

# Top 10 Payment Terms Software Companies Should Know

## Revenue Sharing:

Refers to the distribution of revenue (typically a percentage) that is generated by payment services and is split among key stakeholders or contributors.

## Residuals:

Refers to the total dollar amount that software providers can earn

## Adoption Rates:

Refers to the percentage of SaaS users that are using your integrated payment technologies and services

## Attrition:

Refers to users that no longer using your payment technologies

## Margin:

Refers to the delta between interchange rates and the payment pricing that's provided to your customers

## Buy Rates:

Refers to the payment processing fees that a credit card processor charges businesses to use its processing services

## Interchange Cost Plus:

Refers to the credit card processing pricing structure that separates processing costs allowing for transparent reporting

## Interchange Optimization:

Refers to the system in which a business processes a credit card payment with the data required qualify for the least expensive rates

## Flat Rate Pricing:

Flat-rate pricing is a billing platform in which the merchant is charged one discount rate, regardless of the type or volume of card transactions.

## Tiered Pricing:

Refers to credit card processing fee structure that determines how much merchants pay processing companies for each transaction. Fees are broken down into three tiers: qualified, mid-qualified, and non-qualified. Qualified transactions get the lowest fees, while non-qualified accrue the highest.

**Have questions?**

**Let's Chat!**