

## GSA SmartPay® Card Program Tax Exemption and Reclamation Best Practices

### Overview

Is your agency paying too much? Per the terms stated in the United States General Services Administration (GSA) SmartPay 2 Program contract, certain purchases made with accounts issued in support of this program are exempt from being assessed taxes. Current tax exemption information is available to all program participants at <https://smartpay.gsa.gov/about-gsa-smartpay/tax-information>.

To ensure that your agency transactions are properly processed at the correct rate, U.S. Bank recommends the following best practices to assist individual cardholders, Agency/Organization Program Coordinators (A/OPCs) and Billing/Approving Officials in the management of their purchase, fleet and/or travel card transactions.

### Best Practice 1: Indicate Tax Exempt Status

When making eligible purchases, cardholders should indicate the tax exemption status at the beginning of every transaction. Merchants may not notice the tax exempt designation on the front of the card, so a reminder will help ensure merchants process the transactions correctly.

### Best Practice 2: Review transactions first

Before submitting online orders or signing receipts at the point of sale, cardholders should always review eligible transactions to ensure that taxes have not been assessed. If verification reveals the inclusion of taxes, cardholders should request merchants to void the transactions and reprocess them correctly as tax-exempt purchases.



### **Best Practice 3: Monitor statements**

When transactions post to accounts, cardholders should always review them in the appropriate online program management tool. U.S. Bank provides online program management for purchase card, travel card, and VISA fleet transactions within Access® Online, and all other vehicle fuel and maintenance transactions can be monitored in Fleet Commander™ *Online*. Cardholders should follow internal agency policy regarding access to transaction information.

### **Best Practice 4: Follow Escalation Processes**

Incorrect tax assessments that cannot be resolved directly with merchants should follow agency escalation processes. A/OPCs may also submit the appropriate VISA and MasterCard complaint form to their U.S. Bank Relationship Manager for further research. Voyager forms should be submitted to Customer Service. Complaint forms are available on [usbank.com/gov\\_forourclients](http://usbank.com/gov_forourclients).

### **Best Practice 5: Engage Key Suppliers**

Making key suppliers aware of your agency's tax exempt status for certain goods and services during the contracting process will enable them to incorporate these exclusions into their procedures and communicate with employees prior to receiving any agency purchases. If taxes are incorrectly assessed, it is always best to address concerns directly with the supplier so that the errors do not become an ongoing issue.

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#### **For more information**

From commercial cards to access tools to complete electronic procure-to-pay systems, U.S. Bank offers agencies the solutions they need to cut costs, manage vendor payments and operate more efficiently. For more information, please contact your Relationship Manager or visit [usbank.com/gov\\_forourclients](http://usbank.com/gov_forourclients).

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