

6-4. Third Party Payment Requirements

a. **Use of Third-Party Payment Processors.** In no instance are CHs authorized to establish an account when using a third-party payment processor, as doing so could require acceptance of or agreement to terms and conditions or result in commitment of funds that have not been legally allocated for purchases. Transactions using third-party payment processors are considered high risk, as all available transaction data may not be completely passed to the issuing bank (which can adversely affect reporting, reconciliation, and oversight, including data mining (detection of improper card use)), and may adversely affect transaction dispute terms and processes, among other considerations. When selecting merchants to fulfill requirements, CHs will use the following procedures:

- 1) Minimize use of third-party payment processors to the maximum extent practicable.
- 2) Ask if the merchant would require use of a third-party payment processor, if there is any doubt regarding merchant use of one.
- 3) If it is still found necessary to purchase from a merchant requiring a third-party payment processor, CHs and BOs must ensure adequate supporting documentation clearly showing there was a detailed review of the purchase, and that purchase from a merchant requiring use of a third-party payment processor was unavoidable.

b. GPC oversight personnel and CHs should be aware that in accordance with [GSA Smart Bulletin #023](#), third-party payment policy does not apply to e-commerce platforms or brick-and-mortar merchants that do not accept payment using third-party payment processors.

Parent topic: [CHAPTER 6 - OPERATIONAL GUIDANCE AND PROCEDURES](#)