# TRAVEL MANAGEMENT ESSENTIALS
# GSA SMARTPAY®

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GSA SmartPay
**TRAINING FORUM**

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# Continuous Learning Points (CLPs)

**To Receive CLPs:**

- You must have an active DAU or FAI CSOD account **PRIOR** to the first day of the Forum

- CLPs will be awarded automatically in FAI CSOD—**DO NOT** submit a Request for CLP

- Please allow 4–6 business weeks after training for processing

- Any questions, please email pshctraining@gsa.gov

# GSA SmartPay Training Agenda

- **Introduction to the GSA SmartPay Travel Card**

- **Travel Card Legislation and Policies**

- **Types of GSA SmartPay® Travel Cards**

- **Roles and Responsibilities**

- **Best Practices in Travel Card Management**

# Introduction to the GSA SmartPay Travel Card

# FY23 Travel Program Statistics

- Travel total transactions 37,499,279

- Travel total cards/accounts 3,154,709

- Travel total spend $9,476,854,988

- Travel total refunds $149,501,593

# Travel Card Legislation and Policies

# Local Travel Policy

**Federal Travel Regulation (FTR):**

- Optional use of the card for local travel will be at the discretion of the agencies
  - DoD Joint Travel Regulations already permit the use of the travel card for local travel expenses (Smart Bulletin No. 014)
  - 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
- FTR Amendment 2016-01 included updates to ensure that the Government contractor-issued travel charge card is used as often as practicable. In addition, it strengthens card issuance and use policies and provides the agency head/designee with waiver authority.
- To visit the FTR and related files, go to: https://www.gsa.gov/policy-regulations/regulations/Federal-travel-regulation

# OMB Circular A-123, Appendix B

OMB Circular A-123, Appendix B—A Risk Management Framework for Government Charge Card Programs

- Last updated April 2019
- Chapter 2.5 Travel Card Internal Controls
  - Travel card processes
- Chapter 3 Charge Card Management Plan
  - Every 2 years
- Chapter 4 Training
- Updated—Chapter 5 Performance Metrics and Data Requirements
  - Now requires CFO Act agencies to submit their Narrative & Statistical Reports to GSA (not OMB) in January each year
- Updated—Attachment 6 Disciplinary Category Definitions

# OMB Memorandum M-13-21

OMB Memorandum M-13-21, Implementation of Charge Card Abuse Prevention Act of 2012

- Serves as a response to the Government Charge Card Abuse Prevention Act and provides supplemental guidance for OMB Circular A-123, Appendix B

- Provides an overview of the following aspects of compliance:

    - Safeguards and internal controls

    - Reports on violations and penalties for violators

    - Inspector General (IG) risk assessments/audits*

- Effective date September 6, 2013

- Part of the most recent Circular update

# Government Charge Card Abuse Prevention Act of 2012

Government Charge Card Abuse Prevention Act of 2012 (P.L. 112-194)

- Requires that all Federal agencies establish certain safeguards and internal controls for Government charge card programs

- Requires that all Federal agencies establish penalties for violations, including dismissal when circumstances warrant

- Increases oversight by requiring that each agency's Inspector General (IG) periodically conduct risk assessments/audits to identify fraud and improper use of Government payment solutions

- Effective date October 5, 2012

# Travel and Transportation Reform Act of 1998

Travel and Transportation Reform Act of 1998 (P.L. 105-264)

- Mandates that employees use the Government travel card for all payments of expenses related to official Government travel
- Some exemptions from mandatory use of the travel card may be granted in accordance with the Federal Travel Regulation (FTR), 41 Code of Federal Regulations (CFR) §§ 300 – 304
- Effective date October 19, 1998

# FY18 National Defense Authorization Act (NDAA) Sec. 1806

FY18 NDAA Title XVIII

FY18 National Defense Authorization Act (NDAA) Sec. 1806. Reporting Requirements:

*"The head of each Federal Agency...shall submit a report to the Director of the Office of Management and Budget on that agency's activities to implement this title."*

CCCM provided a reporting template for agency use due to OMB on December 12, 2018. The report template addresses an agency's implementation actions described in FY18 NDAA Title XVIII in the following areas:

- How the agency is expanding the use of data analytics.
- What the agency has done to improve information sharing.
- How improper payments have been addressed at the agency.

# P.L. 115-34 Modernizing Government Travel Act

P.L. 115-34 – Modernizing Government Travel Act – enacted May 16, 2017

- Requires the head of each Federal agency to report information on travel and transportation expenditures, relocation expenditures, and number of trips for official Government travel.
- Effective date May 16, 2017

# Types of GSA SmartPay Travel Cards

# Individually Billed Accounts (IBA)

**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 Cardholder Agreement with the travel card
- Billing statement mailed directly to the cardholder
- Cardholder responsible for making payment in full to the bank by the due date of each billing statement
- Government reimburses IBA cardholders to pay for authorized expenses related to official Government travel
- Liability for all charges rests with the individual cardholder

# Individually Billed Accounts (IBA) continued

Standard IBA Travel Cards

- Minimum credit score required

- Higher credit/cash advance limits

- Split disbursement mandatory

- Billing statement mailed to cardholder's address

Restricted IBA Travel Cards

- Credit score is below the required minimum, or declined a credit check

- Lower credit/cash advance limits

- Split disbursement mandatory

- Billing statements mailed to the cardholder's address

- A/OPC "Activation/Deactivation required"

# Centrally Billed Accounts (CBA)

**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 authorized CBA cardholders

- The agency is responsible for the management and reconciliation

# Tax Advantage Card

**Tax Advantage Card:**

A card/account that combines an Individually Billed Account (IBA) and a 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 travelers to use one card that simplifies tax-exemption procedures by automatically diverting tax-exempt charges at the point of sale.

# Virtual Cards

**Virtual Cards:**

A card/account that generates a unique account number for travel purchases made via an agency's eTravel system.

- Unique card for every purchase
- Specific to employee and purpose
- Spend amount, MCC, and date restricted
- Rich centralized data on total corporate spend
- Automated reconciliation

# 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

# 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 cardholders. 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) is typically the account holder's supervisor (but not always), and they ensure the 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 the scope of Government travel
- Monitoring for and resolving all questionable charges
- Verifying receipt of purchases and/or transactions

# Cardholder Roles and Responsibilities

Cardholders must use the GSA SmartPay travel card in accordance with agency policy and Government regulations. Cardholders 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)

# Cardholder Roles and Responsibilities

Cardholders must NEVER:

- Use the GSA SmartPay Travel Card for personal use
- Obtain ATM advances that exceed expected out-of-pocket expenditures
- Allow monthly bills 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 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 cardholders
- 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 Cardholders

Successful GSA SmartPay Travel Card Programs communicate travel policy, procedures, and updates with their cardholders. 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

# 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 the use of the GSA SmartPay travel card for official Federal Government travel expenses is required by Federal Travel Regulations, and it benefits agencies from a refund perspective

- Leverage GSA SmartPay contract bank processes to reduce improperly assessed state taxes on IBA travel cards

# 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. Please note:

- In accordance with the Supremacy clause of the U.S. Constitution, CBA charge cards 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 charge cards 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 stating consequences for misuse
- Monitoring authorization controls and setting reasonable credit and transaction limits
- Reviewing card activity and restricting spending 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. Cardholders must take mandatory training and A/OPCs should:

- Ensure cardholders fulfill training requirements
- Provide comprehensive in-person training/orientation for new cardholders, 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 cardholders and A/OPCs. Please note:

- Cardholders 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 cardholders within agencies

Type of travel training available :

- Travel Training for Card/Account Holders and Approving Officials
- Travel Training for Program Coordinators

**https://training.smartpay.gsa.gov**

# Available Reporting Resources

There are a number of 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

  Reports include, but are not limited to:
  - Account Activity Report
  - Declined Authorizations Report
  - Pre-Suspension Report
  - Transaction Dispute Report
  - Renewal Report

- Request ad hoc reports

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

# 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 cardholders 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

- Website: https://www.smartpay.gsa.gov
- Email: gsa_smartpay@gsa.gov

GSA SmartPay's Social Media Pages:

- X
- Facebook

# Bank Contact Information

Bank Contact Information:

- Citibank
  Customer Service: (800) 790-7206
- U.S. Bank
  Customer Service: (888) 994-6722

# Audience Questions

# Thank you for your time and attention!

**Contact Information:**
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