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GSA SMARTPAY® SMART BULLETIN

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

Interchange Rates for Agencies Accepting GSA SmartPay® 2 Charge Cards

INTRODUCTION:

This bulletin addresses lower interchange rates offered under the GSA SmartPay® 2 master contract for agencies acting as merchants by selling products/services to other agencies (government to government, or “G2G”).

BUSINESS LINE(S) AFFECTED:

purchase and integrated (purchase only)

SUMMARY:

Visa has implemented a new G2G interchange rate for purchases made at qualifying governmental agencies.

Visa’s program is limited to government purchases using the GSA SmartPay® 2 purchase and integrated (purchase only) charge cards. It allows qualifying GSA purchase and integrated (purchase only) card transactions, from participating government merchants, to receive a new GSA G2G program rate of 1.65 percent of the purchase amount plus 10 cents per transaction. As a result of this program, the existing program GSA Large Ticket interchange rate has been adjusted to 1.20 percent of the purchase amount plus \$39 and the minimum transaction amount of \$5,000 for large ticket has been removed. Interchange fees on large ticket purchases are now calculated on a per transaction basis by applying the pricing formula which results in the lowest cost. Though there are no requirements to submit level 3 data for G2G, even lower interchange rates could be available. Failing to register for the G2G program would result in an interchange rate of approximately 3 percent.

MasterCard offers its standard commercial U.S. interchange rate of 2.95 percent of the purchase amount plus 10 cents per transaction and a rate of 1.85 percent of the

purchase amount per transaction when a commercial card is used outside of the region* where it was issued.

ACTION:

Please note that registration is required for Visa's G2G program. To participate in the Visa G2G Program, the government merchant must register and meet eligibility requirements and transactions must reflect Merchant Category Code (MCC) of 9399 or 9402 (Government Services or Government Postal Services). To obtain more information about Visa's G2G program or to register for the program, please contact your agency's acquiring bank (Fifth Third Bank if your agency is under the FMS contract).

Registration is currently not required to qualify for interchange rates offered by MasterCard.

David J. Shea
Director
Office of Charge Card Management

If you have any questions or comments regarding this Smart Bulletin, please contact Phil Myers at 703-605-2811 or phillip.myers@gsa.gov.

* GSA SmartPay® 2 charge cards are issued from banks within the United States region. Any transaction made outside of the U.S. region will be assessed the 1.85 percent of the purchase amount per transaction. The only exception is in the case of U.S. Embassies and Military Installations as these are considered U.S. soil.

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