

commercial cards Government Services **News**

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Come Sail with Us At the 7th Annual **GSA SmartPay Conference**

Citigroup is setting sail for Boston this August for the 7th Annual GSA SmartPay Conference. We are thrilled to be joining you once again this year — and in one of America's oldest and most distinguished cities as Boston celebrates its 375th birthday!

As we have in the past, Citibank® Commercial Cards will host a number of interactive and informative sessions throughout the Conference. Our popular roundtables are back, as is our well-received session on preventing fraud and misuse in your card program. We will also delve into new topics with sessions on security and identify theft, as well as how to go about benchmarking your program. And, as always, our technology experts will be on hand for one-on-one training and live demonstrations

of our various Web-based solutions in the Citigroup Technical Demonstration Center.

This year, based directly on your feedback, many of our sessions will be tailored to your specific responsibilities — with emphasis on purchase, travel or fleet card issues to help you make the best use of your time while at the Conference. At the same time, our sessions are always open to all attendees regardless of job focus — enabling you to explore best practices across functional areas!

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An interactive roundtable co-hosted by Tracy Stover of Citigroup and Queen Cox from the U.S International Trade Commission.



Citigroup's Bill Prevallet assists USAID during a demonstration session.



Let Citigroup Welcome You to Boston

Visit the Citigroup Welcome Center before, during and after conference hours each day to meet your Business Development Manager and Client Account Specialist (CAS), as well as many of the experts who will be attending and presenting. And, just as last year, representatives from the National Industries for the Blind will join us to show you what is new and interesting in their product line. We will also be busy throughout the Conference taking photos of attendees in action — putting them all together in a must-see slide presentation, showing throughout Wednesday and Thursday. Be sure to stop by for a glimpse of the famous (and infamous) of this year's conference.

Set Sail with Citigroup

This year's GSA SmartPay Conference theme is "Sailing Onward" — and we know from past experience that you are ready to get on board with us for our annual customer appreciation event. The party sets sail on Tuesday, August 30th at 7:00 p.m. at the Boston Marriott Copley Place — and promises to be an evening of fun, food and dancing. Save the date, and look for more details in the coming weeks.

See you in Boston! ●



Planning to attend the GSA SmartPay Conference in Boston?

Just a reminder — if you plan on participating in one of the Citigroup hands-on training sessions, please be sure to bring your user IDs and passwords. That way, you'll be able to save your work at the conference for use when you get back to the office!





1099 Reporting

QPCA Facilitates 1099 Reporting

– Linda McGee, Merchant Relations, Visa USA, Inc.

In July 2004, the Internal Revenue Service (IRS) released final regulations regarding the role of a Qualified Payment Card Agent (QPCA). These new regulations will allow Visa to solicit, collect and validate supplier information needed for IRS 1099-MISC reporting on behalf of business, tax exempt entities and government agencies that use purchasing cards.

The QPCA regulations offer tremendous benefits to companies, tax exempt entities, and government agencies that use Visa commercial payment products. For example:

- You will not have to solicit 1099 information from suppliers in most cases; Visa will do this for you
- Visa will validate each supplier's official legal business name and TIN using the IRS TIN Matching Program
- Visa will notify you on a quarterly basis of any suppliers whose TIN could not be validated by the IRS TIN Matching Program

The QPCA regulations offer relief to companies by:

- Providing a 6-month grace period for obtaining a supplier's 1099 information
- Providing a grace period before backup withholding is required

Roadmap to QPCA

In order to become a QPCA, Visa will submit an application to the IRS. The regulations require that we provide you with formal notification of our intent to solicit and validate supplier TINs on your behalf. QPCA is an optional service, and you will be given the chance to decline it by returning an "opt out" form to your issuing bank. The regulations also require us to notify Visa-accepting suppliers and to give them the option to decline.

After a 60-day waiting period, Visa will begin using the IRS TIN Matching Program to validate the supplier TINs we already have on file. Once Visa is able to demonstrate to the IRS our ability to provide reliable taxpayer information, the IRS is expected to grant Visa QPCA status.

As a QPCA, Visa will continue to solicit supplier TINs on your behalf and use the IRS TIN Matching Program to validate supplier

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information. We will provide you with a quarterly report indicating which of your suppliers are “Qualified Payees” and which are “Non-qualified Payees.”

If you have been notified by Visa that a supplier is a Non-qualified Payee, you have an additional two months to try to obtain the supplier’s TIN yourself. If you are unable to do so, then you must begin backup withholding on any future transactions or simply stop using the supplier.

Protection from IRS Penalties

The IRS says that you may rely on the information provided by the QPCA for 1099 reporting. If you rely on this information and the IRS later finds it to be incorrect, the QPCA regulations state that you have “reasonable cause” to request relief from any associated penalties that may be imposed by the IRS.

As is the case today, you will be required to maintain the confidentiality of supplier data and use it only for purposes of backup withholding and filing information returns with the IRS.

In preparing for our bid for QPCA status, problems have been identified and Visa is working with the IRS to resolve them. We will keep you informed as we work through these issues.

For Additional Information

The complete texts of the QPCA regulations and revenue procedure are available on the IRS Web site at www.irs.gov/irb/2004-31_IRB/ar13.html and www.irs.gov/irb/2004-31_IRB/ar16.html.

How IRS TIN Matching Works

The IRS established the TIN Matching Program in September 2003 so that companies who report payments on Form 1099 could verify supplier TINs with the IRS prior to filing their tax returns.

Organizations using commercial payment cards may authorize a QPCA to validate supplier name/TIN combinations on their behalf. The IRS informs the QPCA whether or not the name/TIN combination furnished by the supplier matches a name/TIN combination maintained by the IRS.

Each supplier with a valid name/TIN combination is designated by the IRS as a “Qualified Payee,” and the organization can be assured of the accuracy of that supplier’s name and TIN for 1099 reporting. Suppliers whose name/TIN combination could not be verified by the TIN Matching program are designated “Non-qualified Payees” on the quarterly report provided by the QPCA. ●

Editor’s Note: Both Visa and MasterCard will be filing for QPCA status.

Technology Tip

Citibank® Custom Reporting System

When creating or running a report that includes a list of all transactions, be sure to include the DB Reference Number as one of the attributes you select from the Transaction Attributes table.

The DB Reference Number is a unique 50-alpha/numeric value assigned to each transaction in the Citibank® Custom Reporting System. This unique identifier is especially important in distinguishing each transaction with the same attributes, such as same merchant name, same transaction date and same transaction amount.

Without it, Citibank Custom Reporting System will list a single row with the total combined value for any metrics such as transaction amount.

If you prefer not to see the DB Reference Number in your report export, you may delete the column from your Excel spreadsheet.



Citigroup Teams With MasterCard to Provide **Enhanced Hotel Expense Data** for Travel Clients

With Citigroup and MasterCard's enhanced hotel folio data program, agencies can electronically capture and manage participating hotel-related business travel expenses paid for with the Citibank® MasterCard Commercial Card.

Citigroup has teamed with MasterCard to provide the most efficient travel expense management system for our clients whose travelers use MasterCard corporate cards to pay for hotel stays.

Thanks to the MasterCard enhanced hotel folio data program, travelers who use a Citibank MasterCard Commercial Card at any of more than 7,000 participating hotel properties can now have itemized hotel expense data automatically captured and delivered electronically to their expense management systems. Participating properties include well-known hotel brands such as Carlson Hotels Worldwide, Choice Hotels International, Hilton, and most recently, MasterCard concluded an agreement with Marriott International, a leading hotel company in the corporate lodging field. The agreement extends the reach and leadership of MasterCard's enhanced hotel folio data system to an additional 1,500 Marriott hotels.

Room charges, taxes, meals, telephone and business center fees are among the itemized expense details captured which can also be delivered electronically to agencies. Transactions are tracked and presented back electronically, streamlining expense analysis, management reporting, and the accounts payable process.



For travelers, the days of documenting, manually inputting and calculating hotel-related travel expenses can become a thing of the past. The submission of travel expense reports, which can be tedious, time consuming and subject to error, is streamlined. There is an unprecedented opportunity to analyze travel spending data

and trends, enforce T&E policies, and provide oversight.

The extraordinary level of detail companies receive through Citigroup and MasterCard's enhanced hotel folio data program provides companies a significant advantage in managing costs. Agencies can use the integrated, fully automated system to improve reporting accuracy, enhance fraud protection and create a more efficient process for their employees.

"By providing enhanced hotel folio data, Citigroup and MasterCard are serving the bottom-line, expense management needs of Citibank's customers," said Steve L. Abrams, senior vice president of MasterCard Corporate Payment Solutions. "Adding this highly detailed expense information to other expenses such as airfares further streamlines the expense management process and allows corporations to exercise greater control." ●

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