

## Using Venmo or PayPal to Receive Payment

I've been asked recently by my clients if I take Venmo or PayPal. Has anyone had issues with using these apps? My bank says its okay to use and that there aren't any ethical issues or fees if money is transferred from Venmo or PayPal to my Trust account.

Does anyone have warnings or suggestions in doing so? Any advice would be much appreciated. By the way, I'm in California.

Thanks in advance!

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310 area code is Los Angeles California I think. I am also in California.

What I was told is you can't use Venmo or PayPal for trust account payments since they go to an intermediate bank PayPal or Venmo company and they sometimes take a cut.

QuickPay/Zelle might be OK.

I believe you can use them for earned fees in California like flat fees or consultations you already performed or expenses you have already paid.

There are a lot of payment processing companies like LawPay, LawCharge, Clio, MyCase etc that make accepting trust account payments frictionless and are cheap and easy to use. Try them and see what you like.

David Seto, California

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I read on another listserv that Venmo's terms of service don't allow it to be used for business purposes. I haven't looked into this personally, but I wouldn't use it. If you run into trouble and their TOS say not to use it for business, then they won't necessarily help you.

I have LawPay, which works well except the transaction fees drive me mad.

Ah well, it's still nice to get paid, and it's specifically set up to allow deposits into a trust account, with any fees charged from the linked operating account. Non-law payment programs aren't set up for that.

Katie Burghardt Kramer, Vermont

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Plus, PayPal makes it way too easy for sender to contest charge and request chargeback. That would make for a nightmare scenario in a trust account.

I'd stay away and use traditional payment processing.

Nick A. Ortiz, Florida

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I've encountered this issue personally when I paid movers using Venmo.

Venmo wound up terminating my account, because Venmo is \*only\* supposed to be used by people who know each other well (friends/family). It's a violation of their terms of service to use Venmo in connection with a business--even if you're an unknowing customer. It was a pretty frustrating experience.

I also use LawPay and am similarly annoyed by the transaction fees, but there's not really much that can be done about it since they're not too much higher than the interchange rates for specialty credit cards. Specifically, LawPay charges 1.95% + \$0.20 (2.95% + \$0.20 for specialty cards like AmEx) per transaction on top of the \$20/month service fee.

The standard interchange rates are around 0.8% per transaction for debit cards and 2% per transaction for credit cards (up to like 2.7% or so for specialty cards like AmEx, preferred rewards cards, etc.). In other words, there's no escaping these fees.

LawPay's most useful feature is its trust accounting functionality, which allows you to deduct merchant fees from a separate, linked operating account. I just wish LawPay had better invoicing functionality, because I don't want to be using another service just to generate invoices. Some of mine are complex (payment plans and such), so it gets to be a bit of a hassle to keep generating "Quick Bills" on LawPay.

Kevin Morenski

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Have y'all processing payments checked out HeadNote? Heard them on a podcast recently. Seemed like a good option for those that need to process checks and credit cards. No affiliation:

<https://headnote.com/pricing/>

Nick A. Ortiz

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In terms of integrating invoices and LawPay, I use Time59.com for billing, which integrates with LawPay. I wouldn't say it's seamless, but it's pretty good.

Katie Burghardt Kramer

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I have accounts with both Lawpay and Headnote. Yes, the fees are generally higher than other merchant accounts, but the customer service is fantastic. I recently had an issue with a chargeback, and the Lawpay team guided me through my concerns pretty well.

Some case management programs have a deal with Lawpay that if you do 1 transaction, then the monthly fee is waived.

Headnote is good if you don't process that much (no monthly), and where it really stands out is that you can get the money in your account in 24 hours. Lawpay is 48 business hours for CC, and I think 72 for ACH.

Lawpay integration is great because I can ask for retainers and invoice payments inside my case manager, so I don't have to enter them in manually when they are paid.

I think HN just also released taking CC into trust accounts; they started as ACH only, and now moved into CC processing too.

Dan X. Nguyen, California

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Use LawPay.

Roger M. Rosen, California

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I'm pretty pleased that LawPay has just now inaugurated an eCheck option: a flat \$2.00 per transaction, as opposed to the credit card percentage.

Michael Koenecke, Texas

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Another vote for LawPay. I tried LawCharge, then USPay, and I like LawPay best. The interface for inputting transactions (typed in or swiped), scheduled transactions (we can put our maintenance plan members on "auto-renew" if they want), and the 'QuickBill' option for sending an email link to input their own CC info (which now even allows the invoice to be attached), are all awesome.

I love LawPay. (Sorry Tracy, maybe your gateway has improved, but I can't imagine something sufficiently better than LawPay to make me go through switching again. Tracy Griffin, owner of LawCharge and a sezzzer, is a treat to work with, I had absolutely no problem with her or her company at all; I switched to USPay because I \*thought\* it would be better - it was worse - then tried LawPay because I needed to get away from USPay and so many folks seemed happy with LawPay. Now I'm one of them.)

Cynthia Hannah-White, Hawaii

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I have used PayPal for trust account payments, but it is an accounting nightmare - or at least my bookkeeping firm seems to have trouble with it - because PayPal takes a % before you transfer to your trust account. Did not seem to work so well. Wiring money works well. FWIW

Susan Burns

