

# THE PAYMENT SOLUTIONS EXPERTS



Skipjack Level II and III  
Transaction Overview  
Guide

[www.skipjack.com](http://www.skipjack.com)



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## About this Document

This guide contains overview and Skipjack process-related information about Level II and III transaction processing using the Skipjack Transaction Network. For the purposes of this guide both Level II and Level III are mentioned for completeness where appropriate. However this guide is focused on providing details about Level III processing, as this has the greatest requirements and implementation complexities.

Skipjack Financial Services suggests contacting your Merchant Account Provider *prior* to contacting us whenever you encounter problems with your Level II or Level III application processing during development, testing, and use. This is mainly because the Merchant Account Provider has more direct access to the financial networks that process Level II and Level III transaction data and can more readily determine the source of the issue and recommend a course for resolution.

Finally, this guide does not contain any integration-related specifics. This information is contained in the [Skipjack Integration Guide](#), and should be referenced as required, by those who require this information for their application development and integration efforts.

## Copyright Notice

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## Trademark Notice

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## Interchange Qualifications and Transaction Rates

As your Payment Solution Skipjack Financial Services cannot guarantee interchange qualification for any specific transaction. It is the responsibility of each Merchant to confirm that their transactions qualify for the correct interchange rates in consultation with their Merchant Account Provider and Payment Processor.

If you experience issues with interchange qualification and have contacted your Merchant Account Provider for assistance you can contact the Skipjack Financial Services Support Group so that we can work with you and your Merchant Account Provider to identify and correct any issues. Your Merchant Account Provider must provide the necessary information to direct you and/or Skipjack in the resolution process.

## Publication History

Date	Version	Comments
September 2008	Version1.0_RevA1	Rough Draft of this document for internal Skipjack and review purposes only.
September 2008	Version1.0_RevA2	Included first round comments by reviewers and minor editorial updates. For internal Skipjack Financial Services use only.
September 2008	Version1.0_RevA3	First release of guide. Added changes to "Supported Payment Processors and Credit Cards for Level II and III Transactions" table.
November 2008	Version1.0_RevA4	Minor editorial updates.

## Documentation Conventions

The material presented in this guide uses the following text conventions throughout, where applicable.

Convention	Usage	Example
<code>Courier text</code>	Code Snippets, HTML Code, Skipjack Transaction Network Request Response Examples text	<code>&lt;form name="Button" action="https://vpos.skipjack.com/ezPay/order.asp" method="post"&gt;</code>
<b>Bold text</b>	Browser Elements, Fields Names, and Menu Items, Emphasis Notes	...click on a <b>Submit</b> button.... ...make sure you enter your <b>HTML Serial Number</b> .... <b>Note: You must consider the following when...</b>
<u>Blue Underline</u>	Hyperlinks (links) to external resources on the Web. Click on these to go to the document or web site identified by the link.	Visit <a href="http://www.skipjack.com">http://www.skipjack.com</a> to learn more about Skipjack Financial Services.
"Quoted text"	Primary use is to denote cross-references (clickable hotlinks in the PDF version) to a location within this document.  Also used within tables in this document to enclose characters that might otherwise be overlooked.	"See the "About this Document" section for details." This field can also include the "." (period) character.
<i>Italics</i>	Document Title	See the <i>Skipjack Integration Guide</i> for details.

## Definitions of Variable Types

There are three types of variables for all methods: Required, Optional, and Conditional variables.

1. **Required Variables** are mandatory variables which must be included in all transaction data requests sent. If required variables are missing in transaction data sent to the Skipjack Transaction Network, an error code will be returned to your application.
2. **Optional Variables** are not required and may be omitted.
3. **Conditional Variables** are variables that are required if another condition applies, for instance variable A is required if variable B is not included or in cases of a variable applying to specific Payment Processors or services. There are relatively few conditional variables.

## Permitted Syntax for Variable Fields

The permitted characters for variables used in the transaction variable tables throughout are defined below. Please ensure you follow these conventions when entering data into the applicable variable fields.

Formatting Type	Description of Permitted Characters	Usage Notes
Numeric	All number characters only.	Includes all integers.
Alphabetic (Alpha) Only	All letters of the alphabet only.	All letters of the alphabet excluding special characters "~`!@#\$\$%^&*()_+=".
Alpha-Numeric	All numeric characters and alphabetic characters but excluding restricted characters.	All numeric and alphabetic characters excluding special characters "~`!@#\$\$%^&*()_+=".
All Characters	All numeric characters, all letters of the alphabet, and most symbols but excluding restricted characters.	All characters, including alpha-numeric characters but excluding restricted characters &,%,*.
Restricted Characters	Characters that are reserved for special uses by internal system use and cannot be included in variable names or field values.	Restricted for special (system) uses: &,%,*.
Special Characters	Special characters only.	"~`!@#\$\$%^&*()_+=" only

## Obtaining Additional Information

A complete listing of Developer resources including User Guides, Integration Guides, Developer and Merchant Resources, support links, and other resources is available from the Skipjack Financial Services Web site. You can obtain the latest version (in Adobe PDF format) of this document as well as other referenced documentation from the links below.

- <http://www.skipjack.com/developers.aspx>
- <http://www.skipjack.com/support.aspx>

## Obtaining Referenced Documents

This document references other Skipjack documentation available from the Skipjack Financial Services Web site by clicking on the links below.

- [\*Skipjack Level II and III Transaction Overview Guide\*](#) (Latest version of this guide.)
- [Skipjack Integration Overview Guide](#)
- [Skipjack Integration Guide](#)
- [Skipjack Merchant Reporting Guide](#)
- [Skipjack Merchant Services Guide](#)
- [Skipjack Reporting API Integration Guide](#)

## Contacting Skipjack Financial Services

If you have problems using the Skipjack Transaction Network or have questions about its use that are not covered in this documentation, please contact Skipjack Financial Services.

- On the Web: <http://www.skipjack.com>
- Toll-Free Telephone Support Line: 1-888-368-8507
- Email: [support@skipjack.com](mailto:support@skipjack.com)

## Features and Benefits of Level II and Level III Transaction Processing

Level II and III transactions provide the following benefits to Merchants:

- Obtaining the correct transaction rates and avoiding interchange downgrades for qualifying Level II and Level III transactions –this can equate to significant savings to Merchants and Enterprises over basic (Level I transaction) interchange rates.
- Merchants and cardholders receive more detailed statements of each transaction potentially resulting in fewer disputed transactions and chargebacks.
- Increased data is captured for each transaction which aids the back office and data mining activities typically desired to support accounting, reconciliation, tax auditing, and other activities within your enterprise.
- Skipjack Financial Services supports batch and real-time authorizations of Level II and Level III transaction.
- Supported for Visa and MasterCard transactions only. American Express and Discover are supported as Level I transactions only. A Merchant processing AMEX or Discover requires a separate Skipjack Account to process these card types and only for Level I transactions.
- Custom applications can be development by Skipjack Financial Services Professional Services to support your business requirements.

## Supported Payment Processors and Credit Cards for Level II and III Transactions

Only the specified Payment Processors on the Skipjack Transaction Network can support Level II and Level III transactions, as listed in the table below.

For a complete list of supported Payment Processor see the "[Skipjack Integration Guide](#)".

Payment Processor	Level II Data	Level III Data
TSYS (Vital)	Visa MasterCard	Visa MasterCard
First Data Nashville	Visa MasterCard	Visa MasterCard
Paymentech Salem	Visa MasterCard	Visa MasterCard
Paymentech Tampa	Visa MasterCard	Not Available
Global Payments east	Visa MasterCard	Not Available
First Tennessee Bank	Visa MasterCard	Not Available
Fifth Third (St. Pete)	Visa MasterCard	Not Available
COMDATA	Visa MasterCard	Not Available

## Terminology and Transaction Types Used in This Guide

Level II and Level III data contains more information about each transaction than basic (standard) credit card transactions. These transaction types are sometimes also referred to Enhanced Data transactions.

**NOTE: Enhanced card transactions (Level II and Level III) should not be confused with the volume classifications used in the credit card industry based on transaction processing or dollar value processing amounts.**

### *Participant's Roles in the Level II and Level III Data Processing Cycle*

Processing a Level III transaction requires involvement of a number of participants including: the Card Issuer, the Merchant, the Merchant Account Provider, Skipjack Financial Services, and the Payment Processor.

The following table identifies and explains the typical roles of each required participant in the Level II and Level III transaction processing cycle.

Participant	Role in the Level II or III Processing Cycle
Customer	Makes the credit card purchase from a Merchant using a Corporate or Purchase card.
Merchant	Collects and inputs valid Level I , II, and III data using a secure Virtual Point of Sale application, batch file, or API including all credit card and transaction detail. This information is submitted to the Skipjack Transaction Network for processing.
Skipjack Financial Services Customer Support	Sets up the required Skipjack Merchant Accounts with the proper configuration settings and provides account credentials and related details to Merchants, application developers and integrators as required.
Skipjack Financial Services Professional Services	Analyzes the requirements of the Merchant to determine required Level II and Level III solution. Performs Test-Mapping of Merchant's existing Level II and III transaction data and prepares a detailed Statement of Work to describing the scope, cost, and timelines required for the application development and integration. <b>NOTE: Optionally you can use your own application development personnel to complete your application development. Skipjack Financial Services Professional Services will be involved in some aspects of the initial project scoping, integration, testing and support.</b>
Payment Processor (Processor)	Validates the transaction information sent from Skipjack Financial Services and verifies that the Merchant's Account is properly configured for Level III processing. Also ensures that the credit card being used is capable of Level II or III transactions, and that the transaction detail that is passed is valid Level II or III data.
Merchant Account Provider	Provides the Merchant and application developers and Skipjack Financial Services with information about transaction processing requirements. Accepts the response from the Payment Processor and compares the information to their Level III rules and specifications to determine transaction qualifies for Level II or III interchange rates. Collaborates with Merchant and or Skipjack Financial Services Professional Services to troubleshoot issues.
Card Issuer	Receives the Level II and III request for funds and Approves or Declines the transaction based upon the transaction request information. Visa and MasterCard have the final say whether any given transaction qualifies for Level II or Level III interchange rates.

## ***Level II Credit Card Transactions***

Level II credit cards are typically issued to individuals employed by enterprises, organizations or governments and are used for making corporate purchases.

Level II transactions may qualify for the fully-qualified Level II or III transaction rates resulting in significant savings to the Merchant when all requirements of the Merchant Account Provider are met and the properly formatted transaction data is sent in the transaction via the Skipjack Transaction Network.

Level II data includes all the (required) Level I data plus three additional parameters. All of these parameters must be sent to qualify for Level II interchange rates. The additional data collected in the transaction may be used for back-office functions such as program administration (such as monitoring employee spending), accounting and reconciliation functions (for example, general ledger allocations), tax reporting and auditing (providing a breakdown of Local, State, Federal taxes) and supplier monitoring.

Level II cardholders typically receive detailed card statements with additional details describing the sales tax breakdown, customer reference number (PO Number), and Merchant Order Number on their card statements. Merchants and cardholders often find this information useful.

## ***Level III Credit Card Transactions***

Level III transaction data include additional parameters that are not used in Level I and Level II transactions. Level III transactions are important in the large business-to-business or business-to-government environments because considerably more data is collected for each transaction. These extra parameters are used to qualify the transaction for the best interchange rates available.

The Level III transaction data includes all the required Level I and Level II transaction data (which must be sent in every Level III transaction) as well as additional Level III transaction data. Level III transaction data can be used within the enterprise to support back-end processing and data exchange tasks typically used in accounting and reconciliation tasks.

Obtaining the Level III interchange rate depends on fulfilling the requirements specified by your Merchant Account Provider as well as ensuring that all the required Level III transaction parameters are sent for every Level III transaction.

At present, the Skipjack Transaction Network is one of the relative few Payment Gateways that support Level II and III transactions.

The Merchant must be aware that to be able to process Level II and Level III transactions and obtain the expected Level III interchange rates means that a number of precise requirements are met as described in detail in the “Registration and Development Process for Level II/III Transactions” section. Skipjack Financial Services will aid you in understanding and applying these in your application development, testing, and deployment, as well as assist you whenever processing issues occur.

## Required Level II and III Transaction Parameters

The parameters listed below must be collected in your application and sent with each Level II or III transaction to qualify the transaction for Level II and Level III interchange rates.

See the [Skipjack Integration Guide](#) for integration and application development usage details for these parameters.

**Note that Level I parameters are required for Level II transactions, and that Level I and II parameters are required for Level III transactions. Orderstrings are optional for each transaction but allow the ability to describe each ordered item in more detail and should be used whenever possible.**

Name	Description	Example
<b>Basic Transaction Parameters (Required for all Level I, Level II, and Level III Purchases)</b>		
Customer Name	The name of the cardholder as it appears on the card.	John Smith
Street Address	The billing address' street address of the customer.	123 Main Street
City	The billing address' city name of the cardholder.	Cincinnati
State	The billing address' state name of the cardholder.	OH
Zipcode	The billing address' zipcode of the cardholder.	90210
E-mail	Email address of the cardholder.	jdough@here.com
Ship To Phone	The phone number of the destination where the order will be shipped.	5554441212
Account Number	The credit card account number that appears on the card.	4003000123456781
Month	The expiration month of the credit card.	02
Year	The expiration year of the credit card.	12 (2012)
Transaction Amount	The amount of the transaction/order.	\$101.59
Serial Number	The Skipjack HTML Serial Number assigned to the Skipjack Merchant account used to process the transaction.	0000987654321
CVV2	Card verification value code on the back of the card, used as a fraud deterrent.	
Order Number	The unique order number for the transaction.	ON12345678
Order String	The basic (Level I) order string that details the transaction.	ItemNumber~itemDescription~itemCost~Quantity~N~
<b>Level II Transaction Parameters (Also Required for Level III Purchases)</b>		
Customer Tax	Tax amount that is applies to the transaction.	\$3.00
Customer Code	Customer Code is a reference number used within your organization.	H12345
Purchase Order Number	The PO number associated with the transaction.	PO120081122

<b>Level III Transaction Parameters</b>		
Shipping Amount	The amount of the shipping charges that apply to the transaction.	\$23.90
Ship to Country	The country to where the order is shipped.	US
Ship to State	The state to where the transaction is shipped.	CA
Ship to Zipcode	The zipcode to where the transaction is shipped.	90210
Unique VAT Invoice Number	VAT invoice number, if applicable, that applies to the transaction	123456
VAT Tax Amount	Value Added Tax amount, if applicable that applies to the transaction.	\$2.99
VAT Tax Rate	Value Added Tax rate, if applicable, that applies to the transaction	12.50%
Customer VAT Number	Customer's VAT Number	123456789012
Duty Amount	Duty Amount, if applicable	\$4.76
Summary Commodity Code	The commodity code, as supplied by the Merchant Account Provider, that applies to the item and sub category of item purchased.  See the following link for Summary Commodity Codes: <a href="https://vpos.skipjack.com/ps/l3/SummaryCommodityCode.asp">https://vpos.skipjack.com/ps/l3/SummaryCommodityCode.asp</a>	4321
National Tax	National Tax Amount is the amount of National Tax (Federal Tax), if applicable	\$7.02
Discount Amount	Discount amount applied to the transaction, if applicable.	\$4.67
Level III Order String	The Level III Order string contains the variables that describe the Level III transaction.	String made from values listed in the section, below.
<b>Orderstring Parameters</b>		
Item	Product code or item number that identifies the item purchased	Model 138
Description	A brief description of the item	Red shoes
Cost	Cost of the item to be purchased.	\$78.00
Quantity	Quantity of item(s) to be purchased.	10
Taxable	Taxable item flag, used to mark taxable items as either taxable or not taxable.	Y or N
Unit of Measure	Units of measure of the item(s) in the order.	Lbs or kgs
Item Discount	Discount amount applied to the item.	\$10.00
Extended Amount	The total amount of the individual item. EA= (Cost x Quantity) – (Item Discount x Quantity)	\$680.00 (\$78.00 x 10) – (\$10.00 x 10)
Commodity Code	The commodity code, as supplied by the Merchant Account Provider that applies.	4321s
VAT Tax Amount	Value Added Tax amount, if applicable that applies to the item.	\$1.00
Alternate Tax Amount	The alternate tax to apply to the item.	\$1.00
Tax Rate	The tax rate for the item.	2.90%
Tax Type	The tax type for the item.	Tax 1
Tax Amount	The tax amount for the item.	2.00

## ***Submission Methods and Options Level II and Level III Transaction Processing***

The following transaction processing options can be used for Level II and III transactions:

- Batch processing (Off-line processing) – See also “Appendix A: Level III Batch File Example” for additional details.
- Real Time Processing – For example using the online Skipjack Virtual Point of Sale application or API. See also “Sample Professional Services Level II and III Application User Interface” for an example.

## ***Settlement Options***

The Skipjack Account must be set to specific Settlement options prescribed by your Merchant Account Provider. Skipjack Financial Services will set the appropriate settlement option for your Payment Processor.

## ***About Receiving Fully-Qualified Level II and III Interchange Rates***

To obtain the expected Level III transaction interchange rates a number of requirements must be fulfilled:

Your Merchant Account Provider must provide you with guidelines and transaction processing rules for Level II and III data so that your application can collect and generate the required Level II and Level III data required.

Only your Merchant Account Provider can provide this information. This proprietary information is the key to the transaction processing requirements of their systems. Failure to obtain and abide by these rules and requirements will result in transactions that do not qualify for Level II or III interchange rates.

**NOTE: For Level III transactions all required Level I, Level II, and Level III transaction data must be submitted in each transaction request with valid values. Omitting even a single required parameter or assigning an incorrect value for a parameter (such as the Purchase Order or Customer Tax fields) can result in the transaction being downgraded from the qualified rate to a less favorable rate. This can result in unexpected (higher) transaction rates for the Merchant.**

## ***Notes for Processing Level II and Level III Data***

- Level III transaction processing requires customized Skipjack Account settings and Merchant Account Provider Account settings. Contact Skipjack Financial Services Customer Support if you need to set up a new or existing Skipjack Account with Level III transaction processing privileges.
- Be sure to contact Skipjack Financial Services and your Merchant Account Provider early in your development process to arrange for the necessary Skipjack account configuration settings needed to process Level II and III transactions.
- Required Level I data must be sent in each Level II or Level III transaction.
- Level II and III are available for Retail, E-commerce, and MOTO (Mail Order, Telephone Order) accounts on the Skipjack Transaction Network according to the Processors supported. Please see the “Supported Payment Processors and Credit Cards for Level II and III Transactions” section for more details about supported processors.
- In order to process American Express and Discover transactions (Level I transactions only) you require a separate Skipjack Account setup for these card types. Level II is supported for American Express and Discover. Level III transactions are **not supported** for American Express or Discover cards.
- If you wish to process American Express or Discover card transactions (for Level I transactions) you require a separate Skipjack Account for this purpose. Note that Level II and III transactions are not supported for American Express (AMEX) or Discover
- Only the Skipjack Authorize method applies to Level II and III. (Other Skipjack transaction processing methods described in the *Skipjack Integration Guide* cannot apply to Level II or III transactions.)
- Level III orderstring details do not appear in the Reports, therefore Skipjack Financial Services suggest always sending the Level I orderstring in addition to the Level III orderstring.

## Registration and Development Process for Level II/III Transactions

This section describes the overall process required for setting up a new or existing Skipjack account to process Level II and Level III transactions using the Skipjack Transaction Network. Skipjack Financial Services requires that you complete the steps in the order listed below to avoid problems in processing your Level II and Level III transactions.

**NOTE: The entire process can take from 6-12 weeks or more to complete, end-to-end, depending on several factors, described below. Use this timeline as a rough guideline only, your application development may take longer depending on many factors, highlighted below.**

1. You decide to process Level II or III transactions in your business and contact Skipjack Financial Services either by e-mail, phone or through the Skipjack Website and request Level II or Level III transaction processing capabilities.

You can obtain a Skipjack Development Account(s) and Production Account(s) by contacting Skipjack Financial Services at 1-888-368-8507 or at <http://www.skipjack.com/developers.aspx>. The Customer Support representative will also schedule a meeting with the Professional Services group to evaluate your needs.

**NOTE 1: Level III processing is available for Visa and MasterCard only. Your Skipjack Account will need to be configured for Level III processing on the Skipjack Transaction Network. If you plan to also accept Discover and AMEX, you will need a second Skipjack account established to handle these transactions.**

**NOTE 2: American Express (AMEX) and Discover Level II only (not Level III).**

**NOTE 3: You require a separate Skipjack Account for processing for American Express and/or Discover card transactions (Level I or II transactions).**

2. Contact your desired Merchant Account Provider to ensure that they support Level II and III transaction data and complete any paperwork and applications required by the Merchant Account Provider to set up your Level II and/or Level III account. Skipjack Financial Services will be happy to guide you in your selection process, if required.

For a list of supported Payment Processors see “Supported Payment Processors and Credit Cards for Level II and III Transactions” section for supported Payment Processors.

**NOTE: Depending on the Merchant Account Provider this step may take 1-2 weeks, so you must allow for this in your development and deployment timelines. Contact your Merchant Account Provider for details about their timelines and fees associated with their processes.**

3. Discuss your needs with a Skipjack Professional Services representative. A Professional Services representative can help determine your needs, suggest options, and will schedule a time to perform initial data-mapping and validation testing of your existing data to help determine the work required.
4. Perform the data mapping tests.

Skipjack Professional Services will map your parameters to the required Level II and III transaction parameters your Merchant Account Provider requires. Initial testing of Level II and III transaction data using a Virtual Point of Sale application will be conducted to determine the scope of development work required.

5. Skipjack Professional Services will analyze your results and provide you with a **Statement of Work (SOW)** detailing the project details, scope, and payment specifics that apply to your project. This SOW normally takes 3-5 business days to prepare and will be supplied to you after the initial testing is completed and the results are analyzed.

You can choose to use the Skipjack Professional Services development team to develop your application, or alternatively, you may decide to use your own development resources for your application integration.

**NOTE: The waiting time (queue) to begin Professional Services application development is normally 2-4 weeks. Actual application development time will vary based on complexity and scope but is typically requires 1 week. Application development will begin after the Statement of Work has been signed and received by Skipjack Financial Services.**

6. Develop your application. Skipjack Financial Services will provide development support as required for those application not developed by the Skipjack Professional Services team.
7. Test the completed application in the Skipjack Test Environment using appropriate Skipjack Development Account(s). This testing will validate that the Level II and III data mapping is correct and ensure that the application functions as specified within the Test (Development) environment. For applications developed by Professional Services a detailed test plan will be followed.

8. Deploy your application in the Live (Production) environment and confirm that the Level II and III interchange rates are being applied to each transaction by processing live transactions for low dollar amounts.

Additional live testing must also be done to ensure that the Level II and III application is functioning as intended and that Level III interchange rates are being applied to each transaction.

This testing will be conducted in collaboration with your development personnel (if applicable) the Merchant Account Provider, and the appropriate Skipjack Financial Services personnel. Only your Merchant Account Provider can verify the interchange qualifications of the transactions.

9. If you are using Skipjack's API or batch Processing methods from a third-party application certify your application as Skipjack Certified (if developed outside of Skipjack Financial Services). This will help reinforce the message to application users of your commitment to security, reliability, and dependability.

Registration ensures you are eligible for other programs offered by Skipjack Financial Services that are exclusively offered Certified Partners. Find out more about being Skipjack Certified by going to [www.skipjack.com/certification](http://www.skipjack.com/certification) .

10. If your application will be packaged for resale to other Merchants register your new application online with Skipjack's Solution Finder to maximize your business opportunities.

Registration in Solution Finder is free and provides Skipjack's sales partners with a link from their customers to your Web site. For more about registering, go to <https://secure.skipjack.com/partners/search.aspx> or email [partners@skipjack.com](mailto:partners@skipjack.com).

**NOTE: If you change the way in which the Level II or III data is entered into or handled by your application, or if the Merchant Account Provider notifies you of rule changes regarding handling of Level II or III data more data mapping testing will be required. This additional testing will validate that the expected Level II or III interchange rates are being applied to each transaction appropriately. Contact Skipjack Financial Services Customer Support to arrange for testing.**

## Sample Professional Services Level II and III Application User Interface

The image below illustrates a typical Level III transaction processing application developed as a customized application by Skipjack Professional Services. The appearance and naming of the Level II and Level III form fields may be different than is shown here for your application. This information is included to illustrate a typical, complete Level II and Level III Virtual Point of Sale application.

**Virtual Point of Sale**

---

**Level 1 Data Information**

Customer Name: John Smith

Customer Address: 123 Main St

Customer City: Dayton

Customer State: OH

Customer Zip: 555555

Customer Country: UNITED STATES

Credit Card #: 4003000123456781

CVV2:

Phone #: 6455552233

Email Address: jsmith@headoffice.com

Order Number: H12356789000

Comments: Upstairs door for delivery

Approval Code: 123456

Expiry (MM/YYYY): 02 2012

Amount: \$82.85

---

Customer Code:

Purchase Order #: 1234567890

Customer Tax: \$0.00

---

**Level 2 Data Information**

Freight/Shipping Amount: \$25.00

Discount Amount: \$2.50

Ship To Zip Code: 90210

VAT Tax Amount: \$1.00

Customer VAT Registration ID: NONE

Summary Commodity Code: JBRJBRRODUCTS

Number of Items: 2

National Tax: \$2.25

Duty Amount: \$10.00

Destination Country Code: VA

VAT Tax Rate: 0.00

Vat Invoice Reference #: NONE

Item Number	Description	Price	Qty	Taxable	Unit of Measure	Discount		
ABR001	Sander	\$30.95	1	Y	None	\$0.00		
<b>Extended Amount</b>		<b>VAT Tax Amount</b>	<b>VAT Tax Rate</b>	<b>Alternate Tax Amount</b>	<b>Tax Rate</b>	<b>Tax Type</b>	<b>Tax Amount</b>	
\$0.00		\$0.00	0.00	\$0.00	0.00		\$0.00	

  

Item Number	Description	Price	Qty	Taxable	Unit of Measure	Discount		
ABR12	Sanding Disc	\$10.95	2	Y	Discard	\$1.09		
<b>Extended Amount</b>		<b>VAT Tax Amount</b>	<b>VAT Tax Rate</b>	<b>Alternate Tax Amount</b>	<b>Tax Rate</b>	<b>Tax Type</b>	<b>Tax Amount</b>	
\$0.00		\$0.00	0.00	\$0.00	0.00	Exc	\$0.00	

\* - Required Field

## FAQs

### ***What are Purchase Cards and how do they relate to Level II and III data?***

Purchase Cards (also called P-Cards) are a type of credit card that look and behave like normal credit cards but have additional functions assigned to them by the card issuer. Purchase Cards are typically issued at a corporate level as part of a program designed to streamline corporate purchasing.

The transaction information associated with the cardholder and collected for the transaction is mapped to the Level II and Level III parameters submitted to the Payment Processor. If this information is complete and complies the Payment Processor's requirements, then it qualifies the Merchant for lower per-transaction rates. This is at the discretion of the Payment Processor.

### ***As a Merchant how do my customers benefit from Level II or III transaction processing?***

Card issuers provide Merchants and Cardholders with detailed transaction statements with records of each transaction processed. Level II and Level III transaction data enables detailed purchase information such as: item description, quantity, unit-of-measure, price, and sales tax data, as well as detailed merchant establishment information.

Additionally there is less paperwork for the customer to deal with and therefore this speeds the transaction and ordering process.

### ***As a Merchant how do I benefit from Level II or Level III credit card processing?***

Level II and Level III transaction processing may help the Merchant in the following ways:

- Improves profitability by reducing the payment cycle from 30-60 days (or more) for an invoice to 2-3 days, and improving cash flow.
- Level II and III enabled credit cards transactions reduce collections expenses required and posting payments effectively saving time and money for accounting staff.
- Credit card processing with Level II and Level III data may be required for supplying goods or services to government agencies and certain large businesses (B2B). For example when dealing with the US government agencies Level II or III processing capabilities is required for purchases below a certain dollar amount (normally \$2500.00).

For more information about US government requirements for credit card usage and related programs see:

[http://www.gsa.gov/Portal/gsa/ep/contentView.do?faq=yes&pageTypeld=8199&contentId=10141&contentType=GSA\\_OVERVIEW#2](http://www.gsa.gov/Portal/gsa/ep/contentView.do?faq=yes&pageTypeld=8199&contentId=10141&contentType=GSA_OVERVIEW#2)

- Merchants receive a lower interchange rate for each fully qualified Level II and Level III transaction resulting in significant savings to you especially for large transactions.

**NOTE: A number of variables and requirements, described in detail in this document, must be met to obtain this optimized interchange rate.**

- Merchants operating in certain Level II and III programs and who have Level II and III processing capabilities benefit from a strengthened business partnership and have a competitive advantage over Merchants who are not supporting Level II or Level III transactions. The cardholder's organization often prefer suppliers and Merchants that use Level II and Level III card programs and this effectively allows you to capture business you would not otherwise obtain.

### ***How do I determine if I should be submitting Level III information?***

You should work with your Merchant Account Provider to determine if there is a cost-effective reason to pass the additional information. If your customer base is comprised mostly of businesses utilizing Purchasing, Business or Corporate cards, it is very possible that submission of Level III data will provide some cost savings. Your Merchant Account Provider should be able to do an analysis of the card types you are accepting to see the potential impact.

### ***I am interested in processing Level II or Level III credit card transactions, what do I do next.***

Contact Skipjack Financial Services to discuss the process of setting up a Level II or Level III transaction account and to proceed with the application development. The details of the process are described in the "Requirements and Development Process for Processing Level II and III Transaction Data" section.

### ***How long does it take before I can process Level II or Level III transaction data after contacting Skipjack Financial Services and asking for Level III capabilities on my Skipjack Account?***

The length of time varies, depending on the Merchant Account Provider's requirements and internal processes, as well as whether or not Skipjack Financial Services Professional Services will perform the application development.

A rough guideline is that it typically takes 3 to 6 weeks from the time you first contact Skipjack Professional Services until your new Level II and III processing application is ready to process Level II or Level III transactions in a Live processing environment. This includes some test- mapping of Level II and III data, performing test transactions, and related functions.

This is a rough estimate only. Contact Skipjack Financial Services Professional Services for exact information about your project. Professional Services will determine and define costs and expected timelines in the Statement of Work for your project.

### ***Other than a Skipjack Account with Level II and III processing capabilities, what else do I need to be able to process Level II or Level III transactions?***

The entire process required is described in the section "Registration and Development Process for Level II/III Transactions" of this document. You will need a properly configured Skipjack account, and

account provided by your Merchant Account Provider, and an appropriate application for submitting the transactions.

### ***Why am I am not getting the expected interchange rates for to my Level II or III transactions?***

There can be several reasons for this interchange rates being downgraded. The most typical are listed below:

- All required Level I, II, and III transaction parameters **must** be sent by the application. Problems will arise when the application does not submit or has incorrectly submitted required parameters in the transaction, for any reasons.

A common cause is that some parameters, such as **Sales Tax Amount**, **Purchase Order**, or **Commodity Code** are not input correctly or are handled incorrectly by your application.

- The Skipjack Merchant Account or the Merchant Account Provider configuration settings are not set to correctly to process Level II or Level III transaction data. **Both** of these accounts must be configured for Level II and Level III data transactions, otherwise an error or a Decline or an incorrectly rated (wrong interchange rate applied) transaction will result.
- The credit card is not a Purchase Card or Corporate card.

### ***What is the cost of setting up a Skipjack account to process Level II or Level III transactions?***

The cost of this process will vary depending on the complexity of the application you require, whether the application development will be done by the Skipjack Professional Services group, and other factors. Typically, the cost of becoming Level II or Level III transaction processing-capable is low. The actual cost of developing an application will be determined based on the requirements your. Your Skipjack Financial Services Professional Services representative can provide more details and these costs will be defined in the Statement of Work for your project.

Of course the savings you will receive from processing Level II and Level III transactions (better interchange rates) can be significant, so these costs will be recovered in many instances.

## Appendix A: Level III Batch File Example

Level II and Level III transactions can be processed offline, as a batch File, as illustrated in the sample Level III batch file below.

```
sjname=Vendor Name&email=test@skipjack.com&streetaddress=123 Test
Road&city=Cincinnati&state=OH&zipcode=40511&ordernumber=9727TEST&accountnumber=4445999922
225&month=07&year=08&transactionamount=51.40&shiptostreetaddress=123
TestRoad&shiptocity=Cincinnati&shiptostate=OH&shiptozipcode=40511&shiptophone=5135882100&
customertax=2.64&customercode=123456&purchaseordernumber=PONUMBER&shiptocountry=840&shipp
ingamount=4.76&uniquevatinvoice=1010&vattaxamount=0.03&vattaxrate=0.04&customervatn
umber=1234&dutyamount=0.05&summarycommoditycode=2500&nationaltax=0.06&discountamount=0.07
&orderstring_lvl3=31711~PCARDTRANS~44.00~1.00~N~EA~0.08~44.00~2500~0.09~0.10~0.11~0.12~30
~0.13~||33910~PCARDTRANS~0.00~5.00~N~EA~0.00~0.00~2500~0.00~0.00~0.00~0.00~0.00~||&orde
rstring =31711~PCARDTRANS~44.00~1.00~N~||33910~PCARDTRANS~0.00~5.00~N~||
```

**NOTE:** This line would appear as a single line of text.