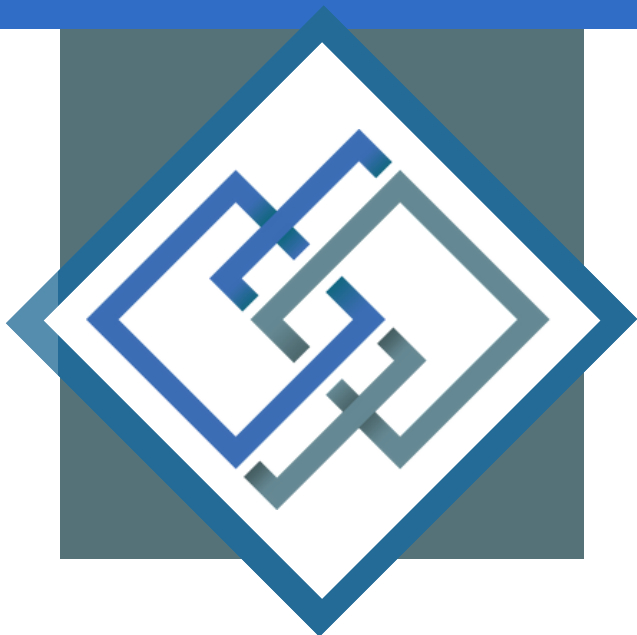


UNDERSTANDING PROCESSING FEES



Paul Lundeen
MERCHANT SERVICES

Cashless transactions are the new norm, and your business needs to be ready to accept payments the way your customers want to pay - whether online, mobile, or over the phone. However, while it may be a no-brainer to accept credit cards as a form of payment, understanding the fees associated with each transaction can be overwhelming.

It's no surprise that everyone who touches a transaction wants to get paid. However, most Merchant Service providers only discuss their processing rates without explaining the impact of the Effective Rate. The effective rate is the total processing fees divided by the total sales volume on your credit card processing statement.

KNOW YOUR FEES

Interchange Fee: This is a fee paid between banks to accept card-based transactions. This fee varies depending on many factors, such as industry, sale amount, and type of card used.

Assessment Fee: The credit card association (Visa, MasterCard, etc.) also charges a pre-negotiated percentage fee, called an assessment.

Markup Fee: Your payment provider takes a percentage cut by charging you a markup fee, which also varies by industry, the amount of the sale, and your monthly processing volume.

Processing Fee: The payment processor makes money by charging a fixed-rate fee every time you process a transaction, whether it's a sale, declined transaction, or return. There may also be fees for setup, monthly usage, and even account cancellation.

Paul Lundeen Merchant Services is your local processing partner, offering complete transparency on all fees; guiding you to make the best decision for your business. In addition, Paul will discuss your Effective Rate so you know you're getting the best rates for your business. Contact Paul today to find your opportunities for cost savings!