

## **PCPN# FY04-08 - Purchase Card Program - Electronic Dispute Procedures**

Note: Level 3 APCs - IT IS YOUR RESPONSIBILITY TO GIVE THIS NOTICE WIDEST DISSEMINATION TO PROGRAM PARTICIPANTS TO INCLUDE: APCs, AOs AND CHs IN YOUR HIERARCHY.

On November 22nd Citibank will implement their electronic disputes process for both CitiDirect and SALTS users. This upgrade will improve the CitiDirect Dispute initiation process, enhance the overall Dispute processing and will require special procedures as presented below.

### **Description:**

Starting on November 22nd, CitiDirect cardholders will be able to initiate a dispute through the CitiDirect Dispute Form online. When initiated online, CitiDirect dispute forms for Navy/Marine Corps transactions will be pre-populated with the transaction's SDN. Once the cardholder clicks the 'Submit Dispute' button within CitiDirect, a pop-up window will direct them to print the form, sign it and fax it to Citibank Customer Service (1-605-357-2019). The online submission must be followed up with a faxed or mailed copy in order to continue the dispute process. The cardholder then clicks 'Okay'. The transaction will be given a Dispute Status of 'Submitted' on the CitiDirect Dispute Log and will be noted as "Disputed" on the Statement. A memo electronic record of the dispute will be passed to the Citibank Dispute Operations department where they will await the receipt of the cardholder's signed dispute form. Also at this time, CitiDirect will send a de-obligation for the amount of the disputed transaction (CitiDirect users only) and the subsequent invoice will be short paid by the same amount. Once the Citibank Dispute Operations Department receives the dispute form, the status of the dispute will be changed to 'Pending' in the CitiDirect Dispute Log and will remain in that status until resolved.

If the dispute is found in favor of the cardholder, the merchant will credit the appropriate amount to the associated cardholder account. To offset this credit (the previous invoice was already short-paid), Citibank will re-present to the cardholder account the original debit transaction flagged with an 'R'. The net amount of this e-statement will be that of the current month's transactions - the merchant credit and the re-presented debit will cancel each other (please see Example 1 below).

If the dispute is found in favor of the merchant, or if the Citibank Dispute Operations Department does not receive the signed paper dispute form within 30 calendar days of the dispute submission date, the transaction will be removed from dispute status, designated 'Settled - Merchant Favor' and re-billed to the cardholder (please see Example 2 below). This re-billed transaction will show up in your eStatement the following cycle. If the cardholder tries to dispute the re-billed transaction, a pop-up window will instruct him/her to call Citibank Customer Service (1-800-790-7206) and request a re-dispute (if still within the 60 day window). The cardholder will have to forward another dispute form to Citibank to re-initiate the dispute process. This re-dispute will not short-pay the invoice - it is considered an exception process and the cardholder can either certify the full statement and accept the credit when resolved or pay by paper and short-pay the re-billed amount.

Note: If the cardholder manually short-pays the invoice containing the re-billed transaction, and if the dispute is resolved in their favor (resulting in a credit), the cardholder must manually certify the subsequent invoice on which the credit appears and ignore the credit. This will prevent a double deduction since the previous invoice was short paid.

**FOR CITIDIRECT USERS:**

The following scenarios apply.

Example 1: Dispute resolved in favor of cardholder:

September Invoice

Throughout cycle: 10 new items for \$10 each. \$100 total.

Cardholder disputes one \$10 obligation.

Same day: CitiDirect sends de-obligation for original transaction (-\$10).

At cycle end: Cardholder approves, AO certifies, statement for \$90.

DFAS pays \$90.

End Result: Invoice "short-paid" \$10

October Invoice

Throughout cycle: 10 new items for \$10 each. \$100 total.

September dispute found in favor of the cardholder.

Citibank re-presents original debit transaction for \$10

CitiDirect sends corresponding obligation against current SDN (+\$10).

Citibank receives \$10 credit from merchant and posts to CitiDirect.

CitiDirect sends credit obligation to DFAS (-\$10)

Current total obligated: \$100 (\$100 new + \$10 re-present - \$10 credit).

At cycle end: cardholder approves, AO certifies, statement for \$100.

End Result: DFAS pays \$100

Total Valid Purchases, Sept and Oct: \$190.

Total Paid, Sept and Oct: \$190 (\$90 + \$100).

Example 2: Dispute resolved in favor of the merchant:

September Invoice

Throughout cycle: 10 new items for \$10 each. \$100 total.

Cardholder disputes one obligation.

Same day: CitiDirect sends de-obligation for original transaction (-\$10).

At cycle end: Cardholder approves, AO certifies, statement for \$90.

DFAS pays \$90.

End Result: Invoice "short-paid" \$10

October Invoice

Throughout cycle: 10 new items for \$10 each. \$100 total.

September dispute found in favor of the Merchant.

Citibank re-presents transaction for \$10

Same day: CitiDirect sends corresponding obligation against current SDN (+\$10).

Total obligated: \$110.

At cycle end: cardholder approves, AO certifies, statement for \$110.

End Result: DFAS pays \$110

Total Purchases, Sept and Oct: \$200.

Total Paid, Sept and Oct: \$200.

NOTE: Whether the dispute is found in favor of the cardholder or the merchant, Citibank will always re-present the disputed transaction. In both cases, the cardholder has already withheld payment. When found in favor of the cardholder, the merchant will issue a credit. However, that credit will lower the invoice amount again. To avoid a double deduction, Citibank re-presents the original debit transaction (against the current SDN) to offset the credit. Both the credit and the re-presented debit transaction must be certified. When found in favor of the merchant, the previously unpaid debit transaction must be re-presented so that it can be paid.

**FOR SALTS USERS:**

When a dispute has been found in favor of the cardholder, the vendor will issue a credit on the next statement. To avoid a double deduction since the previous invoice was short-paid, Citibank will also provide a corresponding debit transaction. Both transactions will need to be certified. This may present a problem if both transactions are assigned the same document number and are the only two transactions with that document number being certified. The offsetting amounts will cause the amount of the document number to equal zero, which will cause the invoice to suspend at DFAS. Either the debit or credit will need to be reallocated to another LOA/SDN in order for the invoice to process at DFAS.

NOTE FOR ALL USERS: Be aware that there is a possibility that the debit and credit may post at Citibank in different cycles. Cardholders must be diligent in tracking their disputed transactions to ensure they know the disposition of the disputed transaction and what transactions they should expect on their Citibank statements. If the debit transaction appears on a statement without the credit the disposition of the dispute will not be inherently obvious. The transaction could be a resubmission of the disputed transaction due to the dispute being resolved in favor of the vendor or it could be the offsetting debit transaction that has posted prior to the credit from the vendor as a result of the dispute being found in favor of the cardholder or it could be the re-presentation by Citibank due to not receiving the dispute form from the cardholder.

Please send any questions/comments to [purchase\\_card@navsup.navy.mil](mailto:purchase_card@navsup.navy.mil).

Helpdesk  
DON eBusiness Operations Office  
Card Management  
5450 Carlisle Pike; P.O. Box 2050  
Mechanicsburg, PA 17055  
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Email: [purchase\\_card@navsup.navy.mil](mailto:purchase_card@navsup.navy.mil)