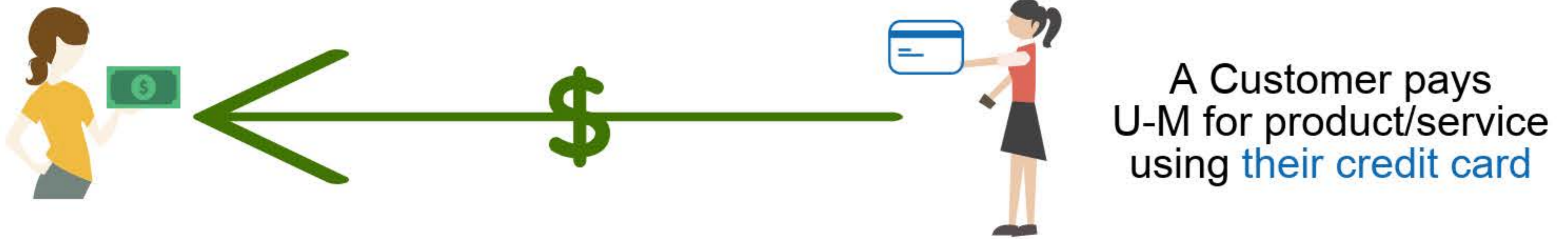


# Credit Card Refunds

Fraud Risk



U-M employee processes customer refunds to their own credit card



A Customer pays U-M for product/service using **their credit card**

A U-M Employee processes a refund for that product/service to **their own credit card**, instead of the **Customer's credit card**



## What Can be Done to Prevent This?

### \* Proper Approval \*

All refunds must be approved by a higher level of authority

#### Approvers ensure:

- 1) Each refund is **valid**
- 2) The **amount is correct**
- 3) **The refund is to the appropriate credit card**

### Review / Monitoring

Periodically review refund activity to ensure all refunds are valid and authorized by an appropriate approver.

Note: Refund activity can be reviewed on the Credit Card Controls report in MReports or the FN03 JrnlDetail Merchant Management report in Business objects.

### Separation of Duties

The person **Approving** refunds should not be **Processing** refunds or **Reviewing** refund activity

Questions or Concerns? Contact [merchantservices@umich.edu](mailto:merchantservices@umich.edu)

# How Should Credit Card Refunds Work?

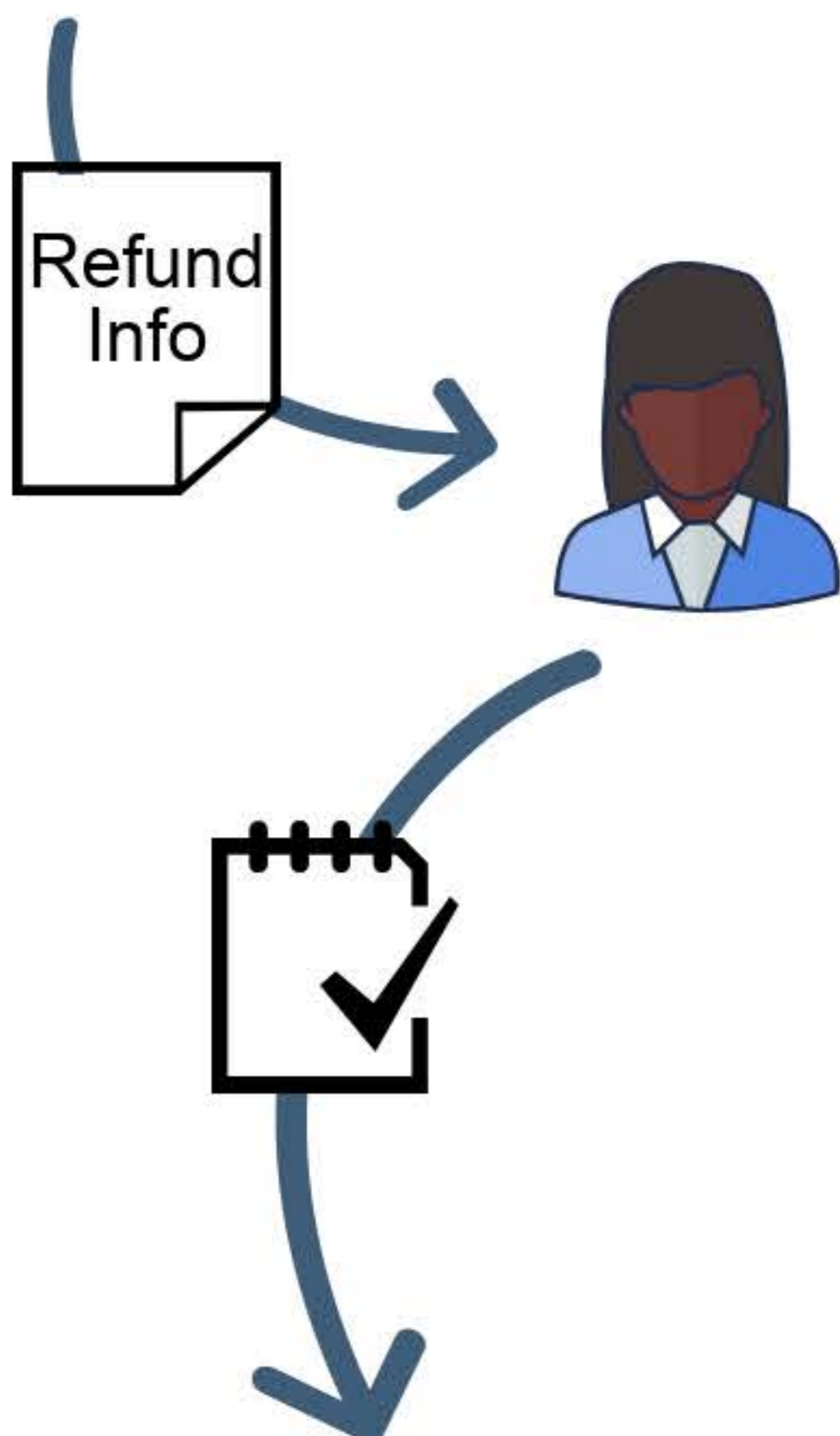
## Initial Purchase:







## Refund Requested:

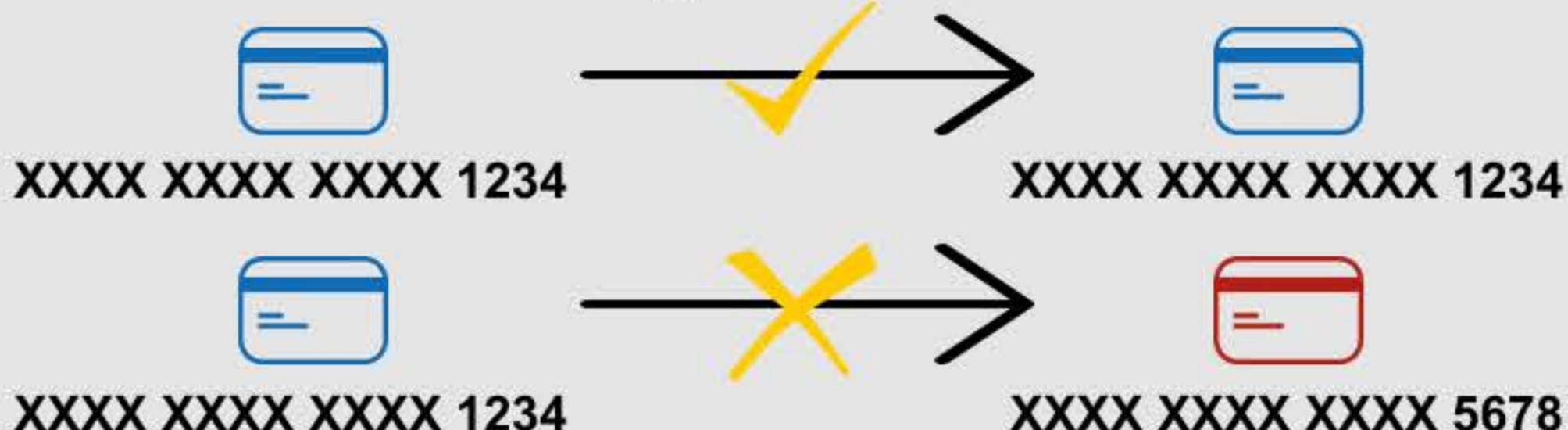


## Refund Reviewed by Approver:

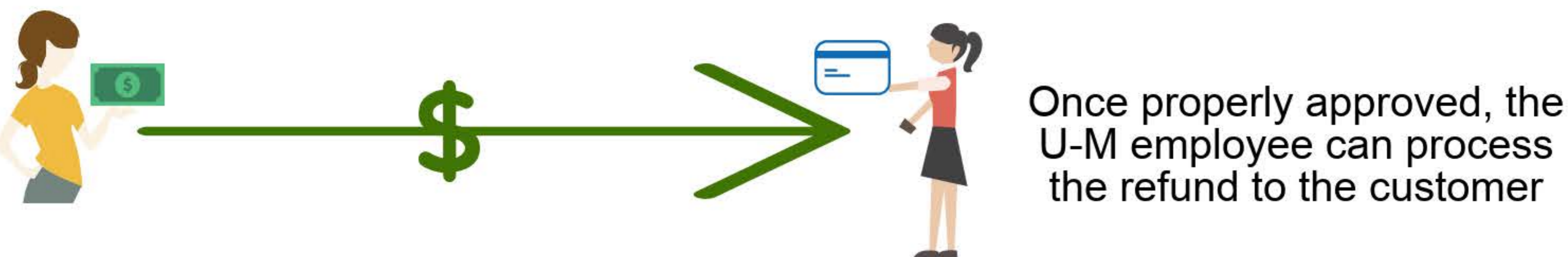


The approver ensures that:

- 1 The refund is **valid**    
(Item was returned/service was not rendered)
- 2 The **amount is correct**  Refunded =  Paid  
(the amount refunded is equal to or less than the amount paid)
- 3 The refund is **to the original credit card**



## Approved Refund is Processed:



## All Refund Activity is Reviewed:

A reconciler periodically reviews refund activity to ensure all refunds are valid and authorized by an appropriate approver



NOTE: The person **Approving** refunds should not be **Processing** refunds or **Reviewing** refund activity