



**PREVIEW**

# *Next Day Funding Survey*

*The information is based upon information we consider reliable, but its accuracy and completeness cannot be guaranteed.*



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# Next Day Funding Study

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## WHAT IS THIS REPORT?

TSG has noted increasing interest in the topic of so called “next day merchant funding” among industry participants. However, there seems to be confusion over a standard definition of what this service means, along with differing requirements that may impact the actual availability of this service to merchants.

This report offers a detailed look at leading U.S. third-party processors and merchant acquirers and how each supports next day settlement funding.

## HOW WAS IT COMPLETED?

Via a survey, TSG obtained data from 10 processors/acquirers. The survey was completed in early 2013.

## WHY IS THIS USEFUL?

This report provides valuable insight for all companies that provide or participate in a next day funding program.

This was done to better understand how acquirers/processors and sponsor banks offer this service while also understanding their requirements, boundaries and constraints around the service.

# Next Day Funding Study – Summary Responses

Introductory Questions and Comments	
<b>Do you offer Next Day Funding?</b>	
<b>Approximately how long have you offered the service?</b>	
<b>Do you think next day funding is increasingly a key functionality component from a competitive standpoint?</b>	

# Next Day Funding Study – Summary Responses

Merchant Size and Underwriting / Risk Comments	
<b>Are there any Merchant Size Requirements</b>	
<b>Are there specific or different merchant/ISO reserve requirements or specific underwriting requirements related to the service?</b>	

# Next Day Funding Study – Summary Responses

## Banking Relationship Requirements / Sponsor Bank Implications

**Must the merchant depository account be with the sponsor bank or can it reside elsewhere?**

## Card Types Eligible for Next Day Funding

**What card types are eligible for Next Day Funding?**

**What are the differences for card present vs. card not present?**

# Next Day Funding Study – Summary Responses

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## Funding Availability & Timing

**Funding Technique? (ACH, Wire).  
Where is the ACH file sent- to the  
Fed or Direct to a bank (or both)**

**Are there processor or bank fees  
that are specific to this service?**

# Next Day Funding Study – Actual Responses

What is your batch cutoff time(s)?	
Company 1	
Company 2	
Company 3	
Company 4	
Company 5	
Company 6	
Company 7	
Company 8	
Company 9	
Company 10	

# Next Day Funding Study – Actual Responses

Are there multiple batch cutoffs that still are next day funded? If yes, does that impact funding timing?	
Company 1	
Company 2	
Company 3	
Company 4	
Company 5	
Company 6	
Company 7	
Company 8	
Company 9	
Company 10	



# Next Day Funding Study – Actual Responses

Do the Batch Cutoff Times differ based on source / type of merchant input?	
Company 1	
Company 2	
Company 3	
Company 4	
Company 5	
Company 6	
Company 7	
Company 8	
Company 9	
Company 10	

# Next Day Funding Study – Actual Responses

Do you provide one-time or multiple batch timing(s)?	
Company 1	
Company 2	
Company 3	
Company 4	
Company 5	
Company 6	
Company 7	
Company 8	
Company 9	
Company 10	

# TSG Resources

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## Related Reports

- [Processing Pricing Benchmark Study](#)
- [Merchant Acquiring Industry Overview](#)
- [Merchant Acquiring: Leading Practices in Retention Management](#)
- [Gateway Competitive Analysis](#)

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## Selected Free Resources from TSG

- [INFOGRAPHIC: The Top Ten Ways Acquirers Can Block the Breach](#)
- [TSG Analysis – Vantiv’s Acquisition of Mercury Payment Systems](#)
- [Q1 2014 U.S. Economic Indicators Report with Special TRANSACT 14 Introduction](#)
- [TSG Roundtable on the Target Breach, EMV, and the Ramifications](#)
- [TSG Analysis - Global Payments' Acquisition of PayPros at a Glance](#)
- [Brave New World in Payments - Tapping the Power of Big Data in Merchant Portfolio Management](#)
- [INFOGRAPHIC: Why are Electronic Payments Important?](#)
- [Trend Graphs of Payments Industry Google Search Terms](#)
- [Is Aggregation for Everyone?](#)
- [INFOGRAPHIC: What Benefits Me by Paying a Credit Card Swipe Fee?](#)

Have Questions?

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# About TSG

*The Strawhecker Group* (TSG) is a management consulting company focused on the electronic payments industry.

## *TSG's Service Groups*

**Payments Strategy** - Payments Strategy encompasses the full spectrum of advisory services within the Payments Industry. The depth of these services is built on deep industry knowledge - the Partners and Associates of the firm have an average of over 20 years of industry experience. With clients from card issuers to merchant acquirers, TSG has the experience and expertise to provide real-time strategies.

**Transaction Advisory** - Whether buying or selling, seeking investment funding, or planning your company's exit strategy, TSG's experience can be critical to achieving success. TSG has performed more than 100 Payments Company Valuation and/or Business Assessments in the past three years - ranging in value from \$1 million to \$1 billion.

**TSG Metrics** - TSG Metrics, the strategic research and analysis division of TSG, provides the Payments Industry with highly focused research and industry-wide studies. TSG Metrics takes data, boils it down to information, transforms it to knowledge and presents it to provide wisdom to its client partners.

## *TSG's Unparalleled Experience*

TSG consists of Industry leaders with extensive experience leading teams through explosive growth periods, mergers and acquisitions, and international and domestic expansion within the Payments Industry. Both Partners and Associates of the firm have held key senior management positions at leading industry companies including First Data / First Data International, Visa Inc., MasterCard, TSYS, Humboldt Merchant Services, WorldPay, Heartland Payment Systems, Cardservice International, iPayment, Alliance Data, RapidAdvance, Accenture Consulting, Redwood Merchant Services, Chase Paymentech, as well as other leading financial institutions and Payments companies.

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Over the last three years, TSG has completed over 400 projects for more than 200 different clients including financial institutions, merchant acquirers, card issuers, card associations, technology providers, ISOs, processing companies and the investment community. Additionally, the firm and its Associates sit on several industry committees whose focuses range from emerging product development to governmental regulation advisement.

*Other recent TSG reports and analysis include (Click for more information):*

The Top 10 Ways  
Acquirers Can Block the  
Breach

TSG Analysis: Global  
Acquisition of PayPros

What Benefits Me By  
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