

## U-M's Treasurer's Office Return / Refund Policies

U-M credit card merchants have a shared responsibility to mitigate the risk of credit card refund fraud. The following actions are, at a minimum, required to help serve this aim.

### **Designate staff to have the authority to approve refund requests:**

- identify higher level of authority staff to approve refund requests
  - this staff **should not** be the same staff who process transactions
  - this staff **should not** be responsible for the periodic review of account refund activity
- keep a current list of this staff on file with Merchant Services in the Treasurer's Office

### **Have staff who are authorized to approve refund requests follow the process below:**

- review each request to verify that it is:
  - valid (item was returned / service not rendered)
  - equal to or less than the original item cost
  - using the credit card used in the original sale (NOTE: If the original credit card is no longer available [e.g. SVC card, account closed], the best practice is to work with SSC's AP to have a check issued. If that is not an option, please connect with Merchant Services.)
- approve the request if it meets the above verifications

### **Review refund activity:**

- units must periodically and regularly review refund activity
- all refunds must be verified and approved by staff designated with "refund approval authority" as outlined above

### ***U-M Merchants must document the above in alignment with internal controls efforts.***

U-M's Internal Controls Office posts [Credit Card Written Procedure templates](#) to assist.

Per the [Merchant Requirements](#), merchants must abide by the "Bank Card Merchant Rules and Regulations." A Bank-issued summary is on the [Treasurer's Office website](#), under its Merchant Forms & Policies section. Sections 1E (Return Policy) and 7C (Returns) are especially pertinent to refunds.

Critically,

- customers must be aware of merchant's return / refund policy at the time of purchase
- merchants must be able to provide evidence of the original transaction to the Bank, upon request
- refunds must be returned to the card used in the original sale
- refunds cannot exceed the original transaction amount
- cash may not be provided for a refund

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### Revisions/Approvals

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Applies To:

All university units or affiliates that accept credit card payments.

Owner:

Treasurer's Office