



U.S. General Services Administration

Federal Acquisition Service

GSA SmartPay - The Basics

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National Travel Forum (NTF)
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Agenda

- GSA SmartPay2 Program Overview
- GSA SmartPay2 Travel Card
- Roles and Responsibilities
- General Charge Card Management Leading Practices
- General Resources
- Questions



GSA SmartPay2 Program Overview

GSA SmartPay2 Program Overview

- Enables over 350 Federal agencies/organizations to obtain charge card products and services through master contracts that GSA established with three banks: Citibank, JP Morgan Chase, and U.S. Bank
- Agencies/organizations issued task orders against these master contracts to obtain charge card products and services
- Agencies/organizations pay no direct fees to use the program
- Period of performance for existing contracts is through 2018

DID YOU KNOW...
\$943 was spent using Federal charge cards every second in FY09



Purchase



Travel



Fleet



Integrated

GSA SmartPay Program – By the Numbers

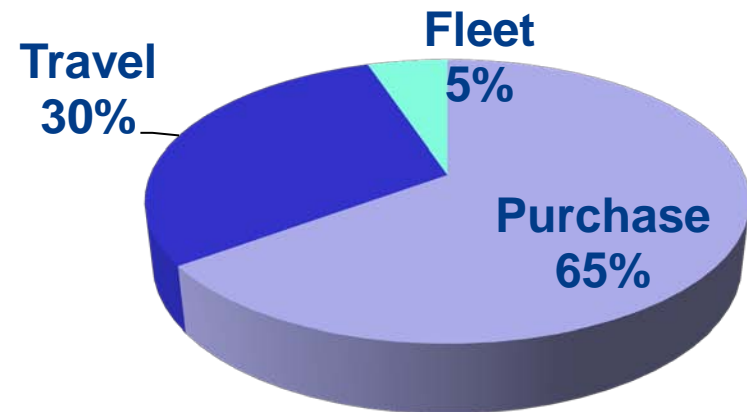
GSA SmartPay1 (FY1999-2008)

Purchase:	\$158.7 B
Travel:	\$63.2 B
Fleet Card:	\$9.0 B
TOTAL SPEND:	\$ 230.9 B
TOTAL REFUNDS:	\$ 1.1 B

GSA SmartPay2 (FY2009)

Purchase:	\$19.3 B
Travel:	\$8.9 B
Fleet:	\$1.5 B
TOTAL SPEND:	\$29.7 B
TOTAL REFUNDS:	\$255.0 M

Total FY09 spend by business line:





GSA SmartPay2 Program Benefits

- **Safety** – The GSA SmartPay2 Charge Card improves financial controls and eliminates the need for cash
- **Electronic Access to Data** – The GSA SmartPay2 contractor banks' Electronic Access Systems (EAS) provide agencies/organizations with accurate, comprehensive transaction detail with a few clicks of a button
- **Refunds** – The GSA SmartPay2 Charge Cards provide refunds to agencies based upon dollar volume of transactions; In fiscal year 2009, refunds totaled over \$255 million
- **Worldwide Acceptance** – The GSA SmartPay2 Charge Cards provide greater access to merchants because they are accepted worldwide



GSA SmartPay2 Travel Card

GSA SmartPay Travel Charge Card

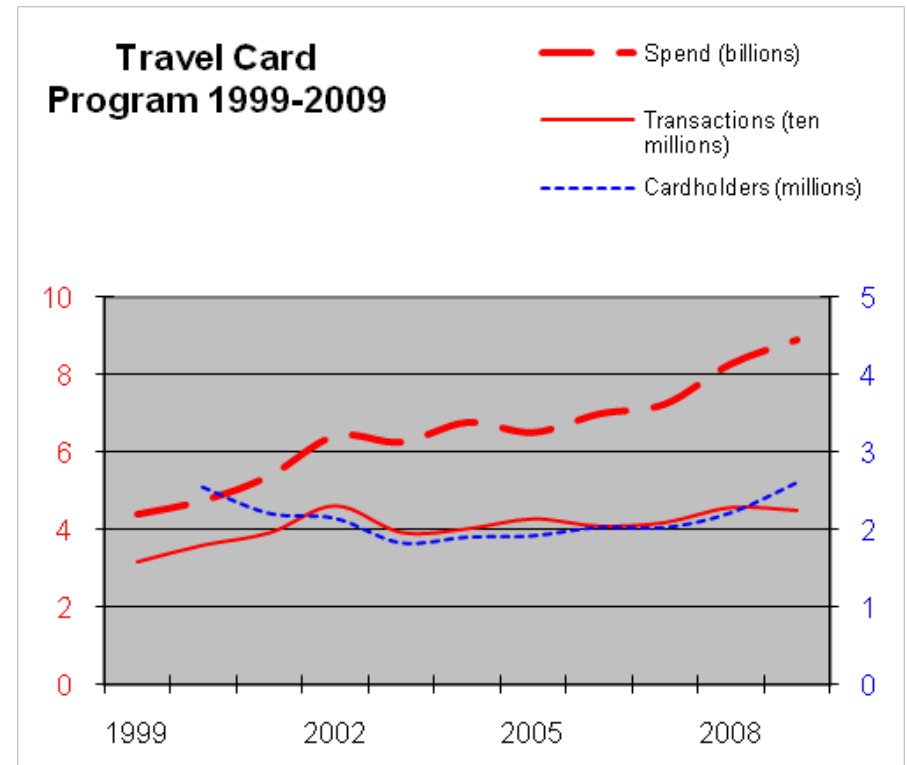
- The GSA SmartPay Travel Charge Card covers official government travel and travel-related costs
- Only the GSA SmartPay Travel Charge Card allows access to GSA City Pair reduced airfares
- The government saves money on travel processing costs and generates revenue through volume of refunds with the use of the GSA SmartPay Travel Charge Card
- Two primary Travel Card account types:
 - Centrally Billed Accounts (CBA): **Government Liability**
 - Individually Billed Accounts (IBA): **Individual Liability**



Travel

GSA SmartPay Travel Charge Card FY 09 – By the Numbers

- Spend: \$8.9 billion
- Transactions: \$45.3 million
- Cardholders: 2.6 million



Note: annual spend has more than doubled since FY 98 (\$3.4 billion to \$8.9 billion in FY 09)



GSA SmartPay Travel Charge Card - Additional Types

- Standard Travel Card
 - Total credit/cash limits will vary based on agency/organization policy
 - Spilt disbursement mandatory
 - Billing Statement mailed to cardholder's address
- Restricted Travel Card
 - Total credit/cash limits will vary based on agency/organization policy
 - APC "Activation/Deactivation" may be required
 - Spilt disbursement mandatory
 - Billing Statement mailed to cardholder's address
- Centrally Billed Accounts (Transportation Accounts and Unit Cards)
 - Limited use
 - Credit limit consistent with agency/organization mission
 - Government liability
 - Account Manager is responsible for management and reconciliation



Use of the GSA SmartPay Card for Local Travel

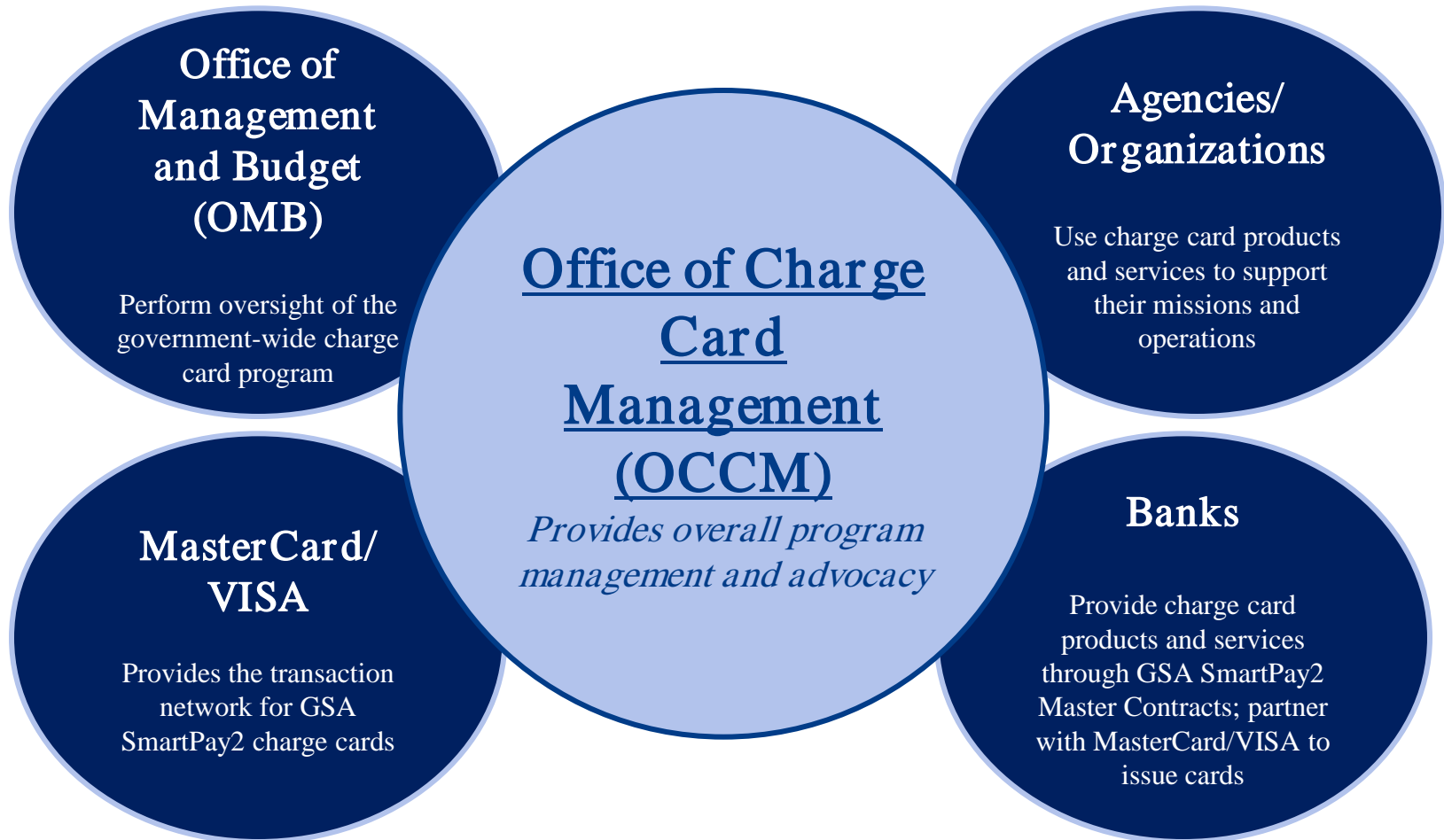
- Changes to the Federal Travel Regulation (FTR) have been issued to remove references to local travel
 - In accordance with this Direct Final Rule, the effective and applicable date of this change is June 4, 2010
- New optional use of the card for local travel will be for civilian agencies, at their discretion
 - DoD Financial Management Regulation (DoDFMR) already permits use of the Travel Card for local travel expenses
- Agencies/organizations must request authority from OCCM to use the card for local travel expenses before implementation
 - Agencies/organizations must first submit a management plan outlining oversight and internal controls established for managing the addition of local travel card usage



Roles & Responsibilities



GSA SmartPay Program Stakeholders





Roles & Responsibilities of A/OPCs

- Serve as the liaison between agency/organization management, GSA SmartPay2 contractor banks, travel cardholder, and the Office of Charge Card Management (OCCM)
- Manage agency/organization travel card program, in support of agency/ organization mission and operations
- Promote appropriate use of travel card
- Take appropriate action regarding charge card fraud, misuse or abuse
- Resolve technical and operational problems between GSA SmartPay2 contracting bank and the cardholders as required
- Develop agency/organization-specific policies and procedures as necessary
- Keep lines of communication open with all key program participants

Note: A/OPC responsibilities may vary among agencies/organizations



Roles & Responsibilities of Cardholders

- Use the charge card appropriately for authorized travel, in accordance with agency/organization policy, laws, and governmental regulations
- Keep up-to-date with required program and agency/organization specific training, including refresher training
- Be aware of communications from A/OPCs and take appropriate action
- Understand preventative measures to avoid fraud and misuse
- Understand GSA SmartPay Charge Card liabilities



Roles & Responsibilities of Banks

- Allow the A/OPC or AO to view current statements, payment history, and account information to make payments electronically
- Issue required reports to A/OPCs
- Provide assistance with audits and investigations

GSA SmartPay2 Travel Card Service Providers

Citibank	JPMorgan Chase	US Bank
<ul style="list-style-type: none">➤ MasterCard➤ VISA	<ul style="list-style-type: none">➤ MasterCard➤ VISA	<ul style="list-style-type: none">➤ MasterCard➤ VISA

- Citibank: <http://www.cards.citidirect.com/welcome.asp>
- JP Morgan Chase: <https://www.paymentnet.com/Login.asp>
- U.S. Bank: <https://access.usbank.com/cpsApp1/index.jsp>

- 1-800-790-7206 (customer service)
- 1-888-297-0781 (customer service)
- 1-888-994-6722 (customer service)



General Charge Card Management



Leading Practices: Travel Card Management

Establish Internal Policies

- A/OPCs should establish clear policies for their agency/organization for travel card use by:
 - Setting authorization controls on cards – dollars per transaction limit, transactions per day limit, Merchant Category Codes (MCCs), etc.
 - Outlining eligibility for using the travel card
 - Designating who should have authority to make changes to accounts
- A/OPCs and card users should review Office of Management and Budget (OMB) Circular A-123, Appendix B “Best Practices”
- Travel cardholders should be aware of agency/organization policies



Leading Practices: Travel Card Management

Establish Internal Procedures

- A/OPCs should establish clear procedures by explicitly outlining the following:
 - How to obtain, change, and close an account
 - Reconciliation process
 - How to perform an annual review of all issued cards
 - Authorization controls
 - Process for identifying an alternate point of contact to receive and accept Travel Card related material
- Travel cardholders should be aware of agency/organization procedures



Leading Practices: Preventing Misuse/Abuse & Fraud

- Establish agency/organization policies and procedures to prevent misuse
- Address standards of conduct/ethics and clearly state consequences for misuse
- Review card activity through reports generated from bank Electronic Access Systems
- Set reasonable charge and transaction amount limits
- Restrict spend use through Merchant Category Code (MCC) Blocks
- Deactivate cards as appropriate
- Manage delinquency
- Implement proper training

DID YOU KNOW...

Misuse by employees impacts the performance of agency/organization program and **refund earnings potential**



Addressing Misuse/Abuse and Fraud

What happens if fraud has already taken place?

- A/OPCs are responsible for reporting any suspected fraud to your contracting bank or agency's Inspector General
- Many agencies/organizations provide a fraud hotline number for reporting misuse/abuse and fraud
- Contact your GSA SmartPay2 contracting bank to see what tools and resources they provide for eliminating fraud and misuse



Consequences of Misuse/Abuse & Fraud

- The agency/organization of a cardholder who misuses the card or who participates in fraud may cancel the GSA SmartPay charge card and take disciplinary action against the employee, as appropriate
- Additional consequences include:
 - Reprimand
 - Counseling
 - Cancellation of card
 - Notation in employee performance evaluation
 - Suspension or termination of employment
 - Criminal prosecution

DID YOU KNOW...

Many agencies/organizations have their own policies for consequences related to fraud and misuse.



Leading Practices: Reporting

GSA SmartPay2 contractor banks are required to issue a set of reports to A/OPCs (determined by the agency/organization) that cover topics such as transactions, payments, disputes, delinquencies

- A/OPCs should:
 - Monitor reports regularly
 - Use reports proactively, not reactively
 - Understand and familiarize yourself with all available reports
 - Develop ad hoc reports

Benefits of Reports:

- Allow A/OPCs to oversee their GSA SmartPay travel card program's overall financial condition
- Monitor for potential fraud/waste/abuse
- Provide invoice and payment data
- Supply necessary data to fulfill OMB requirements

A full listing of agency reports can be found in section C.3.3.1 of the GSA SmartPay2 Master Contract

The top of the slide features a close-up, slightly blurred image of the American flag, showing the stars and stripes. The stars are white on a blue field, and the stripes are red and white.

Leading Practices: Training

- Provide face-to-face training as orientation for new cardholders
- Ensure that training is easily accessible
- Engage in bank-provided training
- Attend the Annual GSA SmartPay Training Conference
- Attend other GSA SmartPay Courses offered at GSA Expo



Leading Practices: General

- Provide the GSA SmartPay card-sized booklet, “Helpful Hints for Travel Card Use”, with each cardholder application
- Publish frequently asked questions (FAQs) related to the travel card on your agency’s/organization’s website
- Create a monthly newsletter to reinforce agency/organization charge card policies and procedures
- Perform an annual review of all issued cards to determine if each cardholder meets the criteria for continued participation in the federal government travel card program
- Review Office of Management and Budget (OMB) Circular A-123, Appendix B Best Practices



General Resources



General Resources

- GSA SmartPay website: www.gsa.gov.gsasmartpay
- Office of Management and Budget (OMB) Circular A-123 Appendix B
 - Establishes standard minimum requirements and best practices for improving the management of government charge card programs
 - For more information, visit website: www.whitehouse.gov/omb/circulars/a123/a123_appendix_b.pdf
- Federal Acquisition Regulations (FAR)
 - Agency/Organization specific policies and established procedures
 - For more information, visit website: www.acquisition.gov/far/
- Federal Travel Regulations (FTR)
 - For more information, visit website: <http://www.gpoaccess.gov/cfr/>



Training Resources

- GSA SmartPay Online Travel Cardholder and A/OPC Training
- On-site training with banks
- Training Sessions at GSA SmartPay Annual Conference
- Materials Available online, and hard copies may be ordered via the GSA SmartPay website
- GSA SmartPay Courses offered at GSA Expo



Questions



Contact

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Thank you!