



GSA SmartPay

A Note From The Office of Charge Card Management

Take your GSA SmartPay Payments Program to the next level!

Under the GSA SmartPay program there is more available than ever before to support agency mission delivery ... such as improving security, control and oversight, and reducing paper and administrative costs, as well as other innovative ways to better leverage government spending while increasing transparency and accountability.

In this folder you will find information on and examples of the many product and service offerings available under the GSA SmartPay 2 Master Contract. These are just a few examples of how our products and related services can offer customized payment solutions to help your agency achieve its goals.

Upon award of the GSA SmartPay 2 Master Contract, each agency awarded a task order to one of the three GSA SmartPay contractors: Citibank, J.P. Morgan, and U.S. Bank. The products and services described in this folder are available to your agency under the GSA SmartPay program, but may not be specified at the task order level, as each agency's task order is different and unique. Therefore, it is important to review your agency/organization's task order and speak to those within your agency responsible for managing your agency's task order, such as your level 1 Agency/Organization Program Coordinator (A/OPC) and/or the Contracting Officer, to find out how your agency/organization can take advantage of these offerings. If you do not know whom to contact within your agency, please contact us at (703) 605-2808 or gsa_smartpay@gsa.gov. Further information on the program can also be found by visiting our website at smartpay.gsa.gov.

When visiting the GSA SmartPay website, you will be able to learn more about the program, including all the services that are available to you, such as our online cardholder and A/OPC training.

For general questions and assistance, please email us at gsa_smartpay@gsa.gov or call the GSA SmartPay customer service phone line at (703) 605-2808. We are here to better serve you and assist in meeting your agency's mission critical needs.

GSA SmartPay Payment Solutions

Stored Value and Declining Balance Cards

Increase Efficiency, Security and Financial Flexibility

Stored value and declining balance cards are innovative card products where a set amount can be placed onto the card and the cardholder cannot spend more than the amount that has been pre-loaded or more than the credit limit that has been set to the card. Both types of cards will reduce administrative costs and inefficiencies associated with paper work and support the government's green initiative by reducing paper-based methodology. These products also provide financial flexibility and security, as well as offering a safe and excellent alternative to cash, paper checks (eliminating the risk of lost or stolen checks) and electronic fund transfers. Each bank's Electronic Access System (EAS) has the ability to provide maximum flexibility to program coordinators, allowing them to use the stored value and declining balance card alternatives to solve various business needs.



What are stored value cards?

A stored value card has a specific dollar amount that is paid in advance from agency funds onto the card. Stored value cards can have a single value load (e.g. rebate cards) or can be reloaded with a specified amount that is funded to the card on a recurring basis (e.g. payroll cards). There are many levels of control that can be granted to program coordinators through the banks' EAS in order to solve unique business functions or expenses.

What are the benefits of stored value cards?

- Immediate fund availability and flexibility on activation procedures
- PIN number can be provided for ATM withdrawals
- MasterCard or Visa branded for Point of Sale (POS) transactions
- Purchase restrictions such as Merchant Category Codes (MCC) controls
- No credit check, spending limits are not determined by credit history
- High levels of control (i.e. more spending limit options)
- Option to issue as a non-personalized card
- Cardholder can access bank's website to view balance and transaction history
- A variety of other benefits and flexible options

What is a declining balance card?

Declining balance cards have the same functionality as a basic charge card, but the limits on the declining balance cards do not have to refresh each month. Declining balance cards are a central liability and thus are paid for by the agency much like the Purchase, Travel, or Fleet Centrally Billed Accounts (CBAs). This type of card can be set up for a specific purpose or for a specified time period where the card account is set with a pre-determined credit limit. The credit limit can either be reset as needed (or at a specified time) or the card becomes inactive once the balance is used. With a declining balance card, an agency does not have to pay the amount on the card in advance since it works like a traditional centrally billed charge card, allowing for greater oversight and control versus a stored value card where all funds loaded to the card are available for spend. Similar authorization controls, such as MCC blocks, can be used on these types of cards in the same way that they are used to control the traditional GSA SmartPay charge cards.

What are the benefits of declining balance cards?

In addition to providing the same functionality as a basic charge card, declining balance cards do not require credit checks and spending limits are not determined by credit history if used in place of an Individually Billed Account (IBA) travel card. There is a high level of potential control as well as one-time use options or low frequency refreshes. Both stored value and declining balance cards can be provided to employees who cannot or should not have a regular charge card, to infrequent travelers in lieu of a travel card, and/or to non-agency personnel for invitational travel. Other possibilities include using these types of cards in emergency situations or for grants funding, reimbursement to employees for out-of-pocket expenses, uniform allowances and relocation payments. The possibilities are endless. Take a look at how the GSA Office of Charge Card Management and other agencies have begun to utilize these cards to meet their program challenges.

How can stored value and declining balance cards benefit your agency?

- *Provides financial flexibility and security*
- *Reduces agency/organization administrative fees*
- *Offers a flexible option for applicants who cannot be issued a charge card*
- *Presents an opportunity to increase savings and refunds for the agency/organization*

Declining Balance Cards

The Department of Health and Human Services (HHS) Supports “Green Initiatives” and leverages 21st century technology with **GO!card®** – The Green Option Commuter Card



To further the government’s green initiative and increase overall efficiencies in administering transit subsidies, the Program Support Center’s (PSC) Transportation Services (an operations division of HHS providing shared government employee transportation services to federal agencies under charter),

offers **GO!card** and will soon offer a contactless card technology available under GSA SmartPay2!

First piloted in November 2009, **GO!card®** is the first technology to reflect the PSC **GO!card** move from traditional paper checks to a declining balance purchase card. HHS’s payment solution currently services more than 27,000 cardholders, with its sights set on governmentwide possibilities.

The **GO!card®** program provides a number of cost-avoidance measures that produce substantial savings for the government. The program has reduced administrative costs by eliminating the manual processes associated with issuing paper checks and vouchers for transit subsidies and, combined with the “no waste” feature of declining balance cards, is currently yielding an average 26 percent cost savings over the previous program.

In the past, set amounts of fare media were procured from transit systems each month and distributed to recipients. Undistributed, and therefore unused, non-refundable fare media was lost. HHS was also unable to track actual usage of distributed fare media to ensure all subsidy funds were being used properly. Under the **GO!card®** program, if the participant receives \$130 in transit benefits monthly, the amount (which is refreshed monthly) is placed on the card account. MCC blocks are placed on the card, so it can only be used to make transit purchases. HHS also utilizes the bank’s EAS system to monitor the actual amount spent on transit costs each month. Therefore, if the cardholder is issued \$130 per month for transit subsidy and their spending trend for three consecutive months is only \$80, the cardholder is contacted to verify the subsidy amount and if warranted, the limit is lowered.

Other highlights of the PSC **GO!card®** program include:

- Cardholder agreement must be signed before a **GO!card®** is issued
- PSC has its own data warehouse allowing ad hoc report creation to better manage the program
- PSC has the ability to reconcile and make payments to the bank within 10 days

Leveraging financial industry advances available through card-driven strategic sourcing, PSC will further enhance program controls and the government’s “green initiative” by allowing all federal employer-issued charge cards to be imprinted with financial agency codes. This will allow riders to receive their monthly benefit virtually and link to transit agency frequencies; thus, permitting the user to use **GO!card** to access to public transit – truly contactless technology.

For further information regarding the PSC **GO!card** programs, including how your agency can participate, please contact Hilleary Topercer at Hilleary.Topercer@psc.hhs.gov or (301) 492-4842.

Grant Funding Cards

Many grant-making agencies face the challenges of distributing federal funds to grantees in an efficient manner, as well as coordinating with grantees to maintain a level of transparency and accountability for how dollars are spent. Why not use a stored value or declining balance card to issue these funds? This is a new concept to the federal government that OCCM plans to pilot in the near future. The GSA SmartPay grants funding solution will allow greater transparency in the award and distribution process (once the grant-making agencies receive the funds by allowing agencies to track, monitor and administer grant programs through the bank’s EAS). Agencies will also earn refunds on grants funding spend.

Stored value and declining balance cards are a great alternative to convenience checks, which also provide the opportunity to move towards green practices, including the government’s initiative to lessen convenience check usage.

For further information on stored value and declining balance cards, contact your GSA SmartPay contractor bank or the GSA Office of Charge Card Management by email at gsa_smartpay@gsa.gov, or call the GSA SmartPay phone line at (703) 605-2808. You may also visit our website at smartpay.gsa.gov

GSA SmartPay Payment Solutions

Cardless Accounts

Streamline Payments, Increase Security and Control

How do virtual accounts work?

Virtual accounts are a popular alternative to handling large dollar transactions. There are multiple types and uses for virtual accounts and they often do not involve the issuance of a plastic charge card. Virtual accounts can be used for single or multiple transactions. Ghost cards and single use accounts (SUA) are types of virtual accounts that are described in further detail below. Although traditionally used within the federal government for the purchase of airline tickets, centrally billed virtual accounts can be set up or used as a payment method under existing contracts with a high volume of ordering activities. It may be an organizational account used within a specific department, or as an account that sits within an accounts payable or finance office. These accounts offer a solution to various business challenges, such as large ticket transactions, payment to vendors who do not typically accept card-based payments, one-time supplier payments or recurring transactions with a specific vendor. Virtual accounts also help your agency increase refunds and achieve its sustainability goals, since the virtual card authorization and transaction posting process is completely electronic.

Ghost cards

A ghost card is a centrally billed cardless account designated for a supplier who is frequently used by an agency, where the account number is typically assigned to the vendor, allowing for any authorized agency personnel to purchase from this vendor without having to use multiple cards or accounts. This type of account is typically managed in a central location by one office/department within an agency. Today, many agencies use ghost cards, whether it is through a purchase card account or a centrally billed travel account used to procure airline tickets.

To aid in ghost account reconciliation, it is a recommended best practice that the agency employee responsible for the ghost account works closely with the vendor to determine if the vendor is at least capable of passing level 2 information to capture each agency employee making purchases. For central travel airline accounts, the passenger name is typically captured by the travel agency and passed back in the transaction information to aid in reconciliation. Note that accounts issued in a department name instead of an agency employee name do have different chargeback and dispute rights, so check with your GSA SmartPay contractor bank about this for details.

How ghost cards can benefit your agency

- Reduces number of open accounts, making payment processing and oversight easier
- Allows for multiple users
- Creates strong, ongoing relationship with merchants
- Allows for a high level of control
- Reduces the risk of lost or stolen cards

As an example, the Department of Commerce (DOC) utilizes "Department Virtual Payment Cards" which allows DOC to pay UPS orders via GSA's Federal Strategic Sourcing Initiative (FSSI) Document Delivery Service BPA. This innovative solution improves operational efficiencies, reduces administrative costs and allows DOC to earn additional refunds.

Single use accounts on the rise

A single use account does not require a physical card in order to function like one. A single use account is a virtual account number that may be used during a limited time period, for a limited dollar amount, and/or for a specific vendor. A single use account product can offer a pre-established account that is available for instantaneous issue, where a randomly generated account number can be activated in real time through the bank's Electronic Access System (EAS). In addition, an expansive selection of payment controls – such as Merchant Category Code (MCC) blocks, spending limits, timeframes, and account expiration dates – can be established prior to or at the time of the account number's activation, allowing for increased control over spend on the account. Finally, the agency can append accounting data to the order to ensure seamless reconciliation.

A single use account, for example, can be utilized to pay for expenses related to a specified meeting or conference. Invoices relating to the event would be paid with the account number. This provides control over the availability of funds, by limiting what can be spent on the account. Single use accounts can also be used to pay approved invoices or make contract payments, which will ensure that the merchant cannot charge more than the approved amount.

How single use accounts can benefit your agency

- Accounts can be activated in real time
- Controls can be placed on account allowing for increased oversight of spend
- Disposable, one-time use account numbers reduce the risk of fraud
- Seamless reconciliation
- Reduces the usage of convenience checks

Single use accounts offer significant protection against merchant misuse and fraud

As an example, the Department of Energy (DOE) has expanded its GSA SmartPay program implementation to allow one of its major cost reimbursable contractors, CH2M-WG, LLC (CWI), to participate in the purchase card program. The approach has been a win-win situation for both DOE and CWI, with a net result of increased card program spend and both entities receiving the benefits of refunds. DOE, through CWI, discovered that SUA is an easy-to-adopt alternative to checks, ACH, and WIRE. Similarly, SUA is helping CWI expand its GSA SmartPay program to include large-dollar purchases that would normally not be allowed under the traditional purchase card program. In addition to boosting spend, CWI has found SUA to be a cost-effective alternative to other payment methods.

Electronic Invoice Presentment and Payment (EIPP)

The Electronic Invoice Presentment and Payment (EIPP) solution allows agencies and merchants to manage the entire invoice and payment cycle online, eliminating the steps and procedures typically associated with a paper-based system. EIPP capability supports invoice tracking and management through an online portal, directly connecting buyers with suppliers. As a result, the length of time that sales are outstanding is shortened and costs traditionally associated with paper-based payment systems are eliminated.

The EIPP solution allows agency personnel to use electronic payments to pay merchants who traditionally do not accept card-based payments on high dollar transactions. When a normal charge card transaction is processed, merchants pay a discount rate on every transaction in order to accept a charge card. Merchants are willing to pay the rate for small dollar transactions but when the size of the transaction grows, the associated discount rate may become untenable for them. EIPP gives the merchant the ability to receive early payment at a discount rate that is much lower than what would normally be associated with a purchase card transaction.

What are the benefits of EIPP?

- Improved cash-flow visibility – the status of each invoice can be viewed online
- Early payment options frees up vendor credit lines to capture additional funding with lenders
- Accelerated payment settlement, due to the elimination of mail time and float typically associated with paper-based processes
- Increased visibility and control over invoice tracking and history for buyers and suppliers
- Ability to pay merchants who traditionally do not accept card-based payments on high dollar transactions
- Efficient payment process reduces the number of late payments and therefore the need to pay Prompt Payment Act penalty interest

Talk with your bank's representative for more information.

For further information on cardless accounts, contact your GSA SmartPay contractor bank or the GSA Office of Charge Card Management by email at gsa_smartpay@gsa.gov, or call the GSA SmartPay phone line at (703) 605-2808. You may also visit our website: smartpay.gsa.gov.

GSA SmartPay Payment Solutions Contactless and Contact Chip Cards

Evolving Technology, Secure Data, Rapid Transactions

Ever-evolving needs and new demands on the card industry have led to new, improved and innovative card technologies. Chip technology has been in development, and is now available through the GSA SmartPay 2 Master Contract. This type of technology is currently being used in several ways, some examples being the ExxonMobil SpeedPass™ and the WMATA SmarTrip® transit card, which do not require the swipe of a card to capture transaction information. Some merchants are already set up to accept these new card products, but it has yet to become an industry standard in the United States, and is not widely accepted. This technology may not currently be appropriate for Purchase Card programs, but could become an important card product in the future.

There may be some areas within your program which are appropriate for the incorporation of this type of technology now. Agencies should determine if there are benefits to giving overseas employees, or those who frequently travel abroad, contactless or contact chip cards. If cardholders have faced issues with magnetic stripe acceptance, chip cards may provide a successful solution for use overseas where merchants are more often set up to accept this card product.

How can contactless chip cards benefit my agency?

- A unique and separate transaction number is generated for each and every transaction.
- Improved safety and security of information and transactions

What are contact chip cards?

Contact chip cards are another new form of plastic with a specialized chip integrated within the plastic. Over time this type of card may eliminate the need for a magnetic strip to appear on the back of the traditional plastic, and will hold information more securely.

Transactions are authenticated using a secret key that is securely stored on the chip. In addition, contact cards optionally allow for the cardholder to enter a PIN, to help protect against fraudulent use of the card when the card has been lost or stolen. Banks are now able to offer contact chip cards through the GSA SmartPay program as long as they are used in compliance with Europay, Mastercard and Visa (EMV) standards.

Contactless chip technology can also be integrated into personal cell phones and ID cards, which may provide increased efficiency and security for your agency and its cardholders.

What are the benefits of contact chip cards?

The primary benefits of contact chip cards are greater worldwide interoperability coupled with enhanced security and protection against fraud. Greater security is provided by:

- Advanced tamper-proof chip technology
- The inclusion of a dynamic cryptogram with each transaction
- The ability to authenticate the cardholder with a secure PIN number

For further information on contact and contactless chip cards, contact your GSA SmartPay contractor bank or the GSA Office of Charge Card Management by email at gsa_smartpay@gsa.gov, or call the GSA SmartPay phone line at (703) 605-2808. You may also visit our website at smartpay.gsa.gov.



What are contactless chip cards?

A contactless chip card is a card product that has a chip and antenna integrated within the plastic, in addition to a traditional magnetic strip which is found on the back of the card. As an alternative to swiping a card through a card reader, a contactless chip card needs merely to be placed over a RFID (Radio-Frequency Identification) reader in order for the transaction data to be captured and a purchase to be completed. Contactless chip cards use highly secure data transmission standards, and are considered difficult to compromise. Typically, the contactless chip within the card creates a unique transaction number for every transaction that is included with the card number details, which makes it very difficult for any data to be copied and reused by those wishing to commit fraud.

GSA SmartPay Payment Solutions Foreign Currency Cards and Other Offerings

Improve and Streamline Business Processes and Payments by Having Cards in Local Currencies



What are foreign currency cards?

A foreign currency card is a card product that is both issued and billed within a specific local currency other than U.S. dollars. This type of charge card is designed to coordinate and align with the common business practices of a specific country or area in the world. Card-related issues such as customer service inquiries, billing statements, and merchant issues occur in the language and currency of the country in which the card is issued.

For agencies and organizations with globally based employees, or that deploy personnel to international zones for long periods of time, the issuance of foreign currency cards is a flexible option that takes advantage of the new technology and opportunities offered through the GSA SmartPay program, and which can improve your overall card program.

What are the benefits of using foreign currency cards?

- The greatest financial benefit of foreign currency cards is the elimination of foreign currency exchange fees as long as the card is used in-country (if the card is used in another country, the foreign currency exchange fees apply)
- Availability to issue cards in predefined global locations
- Authorization and settlement of transactions occur in local currency, eliminating exchange fees for in-country transactions
- Foreign currency cards allow for customer support in the local language
- Alignment with local business practices improves relationship with merchants

The Department of State: Foreign Currency Card Program

The Department of State began to utilize Centrally Billed Account (CBA) travel foreign currency cards in the summer of 2008. They are currently being used in as many as seven countries, predominately throughout Europe. This card solution was implemented in an effort to reduce exchange rate fees and increase overall cost savings when making local purchases abroad. These CBA travel cards are issued with country/region specific BINs and in the local currency. The card statements are provided in the country currency instead of in U.S. dollars. This is beneficial to the overseas program office as well as to international vendors. Additionally, customer service for cardholders and vendors is offered in the local language, making customer service issues easier to resolve.

Foreign currency cards eliminate foreign currency exchange fees.

Other offerings under the GSA SmartPay program include:

Data mining

Data mining is available for agencies that wish to analyze spending trends and patterns.

Net billing

This process ensures that merchant discounts or rebates offered are deducted at the point of sale, guaranteeing discount arrangements.

Email alert service

This option provides automatic email alerts for charge card transactions to program coordinators, approving officials and/or supervisors.

For further information on how your agency might benefit from using foreign currency cards or other program offerings, contact your GSA SmartPay contractor bank or the Office of Charge Card Management by email at gsa_smartpay@gsa.gov, or call the GSA SmartPay phone line at (703) 605-2808. You may also visit our website at smartpay.gsa.gov.