



State of Georgia
Department of Administrative Services
State Purchasing Division

Official Announcement # 25-01

From: Jim Barnaby, Deputy Commissioner of State Purchasing Initials: JB

Date: August 20, 2024

To: State of Georgia Purchasing Card Administrators and Chief Financial Officers

Re: **Announcement of Revised Statewide Purchasing Card Policy**

The State Purchasing Division (SPD) is pleased to announce several policy updates to be incorporated into the [Statewide Purchasing Card Policy](#) (“the P-Card Policy”), **effective September 1, 2024**. Policy updates are outlined below and in the attached Summary of Statewide Purchasing Card Policy Changes Table.

1. **Alternative Account Types.** Alternative account types require approval in writing from the SPD P-Card Program.
2. **Reconciler Role.** Corrected typo in policy. Changed language in Section 6.1.3 from “The cardholder role can be given...” to be “The reconciler role can be given...”.
3. **Emergencies and Natural Disasters.** Added language clarifying p-card use during emergency situations to protect health and safety, prevent significant disruption in operations or address immediate or unforeseen circumstances requiring prompt action.
4. **Surcharges, Convenience Fees, and Service Charges.** Addition of language related to rules by the Networks or Associations.
5. **Surcharges.** Remove requirement to obtain an acknowledgement letter from network to supplier as this is not a current requirement for the networks to provide and most suppliers do not have this.
6. **Convenience Fees.** Removed “examples of common violations of Visa’s convenience fee policy”.
7. **Schedule of Cycle End Dates and Payment Due Dates.** Updated with the upcoming year’s dates.
8. **Global Edits and General Clean-Up:** SPD has made some general formatting and clean-up in the P-Card Policy and updated links to websites and forms.

SPD will conduct webinars to review these changes. Please distribute this Official Announcement internally. For any questions related to this Official Announcement, please email us at cardprograms@doas.ga.gov.



Summary of Georgia Statewide Purchasing Card Policy Changes

Effective September 1, 2024

NOTE: This table summarizes changes to the Statewide Purchasing Card Policy (the “P-Card Policy”) as announced through Official Announcement #25-01. If there is any conflict between this table and the P-Card Policy, the revised P-Card Policy shall govern.

P-Card Policy Section	Original	Update
Global Updates		
Formatting was updated throughout, including section numbering, page margins, and general grammatical adjustments. Links to websites and forms updated.		
Cover Page		
Updated release date.		
1. Types of Accounts		
1.3 Alternative Account Types	Addition	1.3 Alternative Account Types All other account types require approval from the State Purchasing Division P-Card Program . This category encompasses various forms of accounts, including but not limited to store or business accounts, single-use accounts, ghost cards, and any additional account classifications not previously specified. Approval must be formally obtained to ensure compliance with state regulations and oversight requirements.
6. Internal Controls		
6.1 General Requirements	6.1.3 Reconcilers are limited to one per card and cannot be a subordinate of the cardholder. The cardholder role can be given to either the cardholder or assigned to a proxy to reconcile on the cardholder’s behalf.	6.1.3 Reconcilers are limited to one per card and cannot be a subordinate of the cardholder. The reconciler role can be given to either the cardholder or assigned to a proxy to reconcile on the cardholder’s behalf.

P-Card Policy Section	Original	Update
8. Use of the Card and Other Accounts		
<p>8.3 Declared Emergencies and Natural Disasters</p>	<p>8.3 Declared Emergencies and Natural Disasters</p> <p>The Georgia Procurement Manual grants authority to forego standard procurement requirements for needs arising from unforeseen causes.</p> <p>Program Administrators must report “emergency purchases,” as defined and authorized by the Georgia Procurement Manual, to SPD, as well as any other exception to the Statewide Purchasing Card Policy authorized by the Georgia Procurement Manual, such as exceeding single transaction and cycle limits.</p> <p>8.3.1 The Program Administrator must submit the Form SPD-PC003, Special Approval Request, to notify the State Purchasing Division within 72 hours of any actions taken in response to these emergencies and the nature of the actions taken. Statewide Purchasing Card Policy Revised May 1, 2023 22</p> <p>8.3.2 Documentation for transactions must follow guidelines for emergency purchases as contained in the Georgia Procurement Manual, including use of and retention of Form SPD-NI004, Emergency Justification Form. Additionally, prohibited MCCs may be authorized for emergency purposes at the discretion of SPD. Program Administrators can make these requests using the Special Approval Request, Form SPD-PC003. Key personnel responsible for implementing a State Entity’s response to emergencies must know how to contact the State</p>	<p>8.3 Emergencies and Natural Disasters</p> <p>At times, an emergency purchase must be made to prevent a significant disruption in operations, to protect health and safety, or to address immediate or unforeseen circumstances requiring prompt action. This can include, but is not limited to, repairs to essential equipment, procurement of safety or personal protection gear, or immediate need for services to restore infrastructure functionalities.</p> <p>Purchasing Card Administrators are permitted to allow these transactions and to waive other Statewide Purchasing Card Policy requirements.</p> <p>Additionally, prohibited MCCs may be authorized for emergency purposes at the discretion of SPD. Program Administrators can make these requests using the Special Approval Request, Form SPD-PC003.</p> <p>8.3.1 The Program Administrator must submit the Form SPD-PC003, Special Approval Request, to notify the State Purchasing Division within 72 hours after any actions taken in response to these emergencies and the nature of the actions taken.</p> <p>O.C.G.A. § 50-5-71 and The Georgia Procurement Manual grant authority to purchase in the open market, if needed, for certain unforeseen causes, including delay by contractors, delay in transportation, breakdown in machinery, unanticipated volume of work, or upon the declaration of a state of emergency.</p> <p>Program Administrators must report “emergency purchases,” as defined and authorized by the Georgia Procurement Manual, to SPD, as well as any exception to the Statewide Purchasing Card Policy, such as exceeding single transaction and cycle limits.</p>

P-Card Policy Section	Original	Update
	<p>Entity’s APO/CUPO, the Card Program Administrator, and the back-up Card Program Administrator. State Entity procurement personnel should have access to State Purchasing Division and Bank contact information to address card-related issues, including, but not limited to, corporate credit limit, individual card credit limits, and Merchant Category Code groups.</p>	<p>8.3.2 Documentation for transactions must follow guidelines for emergency purchases as contained in the Georgia Procurement Manual, including use of and retention of Form SPD-NI004, Emergency Justification Form.</p> <p>Key personnel responsible for implementing a State Entity’s response to emergencies must know how to contact the State Entity’s APO/CUPO, the Card Program Administrator, and the back-up Card Program Administrator. State Entity procurement personnel should have access to State Purchasing Division and Bank contact information to address card-related issues, including, but not limited to, corporate credit limit, individual card credit limits, and Merchant Category Code groups.</p>
<p>9. Surcharges, Convenience Fees, and Service Charges</p>		
<p>9. Surcharges, Convenience Fees, and Service Charges</p>	<p>9 Surcharges, Convenience Fees, and Service Charges Many suppliers charge a credit card processing fee or convenience fee for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard (also called the Associations). These must be clearly labeled in the documentation as the amount and include which fee was charged.</p>	<p>9 Surcharges, Convenience Fees, and Service Charges Many suppliers charge a credit card processing fee or convenience fee for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard (also called the Associations). These must be clearly labeled in the documentation as the amount and include which fee was charged.</p>
<p>9.1 Surcharges</p>	<p>9.1 Surcharges According to Visa’s <i>Card Acceptance and Chargeback Management Guidelines for Merchants</i> (Merchants is synonymous with suppliers) available on Visa’s website, credit card surcharges are allowed but cannot be more than the amount the supplier’s bank charges them for processing the transaction. Also, the supplier cannot charge both a surcharge and a convenience fee, explained below.</p>	<p>9.1 Surcharges According to Visa Core Rules and Visa Product and Service Rules (“Visa’s rules”) available on Visa’s website, credit card surcharges are allowed but cannot be more than the amount the supplier’s bank charges them for processing the transaction. Also, the supplier cannot charge both a surcharge and a convenience fee, explained below. The maximum allowable surcharge is established by the supplier’s card provider for the card acceptance program and must be shown as a line item on the details invoice or receipt.² Whenever a supplier charges a surcharge, the following rules apply:</p>

² As of the adoption of the August 1, 2024, policy revision, the current merchant card provider for the p-card program is Visa, and Visa guidelines establish a 4% surcharge.

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	<p>The maximum allowable surcharge is established by the merchant card provider for the p-card program and must be shown as a line item on the details invoice or receipt.¹ Whenever a supplier charges a surcharge, the following rules apply:</p> <ol style="list-style-type: none"> 1. The supplier must have provided the merchant card provider for the p-card program and their merchant bank at least 30 days’ notification of the intent to impose surcharges. 2. The fact that the supplier imposes these charges must be clearly posted on the door and at point-of-sale for physical locations and on websites when sales are made via the internet and inform the customer: <ol style="list-style-type: none"> a. Of the exact percent of the surcharge, b. That it is being assessed by the supplier and is only applicable on credit transactions, and c. That it is not greater than what the supplier pays to the merchant card provider for the p-card program. <p>For any transaction where the supplier has charged a surcharge, a State of Georgia cardholder must obtain a copy of the acknowledgement letter sent to the supplier by the merchant card provider for the p-card program authorizing the supplier to impose a</p>	<ol style="list-style-type: none"> 1. The supplier must have provided the card provider at least 30 days’ notification of the intent to impose surcharges. 2. The fact that the supplier imposes these charges must be clearly posted on the door and at point-of-sale for physical locations and on websites when sales are made via the internet and inform the customer: <ol style="list-style-type: none"> a. Of the exact percent of the surcharge, b. That it is being assessed by the supplier and is only applicable on credit transactions, and c. That it is not greater than what the supplier pays to the merchant card provider for the p-card program.

¹ As of the adoption of the August 1, 2024, policy revision, the current merchant card provider for the p-card program is Visa, and Visa guidelines establish a 4% surcharge.

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	<p>surcharge. This copy must be maintained with the invoice and all other documentation for the transaction, including uploading to Team Georgia Marketplace™, if applicable. In the event of a regular supplier, a copy on file with the Card Program Administrator will be sufficient.</p>	
<p>9.2 Convenience Fees</p>	<p>9.2 Convenience Fees Convenience fees for certain transactions can be paid if they are charged in compliance with Visa rules. The State of Georgia P-Card and other accounts are Bank of America Visa accounts; therefore, Visa regulations apply. Convenience fees are allowed if they are charged in compliance with Visa rules. For merchants who offer an alternate payment channel (i.e., mail, telephone, or e-commerce) for customers to pay for goods or services, a convenience fee may be added to the transaction amount. If the supplier chooses to assess a convenience fee to its customers, the merchant must adhere to the following rules.</p> <p>9.2.1 The fee is being charged for a bona fide convenience of using an alternative payment channel outside the supplier’s normal business practice.</p> <p>9.2.2 The fee</p> <ol style="list-style-type: none"> 1. Must be disclosed to the customer as a charge for the alternative payment channel convenience. 2. Is applied only to transactions that are not face-to-face. 3. Must be a flat or fixed amount, regardless of the amount of the payment due. 	<p>9.2 Convenience Fees Convenience fees for certain transactions can be paid if they are charged in compliance with Visa rules. The State of Georgia P-Card and other accounts are Bank of America Visa accounts; therefore, Visa regulations apply. Convenience fees are allowed if they are charged in compliance with Visa rules. For merchants who offer an alternate payment channel (i.e., mail, telephone, or e-commerce) for customers to pay for goods or services, a convenience fee may be added to the transaction amount. If the supplier chooses to assess a convenience fee to its customers, the merchant must adhere to the following rules.</p> <p>9.2.1 The fee is being charged for a bona fide convenience of using an alternative payment channel outside the supplier’s normal business practice.</p> <p>9.2.2 The fee</p> <ol style="list-style-type: none"> 1. Must be disclosed to the customer as a charge for the alternative payment channel convenience. 2. Is applied only to transactions that are not face-to-face. 3. Must be a flat or fixed amount, regardless of the amount of the payment due. 4. Is applied to all forms of payment products accepted in the alternative payment channel. 5. Is included as part of the total transaction amount. 6. Cannot be added to a recurring transaction. 7. Is assessed by the supplier that provides the goods or services to the cardholder and not a third party. <p>9.2.3 The customer must be given the opportunity to cancel prior to the completion of the transaction.</p>

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	<ol style="list-style-type: none"> 4. Is applied to all forms of payment products accepted in the alternative payment channel. 5. Is included as part of the total transaction amount. 6. Cannot be added to a recurring transaction. 7. Is assessed by the supplier that provides the goods or services to the cardholder and not a third party. <p>9.2.3 The customer must be given the opportunity to cancel prior to the completion of the transaction.</p> <p>Visa is very clear about what a convenience fee is and how and when it can be charged. As a result, many suppliers that charge fees do so incorrectly and are therefore out of compliance with Visa regulations.</p> <p>Examples of common violations of Visa’s convenience fee policy include, but are not limited to, the following:</p> <ol style="list-style-type: none"> 1. Charging a tiered or percentage-based fee. Only a flat fee regardless of the transaction amount is allowed. 2. Charging a fee for a transaction below or above a certain dollar amount. Convenience fees must be charged on all transaction regardless of amount. 3. Charging the fee in person for face-to-face or point of sale transactions. The fees can only be applied to transactions via the mail, telephone, or internet. 4. Charging only for Visa or credit card transactions. Convenience fees must be 	<p>Convenience fees charged in accordance with Visa’s rules quoted above are permitted on the P-Card or other accounts. For clarifications, please consult your Entity’s P-Card Administrator.</p>

P-Card Policy Section	Original	Update
	<p>applied to all payment methods accepted via that channel.</p> <ol style="list-style-type: none"> 5. Calling the fee, a processing fee, credit card fee, surcharge, or anything other than a convenience fee. The fee is designed to offset the cost of the convenience, not the cost of accepting credit cards. 6. Charging higher prices for credit card purchases versus checks or cash. Note: Suppliers may offer a cash discount to customers paying with cash in person. 7. Charging a convenience fee via the internet when that is the supplier's only normal business practice. If the supplier sells only on the internet, there is no convenience versus coming into a retail location; therefore, no convenience fee can be charged. <p>There are many ways a supplier's actions can fall outside Visa's guidelines. As such, only suppliers in compliance with the guidelines shall be allowed to receive convenience fees via the P-Card or other accounts.</p> <p>One example of an allowable convenience fee is a utility that charges a convenience fee for paying a bill via the phone or internet versus having to come to an office and drop off a payment. As long as the convenience fee is a flat fee and is charged to all transactions accepted via the phone or internet (such as all card types, electronic checks, etc.), it is acceptable on a P-Card transaction.</p> <p>Convenience fees charged in accordance with the Visa guidelines quoted above are permitted on</p>	

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	<p>the P-Card or other accounts. For clarifications, please consult your Entity’s P-Card Administrator or contact SPD. Violations of the Visa guidelines should be reported to SPD as suppliers can be reported to Visa through Bank of America.</p>	
<p>Addendum: Schedule of Cycle End Dates and Payment Due Dates</p>		
<p>Schedules for estimated cycle end dates and payment due dates for billing cycles ending on the 27th and 15th have been updated with upcoming year’s dates.</p>		