


# How to – On-Charge Credit Card Fees

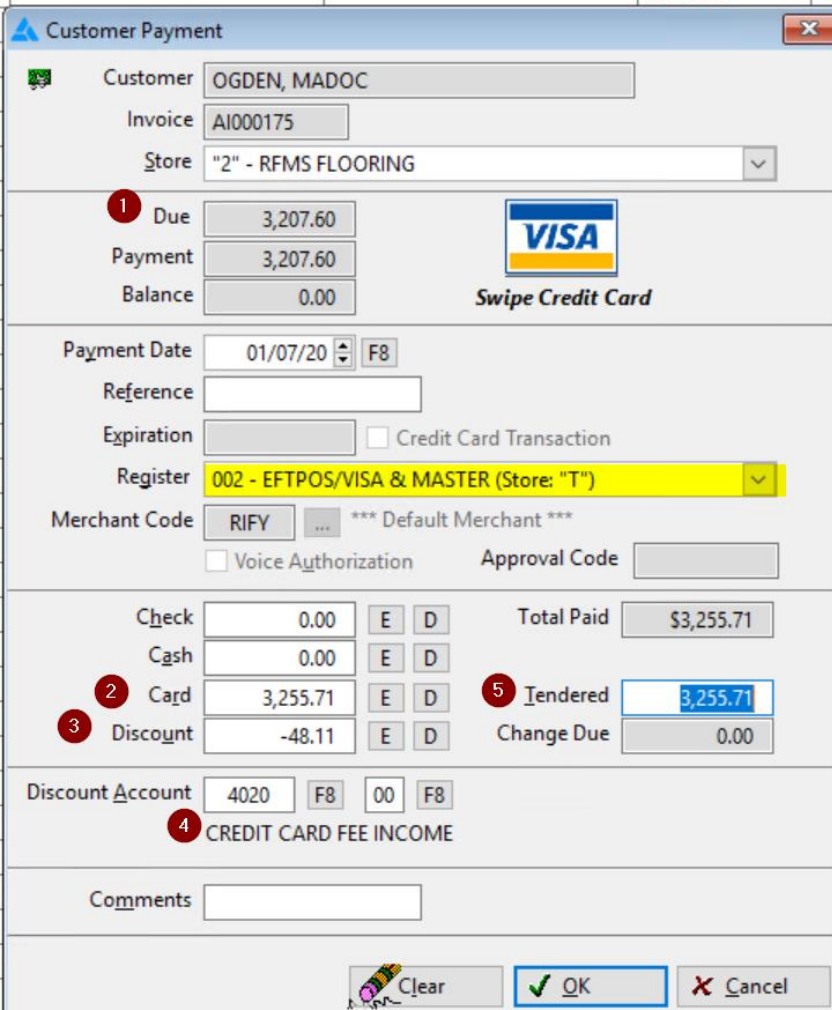
## Overview

The purpose of this document is to outline how to process add on Credit Card Fees

### 1.0 Customer Payment

Go to Order Entry > File > Customer Orders, find and highlight the customer order and click the  receipt icon in the tool bar.

Payment date is the date the payment made; Choose the appropriate register (likely EFT / Credit Cards). The total to be posted in the Card field will be the balance owing on the invoice plus the credit card fee. In this example the balance owing on the invoice is \$3,207.60. The credit card fee is 1.5% or \$48.11 so total to pay is 3,255.71. Following is a receipt ready to post



**Customer Payment**

Customer: OGDEN, MADOC  
 Invoice: AI000175  
 Store: "2" - RFMS FLOORING

1 Due: 3,207.60  
 Payment: 3,207.60  
 Balance: 0.00

Payment Date: 01/07/20 F8  
 Reference:  
 Expiration:  Credit Card Transaction  
 Register: 002 - EFTPOS/VISA & MASTER (Store: "T")  
 Merchant Code: RIFY \*\*\* Default Merchant \*\*\*  
 Voice Authorization Approval Code:

Check: 0.00 E D Total Paid: \$3,255.71  
 Cash: 0.00 E D  
 2 Card: 3,255.71 E D 5 Tendered: 3,255.71  
 3 Discount: -48.11 E D Change Due: 0.00

Discount Account: 4020 F8 00 F8  
 4 CREDIT CARD FEE INCOME

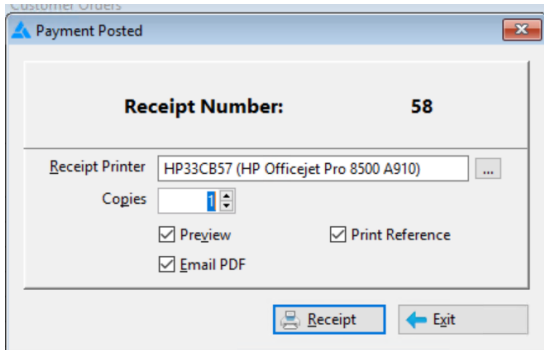
Comments:

Clear OK Cancel

- (1) Due amount is the balance of the invoice
- (2) Card amount is invoice balance plus credit card fee
- (3) Discount amount is the add on for credit card fee. This is a negative number as it is additional income
- (4) The GL account code at the Discount Account should be changed to the GL account where you want to post the credit card fee. In this example we have chosen 4020 Credit Card Fee Income  
 Use the F8 key at Discount Account to find the appropriate GL account code to post the discount portion to.
- (5) Tendered amount is the sum of the balance owing on the invoice and credit card fee

# How to – On-Charge Credit Card Fees

The Receipt will come up for printing



Click the Receipt button to preview the receipt.



RFMS FLOORING  
UNIT 2  
SNUGBOUROUGH TRADING ESTATE  
ISLE OF MAN, IM4 4LH  
Telephone: 01624 611 3 Fax: 01624 611 4

Page: 1  
AI000175

Sold To	Ship To
OGDEN, MADOC 2B VICTORIA STREET MOSGIEL 9024	OGDEN, MADOC

<b>Order Date</b> 27/09/19	<h2>Receipt History</h2>	<b>Order Number</b> AI000175
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Receipt Number	Pay Date	Cash	Check	Credit Card	Discount	Total Payment	Finance Charge
58	01/07/20	0.00	0.00	3,255.71	-48.11	3,255.71	0.00

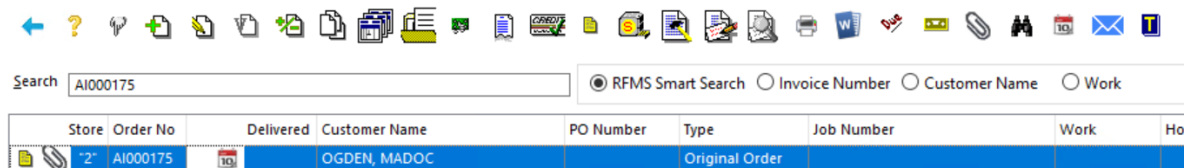
  

<p>— 01/07/20 —</p> <p>Sales Representative(s): CHRISTINE OGDEN</p>	<p>5:31PM –</p> <p>2 <b>GROSS TOTAL:</b> \$3,207.60</p> <p>Discount: 48.11</p> <p>3 <b>Payment(s):</b> -3,255.71</p> <p>Finance Charge(s): 0.00</p> <hr/> <p>4 <b>BALANCE DUE:</b> \$0.00</p>
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- (1) And (2) Discount is the Credit Card Fee
- (3) Payment(s) amount is the order payments plus the credit card fee
- (4) Balance Due \$0.00

Alternatively, if you want to show the Credit Card Fee then you'll need to use word merge to create a Invoice / Credit Card Tax Receipt.

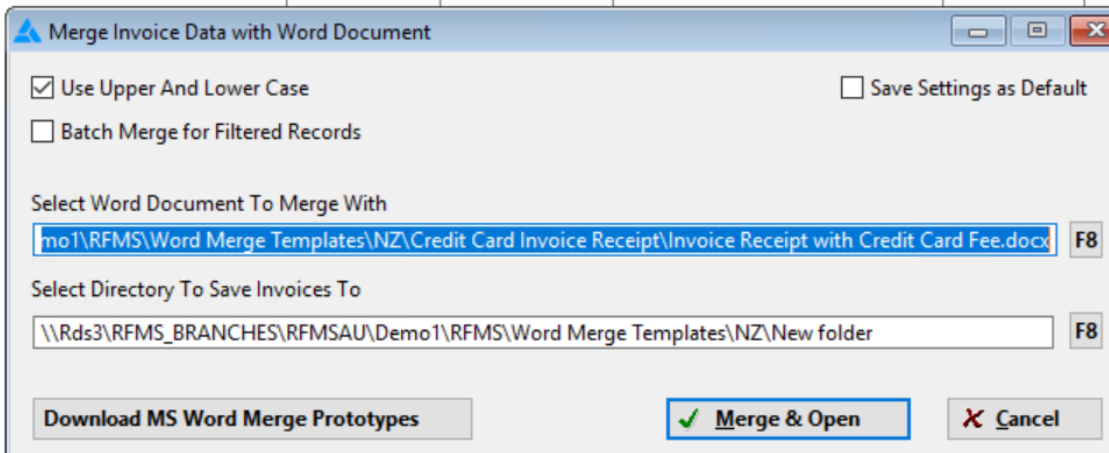
Once the payment has been taken you will be returned to the browse screen



# How to – On-Charge Credit Card Fees

Click on the Word Merge Icon  in the tool bar.

A window “Merge Invoice Date with Word Document” box will show next



Click the F8 keys to select word document to merge with and select directory to save invoice to

Click Merge & Open the Invoice / Credit Card Fee Receipt to continue.

The word application will open, and the Word Merge Invoice / Credit Card Fee Tax Receipt will show.

# THE STORE

## LUXURY FLOORING

Australia · New Zealand

**The Store Limited**  
 PO Box 238  
 Mosgiel, 9053  
 New Zealand  
 NZ: 0800 643 012  
 www.thestore.com  
 GST: 107-459-065

AI000175

### Invoice / Credit Card Fee Tax Receipt

Sold To	Ship To
Madoc Ogden 2b Victoria Street Mosgiel 9024	Madoc Ogden

Invoice Number	Invoice Date	PO Number	Job Number
AI000175			

#### Total Invoice is Inclusive of GST

Sales Representative(s):  
 Christine Ogden  
 PAYMENT DETAILS: ANZ BANK  
 ACCOUNT NAME: The Store Limited  
 BSB: 012077 ACCOUNT NO: 3791123311

TAX INVOICE: AI000175

Subtotal: \$2,916  
 GST: \$291.60

**1 INVOICE TOTAL: \$3,207.60**

When direct crediting to our account please use the **invoice number** as a reference.

**2** Credit Card Fee: \$48.11  
 Incl. GST of \$6.28

**3 Total Paid: \$3,255.71**

**4** Balance Due: \$00.00

GST for both the invoice and the Credit Card Fee is displayed

## General Ledger Posting

1. Job Costed Invoices; The invoice payment portion will post to Accounts Receivable (Trade Debtors). DR Bank; Credit Accounts Receivable
2. Un Job Costed Invoices; the invoice payment portion will post to Customer Deposits. DR Bank; CR Customer Deposits
3. Credit Card Fee will post to the GL account chosen when posting the credit card fee on the receipt. In this example GL 4020 Credit Card Fee Income.

**IMPORTANT INFORMATION:** A GL journal will be required to move the GST Collection portion to GST Collected (Sales). Refer to your financial advisor as to frequency of posting this General Ledger Batch Journal Entry but some suggestions are – Each day as part of balancing monies taken for the day; Monthly by the office administrator as part of the month end close process or; by the financial advisor at financial reporting time.

## Credit Card Service Fee and GST

The following information is an explanation and government links as to why the credit card surcharge contains GST

### Australia GST and Credit Card Service Fee Explanation:

The following information is regarding GST and the Credit Card Service from ATO – Australia

Reference Link: [Click Here](#)

This issue is a public ruling for the purposes of section 105-60 of Schedule 1 to the *Taxation Administration Act 1953*.

Yes. The surcharge is considered to form part of the price for the merchant's supply of goods or services to the cardholder. It is a component of the consideration payable in respect of the supply.

Example 1: Purchase of a shirt- Taxable supply

Anastasia is in a store and decides to purchase a shirt. The shirt's price tag indicates that the price is \$55 (inclusive of GST). There is a sign at the counter indicating that a surcharge of 3% of the price will be imposed if payment is made by credit card.

Anastasia decides to pay by credit card and the merchant imposes a surcharge of \$1.65 in respect of the sale. The price payable in respect of the shirt is now \$56.65. As the supply of the shirt is a taxable supply, the GST payable in respect of the sale is \$5.15, being 1/11th of the GST inclusive price of \$56.65.

(End of example)

## **New Zealand GST and Credit Card Service Fee Explanation:**

The following is information regarding GST and the Credit Card Service from IRD – New Zealand

Reference Link [Click Here](#)

### **CREDIT CARD SERVICE FEE AND GST**

#### **Clause 133**

**Issue: GST should apply to the credit card service fee**

#### **Submission**

#### **(New Zealand Institute of Chartered Accountants)**

The scheme of the GST Act is that GST applies to all goods and services unless there are valid reasons from departing from this. We do not see a case for departing from the scheme of the GST Act, which the current wording of the bill would suggest.

The credit card service fee is not exempt from GST. The current wording of clause 133 “plus any GST” infers that GST does apply, but it is the rate of GST that may vary. For example, an overseas-based taxpayer who opts to pay their income tax debt by credit card will be subject to the credit card service fee plus GST, but because they are not resident in New Zealand, the rate at which GST is charged will be zero. Alternatively, a resident taxpayer who pays their income tax debt by credit card will be subject to the credit card service fee plus GST at a rate of 15%