Introduction to the GSA SmartPay® Travel Card
GSA SmartPay® Travel Card Overview

FY17 Travel Transactions 43.6 Million
FY17 Travel Card Spend $8.3 Billion
FY17 Travel Card Accounts 2.58 Million

FY17 Total Transactions 93.0 Million
FY17 Total Spend $28.6 Billion
FY17 Total Accounts 3.48 Million

In FY2017, agencies earned over $298 million in total refunds and over $136 million in refunds from travel spend.
Travel Card Legislation and Policies
Updates to the Circular have been made through an inter-agency work group of AOPCs and GSA’s CCCM. The updates were submitted to OMB on July 1, 2016. CCCM has not received any feedback from OMB on the document at this time however, it is our understanding that OMB will put the document through the clearance process and agencies will have another opportunity to comment on the document. Some key updates for the travel card program that were included in the Circular update are: a breakout of travel card specific internal controls and additional internal control suggestions through things like data mining/data analysis and business case analyses.

In addition, the Chapter on training was also updated to provide more specific training information for account holders, program managers and approvers. Before, the training requirements were kind of lumped together and were confusing. The update gave us an opportunity to treat each business line and its stakeholders separately so that training requirements are clearly outlined and applicable.

Assuming the Circular updates are approved by agencies and OMB, GSA will begin taking over the statistical reporting process for agencies by reporting the information directly to OMB on an annual basis. This
alleviates a burden from agencies on having to report this information to OMB quarterly (CFO Act agencies) and annually – all other agencies. Agencies will still need to provide a narrative report to OMB annually, on or before January 31 each year.

Many of the Circular updates were made to include elements of PL 112-194 (Charge Card Abuse Prevention Act) which affects the travel business line less so than the purchase business line.
The Charge Card Abuse Prevention Act was passed a few years ago. The purpose of this law is to strengthen internal controls around the card program. The law calls for risk assessments to be determined and performed by agency IGs. It also included violations reporting for purchase card programs. The violations reporting is not required for travel or fleet card programs at this time. OMB in coordination with GSA's Center for Charge Card Management developed M-31-21 to help agencies implement PL 112-194.
M-13-21 provides supplemental guidance for implementing PL 112-194. With respect to the travel card program, the memo points out the following aspects of PL 112-194 for travel card program managers:

To prevent an individual from being reimbursed for a bill already paid by the Government, by ensuring that agency officials who approve or settle official travel verify that charges paid directly by the Government to the bank are not also reimbursed to an employee or an employee's individually-billed account.

To prevent the Government from spending money on unused tickets, by verifying the agency (travel management center or service or commercial travel office) submits requests to servicing common carriers for refunds of fully or partially unused tickets, and tracks the status of these tickets to ensure resolution.

As mentioned in the previous slide, IGs will conduct periodic risk assessments of agency travel card programs to analyze the risks of illegal, improper, or erroneous purchases. All executive departments
and agencies are required to implement the Charge Card Act’s required internal controls for travel card accounts.
The Credit worthiness laws still exists for IBA travel card accounts. Individuals with a FICO score of 660 or below will receive restricted card accounts. Much of the credit worthiness section of OMB Circular A-123, Appendix B remains the same in the update because the law remains unchanged and PL 112-194 did not touch upon credit worthiness requirements.
PL 105-264 has been in place since GSA SmartPay 1. The law mandates use of a government charge card when paying for travel or travel related expenses. There are exceptions to the law which can be found in the Federal Travel Regulations. Many agencies have policies in place that require use of the travel card when individuals travel 3 or more times a year while other agencies mandate that employees traveling once or more a year need a travel card. Use of the travel card does have agencies to earn refunds, so it’s use should be encouraged for anyone traveling in accordance with your agency’s policies.
Local Travel Policy

In accordance with the Federal Travel Regulation (FTR):

- Optional use of the card for local travel will be at the discretion of agencies
  - DoD Joint Travel Regulations already permits use of the travel card for local travel expenses
  - Examples of local travel include -- but are not limited to -- taxi fares, public transportation, and ferry tickets
- Recommend that agencies develop and issue internal policies addressing oversight and internal controls for managing use of the travel card for local travel

Local travel is considered official travel when the individual is performing official duties in and around the area of the permanent duty station.

**Federal Travel Regulation (FTR)** - for civilian employees (41 CFR., Chapters 301-304).

**Joint Travel Regulations (JTR)** - for DoD civilian employees

**Foreign Affairs Manual, Volume 4, Chapter 460** (4 FAM 460) and **Foreign Affairs Manual, Volume 14, Chapter 500** (14 FAM 500) for members of the Foreign Service, U.S. Department of State.
Types of GSA SmartPay® Travel Cards
Types of GSA SmartPay® Travel Cards

Individually Billed Accounts (IBA)

- Established by the bank at the request of the program coordinator for an individual traveler
- Bank sends the individual traveler a Account Holder Agreement with the travel card
- Billing statement sent directly to the account holder
- Account Holder responsible for making payment in full to the bank by the due date of each billing statement
- Government reimburses IBA account holders to pay for authorized expenses related to official Government travel
- Liability for all charges rests with the individual account holder
Types of GSA SmartPay® Travel Cards

Standard IBA Travel Cards
- Minimum credit score required
- Higher credit/cash advance limits
- Split disbursement mandatory
- Billing statement sent to account holder

Restricted IBA Travel Cards
- Credit score below required minimum or credit check declined
- Lower credit/cash advance limits
- Split disbursement mandatory
- Billing statements sent to account holder
- A/OPC "Activation/Deactivation required"

http://www.defensetravel.dod.mil/site/govtravelcard.cfm
Required minimum credit score = 660 (for Standard card)
Below minimum = 500-659 (Restricted)

Split disbursement provides for payments to be made by the agency on behalf of the account holders. At the account holder's direction and in accordance with agency policy, disbursement is split. The bank receives a direct payment by the agency of the account holder specified/claimed amount. The rest of the payment is disbursed to a account holder account or directly to the account holder. Large ticket items such as common carrier, hotel and rental car charges are commonly paid directly to the bank on behalf of the account holder while other disbursements are paid to the employee.
Split disbursement is an effective tool to reduce delinquency and improve refunds paid to the agency. It will require coordination with the bank to ensure proper payments are made by the Government and properly posted to a account holder’s account. A pilot to test the process is highly recommended before implementation.
Types of GSA SmartPay® Travel Cards

Centrally Billed Accounts (CBA)
- Established to pay for official Government travel expenses
- Limit consistent with agency mission
- Typically used for transportation carriers (i.e. airplane, train, bus, etc.)
- Government directly pays the bank
- Government accepts liability only for proper charges made by an authorized CBA account holders
- Agency is responsible for management and reconciliation
Types of GSA SmartPay® Travel Cards

Tax Advantage Card (SmartPay 3)
- New product offering that combines an Individually Billed Account (IBA) and Centrally Billed Account (CBA)
- Provides a means to obtain tax exemption automatically at the point of sale for rental cars and lodging charges.
- Charges for other travel-related purchases such as meals and incidentals are billed to the IBA portion of the account, will still incur tax, and the individual traveler will still be liable for payment to the bank for those charges.
- Allows traveler to use one card that simplifies tax-exemption procedures by automatically diverting tax-exempt charges at the point of sale.
Roles and Responsibilities
Agency Roles and Responsibilities

When establishing a GSA SmartPay® Travel Card Program, agencies:

- Designate an Agency/Organization Program Coordinator (A/OPC)
- Identify account holders
- Designate a billing and disputes office
- Meet official records retention requirements (Smart Bulletin No. 025)

Records Retention”
Smart Bulletin N0. 025:
A/OPC Roles and Responsibilities

Agency/Organization Program Coordinators (A/OPC) are responsible for the overall management/oversight of the accounts. They act as liaisons between agency management, GSA SmartPay® contractor banks, and account holders. Roles may differ, but responsibilities could include:

- Managing the GSA SmartPay® Travel Card program and promoting the proper use of travel cards
- Auditing travel card accounts and taking appropriate action in the instances of fraud, waste, or abuse
- Resolving travel card issues, as required
- Developing agency/organization-specific policies and procedures, as necessary
AO Roles and Responsibilities

Approving Officials (AO) are typically the account holder’s supervisor and assures proper use of the travel card. They play key roles in preventing fraud, abuse, and misuse. Roles may differ, but responsibilities could include:

- Reviewing and approving all GSA SmartPay® travel vouchers
- Verifying charges were within scope of government travel
- Monitoring for and resolving all questionable charges
- Verifying receipt of purchases and/or transactions
Account Holder Roles and Responsibilities

Account Holders must use the GSA SmartPay® travel card in accordance with agency policy and government regulations. Account Holders should:

- Secure the travel card and immediately report a lost or stolen card
- Monitor and track expenses, as well as maintain receipts, in accordance with agency policy
- Use the card ethically - for official travel expenses only
- Ensure vouchers are submitted in a timely manner and submit full payment for each undisputed bill
- Keep up to date with program and agency-specific training requirements and communications from A/OPCs (and take appropriate action, as necessary)
Account Holder Roles and Responsibilities

Account Holders must NEVER:

- Use the GSA SmartPay® Travel Card for personal use
- Obtain ATM advances that exceed expected out-of-pocket expenditures
- Allow monthly bill to become overdue; this could result in suspension or cancellation
- Wait for receipt of the monthly bill to file claims
- Pay for another employee’s travel card expenses
- Write Personal Identification Numbers (PIN) on the GSA SmartPay® charge card
# Bank Roles and Responsibilities

The GSA SmartPay® Program contractor banks (Citibank, J.P. Morgan Chase, and U.S. Bank) have important responsibilities, which include:

- Paying the merchants for credit card transactions
- Establishing accounts and issuing charge cards
- Preparing monthly statements for the account holders
- Providing A/OPC or AO with the ability to view current statements, payment history, and account information to make payments electronically
- Issuing required reports to A/OPCs
- Providing assistance with audits and investigations
Best Practices in Travel Card Management
Communicate with Account Holders

Successful GSA SmartPay® Travel Card Programs communicate travel policy, procedures, and updates with their account holders. For example, consider:

- Publishing “Frequently Asked Questions” on the agency/organization’s internal website
- Creating a monthly newsletter for updates on travel policies and procedures
- Providing copies of *Helpful Hints for Travel Card Use* and GSA SmartPay® Travel Card Troubleshooting Guide (available on the [GSA SmartPay Website](#))
The GSA SmartPay® Travel Card App takes the worries out of official government travel. It also stores Agency/Organization Program Coordinator (AOPC) information, making it easier than ever for travelers to report any issues that occur with their cards while on the road. The Travel Card App also contains tax exemption information, so travelers will know when their business lodging and rental car costs are exempt from state sales tax and if there any forms that must be filled out. The GSA SmartPay Travel Card App is available for iOS, Android and Blackberry devices through the Apple App Store, Google Play and Amazon App stores.
Opportunities for Increased Savings

By using the GSA SmartPay® travel card, there are opportunities for increased savings to the Federal government. Agencies should:

- Emphasize that use of the GSA SmartPay® travel card for official Federal government travel expenses is required by the Federal Travel Regulations and benefits agencies from a refund perspective.
- Leverage GSA SmartPay® contract bank processes to reduce improperly assessed state taxes on IBA travel cards and consider using the Tax Advantage Card if available through your agency’s task order.
Tax Exemption Savings

GSA’s Center for Charge Card Management (CCCM) maintains a list of tax exempt states. For a complete listing of states, requirements, and forms, visit the [GSA SmartPay® website](https://www.gsa.gov/smartpay). Please note:

- In accordance with the Supremacy clause of the U.S. Constitution, CBA accounts are always exempt from taxes in all 50 states and U.S. territories; however, some states require CBA tax exemption forms for CBA travel cards
- IBA accounts are exempt from taxes in some states
Mitigating Abuse and Misuse

Abuse and misuse impacts travel card performance and refund earning potential. Mitigation strategies include:

- Implementing proper training
- Emphasizing standards of conduct/ethics and clearly state consequences for misuse
- Monitoring authorization controls and setting reasonable credit and transaction limits
- Reviewing card activity and restricting spend use through Merchant Category Code (MCC) blocks
- Managing delinquency
- Deactivating cards, as appropriate
Fulfilling Training Requirements

OMB Circular A-123, Appendix B discusses training requirements. Account Holders must take mandatory training and A/OPCs should:

- Ensure account holders fulfill training requirements
- Provide comprehensive in-person training/orientation for new account holders, if possible
- Engage in bank-sponsored training
- Ensure training is easily accessible
- Address standards of conduct/ethics and clearly state consequences for misuse
GSA SmartPay® Online Training

GSA’s Center for Charge Card Management (CCCM) offers free online travel card training for account holders and A/OPCs. Please note:

- Account Holders are able to register, set up a profile, and manage their online training courses and certificates
- Level 1 A/OPCs have access to run reports and search for account holders within agencies

https://training.smartpay.gsa.gov
Available Reporting Resources

There are over 20 reports available from GSA SmartPay® contractor banks to help A/OPCs review transactions, payments, disputes, and delinquencies. It is suggested that A/OPCs:

- Regularly monitor bank reports for fraud, abuse, and misuse
- Use bank reports proactively, not reactively for payment
- Understand available reports**
- Request ad hoc reports

** A full list of reports is available in section C.7.3.1 of the GSA SmartPay3 Master Contract

Account Activity Report: This report consists of summary totals for the reporting period, the FYto-date, categorized by card and agency/organization. This report is used at all levels to obtain and manipulate program data. This report includes complete account activity, both active and inactive, and includes an agency/organization hierarchy roll-up section. It reports current and FY account activity. It may segregate charges and credits by individual or agency/organization accounts with current period totals of the data elements identified. It may include merchant information such as name, address, and MCC (as applicable).

Declined Authorizations Report: A report that includes a list of declined transactions and the reasons for the decline.

Pre-Suspension/Pre-Cancellation Report: This report lists accounts eligible for suspension or cancellation as defined in C.3.3.11 Suspension Procedures and C.3.3.12 Cancellation Procedures identifies account name, account number, status, balance past due, number of days past due, and interest penalty for CBAs. The Travel program information shall distinguish between IBAs and CBAs.
Transaction Dispute Report: This report lists all outstanding and resolved transaction disputes and includes all information necessary to identify, track, balance, and obtain status on the dispute from the original charge through resolution. This report shall include all attributes of the original charge. Travel information shall be distinguished by IBAs and CBAs.

Renewal Report: This report lists cards/accounts due to expire and identifies account name, account number, expiration date, and any other information required to determine renewal status.

Airline Credit/Refund Report: This report lists all credits, including refunds, by IBAs and CBAs. It includes merchant name, credit amount, and credit date. If available, the Contractor shall provide the original ticket number for which the credit was issued. (C.7.3.1.2 Additional Travel Transaction Reports)

Cash Withdrawals Report: This report lists the number of cash withdrawals and withdrawal limits for each account/account holder. This report shall distinguish between ATM and Non-ATM cash withdrawals. (C.7.3.1.2 Additional Travel Transaction Reports)

Ad Hoc Reporting: Provides the capability for users to create ad-hoc reports, save reports, modify reports, export reports to Microsoft Excel (.xls, .xlsx), .txt, .pdf, .csv or other formats specified by the designated agency/organization personnel.
Account Deactivation

To help streamline travel card programs and mitigate the risk of fraud, abuse, and misuse, please remember to deactivate accounts that are no longer in use. Please note:

- A/OPCs can quickly deactivate/reactivate cards electronically or by contacting the bank’s designated representative
- A/OPCs should close charge card accounts for account holders who leave the agency (will vary by agency policy and business line)
- If a card is deactivated, authorizations are declined at the point of sale
Contact Information
GSA Contact Information

GSA SmartPay® Program
- Helpline: (703) 605-2808
- Website: http://www.smartpay.gsa.gov
- Email: gsa_smartpay@gsa.gov

GSA SmartPay® Social Media Pages:
- Twitter https://twitter.com/GSASmartPayNews
- Facebook https://www.facebook.com/GSASmartPayNews
- LinkedIn https://www.linkedin.com/company/gsasmartpaynews
Bank Contact Information

Bank Contact Information:

- **Citibank**
  Customer Service: (800) 790-7206

- **J.P. Morgan Chase** *(SmartPay 2 Only)*
  Customer Service: (888) 297-0781

- **U.S. Bank**
  Customer Service: (888) 994-6722

SmartPay 3 participating banks: Citibank & U.S. Bank
SmartPay 2 Participating banks: Citibank, U.S. Bank & J.P. Morgan Chase
Audience Questions
Thank you for your time and attention!

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