Business
Innovations

CITIZENS & NORTHERN BANK
Your Bank for a Lifetime
Member FDIC

Welcome.

Welcome to our annual Merchant newsletter. Citizens & Northern Bank would like to thank you for being such a valued merchant customer. We are grateful for the relationships we have built with our business partners and appreciate the level of trust we've earned. Local businesses like yours have an important role in the community and are vital to creating opportunities for growth in our region.

At Citizens & Northern Bank, we take pride in our long history as a local, independent community bank. From the very beginning in 1864, we've been committed to the businesses and families in our local communities. By providing needed funding for growth and contributing to local charities, we are honored to play a part in enhancing the lives of our neighbors in the communities we serve.

Feel free to contact a member of our Treasury Management team directly:

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Phone, e-mail & in person,

Who is Actually Contacting you?

Many businesses are receiving visits, calls or emails from merchant companies regarding pricing and/or compliance. They identify themselves only as "merchant services" and try to gather confidential information from businesses. They often let the merchant assume that they are their current processor. They use threats of non-compliance or promises of too-good-to-be-true pricing to gain access to information. Some merchants have even been switched to new merchant processors without fully understanding their actions.

When we contact you, we will always identify ourselves as Citizens & Northern Bank. Anyone calling you from our processing company will always inform you that they are calling on our behalf.

If you have any questions about a call you receive, please contact us. We are happy to review any price quotes and check your compliance status. In order to avoid early termination fees, please contact C&N prior to making a processor change.

The more you know...

- **Citizens & Northern Bank representatives will always identify themselves as C&N.**

- **Don't be fooled by callers who simply identify themselves as "merchant services."**

A layered approach to

Protecting Your Customers

Importance of PCI Standards

The EMV chip provides an additional level of authentication at the point of sale that increases the security of a payment transaction and reduces chances of fraud. Once the card is entered into the merchant's system, the cardholder's confidential information is transmitted and stored on their network in a clear, easily accessible form, meaning it's vulnerable for attack and use for fraud by criminals in online and other channels.

This is where PCI Standards come in. On top of EMV chip at the POS, they offer protections for the POS device itself and provide layers of additional security controls for businesses to use throughout the transaction process and across payment channels to keep card data safe - such as patching systems, monitoring for intrusions, using firewalls, managing access, developing secure software, educating employees, and having clear processes for the handling of sensitive payment card data.

EMV chip - reduces chances of fraud by providing an additional level of authentication at the point of sale.

PCI Standards - offer protections for the Point of Sale device itself.

When used together, EMV chip and PCI Standards are a powerful combination to increase security and reduce fraud.

For more information:
https://www.pcisecuritystandards.org

Innovative Technology

Smart Phone Payment Apps

Give Your Customers More Ways to Pay

Apple Pay™, Android Pay™, Google Pay™ and other apps allow customers to turn their smart phone into a digital wallet. Through the use of these apps, customers can pay for goods and services with a simple tap against a compatible point-of-sale terminal with near-field communication, or NFC.

NFC is basically RFID wireless technology. A tiny chip in one device can sense when it comes into close proximity to another and instantly transmit information between them. Devices need to be within a couple of inches of each other to work (as opposed to Bluetooth, which has a larger range). That's why mobile payments are typically referred to as "tap and pay" — although you really just need to pass the phone within a close enough range of the terminal. Every time a consumer taps their phone to a terminal, the phone transmits a unique transaction ID code to the merchant's system. Merchants never actually receive the details of the user's credit card or account number — all of the data is stored in a single unique code.

Consumers want to use mobile payments. Tapping a smartphone is a lot easier than fishing through a wallet to find the right card. It's also more secure, since the merchant never has anything more than a transaction ID.

Terminals with EMV & Contactless capabilities

- Verifone Vx520
- Ingenico ICT220 & ICT250
- SwipeSimple*

      *EMV capability only.

You may be charged access rates depending on your mobile phone carrier. Web access is needed to use Mobile Banking. Check with your service provider for details on specific fees and charges.

Merchant Terminal Technologies

C&N's Terminal Processing Options

- Standard phone line or internet terminals
- Online processing through your website
- Internet processing through a virtual terminal (log in on your computer)
- Point of Sale Processing (we can link to most point of sale systems)
- Pay at the Pump (for non-branded fueling stations)
- Mobile processing through your smart phone or tablet
- Dial Pay (for small volume, call in transactions through any phone)

SwipeSimple

Process payments on the go with any smartphone or tablet

- Optimized for mobile devices with easy to access and login
- Compatible with virtually all iOS or Android devices
- Multiple merchant and employee account access & permission management
- Customizable receipts with text/email receipt capability
- No tip or custom tip (three default options) with user analytics to track tips & payouts
- Cash & Credit/Debit card processing with offline mode to process transactions without cell service
- Multiple plans options

Fees may apply

Minimizing & Preventing Disputes

Card-Present Merchants

Most disputes can be prevented with appropriate training and attention to detail. The following best practices will help you minimize disputes.

Declined Authorization - Do not complete a transaction if the authorization request was declined.

Expired Card - Do not accept a card after its "Good Thru" or "Valid Thru" date.

Legibility - Ensure that the transaction information on the transaction receipt is complete, accurate, and legible before completing the sale. An illegible receipt, or a receipt which produces an illegible copy, may be returned because it cannot be processed properly. The growing use of electronic scanning devices for the electronic transmission of copies of transaction receipts makes it imperative that the item being scanned be very legible.

Fraudulent Card-Present Transaction - If the cardholder is present and has the account number but not the card, do not accept the transaction. Even with an authorization approval, the transaction can be disputed and sent back to you if it turns out to be fraudulent.

The more you know...

A chip card and the chip-reading device work together to determine the appropriate cardholder or verification method for transaction (either signature, PIN or CDCVM). If the transaction has been PIN verified, there is no need for signature.

Card Imprint for Key-Entered Card-Present Transactions - If, for any reason, you must key-enter a transaction to complete a card-present sale, make an imprint of the front of the card on the transaction receipt, using a manual imprinter. Do not capture an impression of the card using a pencil, crayon, or other writing instrument. This process does not constitute a valid imprint. Even if the transaction is authorized and the receipt is signed, the transaction may be disputed back to you if fraud occurs and the receipt does not have an imprint of the account number and expiration date.

This applies to all card-present transactions, including key-entry situations where the card presented is chip and the terminal is chip-enabled. When a merchant key-enters a transaction, an imprint is required regardless of the type of card and terminal capability.

Card-Present Merchants

Address Verification Service (AVS) and Card Verification Value 2 (CVV2)[2] Dispute Protection. Be familiar with the dispute response rights associated with the use of AVS and CVV2. Specifically, your acquirer can provide a response for a disputed transaction for:

AVS

- You received an AVS positive match "Y" response in the authorization message and if the billing and shipping addresses are the same. You will need to submit proof of the shipping address and signed proof of delivery.
- You submitted an AVS query during authorization and received a "U" response from a card issuer. This response means the card issuer is unavailable or does not support AVS.

CVV2

- You submitted a CVV2 verification request during authorization and received a "U" response with a presence indicator of 1, 2, or 9 from a card issuer. This response means the card issuer does not support CVV2.
- You submitted a CVV2 verification request on a Mail/Phone Order Transaction or an Electronic Commerce Transaction during authorization and received an "N" response with a presence indicator of 1 from the card issuer. The issuer approved the transaction with the no match response.

Verified by Visa® Dispute Protection

Verified by Visa provides merchants with cardholder authentication on eCommerce transactions. Verified by Visa helps reduce eCommerce fraud by helping to ensure that the transaction is being initiated by the rightful owner of the Visa account. This gives merchants greater protection on eCommerce transactions.

Verified by Visa participating merchants are protected by their acquirer from receiving certain fraud-related disputes, provided the transaction is processed correctly.

If	Then
The cardholder is successfully authenticated	The merchant is protected from fraud-related disputes and can proceed with authorization using Electronic Commerce Indicator (ECI) of '5'. 3
The card issuer or cardholder is not participating in Verified by Visa	The merchant is protected from fraud-related disputes and can proceed with authorization using ECI of '6'. 3
Merchant does not participate or doesn't attempt to authenticate	The merchant is not protected from fraud-related disputes, but can still proceed with authorization using ECI of '7'.

Liability shift rules for Verified by Visa transactions may vary by region. Please check with your acquirer for further information. [2] In certain markets, CVV2 is required to be present for all card-absent transactions. [3] A Verified by Visa merchant identified by the Visa Fraud Monitoring Program may be subject to disputes Condition 10.5: Visa Fraud Monitoring Program.

Sales-Receipt Processing

- **One Entry for Each Transaction** - Ensure that transactions are entered into point-of-sale terminals only once and are deposited only once. You may get a dispute for duplicate transactions if you:
  - Enter the same transaction into a terminal more than once.
  - Deposit both the merchant copy and bank copy of a transaction receipt with your acquirer.
  - Deposit the same transaction with more than one acquirer.

- **Proper Handling of Transaction Receipts** - Ensure that incorrect or duplicate transaction receipts are voided and that transactions are processed only once.

- **Depositing Transaction Receipts** - Deposit transaction receipts with your acquirer as quickly as possible, preferably within one to five days of the transaction date; do not hold on to them.

- **Timely Deposit of Credit Transactions** - Deposit credit receipts with your acquirer as quickly as possible, preferably the same day the credit transaction is generated.

Customer Service

- **Prepayment** - If the merchandise or service to be provided to the cardholder will be delayed, advise the cardholder in writing of the delay and the new expected delivery or service date.

- **Item Out of Stock** - If the cardholder has ordered merchandise that is out of stock or no longer available, advise the cardholder in writing. If the merchandise is out of stock, let the cardholder know when it will be delivered. If the item is no longer available, offer the option of either purchasing a similar item or cancelling the transaction. Do not substitute another item unless the customer agrees to accept it.

- **Ship Merchandise Before Depositing Transaction** - For card-absent transactions, do not deposit transaction receipts with your acquirer until you have shipped the related merchandise. If customers see a transaction on their monthly Visa statement before they receive the merchandise, they may contact their card issuer to dispute the billing. Similarly, if delivery is delayed on a card-present transaction, do not deposit the transaction receipt until the merchandise has been shipped.

- **Requests for Cancellation of Recurring Transactions** - If a customer requests cancellation of a transaction that is billed periodically (monthly, quarterly, or annually), cancel the transaction immediately or as specified by the customer. As a service to your customers, advise the customer in writing that the service, subscription, or membership has been cancelled and state the effective date of the cancellation.

Maximize your savings when

Accepting B2B[1] & B2G[2] Payments

We Can Help You Maximize Your Savings!

Qualifying for lower interchange rates comes down to the transaction data provided. To put it simply, the more data you provide, the lower the interchange cost. Visa and Mastercard™ refer to this as providing Level 2 and Level 3 data. Inputting the data required to qualify for lower rates can be time consuming, but we can make it easy for you.

Our preferred solution, PayTrace™, saves you time and money by keeping it simple! Whether you process payments in the virtual terminal, on your website or in the mobile app, you will enjoy reduced interchange rates on qualifying transactions.

Save up to 30% on interchange costs charged by Visa & Mastercard when processing commercial credit cards!

[1]Business to Business [2]Business to Government

Level 3
Most Data
Most Savings

Level 2
More Data
More Savings

Level 1
Limited Data
Standard Rates

C&N's Visa® Lifetime

Business Rewards Credit Card

Be ready for anything with our new

C&N Visa® Lifetime Business Rewards Credit Cards

- ✓ uChoose Rewards®
- ✓ Balance Transfers
- ✓ Cash Advance
- ✓ No Annual Fee
- ✓ Enhanced Fraud Protection
- ✓ Online Account Access
- ✓ EMV Chip Technology

Make your money go even further with C&N's Visa® Lifetime Business Rewards credit card by earning points on every day purchases that you can redeem for:

- ✓ Travel
- ✓ Gas
- ✓ Cash
- ✓ Gift Cards
- ✓ Groceries

Credit Cards subject to credit approval

Connect with us

We are here to help your business succeed. Reach out to any member of our team to find out how we can save your business time and money.

Products & Services

Remote Deposit for Business

- Electronically submit your checks for deposit
- Save time and money
- 24-hour deposit capability
- Easy to use
- Reduce the risk of check fraud

Lockbox Processing

- Payments are sent to our processing center for handling
- Reduce mail, processing, check clearing float
- Increase interest income or reduce interest expense
- Improve auditing and record keeping

Internet Banking

- View accounts and transfer funds
- Direct Deposit Payroll
- EFT tax payments
- Wire Transfer
- ACH payments and receipts
- Collections

Merchant Services*

- Competitive pricing
- Low monthly fee
- Low equipment cost
- Terminal set-up and training
- Local and friendly customer service
- 24-hour customer service hotline
- Proprietary gift cards
- Check Services

*   Merchant Services are subject to approval. Additional fees may apply.
** This Product is not a product of the bank and is not insured or guaranteed by the FDIC

Fraud Protection

ACH Debit Block

- Block all ACH debit transactions for each specified account
- Block ACH debit transactions by type; for example WEB (Web initiated transactions) or TEL (Telephone initiated transactions)
- Block all ACH debits that do not match your approved vendor list

Positive Pay

Positive Pay is an automated fraud detection tool that matches the account number, check number and dollar amount of each check presented for payment against a list of checks previously authorized and issued by your company

Sweep Accounts

Credit Sweep Accounts

Minimize interest expense with an overnight payment to your Line of Credit**

Cash Concentration Accounts

Centrally maximize cash by daily sweeping excess deposits from individual operating accounts

Repurchase Sweep Accounts**

Maximize deposit interest earnings with an overnight Repurchase Agreement