

## Financial Reconciliation and Reporting for Credit/Debit Payment Card Sales Transactions



### Webinar



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## Credit/Debit Payment Card Transactions Sales Reconciliation & Reporting

### Learning Objectives

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#### Learning Objectives



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- Identify the University business systems available to locate credit/debit card sales (revenue) settlement transactions.
- Recognize where to locate credit/debit card sales transactions.
- Explain how to reconcile credit/debit card sales using Banner queries and University monthly reports.

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- Explain how to reconcile credit/debit card sales using Banner queries and University monthly reports.

**Monthly Reporting Systems**

- Banner –Finance Forms (see reference guide)
- View Direct-Fund-Monthly Transactional Activity Statements
- EDDIE-Fund-Monthly Transaction Activity Statements
- Describe the University's Electronic Data Warehouse (EDW) EDDIE Finance Universe-Merchant Card Trans query reports.
  - EDW-EDDIE-Finance Universe
    - [Merchant Card Trans iPay](#) (University Payment Gateway-Online)
    - [Merchant Card Trans GlobalPayments](#) (Terminal/POS)
- Locate the Merchant Operations and Financial Reporting web resources on Treasury Operations-Merchant Card Services website.
- Locate Merchant Card Services Policy and Procedures Sec. 21-Reconcile Credit/Debit Payment Card Transactions.

**Documents-Financial Reconciliation and Reporting**


- [Reference guide](#)
  - Credit/Debit Payment Card Transactions and Banner Finance Forms
- [Job Aid](#)
  - Credit/Debit Card Transactions Revenue and Fees

## Introduction

### Recon & Reporting

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### Introduction



Departments must perform a daily and or monthly reconciliation to ensure that their credit card sales match total transactions amounts posted to the Banner General Ledger.

#### Reconcile Daily

1. Follow the reconciliation steps contained in the [Reference Guide-Credit/Debit Payment Card Transactions Banner Finance Forms and Job Aid](#)

Departments must perform a daily and or monthly reconciliation to ensure that their credit card sales match total transactions amounts posted to the Banner General Ledger.

### Reconcile Daily

1. Follow the reconciliation steps contained in the [Reference Guide-Credit/Debit Payment Card Transactions Banner Finance Forms and Job Aid](#) Credit Card Revenue/Fees.

### Reconcile Monthly

1. Each month reconcile all accounts to be sure all revenue has been posted properly in Banner Finance and or University Electronic Data Warehouse (EDW)-EDDIE Finance Universe and or View Direct.

**For Reconciliation Discrepancy,** contact Merchant Card Services as soon as possible. ([merchantcardhelp@uillinois.edu](mailto:merchantcardhelp@uillinois.edu)).

***Types of Discrepancies:***

- Wrong CFOAP/ Inactive CFOAP-cross fiscal years of change
- Rogue CFOAP
- Error CFOAP segment, Org code
- Account inaccuracy or inappropriate use




**Note:** If your unit uses a clearing fund to record the initial sale, prepare journal vouchers to further distribute the revenue internally to an appropriate financial account to include C-F-O-A-P, Ensure that the clearing fund reconciles to zero balance at the end of each month.

## Revenue

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### Revenue



#### Payment Card Revenue

Payment card revenue is funds received from the selling of University goods and services.

The payment card transaction batch settlement totals are posted daily in Banner Finance and Electronic Data Warehouse (EDW) reporting systems.

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**Ex:** Tickets, Event Venues-Concessions, conference registration, patient billing payments, student tuition, bookstore etc...



**Note:** Revenue Funds posted next business day-Banner/EDW Reporting Systems




## Fees

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### Fees



#### Payment Card Transaction Fees

Payment card transactions discount rate or interchange fee is determined by:

- The card-issuing bank
- The type of card used (debit vs. credit or rewards-corporate-commercial etc.)
- The amount of the transaction
- The timeline of transaction authorization and settlement for bank deposit, and overall

### Payment Card Transaction Fees

**Payment card transactions discount rate or interchange fee is determined by:**

- The card-issuing bank
- The type of card used (debit vs. credit or rewards-corporate-commercial etc.)
- The amount of the transaction
- The timeline of transaction authorization and settlement for bank deposit, and overall perceived risk of the transaction (Card **"Present"** or Card **"Not Present"**).
- The payment card fees are posted to the department CFOAP account monthly by the University Accounting. The fees are posted to Banner with associated document number as an AR#.

**Merchant Card Services-FAQs: What determines the transaction fees?**

<http://www.obfs.uillinois.edu/cms/One.aspx?portalId=909965&pageId=1089945>




## Processing Transactions Batch Settlement

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### Processing Transactions Batch Settlement



#### Processing Payment Card Transactions for Batch Settlement

Departmental iPay online payment sites can access transactions batch settlement reports at [University Electronic Data Warehouse](#) (EDW).

**Failure to settle a terminal or POS at end of each business day could result in:**

- Bank withholding the funds

### Processing Payment Card Transactions for Batch Settlement

Departmental iPay online payment sites can access transactions batch settlement reports at [University Electronic Data Warehouse](#) (EDW) iPay-Merchant Card Trans.

- **Terminal**-printed settlement report
- **POS register system**-transaction batch settlement report
- **Online**- web developer (software vendor service provider) created reporting capabilities

**Failure to settle a terminal or POS at end of each business day could result in:**

- Bank withholding the funds
- Cardholders disputing transactions to be chargedback against department deposit CFOAP, which is a loss of transaction revenue.
- Plus a chargeback assessment fee that is non-refundable and nor can be collected from the cardholder to recover the chargeback assessment fee of loss.

**Note:** Terminals Payment Card Processing: Merchant Card Services website page Training Resources, **Job Aid** for Payment Card Terminal, [End of Business Day Terminal Settlement](#).

## Batch Settlement Report Documentation Records

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### Batch Settlement Report Documentation Reco...



#### Transaction Batch Settlement Report

- The transactions batch settlement report should be retained with the merchant copy payment card transaction receipts and supporting documentation.
- Receipts and supporting documentation should be filed as required by University Archives and Office of Business and Financial Services (OBFS)

### Transaction Batch Settlement Report

Settlement report should be retained along with the merchant copy transaction receipt (printed from terminal device or POS register system).

Settlement report and merchant copy transactions receipts must be kept for five years plus current year.

- The transactions batch settlement report should be retained with the merchant copy payment card transaction receipts and supporting documentation.
- Receipts and supporting documentation should be filed as required by University Archives and Office of Business and Financial Services (OBFS), five years plus the current year.

See the following reference resources at Merchant Card Services website:

- Merchant Operations-[Data Retention and Disposal](#)
- Data Retention and Disposal policy at OBFS Policy and Procedures manual, Section 21 Merchant Card Processing Policy and Procedures- [Keeping Merchant Card Records](#).

## Best Practices Reconciliation Audit Control Reminders

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### Best Practices Reconciliation Audit Control Re...



#### Reconciliation Audit Control Reminders noted as top internal audit findings,

- Excessive access rights to systems or files, as only persons should be reconciling as a direct responsibility in their job description.
- Segregation of duties.
- Lack of audit trails, records, and logging.
- Lack of documentation of controls.
- Lack of security awareness.

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- Excessive access rights to systems or files, as only persons should be reconciling as a direct responsibility in their job description.
- Segregation of duties.
- Lack of audit trails, records, and logging.
- Lack of documentation of controls.
- Lack of security awareness.
- Lack of documented security policies and supporting guidelines and procedures.
- Don't be a party to circumvention of controls
  - Accuracy Counts. Take your time to pay attention to the details.
  - Use errors or mistakes as an immediate opportunity to teach what's right.

- Don't let abuse or misuse go, correct audit issues immediately.


**EX:** *Late transactions batch settlements, duplicate payments pending or not refunded.*

## Revenue Deposit/CFOAP Account Posting

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### Revenue Deposit/CFOAP Account Posting



#### Payment Card Transaction Revenue Deposit/CFOAP Account Posting

A **daily settlement file** is obtained from our merchant bank acquirer. The settlement file contains all batched transactions of settlement from the previous day.

The **University's Banner Finance system** creates general ledger feeder based on the transactions

### Payment Card Transaction Revenue Deposit/CFOAP Account Posting

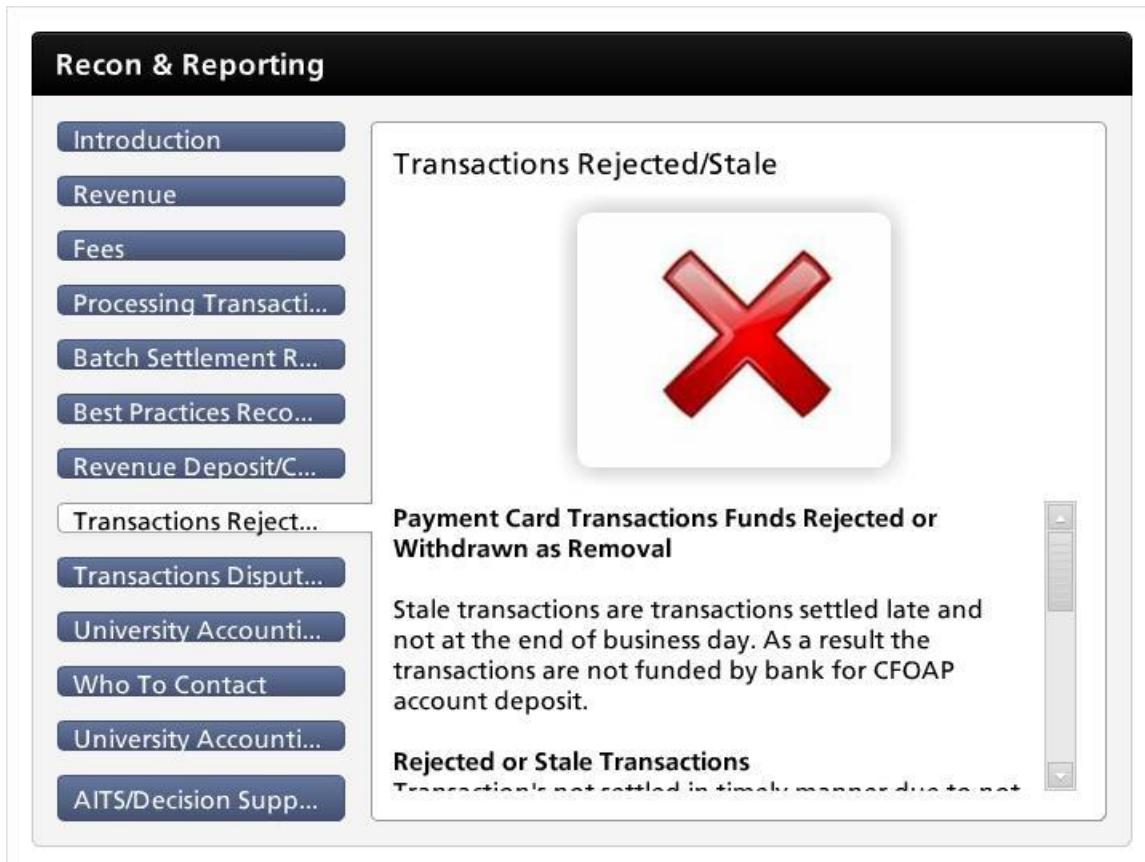
A **daily settlement file** is obtained from our merchant bank acquirer. The settlement file contains all batched transactions of settlement from the previous day.

The **University's Banner Finance system** creates general ledger feeder based on the transactions batched in settlement as total batch settlement amounts.

**Merchant Card Service receives** the settlement file and creates the transaction batched settlement file for the creation of the Banner general ledger feeder.



## Transactions Rejected/Stale



### Payment Card Transactions Funds Rejected or Withdrawn as Removal

Stale transactions are transactions settled late and not at the end of business day. As a result the transactions are not funded by bank for CFOAP account deposit.

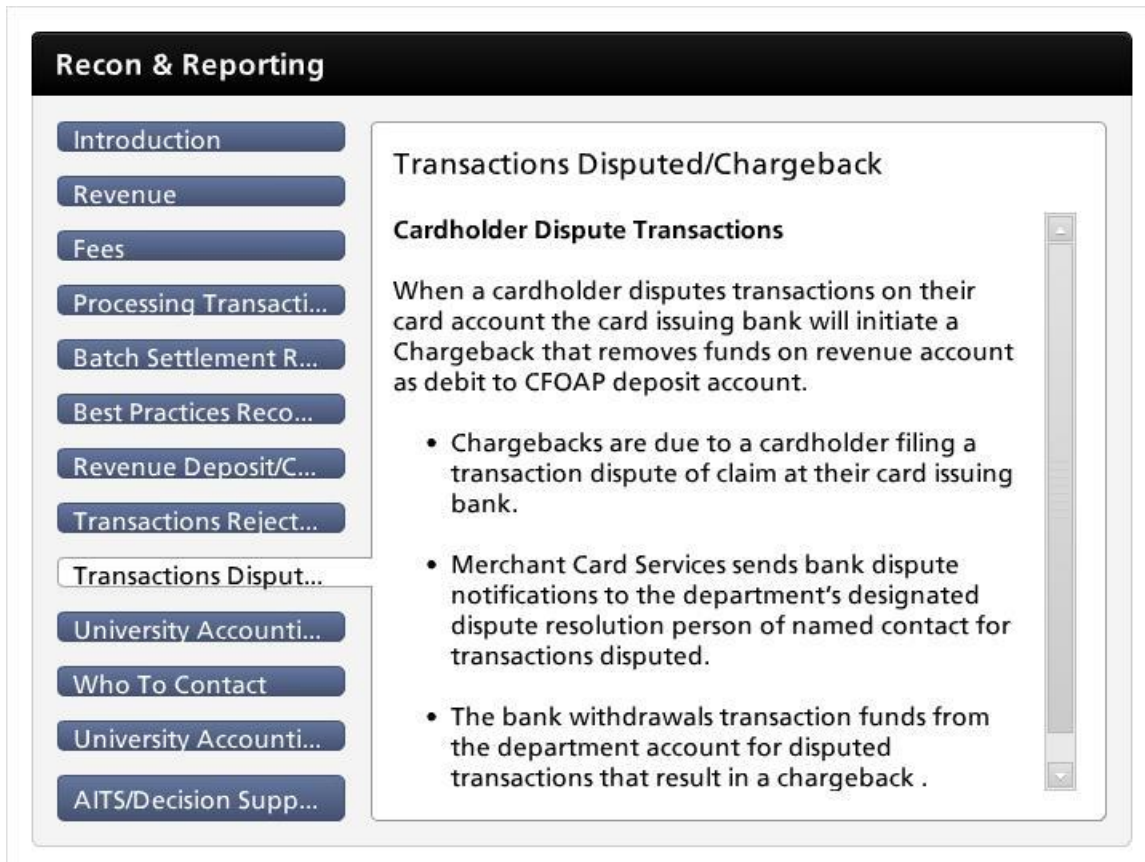
### Rejected or Stale Transactions

Transaction's not settled in timely manner due to not processing transactions settlement at end of business day are rejected or noted as stale transactions at bank. Department receives no funds from transactions that are rejected or become stale by bank.

### Payment Card Transactions not settled within 10 days

Departments are responsible to reconcile their transactions on account daily and at the least monthly.

## Transactions Disputed/Chargeback



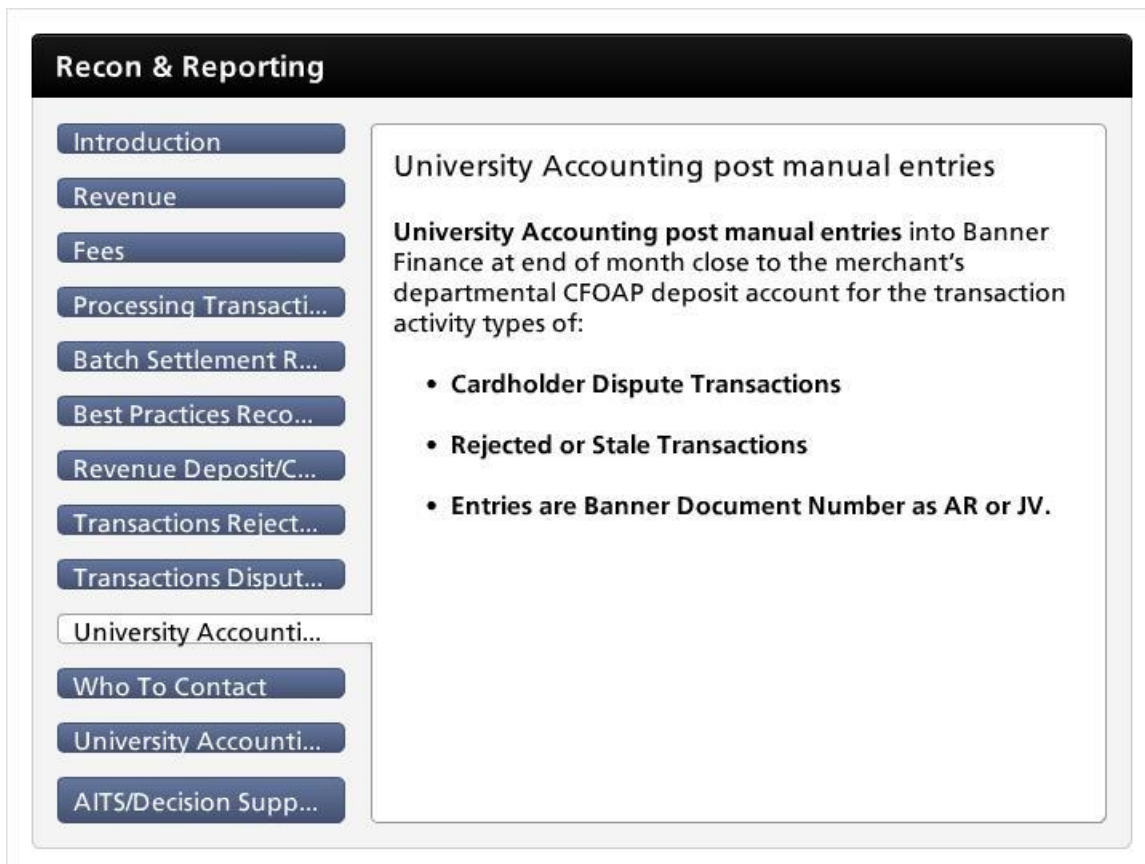
### Cardholder Dispute Transactions/ [Merchant Card Services-Operations-Disputes](#)

When a cardholder disputes transactions on their card account the card issuing bank will initiate a Chargeback that removes funds on revenue account as debit to CFOAP deposit account.

- Chargebacks are due to a cardholder filing a transaction dispute of claim at their card issuing bank.
- Merchant Card Services sends bank dispute notifications to the department's designated dispute resolution person or named contact for transactions disputed.
- The bank withdraws transaction funds from the department account for disputed transactions that result in a chargeback .



## University Accounting post manual entries



The screenshot shows a web application interface with a black header bar labeled "Recon & Reporting". Below the header is a vertical list of blue buttons: "Introduction", "Revenue", "Fees", "Processing Transacti...", "Batch Settlement R...", "Best Practices Reco...", "Revenue Deposit/C...", "Transactions Reject...", "Transactions Disput...", "University Accounti...", "Who To Contact", "University Accounti...", and "AITS/Decision Supp...". The "University Accounti..." button is highlighted with a white border. To the right of this list is a white box containing the text "University Accounting post manual entries" followed by a paragraph and a bulleted list.

**Recon & Reporting**

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**University Accounting post manual entries**

University Accounting post manual entries into Banner Finance at end of month close to the merchant's departmental CFOAP deposit account for the transaction activity types of:

- Cardholder Dispute Transactions
- Rejected or Stale Transactions
- Entries are Banner Document Number as AR or JV.

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- Cardholder Dispute Transactions
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## Who To Contact

**Recon & Reporting**

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[AITS/Decision Supp...](#)

### Who To Contact



### Who to Contact

**Office of Treasury Operations-Merchant Card Services**

**Email:** [merchantcardhelp@uillinois.edu](mailto:merchantcardhelp@uillinois.edu)  
**Phone:** 217-244-9384

**Merchant Card Services website:**  
[http://www.treasury.uillinois.edu/merchant\\_card\\_services/](http://www.treasury.uillinois.edu/merchant_card_services/)

## Who to Contact

### Office of Treasury Operations-Merchant Card Services

**For:**

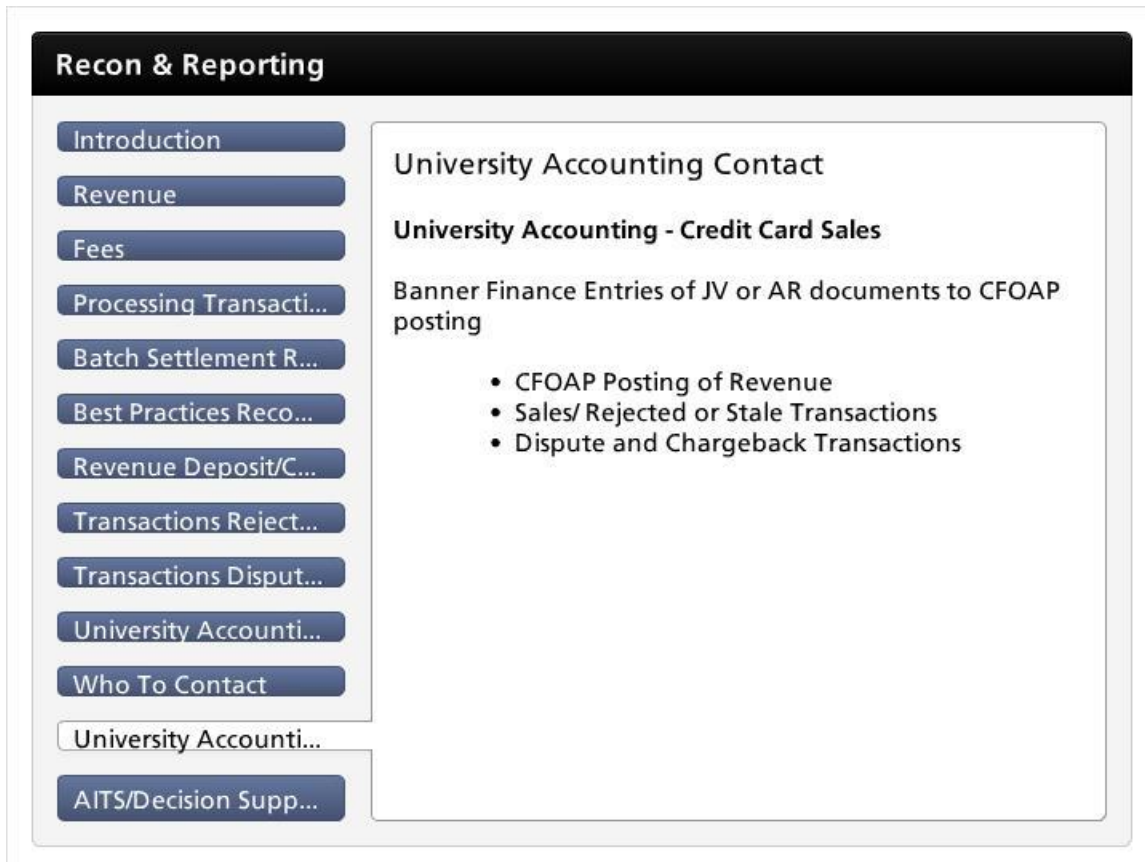
- Transaction Processing (Sales and Refunds)
- Transaction Batch Settlement Processing
- Banner Finance Transaction Reconciliation and Reporting Systems
- CFOAP Account for posting revenue
- Sales/ Rejected or Stale Transactions
- Disputed and Chargeback Transactions

**Email:** [merchantcardhelp@uillinois.edu](mailto:merchantcardhelp@uillinois.edu) **Phone:** 217-244-9384

**Merchant Card Services website:**

[http://www.treasury.uillinois.edu/merchant\\_card\\_services/](http://www.treasury.uillinois.edu/merchant_card_services/)

## University Accounting Contact



### University Accounting - Credit Card Sales

Banner Finance Entries of JV or AR documents to CFOAP posting

- CFOAP Posting of Revenue
- Sales/ Rejected or Stale Transactions
- Dispute and Chargeback Transactions

[Contact University Accounting Credit Card Sales](#)

## AITS/Decision Support

The screenshot shows a web application interface titled "Recon & Reporting". On the left is a vertical sidebar with buttons for: Introduction, Revenue, Fees, Processing Transacti..., Batch Settlement R..., Best Practices Reco..., Revenue Deposit/C..., Transactions Reject..., Transactions Disput..., University Accounti..., Who To Contact, and University Accounti... At the bottom of the sidebar is a button labeled "AITS/Decision Supp...". The main content area on the right is titled "AITS/Decision Support" and contains two sections. The first section, "AITS Service Desk", includes a link to [http://www.ait.s.uillinois.edu/service\\_desk](http://www.ait.s.uillinois.edu/service_desk) and a numbered list: 1. Electronic Data Warehouse (EDW) with sub-points for Terminal and Point of Sale (POS)-Global Payments Merchant Card Trans and iPay Online (E-Commerce) - iPay Merchant Card Trans; 2. View Direct payment card transaction month end reporting. The second section, "Decision Support", includes a link to <http://www.ds.uillinois.edu> and a numbered list: 1. EDDIE Payment card transaction month end reporting.

### AITS Service Desk

[http://www.ait.s.uillinois.edu/service\\_desk](http://www.ait.s.uillinois.edu/service_desk)

1. Electronic Data Warehouse (EDW)
  - Terminal and Point of Sale (POS) - [Global Payments-Merchant Card Trans](#)
  - Online iPay (E-Commerce) - [iPay Merchant Card Trans](#)
2. View Direct payment card transaction month end reporting

### Decision Support

<http://www.ds.uillinois.edu>

1. EDDIE Payment card transaction month end reporting