

## IN THIS ISSUE

	Page
Visa Guide to SmartPay 2006	1
Top 10 Things to Do in St. Louis	2
State of Public Sector Payments	3
Social Security Administration Earns Program Optimization Award	4
We Want to Hear From You!	5
Ann Cavanagh: Profile in Managing Public Sector Marketing and Communications	6
News You Can Use	7
Travel Card Delinquency Rates Continue to Drop	8
"Ask the CFO" Radio Show	9
Trends and Directions	10
Mark Your Calendar	12

## Visa Guide to SmartPay 2006

Get the most from the GSA SmartPay Conference 2006, which is being held in St. Louis, Mo. by exploring all that Visa has to offer. From data management tools to valuable informative sessions to hands-on demonstrations, Visa ramps up the SmartPay value proposition for government agencies.

### Visa Sessions

#### Citibank Presents: Program Optimization for the Purchase Card

August 1, 2:00 p.m. – 3:10 p.m.

Martin Johnson, Director, Public Sector Commercial Solutions, Visa USA

Valerie Mawdsley, Vice President, Business Development Manager, Citigroup

Joyce Heath, Supervisory Fiscal Management Analyst, Division of Administrative Payments, Social Security Administration

#### Identity Theft Presented by Visa

August 1, 2:00 p.m. – 3:10 p.m.

August 2, 3:30 p.m. – 4:40 p.m.

August 3, 12:30 p.m. – 1:40 p.m.

Bruce Sullivan, Vice President of Government Services, Visa USA

#### US Bank: Program Optimization

August 2, 2:00 p.m. – 3:10 p.m.

August 3, 8:00 a.m. – 9:00 a.m.

Martin Johnson, Director, Public Sector Commercial Solutions, Visa USA

Patti Acosta, Vice President, Strategic Account Manager, US Bank

#### US Bank: Life of a Transaction

August 2, 3:30 p.m. – 4:30 p.m.

Steven Johnson, Director, Government Solutions, Visa USA

August 3, 3:30 p.m. – 4:30 p.m.

Bruce Sullivan, Vice President, Government Solutions, Visa USA

#### Citibank and Visa Presentation

August 3, 9:30 a.m. – 10:40 a.m.

Bruce Sullivan, Vice President of Government Services, Visa USA

Linda McGee, Vice President of Commercial Services, Visa USA

#### Bank of America: IRS Reporting 1099 Visa Purchase A/OPCs

August 3, 9:30 a.m. – 10:40 a.m.

Cathy Kewnig, Program Manager, Commercial Services, Visa USA

Scott Kelly, Vice President, Government Card Services, Bank of America

### Visa Demos

Visit the Visa Welcome Center for hands-on demonstrations of Visa products, clarification of best practices and one-on-one meetings to discuss your agency's business needs.

- [Data-Mining and Strategic Sourcing tools](#)
- [Performance Gauge/Benefits Calculator](#)
- [Travel Gauge](#)
- [1099/1057 Socioeconomic Reporting](#)
- [Visa Commerce](#)



# Visa's SmartPay City Guide

## Top 10 Things To Do In St. Louis

When the SmartPay Conference sessions are finished for the day, it's time to kick back and enjoy the city of St. Louis. Check out these popular destinations; distances are calculated from the convention center. For maps and additional restaurant information, visit [www.diningstl.com/Downtown.htm](http://www.diningstl.com/Downtown.htm).

### Gateway Arch

World-renowned monument to westward expansion; tram rides to the top, 8 a.m. – 10 p.m. Tickets \$10 on-site or order in advance from [www.gatewayarchriverfront.com](http://www.gatewayarchriverfront.com). Access: walk.

### Old Courthouse

One of the oldest standing buildings in St. Louis; first two trials of the Dred Scott case held here in 1847 and 1850. Museum and permanent exhibits, 8:00 a.m. – 4:30 p.m. Free. [www.nps.gov/jeff/courthouse.html](http://www.nps.gov/jeff/courthouse.html). Access: walk.

### Anheuser-Busch Brewery Tour

Legendary free tour of historic brewery: [www.budweisertours.com](http://www.budweisertours.com). Access: five-minute cab ride.

### Union Station

Restored 1890s architectural gem; shopping and dining where the Harvey girls once served meals to train travelers. [www.stlouisunionstation.com/index.cfm](http://www.stlouisunionstation.com/index.cfm). Access: MetroLink.

### Busch Stadium

Home of the Cardinals; new stadium. [stlouis.cardinals.mlb.com/NASApp/mlb/index.jsp?c\\_id=stl](http://stlouis.cardinals.mlb.com/NASApp/mlb/index.jsp?c_id=stl). Access: walk or MetroLink.

### St. Louis Art Museum

World-class collection includes works by Max Beckmann, Jackson Pollock and Vincent Van Gogh. Lunch at Puck's restaurant. 10 a.m. – 5 p.m. Free admission. [www.slam.org](http://www.slam.org). Access: 10-minute cab ride.

### International Bowling Museum and Hall of Fame

5,000 years of bowling history; four frames of bowling in the museum's alley with each admission. 9 a.m. – 5 p.m. (closed Monday), \$7.50. [www.bowlingmuseum.com](http://www.bowlingmuseum.com). Access: walk or MetroLink.

### Washington Avenue

Historic garment district now home to restaurants, galleries and nightclubs. Access: walk.

### Laclede's Landing

Restaurants, bars, live music along the Mississippi riverfront. [www.lacledeslanding.org](http://www.lacledeslanding.org). Access: MetroLink.

### Central West End

Historic area features dining, shopping and night life. Access: MetroLink, then five-block walk north or 10-minute cab ride.



The Old Courthouse



St. Louis Union Station



Anheuser-Busch Brewery



St. Louis Art Museum

# State of Public Sector Payments

## Visa and Government Experts Celebrate Savings, Look to the Future

The 2006 Visa Government Forum celebrated the success of the Government Services Administration SmartPay program on April 25 and 26 this year at the Ronald Reagan International Trade Center in Washington D.C. The SmartPay program not only saved taxpayers \$1.4 billion in 2005 but also looks ahead to achieving even greater efficiencies through agency best practices and Visa's innovative payment solutions.

Keynote speaker, U.S. Senator Mark Lunsford Pryor, praised the SmartPay program for making more efficient use of taxpayer money, and Elizabeth Buse, Executive Vice President of Product Development and Management at Visa USA, outlined technologies that will help to revolutionize the next generation of SmartPay in the 2008 - 2018 period.

"The GSA SmartPay program stands out as a hallmark of efficiency, and commercial payment cards represent one of the fastest growing Visa product categories," Buse said. "At Visa, it all comes down to trust. We appreciate the trusted partnership between Visa member financial institutions and federal agencies, and it's important for us to earn that partnership every day."

David Shea, Director of the federal government's SmartPay charge card program for the General Services Administration, also spoke on the success and future potential of SmartPay. More than 350 agencies currently participate and nearly \$25 billion was transacted via government payment cards in 2005.

Forum attendees participated in a number of panel discussions and workshops, addressing issues, trends and best practices to improve the government's electronic business and payments environment through internal controls and innovative approaches.

# Social Security Administration Earns Program Optimization Award

## “Communication With Stakeholders Is Key”

The Social Security Administration (SSA) took high honors at this year’s Visa Government Forum, earning the Visa Program Optimization Award for outstanding program management and purchase card program best practices.

In accepting the award, Joyce Heath, SSA’s Supervisory Fiscal Management Analyst in the Division of Administrative Payments, said it was her team’s commitment and enthusiasm for implementing a “re-awareness campaign,” along with information from Visa’s Program Optimization tools, which helped boost purchase card use.

The SSA team partnered with Citibank to utilize Visa’s Program Optimization analysis, which provided a match of SSA payment data to Visa merchant data.

Once the reports were generated, SSA’s team was able to identify an incremental \$20 million in disbursements that could be moved to the purchase card. This provided the opportunity to potentially eliminate paper associated with more than 40,000 drafts. Cost savings were estimated at \$30 per transaction.

“We already have, what you might call, an optimization culture. We’ve been optimizing our program internally for years now,” Heath said. “So when we saw our [Visa Program Optimization] reports, we knew exactly what to do: mobilize our resources to implement changes in business practices and re-educate stakeholders about transactions that could be moved to the purchase card.”

“Since SSA is a large and diverse agency, the structure for an effective team was already in place,” said Chasity Crawley, SSA’s Fiscal Management Analyst. “We tapped the resources we already had to connect with our cardholders.” Those resources included SSA’s Office of Acquisition and Grants and the Office of Finance.

The transition from writing drafts to using purchase cards was strategically positioned as an upbeat and appealing change. Stakeholders were provided existing spend numbers and projected card savings. Cardholders were also given support and guidance whenever needed.

The SSA team made personal contact information available to stakeholders and walked many of them through each step of the new procedures one-on-one. Ongoing communication was made through e-mail alerts, memo links, quarterly newsletters and site visits. The consistent stream of information and assistance, ultimately, made the new procedure more familiar and attractive.

The SSA team summarized their best-practice recommendations for achieving greater efficiencies as follows:

1. **Be Proactive With Management.** Establish a team and create a concise project plan that sets goals for your program. Present and receive buy-in from senior and executive management. Use an execution timeline to provide monthly progress reports and incorporate all challenges, obstacles and problem-solving measures; this keeps the team focused and documents progress toward achieving success.
2. **Communicate With Stakeholders.** Appeal to stakeholders by treating them as valued partners in the optimization process. Explain the value proposition and provide them with a list of contacts and phone numbers for any and all questions; this helps maintain an open dialogue between stakeholders and the team.
3. **Benchmark Your Success.** Break the project into smaller phases. Measure progress from the beginning and as new phases are implemented to ensure efficiencies and costs savings are quantified accurately. SSA recognizes the purchase card optimization effort as an ongoing process, and the team must continue to stay focused and dedicated.

“Receiving the Visa Program Optimization Award is a great honor,” Heath said. “We’re very lucky to have a team that really enjoys taking our program to the next level.”

*Joyce Heath will share the podium with Valerie Mawdsley, Vice President, Business Development Manager, Citigroup and Martin Johnson, Director, Public Sector Commercial Solutions, Visa USA to present “Grow Your Program” at the GSA SmartPay Conference, August 1-3 in St. Louis, Mo.*

## We Want to Hear From You!

### Innovative Use of Purchase and Travel Cards

Share your success! Everyone can learn from the improvements and best practices of individual agencies. We want to hear about your achievements — how you’ve used purchase cards or travel cards to increase your agency’s cost savings or to achieve other agency goals. The Visa Exchange may highlight your accomplishments in upcoming editions.

Please submit questions or a synopsis of your achievements to [publicsector@visa.com](mailto:publicsector@visa.com).

*NOTE: By providing us with information, you consent to the disclosure of same (including, without limitation, your name and your agency’s name) for purposes of future publication in The Visa Exchange. Otherwise, all information you provide will be subject to the terms of our privacy policy. Visit: [http://usa.visa.com/sitewide/privacy\\_policy.html?it=search](http://usa.visa.com/sitewide/privacy_policy.html?it=search).*



Ann Cavanagh, Manager,  
Government Solutions, Visa USA

## Ann Cavanagh: Profile in Managing Public Sector Marketing and Communications

*To familiarize readers with the faces driving Visa's leadership in the public sector, The Visa Exchange regularly features individual profiles. This issue features Ann Cavanagh, Manager, Government Solutions for Visa USA.*

A member of the Visa Government Solutions team since January 2006, Ann Cavanagh brings nearly a decade of communications and marketing expertise to the Visa team, most recently from Blattner Brunner, an innovative Washington, D.C., advertising firm.

Cavanagh's role is to facilitate dialogues among government card program coordinators, Visa member financial institutions and the Visa Government Solutions team to increase the efficiency of payment programs.

"Information has value only when it's shared," Cavanagh said. "My job is to make sure Visa's key government learnings are communicated effectively to the program coordinators who need them. And, we benchmark agency best practices so that program coordinators and Visa member financial institutions can continue to learn and implement effective card program best practices."

Cavanagh is focused on bringing solutions directly to agency optimization program coordinators through *The Visa Exchange* and [visa.com/gov](http://visa.com/gov), as well as through flagship Visa events: the Visa Government Forum, Visa State Government Forum and quarterly Visa meetings for A/OPCs.

"It's all about making card program managers' jobs easier and more productive." Cavanagh said. "The easier it is to use our products, the more efficient card program managers and their agencies will be. Here at Visa, that's considered a home run."

Ann Cavanagh welcomes opportunities to collaborate with readers, help maximize efficiencies and identify card program best practices. Direct any thoughts and/or concerns to [acavanag@visa.com](mailto:acavanag@visa.com).

# News You Can Use

*Visa is committed to helping agency program coordinators navigate payment card program requirements and stay abreast of the latest information in ever-changing regulatory environments.*

## **Merchant Security Seminars**

For the second year, Visa and the U.S. Chamber of Commerce have partnered to offer security seminars as part of a nationwide effort to help businesses understand current requirements for the proper handling of customer data and reduction of card-related fraud.

At each 2006 seminar, Visa security experts will provide an overview of the extensive efforts and financial resources the industry has committed to combat the problem of card-related fraud and steps that businesses can take to protect cardholder information. An update on pending legislation will be given by the U.S. Chamber of Commerce.

If your agency has merchant providers based in the following cities, you may want to encourage them to attend. Businesses can register at [http://www.uschamber.com/sb/security/default\\_new](http://www.uschamber.com/sb/security/default_new).

## **Upcoming Seminars:**

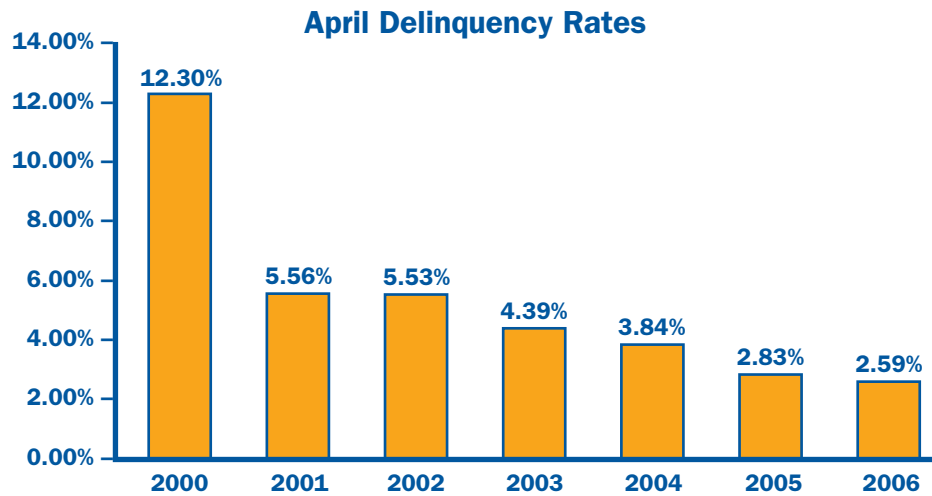
- Birmingham, Ala. - August 1
- Gainesville, Fla. - August 4
- Springfield, Ill. - August 7
- St. Paul, Minn. - August 10
- Murrieta, Calif. - August 16
- Anaheim, Calif. - August 17
- Annapolis, Md. - August 22
- Newton, Mass. - August 23
- San Antonio, Texas - August 30
- Cincinnati, Ohio - September 15

# Travel Card Delinquency Rates Continue to Drop

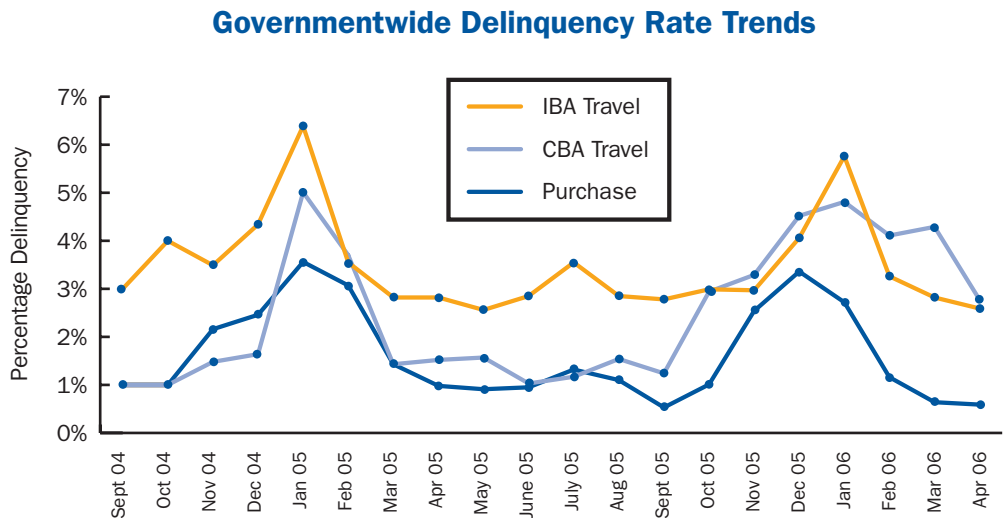
In April, the delinquency rate for individually billed accounts (IBA) fell .18 percent from March to 2.59 percent. This continues the positive year-over-year downward trend.<sup>1</sup>

April's 2.59 percent rate is comparable to corporate delinquency rates, showing that the hard work of agencies is paying off. However, a 2.59 percent rate represents nearly \$9.1 million in delinquent accounts, so continued efforts to combat delinquency should be pursued.

The chart below illustrates the yearly trend of individually billed travel cards.<sup>1</sup>



The chart below illustrates delinquency-rate trends over the past 17 months for individually billed travel cards, centrally billed travel cards and purchase cards. <sup>1</sup>



<sup>1</sup>U.S. General Services Administration, Chief Financial Officers Monthly Report

## “Ask the CFO” Radio Show

Tune in to “Ask the CFO” on Federal News Radio 1050-AM, the program that interviews a chief financial officer from a different federal agency every week. Gain insights into government accounting best practices from distinguished guests, such as Jennifer Main, CFO, Small Business Administration; James Laychak, President of the Pentagon Memorial Fund; and John Potts, acting CFO of the National Highway Traffic Safety Administration.

“Ask the CFO” airs every Thursday at 10 a.m. EDT on Federal News Radio. Or listen to broadcasts anytime with a Windows Media Player at [www.federalnewsradio.com](http://www.federalnewsradio.com).



*Bruce Sullivan, Vice President of Government Services, Visa USA*

## Trends and Directions

### Capitol Hill Update

Visa constantly tracks legislative developments on Capitol Hill and seeks to ensure that legislation will not prevent government agencies from efficiently administering their card programs. Visa and its member financial institutions have been successful in working with Congress to remove unnecessary and inefficient provisions from proposed legislation — as in the recent case of credit checks on centrally billed card accounts.

Currently, Visa is working on issues connected with proposed legislation S. 457, Purchase Card Waste Elimination Act of 2006, and with the recently enacted legislation H.R. 4297, Tax Increase Prevention and Reconciliation Act of 2005.

#### **S. 457 Purchase Card Waste Elimination Act of 2006**

Recently passed by the Senate, this legislation would, if enacted by the Congress, require the Director of the Office of Management and Budget (OMB) to issue additional guidance for, and provide oversight of, the management of micropurchases made with governmentwide commercial purchase cards.

Section 2 of the proposed legislation would require the OMB to issue guidelines requiring agencies to analyze purchase card expenditure to identify opportunities for achieving and accurately measuring fair participation of small business concerns in micropurchases. This provision is intended to ensure consistency with the national policy on small business participation.

Section 3 would require the General Services Administration (GSA), in conjunction with the Internal Revenue Service (IRS) and the Financial Management Service (FMS), to develop procedures that would subject any purchase card payments made to federal contractors to the Federal Payment Levy program (mandated by the Debit Collection Improvement Act of 1996).

We believe that the small business participation language was introduced into the proposed legislation because of a misperception by Members of Congress that the \$17 billion in fiscal year 2005 purchase card transactions consisted of only micropurchases, and therefore, was exempt from small business reservation and competition.

In actual fact, \$6.5 billion (57.5 percent) of Visa transactions for fiscal year 2005 was used for purchases under \$2,500, and \$4.8 billion (45.5 percent) was used for purchases costing more than \$2,500, which means that 45.5 percent of dollars on the purchase cards were subjected to small businesses and the competition in contracting acts. Further, 30 percent of fiscal year 2005 Visa card transactions within the micropurchase threshold went to known small businesses.

#### **Federal Payment Levy Program**

In June 2005, the Government Accountability Office (GAO) released audit report GAO-05-637 “FINANCIAL MANAGEMENT; Thousands of Civilian Agency Contractors Abuse the Federal Tax System With Little Consequence.” To address the challenges of collecting unpaid taxes from contractors that were paid with purchase cards, the GAO recommended that the FMS, in conjunction with the IRS, monitor purchase card payments to (1) assess the extent to which contractors that were paid with purchase cards owe federal taxes, and (2) assess alternatives to levy or otherwise collect unpaid taxes from those contractors.

Visa and its member financial institutions have met with the IRS, FMS, GAO and GSA to explain the commercial card settlement process and clarify why offsets to merchant payments could not be introduced into the process. In that meeting, it was understood that the FMS would pursue a policy solution for contracts/orders of more than \$2,500 by requiring contracting officers to check the central contractor registry to ascertain whether a prospective contractor was on the FMS offset listing before awarding contracts.

If the prospective contractor was identified as a debtor under the levy program, the contracting officer would not be allowed to use the purchase card as a method of payment. Instead, the invoicing payment process would be required, subjecting the payment to the offset provision.

Visa continues to work with Congress and the GSA, OMB and FMS on the requirements in S.457 to develop solutions that will avoid a negative impact on savings currently derived from agency card programs.

### **H.R. 4297 Tax Increase Prevention and Reconciliation Act of 2005**

Enacted into law by Congress in January 2006, Section 511 requires the imposition of withholding on certain payments made by government entities. The law requires the U.S. government, every state, every political subdivision thereof and every instrumentality of the foregoing that is making any payment to any person providing any property or services to deduct and withhold from such payment a tax in an amount equal to 3 percent of such payment.

The requirement becomes effective on payments made after December 31, 2010. At this time, Visa is investigating the applicability of the act to purchase card payments and will continue to work with Congress and the GSA to help ensure that it will not impact the program.

Links to additional information:

S. 457 Purchase Card Waste Elimination Act of 2006

<http://thomas.loc.gov/cgi-bin/query/D?c109:3:./temp/~c109FPCnNC>

Government Accountability Office Audit Report GAO-05-637

<http://www.gao.gov/new.items/d05637.pdf>

Debt Collection Improvement Act of 1996

<http://fms.treas.gov/scripts/search/redirect.asp?ciURL=/debt/background.html&CiUserParam1=Background:%20Debt%20Management:%20Programs%20and%20Systems:%20Financial%20Management%20Service>

H.R. 4297 Tax Increase Prevention and Reconciliation Act of 2005

<http://thomas.loc.gov/cgi-bin/query/F?c109:6:./temp/~c109RSIJ40:e61659:>

*Note: Information is provided for reference purposes only and should be independently verified. Visa is not responsible for your use of the information, including errors of any kind.*



# Mark Your Calendar

## 2006 Trade Shows and Conferences

### Federal Government

#### **August 2006**

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GSA SmartPay Conference  
(General Services Administration)  
August 1 – 3  
St. Louis, Mo.

FMS Annual Government Financial  
Management Conference  
(Financial Management Service)  
August 8 – 10  
Washington, D.C.

#### **September 2006**

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AGA First National Internal  
Control and Fraud Conference  
(Association of Government  
Accountants)  
September 25 – 26  
Atlanta, Ga.

#### **November 2006**

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Pacific Emerging Issues  
Conference  
Sponsored by AGA, ASMC  
and Visa  
(Association of Government  
Accountants/American Society  
of Military Comptrollers)  
November 13 – 14  
Waikiki, Hawaii

### State and Local Government, Higher Education

#### **July 2006**

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P Card Summer School 2006  
The University of Arizona  
July 26  
Tucson, Ariz.

#### **August 2006**

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NIGP Annual Forum and  
Products Exposition  
(National Institute of  
Governmental Purchasing)  
August 5 – 9  
Tampa, Fla.

NASACT Annual Conference  
(National Association of State  
Auditors, Controllers and  
Treasurers)  
August 19 – 23  
Omaha, Neb.

#### **October 2006**

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EACUBO Annual Meeting  
(Eastern Association of College  
and University Business Officers)  
October 8 – 10  
Boca Raton, Fla.

#### **November 2006**

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Annual State Trends and  
Leadership Forum  
(The Council of State  
Governments)  
November 30 – December 3  
Phoenix, Ariz.