BUSINESS CASE STUDY:
INCREASING IPS CLIENTS' BOTTOM LINE

Over the past five years, we have heard from many of you that your merchant account fees with your current service provider have gone up significantly (i.e.: credit card processing fees at your IPS meters). We have found a solution, and it's exclusive to IPS customers.

THE ISSUE

INTERCHANGE
FEES
(on-street parking processing costs)
INCREASED
3X

30-60%
of payments are
"regulated"
debit cards

In October 2011, on-street parking merchant account costs increased. This was due to the new financial reform legislation in the US called the Durbin Amendment.

- **What happened?** - The pure cost to process a $2 "regulated" debit card transaction has increased **BY A FACTOR OF 3X**. These pure costs are called Interchange Fees.
- **What is a "regulated" debit card?** – A "regulated" debit card is a debit card attached to a checking or savings account that was issued to an individual by a bank having over $10 billion worth of assets. Basically, all large US financial institutions issue "regulated" debit cards. (*Your IPS meters are likely seeing anywhere from **30% - 60%** "regulated" debit card usage by your customers.*)
- **How can I see how my operations have been impacted?** – Provide your month end credit card processing statement to IPS/AMG for a cost analysis.
- **What you will see on your current processing statement?** - "Regulated" debit card interchange rates (set by Visa® and MasterCard®) of **0.05% + $0.22 per transaction.**[1]

THE SOLUTION

IPS Strategic Partnership - IPS has established a strategic partnership with AMG Payment Solutions (AMG)[2] - a recognized thought leader in the parking industry - to seamlessly implement our new financial solution.

IPS Group has negotiated preferred interchange rates with both Visa® and MasterCard® on "regulated" debit card transactions.

IPS clients can save
10-35%
on their **AGGREGATE**
monthly merchant account fees at IPS parking meters and pay stations

THIS WILL MEAN THOUSANDS OR TENS OF THOUSANDS OF DOLLARS IN SAVINGS EACH MONTH

> The IPS/AMG financial solution has saved the New Brunswick Parking Authority **OVER 15%** on our monthly merchant account fees. **— Mitch Karon, the Executive Director at NBPA**

3 EASY STEPS TO START SAVING:

1. **Contact your IPS Group Sales Rep** to provide a month-end credit statement analysis and a simple merchant account application for JUST your IPS on-street parking operations.

2. **AMG will set up a new merchant account** with First Data Merchant Services and coordinate the entire set up process with IPS gateway.

   - AMG will have you up and running within 2 weeks. This solution is **TOTALLY SEAMLESS** to IPS clients.
   - **What you will see on your AMG processing statement:** "Regulated" debit card interchange rates (Visa® and MasterCard®) of **1.70% + $0.05 per transaction**

3. SAVINGS BEGIN **IMMEDIATELY**

(1) Visa CPS / Retail, Debit - Regulated Visa Check Card as per Visa USA Interchange Reimbursement Fees, 16 April 2016. https://usa.visa.com/dam/VCOM/download/merchants/visa-usa-interchange-reimbursement-fees-2016-april.pdf

(2) AMG Payment Solutions is a registered ISO of Wells Fargo Bank, N.A., Walnut Creek, CA.

REAL CLIENTS. REAL RESULTS.

Our new financial solution was recently rolled out at various client locations across the US.

New Brunswick Parking Authority (NJ) was one of the first cities to go live. Executive Director Mitch Karon says he is already seeing the savings.

"As a public agency, the New Brunswick Parking Authority strives to meet its customers' needs in the most efficient way possible. Working with the IPS/AMG financial solution has saved NBPA over 15% on our monthly merchant account fees at our IPS meters. The proposed savings presented to us by AMG were spot on with the actual amount saved in the first 3 months following implementation. That kind of savings helps us provide an affordable and cost-efficient service to our customers."

Cincinnati, OH, another early adapter, saw immediate savings as well.

Here is how their operations were positively impacted:

NEW BRUNSWICK PARKING AUTHORITY

$100K	28.5K	$3.50
Approx. total transaction value	Approx. total # of transactions	Average transaction amount

50%	**16% MONTHLY SAVINGS**
Approx. % of regulated debit card transactions	compared to previous provider's TOTAL MONTHLY FEE

CINCINNATI, OHIO

$280K	125K	$2.20
Approx. total transaction value	Approx. total # of transactions	Average transaction amount

43%	**17% MONTHLY SAVINGS**
Approx. % of regulated debit card transactions	compared to previous provider's TOTAL MONTHLY FEE

TO LEARN MORE
CONTACT YOUR IPS SALES REP
IPSGROUP.COM/CONTACT-US