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## [GSA SmartPay Travel Training for Program Coordinators \(A/OPCs\)](#)

Welcome to the GSA SmartPay online training for travel Agency/Organization Program Coordinators (A/OPC). As a program coordinator, you play a critical role in your agency's/organization's travel program. You work with the account holders, the bank, and other key stakeholders to ensure that all travel accounts are effectively managed.

This training course is intended to teach you the basics about your roles and responsibilities as an A/OPC and can be used as refresher training as required by your agency. We encourage you to learn about your agency's specific travel program requirements and policies, since they will be the foundation of your day-to-day duties.

In addition to this training, the contractor or your agency's bank, also provides an Electronic Access System (EAS) and an A/OPC Guide – these will be invaluable tools for you in performing your duties.

To print or save the training, please follow the following steps:

1. Click below on the "Download Travel Training for A/OPCs PDF" link.
2. Select "Ctrl P" or Print from the menu on your web browser.
3. Select a printer name to print OR select "Adobe PDF" from the dropdown menu to save a copy to your computer.

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- [Travel Program Overview >](#)

### [Travel Program Overview](#)

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If you are a new travel program coordinator, you may not be very familiar with the GSA SmartPay travel program. This section will provide information about the GSA SmartPay, why it exists and how it operates.

## **What is the GSA SmartPay Program?**

The GSA SmartPay Program is the largest government charge card and related payment solutions program in the world. The Program has more than three million Purchase, Travel, Fleet, and Integrated accounts and supports more than 560 agencies/organizations. Since the award of the inaugural GSA SmartPay Master Contract in 1998, the GSA SmartPay Program has provided convenient, efficient, and effective payment solutions for the Federal Government, Tribes and Tribal Organizations with a comprehensive portfolio of payment solutions including Purchase, Travel, Fleet, and Integrated charge card services.

Specific to travel, the GSA SmartPay program provides account holders a means to pay for all travel and travel related expenses. Additionally, the GSA SmartPay program is the primary mechanism used to purchase airline, rail and bus tickets at significantly reduced fares under the GSA City Pairs Program (CPP). For more information on the City Pairs Program, visit: <https://www.gsa.gov/travel/plan-book/transportation-airfare-rates-pov-rates-etc/city-pair-program-cpp>

Through a master contract with multiple banks, the GSA SmartPay program enables agencies/ organizations across the Federal Government to obtain payment solutions to support mission needs. The GSA SmartPay Master Contract, administered by GSA, is a fixed price, indefinite delivery/ indefinite quantity (ID/IQ) type contract. The maximum base period for the initial order is four years with three, three-year options.

To participate in the program, Agencies/ Organizations issue a task order under the GSA SmartPay Master Contract and award their program to one of the GSA SmartPay contractor banks (Citibank or U.S. Bank). Your agency/organization receives accounts and related services through the task order with the contractor bank selected. The task order enables your agency/organization to directly work with one of the two GSA SmartPay contractor banks that provide travel account services. Through your task order, you can set up accounts for account holders, manage accounts using the bank's Electronic Access System (EAS), and resolve issues or questions by working directly with a bank representative.

## **Why does the U.S. Government have a travel payment solutions program?**

The Travel and Transportation Reform Act of 1998 (Public Law 105-264) mandates Federal Government account holders to use the travel account for official government travel expenses. Additionally, the Federal Travel Regulation (FTR) mandates use of the travel card/account in almost all cases (see FTR Subpart H §301-70.700 for exemptions). The travel account allows individual account holders to pay for travel expenses and receive cash advances. In many instances, use of the account has eliminated the need for agencies to issue travel cash advances. Government account usage provides streamlined, best-practice processes that are consistent with private industry standards.

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The GSA SmartPay Program has continued to grow through increased adoption as agencies/organizations realize benefits afforded under the program.

Benefits include:

- **Universal Acceptance:** Because GSA SmartPay travel accounts are either VISA or MasterCard brands, they can be used at any merchant that already accepts these types of payment.
- **Safety and Convenience:** GSA SmartPay travel accounts significantly reduce or eliminate the need for agency imprest funds or cash. Account holders do not need to worry about carrying large amounts of cash with them when they travel, thus making the GSA SmartPay payment solutions more secure as well as more convenient for the traveler.
- **Refunds:** Agencies receive monetary payments provided by the contractor based on the dollar or spend volume during a specified time period, which result in millions of dollars back per year for the agency.
- **Electronic Access to Data:** The GSA SmartPay contractor banks all provide an Electronic Access Systems (EAS), which provides account access and a variety of reports to assist in the effective management of the program.

## What types of travel accounts are there in the GSA SmartPay program?

There are three types of travel accounts: Centrally Billed (CBA), Individually Billed (IBA), and Tax Advantage Accounts. These accounts are often identified by their physical appearance as well as account numbers.

GSA SmartPay Travel Account Prefixes include

- Visa: 4486, 4614, 4716
- MC: 5565 and 5568

## The Sixth Digit Identifies Billing Type:

*Note: 6th digit identifiers for IBAs apply to the Travel business line only.*



## **IBA TRAVEL CARD:**

### **Sixth Digit:**

1,2,3,4

### **Billing Type:**

Individually Billed

**Travel Individually Billed Accounts (IBAs)** are issued directly to the employees of the customer agency/ organization to be used to pay for official travel and travel-related expenses. IBAs may only be issued to federal employees or employees of Tribes or Tribal Organizations. IBAs may be used for local travel only if authorized by written policy of the agency/ organization. Agencies/ organizations reimburse employees only for authorized and allowable expenses. Account holders are directly responsible for all purchases charged to the IBA account. Payment may be made directly by the account holder, agency/ organization, or in the form of a split disbursement in accordance with agency/ organization policy.

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## **CBA TRAVEL CARD:**

### **Sixth Digit:**

6,7,8,9,0

### **Billing Type:**

Centrally Billed

**Travel Centrally Billed Accounts (CBAs)** are established by agencies/organizations for official travel charges and official travel-related expenses. Agencies/organizations generally use the Travel CBA to purchase common carrier transportation tickets for employee official travel through third-party arrangements, such as the GSA E-Gov Travel Service (ETS) for civilian agencies, the Defense Travel System (DTS) for the Department of Defense or permissible equivalent travel system. Agencies/organizations may also make purchases through travel management centers, commercial travel offices, and through other government contracts.

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## TAX ADVANTAGE:

### Sixth Digit:

5

### Billing Type:

IBA/ CBA

**GSA SmartPay Tax Advantage Travel Card Accounts** are new product offerings that combine an Individually Billed Account (IBA) and Centrally Billed Account (CBA), providing a means to obtain tax exemption automatically at the point of sale for rental cars and lodging charges. Agencies / Organizations not eligible to receive IBAs may not utilize Tax Advantage Travel Card Accounts. The combined features of CBAs and IBAs are a key characteristic of this product.

When using the Tax Advantage Travel Card Account, charges for rental cars and lodging will be automatically billed to a CBA for payment, taking advantage of the Government's tax exemption status for those types of accounts. 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.

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## How does the GSA SmartPay Tax Advantage Travel Card Account

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## Work?

The Tax Advantage Travel Card Account is issued to an employee designated by the agency/organization in the employee's name. Agency/Organization Program Coordinators (A/OPCs) will work with their GSA SmartPay 3 Contractor to identify Merchant Category Codes (MCCs) for rental cars and lodging to be excluded from taxes. Accounts will be established using IBA procedures, to include credit checks or other creditworthiness assessments. When the card is used, invoices will be sent to the employee and the agency/organization for payment via split disbursement. The CBA portion of the charges will be paid by the agency and the IBA portion of the charges will be the responsibility of the employee. Agencies/Organizations must specify invoice elements in their task order level requirements.

## Who is liable for charges?

**IBA Accounts:** The GSA SmartPay Master Contract stipulates that liability for all charges rests with the individual account holder. If the account holder fails to pay his/her account on a timely basis, the bank may suspend or cancel the account and assess late charges and fees. If the bank cancels an account due to delinquency, the bank may report that information to credit bureaus and the information will appear on the account holder's personal credit report. Also, the bank can pursue debt collection to obtain repayment of the charges. The agency/organization is never responsible or legally liable for the account.

**CBA Accounts:** The Federal Government accepts liability only for those proper charges made by an authorized centrally billed account holder using the account, but is not liable for any unauthorized use. Unauthorized use means the use of an account by a person, other than the account holder, who does not have actual, implied or apparent authority for such use and from which the account holder receives no benefit. When the centrally billed account has been used by an authorized account holder to make an unauthorized purchase, the Government is liable for the charge and the agency is responsible for taking appropriate action against the account holder.

**Tax Advantage:** Because the Tax Advantage Travel Account is a combination of both IBA and CBA, the liability will be determined by the type of purchase. If the purchase is an IBA, then the liability falls on the account holder (see IBA accounts). If the purchase is a CBA, then the liability falls on the Government (see CBA accounts).

Here is an example of how the Tax Advantage Travel Account will work:

Andrew is on official government travel and is checking into the hotel using his Tax Advantage Travel Account. The process does not change from how hotel vendors run the card and verify tax exemption status today. The hotel will need to verify (through use of the 6<sup>th</sup> digit and the BIN), that the payment is being directly provided by the Government through the CBA function. Once verified, Andrew will provide any required CBA forms to the hotel. (Required forms vary from state to state. Links and information can be found at <https://smartpay.gsa.gov/smarttax> .) Even if the state does not exempt taxes for IBA transactions today, it is still required to exempt all CBA transactions. At the end of the month, when Andrew receives his invoice from the bank, the hotel should already be paid for through the Agency's CBA process. He will just need to pay for his Meals and Incidental Expenses.

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## What is the appropriate use of the GSA SmartPay travel account?

The GSA SmartPay Travel Accounts may be used ONLY for authorized official travel and travel-related expenses. Official travel expenses are broadly categorized as transportation, lodging, meals and incidentals.

The travel account must not be used for personal expenses unrelated to official Government travel. This is considered to be misuse of the account, or use of a Federal payment solution by an authorized user for other than the official government purpose(s) for which it is intended.

To help prevent misuse, the travel account may be electronically coded to be rejected at merchant locations that your agency has determined are not necessary for conducting official Government business.

Some Agencies Allow the GSA SmartPay Account to be used for Local Travel:

Sarah is traveling to a training class in Washington DC, which is located within the vicinity of her regular duty station. To attend the event, she must either take a taxi or public transportation. Official government travel authorization is not provided or necessary for this class. However, Sarah is able to use her GSA SmartPay travel account because her agency policy has authorized employees to use their IBA travel card for local travel and related expenses.

- [‹ GSA SmartPay Travel Training for Program Coordinators \(A/OPCs\)](#)
- [Key Program Participants ›](#)

### [Key Program Participants](#)

Numerous individuals and offices are involved in the administration of the GSA SmartPay program. Each program participant has unique roles and responsibilities within the program.

## Who are the key program participants in the GSA SmartPay program within my agency/ organization?



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**Approving Official (AO)** - The individual (typically a supervisor) responsible for ensuring an account is used properly by the agency/organization. The AO authorizes account holder purchases (for official use only) and ensures that the statements are reconciled and submitted to the Designated Billing Office (DBO) in a timely manner. The AO is also responsible for signing the traveler's voucher, indicating approval for payment and for its content.

**Agency/ Organization Program Coordinator (A/OPC)** - As an A/OPC, you are responsible for the overall management and oversight of the accounts under your span of control. Generally speaking, your responsibilities include:

- Setting up accounts and designating authorization controls;
- Serving as a liaison between account holders and the contractor bank;
- Providing ongoing advice and assistance to account holders;
- Auditing travel accounts as required by your agency policy; and
- Using the bank's Electronic Access System to perform account management and oversight.

**Account Holder** - The account holder is the individual or agency/organization component designated by an agency/organization to receive an account. The account holder is responsible for:

- Securing the account;
- Maintaining records relating to all travel transactions; and
- Using the account ethically and appropriately.

**Designated Billing Office (DBO)** - The DBO generally serves as the focal point for receipt of official centrally billed invoices. The DBO also serves as the liaison between the agency/organization, the A/OPC and the Centrally Billed Account (CBA) account holder. The DBO oversees the proper processing of invoices and ensures invoices are paid within the Prompt Payment Act timeframes. Responsibilities include:

- Reconciling invoices;
- Providing feedback to the A/OPC on contractor bank performance;
- Determining whether to pursue faster payment of official invoices in order to take advantage of productivity refunds;
- Providing timely payment to the contractor bank;
- Providing proper interest penalties for payments that exceed Prompt Payment Act timeframes; and
- Making certain that the agency/organization's task order is adequately funded.

**Transaction Dispute Officer (TDO)** - The TDO is an individual or office that may be designated by the ordering agency/organization to assist the agency/organization and the contractor bank in tracking and resolving disputed transactions. The TDO oversees the proper processing of transaction disputes and works with the contractor bank to assure a resolution.

**EC/EDI Office (EO)** - The EO is the focal point for electronic commerce/electronic data interchange (EC/EDI) for the agency/organization. This office also serves as the liaison between the A/OPC, EC/EDI systems staff and the contractor bank. The EO oversees the proper implementation of the

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agency/organization EC/EDI capabilities and processes.

## Who are the key program participants in the program that are outside of my agency/ organization?

There are four key program participants in the GSA SmartPay program that exist outside of your agency/ organization: (1) the contractor bank, (2) the brand, (3) the merchant community, and (4) the GSA Contracting Officer.

**The Contractor Bank's** major duties are:

- Paying merchants for travel account transactions;
- Establishing accounts;
- Issuing accounts;
- Creating and maintaining an Electronic Access System (EAS) for agencies/ organizations to utilize in managing the program;
- Preparing monthly statements for each account holder;
- Issuing invoices to the DBO for Centrally Billed Accounts (CBA);
- Providing customer service 24/7;
- Preparing reports;
- Participating in an annual training forum, sponsored by GSA, that provides hands-on training on the EAS, sharing best practices and addressing any issues and concerns; and
- Complying with all other terms and conditions of the GSA SmartPay Master Contract.

**The GSA SmartPay Brands** are financial institutions that dictate where payments can be processed and facilitate the payment process between account holders, cardholders, merchants, and issuing financial institutions (for example Visa and MasterCard).

**Merchants** are the source of the supplies and services that the account holder obtains to fulfill your agency/organization's mission using the GSA SmartPay travel account.

The **GSA Contracting Officer** administers the GSA SmartPay Master Contract on behalf of all authorized users, including your agency/organization. The GSA Contracting Officer is the only person authorized to:

- Make any changes to any of the requirements of the GSA SmartPay Master Contract;
- Legally commit or obligate the Government to the expenditure of public funds for the GSA SmartPay Master Contract; and
- Render a final decision on a dispute pertaining to the GSA SmartPay Master Contract.

## Is there anyone else who will be involved with the GSA SmartPay program?

Because the GSA SmartPay program is a highly visible program and receives a lot of interest both within and outside your agency/organization, your agency/organization's management, the Inspector General

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(IG) staff and other investigators/auditors will likely be interested in the performance of the travel program. Many agencies/organizations will have periodic audits of the travel program, and you will likely be a key player in those audits. Additionally, you may find that the Office of Management and Budget (OMB) and Congress take an interest in the performance of your program. Your agency/organization management and policy office will provide you with more information on handling audits, investigations and external inquiries.

- [Travel Program Overview](#)
- [Program Coordinator Responsibilities](#)

## [Program Coordinator Responsibilities](#)

As the GSA SmartPay Travel A/OPC, you play a diverse role in the management of your agency's travel program. Your main responsibility is to oversee the travel program for your agency/organization to best support your mission. In general, the A/OPC serves as the liaison between the account holder, the Contractor, an agency's management and the GSA's Center for Charge Card Management. The agency lead A/OPC may be supported by regional or field A/OPCs with distinct responsibilities.

### **Responsibilities include:**

#### Managing Account Holders:

- Maintain a current list of account names, account numbers, contact information of all current account holders and accounts.
- Maintain a current list of agency/organization points of contact for Designated Billing Offices (DBOs), Transaction Dispute Offices (TDOs), and Electronic Commerce/ Electronic Data Interchange Offices (EOs), as applicable.
- Ensure account holders use the travel program correctly.
- Monitor account activity and manage delinquencies.
- Ensure that appropriate steps are taken to mitigate suspension or cancellation actions.

#### Training:

- Receive training before appointment and participate in refresher training a minimum of every three years (or less depending on agency/organization policies) in accordance with OMB Circular A-123 Appendix B
- Participate in annual training forums and disseminate information and lessons learned to other

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A/OPCs, account managers and account holders.

- Ensure that account holders are trained prior to receiving their travel account and that they take refresher training at a minimum every 3 years (or more often if required by your agency).

Master Contract/ Task Order Compliance:

- Oversee the business line for your agency/organization and establish agency/organization guidelines.
- Direct the Contractor to establish accounts.
- Serve as liaison between the account holder and the Contractor,
- Provide on-going program guidance.
- Audit accounts as required.
- Keep necessary account information current for the agency/organization.

*Note: The terms and conditions of the GSA SmartPay Master Contract can only be modified by the GSA SmartPay Contracting Officer. The A/OPC does not provide supervisory guidance to the Contractor's personnel.*

The Contractor can provide you with tools to assist in successful management of your agency's travel program by:

- Establishing and maintaining accounts;
- Providing an electronic access system (EAS);
- Providing data mining tools and assistance to help detect potential fraud/misuse;
- Providing forms and reports; and
- Resolving disputes.

As the A/OPC, you may also be responsible for establishing account holder hierarchies. Account holder hierarchies are determined by the agency and are often associated with billing and organizational structures. Because agencies have unique requirements, hierarchy structures may vary from agency to agency. This includes the number of account holders each A/OPC may manage and the level of problem resolution. Once your agency determines the structure and requirement needed, the Contractor will be able to assist with establishing your agency hierarchy levels.

## **Importance of Communication:**

Be sure to keep the lines of communication open with all key program participants. The key to an effective travel program is to ensure that all participants, including senior management/ leadership, are aware of what is going on in the program. Stay in touch with your agency/ organization's travel program participants by networking, asking questions and sharing agency/ organization policy changes, program information, and/or other travel account information.

In addition, you should try to establish relationships with the account holders within your span of control. The better you understand each travel account holder's travel history and needs, the more effective you can be in managing the program and preventing or detecting misuse and fraud.

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## How do I set up travel accounts?

As the A/OPC, you are responsible for the setting up and maintenance of centrally and individually billed accounts. Refer to your Contractor's A/OPC guide and EAS Manual for instructions on how to set up accounts.

In cases where there is an emergency, the agency program coordinator can request that the Contractor process and send emergency and/or expedited account cards within 24 hours, including international requests. These requests include, but are not limited to, responses to natural disasters (e.g., hurricanes, earthquakes), threats to national security, and military mobilization. The emergency accounts will arrive via overnight delivery at the Contractor's expense.

## How are accounts closed/terminated and what are the recommended exit procedures?

There are four steps to closing or terminating an account, as follows:

- Immediately notify the bank when an account holder leaves the agency/ organization, is terminated from employment, or no longer requires a travel account.
- Follow the account close out procedures from your contractor bank.
- Instruct the account holder to destroy/dispose of the card by cutting it into pieces.
- Review the master file/ account holder listing to ensure the account is closed.

## What is my responsibility in the suspension/ cancellation of a travel account?

Suspension is the process by which an account is deactivated due to delinquency or multiple pre-suspension actions. An account is considered past due if payment for undisputed principal amounts has not been received within 45 calendar days from the billing date.

An account can be canceled if an undisputed balance remaining unpaid for the prescribed number of calendar days after the date of the statement of account on which the charge first appeared. An account may also be canceled for numerous suspensions.

**Can I, as an A/OPC, suspend or cancel an account?** Yes. A reason must be documented for suspension or cancellation. Accounts may be cancelled through your bank's electronic access system or through the bank's customer service office.

Under certain conditions, an A/OPC may request the contractor bank to delay or accelerate action for suspending or canceling an account.

The following chart may be used as a guide for determining the status of an account.

Calendar Days Past the Closing Date	Account Status/Action
45 Days Past Due	Pre-Suspension
61 Days Past Due	Suspension/Pre-Cancellation
126 Days Past Due	Cancellation

Calendar Days Past the Closing Date	Account Status/Action
180 Days Past Due	Charge Off/Write Off

*\*Please refer to your agency policy for specific delinquency stages.*

(For more details on Suspension/ Cancellation Procedures, see the GSA SmartPay 3 Master Contract, Section C.3.3.11 Suspension Procedures and Section C.3.3.12 Cancellation Procedures)

The bank is required to automatically reinstate suspended accounts upon payment of the undisputed principal amount unless otherwise specified by you. You may also notify the bank of any mission-related, extenuating circumstances for which the account should not be suspended within the notification timeframes mentioned previously. Once an account has been cancelled, the contractor bank is under no obligation to reinstate the account.

*Note: The Government accepts no liability for charges made against the individually billed account.*

## **What happens if a travel account is lost or stolen?**

It is the account holder's responsibility to immediately report the lost or stolen travel account to:

- The contractor bank;
- You, the program coordinator (A/OPC); and
- Their supervisor.

Once an account has been reported as lost or stolen, the contractor bank immediately blocks that account from further usage and a new account number will be issued to the account holder.

Reporting the account as stolen does not relieve the account holder or the Government of payment for any transactions that were made by the account holder prior to reporting it stolen. If the account holder does not recognize a transaction appearing on their statement, they are responsible for notifying the contractor bank within **90 calendar days** from the transaction date to initiate a dispute, unless otherwise specified by the agency/organization. This notification of transaction dispute may occur via the electronic access system, by telephone, or other electronic means (e.g. email).

*Note: The account holder relinquishes their right to recover a disputed amount after 90 calendar days from the date that the transaction was processed. It is their responsibility to dispute questionable charges. If they don't, they will be held personally liable for the amount of the questionable charge.*

- [‹ Key Program Participants](#)
- [Reporting Tools ›](#)

### **How do I access reports related to the GSA SmartPay travel program?**

Program coordinators can access electronic reports to monitor and track delinquency through the contractor bank's Electronic Access System (EAS). To access reports, contact your bank representative to obtain a User ID and password.

Each bank has a slightly different suite of reports available, so review the contractor bank's A/OPC guide or get online to learn about the specific reports offered. Most electronic reports are updated within two to three days after a transaction. However, some reports are only updated at the end of the billing cycle.

Program coordinators will also have access through the EAS to monitor account holder transactions at any time. By searching by account holder name, account number or SSN, you can track account holder transactions (e.g., transactions, payments, disputes), as well as view account holder monthly statements. You may also contact the bank's customer service at any time to request information on a specific account.

*Note: See the GSA SmartPay 3 Master Contract, Section C.7.1 Electronic Access System for a full list of the EAS requirements.*

### **Which reports provide general account information?**

**The Account Activity Report** consists of summary totals for the reporting period, the FY to-date, categorized by account and agency/organization. This report is used by the A/OPCs to obtain and manipulate program data. It includes

- Complete account activity, both active and inactive,
- An agency/organization hierarchy roll-up section,
- Current and past FY account activity,
- Segregates charges and credits by individual or agency/organization accounts with current period totals of the data elements identified, and
- Merchant information such as name, address, and MCC (as applicable).

**The Account Change Report** lists any changes made to the master file information and identifies what and when elements were changed. This report is generally used by A/OPCs to manage programmatic data as well as to flag/verify changes.

**The Current Accounts Report** shows all accounts in alphabetical order and includes all information necessary to identify and contact the account holder. This report is generally used by A/OPCs as an easy reference for account holder identification.

**The Exception Report** identifies high risk transactions such as lost, stolen, invalid or cancelled

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accounts, declined transactions and unusual spending activity, and details such transaction activity. This report includes current and past due balances. It is generally used by A/OPCs and the Designated Billing Office (DBO) to monitor account holder activity, track misuse and/or identify training needs of an account holder.

**The Master File Report** contains master file information on all accounts (e.g., account number, cardholder information, account expiration date, etc.).

**The Renewal Report** lists accounts due to expire and identifies account name, account number, expiration date, and any other information required to determine renewal status. This report is generally used by the A/OPC to flag expiring accounts.

## **Which reports are available on transactions, payments, and disputes?**

**The Detailed Electronic Transaction File** lists each account holder's detailed transactions for the reporting period and contains all transaction data. This file is used by the agency/ organization in processing transactions through their financial systems and for reporting purposes.

**The Invoice Status Report** identifies payment status on each outstanding invoice and includes all transaction data, including the original invoice number and other references required to identify the charge. This report is generally used by the DBO to manage payments and disputes.

**The Transaction Dispute 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. It is generally used by the Transaction Dispute Office (TDO) to manage disputes.

## **Which reports provide information on account delinquency?**

**The Pre-suspension/Pre-cancellation Report** lists accounts eligible for suspension or cancellation as defined in the Master Contract, Section C.3.3.11 Suspension Procedures and C.3.3.12 Cancellation Procedures. It identifies account name, account number, status, balance past due, number of days past due, and interest penalty for CBAs.

**The Suspension/Cancellation Report** lists accounts that have been suspended or canceled as defined in the Master Contract, Section C.3.3.11 Suspension Procedures and C.3.3.12 Cancellation Procedures. It identifies account name, account number, status (suspended or canceled), date of status, balance past due, number of days past due, and interest penalty.

**The Delinquency Report** lists account status for each 30-120+ day time frame (e.g., 30, 60, 90, 120 or more days).

**The Write-off report** lists the amount of the write-off and date written off. This report is

used by the agency/organization to identify problem areas to better manage delinquencies in the future,



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to analyze and project programmatic data for the future, and to verify and balance delinquent data in contract reports.

**Exception Reports** identify high risk transactions, as identified by the agency/organization such as declined authorizations, Merchant Category Code (MCC) reports for questionable expenditures that do not appear to be related to official travel, ATM withdrawals, high volume accounts, etc.

## Which reports provide statistical or summary information?

**The 1057 Report** contains summary merchant demographic information (minority, women-owned business) on a quarterly and cumulative fiscal year basis. It includes the amount of purchase, merchant name, merchant address, merchant demographic information, North American Industrial Classification System (NAICS) code and size standard. This report is generally used by the agency/organization in fulfilling its small business and small disadvantaged business goals.

**The 1099 Report** shows that in accordance with Section 6050W of the Housing Assistance Tax Act of 2008 Information Reporting for Payments Made in Settlement of Payment Card and Third Party Network Transactions, the Contractor bank is responsible for reporting payment card transaction information through a 1099-K Merchant Card and Third Party Payments form to the IRS. Reporting shall include all payment card transactions at all dollar thresholds. The Contractor shall provide agencies/organizations with documentation confirming the completion of the 1099 Report Information. Contractors are not required to complete 1099 reporting on convenience check information. For further information see <https://www.irs.gov/pub/irs-pdf/i1099k.pdf>.

**The Payment Performance and Refund Report** lists the payment performance (average payment time) and any refunds paid to the agency/organization level. It includes total net charge volume, payment performance, refund amount, payment method and transaction type (e.g., ePayables, large ticket items). This report is used by the agency/organization to analyze payment performance and refunds as well as for audit purposes. This report includes daily accrual figures and the percentage of potential refunds earned by the agency/ organization along with an explanation of how this figure was derived.

**The Statistical Summary Report** provides program summary information such as dollar volume, ATM volume, number of transactions, active account holders, total accounts, new accounts, miscellaneous fees, transaction type (e.g. convenience check, ATM, large ticket) and identification of fees (e.g., fees for customized services, fees for convenience checks, fees for value-added product and service offerings) on a current and FY basis.

**The Summary Quarterly Merchant Report** lists, by FY Quarter, summary spending information by merchant category codes (MCCs) and Product Number/Code. It reports MCC description, number of transactions per MCC, total dollar amount per MCC, and average dollar amount per MCC. This report is used by the agency/organization to summarize supplier categories where the agency/organization dollars are spent, and trend analysis. This report shall also show which MCCs are listed in each template.

**The Summary Quarterly Purchase Report** provides a summary of purchases under the micro-

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purchase threshold as described in FAR Part 2.101 Definitions. It also provides a summary of purchases over the micro-purchase threshold. It includes number of transactions, the dollar volume and comparative percentages for the current reporting period and FY activity.

### **What are my responsibilities for printing and storing reports?**

You should save copies of all electronic reports you generate, particularly statistical or summary reports. Due to the volume of information available, the bank will furnish information for a limited period of time (generally, 18 months or less) before archiving the data. Reports containing sensitive information (e.g., account numbers, account holder information, etc.) should be maintained in a secure location. Review and follow your agency/ organization policy for instructions on printing and safeguarding reports.

### **What are Ad Hoc Reports?**

**Ad Hoc Reports** provide the ability for GSA and the agency/organization community to access all data elements of the AO, account holder, and transaction records at any time to by allowing GSA and/or agencies/organizations to create reports in html, Excel, text (ASCII) formats, and/or others as defined by the agency/organization at the task order level. The contractor bank provides the capability for GSA to utilize the ad-hoc reporting functionality of the EAS Systems for any additional future reporting needs that are not listed.

- [Program Coordinator Responsibilities](#)
- [Dealing with Delinquency and Misuse](#)

### [Dealing with Delinquency and Misuse](#)

### **What is delinquency?**

Delinquency is an undisputed account balance that is unpaid for the prescribed number of calendar days or more past the statement due date. The **statement due date** will generally be 25 to 30 days after the closing date on the statement, depending on the contractor bank. The **closing date** is often referred to as the billing cycle date and is assigned by the contractor bank for your accounts and will generally be the same each month for all accounts under your control.

**For an IBA Account**, liability for all charges rests with the individual account holder. If the account holder fails to pay his/her account on a timely basis, it will be considered delinquent and the contractor bank may suspend or cancel the account and assess late charges and fees. The agency/organization is

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never responsible or legally liable for the account.

It is important to remember that under the terms of the GSA SmartPay Master Contract, an account is considered past due if payment for the undisputed principal amount has not been received within 45 calendar days from the closing date on the statement of account in which the charge appeared.

- Suspending an account: The bank may suspend the account, unless otherwise directed by the program coordinator, if the payment for the undisputed principal amount has not been received 61 calendar days from the closing date on the statement of account in which the charge appeared.
- Cancelling an account: If payment for the undisputed principal amount has not been received 126 calendar days from the closing date on the statement of account in which the charge appeared, the contractor bank may cancel the account, unless otherwise directed by the program coordinator.

## What is a write-off or credit loss?

A write off is a canceled account with an unpaid balance determined to be uncollectible by the contractor bank.

## How do I notify account holders regarding past due accounts?

Notify an account holder regarding past due accounts by:

- Phone
- Letter/ correspondence/ memorandum
- Email
- Personal visit

**Always document** your contacts with account holders regarding their delinquent accounts. If you contact the account holder by telephone or personal visit, make a note of the date and time of the call/visit, the results of the call/visit, and any follow-up you or the account holder agreed to. If you contact the account holder by email, be sure to save the email. Keep a file copy of all written correspondence. It is important to keep your documentation so that there are records in the event of an audit, investigation, or later inquiry into a specific account.

Note: Your agency/organization may have additional policies requiring notifying the account holder's supervisor, your human resources office, and/or your finance office by sending a list of delinquent travel accounts. Be sure to always comply with agency policy.

## How is action initiated on delinquent accounts?

You should become familiar with the policies and standards of conduct applicable to account holders at your agency. Your agency may have developed guidance that addresses the range of actions that may be taken in the event that the account holder violates agency policy. You may be responsible for advising the appropriate personnel (e.g., the account holder's supervisor, Human Resources, the Office

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of Inspector General, the agency/ organization Ethics Official) when an account holder has misused their account. Generally, you will not initiate the personnel action, but you may be called upon to provide supporting documentation.

## **How do I inform delinquent account holders about disciplinary actions?**

If you are required to do so by your agency/ organization, inform account holders who are delinquent that disciplinary actions may be taken by the agency/ organization if payments for delinquent accounts are not received in a timely manner. You may be required to cite or provide a copy of the relevant agency policy pertaining to disciplinary actions. Although travel account delinquency policies vary from agency to agency, you may be expected or required to remind account holders of the consequences for repeated delinquencies and/or misuse of their travel account. You are also encouraged to work with your Human Resources office, your legal office and anyone one else who may need to be involved in the disciplinary action process.

Disciplinary actions that may occur, depending on the severity of the problem, include:

- Counseling/informal admonishment;
- Oral and/or written reprimand;
- Suspension without pay; and
- Removal from federal service employment

In addition, it is important to notify account holders with cancelled IBAs, in accordance with agency specific policy, may be:

- Reported to credit bureaus or similar entities by the contractor bank
- Referred to an outside collection agency by the contractor bank, and
- Subject to late fees for which will not be reimbursed.

*Note: Agencies/organizations may elect to allow the Contractor to charge their standard commercial late fee in accordance with standard commercial practice; however, inclusion of standard commercial late fees at the task order level is contingent upon the agency's/ organization's successful negotiations with union officials, as appropriate and at the sole discretion of the agency/organization ( See the GSA SmartPay 3 Master Contract, Section C.3.3.16.1).*

## **Why should my agency/organization care about delinquency?**

Liability for an IBA is the account holder's responsibility, not the Government's. So, why should the Government even care whether an employee is delinquent in paying the amount owed on time?

There are a number of reasons why it is important to manage delinquency, such as:

- Federal employees must abide by the Standards of Official Conduct and agency ethics rules. (link to the [Office of Government Ethics](#)).
- Federal agencies are responsible for ensuring that employees follow the Federal Travel Regulation (FTR) and Joint Travel Regulations (JTR) for DoD. (Link to the [FTR website](#) and [JTR](#)

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[website](#) ).

- As participants in the GSA SmartPay program, all agencies/organizations are responsible for following the terms of the GSA SmartPay Master Contract, including the requirements to ensure that account holders use the account correctly, monitor account activity, manage delinquency, and mitigate suspension/cancellation of accounts. (Link to a copy of the GSA SmartPay 3 Contract).

## **How can I track account holder misuse and delinquency?**

Use the contractor bank's EAS exception reports to track misuse and delinquency.

## **What ethical standards apply to travel account holders?**

Executive agency account holders are subject to the Standards of Official Conduct. These standards require that:

- Public service is a trust, requiring account holders to place loyalty to the Constitution, the laws, and ethical principles above private gain.
  - Account holders shall not use public office for private gain.
  - Account holders shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those - such as federal, state, or local taxes - that are imposed by law.
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- [◀ Reporting Tools](#)
  - [Risk Mitigation ▶](#)

## **[Risk Mitigation](#)**

This section will provide you with information on how you can minimize the risk of misuse or fraud in your GSA SmartPay travel program. The most important thing you can do is to be aware of what activity is occurring on the accounts under your purview. Do not be afraid to ask account holders questions if you identify unusual or suspicious transactions or behavior.

## **What control mechanisms do program coordinators have to assist in managing the GSA SmartPay program?**

Risk mitigation controls, policies, and practices are critical tools for ensuring the efficiency and integrity

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of payment solution programs by eliminating payment delinquencies, payment solution fraud, misuse, waste, and abuse. P.L. 112-194 and OMB Circular A-123 Appendix B places a great deal of emphasis on risk management, and the contractor bank shall support goals to manage risk, which include:

- Developing an efficient approach to risk identification, analysis, and mitigation;
- Suggesting and sharing industry leading practices;
- Developing and suggesting internal controls;
- Assisting in the development of risk mitigation policies;
- Providing agencies/organizations with exception reports that flag high risk transactions; and
- Assisting agencies/organizations and GSA in the communication of policies to account holders.

Program coordinators may proactively implement controls to prevent or minimize the occurrence of delinquency. Controls are used to ensure proper use of the card and reduce risk to all parties (the account holder, the agency/organization and the contractor bank). These controls are often referred to as authorization controls.

Authorization Controls include:

- Default Limit: Standard commercial default limits suggested by the Contractor during card/account set-up that may be changed by an agency/organization.
- Dollars per Transaction Limit: Restricting the dollars per single transaction that can be spent on each card/account as set by the A/OPC.
- Dollars per Month Limit: Restricting the dollars per month that can be spent on each card/account as set by the A/OPC.
- Transactions per Day Limit: Restricting the number of transactions per day on each card/account as set by the A/OPC.
- Transactions per Month Limit: Restricting the number of transactions per month on each card/account as set by the A/OPC.
- Merchant Category Code (MCC): Restricting the types of purchases made by each card/account as set by the A/OPC. Purchases are restricted depending on the type of merchant (identified by the merchant category code).
- Preferred Supplier Listing: Each account may be restricted from making purchases at certain merchants; straight-through processing (STP) or virtual accounts may have established relationships with a specific supplier.
- Preferred Supplier Listing Threshold: Each account may be restricted to certain dollar thresholds and preferred suppliers.
- Automatic Controls: Controls that flag and deny invalid cards (e.g. lost, stolen, suspended, canceled).
- Mass Changes: The ability for the A/OPC to make changes on a large number of accounts (to meet contingency operations such as natural disasters).
- Information Adjustments: The ability for the A/OPC to adjust account information based upon hierarchy levels.
- Activation/Deactivation on Demand: The ability for the A/OPC to activate/deactivate multiple accounts upon demand or activate/deactivate automatically based upon established business rules provided by the agency/organization at the task order level. No transactions shall be authorized on a deactivated account.
- User Account Recognition: The ability to uniquely identify and authenticate an account user

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before processing card-not-present transactions. The transaction processing shall support a two factor authentication where one of the factors is provided by a device separate from the computer gaining access. The concept to tie the financial authorization process with an online authentication.

- **Card-Not-Present Notifications:** The ability to notify the agency/organization on card-not present transactions.

When appropriate authorization controls are combined with effective oversight and consistent enforcement of agency policies/procedures, the result is a well-managed program. While there can be a cost to implement certain controls, the costs should be balanced against the benefits received by reducing delinquency and misuse.

## **What tools are available to assist agencies in minimizing instances of misuse and fraud?**

Program management tools include:

1. **Credit limits** - Credit limits restrict single travel, daily, weekly, or monthly expenditures by the account holder. In accordance with agency/organization policy, an A/OPC may set the limits which best meet the agency's needs. Setting limits that are realistic, but not excessive, will deter account holder misuse. By reviewing account holder spending patterns, you may be able to lower limits without disrupting the agency's mission. A/OPCs also have the authority to raise limits at any time in response to emergency or unforeseen situations.
2. **Merchant Category Code (MCC) Blocks** - Merchant Category Codes (MCCs) are established by the associations or contractor banks to identify different types of businesses. Merchants select the codes best describing their business. You may limit the types of businesses where the account will be accepted by limiting the MCCs available to the account holder. The contractor bank has established sample templates that may assist you in determining which MCCs should be restricted. In the event that an account holder needs to make a travel purchase outside of his/her restricted MCCs, A/OPCs are authorized to override the restriction for a transaction by contacting the contractor bank's Customer Service Representative. Agency/organization policy should specify who is authorized to perform overrides.
3. **Online Reports** - A/OPCs have access to many standard and ad hoc reports online through the contractor bank's EAS.
4. **Account Deactivation** - In those instances when the travel account is not needed on a continuous basis, deactivation of the account may serve as a deterrent to fraud and/or misuse. You may deactivate the account when an account holder is not using or is not planning to use the travel account. By understanding the account holder's need and use of the account, you can work with the account holder to establish deactivation guidelines. Deactivation and reactivation can be completed through the bank's EAS or by calling the bank's customer service phone number.
5. **Guides** - The banks have developed written guides for A/OPCs and account holders, as follows:
  - **A/OPC Guide** - This guide addresses issues of concern to the A/OPC, including responsibilities of program participants, account setup and maintenance, account suspension/cancellation, disputes, reports and invoicing procedures. The guide is available from the banks in hard copy

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and/or electronically.

- **Account Holder Guide** - This guide addresses authorized uses of the travel account, disputes and billing.

## How do these tools make it easier to audit and manage the use of travel accounts?

By providing electronic reports and transaction files, auditors and agency/organization program managers have immediate access to information such as merchant name, type of merchant, dollar amount of transaction, and date of transaction. These tools make it easier to identify questionable transactions and follow through to ensure that the transactions were proper. In some instances, merchants also provide line item detail of transactions, including quantities, prices and product descriptions. GSA continues to work with the associations to increase availability of line item detail.

## Are credit checks required for account holders?

According to the Financial Services and General Government Appropriations Act of 2010, specifically Section 738 of the Act, states that “each executive department and agency shall evaluate the creditworthiness of an individual before issuing the individual a government travel charge card.” Agencies have to complete this evaluation by using a consumer report from a consumer reporting agency and follow the guidelines outlined in the Fair Credit Reporting Act. These procedures must be followed when issuing a travel account to a new account holder. The result of the creditworthiness check will determine whether or not you can issue a travel account to a new account holder. An account holder that does not have a history of credit or has an unsatisfactory history of credit may not receive a travel account. These account holders, however, may still receive a restricted charge in accordance with agency policies and procedures. OMB Circular A-123, Appendix B also addresses this topic in detail.

Section 738 also requires that executive departments and agencies develop guidelines and procedures for disciplinary actions to be taken against agency personnel for improper, fraudulent, or abusive use of government accounts.

[Click here for more information on Section 738 of the Financial Services and General Government Appropriations Act of 2010.](#)

## What are the consequences of account holder misuse or fraud?

**Misuse/ Abuse** is the use of a travel account for activities other than official Federal Government travel and travel-related expenses.

In most instances, the A/OPC is the first point of contact when misuse/abuse is suspected. Account holder activity should be monitored regularly to identify possible misuse/ abuse. Some activity may appear questionable upon initial review, but with further investigation it may be determined a valid federal government travel related expense.

**Examples** of misuse/abuse may include:



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- Personal use;
  - Use of the travel account for someone other than the specific account holder;
  - Use while not on official government travel;
  - Purchases from an unauthorized merchant;
  - Excessive ATM withdrawals; and
  - Failure to pay undisputed amounts on time.

**Consequences** for misuse/abuse may include:

- Reprimand;
- Travel account cancellation;
- Counseling;
- Suspension of employment;
- Termination of employment; and
- Criminal prosecution.

Please note that it is up to your agency to provide agency-specific penalties and consequences for misuse/abuse of the travel account.

## **What should I do if I suspect misuse of the travel account?**

A key responsibility for most program coordinators is to detect and report suspected misuse. If you are required to report suspected misuse, make sure you have all the information necessary to assist with a formal inquiry or investigation. Contact the account holder to obtain any information that could explain questionable charges. If the account holder provides documentation or an explanation regarding the charges and you still have questions or concerns about it, compile all the information (e.g., statement, exception report, documented contacts between you and the cardholder, copies of receipts, etc.) before you report it. Your agency/organization may ask you to report suspected misuse to one or more of the following personnel:

- The account holder's supervisor;
- The Human Resources Office;
- The Office of Inspector General OR the Office of Special Investigations

Always follow your agency's policies and procedures when handling cases of suspected misuse.

**Fraud** is a deception deliberately practiced with the motive of securing unfair or unlawful gain. Fraud can be an attempt to cheat the Federal Government and corrupt its agents by using GSA SmartPay payment solutions for transactions not part of official government business. Like any deception, fraud has its fair share of victims.

Some of the different types of fraud include:

- Counterfeit Accounts — To make fake cards, criminals use the newest technology to “skim” information contained on magnetic stripes of cards, and also to pass security features (such as holograms).

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- Lost or Stolen Accounts — Often physical cards are stolen from a workplace, gym or unattended vehicle.
  - Card Not Present (CNP) Fraud — Internet fraud occurs whenever account information is stolen and used to make online purchases. Usually, a merchant will ask for the CVC code (located on the back of the card itself) to help prevent this type of fraud.
  - Phishing — Phishing occurs whenever an account holder receives a fake email directing him or her to enter sensitive personal information on a phony website. The false website enables the criminal to steal information from the account holder.
  - Non-Receipt Fraud — This occurs whenever new or replacement cards are mailed and then stolen while in transit.
  - Identity Theft Fraud — Whenever a criminal applies for an account using another person's identity and information

## **What is salary offset?**

The Travel and Transportation Reform Act of 1998 (Public Law 105-264) mandates the use of the Government contractor-issued travel account for all employees on official Government business. The Act allows an agency to collect from an employee's disposable pay any undisputed delinquent amounts that are owed to a contractor bank, upon written request from the contractor. This is known as salary offset.

Each agency must follow the due process requirements of the Act as presented in the FTR before collecting undisputed delinquent amounts on behalf of the contractor bank. Each agency must reach agreement with its bank on the process to be used for submittal of the request and handling of the request internally.

Specific issues to be addressed by the agency include:

- Determining whether the individual is still employed by the agency;
- Determining whether the employee has been reimbursed for travel expenses;
- Determining the amount of disposable pay available for collection. Salary may be subject to other garnishments, etc;
- Payroll's ability to process the request and provide a payment to the bank;
- Legal compliance with the terms of the Act;
- Union notification, if applicable.

A multifunctional team will be required to implement this process. Depending on your organization's structure, this team would be comprised of the A/OPC and representatives from travel policy, payroll, human resources, labor relations and Office of the General Counsel. It is suggested that you work closely with your bank to establish a process that works for all parties.

## **What is split disbursement?**

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

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the payment is disbursed to an 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 contractor 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 an account holder's account.

- [◀ Dealing with Delinquency and Misuse](#)
- [Resources ▶](#)

## [Resources](#)

### **Bank Contact Information**

In order to effectively manage the GSA SmartPay travel program for your agency/organization, it is important to know your contractor bank's information. It will be helpful to get to know your bank's Customer Service Representatives/ Account Managers. They can provide a wealth of information and are ready and able to answer questions to help you manage your program. Many of your responsibilities as an A/OPC involve a working relationship with the contractor bank.

Here is a listing of the contractor bank's websites and phone numbers. Ask questions and get involved - they are available to give you the technical assistance you need.

Citibank:

- (800) 790-7206 (within United States)
- (904) 954-7850 (collect calls from outside United States)
- [Citibank Online Account Access](#)

U.S. Bank:

- (888) 994-6722 (within United States)
- (701) 461-2232 (collect calls from outside United States)
- [US Bank Online Account Access](#)

### **The GSA SmartPay 3 Master Contract**

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Understanding the terms and conditions of the GSA SmartPay Master Contract is important to performing your role as a program coordinator. The terms and conditions of the Master Contract identify specific contractual requirements that the GSA SmartPay program has with the contracting banks.

The GSA SmartPay Master Contract can be viewed on the [GSA SmartPay website](#). Download a copy and review relevant clauses and sections that pertain to the GSA SmartPay travel program as well as the GSA SmartPay program in general.

## List of Commonly Used Acronyms

<b>Acronym</b>	<b>Description</b>
A/OPC:	Agency/Organization Program Coordinator
AO:	Approving Official
DBO:	Designated Billing Office
EAS:	Electronic Access System
FAR:	Federal Acquisition Regulation
FTR:	Federal Travel Regulations
IG:	Inspector General
JTR:	Joint Travel Regulations
MCC:	Merchant Category Code
TDO:	Transaction Dispute Office/Official
TIN:	Taxpayer ID Number

- [◀ Risk Mitigation](#)
- [Quiz ▶](#)