



November 27, 2018

# GSA SMARTPAY<sup>®</sup> SMART BULLETIN

**U.S. GENERAL SERVICES ADMINISTRATION  
FEDERAL ACQUISITION SERVICE  
SMART BULLETIN NO. 008**

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## **Interchange Rates for Agencies Accepting GSA SmartPay<sup>®</sup> 3 Charge Cards**

**EFFECTIVE DATE:** Start of the agency's/organization's Transactional Period of Performance under GSA SmartPay<sup>®</sup> 3 through November 29, 2031, or until superseded.

### **BUSINESS LINE(S) AFFECTED:**

Purchase, Travel (CBA only), Fleet, and Integrated

### **INTRODUCTION:**

The original Smart Bulletin on this topic was issued in 2009 after the award of GSA SmartPay<sup>®</sup> 2. Under GSA SmartPay<sup>®</sup> 3, inter- and intra-governmental transactions and the pricing structure for these transactions has changed. This bulletin outlines the changes for agencies acting as merchants by selling products/services to other agencies (Government-to-Government, or "G2G").

### **SUMMARY:**

Under the GSA SmartPay<sup>®</sup> 3 Master Contract, there are two types of G2G transactions defined – interchange-based G2G and non-interchange-based G2G. Based on industry, association, and agency feedback during market research and the draft Request for Proposal (RFP) process, the following changes apply to how G2G transactions are processed for the purpose of spend volume, refunds, and associated fees:

- Interchange-Based G2G Transactions – these transactions are not separately priced and will be included in the agency spend volume, thereby earning refunds at either the Standard or Large Ticket transaction refund rate found in the agency/organization task order. Whether a transaction is classified as a Standard or Large Ticket is determined by the transaction dollar amount,

agreements with associations (i.e., Mastercard or Visa), and how the transaction is identified by the agency acting as the merchant (“seller”).

- Non-Interchange-Based G2G Transactions -- these transactions are separately priced resulting in a fee to the agency/organization under the established Contract Line Item Number (CLIN) for each business line as found in the agency/organization task order. These transactions will not earn refunds.

## **RESOURCES:**

All references listed are found in the [GSA SmartPay® 3 Master Contract](#).

- Section B.2.2, Product and Service Offerings: Not Separately Priced (NSP)
- Section B.2.3, Product and Service Offerings: Separately Priced
- Section C.3.1, Definitions, “Government-to-Government”
- Section C.3.1.1, Tier 1: Required Product and Service Offerings, “Government-to-Government Transactions” and Table 4: Tier 1 Product and Service Offerings by Business Line

## **ACTION:**

G2G transactions are characterized as low risk. However, constraints such as interchange costs and policy may limit these types of transactions through a GSA SmartPay® solution (see Treasury Financial Manual (TFM), Volume I, Part 5, Chapter 7000 Credit and Debit Card Collection Transactions as well as any such subsequent announcements as made by the Department of Treasury).

All G2G transactions shall adhere to government cash management principles for inter/intra-governmental transactions, to include the requirement that funds shall not leave the Federal Government (e.g., no transfer of Federal funds, however momentary, into or outside of the Federal Government).

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If you have any questions or comments regarding this Smart Bulletin, please contact Shauna Weatherly at 703-603-8425 or [shauna.weatherly@gsa.gov](mailto:shauna.weatherly@gsa.gov).

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