

Tech Tip Tuesday—April 21, 2015

by David Hirsch

Credit Card Preauthorization

The term “credit card preauthorization” means that you are getting advance approval to charge a credit card a certain amount in the near future. Another way to think about this is that it’s like making an advance reservation for your money.

When you run a credit card preauthorization, the credit card processor puts a hold on the funds (making it unavailable to the cardholder). Typically, this hold lasts for 5 calendar days. If you haven’t submitted the final charge by then, the hold will expire and the funds will become available to the cardholder.

When you run a regular transaction on a credit card, it is identified as a “SALE” transaction, meaning the sale is complete and you will get your money. When you run a PREAUTHORIZATION and then submit the final charge, it gets recorded as a DELAYED CAPTURE meaning you already got the money reserved, but the actual sale was delayed until later.

Livery Coach has the ability to run both manual preauthorizations and automatic preauthorizations.

In order to run a manual preauthorization, open a payment screen of a credit card trip and fill in the amount you want to preauthorize. If you just want to preauthorize the total amount of the trip (recommended), you can simply double-click the words “Auth Amt” and it will populate the field with the trip amount. (Notice that if you hover the mouse over those words, the system will remind you). Then click the Pre-Authorize button at the bottom.

The screenshot shows a software interface for credit card preauthorization. At the top, there are fields for Name (Doe, John), Acct # (5474XX5188), CVW2 / CVC2, Exp (01/2018), Billing Address (1530 McDaniel Drive), Zip/Postal (19380), and Save As (Corporate). Below these are fields for Auth Amt (260.83), PN Ref, Auth Code, and Auth Exp. A red circle highlights the 'Auth Amt' field, and a red arrow points from it to the 'Pre-Authorize' button at the bottom. A tooltip above the field reads 'Double-Click To Populate Trip Total'. The interface also includes a 'Trip Disc' field, a 'Clear Agreement' button, and a 'Deposit / Refund' section with 'Deposit' selected. The 'Company Account' is set to 'Long Car Limousine', and the 'Pay Type' is 'Credit Card'. The 'Additional Charges' section shows a total of 66.48. The 'Status' is 'Idle', and there is a 'Collect Pay Info' checkbox. The bottom of the interface has buttons for 'OK', 'Pre-Authorize', 'Down Payment', 'Acct List...', 'Change Rate...', 'Agreements...', 'Cancel', and 'Help'.

If the preauthorization is successful, you will see the fields for “PN Ref”, “Auth Code”, and “Auth Exp” become populated. In order to close the trip using this preauth, you must close it before the end of the calendar day (Pacific time, since PayPal is in California) of the Auth Exp date.

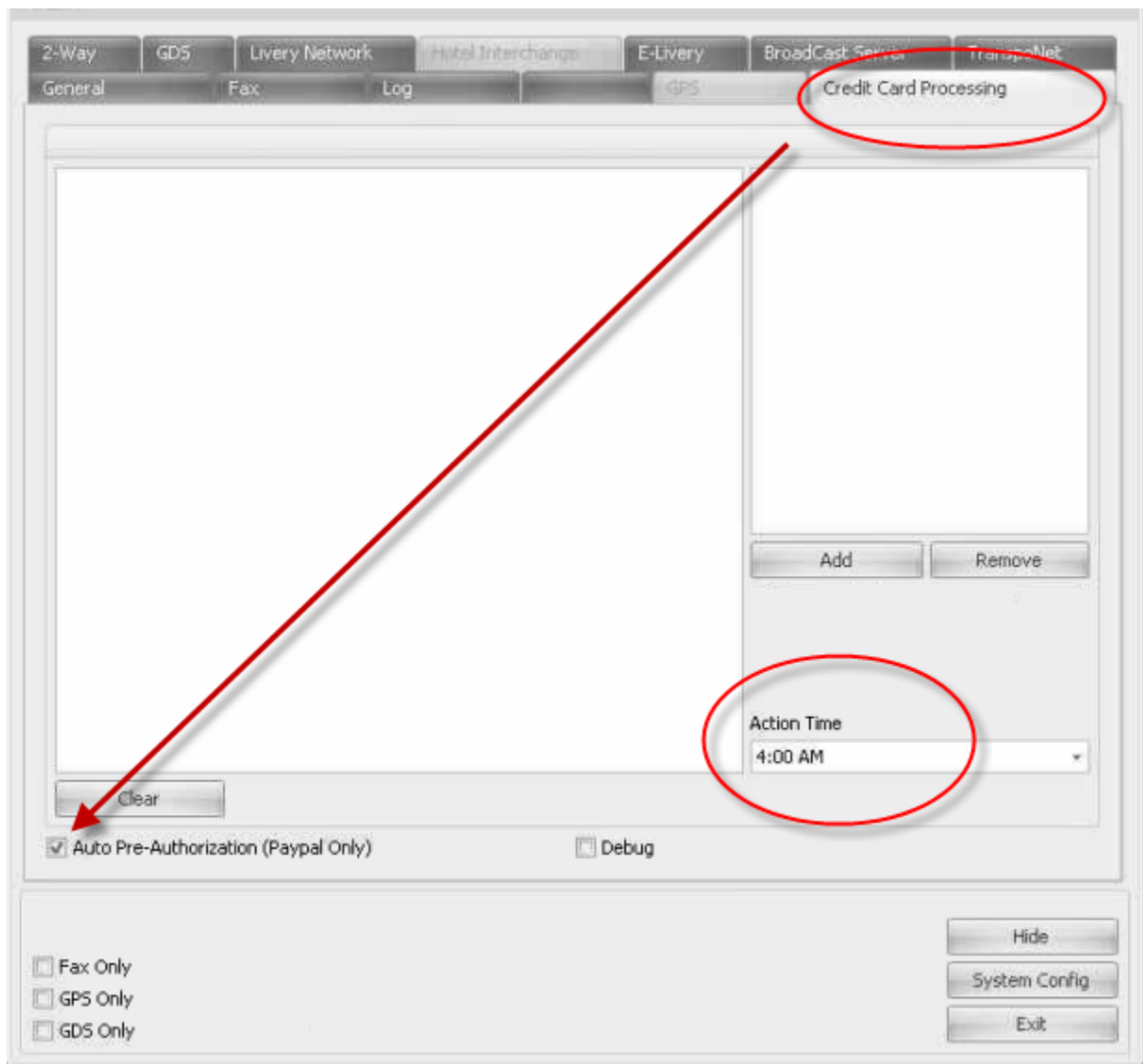
Billing Address: 1330 McCarther Drive Zip/Postal: 13300 Okd By: Save As: Corporate
Auth. Amt: 260.83 PN Ref: VXHJCE5B05B2 Auth. Code: 260736 Auth Exp: 03/08/15
CC Group: PO: Farm Res #: Dept #:

When you are looking at the dispatch grid, it is easy to see what trips have been preauthorized. Simply look at the payment column—if the cell is green, there was a successful preauthorization (dark green for automatic, discussed just below, or and light green for manual). If it is red, it was declined. Yellow shows that it was successful, but the billing street and/or zip did not match (meaning you will likely pay a higher rate). White means a preauthorization has not yet been attempted.

AMEX: 3772001001
M/C: 5524003576
M/C: 5466007240
VISA: 4266003375
M/C: 5452008073
AMEX: 3796002009
AMEX: 3715003058

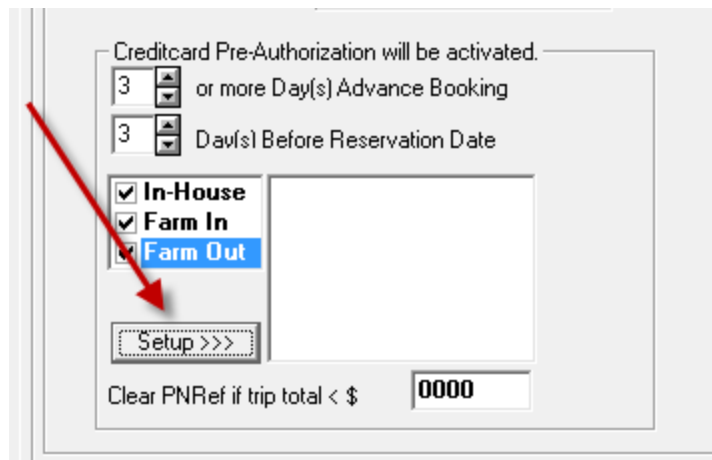
If you want preauthorizations to be automatic, then this is set up in your lcomm. Simply navigate to the Credit Card Processing tab, select the Action Time, and check the Auto Pre-Authorization box.

Note: remember that preauthorizations are good for calendar days (based on Pacific time). So we recommend setting the Action time to one hour after midnight (Pacific time)...so if you are on the east coast, that would be 4am. If you ran it at, say, 11pm Pacific, an hour later you would have “used up” one of your 5 days of hold already.

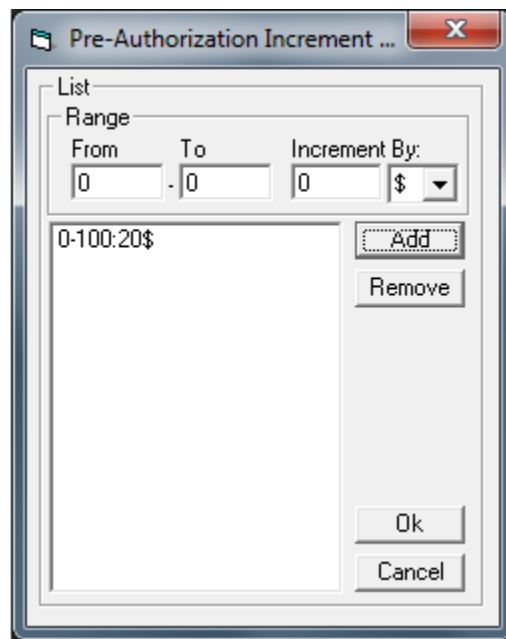
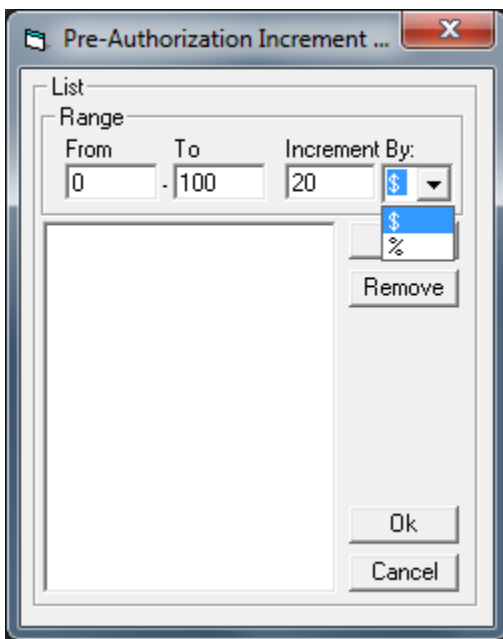


Finally, when running automatic pre-authorizations, you might want the system to preauthorize the trips for “a little more” than the trip (to cover extra time, parking, etc.)

If you want to automatically add some extra, head back to Maintain...System Default Configuration...Credit Card tab—the bottom left of the window. Make sure that at least “In House” is checked, and then click the “Setup” button.



When the window opens, you can type in a starting and ending dollar amount of the trip (to set a range), an increment amount, and whether that increment is in dollars or percent. Then click Add. You will then see the range in the box. In the example below, all trips priced between \$0 and \$100 will be pre-authorized by an extra \$20 when auto-preauthorization is on.



When you are finished entering your ranges, you are done. Turn on auto preauthorization in your lccomm as outlined above, and check the dispatch grid tomorrow.