

# Tools to help you purchase your POS System

Purchasing any technology can be confusing, and this applies to the purchase of a point-of-sale (POS) System. This document will provide you with a checklist of questions and information you should have discussed and/or documented before or as part of your purchasing process. The first document is a checklist of questions you should ask, and the second is a definition of terms for your purchase agreement. Both of these documents will help protect you and your business and help ensure that you make an appropriate purchase from a qualified POS Systems provider. It is intended to clarify the terms of your agreement and avoid any misunderstanding on the scope or services and terms of the purchase agreement.

## The “Definition of Terms for the POS Purchase Agreement Terms” can:

- ▶ Help ensure that you and your POS Systems Provider review all aspects of your purchase and that your POS System Provider provides you with straightforward information.
- ▶ Ensure that you review all aspects of your purchase including the key components of Infrastructure, Hardware, Applications Software, Services, and Support Services.
- ▶ Help you understand the terms for purchasing, supporting, and upgrading the system and ensure there are no hidden or surprise costs for purchasing, supporting, or upgrading the hardware, software, and services such as payment processing.
- ▶ Ask your POS Systems Provider to include the Definitions of POS Systems Purchase Terms as an addendum to your purchase agreement.

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**The goal of this document is to provide clarity to all written and verbal agreements between the POS Systems Provider and the Merchant. It is divided into two parts. The first part defines terms used in the Contract document between the Restaurant and the POS Systems Provider. The second part defines the specific parties and services covered by your contract with the POS Systems Provider.**

# POS Provider Checklist

Submitted to (business name): \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

## POS Hardware

**1. Please list all hardware components that will be included in and installed with the system, including:**

- a. Manufacturer  
\_\_\_\_\_
- b. Manufacturers' warranty terms  
\_\_\_\_\_
- c. Key specifications (including, but not limited to, processor brand, type and clock speed, RAM and HDD capacity, operating system and version, ports and integrated peripherals for POS workstations and file servers)  
\_\_\_\_\_
- d. Quantity and unit price for each component  
\_\_\_\_\_

**2. What is covered by the hardware warranty?**  
\_\_\_\_\_  
\_\_\_\_\_

**3. What is the duration of the hardware warranty?**  
 1 year    2 years    3 years    Other: \_\_\_\_\_

**4. What happens between the end of the warranty and the end of the hardware life span?**  
\_\_\_\_\_  
\_\_\_\_\_

**5. List the instances where the hardware warranty would be out of scope (i.e. lightning strike, fire, accidental damage, etc.).**  
\_\_\_\_\_  
\_\_\_\_\_

## POS Software

**6. Please list all software modules that will be included in and installed with the system, including:**

- a. Quantity and unit price for each module  
\_\_\_\_\_
- b. Additional modules available  
\_\_\_\_\_
- c. Additional costs I will incur for installation, training, programming and maintenance of the optional modules each year:  
 Card processing .....  Yes ...  No ..... Cost?: \_\_\_\_\_  
 Time and attendance ....  Yes ...  No ..... Cost?: \_\_\_\_\_  
 Host and reservation ....  Yes ...  No ..... Cost?: \_\_\_\_\_  
 Delivery .....  Yes ...  No ..... Cost?: \_\_\_\_\_  
 Online ordering .....  Yes ...  No ..... Cost?: \_\_\_\_\_  
 Gift Card .....  Yes ...  No ..... Cost?: \_\_\_\_\_

**7. What are the hours for live phone software support?**  
\_\_\_\_\_

**8. Are customer service calls for software answered by your company specifically, or is customer service outsourced?**  
 Your company specifically    Outsourced

**9. Please list the charges and fees for software support.**  
\_\_\_\_\_  
\_\_\_\_\_

**10. Are minor releases (service packs) included in the software support fees?**  
 Yes    No  
 If no, what are the additional charges?  
\_\_\_\_\_

11. Are **major** releases (service packs) included in the software support fees?

- Yes  No

If no, what are the additional charges?

\_\_\_\_\_

12. How will you help ensure my system is PCI compliant?

\_\_\_\_\_

\_\_\_\_\_

### Schedule of Fees

13. Are the fees for the following products and services included in your base pricing? If not, please specify the fee amount and schedule (one-time, hourly, daily, weekly, monthly, quarterly, annually or other):

Included Not Included

System installation .....  .....

Amount: \_\_\_\_\_ Schedule: \_\_\_\_\_

Management training .....  .....

Amount: \_\_\_\_\_ Schedule: \_\_\_\_\_

Staff training .....  .....

Amount: \_\_\_\_\_ Schedule: \_\_\_\_\_

Database programming .....  .....

Amount: \_\_\_\_\_ Schedule: \_\_\_\_\_

Database updates .....  .....

Amount: \_\_\_\_\_ Schedule: \_\_\_\_\_

Network wiring .....  .....

Amount: \_\_\_\_\_ Schedule: \_\_\_\_\_

Consumables (paper, ribbons, cash drawer inserts, manager/staff magnetic cards, etc.) .....  .....

Amount: \_\_\_\_\_ Schedule: \_\_\_\_\_

Annual software support .....  .....

Amount: \_\_\_\_\_ Schedule: \_\_\_\_\_

Annual hardware support .....  .....

Amount: \_\_\_\_\_ Schedule: \_\_\_\_\_

### Support

14. What service level for hardware support is included in your base pricing?

- On-site, Mon.-Fri., 9-5  Depot, next business day
 On-site, 24/7/365  Depot, 24/7/365
 Other \_\_\_\_\_

15. Does your company provide a Service Level Agreement?

- Yes  No

### Card Processing

16. Does your POS software over-authorize bankcard transactions to cover tips?

- Yes  No

17. Will I be required to use a specific card processing company?

- Yes  No

If so, please identify the processor.

\_\_\_\_\_

18. Does your company receive revenue from payment processing fees?

- Yes  No

If so, how much?: \_\_\_\_\_

### Gift Cards

19. Are gift cards processed internally in the POS system or externally?

- Internally  Externally

20. Is there a charge for the gift cards themselves? Monthly charges? Transaction charges?

\_\_\_\_\_

\_\_\_\_\_

### Payroll

21. Does the POS have an online payroll module that enables me to submit my payroll directly from the system?

- Yes  No

22. Can the software control clock-ins to prevent employees from clocking in outside of their scheduled times?

- Yes  No

### Terms of Agreement

23. What are the terms of the service agreement, and what are the penalties associated with terminating my agreement before the end of the term?

\_\_\_\_\_

\_\_\_\_\_

24. What is my liability in the event of a breach in which my customers' payment card account information is compromised?

\_\_\_\_\_

\_\_\_\_\_

25. Please attach your proposal as well as the complete terms and conditions.

Your signature below confirms you have disclosed all information and fees and guarantee the accuracy of the information you have provided here, and the competitive proposal you have submitted on behalf of your organization.

Printed name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# 1. Definitions

## Infrastructure may include:

Internet connection, Router, Firewall, and Network

## Hardware may include:

PC/Server, Report Printer(s), POS Touchscreen or Keyboard terminals, POS Printer, Kitchen Printers, Kitchen Display System, Mobile devices (Hand Held Terminals), Mag Card Readers, Stand Beside Credit Card Terminal.

## Software may include:

PC/Server Operating System, Back-office or enterprise management software (Labor Scheduling, Inventory Management etc.), POS Application, Kitchen Display software, Client applications on the POS Terminals and/or mobile devices, integrated payment process.

## Operational Services:

Above store enterprise reporting, central reservations, mobile device integration, gift cards, guest loyalty, on-line ordering, on-line inventory management, payment processing

Installation and Support Services may include: systems preparation, systems installation, ongoing hardware and software support, periodic maintenance, help desk.

## Hardware Warranty:

The length of time the POS Systems Provider or Hardware Supplier guarantees the operability of hardware components against failure or defects.

## Software License:

The terms of use and time frame for any application software provided with the purchase of a Point of Sale System

## Software Upgrade:

A new version of the application software purchased with your Point of Sale System. Typically this is included as part of your maintenance agreement. There may be additional installation and training cost if the newer version of software includes additional features/functionality not included in the original application software installation.

## Software Service Pack:

A fix or patch to existing software to improve stability, security, or functionality.

## Software End-Of-Life:

The date that software is no longer sold or supported, requiring a software upgrade or new software purchase to continue support.

## Interchange:

The amounts of money collected by Visa and MasterCard from the Payment Processor through the Acquiring Member and paid to the issuing banks and exclusive of Costs, Dues, Fees and Payment Processor margin.

## Service-Level Agreement (SLA):

A Service-Level Agreement (SLA) is a negotiated agreement between the Merchant (customer) and the Service Provider (POS Systems Provider). This can be a legally binding formal or informal "contract". The SLA is a common understanding about the services, priorities, responsibilities, guarantees, and warranties. Each area of service scope should have the "level of service" defined. The SLA may specify the levels of availability, serviceability, performance, operation, or other attributes of the service, such as maintenance, upgrades, and billing. The "level of service" described in the SLA allows the Merchant to be informed about what to expect. In some contracts, penalties may be agreed upon in the case of non-compliance of the SLA. It is important to note the "agreement" relates to the services the customer receives, not how the service provider delivers that service.

## PCI DSS:

The Payment Card Industry Data Security Standard (PCI DSS) is a worldwide information security standard defined by the Payment Card Industry Security Standards Council (PCI SSC). The standard was created to help merchants protect their businesses and also help payment card industry organizations that process card payments prevent fraud through increased controls around data and its exposure to compromise. The standard applies to all organizations that hold, process, or exchange cardholder information.

## Costs:

Charges to the Payment Processor through the Acquiring Member by the issuing banks, Visa, MasterCard, Discover and American Express. Costs do not include Payment Processor margin or any costs of services incurred by the Payment Processor whether directly or indirectly provided by third-party vendors, resellers, or other parties of any kind and do not include Dues, Assessments, Interchange, or Fees.

## Dues and Assessments:

Charges made directly by Visa and MasterCard to the Payment Processor through the Acquiring Member designated as "Dues" or "Assessments" and exclusive of Costs, Fees or any Payment Processor margin.

## Fees:

Charges of Visa and MasterCard to the Payment Processor through the Acquiring Member for transaction processing, settlement, and exception services not otherwise included in Interchange, Dues, and Assessments and exclusive of Costs and Payment Processor margin.

## Pass Thru or Pass Through:

The act of charging the Merchant the precise amount of monies designated as Interchange, Costs, Dues, Assessments, and Fees as defined in this document without mark-up or deviation of any kind for any reason. Pass Thru or Pass Through means no mark-ups are taken by the Payment Processor or any other party when Interchange, Dues, Fees, Costs, and Assessments are collected from the Merchant.

# 2. Definitions of Terms for the Purchase of a POS System

The undersigned agrees that the definitions below accurately represent the meaning and intent of these words as used in all documents and representations of the POS Systems Provider and will be used to provide clarity to the pricing that will be provided to:

\_\_\_\_\_ (name of Merchant)

\_\_\_\_\_ (name of POS Systems Provider)

► **POS Systems Provider:** \_\_\_\_\_  
The name of the company selling the Point of Sale System, which may include a portion or all of the items noted below. Confirm which company is responsible for each element of your system.

► **Infrastructure Provider:** \_\_\_\_\_  
The name of the company providing you with an internet connection, router, and firewall, and/or internal network.

► **POS Application Software Provider:** \_\_\_\_\_  
The name of the company providing the POS programming or POS management application software.

► **Support Organization:** \_\_\_\_\_  
The name of the company who will be your first line of support for your POS System, including the hardware, software, and operational services.

► **Hardware Services Company:** \_\_\_\_\_  
The name of the company responsible for hardware warranty service, on-site hardware support repairs, periodic maintenance and hardware replacement.

► **Support Company:** \_\_\_\_\_  
The name of the company responsible for providing help desk support, installation, training, ongoing application updates.

► **Hardware Supplier:** \_\_\_\_\_  
The name of the company responsible for providing the POS Point of Sale, PC/Server computer, and peripheral hardware if a company other than the POS Systems Provider

► **Payment Processor:** \_\_\_\_\_  
The name of the company that establishes the pricing to the Merchant for all Visa and MasterCard transactions and controls processing-related funds paid to the Merchant and taken from the Merchant.

► **Acquiring Member:** \_\_\_\_\_  
The name of the Financial Institution sponsoring the Payment Processor named above.

## Accepted by POS Systems Provider

\_\_\_\_\_  
*Signature of Legal Representative of POS Systems Provider*

\_\_\_\_\_  
*Title of Representative*

\_\_\_\_\_  
*Printed Name of Representative*

\_\_\_\_\_  
*Accepted by:*

## Accepted by Restaurant

\_\_\_\_\_  
*Signature of Legal Representative for the Restaurant*

\_\_\_\_\_  
*Printed Name of Restaurant Representative*