

What is SplitPay?

SplitPay allows a portion of a credit card transaction to be pulled away from the merchant of record/processing account to a second (but not third) account when that transaction is funded.

There are important items to remember when you are dealing with SplitPay:

- SplitPay works off of a trigger. After a transaction funds, a hook causes a second transaction – a ProPay-ProPay transaction from the merchant account to the recipient account.
- While the cardholder only sees one, the merchant will see 2 transactions in their ProPay account.
- The recipient will see one transaction—the result of the ProPay-ProPay transfer.
- The recipient will not get the money from the split until the transaction funds. This means that the affiliate is somewhat beholden to the merchants.
- The processing fees are borne by the merchant, not the recipient. These fees are taken before the “trigger” or the transfer to the recipient.
- Chargeback fees are charged only to the merchant.

Risks of SplitPay

- The money from the split is guaranteed to the affiliate in most cases.
- The transaction cannot be voided once the trigger has been initiated.
 - If a transaction must be voided or cancelled, the merchant will have to either contact the recipient to release the funds for void or they will have to wait for the funds to be made available and refund them.

When SplitPay is set up, the affiliate is asked to provide the following information:

- Merchant account number

- Amount to charge card
- Recipient account number
- Amount to split

SplitPay Reversals

When a refund is processed, a SplitPay Reversal is performed. When this happens, the funds come out of the recipient account, sent to the merchant account, then returned to the customer.

In the event that funds are swept from the merchant account, a line of credit would need to be established in order for the account to be able to refund a transaction after the account has been swept. The distributor account, however, does not currently have the ability to go negative for a reverse split-pay. If the account has a \$0 balance, it cannot send funds back to the merchant account.

Please note that in the event of a chargeback, a reverse split-pay will not be performed. The amount of the chargeback in its entirety will be taken from the merchant account.



For more information on how the flexible services of the ProPay Payment Network can help your organization reach its objectives, please call 1-888-227-9856 or visit www.propay.com.