Merchant Onboarding

March 2021

Merchant Onboarding Process

1. During enrollment in Autobooks, SMB provides the following information for review:

Sub-Merchant Primary Business Owner and Business Information

- Primary Business Owner First/Last Name
- Email
- Phone
- Date of Birth
- Title
- Social Security Number
- Primary Business Owner Home Address
- Legal Business Name
- Doing Business As (DBA), if applicable
- EIN / TIN
- Physical Business Address (no P.O. Box)

Sub-Merchant Volume, Transaction Information and Business Type

- Business Structure
- Industry / North American Industry Classification System (NAICS) Code
- Largest Single Payment

- Average Payment

- Estimated Annual Revenue

- North American Industry Classification System (NAICS) Code

Additional Business Owner Information

- Additional Business Owner First/Last Name

- Additional Business Owner Date of Birth

- Additional Business Owner Social Security Number

- Additional Business Owner Phone Number

- Additional Business Owner Email

- Percentage of Ownership

- Additional Business Owner Home Address (no P.O. Boxes)

2. Once SMB submits application, several background check tools are automatically run via API:

- Thomson Reuters CLEAR

   a. Provides information on liens, judgments, bankruptcies, criminal record, and global sanctions. Also provides additional background information like address history, aliases, employment history, etc.

- GIACT

   b. Verifies owner's SSN, DOB, home address, and phone number. Also verifies business's name, address, and ownership.

- TINCheck

   c. Verifies tax ID for the business

3. Merchant Onboarding receives email notice of an application and reviews results of background checks mentioned above.

4. In addition to the automatic background checks, Merchant Onboarding Specialist (MOS) also verifies the following:

- Checks that SMB has active business filing with their secretary of state

- Checks IP address location to make sure it roughly matches with SMB's location

- Runs SMB's email address through email reputation tool

5. MOS researches business online, trying to verify location of business, business website, and reputation.

6. MOS pulls available transaction history and reviews for approval of velocity limits. In general, to get approved for their requested limits, the SMB's transaction history should show deposits that roughly correspond with the limits and should not have extremely low average balances or a significant number of overdrafts.

7. If there are any discrepancies, unverified information, or lack of transaction history, MOS will reach out to SMB resolve any issues. During this time, MOS may request documentation to verify certain information (e.g. utility bill to verify business address, bank statements for velocity limits, etc.).

8. If MOS does not have sufficient information to make approval/denial decision based on the information available, MOS will engage with FI to get more background on SMB. MOS will provide business name, owner name, and list of concerns/red flags. FI is expected to provide a response within one business day with any available information that may assist with making a determination. This may include quality of relationship with SMB, any derogatory record, etc.

9. MOS makes final decision to approve/deny account based on information available. If approved, MOS will set velocity limits in accordance with transaction history and communicate limits to the SMB if they are lower than initially requested. If denied, SMB will be notified via email that they are not eligible for payment processing. Some common reasons for denial are:

- Suspected/confirmed fraud

- Prohibited business type

- MATCH listing

- Negative business reputation

- Negative financial background (active liens or bankruptcies)

- Negative criminal history (convicted of a major financial crime or a pattern of minor financial crimes)