UNIVERSITY OF LOUISVILLE

Vice President for Finance
Policy/Procedure

Subject: Swift Prepaid Cards	Author: Kerry Schmidt
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Prepaid cards are utilized at the University for a variety of reasons. Some of these reasons include:

- Payments to clinical trial participants
- Non-recurring tokens of appreciation for a non-employee's time and talent
- Non-recurring employee gifts of appreciation, special recognition, holiday/seasonal gifts

Cards may NOT be used to:

1. Pay trade suppliers for goods and/or services received and/or rendered
2. Pay any type of wages for services rendered
3. Circumvent University purchasing, payroll or accounts payable procedures

Departments will utilize the University's contracted prepaid card solution provider, Swift Prepaid Solutions, to purchase prepaid cards. The Swift Prepaid system provides the following:

- An internet-based system (that can be accessed either on campus or at any remote location with internet connection or secured Wi-Fi) to capture mandatory payee personal information like: name, address, social security number, funding source, amount of payment, 16-digit card number, etc. This reduces the University's risk from a tax reporting standpoint.
- A secure system that is built around user role-based security so that payee personal information is kept confidential and available only to select users.
- An inventory of plastic, unfunded cards on-hand at all times in the Controller's Office. This will allow quick turnaround of cards for departments who have urgent needs.
- A system that will allow Visa-branded U of L cards to be funded by researchers or administrative staff *on-the-spot* almost instantly once the researcher determines who has shown up for a particular study (i.e. no need to prefund cards and end up with leftovers!).
- A system that will eliminate all the back-end maintenance because payee information is obtained at the time the card is loaded (i.e. no after-the-fact chase of payee information).
- A prepaid card solution with a very low cost per card - $1.75. This is a $2.20 per card savings vs. the $3.95 cost of PNC cards!

The Swift Prepaid Card solution should be used for all prepaid card purchases. Employees may not be reimbursed for purchases of prepaid cards from other merchants.

Researchers who are conducting studies, and departments who wish to give out prepaid cards to employees and/or students, should determine how many payment cards they will need 10-15 days prior to the date of the activity (or study event). Based on this number, the researcher or administrative staff should place an order for the plastic cards from the Controller's Office.

Swift Prepaid Card Order Form

When the order has been received and processed by the Controller's Office, the department person will be contacted to pick up the cards. At this point, the plastic cards have no value.

On the study date (or when the list of participants has been finalized), the researcher or administrative staff can log on to the Swift Prepaid system and add funds to individual cards for specified dollar amounts. Keep in mind that all the payee's personal information (name, address, social security number, employee ID number (for employee non-study activities), etc.) must be entered into the Swift system *at the time the card is funded*. This information is *mandatory* and should only be entered into the Swift system if the payee is *certain* to complete the activity. (In rare cases, payee information can be backed out of the system if necessary.) This part of the process is imperative for the University to stay in compliance with tax requirements.

All payee information and payments will be tracked weekly. The Controller's Office will charge the department for the plastic fee as soon as the cards are issued, and the card funding piece will be charged to departments on a 1-2 week basis as funds are added to cards.

There is no need to collect W-9 forms relating to these payments. All the payee's information will be captured in the Swift Prepaid System. The following rules will be followed from a taxability standpoint:

- For non-employees, these transactions may be reported on a 1099-misc form at the end of the calendar year if the recipient meets the IRS' reporting threshold.

- In the case of study participation, *employees* will be treated like non-employees, and all funds will be tracked and reported on a 1099-misc form if the recipient meets the IRS' threshold.

- For employee non-study payments (incentives, door prize drawings, contests, holiday gifts of appreciation, etc.), these amounts will be added to the employee's W-2 through Payroll.

Departmental staff will be able to access reporting in the Swift Prepaid system for payments that were issued in that department. The Swift reports will provide data for things like: payee names, amount of payment, date of payment, funding source used for a particular payment, etc. Departmental staff will also be able to inquire on payments in the system, on-line for things such as: dates, payees, amounts, etc.

In order to be set up with access to the Swift Prepaid Solutions system, please contact the Controller's Office requesting access to the on-line training module via Blackboard. Please provide your name, employee ID and username for setup. Training is required before access to the system will be granted. Also, the training manual is available online.