



Rec1.com Internet Merchant Account How-To

Purpose:

This document is meant to serve as a guide to help departments work their way through the process of getting enrolled in an Internet merchant account.

Definitions:

Internet Merchant Account: An account (separate from your business checking account) that allows for money to be deposited into from an Internet payment gateway. This is not a checking account, but is an account that money has to first clear through prior to being deposited into your business checking account.

Payment Gateway: This is the access point to the financial transaction system. Businesses cannot collect money over the Internet without first paying for access through a Payment Gateway.

Typical Setup:

In order to collect funds over the Internet through Rec1 (or any other payment processing system), agencies will need to sign up for BOTH an Internet merchant account as well as a payment gateway. Your agency may already have one or both of these accounts, but that is not typically the case. Generally, these two components are bundled into one offering and can be purchased from one provider.

Typical Fees:

The following fees are typical when dealing with payment gateways and Internet merchant accounts. (These fees are in addition to any that may be assessed by Rec1 to integrate with your Internet merchant account and payment gateway. Please refer to the Rec1 Pricing Schedule (<http://rec1.com/Rec1Pricing.pdf>) to see if any Rec1 fees would apply for this integration.)

Payment Gateway	\$10/month
Merchant Account Monthly Fee	\$10 - \$20/month
Discount Rate	2.5% (This is the percentage that the merchant account charges per transaction)
Transaction Fee	\$.30 (This is a flat fee per transaction that the merchant account charges in addition to the discount rate)
One-Time Setup Fee	\$100-\$200 (This can often be avoided)



Steps to Set Up a Payment Gateway and a Merchant Account:

1. If you currently accept credit cards at your front desk, you'll want to begin by checking with your current provider. Often times, they will be able to upgrade your account to an Internet merchant account with relatively little hassle.
2. If do NOT currently accept credit cards, you should first check with the bank that provides your business checking account. They have probably done this before and often will have a recommended setup.
3. If your bank has no recommendations for an Internet merchant account, you will need to find a bundled solution on your own. Here are some of the more popular Internet merchant solutions. We have integrated with most of these and do not recommend one over another.
 - I. **PayPal** (www.paypal.com) – The most popular online payment processing solution. Their prices are typically a little higher than other solutions. However, they have a user-friendly interface and are very easy to use. They have a free account that does NOT allow integration with 3rd party applications like Rec1. You will need the *Website Payments Pro* solution.
 - II. **NOVA Information Systems** (www.novainfo.com) – A quality payment processing solution. They include the payment gateway as well as an easy-to-use web management console called myvirtualmerchant.
 - III. **Card Service International** (www.cardservice.com) – They don't publish their rates as readily as some services do, but they remain a very popular merchant bundle.
 - IV. **Authorize.net** (www.authorize.net) – Authorize is a very popular payment gateway. They are NOT a merchant account, but are used by many merchant accounts. A list of merchant account resellers that use Authorize.net can be found on their site at: <http://www.authorize.net/solutions/merchantsolutions/resellerdirectory/>

Note: Rec1 in no way endorses one solution over another. Also, this list is by no means meant to be exhaustive. These are just some of the more popular solutions we run into on a daily basis. A web search for “Internet Merchant Account” will bring up these (and many more) solutions.

If you have any questions, please feel free to direct them to us. We will be happy to assist you in finding the right solution for you.

Thanks,
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