



# HOW TO EFFECTIVELY READ YOUR CREDIT CARD PROCESSING STATEMENT

Credit card processing statements can be confusing. There are no real standards or guidelines that regulate them. The lack of regulation allows processing companies to determine how confusing your statement is to read. This can be a tactic to hide the possibility that you're overpaying them. If you're curious about your statement, read this guide to examine if there is anywhere you could be saving!

## What is a merchant statement?

A document that itemizes your business's sales activities and transactions for the month. This contains the total amount of transactions as well as the fees that were charged to your account. It will list the types of payments used in each transaction and the interchange costs incurred for each transaction.



Now that we have the basics covered, here is a deep dive into what a merchant processing statement looks like and how you can effectively read yours!

# STEP 1 CALCULATE YOUR EFFECTIVE RATE

When you signed up with your current credit card processor, they may have given you a low rate or a range of rates for processing cards at your business. Yes, these figures can estimate how much you're paying, but the most accurate way to determine your fees is to run the actual numbers in your business.

## Finding your effective rate

To do this, divide the total dollar amount that you processed by the total fees charged by your processor. **Effective rate = Total Fees Charged / Total Amount Processed x 100**

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**YOUR CARD PROCESSING STATEMENT**

Page 1 of 9 **THIS IS NOT A BILL**

Statement Period  
Merchant Number  
Customer Service

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**SUMMARY** An overview of account activity for the statement period.

Page 5	<b>Amounts Submitted</b>	\$37,859.66
Page 5	<b>Third Party Transactions</b>	0.00
Page 5	<b>Adjustments/Chargebacks</b>	0.00
Page 5	<b>Fees Charged</b>	-\$832.14
<b>Total Amount Funded to Your Bank</b>		<b>\$37,027.52</b>

See page 2 for Key Definition of Terms

(Amount Submitted - Third Party) + Adjustments + Chargebacks + Fees Charged = Amount Funded

Total Processed

Total Fees

Using the formula above we can calculate that this merchant's effective rate is about 2.2%

$$\$832.14 / \$37,859.66 \times 100 = 2.197\%$$

**TAKE ACTION** : run this same calculation on your credit card statement to find your effective rate. Then you'll see how much of your fees are going to the card issuers and how much you're paying your processor.

# STEP 2 DETERMINE INTERCHANGE COSTS

Interchange is the cost associated with debit/credit cards that are ran at the time of sale. Your interchange costs are the fees that card issuers (VISA, Mastercard) charge. Payment Processing companies do not control these rates, and every merchant is required to pay interchange.

In your statement, find the section that details your interchange costs. (fees charged by MC/Visa/Amex/Disc)

YOUR CARD PROCESSING STATEMENT						
INTERCHANGE CHARGES/PROGRAM FEES						
Product/Description	Sales Total	Number of Transactions	Interchange/Program Rate	Charge Per Transaction	Sub Total	Total Interchange/Program Charges
<b>MASTERCARD DEBIT</b>						
MERIT 3 DEBIT	1,433.42	6	0.0105	0.15	-15.94	
<b>MASTERCARD DEBIT TOTAL</b>	<b>1,433.42</b>	<b>6</b>				<b>-15.94</b>
<b>VISA</b>						
VT SERVICES	977.83	1	0.0155	0.10	-15.25	
VTR SERVICES	5,392.59	1	0.0170	0.10	-91.77	
VIN SERVICE SNQ	7,091.54	3	0.0185	0.10	-131.49	
VIQ SERVICE SQ	10,690.75	4	0.0230	0.10	-246.28	
VIQ RTL SQ P2	98.71	1	0.0210	0.10	-2.17	
US BUS TR1 PRD2	2,597.40	1	0.0190	0.10	-49.45	
<b>VISA TOTAL</b>	<b>26,848.82</b>	<b>11</b>				<b>-536.41</b>
<b>VISA DEBIT</b>						
CPS RETL CHK DB	91.50	1	0.0080	0.15	-0.88	
CPS KEY DB	1,642.45	1	0.0165	0.15	-27.25	
USREGCPSKEYENT	1,984.61	1	0.0005	0.22	-1.21	
REG CPS RTCHKCD	3,978.82	5	0.0005	0.22	-3.08	
<b>VISA DEBIT TOTAL</b>	<b>7,697.38</b>	<b>8</b>				<b>-32.42</b>
<b>DISCOVER ACQ</b>						
P RETLRW	447.78	1	0.0171	0.10	-7.76	
<b>DISCOVER ACQ TOTAL</b>	<b>447.78</b>	<b>1</b>				<b>-7.76</b>
<b>Total</b>	<b>37,859.66</b>	<b>34</b>				<b>-620.49</b>

Once you find your interchange rates, add up your total interchange costs.

*For this example, this merchant's interchange costs equal 620.49*

# STEP 3 DEDUCT TOTAL INTERCHANGE FEES FROM THE TOTAL FEES CHARGED

You've already determined the fees that you're paying the card issuers. In this next step, we will find out the fees that are going to your processor.

Remember the total fees you identified in step 1? Use that number and then subtract your interchange fees from the total.

**Total Fees Charged - Total Interchange Charges = Processor's Fees**

From our example above this equation would be **832.14 - 620.49 = 211.65**

Now you have calculated the cost that you're paying your current processor. At this time, you can evaluate if this is a reasonable expense for your business. This process can be overwhelming, and your processor may not always be honest with you, but thankfully there are **other options**.

## CASH DISCOUNT 2.0

This program allows the business owner to take control of their processing costs and even eliminate the fees altogether.

### How does it work?

Your processing company will help you build the cost-to-process cards into your pricing, which allows you the same profit margin on every sale regardless of the payment type. When a customer pays with a card, specific technology can automatically isolate the processing fee included in the price and apply it to your processing cost.

**CURRENT  
PRICE  
\$10.00**

CUSTOMER PAYS WITH



**PROFIT  
\$10.00**

CUSTOMER PAYS WITH



**PROFIT  
\$9.60**

*Approx. 40c goes towards fees*

**BUILT IN  
PRICE  
\$10.40**

CUSTOMER PAYS WITH



**PROFIT  
\$10.00**

CUSTOMER PAYS WITH



**PROFIT  
\$10.00**

*Option to give customer 40c discount*

# WHY CASH DISCOUNT?

Business owners should have the option to eliminate credit card processing fees completely. This is why VizzyPay is focused on Cash Discount 2.0; we believe you should have options. Our programs are all subscription-based, and you can pay as low as \$25/month to implement this program that offsets all of your fees.

## ABOUT US

We are founded by small business owners to look out for small business owners. Building customizable programs and solutions for your business.

## OUR BENEFITS



**SUPPORT IN 30 SECS OR LESS**



**NO LONG TERM CONTRACTS**



**NO JUNK FEES OR PRICES INCREASES**

For more information about understanding your merchant statement, contact our team! We can help review your current statement for free!

**TEXT 515-859-8137 TO GET STARTED NOW**

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