

# MERCHANT TIP OF THE MONTH

We thank each of you for helping U-M and the global community contend with the impacts of COVID-19. One immediately visible impact in U-M's merchant landscape is the increase of refunds being processed, perhaps due to cancelled events.

Please remember that **return fraud is always a risk for merchants**. We recommend taking a moment to verify that your merchant's refund process is documented and implemented, pursuant to guidance from the Treasurer's Office and Internal Controls.

We thank you again. May you each take good care. We are all in this together.

## Refund Approval Process

The process must include a separation of duties, such that staff approving refunds are at a higher level of authority than staff processing refunds. Staff approving a refund should confirm it is valid, the amount to be refunded is correct, and the refund is going to the appropriate individual/cardholder. In addition, proper supporting evidence for the refund must be maintained, including documenting those staff authorized to approve refunds.

### Reports to Help Monitor Refund Activity

- MReports → see the Credit Card Controls report, under the "Compliance" tab
- Business Objects → see the FN03 JrnlDetail Merchant Management Report, under the "Merchant Activity - Refund Amount" and "Merchant Activity - Refund Count" tabs

### Guidance and Templates to Help Document the Refund Process

- [Gap Analyses and Written Procedure Templates](#) from Internal Controls
  - See "Cash Handling (Credit Card)"
- [Merchant Contact Responsibilities](#) from the Treasurer's Office
- [Merchant Services Policy Document](#) from the Treasurer's Office