

Merchant Account Statement Analysis

Statement Period: May 2021

Processor	ISO	Pricing
Fiserv	MSI Electronic Payments	Interchange-plus
Volume	Total Fees	Effective Rate
\$35,734.00	\$1,297.75	3.63%

Audit Summary

Total Processing Volume	\$35,734.00
Total Non-Negotiable Fees	\$967.93
Processor Rate Markup Fees	\$195.31
Additional Processor Fees	\$134.51
Total Calculated Fees	\$1,297.75

Estimated Annual Cost	\$15,573.04
Effective Interchange Rate	2.71%
Effective Rate After Processor Fees and Markups	3.63%

Optimized Cost Potential

Monthly Non-Negotiable Fees	\$967.93
Rate Markup Reduction to 0.51%	\$182.24
Additional Processor Fees	\$0.00
New Monthly Fees	\$1,150.18
Monthly Cost Reduction	-\$147.58

Optimized Annual Cost	\$13,802.12
New Effective Rate	3.22%

Cumulative Savings Potential

Year 1	\$1,770.92
Year 2	\$3,541.84
Year 3	\$5,312.76
Year 4	\$7,083.68
Year 5	\$8,854.60

Key Takeaways

- Your statement indicates that your business is primarily accepting card types that have high Interchange fees, such as business and corporate cards. Additionally, it appears that most of these cards are transacted online or keyed in, which also increases your non-negotiable interchange costs.
- MSI is building in a modest markup of 0.73% to your Interchange rates. However, our audit uncovered an 80% markup on one transaction (highlighted in yellow above), resulting in a fee of \$83.69. There are no further details in the statement explaining this fee.
- The statement indicates that MSI is not adding a markup over American Express transactions. This is unusual and could indicate that a markup is not being disclosed.
- We estimate that you could reduce the markup over Interchange rate to 0.51% and eliminate all monthly fees through tactical negotiations, or by shopping your merchant account to a low-cost provider.
- Due to the types of credit cards your business is accepting, and the method of acceptance, we estimate that your lowest achievable effective processing rate is 3.1% to 3.3%. However, a lower overall effective rate may be achieved through your non-negotiable costs by encouraging your customers to use debit cards, which have much lower Interchange rates. Additionally, all processing fees could be eliminated by surcharging the processing fees back to your customer, which can be accomplished with specific processors.