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### **Accepting Credit Cards in Your Business**

Most of us stopped paying cash for our purchases long ago. We have debit cards and credit cards and expect to use them for most of what we buy. If you are starting a new business, you should expect that your customers will want to use their credit or debit card when buying from you. Very few of us carry a lot of cash and we don't want to go to an ATM to pick up money and then go back to your business to buy something if your business will not accept credit cards.

How do you get started? You must decide which credit and debit cards you will accept. Most businesses accept MasterCard and Visa but do you also want to accept American Express and Diners Club? The charges for each type of card will vary, depending on the number of transactions you process and the size of your transactions.

In order to accept credit cards, you must open an account with a credit card processing servicer, also known as a merchant account. If you look online, you will find plenty of credit card processors (or you can look for merchant services). Call around and get quotes from these providers for their set up and processing fees. The processing companies may also charge you a statement fee, an early termination fee, or require a monthly minimum in amounts that you charge. You will be paying for a terminal that will swipe the credit cards. The fees will differ based on whether your business is online only or brick and mortar only or both. The number of locations that your business serves will also affect the cost of credit card payment processing services. Write the quotes down from at least 3 credit card processing businesses.

You should also ask about each company's average approval rate (you don't automatically get approved to be a customer of the credit card payment processing service), how quickly they approve customers and get you set up to accept credit card payments, and what kind of point of sale options and swipers (credit card readers) they offer, as well as their internet options. Some companies now offer a way that your business can accept credit card information by phone.

Ask around to other business owners that you know which credit card processing service they use and whether they are satisfied with their rates and customer service. You will want a company that can provide 24 hour customer service.

Another possibility is a third-party payment processor. These companies may or may not charge you for the set up and there are typically no monthly fees or monthly minimums. If you have no sales in a particular month, you pay nothing to the company. They make their money by taking a cut of your profit from each sale that they process. This method is typically used for online sales. You create a link to the third-party payment processor's website and they process the credit card payment. After your customer places the order, your business is credited for the sale, less the commission that the third-party payment processor keeps. If you are thinking of going

this route, find out how often the third-party payment processor sends you the money from your sales. You should also ask about how they deal with chargebacks (when a customer disputes a charge). And you should find out from others that use the service how satisfied they are with the service.

By accepting credit cards, you will be making it more convenient and easier for your customers to make impulse and larger purchases. This is especially true online where cash is not an option and your customers are leery about using bank account information when making a purchase. So, shop around and ask other business owners (or your team of professional advisors) for their experiences with credit card processors. But, for most businesses, accepting credit cards is a necessary part of doing business.

Email me at [Rgronsky@Gronskylaw.com](mailto:Rgronsky@Gronskylaw.com) to find out how I can help your business get started or grow it to make your dreams come true.