

December 22, 2011

PCard-14-2011: Foreign Currency Conversion Fees Assessment

This information is being sent on behalf of Felando (Phil) Johnson, Program Manager, Charge Card Service Center Program Office.

Agency Program Coordinators (APCs),

Under the General Services Administration (GSA) SmartPay[®] 2 Program, foreign currency conversion fees can be assessed by a third party for all transactions initiated in a currency other than U.S. dollars. To date, U.S. Bank has never billed SmartPay clients for the fees assessed by VISA or MasterCard, even though the fees have been fully disclosed in purchase and travel cardholder guides since November 30, 2008. However, beginning January 3, 2012, U.S. Bank will bill these fees.

Foreign currency transactions posted to accounts on or after 11:00 p.m. Eastern Standard Time (EST) on January 3, 2012, will be assessed foreign currency conversion fees. Cardholders will continue to see individual transactions post to their accounts in U.S. dollars. However, transactions initiated in foreign currencies will include a one (1) percent conversion fee embedded into the total Transaction Amount; meaning, the fees will not be billed as separate charges. An illustrative example has been included below for your reference:

<u>Transaction Description</u>	<u>Amount</u>
Tokyo Supply Company (Foreign Currency) 50,000 JPY Date (Rate) .0108	\$543.01

Foreign transactions include a 1% foreign currency conversion fee incorporated in the exchange rate.

As always, cardholders will be able to review their transactions and electronic statements within U.S. Bank Access[®] Online.

We encourage all Agency Program Coordinators (APCs) to advise USDA Financial POCs, Local Agency Program Coordinators (LAPCs), Approving Officials (AOs), and Cardholders of the upcoming changes along with any additional agency-specific steps that may be needed to properly account for the foreign currency conversion fees in your financial systems.

If you have any questions on this process, please email the CCSC at CCSC@DM.USDA.GOV.

Thank you!