



The Complete Guide to Payway's Cash Discount Program

Running a business isn't easy, and it gets more difficult as every little cost adds up. For many companies, payment of processing fees is a necessary but frustrating expense, eating into hard-earned profits. What if there was an easy way to eliminate nearly all those fees while giving your customers the payment choices they want?

That's where the Payway Cash Discount Program comes in. Designed with businesses in mind, especially those operating on a recurring payment model, this program helps you take control of your payment processing costs. Payway is known for its user-friendly payment solutions that simplify transactions and fit seamlessly into your operations, making it easier to focus on what matters most: growing your business and serving your customers.

In this guide, we'll break down everything you need to know about Payway's Cash Discount Program: what it is, how it works and how to set it up.



What Is a Cash Discount Program?

A Cash Discount Program is a payment solution that allows businesses to nearly eliminate credit card processing fees by offering a discount to customers who pay with cash or cash equivalent. Instead of absorbing card fees, merchants include these costs in their listed prices and then provide a discount equal to the fee for cash payments. This approach benefits businesses by cutting expenses and encourages customers to choose cost-saving payment methods.



Advantages of a Cash Discount Program

A Cash Discount Program offers businesses a smart way to manage rising credit card processing fees while providing customers with flexible payment options.

By incentivizing cash, businesses can:

- **Save money:** Reducing or nearly eliminating card processing fees, which can add up significantly over time
- **Improve cash flow:** Encouraging more customers to pay with cash helps increase liquidity and reduce dependency on card payments
- **Enhance transparency:** Providing customers with a clear understanding of how pricing works, building trust and loyalty
- **Simplify recurring payments:** Automating cash discounts and card fees for subscription-based recurring transactions helps reduce administrative overhead

Read this blog to get more details:
[Understanding Cash Discount Programs](#)



Difference between cash discount and surcharge

Both cash discount and surcharge programs help businesses manage credit card processing fees, but the approach is quite different.

A **cash discount** rewards customers who pay with cash, or cash equivalent, by offering them a reduced price. Cash discounts typically range between 3.7 and 3.99%

A **surcharge** adds an extra fee to the total cost when customers choose to pay with a credit card.

Let's compare both options:



Cash Discount	Surcharge
Increased prices for all customers, giving discounts to those who pay with cash or cash equivalent.	Customers paying with a card are charged an extra fee. Cannot be applied to debit cards.
The card processing fee is already included in the listed price.	The listed price does not include the card processing fee.
Encourages cash payments as a benefit.	Discourages card payments as a penalty.
Perceived as a reward for cash use.	Perceived as an added cost for card use.
Compliant in all 50 U.S. States when implemented correctly. *	Restricted or regulated in some states. *

Businesses are not permitted to post a cash price and then charge a higher price for cards unless both options are clearly presented to cardholders, as seen at many gas stations.



Surcharge Restrictions¹

- Prohibited in Connecticut, Maine and Massachusetts
- 2% is the maximum surcharge rate allowed in Oklahoma and Colorado
- New York requires posting both cash and credit card prices
- Visa lowered their maximum surcharge amount from 4% to 3% on Apr 15, 2023

Source:

*SpotOn: [Dual Pricing and Cash Discount Program Guide](#)

What sets the Payway Cash Discount Program Apart?

Payway has built a reputation for understanding the unique needs of recurring and reoccurring transaction-based businesses. Our Cash Discount Program is no exception, offering a proven, customer-friendly way to nearly eliminate payment processing fees while continuing Payway's tradition of empowering businesses with practical, effective tools.

Features that set the Payway program apart

1. Tailored for recurring payment models

Payway specializes in businesses with recurring payment needs, such as subscription services, SaaS companies and membership organizations. Our Cash Discount Program seamlessly integrates into recurring payment processes, ensuring that cash discounts or processing fees are applied automatically based on the customer's payment method.

2. Multi-channel compatibility

Payway has designed this program to work across the key payment channels businesses rely on:

- **Online payments:** Customers paying through an online portal can see the difference in pricing based on their chosen payment, fostering transparency and trust
- **Phone payments:** Customer service representatives should be trained to talk about the discount if paid by ACH or direct debit
- **Mail payments:** For checks or money orders sent by mail, clearly state if paid by ACH or direct debit

3. Simple implementation

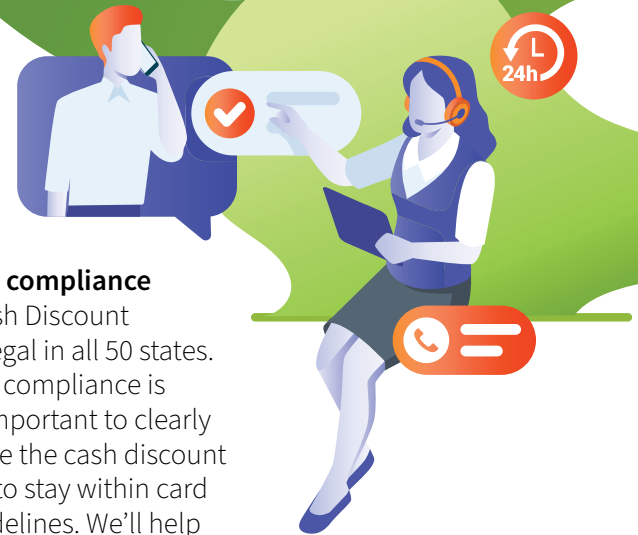
The program is easy to set up and manage. With tools and software tailored to your business model, it fits seamlessly into your existing systems.

Cash Discount Payment Options

Cash = ACH or direct debit since cash can't be used online, by phone or email

ACH is a network used for processing electronic payments and transfers between bank accounts in the United States

Direct debit is a type of ACH debit specifically authorized by the account holder to allow a service provider to pull funds directly from their bank account



4. Legal and compliance

Payway's Cash Discount Program is legal in all 50 states. Additionally, compliance is critical. It's important to clearly communicate the cash discount at checkout to stay within card network guidelines. We'll help you ensure that your setup meets this requirement.

5. Concierge support team

With Payway, you get 24x7 support you won't find anywhere else. When you need assistance, simply contact a dedicated support expert via phone or email. This is the Payway difference. We take pride in knowing that you can always pick up the phone and talk to a person.

How to Get Started with the Payway Cash Discount Program

Getting started with the Payway Cash Discount Program for online payments is a straightforward process designed to fit seamlessly into your business operations. From initial consultation to implementation, Payway provides the guidance and support you need to start saving on processing fees while delivering a transparent and flexible payment experience for your customers.

Implementation steps



First

Open a merchant account with our partner, VizioPay. We'll help you from start to finish



Second

Make adjustments to your website to clearly display cash discount pricing. We provide guidance to make it as seamless as possible



Third

Train your customer support team on how to handle customer questions or concerns to ensure a smooth implementation and create a positive experience



Key Benefits of the Payway Cash Discount Program

The program allows businesses to pass on the cost of processing fees to customers who choose to pay by card, while offering an equivalent discount to those who pay with cash or cash equivalent.

This structure helps them offset up to 100% of processing fees, making costs predictable and, in many ways, reducing fees entirely. This results in more stable profit margins, less overhead and improved customer loyalty.

Businesses also have the freedom to switch back to a traditional merchant account if, for any reason, they determine cash discount isn't working for them any more.

Additional benefits include:

- Encourage customers to choose a lower cost, lower effort payment method
- Reduce pricing disputes, fraud and chargebacks
- Attract bargain hunters who are more willing to make purchases when they receive a discount
- Minimize development work required for managing subscriptions, with limited impact to existing subscription management applications
- Businesses can enjoy lower fees and maintain their profits, all while giving their customers a payment choice

Ready to take the next steps?
Contact our sales team to get started.

