PayPal

Payflow Link Recurring Billing Service User's Guide

For Professional Use Only

Currently only available in English.

A usage Professional Uniquement

Disponible en Anglais uniquement pour l'instant.

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Payflow Link Recurring Billing Service User's Guide

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Preface

This Document

This guide describes how to perform recurring billing transactions. The Recurring Billing Service is a scheduled payment solution that enables you to automatically bill your customers at regular intervals—for example, a monthly fee of $42 for 36 months with an initial fee of $129.

Organization of This Guide

This guide contains the following:

- Chapter 1, "Introduction," contains an overview of the Recurring Billing Service.

- Chapter 2, "Managing Recurring Billing Service," describes the recurring billing operations available in PayPal Manager.

- Chapter 3, "Creating a Recurring Billing Profile with Electronic Checks," describes the creating a recurring billing profile in PayPal Manager.

- Chapter 4, "Testing Recurring Payments," describes how to test your implementation.

- Appendix A, "Obtaining Consent to Bill Customers Using Recurring Billing," outlines your responsibilities in obtaining prior authorization from the customer to bill on an automated schedule.

- Appendix B, "Example Administrative Summaries," contains examples of the summary messages.

Customer Support

PayPal is committed to providing you with the most advanced technical support expertise to ensure availability and reliability of your e-commerce applications. For details, see your Service Level Agreement.

For integration and connectivity issues, PayPal provides online documentation, direct email support, and phone support. For technical support on shopping carts, contact the vendor.

Online Info: http://knowledge.paypal.com/paypal/categoryBrowse.do
                    This site provides a FAQ (frequently asked question) section

Email:	payflow-support@paypal.com
Phone:	1-888-883-9770

1 Introduction

Recurring Billing Service is a scheduled payment solution that enables you to automatically bill your customers at regular intervals—for example, a monthly fee of $42 for 36 months with an initial fee of $129.

About Recurring Billing Service

To configure a customer to be automatically billed on a schedule, you define a recurring billing *profile* for that customer. The profile specifies the credit card account to bill, the associated contact information, the amount to charge each time, the payment period (monthly, weekly, and so on), and the term (the number of payments) of the agreement.

When you submit the data, PayPal generates the new profile, activates it, and automatically performs the billing on the specified schedule. As time goes on, the profile stores both the configuration information that you supplied and the transaction and payment history for the account. When the term is complete, the profile is mature and no further automated transactions occur.

When defining the profile, you have the option to perform an initial transaction that differs from the recurring transaction, for example, to perform a no-charge transaction that validates the account information or to charge an initial fee. In addition, you can specify how to handle declined transactions.

You can also perform the following tasks:

- Search for profiles by profile ID, profile name, credit card number, comment, and amount of payment.

- Convert any Sale or Delayed capture transaction into a recurring profile.

- Prepare reports.

- Send email receipts and notification of failed transactions to customers (available through PayPal Manager only).

- Deactivate profiles with payment problems.

- Specify criteria for automatic cancellation of profiles with chronic payment problems.

NOTE: You must obtain each customer's consent to bill them on an automated schedule. Appendix A contains additional information.

Recurring Billing Terms

Payment. A payment is the sum that is transacted during each payment period. Payments differ from transactions. Several transactions may be required to successfully perform a payment for a payment period; for example, due to a lack of funds during the first transaction attempts. Once a transaction succeeds for a payment period, the **payment** is marked as successful.

Payment Period. There is one payment made per payment period; for example, a $42 payment on a monthly basis. In this example, the **payment period** is **Monthly**.

Profile. A *profile* is your definition of a recurring transaction for a single customer. The profile includes all information required to automatically bill the right person the right amount of money at the right time for the right period of time.

Profile ID. A 12-character string (generated by PayPal) that uniquely identifies a recurring profile. Test profile IDs start with the characters **RT** and live profile IDs with **RP**.

Term. The total number of payment periods over the duration of the agreement. For example, a three-year, monthly payment contract has a term of **36**. It is important to remember that the term defines the number of scheduled payment periods, and not payments actually made. See the definition of Mature Profile for further details.

Mature Profile. A profile is considered mature when the term is complete (the total number of payment periods for the profile have occurred). Remember, however, that even though the number of payment periods specified by the term has occurred, the customer might have not made all scheduled payments.

2 Managing Recurring Billing Service

PayPal Manager provides a Web-based interface that enables you to create and manage recurring billing profiles, to manage recurring transactions, and to report on recurring billing activity. This chapter describes all recurring billing tasks that you can perform using PayPal Manager.

NOTE: Before proceeding with the tasks described in this chapter, learn how to get around in PayPal Manager. Refer to the PayPal Manager online help for detailed information.

Recurring Billing Tasks

IMPORTANT: *You must have prior authorization from the customer to bill on an automated schedule. See Appendix A, "Obtaining Consent to Bill Customers Using Recurring Billing" for additional details.*

Use the Recurring Billing section under the **Service Settings** tab on PayPal Manager to perform the following tasks (except for reports). For detailed information for each task, refer to the PayPal Manager online help:

- "Adding a New Recurring Billing Profile" on page 3
- "Converting a Test Profile to Live Status" on page 4
- "Modifying Profiles" on page 4
- "Searching and Managing Profiles" on page 4
- "Configuring Customer's Email Notification" on page 5
- "Configuring Merchant Email Messages" on page 5
- "Generating Reports to Track and Review Recurring Transactions and Settings" on page 5

Adding a New Recurring Billing Profile

A *profile* is your definition of a recurring transaction for a single customer. The profile includes all information required to automatically bill the right person the right amount of money at the right time for the right term.

The process for managing profiles is nearly identical for credit card and ACH accounts. This chapter uses credit card examples. If you handle ACH payments, be sure to see Chapter 3, "Creating a Recurring Billing Profile with Electronic Checks," before adding ACH profiles.

There are two ways to add a profile:

- Create a new profile: Specify all account and billing information on the Create Profile page on PayPal Manager.

● Use an existing transaction as a starting point for the profile.

Converting a Test Profile to Live Status

You can change an existing Test profile to a Live profile using PayPal Manager. When you convert a test profile to a live profile, you will be required to retype the credit card number, because PayPal assumes the profile used a test credit card number.

Modifying Profiles

After creating a profile, you can modify the profile by clicking **Modify Profile Details** on the Profiles Details page on PayPal Manager. Here, you also have the option to deactivate a profile.

Searching and Managing Profiles

You can use the Manage Profiles page on PayPal Manager to search and manage profiles using the following criteria:

● **Amount** charged for each billing period.

● **Comment** related to the profile. The comment was specified when the profile was created.

● **Number** of the credit card used for billing.

● **Profile ID** associated to the profile.

● **Profile Name**, such as Monthly Newsletter - Jane Doe.

You can also search by the **Profile Status**:

● **View all Active Profiles**. View and modify profiles that are currently collecting payments. An *active* profile is one that is currently collecting funds on schedule.

● **View all Mature Profiles**. View profiles for which the term is complete and all payments have been made.

● **View all Mature Profiles with Outstanding Payments**. View profiles for which the term is complete and all payments have not been made.

● **View all Deactivated Profiles**. View and modify profiles that you deactivated. Deactivated profiles do not collect payments. You might choose to deactivate profiles for customers who pay off the full amount early, or for customers whose credit card transactions are consistently declined.

● **View all Cancelled Profiles**. View and modify profiles that were automatically cancelled for failing payment for the number of payment periods that you specified. Cancelled profiles do not collect payments.

Configuring Customer's Email Notification

You can specify that an automated email receipt or notice for failed transactions be sent to your customers when a payment occurs.

Configuring Merchant Email Messages

You can request the following Recurring Billing transaction summaries by email: Daily Transaction Summary, Daily Detailed Transaction Summary, Monthly Credit Card Expiration Email.

Generating Reports to Track and Review Recurring Transactions and Settings

You can generate reports to track and review recurring billing transactions and settings, by using Recurring Billing reports under the **Reports** tab on PayPal Manager.

You can generate the following types of reports:

- **Recurring Billing Report**. Displays all recurring billing profiles for which transactions have occurred during a specified time period.
- **Profile**. Displays all transactions that have occurred for a specified recurring billing profile.
- **Failed Transactions**. Displays recurring billing profiles with outstanding failed transactions.

3

Creating a Recurring Billing Profile with Electronic Checks

This chapter provides instructions on how you can create a recurring billing profile where the preferred method of payment is an electronic check rather than a credit card. The process is the same using Manager, however, processing a debit against a checking account requires different information than debiting a credit card. In general, processing electronic checks requires different information than processing credit cards.

NOTE: We strongly recommend that you familiarize yourself with NACHA rules related to obtaining debit authorizations for recurring payments from your customers. See http://www.nacha.org for more information.

- For information on ACH payment management, see *Payflow ACH Payment Service Guide*.

- For instructions on submitting a single standalone ACH transaction, see PayPal Manager online help.

IMPORTANT: *You must comply with NACHA rules regarding how you obtain permission from the account holder to submit an ACH transaction. See Payflow ACH Payment Service Guide.*

About Recurring ACH Payments

Recurring ACH payments differ from recurring credit card payments in the following ways:

- For immediate payment failures that do not involve the ACH network (for example, poorly formatted transactions or communications errors), the Recurring Billing system performs retries once per day, as described for credit cards.

- For payment failures that occur in the ACH network, only NSF failures (R01 and R07) are retried. Retries occur on the timeline specified in your ACH service agreement. PayPal immediately cancels any profile that receives an ACH failure type other than R01 or R07. To attempt payment again, you must correct the issue and then reactivate any such profile manually.

- If a payment has failed (NSF/R01) and is currently in the wait period before being retried by the ACH service, the merchant or the customer should make adjustments to the account balance to avoid subsequent failure. This retry is performed according to your ACH account settings.

- Optional Transactions defined for new profiles are submitted as Debit/Sale payments. The payments are not voided. Success/failure information for the Optional Transaction occurs in the normal ACH payment timeline.

Adding ACH Recurring Payment Profiles

You add an ACH profile in the same way as you add a credit card profiles, by specifying information on the Create ACH Profile page under Recurring Billing section on the Service Settings tab on PayPal Manager. For detailed information, refer to the PayPal Manager online help.

You can also create an ACH profile from an existing credit card Sale or ACH Debit/Sale transaction. For detailed information, refer to the PayPal Manager online help.

Customer Email Messages

If you configure customer email messages, then the results of recurring ACH payments are sent using the template you defined.

ACH payment status can change up to 90 days after submission. For ACH payments, a customer email message is sent for each transaction submission, success, or failure. This differs from credit card recurring transactions, where only one success or failure message is sent per payment.

Email Payment Summaries

If you implement recurring ACH payments, then the email reports include ACH payment data in addition to credit card data.

4 Testing Recurring Payments

This chapter provides the information you need to test recurring billing.

Testing Recurring ACH Payments

ACH testing is described in *Payflow ACH Payment Service Guide*.

Testing Guidelines

- PayPal provides test card numbers. Other numbers produce an error.
- **Expiration Date** must be a valid date in the future (use the **mm/yy** format).
- Use PayPal Manager to view the credit card processor that you have selected for testing.

Credit Card Numbers Used for Testing

Use the following card numbers for testing. Any other card number produces a general failure.

TABLE 4.1   Credit card numbers for testing

Credit Card	Number for Testing
Visa	4111111111111111
Visa	4012888888881881
Visa	4222222222222
MasterCard	5555555555554444
MasterCard	5105105105105100
American Express	378282246310005
American Express	371449635398431
Amex Corporate	378734493671000
Discover	6011111111111117
Discover	6011000990139424
JCB	3530111333300000
JCB	3566002020360505

TABLE *4.1* **Credit card numbers for testing** (Continued)

Credit Card	Number for Testing
Diners Club	38520000023237
Diners Club	30569309025904

Testing Result Code Responses

You can use the amount of the transaction to generate a particular Result code. This table lists the general guidelines for specifying amounts.

TABLE *4.2*

Amount	Result (RESPMSG)
$0 – $1000	0 (Approved)
$1001 – $2000	Certain amounts in this range will return specific PayPal result codes, and can be generated by adding $1000 to that result code. For example, for Result 13 (Referral), submit the amount 1013. If the amount is in this range but does not correspond to a PayPal result code supported by this testing mechanism, result 12 (Declined) is returned.
$2001+	12 – Decline

A Obtaining Consent to Bill Customers Using Recurring Billing

You must obtain each customer's consent to bill them on an automated schedule.

Here is the relevant section from PayPal's Merchant Services Agreement:

Merchant shall be solely responsible for:

- Obtaining all necessary approvals required from each customer authorizing Merchant to bill such customer's credit card account. Merchant hereby represents and warrants that Merchant has the authorization to bill its customers' credit card accounts in the manner, for the amounts and for the period of time indicated by Merchant at the time Merchant enrolls with PayPal.

- Complying with all applicable bank and credit card rules with respect to recurring billing of consumers' credit cards. Merchant hereby represents and warrants that Merchant has complied with all applicable bank and credit card rules in billing its customers' credit card and in its use of the PayPal Merchant Services.

- Providing accurate information regarding the credit cards to be billed, the amounts, the billing cycles, billing period and any other information requested by PayPal that is necessary to properly process such Transactions.

B

Example Administrative Summaries

Example Expiring Credit Card Notice

```
To help you manage your Payflow Recurring Billing service, PayPal
would like to alert you that the following recurring billing profile
use credit cards that will expire soon.
The following profiles use credit cards that will expire after 07-
2004:

Profile 3452: profile0624a

To update a customer's profile with new credit card information:
1. Log in to PayPal Manager.
2. Click the "Service Settings" menu option.
3. Click "Recurring Billing".
4. Select "Manage Profiles".
5. Select Profile ID from the drop-down menu, and enter the
customer's Profile ID.

Thank you
```

Example Detailed Daily Transaction Summary Message

```
Sent: Monday, Mar 10, 2003 6:01 PM
To: AdminUser@acme.com
Subject: Payflow Test Recurring Billing Daily Transaction Summary for
<vendor name>

This is a summary of your test recurring billing transactions for the 24
hours prior to the time of this email.

Credit card transaction summary:
Total Number of Approved Transactions: 8
Total Approved Amount: $8.00

Total of Number of Declined Transactions: 0
Total Declined Amount: $0.00

To view the details of all credit card profiles with current failed
payments, login to PayPal Manager, click Reports, and run a Failed
Payment Report.

If necessary, please discuss the reason for the decline with your
customer.


ACH transaction summary:
Total Number of Transactions: 0
Total Amount: $0.00
Total Number of Returns:  2
Total Return Amount: $2.00

To view ACH transactions that have been returned, login to PayPal
Manager, click Reports, and run a Detailed Return Activity report.


We thank you for your business.

Sincerely
```

Example Detailed Daily Transaction Summary Message

```
Sent: Monday, Mar 10, 2003 6:01 PM
To: AdminUser@acme.com
Subject: Payflow Test Recurring Billing
Daily Detailed Transaction Summary


This is a detailed summary of your test recurring billing transactions
for the 24 hours prior to the time of this email.


Successful Recurring Billing Transactions:

Credit Card transactions
The following profiles have successfully charged customer credit


cards:

Profile ID: 27
Profile Name: test
Payment Number: 3
Retry Number: 0
PNRef: VWYA05650842
Transaction Time: 02-Feb-03  11:47 PM
Amount: 1.00

Profile ID: 28
Profile Name: test
Payment Number: 4
Retry Number: 0
PNRef: VWYA05652806
Transaction Time: 09-Feb-03 11:53 PM
Amount: 1.00

Profile ID: 29
Profile Name: test
Payment Number: 5
Retry Number: 0
PNRef: VWYA05652887
Transaction Time: 16-Feb-03 11:52 PM
Amount: 1.00




Total Number of Approved Transactions: 3
Total Approved Amount: $3.00
```

```
                    ACH transactions
                    The following profiles have successfully initiated an Automated


                    Clearing House (ACH) debit for bill payment:

                    Profile ID: 17
                    Profile Name: test
                    Payment Number: 4
                    Retry Number: 0
                    PNRef: VWYD05652804
                    Transaction Time: 09-Feb-03 11:53 PM
                    Amount: 1.00
                    Status Code: P15

                    Profile ID: 18
                    Profile Name: test
                    Payment Number: 5
                    Retry Number: 0
                    PNRef: VWYD05652889
                    Transaction Time: 16-Feb-03 11:52 PM
                    Amount: 1.00
                    Status Code: P15

                    Total Number of Transactions: 2
                    Total Amount: $2.00


                    Declined Recurring Billing Transactions

                    Credit Card transactions
                    The following profiles have failed to charge customer credit cards


                    for the current payment period:


                    Profile ID: 12
                    Profile Name: test
                    Payment Number: 8
                    Retry Number: 1
                    Retry Reason: Internal Error encountered
                    PNRef: VWYA05683695
                    Transaction Time: 09-Mar-03 06:48 PM
                    Amount: 1.00

                    Profile ID: 22
                    Profile Name: test
                    Payment Number: 8
                    Retry Number: 2
                    Retry Reason: Internal Error encountered
```

```
PNRef: VWYA05683697
Transaction Time: 09-Mar-03 08:48 PM
Amount: 1.00

Total of Number of Declined Transactions: 2
Total Declined Amount: $2.00


ACH transactions
The following profiles have received a return for a previously


initiated ACH debit:

Profile ID: 15
Profile Name: test
Payment Number: 1
Retry Number: 0
PNRef: VW0005650795
Transaction Time: 23-Jan-03  10:29 PM
Amount: 1.00
Status Code: R01

Profile ID: 16
Profile Name: test
Payment Number: 8
Retry Number: 0
PNRef: VWYD05683693
Transaction Time: 09-Mar-03 04:48 PM
Amount: 1.00
Status Code: R01

Total number of returns: 2
Total return amount: $2.00



We thank you for your business.

Sincerely
```

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