

Steps to Determine Monthly Daily Average

Step 1: In the space below, draw a grid that has 7 boxes across and 5 boxes down.

Step 2: On the sample credit card statement, find the billing statement date. You will need to shade in the days that you are not going to use.

Step 3: Enter the billing date on the last day of this month in the bottom right hand corner of the box. Enter the rest of the days backwards on the chart. If the billing dates go into a different month, write in the other month that is included.

Step 4: The credit card statement has activity on it. Note the days that an activity took place. If it was a purchase add a plus sign in front of the amount spent. If the activity was a payment add a negative in front of the amount that was paid.

Step 5: Look for the previous balance on the credit card statement. That is the amount that is being carried over from the previous month. Enter that amount on the first day of the billing statement, and on each day until you come to a day that has activity on it.

Step 6: Once you get to a day with activity on it either add or subtract that activity to the previous balance. Continue step 6 until you get to the end of the billing cycle.

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Step 7: To find the daily balance, add up all the daily balances and then divide by the number of days in the billing cycle.

Balance/Number of days in billing cycle

Step 8: To find the finance charge you need to multiply the average daily balance by the percentage rate.

Finance charge= Balance x Percentage

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