



Making Sense of Credit Card Processing

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Agenda

- What a merchant account is and how it works
- Getting approved for a merchant account
- The basic details of fee schedules
- Key questions to ask merchant account providers
- Merchant accounts vs. Google Checkout and PayPal
- Protecting your business from fraud

Merchant Account

A type of account that allows businesses to accept payments by debit or credit cards.

Payment Gateway

A payment gateway is a service for online retailers that authorizes payments.

*Gateways are only relevant for ecommerce/
online transactions*

How it Works: The Payment Cycle



What you'll need to get approved

- Complete Application
- Voided Check
- Tax Id Number
- 501c3 paperwork (if you are non profit)
- Return Policy on website
- Website which shows the products that you are going to be selling
- Contact Info section on website
- Business Financials (or personal financials) – only needed in some cases

Fee Schedule

A fee schedule is a list that outlines the fees you should expect to pay on a monthly or transactional basis.

Fee Schedule

Some of the most common items included in a fee schedule are:

- Discount Rate
- Authorization
- Gateway Transaction
- Gateway Access
- Monthly statement
- Application
- Set up

Monthly Statement Example

Assume a merchant had 20 orders throughout the month. All 20 orders were for \$100. How much would their merchant account cost for the month? **Based on industry standards.*

Total amount processed **\$2000**

Number of Transactions: **20**

Discount rate = \$59.00

(\$2000 x 2.95%)

Authorization = \$7.00

(20 x \$0.35)

Gateway transaction = \$2.00

(20 x \$0.10)

Monthly statement = \$15.00

Gateway access = \$25.00

Application = \$50

Set up = \$100

Monthly Statement Example

Industry Standard Total Monthly Cost:

\$108.00 Monthly Payment

+50 Application

+100 Setup

\$258.00

Volusion Credit Card Processing:

\$78.19

Important Questions

- What is the discount rate that you charge per transaction for processing credit cards?
- Are there higher rates to process different types of credit cards?
- How much is the monthly fee?
- Which gateways does your merchant account work with?

Important Questions

- Since most merchant account providers use 3rd party gateways, how do I set up the payment gateway?
- Are there any cancellation fees? Is there a contract?
- Are there any application or setup fees?
- Do I have to have a cash reserve set up?

Merchant Accounts vs. Google Checkout & PayPal

- PayPal **NOT** FDIC Insured
- Inconsistent customer experience
- Cart Abandonment

Protecting your Business from Fraud

- SSL Certificate
- PCI Certification
- Order processing best practices

Order Processing Best Practices

- Examine your AVS responses
- Be wary of unusually-high transaction totals.
- Watch for multiple failed order attempts
- Be wary of an email address that contains random characters
- Be wary of orders placed with email addresses that include a different name than the cardholder

Use your instincts, if you get a bad feeling about an order, you can always call the customer

Fraud Score™



- Fraud Score is a service that helps merchants gauge the amount of risk associated with an order prior to processing it
- Scans and verifies over 15 data
- Checks over 100 million previous events to see if the order came from a legitimate card holder
- Delivers a score directly to your admin panel
- Breaks score down into three categories – Minimal, Moderate, High

Thank you!

To learn more about Volusion's Credit Card Processing services visit:

<http://www.volusion.com/merchant-account/credit-card-processing/>

Happy Selling!

