

Understanding A Credit Card Processing Effective Rate

Know What Your Effective Rate Is And See How You Can Lower It.

HOUSTON, TEXAS, UNITED STATES, August 13, 2020 /EINPresswire.com/ -- Simply put, the effective rate on your [Credit Card Processing](#) bill is the total processing fees divided by total sales.



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A quick example for illustration purposes -Joe's Tire Shop Had Total Sales Of \$100. Joe paid \$4 in Credit Card processing fees, So Joe's Tire shop Has a effective rate of .04%. Your effective rate can change, and unlike figuring out your rate, can be a bit complicated.

How Can I Lower My Credit Card Processing Fee Effective Rate?

Interchange fees are a necessary expense associated with accepting credit and debit cards. Interchange is the fee

captured by card issuers from merchants for each card payment transaction. The Interchange fee will vary, and how you accept payments has an influence. The rate you pay can be affected by factors beyond the control of your business, such as what type of card that is presented for payment (corporate and mileage cards have higher rates).

To lower your interchange rate avoid some of these transactions:

- transactions are made by keypad entry rather than swiping cards through a card reader.
- Some of your customers pay in person with debit cards, but you don't offer them the ability to enter a PIN code.
- You have Card Not Present (CNP) transactions, such as payments taken over the Internet or by phone or mail.
- A significant portion of your customers are business customers and pay with business, commercial, or purchasing cards, but you don't
- You routinely settle transactions more than 24 hours after they are authorized.
- Transaction authorization and settlement amounts differ.

How To Find The Best Effective Rate?

Look for a Credit Card Processor who does not charge termination fees. Try not to get trapped in a annual agreement, choose month-to-month if possible. Avoid compliance fees, these normally will be minimal, but are not necessary.

Look At Your Most Recent Credit Card Processing Statement And Itemize The Bill.

You might be surprised on what you are getting charged. If you would like us to look at ways we could save your business on Credit Card Processing fees, please upload your bill and we will break it down and see how much we could save your business on Credit Card Processing fees.

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Credit Card Processing

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