

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
 - ideally, this staff **should also not** be responsible for the review/reconciliation of account refund activity, if this is feasible in your Unit
- keep a current list of this staff on file with your Unit records

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

Date	Version	Editor / Author	Notes
07/14/2023	1.0	B. Ziobro (flan)	Released Version
04/23/2024	2.0	B. Ziobro (flan)	clarified two pieces: (a) Refund Approver list need only be housed at the Unit-level (b) Refund Approvers should not be reconcilers, when staffing supports that approach

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Applies To:

All university units or affiliates that accept credit card payments.

Owner:

Treasurer's Office