TRUEBLU
SOLUTIONS

CALCULATING YOUR EFFECTIVE RATE

How to Determine Your Effective Rate from a Credit Card Statement

Understanding your effective rate is crucial for evaluating the actual cost of accepting credit card payments. The effective rate is the total amount you paid in fees divided by the total amount of credit card sales.

Step-by-Step Guide:

· **1. Locate your monthly credit card processing statement. Most providers offer this online or via email.**

· **2. Find the total processing fees charged for the month. This includes all fixed fees, transaction fees, and any other associated costs.**

· **3. Identify your total credit card sales volume for the month. This number represents the gross amount of credit card transactions before fees.**

· **4. Use the following formula to calculate the effective rate:**
Effective Rate = (Total Fees ÷ Total Sales Volume) × 100

· **5. Example:**
If your total fees for the month are $1,600 and your total credit card sales are $40,000:
Effective Rate = ($1,600 ÷ $40,000) × 100 = 4.00%

This means you're paying 4% of your credit card sales in processing fees.

If you want help calculating your effective rate, please email or call using the info below. In most situations, TrueBlu Solutions can lower your rate and save you money!

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