

# Surcharging in Jackrabbit

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While accepting credit cards as a payment option offers convenience for your customers, it doesn't come without a cost. Every business that accepts credit cards has to deal with payment processing fees. With Jackrabbit's **Surcharges** feature, you can continue to offer your customers the advantages of credit card payments while managing your business expenses.

It's important to consider your customer's experience when implementing surcharging. An additional fee on top of their expected fees may not be received well. If this is a concern, consider raising your tuition fees slightly to help recover some of the cost of processing.

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## Surcharging Facts

It is necessary to understand the facts about surcharges prior to implementation.

- Surcharging is available to all Jackrabbit Pay™ Users located in the US, with the exception of those businesses located in Connecticut, Massachusetts, Maine, and Puerto Rico, where surcharging is illegal. Surcharging is also available in Canada, with the exception of the Province of Quebec.
- Only Visa, Mastercard, and Discover cards can be surcharged. If you accept Amex, you can still process those transactions, but they will not incur a surcharge. Debit cards, prepaid cards, cash/checks, or ACH/bank draft payments cannot be surcharged.
- Surcharges are based on a percentage. Jackrabbit sets the percentage rate, which will be equal to your processing rate. Regulations prevent you from charging more than you pay for processing fees. The surcharge percentage in the US is 2.89%, and in Canada, it is 2.4%.
- Once surcharging is activated, all transactions will be surcharged. It is not possible to surcharge select transactions.
- The surcharge fees will be included in your processing net deposit, increasing your overall revenue. They will be included on the 1099K form and reported to the IRS as income.

## How Does Surcharging Work?

Once you have been set up by the Jackrabbit Pay Team, you are ready to start surcharging in Jackrabbit.

For each eligible credit card payment, a surcharge will be automatically calculated at your set percentage (as determined by the Jackrabbit Pay Team) and added to the total amount processed.

Let's look at a US example based on a \$100 class fee and a surcharge of 2.89% (equal to the processing rate):

With Surcharge			Without Surcharge		
\$	100.00	Class fee	\$	100.00	Class fee
\$	2.89	Surcharge (fixed %)*	\$	-	
<hr/>			<hr/>		
\$	102.89	Amount customer pays	\$	100.00	Amount customer pays
\$	(2.97)	Processing fee** charged to you	\$	(2.89)	Processing fee charged to you
\$	(0.30)	Per transaction fee charged to you	\$	(0.30)	Per transaction fee charged to you
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\$	99.62	<b>Net Deposit***</b>	\$	96.81	<b>Net Deposit</b>
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**Notes:**

- \* The fixed % will be equal to your processing rate, in this example it's 2.89%.
- \*\* \$102.89 x 2.89% = \$2.97 processing fee.
- \*\*\* \$102.89 - \$2.97 - \$0.30 = \$99.62

The surcharge allows you to recover \$2.89 of the total \$3.27 processing fees, leaving your cost at only \$0.38.

- [Click here to step through a credit card payment with a surcharge in Jackrabbit](#)

## Get Set Up for Surcharges

To set up surcharging, or if you have questions, contact the Jackrabbit Pay Team.

- [Schedule a call with an ePayments specialist today!](#)
- Email the Team directly at [payinfo@jackrabbittech.com](mailto:payinfo@jackrabbittech.com)

## Transparency is Key - Your To-Do List

When implementing surcharging, being transparent with your customers is crucial.

- ✓ Display surcharging notices in your physical location as well as at the point of sale.
- ✓ Email your customers in advance to notify them of your new surcharging policy.
- ✓ In Jackrabbit, add your surcharge policy, including the percentage charged, to your policies.
  - [Learn how to create a policy in Jackrabbit](#)
- ✓ Have your customers re-agree to your policies prior to implementing surcharging.
  - [Learn how to have customers reagree to policies in Jackrabbit](#)



Navigating change can be challenging, especially when it comes to money. We're here to support you, so we've put together some ideas and inspiration to help you introduce surcharges to your customers. [Click here to download the PDF.](#)

