



## **ADVANCED PROCESSING FEATURE**

### **Level II and III Processing Capability**

### **LEVEL II AND III TRANSACTION DETAIL**

This document will discuss Level I, II and III transactions and why these different levels are so important to merchants, buyers and suppliers.

**Explanation:** MasterCard and Visa have defined three levels of transaction detail. This is the level of detail that a merchant needs to pass to the credit card processing network in order to 1) accept purchase cards for payment, 2) qualify for higher levels of service and, 3) possibly, discounted processing fees.

**LEVEL I** is a standard credit card purchase transaction, and offers such information as:

- Supplier Name
- Total purchase amount
- Date
- Merchant Category Code

**LEVEL II** adds additional information about each purchase, including:

- Sales tax amount
- Customer code (a.k.a. accounting code)

**LEVEL III** adds full line-item detail to the data in Level II, including:

- Quantities
- Product codes
- Product descriptions
- Ship to zip
- Freight amount
- Duty amount



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**Why Are These So Important?:** Level III is critical for business-to-business (B2B) transactions. In fact, to accept purchase cards for payment, which are corporate-sponsored credit cards, the merchant **MUST** collect Level III information and pass that along to the payment processing network. The credit card companies then include the Level III detail in the monthly invoice they send to the buyer. In other words, the credit card statement includes line item detail, making it easier for the buyer to reconcile all purchases.

If a merchant wants to be a supplier to another business, accepting purchase cards is a big advantage. For retail purchases (B2C), Level III information isn't required but it's very nice to have so that the merchant can provide a high level of customer service.

Please note that only the credit card associations and some new payment options (such as Virtual Purchase Connection) accept Level III information. The Automated Clearing House (ACH) network does NOT accept Level III at this time. (Note: AssureBuy can collect and store Level III data across ALL payment types, including ACH. This allows merchants to process all payments with the highest level of detail regardless of the payment type.)