

UPDATED June 19th

Replace S-PCPN 2013 – 001 with this document

SPAWAR Purchase Card Policy Notice (S-PCPN 2013- 001) – Surcharges

Note: Level 5 APCs - It is your responsibility to give this Policy Notice widest dissemination to include all AOs & CHs.

28 Jan 2013 – Effective Immediately

PURPOSE: This S-PCPN addresses policy for changes to VISA rules for merchants and to provide guidance to SPAWAR Card Holders on how to manage surcharges for use of the GCPC in Navy ERP.

OVERVIEW: [NAVY GCPC Consolidated Card Program Management Division \(CCPMD\) sent out PCAN 24 JANUARY 2013 – INFORMATION AND GUIDANCE ON CREDIT CARD SURCHARGES](#) (attached) on 25 Jan 2013

The Department of Justice recently granted preliminary approval of a settlement in an antitrust case between merchants and American Express, Visa and MasterCard. This settlement allows merchants that accept VISA, the option to pass on a surcharge fee to their customers that use credit cards. This new rule came into effect on 27 January 2013.

Merchants must abide by the following rules:

1. Each individual merchant will decide whether or not to apply a surcharge.
2. **The surcharge may not exceed 4% of purchase.**
3. Merchants must disclose surcharge at point of store entry, point of sale and as a separate line item on receipt.
4. Surcharge rules are applicable in the U.S. and U.S. territories only.
5. 10 U.S. states have restrictions on surcharges: California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma and Texas.

ACTION/GUIDANCE:

1. APCs shall notify all Card-Holders (CHs) and Approving Officials (AOs) of the ability of merchants to apply a surcharge up to 4% on Micro-Purchases.

2. CHs/AOs must ensure that purchases DO NOT exceed the Micro-Purchase threshold of \$3,000 on purchases to include surcharge and shipping costs; and \$2,500 for services to include surcharges.
3. Each site shall update Purchase Card Training and IOP to ensure understand the new rules for surcharges.
4. If the merchant exceeds 4% surcharge:
 - Notify the merchant and ask for a credit for the excess (over 4%)
 - If merchant does not credit in 30 days, handle in the same manner as a dispute
 - Process in Navy ERP as a credit.
5. Below is the process that will be used for handling surcharges in Navy ERP.

SPAWAR Navy ERP Process for vendor surcharge:

Create a separate line for the surcharge with the following PR entry:

1. Item Overview section:

- 1a. Account Assignment Category ("A" column) - "N" or "P"
- 1b. Item Category ("I" column) – "D"
- 1c. Short Text – VENDOR SURCHARGE
- 1d. Quantity – 1
- 1e. Unit of measure - AU
- 1f. Material Group – 3590 (Misc.)

Note: Do not forget to populate the Delivery Date, Plant, Storage Location, Purchasing Group, Requested By, Des. Vendor, and Purchasing Org. For further instruction check the Navy ERP P-Card desk guide.

2. Item Detail section:

- 2a. Limits tab – Overall Limit and Expected value – amount of the surcharge
- 2b. Enter in the NWA or WBS
- 2c. G/L Account – 6100.3252

If this is the last line select the Adhoc approver, save, and submit to workflow if PR is ready.

If you have questions please contact the SPAWAR Level 3 APC, Randy Grau.

Randy Grau
SPAWAR Claimancy Purchase Card APC
SPAWARSYSCOM Policy Branch 2.3.1
Phone: (858) 537-0440
E-mail: randall.grau@navy.mil