



October 31, 2008

GSA SMARTPAY® SMART BULLETIN

**U.S. GENERAL SERVICES ADMINISTRATION
FEDERAL ACQUISITION SERVICE
SMART BULLETIN NO. 005**

Notice Regarding Transaction Dispute Time Frame under GSA SmartPay® 2 Master Contract

INTRODUCTION:

The GSA SmartPay® 2 master contract provides 90 calendar days following the transaction date to file a dispute. It is highly recommended not to delay filing a dispute when required.

BUSINESS LINE(S) AFFECTED: Purchase, Travel, Fleet, Integrated

SUMMARY:

According to the GSA SmartPay® 2 master contract, the cardholder is responsible for notifying the bank contractor of any transactions in dispute and shall have 90 calendar days from the date that transaction has posted to the account to initiate a dispute. This notification of transaction dispute may occur via the bank's Electronic Access System (EAS) described in master contract section C.2.6.3, telephone, or other means (e.g., facsimile, mail), but must be followed up in writing if required by the bank's contractor operating rules and regulations. It is highly recommended that cardholders utilize the bank's EAS to monitor all transactions prior to the statement date, especially in the likelihood of a dispute. The cardholder shall adhere to the contractor's operating rules and regulations regarding disputes.

Maximum efforts should be made to initiate a transaction dispute (when needed) with the contractor as soon as possible. Merchants will only be charged back for a disputed transaction within 120 calendar days from the transaction date. If the full 90 calendar days transpires before filing a dispute, only 30 days remain for the bank contractor and the Association (Visa or MasterCard) to investigate the dispute charge back the merchant if necessary. The less time allowed for thorough investigation of the dispute, the greater the potential for fewer disputes being ruled in favor of the government/cardholder.

Exceptions to 120 day chargeback time as provided by Visa International:

- 1) "When a special order is placed and a charge is processed even though the item may not get shipped for several months."
- 2) "Whenever there is an agreed upon date for delivery, the dispute chargeback must be processed within 120 calendar days from the expected receipt date, as specified by the Cardholder, if the merchant agreed to provide services or merchandise after the central processing date (date the transaction occurs). If cardholders had their merchants guarantee delivery by a certain date (to include customs delays) that would give them the required exception. Merchants may not be willing to gamble on customs being efficient."

ACTION:

Cardholders should regularly access their accounts through their servicing contractor bank's electronic access system, verifying the charges on the account on a regular basis. As soon as a dispute is deemed necessary, cardholders should not delay in notifying the contractor bank. Submitting a dispute as early as possible will ensure the contractor bank has ample time to investigate the disputed transaction. Allowing the maximum time for investigation will give the cardholder the best chance for thorough dispute investigation and afford the bank contractor the best opportunity to charge back the merchant if necessary.

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If you have any questions or comments regarding this Smart Bulletin, please contact Phil Myers at 703-605-2811 or phillip.myers@gsa.gov.

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