

## How to Accept Credit Cards Online

To accept credit cards online, you must establish a merchant account with an online credit card service provider. Your "merchant account provider" (MAP) will verify the credit card, process the transaction, and deposit the funds into your bank account, usually within a few days. Of course, your MAP will charge you fees for this service. The thing to be aware of is that these fees can add up, and some MAPs make a killing out of unexpected and unexplained costs, contingency fees, and penalties. The most common fees and costs to be aware of are these:

1. Internet discount rate. An Internet discount rate is a fixed percentage taken from every online transaction, usually two to three percent.
2. Transaction fee. MAPs typically have fixed charges, usually between \$0.25 and \$0.70 per transaction. If you are going to sell many low-priced items on your site, the higher transaction costs can wipe out your profit quickly.
3. Monthly fees and minimums. A variety of charges are levied on a monthly basis, including statement fees, monthly minimums for total charges, excess usage fees, and others.
4. Holdbacks and charge backs. Your MAP may reserve a percentage of your transaction receipts to cover contested charges.
5. Setup and equipment. Setup fees are often only a small portion of total setup costs. But make sure you understand the hardware required, the software needed, installation fees, programming costs, and other setup charges.
6. You should also ask about these simplified, comprehensive systems many MAPs are now offering that include a "shopping-cart" program, order verification and processing, and automated shipping of orders straight to your email account.
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**NOTE:** *Remember the First Rule of Business: Everything is negotiable. Be sure to negotiate all of these numbers; merchant account fees and charges are not carved in stone.*

Once you understand all of this, there are three additional steps to the MAP dance:

- **Step One:** Have a Secure Server. You must reassure your Web customers that their secrets are safe by processing their orders through a "secure server," which encrypts the data exchanged in processing their order. Speak with your ISP about this.
- **Step Two:** Research Your Options. There are hundreds of MAPs out there willing to establish merchant accounts for Internet businesses, and more are joining the market all the time. Some to check out are:
  - [Authorize.Net \(http://www.authorize.net\)](http://www.authorize.net):
  - [Verisign \(http://www.verisign.com\)](http://www.verisign.com):
  - [IntelliPay \(http://www.intellipay.com\)](http://www.intellipay.com):
  - [Signio \(http://www.signio.com\)](http://www.signio.com):You can also compare MAPs at MerchantWorkz (<http://www.merchantworkz.com>).
- **Step Three:** Choose Your Provider. Pick a MAP, but as you do, also check with your bank to make sure they are set up to receive the payments from the MAP you choose.

Merchant accounts should not be an obstacle to setting up shop on the Internet. With a little research and planning, acquiring a merchant account can be fairly easy and inexpensive.