Information

Prepaid Gift Cards

Effective

June 6, 2012

Applicability

This policy applies to the University Community (administrators, faculty, staff, and students).

Administrative Authority

Vice President for Finance and CFO

Responsible Unit

Controller's Office
Service Complex, Louisville, KY 40292
Phone: 502-852-7072
E-Mail: controll@louisville.edu

History

Revision Date(s): November 2016; December 1, 2019; November 20, 2020
Reviewed Date(s): November 2016; November 20, 2020

Categories

Reason for Policy:

Through the utilization of a specific vendor the university is better able to standardize, monitor and generate reports expressly related to gift card transaction activity.

Statement:

The university's current vendor of contract is Swift Prepaid Solutions. All departments within the university are to utilize the contracted prepaid gift card solution when making the following gift card transactions:

- Payment to study participants.
- Student Award.
- Study participants reimbursement of expenses.

The university no longer uses single-merchant cards, such as Target or Walmart. Employees may not be reimbursed for purchases of gift cards from other merchants.

If the card is for an active UofL student, approval must be obtained from the Financial Aid Office at finaid@louisville.edu before proceeding.

Related Information:

Swift Gift Card Specifics

- Swift Prepaid Gift Cards have an expiration date. Be sure to check this date upon receiving the cards from the Controller's Office and prior to the distribution of the cards.
- Due to the low cost related to the purchase of the cards it is most cost effective to issue a new card rather than reload cards issued previously.
    - Most study participants receive the cards for single visit participation.
    - If the study involves multiple visits a new card should be provided at each visit.
    - The amounts loaded on the cards are generally low.
    - There is a slim chance that the study participant will save the card for future visits once the funds have been utilized.

- Individuals are advised to wait until you will be utilizing the system before requesting access. Be aware - if an individual does not use the system for 90 days access will become inactive.

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Information to communicate to the payee:

- Even though these cards are processed as "Debit" cards, a PIN is not assigned or needed.
- Make sure the Payee is aware of and understands the expiration date.
- The gift card cannot be swiped at a gas pump, but must be taken inside the store to pay.
- Cards must be used for purchases. Cash back from a purchase is not permitted.

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 to include: name, address, social security number, funding source, amount of payment, and 16-digit card number. This reduces the University's risk from a tax reporting standpoint.
- A secure system that is built around user role-based security so the 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 back-end maintenance due to the fact that payee information is obtained at the time the card is loaded.
- The prepaid card solution is cost effective at $1.75 per card.

Departments are advised that prior to ordering and distributing prepaid gift cards completion of a training session is required.

Upon completion of the required training module an individual should be able to:

- Explain how payees may use the Swift Prepaid Card.
- Describe how the Swift Prepaid Card is used.
- Explain the process of receiving access to the Swift System online.
- Explain the process of funding a Swift prepaid card and how to inquire about payments.
- List the payee information needed before loading funds on to a Swift Prepaid Card.
- Explain why approval from the Financial Aid Office must be given before entering student payee information in to the Swift System.

Once training is complete the individual should document the date and time the training was completed. This information is required to request system access.

1099 completion is **required** by non-employee payees.

- The Internal Revenue Service (IRS) tracks all payment made to card recipients.
- The compensation received by a payee could exceed the reportable amount of $600 in a calendar year when payments are accumulated throughout the entire University.
- The Swift System has the capability of tracking the payment activity by the participant's Social Security number.
    - Any individual receiving a gift card must have a valid Social Security number.
    - Persons without a valid Social Security Number cannot receive a gift card.
- The Swift System generates year-end 1099 reports.

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Definitions:

Plastic Fee - nominal fee charged to the department for the actual card. This fee is charged at the time the card is received by the department regardless of if/when it

is utilized.

Study Participants - also referred to as Human Subjects, are for all types of studies and grants.

Procedures:

Steps to Ordering and Funding the Gift Cards

System Access and Setup

- Logging in to the Swift Gift Card System - once the e-learning training module has been completed the following steps are required to gain access to the system and fund the gift cards.
    - Email the Accounts Payable Service Account at acctspay@louisville.edu with the date and time training was completed. You will also need to include a list of other individuals in your department that have the authority to fund gift cards. This information will allow the appropriate location for you to be designated in the system.
    - An email response will be sent from Accounts Payable with your login information. Your User ID will be your official UofL email address. You will receive a temporary password, which will work only one time.
    - Log in to the system promptly to activate your User ID, change the temporary password to one of your choosing, and prevent your status from being inactivated.

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Ordering Swift Prepaid Cards

The Process - can begin once training has been completed and access has been granted.

- The order form must be completed. The PDF form can be accessed through the following link http://louisville.edu/finance/controller/acctops/forms/prepaidcardform and should be downloaded to complete. It is recommended that you bookmark the location for future reference.

The Form:

- Must be accurately completed with all of the following information:
  - Department Name.
  - Name of the Requestor (the person who has completed training and will be funding the cards).
  - Email address of the Requestor.
  - Study (Grant) Name.
  - Funding Source (Speedtype) for the card fee.
  - Card Fee - this will be charged to the Department when the cards are picked up. The card fee is $1.75 per card. Example: 10 cards = $17.50 fee.
  - Projected amount is the estimated total dollar amount to be funded to this group of cards. Example: 10 Cards @ $20 each = $200 projected funding. This is an estimate and not required to be exact, but should be as close as possible.
- Order the form by:
  - Print the form, once it has been completed.
  - Obtain the appropriate signatures.
  - Scan and email the form to the Accounts Payable Service Account at acctspay@louisville.edu for approval
  - Orders are accepted until noon on Thursdays of each week. Anything received after this time will be processed the following week.
- Picking up the cards:
  - Orders are filled on Friday mornings.
  - Notification will be sent via email, to the address provided on the form, when the cards are ready for pick-up. The cards will not be sent via campus mail.

    - Card orders for the Belknap Campus are to be picked-up at the Controller's Office at 201 Easts Warnock Street. Contact the office to verify office hours.
    - Card orders for the Health Sciences Center (HSC) can be picked up from the Clinical Trials Unit, 401 Easts Chestnut Street, Suite 460. Contact the office to verify office hours.
- Journal Entries: you will see two journal entries each time gift card orders are processed.
    - The first entry will be processed when the cards are picked-up. This entry will be for the card fee only ($1.75 X Number of cards received).
    - The second entry to be processed will be the amount that was funded to the cards, as they are funded and distributed to the payees.

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The controller's office will charge the department the plastic fee as soon as the cards are issued. The card funding will be charged to the department on a regular recurring basis as the funds are added to cards.

Funding Swift Gift Cards

Required Information:

- Payee Information: Name, address and social security number.
- University Information: Funding source (speedtype), Account number (account code), Type of payment (example: study participant).

Note: If the payee is a student, you must obtain approval from the Financial Aid Office at finaid@louisville.edu before proceeding.

- Under the University Fields section you will enter the Employee ID number, study and any pertinent notes.
- The Employee ID number is used if the payment is not study related.
- Sensitive Data: Protect the payee's information by keeping records secure. Guidelines for protecting disseminating data can be found within the User Accounts and Acceptable Use policy follow the University's policy for secure record keeping to know how to best protect the payee's information. The Swift System does not require a W9.

The Process - all fields with an asterisk are required:

- Login to the Swift System.
- Click Activate Cards.
- Select Funding Type.
- Each card must be loaded individually as bulk card loads is unavailable.
- Enter the number of the card to be activated.

- Enter the amount to be funded on the specific card.

Notice the Get Balance button - this will allow you to go back in to the system and obtain the card's balance by clicking this button. Example: if a payee requests the card balance you can use this feature to obtain the information.

- Enter the payee name and address information.
- Enter the payee social security number - be sure to double-check for accuracy.
- Enter the Employee ID number - if applicable.
- Enter the University fields information.
- Enter the funding source (speedtype).
- Using the drop-down box select the Account Number (Account Code).

Notice - Account Code 535550 is for the reimbursement of expenses. This account code is rarely used. It should only be used for the reimbursement of a study participant's out of pocket expenses. These would include mileage, parking and meals. If this code is used the Controller's Office will conduct a sample audit on the specific code. Documentation to support and justify the use of this code for study participant expenses will be required. Carefully document all expenses charged to this code on Swift Cards.

- Using the drop-down box select the Type of Payment - Common selections include: Study Participant, Student Incentive/Contest, Student Prize/Award/Contest
- Click Submit.
- Review all of the information that was entered.
- Click OK to confirm the information.
- Print/Save the Confirmation.
- Activate Another Card to individually load more cards OR select Done if finished loading cards. If you are funding multiple cards for the same study or purpose, it is helpful to use the Copy Previous University feature. Click the link located at the top right of the screen. This feature will auto-fill the funding source (speedtype) and account code information.

The View History Feature:

- The Swift System keeps a historical record of your card funding activity:
    - This feature may be used to run a report to show all of the cards that have been funded by you.

    - This feature can be used by your Department to verify the amount funded on a card and to provide supporting documentation for general ledger transactions.
    - This can also be used to view all card funding activities.
- Using the Filter - complete the Location ID information for the location to which you are assigned:
    - Historical information can then be filtered by date, transaction type and user.
    - Click Run to begin the search.
- Sort the Transactions - after the search filter is ran the results will appear:
    - Sort the columns by clicking on the headers to chunk specific information, such as the card's status or the transaction type.
    - Sorting helps locate specific information about funding activity.
- Search Transactions - a second way to use the View History Feature:
    - Click the Search Card Funding Transactions button - can be found in the Main Menu and the View History Results screen.
- Search Criteria - there are many options which include:
    - Date range funded.
    - Funding source.
    - First name.
    - Last name.
    - Employee ID.
    - Program (this will default to UofL).
    - Location.
    - Study.
    - Transaction initiated by.
    - Card number.
    - Default - if you decide not to use the available search criteria the system will default to the activity for the current day.
- Exporting Results - the results will appear on the screen and may be exported with either Microsoft Word or Excel.
- Restore Card - Notice this link:
    - This feature will allow a card funding to be removed, deactivate the card and return the card to the available inventory. The card is then returned to a $0 balance.
    - This feature can be used when:
        - A card is funded in error.

        - A study participant did not show up for the study.
        - The social security number was entered incorrectly in the Swift System.

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Example: The dollar amount was incorrectly entered at $250 but should have been $25.

Example: The study participant did not show up for a study. Using the Restore Card feature prevents incorrect payee taxable income being reported to the IRS when the payee never received the card (income).

Responsibilities:

All individuals approved to process prepaid gift cards must successfully complete the training module. Access to this module will be provided upon the request of the individual's immediate supervisor. Additionally, these approved individuals are required to review updated training information when notifications are disseminated.

Forms/Online Processes:

Financial Aid Office at finaid@louisville.edu

Accounts Payable Service Account at acctspay@louisville.edu

Order Form (PDF)
http://louisville.edu/finance/controller/acctops/forms/prepaidcardform