

NC STATE UNIVERSITY

University Controller's Office Internal Administrative Procedures

Section: General Accounting
Function: Cash Management
Person Responsible: Heidi Kozlowski

Procedure Number: GA-CM-MS-03, previously published as GA-CM-MS-01

Procedure Title: Merchant Funding

History: Issued: April, 2004, Revised March, 2014

Procedures:

After the day's transactions have been completed, the merchant will close their batches, review, and transmit settlement to SunTrust Merchant Services.

SunTrust Merchant Services will deposit the net receipts (gross receipts less charge backs and disputed items) into the Master Service Agreement(MSA) Merchant Service account at Wells Fargo Bank and the State Treasurer will sweep the account.

The next business day, Cash Management Section will certify the deposit and using the Wells Fargo daily reports, post the deposits to the appropriate project via journal voucher. It will then be the responsibility of each merchant to reconcile their daily settlement reports to the deposit posted in Financials.

If a customer disputes a charge or needs a refund, the merchant is responsible for the resolution of these items. All credit card refunds must be posted to the original card used for the sales transaction. If the original card has been compromised or closed, the issuing bank will issue refunds, chargebacks and reversals to the new card/account. If the account is closed without a new card being assigned, then the issuing bank will mail a check for the refunded amount. The cardholder should contact their issuing bank if they have not received their refund within three to five business days.

Charges disputed by the cardholder are called chargebacks. Merchants are notified through the Controller's Office, via email or by inter-office mail. It is the merchant's responsibility to review and respond appropriately to the chargeback. Responses to the chargeback can be made via mail or fax. For Mastercard and VISA, the funds are deducted from the merchant's account at

the time the chargeback is initiated. If the merchant wins the chargeback, the funds are returned. American Express only deducts funds if the merchant does not win the chargeback. If funds are deducted or returned, the daily departmental deposit must be adjusted to reflect the changes. These charges will not show up in the payment gateway reports or Point-of-Sale Terminal batch settlements, but are available in ClientLine. Merchant Services will be available to provide guidance in resolving chargeback and disputed items.

Persons Involved in These Procedures:

Name of Person	Description of Duties
Merchants	Close and transmit batch on a daily basis and reconcile receipts to reimbursements. Resolve disputes and chargebacks.
Cash Management	Journal funds as received to departments, E-mail merchants as NCSU is notified about chargebacks/disputed items.
Recon Section	Reconcile bank activity monthly to verify accuracy.

Internal Administrative Procedures Approved By:

Name of Person	Date
Associate Controller: Heidi Kozlowski	April, 2014
University Controller:	