



## PURCHASING CALLING CARD SERVICES

Many times when a company is negotiating their long distance contract, details pertaining to calling card costs are overlooked. The hard work you put into arranging low-cost-per-minute calls from your office can easily be negated by failure to agree upon calling card costs.

These calling “cards” may be a credit card sized card or simply a number memorized or jotted down on a piece of paper. In all cases, a Personal Identification Number is issued to prevent misuse by unauthorized users.



These cards work at most public, business, and residential telephones. Main Resource technicians and sales staff find them to be especially useful at client sites where they can use their card to prevent the call being billed to the customer.

### COST PER MINUTE

One important issue to consider when arranging calling card service is the cost per minute. Your provider should be able to give you the same rate on calling cards that you receive for your normal long distance calls from your business location. If you have both dedicated (connection through a high-capacity circuit such as a T1) and switched (accessed through your local telephone company lines) long distance service as does Main Resource, you are likely to be charged the higher of the two rates for calling card calls.

As is true with all calls (except with certain pre-arranged calling plans), rates for calls placed with your card will have varying rates for intrastate, interstate and international calls. Rates for local calls and those that are nearby but still outside your local area (called intra-LATA) should also be covered in the agreement.



Local telephone companies offer calling cards that may be cost-effective if you make a lot of local and in-state calls. However, to avoid confusion it is best if you issue only one card and do not ask employees to use one or the other depending on the destination of the call.

Just as with calls from your location, it is vital when negotiating calling card rates to negotiate rates that are fixed for the duration of the contract. If your rates are based on a percentage discount from a “tariff rate” and the tariff, or tax, goes up, your rates will increase as well.

## BILLING INCREMENTS

With almost all long distance calls, you are charged for an initial period, perhaps 15 seconds. When your first 15 seconds are up, the call will be charged in increments of one or six seconds. The lower the increments, whether initial or subsequent, the lower will be your cost because you will not be paying for time you did not use. Often, calling card calls are subject to a longer initial period, sometimes up to a minute. Therefore it is vital that you negotiate for the shortest billing increment available.



## SURCHARGES

The billing for your calling card calls will include a surcharge, which is simply an additional cost to every call that is not dependant on the length of the call. These surcharges may be anywhere from \$.45 to \$2.50. You may be able to arrange rates that do not impose a surcharge, but you will be subject to a higher per-minute charge. Analyze the types of calls you commonly make to determine which will be more cost-effective for you.

## PAY TELEPHONE CHARGES



Federal law entitles those sponsoring pay phones to charge calling card users a fee for each call placed using a calling card. The charge is at least \$.35 per call by FCC mandate and has no connection with your calling card supplier.

## UNSOLICITED CARDS

Review your bills carefully for evidence of unsolicited calling card use. Main Resource has received unsolicited cards that are not connected to our agreement. If employees were to inadvertently acquire these cards we would incur much higher rates than we had negotiated for.



Sometimes calling cards are sold as part of a promotion with a credit card company. They may offer appealing benefits such as airline miles. Make sure you read the fine print, as these cards may include hidden costs that offset the benefits.

## EASE OF USE

Because of volume discounts and other factors, it usually makes economic sense to purchase your calling cards from your regular long distance provider. However, some calling cards are easier to use than others. Some cards may

need fewer digits entered, or the physical card may be “swiped” credit card-style, eliminating all dialing.

Most calling cards require three steps before connecting the call.

1. A toll-free number entered.
2. T area code and number for the destination is dialed.
3. A PIN number of up to 14 digits is entered.

By the time you have completed step 3 you will have dialed 36 digits! If you make a mistake you often have to start all over again. Some providers enable you to preprogram “speed dial” for frequently called numbers. Ask your potential provider what they do to make the cards easier to use.

Inquire about your long distance provider’s advanced capabilities. Some providers will maintain a directory of your company’s frequently dialed numbers that are made available to all users. Many offer speed dial so each user can store frequently called numbers easily. Voice recognition technology is also available. This allows you to speak the name associated in the database you create with the number you wish to dial. Determine the costs and potential benefits, and then experiment on a small scale before universally implementing these features.

## **GEOGRAPHIC COVERAGE**



If your staff travels internationally, it is important to be sure that the calling card works in other countries. Currently AT&T has the widest coverage with more than 200 countries. MCI WorldCom and Sprint are second with over 80 countries. Get instructions on how to use the hotel and pay phones outside the United States.

## **OPTIONS FOR BILLING AND REPORTING**

Details of calls made by calling card are usually broken down by the number of the calling card and shown in your billing detail. Some providers offer detail information accessible on the web. If you prefer to have your employee’s calling card charges billed to their corporate credit card, be sure that service is available and that a detailed report will be available for review and verification of the charges.

In order to make good decisions about your calling card services, and to negotiate the best deal, it is important to have accurate information about your company’s calling card usage. Request monthly reports by user and by type of calls (local, intra-LATA, intrastate by state, and international). If you can provide your ten or twenty most frequently called countries you may be able to negotiate a fixed rate.



## **KEEPING TRACK OF USERS**

Check your billing every month. Create a procedure to cancel a calling card number when the assigned user leaves your company. If the former employee continues using the card, you will be responsible for charges. If you keep spare calling cards to provide to new employees, keep them in a secure location to prevent unauthorized use. Here at Main Resource we have found it beneficial to have one card that infrequent travelers can share, returning it to the administrator when the trip is completed.

## **PROTECT YOURSELF FROM FRAUD**

Limit your liability in the event of fraudulent use of calling cards by taking advantage of your long distance provider's toll fraud insurance. Calling card thieves make it a practice to overhear you if you speak your calling card number, look over your shoulder to read your calling card number, or even translate the touch-tone signals they can hear you dialing.



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