

BEST (CHEAPEST) WAY TO ACCEPT CREDIT CARDS?

I would like to be able to accept credit card payments over the the phone and eventually on my website when I get it up and running. What is the cheapest way to do this?

PayPal is probably the cheapest, but I don't think you can take it over the phone.

Law Charge is probably the most popular solution around here, run by 'Sezzer Tracy Griffin. There is a set up fee, but there is no monthly fee if you don't use it. Normal discount fee & per transaction fees apply.

Daniel X. Nguyen, California

Ask your bank what they can do. They may be able to take care of you at a great rate. I use Authorize.net through BB&T (my bank).

About 95% of my income comes in via credit card. I just tallied up all the fees I paid in January, compared to the total deposits made. I paid 2.71% overall to various credit card entities.

Here's how the fees break down:

\$9.95 per month to Authorize.net for the ability to process credit cards online (entered myself and entered by my clients through my invoicing system: www.FreshBooks.com).

\$0.06 per batch and transaction to Authorize.net.

2.28% discount fee for Visa, MC, or Discover.

2.89% discount fee for American Express + \$0.15 per transaction.

There may be a few other tiny fees that I'm missing, but that's the bulk of it.

PayPal is NOT the cheapest credit card processor. They charge 2.9% of the total + \$0.30 per transaction. That's even more than American Express charges its merchants.

Also, beware of using PayPal to accept unearned fees. That would be unethical in Virginia, since PayPal isn't an approved trust account depository. NJ may differ.

Andrew Flusche, Virginia

I use PayPal and love it. I will email or fax the form to the payor and only charge the card when I get the signed authorized form back from them. Easy.

Micah G. Guilfoil, Kentucky

Andrew, does your overall 2.71% include the \$9.95/mo fee? Paypal has no monthly fee or set up free. I do pay about 2.9% total for my PayPal. But I do a low volume of CC transactions.

Michael Blake

What I meant by PayPal being one of the cheaper ones, I was assuming that there would not be a lot of transactions. There are no set up fees or monthly fees, so depending on how much you run, PayPal or a merchant account could be cheaper overall.

Daniel X. Nguyen

Check out Costco. There rates are lower and there are incentives if you are an executive member.

Harvey I. Levin, California

Dan - I'm sorry. I didn't understand the point you were making. PayPal is definitely cheaper for occasional use. And it's dead simple to setup.

Michael - Yes, the 2.71% includes ALL the fees I paid for the transactions processed in January. That's including the \$9.95 monthly fee to Authorize.net.

I think the moral to all of this is that different setups will work better and be cheaper for different situations. If your practice has a low CC volume, you probably don't want to pay a monthly fee. But if the discount rate is significantly lower than a setup without a monthly fee, it might still be cheaper in the end.

Andrew Flusche

Better check with your local or state bar's admission rules. In Indiana, you cannot take credit card payments without first having the credit card payments run through your IOLTA account for your retainer, for which you would pay yourself for your services, and the monthly fees must be charged to your attorney operating account. At least in this state, the rules are very strict. I have used Affiniscap for such purposes.

Marc W. Matheny, Indiana

I use Affiniscap and LOVE the service. They have a virtual (online) terminal account option which allows you to charge a card on a secure website. Additionally, they offer an "online button" that you can embed in your website and the client can make payments themselves. You can set up with just your operating account or with both your operating and IOLTA. Fees always come out of your operating account. (They have several lawyers as merchants.) No setup costs. Their processing fees are competitive and they have a monthly statement fee of \$5 and the online terminal fee of \$10. If you call my account manager (Suzanna Vega at 800-462-8173) and tell her I referred you, she will set up your account with the online terminal for free. (\$10 monthly fee waived).

Good luck with whichever choice you make.

Dana Z. Johnson, Illinois

Affiniscap sold me a used terminal for something like \$125, so I was able to save the \$10 / month charge, too.

Marc Matheny

Not to be Debbie Downer or anything, but the cheapest isn't always the best way to go.

I had nothing but trouble after shopping based on price. My credit card processor took merchant fees from my IOLTA account which was bad enough on its own, but my bank had just been seized by the FDIC and my account had been emptied so the debit caused an overdraft. I immediately called, got the runaround, was told I'd need to pay the \$400 cancellation fee, wrote letters which included the e-mails from the sales rep who promised he understood the importance of not messing with IOLTA funds. They wouldn't

budge. I fought with them for a good two months, threatened hellfire and damnation and the wrath of a very pissed off Sicilian lawyer before they waived the cancellation fee. It was easily the most stressed I've been since I started practicing because I was terrified the bar would get involved.

Now I'm with Tracy Griffin (fellow 'sezzer and attorney) and Law Charge and now I don't have to worry. I know her rates are competitive with others on the market but even if there are others that are cheaper, the peace of mind is invaluable.

Gina Madsen, Nevada

One thing I liked about Law Charge was that since it was made by attorneys, for attorneys, they understood the implications of commingling of funds and charge backs, and that they would fight for you on charge backs. I think Tracy said that they've only lost once on a charge back claim.

Daniel X. Nguyen

I started using a business called Flagship Merchant Services last year and have been very happy. Unless I don't take a credit card for the month, I don't get charged the \$8 fee. I take probably 5-10 charges per month, and the fee is 1.59% to swipe the cards on a little gadget I bought on TigerDirect, and 2.59% for payments over the phone or without swiping. It varies how long it takes for the bank to process the transaction but only one took several days - most transfer the funds within a couple of days. And I don't get the \$25 monthly fee I was paying at my local bank or the percentage plus \$15 I was paying another company.

I found it on a Google search and the service has been wonderful, including answering my dumb questions and satisfying curiosities when the fees don't work out to 1.59% or 2.59%. One time I paid an exorbitant fee and learned that some cards are higher risk than others and for that i was charged 3.59%. Wish I had known from the beginning but it was the largest fee I'd taken with the card and I didn't know what to expect.

Depending on the case, I sometimes pass along the fee to my client and sometimes don't. But none have complained because of the convenience.

Reta McKannan, Alabama

OK, I know a) that lots of solosezzers love Law Charge and b) Tracy Griffin is on this list. *However* I have to say that I haven't used her services because every time my assistant has attempted to contact Law Charge for information she gets voice mail. In and of itself, not so bad, it happens. BUT, about eight months ago when we tried to contact Law Charge we got zero response to our voice mail or our email. Fine, went on to another service. We're not thrilled with Affiniscap, so thought we would try Law Charge again anyway. Yup, a month went by and I finally got a completely indifferent voice mail message with some explanation about a batch of "lost" voice mail messages. My assistant tried twice last week (on different days and different times of day) and got voice mail again. To be fair, this time we didn't leave a message, so I wouldn't expect a call back.

I would love a good, trustworthy option, but I need a company that returns its voice mail and/or email....

D. Jill Pugh, Washington

What did you not like about affiniscap? I was going to check them out. I'm in California, and last I checked, they didn't allow processing into IOLTA accounts at all. That could have changed, but I'm only going to, for now, use it strictly for my operating account and earned/fixed fees.

Joseph D. Dang

I'm late to this discussion, but I use Affiniscap (Texas) and can process transactions into either my operating or my IOLTA.

Kimberly Wilson Vincent

Well, I have been with Affiniscap for about 10 months, and for 9 of those months they charged me the wrong monthly fee. Every month we call and they say "oh, that's wrong, we'll fix it and credit your account." And while they have charged the right fees the last two months, we have yet to see the credit. Their written statements are fairly confusing, and it is difficult to reconcile what the total fees really look like at the end of each month.

But the REALLY BIG reason I am not happy with them is they did *exactly* the thing they claim they will never do: they took the percentage fees out of my IOLTA and not my operating account.

I made them write me a letter explaining that it was their fault, just in case I ever get audited by my state bar. Fortunately, I didn't write any

checks believing my clients had the full balances, but still....I'm furious and it took three months to resolve and I never got an apology.

AS you can see I have a love/hate relationship with credit cards in general.

Jill Pugh

I like Flagship Merchant Services. You only pay a monthly fee if you don't use the service in a month's time. Otherwise, you pay a 1.59% fee for swiping a card; 2.59% for taking it over the phone or without swiping the card. I have been pleased with the service and the availability of someone to ask a question when something doesn't work. And it has never not worked - it has been "operator error," when it didn't work!

Reta McKannan

For what its worth, I jumped to Law Charge after paypal got me mad. Tracy has always been responsive to my calls and emails and I have been happy with the service so far.

Also, Paypal is very consumer oriented. They will withhold your fees if someone challenges the payment and you'll be empty handed for a long time.

Paul "Woody" Scott

Firmmates:

We have a company in Lansing that offers a special rate for Mich Bar members. I contacted Chuck Shulz after reading this thread, and his response is below. I'd be happy to forward the attachment directly if you contact me.

ALSO: I'd never take work away from a fellow Sezzler. If, however, that option doesn't work for you, I recommend MTG. Chuck was very helpful to me, the rates are very reasonable, and he has a few options re: IOLTA vs operating funds.

Lisa:

We absolutely do work with businesses all over the country. In fact, we have clients in every state of the union. We have endorsed member benefit programs for the Professional Photographers of America, National Society of

Accountants and the Society of Nonprofit Organizations to name a few.
Large or small, all our welcome and greatly appreciated by MTG.

We would be happy to offer your group the same rate structure as the State Bar of Michigan (attached). Let me know if there is any information I can provide.

Thanks

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I am so very sorry for the experience you and your assistant had when trying to contact Law Charge. It is true that I had one helluva a time trying to get all phones and lines in working order when I moved the company from Melbourne, FL to Ocala, FL.

I was assured by AT&T that it would be a smooth transition with no service interruptions; and.....that I would not lose calls. **THAT IS NOT WHAT HAPPENED.** I was literally in tears (not a girl thing - a fricken total and complete frustration thing) trying to get the damn lines and forwards in order. I had 48 voice mails backed up. **FORTY EIGHT FRICKEN VOICE MAILS NEVER RECEIVED.** Turns out there was a problem between AT&T and our 800 number provider. Regardless- it has been a nightmare. Jill - you have my most sincere apologies for the difficulties you had in trying to reach Law Charge.

Some of you already know why I moved LawCharge from Melbourne, Fl to Ocala, Fl. That particular personal mission has passed; I will once again be relocating myself and Law Charge to Aiken, S.C. - the original plan.

Tracy

Tracy L. Griffin, Esq.,
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Can I just say I recently moved my office and changing/moving the phone numbers was the worst nightmare I have experienced -- it took me 2 months to get it "acceptable" with Verizon and in my opinion it is STILL wrong but the incompetence is so bad at that company I am afraid to get it fixed the way I would exactly like it or switch companies because it would be hard on my customers --My goodness I thought I was going to kill somebody as I lost business by the minute. Never again will I go through that and if someone has a better solution for the technology dumb -- I would love to hear it in the simplest terms in case I ever have to move again or wish to switch service. I have been watching phone posts with utter eagerness.

Tracy I sympathize --and I can also appreciate the hardship and customer dissatisfaction it can cause -- not an excuse in my book however and boy did I have ticked off customers for two months-

That said -- Law Charge has shown me impeccable customer service and I personally have been extremely happy with my choice.

Rinky S. Parwani, Florida
