Payment Gateway Overview

Get familiar with credit card processing & our platform
What Do Merchants Need to Be Successful Online?

Understanding all of the working parts involved in your merchant customers’ success online

- Domain Registrar
- Web/App Developer
- Web Hosting
- Shopping Cart
- Accepting Payments
The Common Merchant Struggle:

Piecing together all of the working parts to get their ecommerce store up and running

This is Joe the Merchant
He wants to sell blue widgets online

To do this, he knows he will need to:
- Register a domain for his ecommerce website
- Find a good web developer
- Decide on a hosting company
- Select a shopping cart provider

and even after all of that, there is still one missing piece Joe needs...

Accepting Payments
What Do Merchants Need to Accept Payments?

**Merchant Account**
- A merchant account, also known as a MID (short for Merchant ID), is a type of bank account that enables merchants to accept and process payments through debit & credit card transactions and connects the merchant with the processor.
- Merchants can obtain a merchant account through a Merchant Service Provider, like **Dharma Merchant Services**.
- Merchant accounts are a necessity for many businesses, and are essential for merchants with ecommerce businesses.

**Payment Processor**
A merchant account and payment gateway account both connect to the processor & both accounts are essential in order for merchants to accept payments.

**Payment Gateway Account**
- If a merchant wants to get paid, they need a payment gateway account.
- A payment gateway account connects to the processor & securely transfers information between the merchant’s website and their merchant account.
- A payment gateway is what authorizes credit card payments and is the equivalent of a physical point-of-sale terminal located in most retail outlets.
Let’s Walk Through the Steps with Joe

Now that Joe knows what he needs, he is only a few steps away from accepting payments on his ecommerce store.

Joe’s Merchant Account
- Joe applies for a merchant account through Dharma Merchant Services.
- Dharma Merchant Services has a list of requirements given to them by its acquiring bank (see slide 10 for definition).
- Joe’s application satisfies all the requirements and he is granted a MID!

Joe’s Payment Gateway Account
- Joe needs a payment gateway account so he can connect his MID to his website.
- Joe opens a gateway account with Dharma Merchant Services which allows him to input his MID.

= Now Accepting Payments!
How Does Credit Card Processing Work?

Understanding all of the working parts involved in processing a credit card transaction.
Key Players in Processing a Credit Card Transaction

**Cardholder**
A cardholder is someone who has obtained a credit or debit card from a card issuing bank. They are the one who begins the credit or debit card transaction by using their card to make a payment to a merchant for their goods or services.

**Merchant**
A merchant is someone who wants to accept credit and debit card payments from their customers (cardholders) for the goods or services they sell. They must obtain a merchant account and set up a payment gateway account before they can start accepting payments and get paid.

**Issuing Bank**
The issuing bank issues credit cards to consumers. They are responsible for paying the acquiring bank for the purchases their cardholders make.

**Acquiring Bank**
The acquiring bank is also referred to as the merchant bank because they create and maintain merchant accounts that allow a merchant’s business to accept credit and debit cards.

**Payment Gateway**
A payment gateway authorizes credit card payments and is what securely transfers payment information between the merchant’s website and their merchant account.

**Payment Processor**
The payment processor works to actually process the credit card transaction from start to finish. It does this by connecting the merchant account with the payment gateway so it can receive the transaction details and it also connects the Dharma/NMI Gateway to the Credit Card Network for authorization from the issuing bank.

**Credit Card Network**
The credit card network helps to connect the issuing and acquiring banks by routing the appropriate transaction information between the two banks.
Credit Card Transaction Flow

1. Suzi the Cardholder Purchases a Blue Widget
   Suzi has been searching for the perfect blue widget and after finding Joe’s Blue Widget’s ecommerce site she decides to buy one. So she enters in her payment info and submits the transaction.

2. Suzi’s Transaction Details are Sent to Dharma/NMI gateway
   The gateway references Joe’s MID and using a secure connection to the payment processor, routes the transaction details on to them.
3. Joe’s Payment Processor Receives the Transaction Details
After Joe’s payment processor receives them, they send the request on to the Credit Card Network who identifies the issuing bank for the payment card and sends the request on to them.

4. Suzi’s Issuing Bank Approves or Declines Transaction
After the issuing bank checks Suzi’s account, they either approve or decline the transaction and then the results back to the Credit Card Network who sends it back to Joe’s payment processor.
5. Joe’s Payment Processor Relays the Results back to Dharma/NMI Gateway

After Joe’s Payment Processor receives the results, they relay them back to the Dharma/NMI Gateway where the Dharma/NMI Gateway stores the results and then sends them back to the website where Suzi & Joe see the approval or decline.

7. Joe Gets Paid

The issuing bank (Suzi’s bank) releases the funds to the acquiring bank (Joe’s bank). After the settlement period Joe’s bank releases the funds to his account where he can access the money.

6. Suzi’s Transaction was Approved!

Now that Suzi’s transaction has been approved, Joe can now send out the blue widget to Suzi.
What Does The **Dharma/NMI Gateway** Offer?

Understanding the payment gateway’s Capabilities

- Processing Environments
- Core Features
- Data Security & Fraud Detection
- Payment Types & Acceptance Methods
- Back Office Tools
Merchant Payment Processing Environments

Our omni-channel platform supports all types of merchant payment processing environments such as ecommerce, retail, mobile, MOTO, restaurant & Apple Pay.

Virtual Terminal

Enables merchants to process transactions by submitting credit card and electronic check payments online.

SwIPe

Enables merchants using card readers to accept card-present transactions by installing a lightweight Windows based point-of-sale software application.

iProcess™

Enables merchants to accept mobile payments through a secure application for Apple & Android devices.

Mobile API

Provides developers with a toolkit that makes adding card readers to a payment application seamless and straightforward.

Gateway APIs

Take advantage of our flexible Integration Library that enables you to support ecommerce, mobile and retail payment processing environments for your customers.

Batch Processing

Facilitates processing large quantities of payments efficiently by multi-threading simultaneous transaction requests.
# Payment Gateway Core Features

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<thead>
<tr>
<th>Feature</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td><strong>Virtual Terminal</strong></td>
<td>Swipe credit &amp; key-in cards, and checks from your browser</td>
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<tr>
<td><strong>Product Manager</strong></td>
<td>Manage product SKUs &amp; quickly recall products when creating new Virtual Terminal transactions.</td>
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<tr>
<td><strong>Currencies Accepted</strong></td>
<td>USD, CAD, many international currencies based upon processor integration</td>
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<td><strong>Recurring Billing</strong></td>
<td>Setup payment plans &amp; subscriptions without having to collect payment information again</td>
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<tr>
<td><strong>Card Types Accepted</strong></td>
<td>Visa, MasterCard, Discover, American Express, Diners Club, JCB</td>
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<tr>
<td><strong>Reporting Capabilities</strong></td>
<td>Search &amp; get detailed insight into transactions</td>
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<td>Manage Multi-MIDs</td>
<td>Board multiple MIDs to a single gateway account to consolidate reporting, manage branches, organize products, Etc.</td>
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<tr>
<td>Advanced Transaction Routing Interface (ATRI)</td>
<td>Allows a merchant with multiple MIDs on a single gateway account to automatically determine which MIDs to route transactions to based on advanced load balancing directives</td>
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<td>Three-Step Redirect API</td>
<td>Reduces a merchant’s PCI footprint by eliminating transmission of sensitive payment information.</td>
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<td>QuickClick</td>
<td>Allows merchants to quickly &amp; easily link a website to the payment gateway by utilizing a native payment gateway shopping cart solution.</td>
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<td>Gateway Emulator</td>
<td>Enables merchants to migrate from other industry gateways to the Dharma/NMI Gateway.</td>
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<tr>
<td>Customer Support</td>
<td>Our customer support team has extensive gateway knowledge and is here to answer any gateway related questions you have.</td>
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Additional Processing Features

iSpy Fraud
Real-time fraud scrubbing utility that helps to differentiate legitimate from fraudulent transactions.

Electronic Check
Enables online and traditional merchants to accept and process electronic check payments directly from an ecommerce storefront or through Virtual Terminal.

Electronic Invoicing
Enables merchants to invoice customers via email. Customers can then submit payments by following an embedded link. Invoices are generated with line detailed information and automatically convert to PDFs that are attached and emailed to customers.

Customer Vault
PCI-compliant encrypted and tokenized customer credit card and ACH account data storage. Tokenization allows merchants to process transactions without transmitting credit card or ACH account data.

Level III Processing
Level III Processing is used by government and enterprise-level corporations when handling large orders through business-to-business and business-to-government transactions.