



An Extended Guide · No. 1901

Deposits and Recurring Payments — Cards on File Done Safely

Take deposits and repeat charges
without storing card numbers

Tech Made Simple — Service Made Personal

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! Read this first: never write down a card number

The whole point of keeping a card on file the right way is that YOU never store the actual card number — not on paper, not in a spreadsheet, not in a note on your phone. Your processor holds the card securely and hands you a harmless stand-in to charge later. If you remember one thing from this guide, make it that.

Keeping a card on file, done safely

Taking a deposit on a job or charging a customer every month is one of the handiest things a small business can do — and one of the easiest to do in a risky way. This guide shows you the safe way, step by step.

I'm Bill, and I run Bill's Home Tech here in Portage County, Ohio. For 30-some years I've helped folks get comfortable with their technology, and lately a lot of that is helping small shops and service businesses take payments without getting themselves into trouble.

A 'card on file' just means your processor has securely stored a customer's card so you can charge it again later — for a deposit, a balance, a monthly membership, or a repeat order — without asking for the card every time. Done right, it's safe and simple. Done wrong, it's a real liability.

★ The good news

If you use Square, Clover, Toast, or Shopify, the safe way is the built-in way — the system does the hard part for you. You just have to use the feature instead of jotting a card number on a sticky note. I'll show you how to think about it.

The whole guide, on one page

If you remember only these things, you'll be keeping cards on file the safe, honest way.

- ❑ Let your processor store the card. It gives you a safe stand-in (a 'token') to charge later — you never handle the real number.
- ❑ Never write a full card number on paper, in a spreadsheet, or in a phone note. That's the dangerous habit this feature replaces.
- ❑ Get the customer's written permission to keep and charge their card, and keep that signed authorization on file.
- ❑ Spell out the terms plainly: the amount, when you'll charge, and how to cancel. No surprises.
- ❑ Send a receipt every single time you charge a card on file.
- ❑ Use it for deposits on jobs and for recurring dues, memberships, or subscriptions — the two most common reasons small businesses need it.

✓ One rule to hold onto

The customer's card belongs to your processor's vault, not your filing cabinet. Your job is to get clear permission and press the right button — not to guard a card number yourself.

How a card on file actually works

The magic word is tokenization, and it's simpler than it sounds. Once you understand it, the safe habit makes perfect sense.

When a customer agrees to keep a card on file, your system sends the card to the processor's secure vault and gets back a 'token' — a random stand-in that stands for that card. The token is useless to a thief; it only works inside your account to run a charge.

So when you charge that customer next month, you're really telling the processor, 'run the card behind token number such-and-such.' You never see or type the real 16-digit number again. That's the whole trick, and it's why the safe way is also the easy way.

Why this keeps you out of trouble

If your laptop is stolen or your email is hacked, there's no card number to steal — just tokens that mean nothing outside your account. That's a world of difference from a spreadsheet full of card numbers, which is exactly the kind of thing that gets a small business into a card-security mess.

✓ You've seen this already

When a website shows 'Visa ending in 4242' and lets you pay with one click, that's a card on file. The site doesn't know your full number — it just holds a token. You're setting up the same thing for your business.

The one habit that gets businesses in trouble

Before we go further, let's be clear about the thing to never do, because it's the whole reason this guide exists.

The dangerous habit is storing the actual card number yourself — writing it on a job ticket, keeping a 'client cards' spreadsheet, or saving it in a note or an email so you can type it in later. It feels convenient. It is a serious liability.

The moment you write down a full card number, YOU become responsible for guarding it, and a lost notebook or a hacked inbox turns into stolen cards and a very bad day. The card-security rules every business agrees to (you'll hear them called PCI) are built around not doing this.

! Never store full card numbers yourself

No paper, no spreadsheet, no phone note, no saved email, no photo of the card. Not 'just this once.' If you need to charge a card again later, use your system's card-on-file feature so the processor holds it. Our card-security questionnaire guide explains why this one rule carries so much weight.

Get permission — in writing

Storing a card is only half the job. The other half is the customer's clear, written permission to keep it and charge it. This protects both of you.

Before you save anyone's card, get their authorization — a short, plain statement that they agree to let you keep the card on file and charge it for an agreed purpose. A signature on a form, a checkbox on your invoice, or a signed estimate all work. Keep a copy.

What a good authorization says

- Who you are and what the charge is for (the deposit, the monthly dues, the balance when the job is done).
- The amount, or how it's figured if it varies.
- When and how often you'll charge (one time, monthly, on completion).
- How the customer can cancel or update the card.

★ Why written permission saves you grief

A signed authorization is your best friend if a customer ever questions a charge. It turns a 'he charged me without asking' dispute into a short conversation. More on fighting disputes in our chargebacks guide — a clear authorization is one of the things that wins them.

Taking a deposit on a job

For tradespeople and service businesses, a deposit holds the appointment and covers your materials. A card on file makes the deposit and the final balance painless.

The clean way looks like this: when you book the job, you take the deposit as a normal payment and, with the customer's okay, save the card on file. When the work's done, you charge the balance to the saved card and send a receipt. No chasing a check, no re-reading a card over the phone.

Set clear terms up front — how much the deposit is, whether it's refundable, and when the balance gets charged. Put it on the estimate the customer signs, so the authorization and the terms live in one place.

✓ Deposit now, balance later — one card

Saving the card at deposit time means the final charge is one tap when the job's finished. If you also send a written invoice, our invoices and payment-links guide shows how to let the customer pay a balance online instead — either way, you never store the number yourself.

Recurring dues, memberships, and subscriptions

If you bill the same customers on a schedule — a gym membership, a monthly service plan, a club's dues — a card on file with a recurring charge saves you hours and gets you paid on time.

Your system can charge the saved card automatically on a schedule you set: monthly, quarterly, whatever fits. You set it up once per customer, with their written okay, and the charges run on their own. Each one should send a receipt so the customer always knows what happened.

Be especially clear about recurring terms, because this is where customers feel burned if they're surprised. State the amount, the date it charges, and exactly how to cancel. Make canceling easy — a customer who can quit cleanly is far less likely to call their bank instead.

! Surprise renewals breed disputes

A charge the customer forgot about is the classic trigger for a dispute. Send a receipt every time, and consider a friendly heads-up before a renewal. It's cheaper than a chargeback fee — see our chargebacks guide.

Setting terms your customer understands

Most card-on-file trouble isn't fraud — it's a customer who didn't understand what they agreed to. Clear terms prevent the bulk of it.

Good terms answer four questions before the customer has to ask them: how much, how often, for how long, and how to stop. Write them in plain words on whatever the customer signs, and keep a copy with their authorization.

Spell out	Example in plain words
How much	\$40 per month, charged in full
When	On the 1st, starting next month
How long	Until you tell me to stop
How to cancel	Call or email anytime; no fee
Receipt	Emailed to you each time

✓ **Plain words beat fine print**

You don't need a lawyer's paragraph. A few plain sentences the customer actually reads will protect you better than dense fine print they skip. Keep it honest and simple.

Receipts and records every time

Every charge to a card on file should leave a trail: a receipt for the customer and a record for you. This is quietly one of your best protections.

Turn on automatic receipts so the customer gets an email or text the moment a card on file is charged. It keeps them in the loop, heads off 'what's this charge?' calls, and shows good faith if anything is ever questioned.

On your side, your system already keeps the record — the date, the amount, the token behind the charge, and the receipt. Keep your signed authorizations alongside your other business papers so you can match a charge to the permission for it.

! Keep your account itself locked down

Since the card lives in your processor's vault, your account login is now the key to that vault. Use a strong, unique password and turn on two-step verification. Our card-security questionnaire guide covers this — it's part of keeping cards on file safely.

Two kinds of small business, two setups

Keeping a card on file looks a little different behind a counter than it does on a job site or at a market — but the safe rules are exactly the same for both.

If you sell from a fixed counter or shop

You ring people up in one place and often see the same faces again — a salon with standing appointments, a club collecting monthly dues, a shop with a house account. A card on file turns repeat visits into one tap.

- Save the card at the counter with the customer's written okay, straight into your system — never onto paper.
- Great for memberships, standing appointments, and regulars who want to 'just put it on my card.'
- Set recurring charges to run on a schedule and email a receipt each time.
- Keep the signed authorization with your other records.

If you sell on the go — markets, trucks, house calls

You quote and finish jobs away from a counter — a tradesperson taking a deposit, a market vendor with subscription boxes, a cleaner on a monthly plan. The card goes on file at the estimate or the first visit.

- Take the deposit and save the card on file right on your phone or handheld reader, with the customer's signature on the estimate.
- Charge the balance to the saved card when the work is done — no chasing a check later.
- Put the terms (deposit, balance, refunds) on the estimate they sign.
- If signal is spotty, a payment link by text is a safe backup — see our invoices and payment-links guide.

★ Not sure how to set it up for your business?

Whether you're behind a counter or out on jobs, I can sit with you and set up cards on file the safe way — the authorization, the recurring schedule, the receipts — so you never touch a card number. Call or text (330) 200-8042.

Setting it up, step by step

Here's the whole safe routine, start to finish. Once you've done it once, it's second nature.

- ❑ Explain to the customer what you'd like to keep on file and why.
- ❑ Get their written okay — a signature, a checkbox, or a signed estimate — with the amount, schedule, and how to cancel.
- ❑ Save the card using your system's card-on-file feature, so the processor stores it and you get a token.
- ❑ Set up the recurring charge or note when you'll take the balance.
- ❑ Turn on automatic receipts.
- ❑ File the signed authorization with your records.

Notice what's not on that list: writing the card number down anywhere. If any step tempts you to jot the number 'just for now,' stop — that's the step your system is meant to handle for you.

✓ **Make it a habit, not a decision**

Do it the same way every time and the safe way stops being a choice you have to remember. The sticky note never happens if the card always goes straight into the system.

What about cards given over the phone or by email?

Sometimes a customer reads you their card over the phone, or worse, emails it. Here's how to handle those without creating a record you'll regret.

Taking a card by phone is fine — just type it straight into your system's keyed-entry or virtual-terminal screen while you're on the call, then save it on file if the customer agrees. Don't write it on a pad to 'enter later.' Type it, run it, and it's the processor's to hold from there.

Email and text are different: a card number sitting in your inbox is exactly the stored-card-number problem we warned about, and it's out of your control besides. If a customer emails a card, don't save that email — enter the card, charge it, and delete the message.

! A card in your inbox is a card you're storing

An email with a card number is a liability the moment it lands, and forwarding or saving it spreads the risk. Better yet, send the customer a payment link so they type the card themselves — our invoices and payment-links guide shows how.

When a saved card expires or changes

Cards expire, get replaced, and get reported lost. A recurring charge is only as reliable as the card behind it, so plan for the day it stops working.

Most systems can quietly update a saved card when the bank issues a new expiration or number — a feature the card networks offer that keeps subscriptions from failing. It's handled by your processor, not by you re-typing anything. Check whether your system offers it and turn it on.

When a charge does fail, your system flags it. Reach out to the customer and ask them to update the card themselves, through a link or at the counter — the same safe way you saved it the first time. Never ask them to email the new number.

✓ A failed charge is normal, not a crisis

Declines happen — an expired card, a hold, a new number. Build a friendly 'your card didn't go through, here's a link to update it' message into your routine and most fix themselves in a day.

What to look for in a system

All the big systems can keep cards on file, but the details differ. Here's what actually matters when you're setting this up.

Square, Clover, Toast, and Shopify all offer card-on-file and recurring billing in some form. The questions to ask are about how easy it is to get the customer's okay, whether receipts go out automatically, and what the keyed-in or card-on-file rate is — typed-in and stored-card charges usually cost a bit more than a tap. Confirm today's rates on the company's own page.

Questions worth asking

- Can I capture the customer's authorization in the system, or do I keep a signed form myself?
- Does it send a receipt automatically on every recurring charge?
- Can it auto-update an expired or reissued card?
- What's the rate for a card-on-file or keyed charge versus a tap?

★ The feature matters more than the brand

Don't switch systems just for this — the one you already have almost certainly does it. If you're still choosing a system, our guide on matching a system to your business weighs the whole picture, not just one feature.

Being fair to your customers

A card on file is a trust your customer hands you. Treat it that way and you'll keep both the customer and a clean record.

Fairness is mostly about no surprises. Charge only what you said you'd charge, when you said you'd charge it. If an amount changes, tell the customer first. If they cancel, stop charging right away and confirm it.

Make leaving as easy as joining. A customer who trusts that they can cancel in one quick call will happily leave a card on file; one who suspects they'll have to fight to stop paying won't — and may dispute a charge to force the issue.

✓ Trust is the real product here

The businesses that use cards on file best are the ones customers trust not to nickel-and-dime them. Earn that and the convenience works for everybody; abuse it and you'll spend your time fighting disputes instead.

A quick checklist before you save any card

Run through these five questions before you store a customer's card. If you can answer all five, you're doing it right.

Q: Did I get the customer's permission in writing?

A signature, a checkbox, or a signed estimate — with the amount, the schedule, and how to cancel. Keep a copy.

Q: Is the card going into the system, not onto paper?

The processor stores it and gives you a token. You should never have the full number written down anywhere.

Q: Are the terms clear to the customer?

How much, how often, how long, and how to stop — in plain words they've actually read.

Q: Will a receipt go out every time I charge?

Turn on automatic receipts. It keeps the customer informed and protects you if a charge is ever questioned.

Q: Is my own account locked down?

Strong, unique password and two-step verification. Your login is the key to the vault now.

✓ Five yeses, every time

If any answer is 'no,' fix it before you save the card. These five take thirty seconds and save you from the messes this whole guide is about.

Common mistakes people make

Almost all card-on-file trouble comes from the same short list. Know it in advance and you'll sidestep the lot.

- **Writing the card number down** on a ticket, spreadsheet, or phone note instead of letting the system store it.
- **Skipping written permission** and relying on a verbal 'sure, keep it on file' that you can't prove later.
- **Vague terms** — the customer doesn't know the amount, the date, or how to cancel, so the charge feels like a surprise.
- **No receipts** on recurring charges, so customers forget and dispute.
- **Hard-to-cancel plans** that push frustrated customers to call their bank instead of you.
- **Letting cards sit in email** — a card number in your inbox is a card you're storing.

! The expensive mistake

Every item here can cost you, but the dearest is storing card numbers yourself. One lost notebook or hacked inbox can mean stolen cards, a security mess, and real penalties. Let the vault hold the card — always.

What happens if a customer disputes a saved-card charge

Even done right, a recurring charge occasionally gets disputed. The good habits in this guide are exactly what let you win those.

If a customer questions a charge, your written authorization, your clear terms, and your trail of receipts tell the whole story: they agreed, here's what they agreed to, and here's proof you charged as promised. That's a strong hand when you respond to a dispute.

The flip side is that sloppy card-on-file habits lose disputes fast. No signed okay and no receipts means no evidence. This is why the permission and the receipts aren't busywork — they're the case you'd make if a charge is ever challenged.

✓ Your paperwork is your defense

Keep authorizations and receipts where you can find them. Our chargebacks guide walks through responding to a dispute and the evidence that wins — and a signed card-on-file authorization is near the top of that list.

Where I stop and your advisors start

I'll gladly set up the technology with you. For a couple of things, though, you'll want a professional's word, not a tech helper's.

I'm not an attorney or an accountant. I can show you how to store a card safely, capture an authorization, and run a recurring charge. If you need exact wording for a membership agreement, or you're handling a tricky refund-and-cancellation situation, that's a conversation for your attorney.

Your processor is the authority on the rules of its own system — the current rates, how its card-on-file and recurring features behave, and your card-security obligations. When a detail really matters, check it against their official help pages or ask their support directly.

★ I'll tell you when it's over my head

Part of honest help is knowing my lane. I'll get the setup right and point you to your attorney, your accountant, or your processor for the fine points. No guessing on things that matter. Call (330) 200-8042.

Setting honest expectations

A card on file is a convenience, not a guarantee. Knowing what it will and won't do keeps you happy with it.

It will save you from chasing payments, speed up repeat sales, and keep a clean record of what you charged and when. It won't make a card never decline, won't stop a determined customer from disputing, and won't excuse you from getting permission and sending receipts.

Expect a little setup per customer and the occasional failed charge to sort out. In exchange you stop re-entering cards, stop chasing balances, and stop keeping risky notes. That's a very good trade for most businesses that see the same customers twice.

✓ Start with your regulars

You don't have to roll this out to everyone at once. Start with your standing customers — the memberships, the monthly jobs — where it saves the most time, and grow from there.

Common Questions

The questions I hear most from owners setting up deposits and recurring charges, answered plainly.

Q: Is it even legal to keep a customer's card on file?

Yes, when you have the customer's permission and you let your processor store the card securely. What you must not do is store the full card number yourself. Get the okay in writing and let the vault hold it.

Q: Do I really need written permission every time?

Yes. A signature, a checkbox, or a signed estimate is enough, but you want something you can point to if a charge is ever questioned. It protects you as much as the customer.

Q: Where is the card actually kept?

In your processor's secure vault, not on your computer. You get a token — a harmless stand-in — to run future charges. You never see the real number again.

Q: A customer emailed me their card. What do I do?

Enter it into your system, run the charge, and delete the email. Don't save it or forward it. Next time, send a payment link so they type it themselves — see our invoices and payment-links guide.

Q: What if the saved card expires?

Many systems auto-update a reissued card. When a charge fails, ask the customer to update it through a link or at the counter — never by email. A failed charge is routine, not a crisis.

★ Still have a question?

Deposits and recurring charges are one of those things that feel scary until someone shows you the safe way once. That's exactly what I do. Call or text me at (330) 200-8042 and we'll set it up together — no card numbers on sticky notes, I promise.

You don't have to figure this out alone

You just have to remember that a friendly, patient person who speaks plain English is one call away.

I hope this guide made keeping a card on file safely feel a little less daunting and a lot more doable. Keep it with your other business papers, come back to a page whenever you need it, and don't feel you have to memorize a thing.

When you'd rather have a hand, that's exactly what I do. I come to your shop or your kitchen table, work at your pace, and never make you feel rushed or silly for asking. A first visit is a flat \$99, and for the parts that don't need me on-site I can often help right on your screen for \$49. Every visit comes with a 30-day, come-back-free guarantee. I don't sell payment processing and I earn no commission from any company — so the advice you get is just honest advice. For the tax and legal fine points, I'll point you to your accountant or attorney.

★ Bill's Home Tech — real help, close to home

Call or text me at (330) 200-8042, or visit BillsHomeTech.com. Serving Atwater and all of Portage County. 30+ years of patient, plain-English tech help — and if you're ever not 100% happy with a visit, I'll make it right or refund it. That's a promise. — Bill

The Dangerous Way vs. the Safe Way

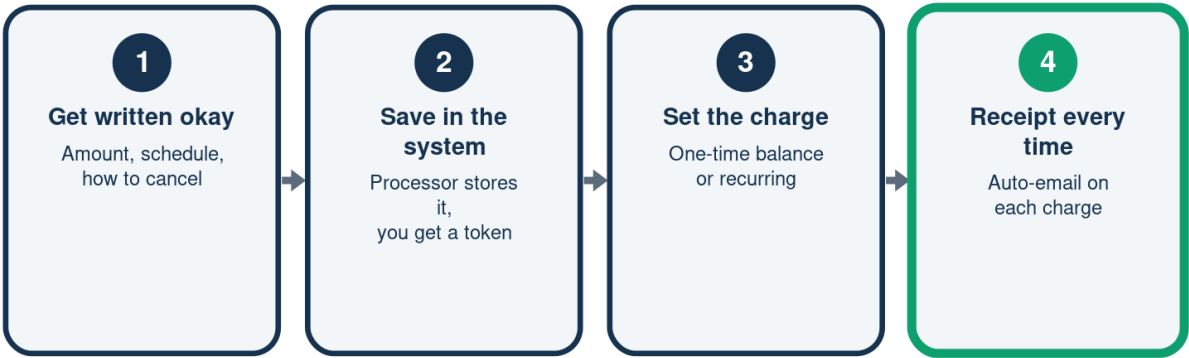
Who holds the actual card number?

	The risky habit	The safe way
Where it lives	Your notebook	Processor vault
What you keep	Full number	A token
If you're hacked	Cards stolen	Token is useless
Who's liable	You	Handled for you

Let your processor hold the card. You never write the number down.

Saving a Card on File, Safely

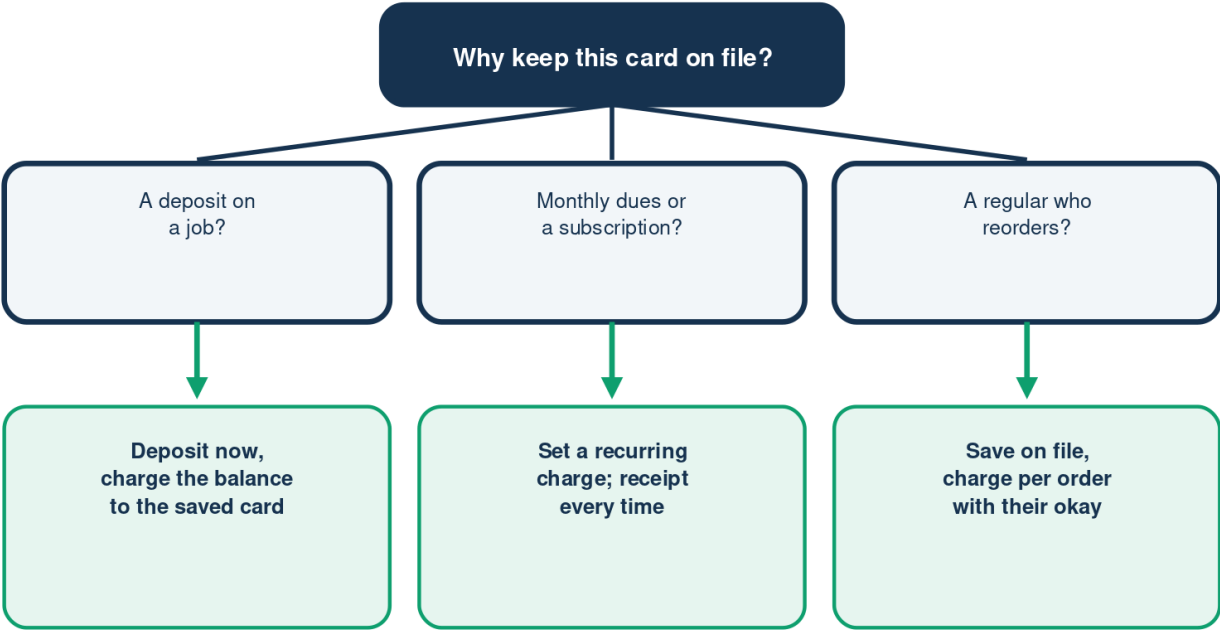
The same four steps every time



Notice what's missing: writing the card number down anywhere.

What Are You Setting Up?

Pick the kind of charge that fits the job



Always get written permission first -- and never store the number yourself.

Illustration - a schematic, not to scale. Your setup may differ.

Five Checks Before You Save a Card

Thirty seconds that prevent the usual messes

Check		Done?
Written permission	Signed and kept	Yes
Card in system	Not on paper	Yes
Terms are clear	Amount, cancel	Yes
Receipts on	Every charge	Yes
Account locked	Password, 2-step	Yes

Five yeses, every time -- fix any 'no' before you store the card.



Need a Real Person?

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BILL'S PROMISE

If you are not 100% happy with a visit, I will make it right -- or refund it. No awkwardness, no fine print. That is how I would want to be treated.

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— Bill

Prefer help without a visit?

Bill can screen-share and fix many things remotely — a flat \$49, free for Support Plan members.



A Note From Bill

A quick note from Bill.

I write these guides to make home tech a little less frustrating, and I do my best to keep every step accurate and up to date. Still, every home, device, and setup is a bit different, so I can't promise a guide will match yours exactly or fix your particular problem. These guides are for general information only — they're not professional, legal, or financial advice, and they don't replace your device's own manual or the manufacturer's instructions. Please go slow, use your own good judgment, and use everything here at your own risk. If a step involves electrical wiring, a gas appliance, a water heater, plumbing, or climbing a ladder — or if anything just doesn't feel safe — please stop and call a licensed professional (or give me a call at 330-200-8042). Bill's Home Tech and Bill Davis can't be responsible for any damage, data loss, or injury that comes from using these guides. Thanks for reading, and stay safe out there.

— *Bill*



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