or automotive repair shop on the premises. These merchants process MasterCard card transactions by requiring customers to present the card to an attendant and sign a sales draft. For service stations selling fuel by automated fuel dispensers, use MCC 5542.</p>
7523	<p><b>Automobile Parking Lots and Garages:</b>            Merchants that provide temporary parking services for automobiles, usually on an hourly, daily, or monthly contract, or fee basis.</p>

*MasterCard*  
*International*

---

