

How to Audit Your Own Processing Statement for Junk Charges

Seven steps and one worksheet. About an hour with three statements and a calculator, and you will know more about your account than most people who sell them.



By Luis Castillo • Updated September 14, 2026

You do not need to understand every line of a merchant statement to audit it. You need three months of statements, a calculator, about an hour, and this order of work. By the end you will know your real cost, which pricing model you are on, and which charges deserve a phone call.

Before you start: gather the last three consecutive monthly statements, and your merchant agreement if you can find it. If you use an all-in-one payment app, download its monthly sales and fee reports instead.

Step 1. Find the two totals

On the summary page of each statement, find **total fees** (sometimes "fees charged" or "total discount and fees") and **total card sales** (sometimes "gross sales" or "amount submitted"). Write both down for each month.

If you cannot find a fee total, add up every fee section yourself. Some statements deduct fees daily and show only a small monthly balance, which makes the real total look far smaller than it is.

Step 2. Work out your effective rate

Divide total fees by total card sales for each month, then average the three. That is your effective rate, and it is the only number that lets you compare your account to anything else honestly. Using three months smooths out a slow month, a chargeback, or a once-a-year fee.

Step 3. Identify your pricing model

- **Flat rate:** one percentage applied to everything, maybe with a fixed amount per transaction.

- **Tiered:** transactions sorted into buckets named qualified, mid-qualified, and non-qualified, each with its own rate.
- **Interchange plus:** a long list of card categories at different costs, plus a separate, clearly stated markup.

Tiered is the one to be most careful with, because your provider decides which bucket each transaction lands in. All three are compared in more detail in flat rate vs. interchange plus pricing (luisyourmoneyman.com/blog/flat-rate-vs-interchange-plus/).

Step 4. List every monthly line item

Go through the fee section and write down every charge that is not a per-transaction fee: account fees, statement fees, gateway fees, compliance fees, minimums, batch fees, equipment payments, annual fees. Note the amount each month. A charge that appears in one month and not the others deserves a question.

Step 5. Flag the charges that should not be there

- Anything with "non-compliance" in the name.
- A gateway or virtual terminal fee when you do not use one.
- Two charges that seem to be for the same thing.
- A monthly minimum you are actually paying, meaning your fees fell below it.
- An equipment lease or rental payment, especially for hardware you no longer use.
- Fees with official-sounding names that you cannot match to a specific card network.

The hidden fees guide (luisyourmoneyman.com/guides/avoid-hidden-merchant-fees/) explains each of these in more detail.

Step 6. Look for downgrades

On tiered statements, look at how much volume lands in non-qualified. On interchange plus statements, look for categories with words like "standard", "electronic data capture", or "key entered" carrying a lot of volume. Those usually mean transactions settled late, were keyed in, or were missing data that would have put them in a cheaper category. That is often fixable without changing providers.

Step 7. Read the messages

Every statement has a notice section, often at the very end. Read all three months. Note any fee introduced or changed, and the date it takes effect. Then check whether your effective rate moved in the months after.

The worksheet

Fill this in as you go. It is the whole audit on one page.

Item	Month 1	Month 2	Month 3
Total card sales			
Total fees			
Effective rate (fees divided by sales)			
Pricing model			
Monthly line items and amounts			
Flagged charges			
Downgraded or non-qualified volume			
Notices of fee changes, with dates			
Contract term and termination fee			

What to do with what you found

Call your provider with the list of flagged charges and ask for each one to be explained or removed. Ask for any fee increase from the notices to be reversed. Write down who you spoke to and what they agreed. Then run the effective rate again next month to see whether it actually changed.

If you would rather have a second pair of eyes first, send Luis your fees and card sales (luisyourmoneyman.com/fee-check/), and he will tell you within 24 to 48 hours whether the number looks right.

This guide is general information about how merchant accounts are usually priced and contracted. It is not legal or financial advice, and your own agreement is what governs your account. Written by Luis Castillo of Luis Your Money Man, an Independent Sales Organization. Last reviewed September 2026.

Questions about your own statement? Call or text Luis at 512-591-8039, or visit luisyourmoneyman.com/fee-check/



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U.S. Marine Corps veteran and owner of Luis Your Money Man, an Independent Sales Organization serving Austin and Central Texas. He explains merchant statements to business owners in English and Spanish, and tells them plainly when they should not switch.