GetSmart

The GSA SmartPay® Newsletter

Letter from the Director

Dear GetSmart Readers,

A special thanks to all of you who attended the 11th Annual GSA SmartPay® Training Conference in Phoenix, Arizona at the end of July! With 4,519 attendees and a 92% overall customer satisfaction rate, I hope you share our view that the conference was a major success. It is always a great experience for my staff and I, as well as representatives from our contractor banks, to meet with many of you and have the opportunity to share the latest trends in the charge card industry, answer questions, and participate in discussions regarding solutions to agency business challenges.

With the start of the new fiscal year and the transition to the GSA SmartPay® 2 program largely complete, we will increase our efforts to provide a broader range of innovative solutions to further assist you in responding to what seems to be an ever-increasing set of mission support demands. For example, in this issue of *GetSmart*, see the article on the declining balance card test conducted by our Center for Charge Card Innovation. These types of cards come in various configurations, and can be used for invitational travelers, honorarium payments, or even be issued to government personnel who don't meet travel charge card creditworthiness requirements, to name a few of their uses.

With a program as large as GSA SmartPay®, it's important to stay focused on the fundamentals. So I thought it might be helpful to spend a few moments reviewing why we issue the newsletter and for whom. My office holds monthly customer meetings, which are likely attended by your organization's lead Agency/Organization Program Coordinator or "A/OPC." But by one estimate, which I believe is significantly understated, there are more than 44,000 A/OPCs across the Program at various levels. Communication is therefore a challenge, and this quarterly newsletter is one of our efforts to help you stay informed about what's going on in the world of government charge card management. Who is the intended audience? The primary audience is the dedicated A/OPCs and cardholders on the front lines within agencies and organizations who make this program work, everyday, as well as other interested customers and stakeholders.

You are probably hearing quite a bit these days about upgrades to USASpending.gov, the Office of Management and Budget's (OMB) website that provides information on government spending. The site covers contracts, purchase cards, grants, loans, assistance and other types of government spending. Prior to September 2009, the GSA Office of Charge Card Management (OCCM) provided OMB with summary annual charge card data encompassing the total amount of spend, total transactions, and the total number of cardholders by agency, by fiscal year, and business line (purchase, travel, and fleet).

In August 2009, OMB tasked OCCM to provide more detailed charge card data to USASpending.gov in order to provide the public with additional transparency concerning charge card spending. After all, it's the public's money, and they have a right to know what their government is doing! In response to this mandate, OCCM established a working group with customer agencies and initiated a series of meetings to address how meaningful data could best be provided. This was no small task, as this issue involves 100 million transactions across the program totaling approximately $30 billion annually. The challenge was therefore very clear: how to present information on such a large transaction volume in a way that was readily understandable. After many meetings and much discussion, a phased approach was developed and accepted by OMB. Phase 1 of this approach entails the posting of combined purchase and travel charge card information at the departmental level by Merchant Category Code "bucket."   Examples of these buckets include: "computers and electronics," "construction/hardware/industrial supplies," "airlines," "rental cars," and "fuel." Note that fleet card transaction data will be provided later, and that no personally-identifiable information will be posted, consistent with existing government policy. Furthermore, other sensitive data related to issues such as national defense, homeland security and law enforcement will either not be posted or posted only after a 90-day delay from the transaction date, depending on the degree of sensitivity.

OMB is reviewing the data we provided on behalf of our customer agencies as a result of their mandate. Due to all the other upgrades OMB is making to USASpending.gov, we do not yet have a date when the new charge card data will appear. But rest assured, we will continue to conduct meetings with agency headquarters card managers and executives in order to keep everyone advised of the status of this project.

My thanks to all agencies/organizations who continue to participate in the OCCM-led USAspending.gov Working Group meetings. I appreciate all the hard work this group continues to devote in the interest of providing the public with a well-thought out approach to providing additional accountability and transparency to the charge card program. These organizations will need to continue to stay engaged as we continue through additional phases of this project which will examine the feasibility of releasing any further data.

In this issue of *GetSmart*, beyond the USAspending.gov issue, we provide results from our FY09 External Customer Survey, a recap of the 2009 GSA SmartPay® Training Conference , tips on understanding merchant fees, program updates, and more. We hope you find this information helpful and interesting! Please do not hesitate to reach out to me or my staff to let us know how we can better serve you. Keep up the good work, and all the best for the holidays from all of us in OCCM!

Sincerely, Dave

Program News

External Customer Survey Methodology and Results

This was a big year for the GSA Office of Charge Card Management (OCCM) as we worked hard to assist agencies/organizations with transitioning over 3 million cardholders to the new GSA SmartPay® 2 program. With the transition behind us, the GSA OCCM is focusing on ways to improve and expand the GSA SmartPay® 2 program. Every year, an independent firm conducts an external customer survey on behalf of GSA OCCM to quantify our customer satisfaction and identify areas of improvement. This year, the annual external customer survey was completed by 117 participants (of 262 potential respondents, a 45% response rate) during June-July 2009.

Results showed an increase in satisfaction with the GSA SmartPay® website and an increase in satisfaction with online training. The website was a top priority for GSA OCCM this past year given the importance of communicating with customer agencies/organizations during transition. Notable improvements to the GSA SmartPay® website include: usefulness of information, ease of navigation, and ease of finding the information you need. But, we're not stopping there. GSA OCCM is working with a contractor to develop a brand new GSA SmartPay® website complete with Web 2.0 technologies. Look for the release of the new GSA SmartPay® website in early 2010.

GSA OCCM has listened to your feedback and provided a variety of support and services to improve the GSA SmartPay® program, such as program specific workshops like the Payment Reconciliation Workshop held in October and the JPMC Users/Work Groups. To better respond to your program needs, OCCM has set up a general call line and email account which provide responses within 24 hours of receipt (except weekends), monthly A/OPC meetings, online training for cardholders and A/OPCs, best practices workshops, bank performance surveys, GSA Smart Bulletins, and training.

The GSA OCCM looks to customer agencies/organizations for continued feedback and participation in our external customer survey; this feedback helps develop and expand our services. Thank you to everyone who provided feedback in the past year, we look forward to hearing from you again in the next year's survey.

The detailed results of this year's survey are:

- Overall satisfaction (CSI) is down 3.2 points; GSA SmartPay® 2 Program Contract, down 4.1 points, is the only component with a significant change compared to 2008. GSA OCCM heard you and we are taking action to increase your satisfaction with the contract, starting by hiring a new Contracting Officer, Beverly Craig who has experience in charge card contracting; we have also began offering a series of best practices workshops, and will continue to take steps to improve your satisfaction.

- Satisfaction (CSI) is higher among customers who know their Office of Charge Card Management point of contact and attend most A/OPC meetings. We will continue to offer the monthly AOPCs meetings as an opportunity for agencies to stay engaged with the program. We're looking at alternatives to just having people dial into the meeting. We hope to offer some kind of web meeting technology in the future.

- GSA SmartPay® Program Support is considered the top priority area. GSA OCCM is here to serve its customer agencies. We value your feedback and will strive to engaged in meaningful forums, training sessions and best practice meetings to help agencies strengthen their programs.

- "Satisfaction with Current Tools" is down 5.2 points, however, there is notable improvement in the score for GSA SmartPay® Website which is up 3.9 points.

- "Ease of Finding the Information you Need" on the website is up 7.9 points. GSA OCCM hopes this will increase even more once the new website is released at the beginning of 2010.

11th Annual SmartPay® Training Conference Recap

The 11th Annual GSA SmartPay® Training Conference in Phoenix, Arizona marked another successful conference for the GSA SmartPay® Program! This year's conference sold out in just three days, with over 5,000 people attempting to register online. For the 4,519 attendees who attended, the conference provided a wealth of information, including a variety of training courses and presentations from servicing banks, GSA OCCM, OMB, and others. The conference afforded attendees the opportunity and the time to network with GSA SmartPay® bank and brand representatives and colleagues.

We recently reviewed the survey results from this year's conference, and are pleased with the increase in the level of satisfaction from previous years: 92% of attendees were satisfied or very satisfied with this year's conference compared to last year's 85% satisfaction rate. Thank you to all participants and attendees of this year's conference for making it a great success! The 12th Annual GSA SmartPay® Training Conference will be in Atlanta, Georgia from August 10-12, 2010. More information will be provided at a later date. Please contact Dana Blank, dana.blank@gsa.gov, with any questions or comments.

Program Features

Declining Balance Cards and the Center for Charge Card Innovation

A declining balance card is an innovative card product and offers unique benefits and applications for use. GSA OCCM launched a pilot test of the declining balance card during the GSA EXPO in Washington, D.C. from June 9-11, 2009 and the 11th Annual GSA SmartPay® Training Conference in Arizona from July 28-30, 2009

A total of seven people participated in the pilot implementation - three participants in the GSA EXPO and four invitational speakers for the GSA SmartPay® Training Conference used the declining balance card.

Examples of declining balance card features include:

- Can be issued without a credit check and spending limits are not determined by credit history
- Can be issued to non-agency personnel
- Allows more spending limit options

Please contact Varuna Singh (varuna.singh@gsa.gov) if you would like to obtain a copy of the GSA OCCM declining balance report.

How Can a Declining Balance Card Benefit You?

- Provides financial flexibility and security
- Provides a safe and more convenient alternative to paper checks and/or cash
- Reduces agency/organization administrative fees
- Cost effective delievery
- Offers a flexible option for applicants who do not have a charge card
- Reduces time for card application and activation
- Improves the reconciliation of travel expenses
- Offers invitational traveler and issuer a method to account for what was spent on the card
- Potentially increases savings and refunds for agency/organization

Declining Balance Card Applications & Use

- Per Diem payments
- Invitational travel and other advances
- Creditworthiness issues
- Reimbursements of employee out-of-pocket expenses
- Provides Merchant Category Code (MCC) blocks
- One time use or low frequency refresh
- Uniform allowances
- Relocation payments

FY09 GSA SmartPay® Program Statistics

The GSA Office of Charge Card Management is excited to share the following FY09 Program Statistics with you! As the largest government charge card program in the world, GSA SmartPay® 2 customer agencies/organizations spent a total of $29.7 billion in 2009 on the charge cards (across all business lines: purchase, travel, integrated and fleet cards). Overall FY09 spend was down 3% from last year's total spend of $30.6 billion. Total FY09 Fleet spend was $1.4 billion, down 44% from last year. GSA OCCM acknowledges this significant decrease as a reflection of the significant decrease in fuel prices from 2008 to 2009. Total FY09 purchase spend was $19.9 billion, down 0.5% from last year. Total FY09 travel spend was $8.2 billion, down 1.2% from last year. Total FY09 transaction volume was 91.5 million, down 8.7% from last year. Overall delinquency rates were at 1.52% (as of Oct-2009), which is 0.25% lower than one year ago. Travel IBA delinquencies were at 1.96%, down 0.96% from FY08. *See table below for a detailed breakdown on FY09 GSA SmartPay® program statistics.*

GSA SmartPay® Program Data

	Purchase			Travel (CBA/IBA)			Fleet			Total		
	FY08	FY09	▲▼	FY08	FY09	▲▼	FY08	FY09	▲▼	FY08	FY09	▲▼
Spend	$19.8B	$19.9B	▲0.5%	$8.3B	$8.2B	▼1.2%	$2.5B	$1.4B	▼44.0%	$30.6B	$29.7B	▼3.0%
Transactions	25.5M	25.1M	▼1.6%	45.7M	42.1M	▼7.9%	29.0M	24.3M	▼16.2%	100.2M	91.5M	▼8.7%
Cardholders	363K	360K	▼0.8%	2.2M	2.2M	▼.01%	667K	572K	▼14.2%	3.2M	3.1M	▼3.0%
Delinquency	1.15%	1.05%	▼0.1%	4.48%/ 2.92%	3.93%/ 1.96%	▼0.55%/ ▼0.96%	N/A	N/A	N/A	1.77%	1.52%	▼0.25%

Program Updates

Understanding Merchant Fees

The GSA SmartPay® Office of Charge Card Management recently met with Visa to discuss some of the latest charge card innovations. One topic that came up for discussion was the implementation of various merchant fees. Visa discussed the following fees and merchant responsibilities.

When using your GSA SmartPay® charge card, merchants may not impose a minimum amount to be charged on the card; for example, the merchant says they will only accept charge cards for purchases of $5 or more. Additionally, a surcharge in exchange for accepting payment via charge card, a percentage of the value of the sale (e.g. 3% of the transaction cost of $100), is not to be collected by the merchant. Lastly, if a merchant normally accepts card payments, they can not charge a convenience fee, a flat fee used when the merchant does not usually accept cards for payments. More information can be found at both of the networks' websites; www.mastercard.com and www.visa.com.

Coming Soon...

GSA SmartPay®2 Website

The GSA Office of Charge Card Management is nearing completion of the new GSA SmartPay® website, scheduled to go-live in late January 2010! This new website will have its own URL and will be more user-friendly. New features of the website include a GSA Smart-Pay® Blog, specific information for program coordinators, cardholders, businesses, and more.

Please send all questions and comments to Sarah Smith, sarah.smith@gsa.gov

Grants Funding Initiative

In support of Federal grant programs, the GSA Office of Charge Card Management (OCCM) is collaborating with customer agencies/organizations to pilot the use of a grants card or cardless payment system through the GSA SmartPay® 2 program. GSA OCCM has engaged in preliminary discussions with USDA and HHS to better understand their grants process and how a grants solution could be applied at their agencies. If your agency/organization is interested in getting more involved with the GSA SmartPay® Grants Funding Initiative, please contact Brad Forrestel.

For more information, please contact Brad Forrestel, bradley.forrestel@gsa.gov

Strategic Sourcing Initiative

The GSA Office of Charge Card Management (OCCM) strategic sourcing initiative is focused on establishing agreements with a group of vendors to ensure GSA SmartPay® cardholders obtain the discounted pricing at the Point of Sale (POS) purchases. This pricing can only be realized when using the GSA SmartPay® 2 card to make purchases. The GSA OCCM is working with GSA Contracting Officers to on-board the first group of vendors under the program, which will include a reporting mechanism to track realized savings. We are also coordinating our efforts with the Federal Strategic Sourcing Initiative (FSSI). The next phase of the program will be focused on implementing lessons learned to expand the initiative. Stay tuned!

Please send all questions and comments to Milton Vazquez, milton.vazquez@gsa.gov

Upcoming Events at the GSA
Office of Charge Card Management

GSA SmartPay® A/OPC Meetings : *January 21 and February 18 from 10 am to 12 pm*

Discussions with Dave: *January 7 from 10am to 11am*