

**Quick Reference Guide to Posting Credit Card Transactions**

**Local units are responsible for processing both credit card deposits and fees.**

The following example demonstrates how local units should post credit card transactions to the general ledger. The example assumes a local unit is running a seminar and accepts credit cards as payment (income). A total of \$1,000 was processed each day over a 10 day period by credit card and the bank charged a 0.5% (example rate, card fees vary) credit card processing fee (\$5 per day, \$50 per month).

Credit Card	How Bank Records	Amount Credited (Charged) to Bank Statement	Source and timing of Credit Card Processing Fee Journal Entry	Journal Entry Required
Amex <b>(Beginning Dec. 1, 2001)</b>	Amex receipts are reflected each day gross of processing fees.  Amex directly debits credit card processing fees to the bank account on the 1 <sup>st</sup> business day of each month for all transactions processed in the previous month.  <i>Note: Amex discount rate is 2.1%</i>	\$1,000 credit each day  \$50 lump sum charge for the month	Amex fees should be posted monthly based on the American Express Merchant Statement (Beginning January 2002 statements will be sent directly to local units)  <i>NOTE: Merchant Statements are mailed the 1<sup>st</sup> week of the month and reflect fees for previous month's activity.</i>	<i>To post credit card receipts daily:</i> <ul style="list-style-type: none"> <li>Debit: Credit Card Cash Account (object code 0011) for \$1,000</li> <li>Credit: Revenue or receivable object code for \$1,000</li> </ul> <i>To post credit card fees monthly:</i> <ul style="list-style-type: none"> <li>Debit: Credit Card fees object code 8040 for \$50</li> <li>Credit: Credit Card Cash Account (object code 0011) for \$50</li> </ul>
Discover	Discover receipts are reflected each day gross of processing fees.  Discover directly debits credit card processing fees to the bank account on the 1 <sup>st</sup> business day of each month for all transactions processed in the previous month.  <i>Note: Discover discount rate is 1.6%</i>	\$1,000 credit each day  \$50 lump sum charge for the month	Credit card fees should be posted monthly based on the Discover Merchant Statement (sent directly to local units)  <i>NOTE: Merchant Statements are mailed the 1<sup>st</sup> week of the month and reflect fees for previous month's activity</i>	<i>To post credit card receipts daily:</i> <ul style="list-style-type: none"> <li>Debit: Credit Card Cash Account (object code 0011) for \$1,000</li> <li>Credit: Revenue or receivable object code for \$1,000</li> </ul> <i>To post credit card fees monthly:</i> <ul style="list-style-type: none"> <li>Debit: Credit Card fees object code 8040 for \$50</li> <li>Credit: Credit Card Cash Account (object code 0011) for \$50</li> </ul>
Visa/MasterCard	MC/Visa receipts are reflected each day gross of processing fees.  MC/Visa directly debits credit card processing fees to the bank account on the 1 <sup>st</sup> business day of each month for all transactions processed in the previous month..  <i>Note: Local units know MC/Visa credit card fee rate. If uncertain please check with Cash Mgt for your rate.</i>	\$1,000 credit each day  \$50 lump sum charge for the month	Credit card fees should be posted monthly based on the Fleet Merchant Statement (sent to directly to local units)  <i>NOTE: Merchant Statements are mailed the 1<sup>st</sup> week of the month and reflect fees for previous month's activity</i>	<i>To post credit card receipts daily:</i> <ul style="list-style-type: none"> <li>Debit Credit Card Cash Account (object code 0011) for \$1,000</li> <li>Credit: Revenue or receivable object code for \$1,000</li> </ul> <i>To post credit card fees monthly:</i> <ul style="list-style-type: none"> <li>Debit: Credit Card fees object code 8040 for \$50</li> <li>Credit: Credit Card Cash Account (object code 0011) for \$50</li> </ul>

If you have any questions please contact Cash Management at 495-4397