

Why it Pays to Accept Credit Cards

Credit and debit card acceptance is an essential practice management tool that is often overlooked as a means to increase revenue and cash flow. Many clients, including prospective clients, prefer the convenience of paying with credit or debit cards as opposed to checks. Opening a merchant account for your firm is a simple process and immediately gives more control of your receivables. Why turn away a prospective client who wants to use your law firm's services and has the means to pay promptly?

CASH FLOW 101

Once considered taboo by attorneys, accepting credit cards for payment is allowing a growing number of law firms to benefit from immediate cash flow. It also helps eliminate "the check is in the mail" syndrome and other common delay tactics. With most merchant accounts, credit card payments are available to you within 24-48 hours. Clients depend on your firm for assistance with legal matters, not a credit line. It makes fiscal sense to let the Visa and MasterCard banks manage credit lines, handle collections and potential late payments. Accepting credit cards saves time, frustration and energy in order to do what attorneys do best...practice law and help clients.

SEPARATING EARNED AND UNEARNED FEES

One key feature to consider when opening your merchant account is the ability to separate earned and unearned fees when accepting credit cards. In order to stay in compliance with the American Bar Association and most state guidelines for credit acceptance, a merchant account must correctly separate earned and unearned fees into operating and trust accounts, thus preventing the commingling of funds. Most importantly, a compliant merchant account enables an attorney to designate which account should be used for withdrawals of all processing fees.

THE BOTTOM LINE

A merchant account can be the secret weapon to resolving payment issues. It provides payment flexibility as well as convenience. In addition, offering credit cards as a payment option can attract clients and win new business. Now you can spend less time chasing down collections and more time practicing law.

Affiniscap Merchant Solutions is the exclusive provider of the Law Firm Merchant Account, a professional payment solution for attorneys and their clients. For more information, visit www.lawpay.com or call 866-376-0950.

HOW TO AVOID PCI NON-COMPLIANCE FEES

If your office accepts credit card payments, you should have received information from your merchant provider regarding the recent updates to PCI-DSS (Payment Card Industry Data Security Standard) compliance requirements. **When you accept credit card payments, you also accept the responsibility of protecting cardholder information.** As of July 1, 2010, any firm accepting credit cards is required to comply with the PCI security standards.*

In addition to the new requirements, most major processors have begun implementing non-compliance fees. It may be helpful to review a recent merchant statement for those charges which typically range from \$15-\$25 per month. To avoid non-compliance fees, you will need to take steps to become PCI-Compliant.

You may have received calls regarding non-compliance fees or enticements to switch to other processors; however, use caution as these calls may just be ambush marketing techniques. Please check with **your** acquiring bank for specific deadlines and fees.

What is PCI?

In 2006, the major credit card brands (Visa, Mastercard, Discover, American Express and JCB) formed a security council. The goal of the Security Council was to ensure the safe handling of cardholder data at all times and reduce credit card fraud by developing a standardized set of regulations for the entire credit card processing industry. The resulting Payment Card Industry Data Security Standard, Payment Application Data Security Standard, and the PIN Transaction Security Standard work together to achieve that goal.

Payment Card Industry Data Security Standards are focused on protecting credit card information at the merchant level by implementing basic procedures to protect card holder data. The new regulations will make protecting sensitive card information a priority, thus reducing identity theft and credit card fraud.

Regardless of how many transactions you accept or process, PCI is an important step in protecting the security of merchant account. To ensure credit card transactions are secure through every step of the payment process, all parties in the payment industry are now required to be PCI Compliant.

You still need to do your part!

PCI Compliance is comprised of two parts - how credit cards are processed and how you handle credit card information within the walls of your office.

The security of your office is paramount for compliance. For example, do you store paper copies of credit card data in a secure way? Do you use a payment gateway or a terminal to process credit cards? These are practical security points addressed by the PCI-DSS and apply to any business that processes, stores, or transmits credit card data (www.pcisecuritystandards.org). Until recently, most of the focus has been on major retailers that process in excess of 6 million Visa transactions per year. All merchants, regardless of credit card processing volume, must now comply with the regulations. Failure to meet requirements can result in security breaches, costly fines, and forensic audits.

Credit Card Compliance for Attorneys

To help you through the PCI Compliance process, Affiniscape Merchant Solutions created a compliance program with all the tools you will need to meet that deadline. We understand the unique needs of attorneys and wanted to make the compliance process as easy and painless for you as possible. Our program not only includes the Self Assessment Questionnaire, but also features unlimited support from

PCI experts and a Security Policy Builder. You can get more information about the program or get started today by visiting www.pcicentral.com. For specific compliance questions, you may also contact Amy Airhart by emailing info@pcicentral.com or by calling 866-376-0947.

**Check with your merchant bank for deadlines and fees*

Some additional FAQ's:

Withdrawal and refunds: Some of the unique situations facing attorneys require maintaining a trust account and segregating earned fees from unearned fees. Your credit card account must incorporate those requirements. There are also times when attorneys must make refunds to clients. For instance, if a client pays a retainer by credit card and does not use all of the funds then the attorney can easily issue a return to give the funds back to the cardholder. In this scenario money can be deducted out of the trust account with the attorney initiating the transaction.

Can I accept credit card payments over the phone/or by mail? Yes, clients can call in payments or submit credit card information to you by mail. This is completed by manually typing in the credit card information. We recommend that the attorneys collect the name of the card holder as listed, card number, expiration date, card security code, and also the billing address of that credit card.