Hero Pricing Quoting and Boarding Reference

What this document is

An operational reference for the people who quote and board merchants on HERO (Higher Earning Revenue Options) pricing. It covers the mechanics: how to set the rate on an application, what has to be true before a merchant can surcharge, what to configure in MX Connect, and what to check before a merchant goes live.

It does not explain the strategies. That is the job of the **HERO Pricing Program Guide**, which is the source of truth for what each strategy is, when to recommend it, how to position it with a merchant, and what the compliance rules are state by state. Read that guide first. Come here for the execution steps.

Where HERO sits in a merchant's pricing

Two different things get called "pricing," and the distinction drives everything downstream.

Backend pricing is what Bold charges the merchant. Interchange-plus, flat rate, tiered. It appears on the processing agreement and the statement. The merchant's customers never see it.

HERO strategies are what the customer sees at checkout. Dual pricing, cash discounting, selective surcharging, order processing fees.

These stack. A merchant on HERO pricing still has a backend pricing model, and for dual pricing or cash discounting we recommend flat rate on the backend. Presenting flat rate as a fifth option a merchant picks *instead of* HERO is the most common error in older enablement material, and it leads partners to talk merchants out of margin protection in the name of simplicity.

The four HERO strategies, in priority order

	Strategy	One-line summary
1	**Dual pricing**	Cash and card prices both posted before checkout. The default whenever the POS supports it.
2	**Cash discounting**	Same economics, framed as a discount for cash. The fallback when dual pricing does not fit the operation.
3	**Selective surcharging**	A credit-only fee at the register. Rules-driven. Requires BIN-level controls and registration.
4	**Order processing fee (OPF)**	A uniform fee across all tenders. A bridge only, used when nothing else is operationally feasible.

Full definitions, selection framework, and merchant-facing positioning are in the HERO Pricing Program Guide.

Quoting: how to set the rate on the application

Why the backend rate is lower than the posted rate

Processing fees are calculated on the gross transaction amount, which already includes the offset. Add 3% to a $1.00 item and the customer pays $1.03, so the backend fee is calculated on $1.03 rather than $1.00. Pricing the backend at a flat 3% would over-collect.

- 3% of $1.03 = $0.0309
- 2.913% of $1.03 = $0.0300

Setting the backend rate slightly below the posted rate is what keeps the merchant's cost recovery accurate.

Standard conversion table

Rate displayed to the consumer	Rate entered on the merchant application
4.0%	3.846%
3.5%	3.382%
3.0%	2.913%

For a rate not on the table, the conversion is:

Application rate = displayed rate ÷ (1 + displayed rate)

Example: 3.75% ÷ 1.0375 = 3.614%

This conversion applies to dual pricing and cash discount setups both, since in each case the amount processed includes the offset. *(Confirm with Sales & Revenue Operations before applying it to a cash discount application.)*

Before the application goes in

Confirm the rate with Sales & Revenue Operations. Per the HERO Pricing Program Guide, they can be reached at 877-515-6464, option 2. They will confirm that the rate entered for processing offsets the rate displayed at the point of sale.

Bold's Statement Analyzer can produce a merchant's effective rate quickly, which is the number that tells you what they are actually paying today. Effective rate is total processing costs divided by total card sales volume.

Boarding: setup by strategy

Dual pricing and cash discounting

1. Confirm the POS can display or calculate both prices cleanly. The POS capability matrix in the HERO Pricing Program Internal Overview covers the platforms Bold has verified.
2. Confirm the backend rate using the conversion above.
3. Configure pricing in MX Connect under the Features and Pricing tabs.
4. Plan the menu, shelf tag, or online price display before go-live rather than after.
5. Confirm receipt output shows both the card total and the cash total.

Selective surcharging

Surcharging has a prerequisite the other strategies do not: the merchant must be registered with the applicable card brands before any surcharge is assessed. Registration is handled by the processor during onboarding.

Do not let a merchant surcharge until all five of these are true:

- ☐ Card brand registration is complete
- ☐ The POS or terminal can distinguish credit from debit at the BIN level. If it cannot, surcharging is the wrong strategy and the merchant goes to dual pricing or cash discount instead.
- ☐ The surcharge percentage is configured in MX Connect under the Features and Pricing tabs
- ☐ Entry and point-of-sale signage is installed
- ☐ The surcharge appears as a separate line item on the receipt

On the cap. Card brand rules cap the surcharge at 3.00%, and it can never exceed the merchant's actual cost of acceptance. State law can be stricter, and where it is, the stricter limit governs. Oklahoma caps at 2% effective November 1, 2025. Maine prohibits surcharging. New Jersey limits it to

actual processing cost. Check the merchant's state before quoting a number.

Order processing fee

OPF is a bridge. Use it when POS constraints rule out the other three and attrition risk is immediate. It must be applied uniformly across all tender types and communicated transparently, and the merchant should understand from the start that card brand interpretation of add-on fees can change. Never present it as the merchant's permanent arrangement.

Pre-launch checklist

Run this with the merchant before the first transaction under the new pricing.

- ☐ **Entry disclosure.** Clear notice at the entrance for surcharging merchants.
- ☐ **Point-of-sale disclosure.** Sign visible at the register before the transaction.
- ☐ **Price display.** Dual pricing merchants show both cash and card prices on every shelf tag, menu, and product page, in a consistent format. Cash discount merchants show the standard price with the discount clearly disclosed.
- ☐ **Receipt.** Card and cash totals both visible for dual pricing. Surcharge shown as its own line item, never folded into the total.
- ☐ **Debit and prepaid excluded.** Verify no surcharge lands on debit, prepaid, or EBT.
- ☐ **Staff scripting.** Someone at the counter can explain the price difference calmly. Ask them to do it once before you leave.
- ☐ **Digital and online.** Both prices present on product pages and at checkout as well as in-store.

Merchant-facing language, for staff who get asked at the register:

"We post two prices, a cash price and a card price, so you can pick. The difference covers what it costs us to accept cards. We would rather do that than raise prices on everything."

(The block above is brand voice, written for a customer to hear. Everything else in this document is internal.)

What is at stake if a merchant gets it wrong

Worth saying out loud to any merchant who treats signage as optional. A compliance case opens when a card brand, usually Visa, confirms that a merchant's pricing presentation or fee application does not match program requirements. Cardholder complaints, evidence requests, and on-site secret shopper visits all trigger cases.

- A first confirmed case commonly carries a **$1,000 compliance case fee**, and it is not waived even if the merchant fixes the problem before the deadline.
- Unremediated cases escalate. Published examples start around **$5,000** and reach **$25,000 or $50,000**. Continued failure can end in account termination.
- **Switching processors does not stop enforcement.** Audits are location-based and follow the merchant.
- Appeals cost **$5,000**. A merchant who appeals and loses pays the fine and the appeal.
- An ISO can absorb the case fee on a merchant's behalf by notifying Bold.

Remediation steps and evidence requirements are in the HERO Pricing Program Guide under Compliance Violations.

Quick reference

Situation	Action
Quoting dual pricing or cash discount	Use the conversion table. Confirm with Sales & RevOps before submitting.
Merchant wants surcharging	Verify BIN-level credit/debit control first. No BIN control, no surcharge.
POS cannot support dual pricing	Move to cash discount before considering anything else.
Nothing else is feasible and the merchant is at risk of leaving	OPF as a bridge, with the expectation set that it is temporary.
Merchant asks about their current cost	Run the Statement Analyzer and give them an effective rate.
Merchant is in a state you have not checked	Check surcharge law before quoting a cap.

Open items

These are unconfirmed and should be resolved before this document is treated as final.

1. **Sales & Revenue Operations phone number.** The HERO Pricing Program Guide lists 877-515-6464 option 2. Bold's published main line is 877.515.8472. Confirm which applies here.
2. **Billing cadence by strategy.** Version 1 recommended daily billing for dual pricing and cash discount and monthly for flat rate and surcharge. No HERO material supports that split. Confirm with Sales & Revenue Operations or drop it.
3. **Conversion table for cash discount.** Confirm the gross-up conversion applies identically to cash discount applications.
4. **Surcharge registration.** Confirm who owns card brand registration and what the partner is responsible for tracking.

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