

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

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.
- 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.

Reasoning:

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.

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.

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.