

## Stored Credentials for Credit Card Transactions

In order to process future transactions, Blackbaud can store credentials, including account numbers and payment tokens. Stored credentials are used for recurring payments or payments that might be processed at a later time. Storing credentials allows you to process payments even if they cannot be completed immediately, resulting in more successful transactions. Stored credentials also improve the cardholder's experience since they don't experience transaction failures when the payment cannot be processed initially.

Payment information received through a digital wallet, such as Visa Checkout<sup>®</sup>, Masterpass<sup>™</sup>, or Apple Pay<sup>®</sup>, is not stored so those payment methods do not involve stored credentials.

Cardholders must provide authorization to store their credentials and process payments at a later time with that stored information. To ensure compliance, you should include information in your payment terms and conditions. You must include the following details:

- How stored credential are used
- Clearly define what event(s) trigger a transaction
- Cancellation and refund policies for stored card transactions
- The agreement expiration date, if applicable
- How you notify cardholders of any changes to your agreement regarding stored card transactions

In addition, when you process a one-time transaction using a stored card, you must indicate that the payment is processed using a stored credential.

The following is sample language you can include in your payment terms and conditions:

*Stored payment information (stored credentials) are used to process recurring or one-time payments that cannot be processed immediately. By accepting these terms, you authorize [Organization] to store credentials in compliance with payment processing regulations for use at a later time.*

*[Organization] begins processing a payment when you [describe action, such as clicking the "Donate" button on your website or providing payment information and approval by phone to a representative of your organization].*

*This agreement is valid through [agreement expiration date]. Updates to the payment terms of service are communicated by [communication methods, such as email to the account holder]. You can cancel a scheduled transaction by [indicate how the cardholder should contact you to cancel a transaction]. You can also request a refund by [indicate how to request a refund for a payment].*

For more information, review section 5.3, Credential-on-File Transactions of the [Mastercard Transaction Processing Rules](#) and Visa's guide, [Improving Authorization Management for Transactions with Stored Credentials](#).