

Student Organization Debit Card Guide

Procedures as of Winter 2016

DEFINITIONS

The term **student organization debit card** refers to the prepaid revolving fund card instruments being used within Student Organization Debit Card Program. Unlike bank debit cards, these prepaid cards are funded through voucher-authorized lump sum transfers known as **loads**. They do not draw directly from the student organization's SOFO account with every transaction.

As pertains to the acquisition, use, oversight, reconciliation, and loading of debit cards issued by the Norris Cashier's Office to acknowledged student groups holding accounts with the **Student Organization Finance Office (SOFO)**, the responsibilities of student organization advisors, residence directors (RDs), and Assistant Chairs (ACs) are identical. As such, the term **Advisor** will be used as a general reference for the positions/roles named above and held by Northwestern University staff. Additionally, if graduate assistants (GAs) have oversight on financial matters, and the debit card program is implemented within their residence halls, the GAs are also considered advisors for the purpose of this document. Should an item only apply to a specific role/position, that information will be labeled as such.

Likewise, the terms **Student Organization, Student Group, Organization, and Group** will be used interchangeably to refer to university-sponsored student groups, and those associated with residence halls, residential communities, and residential colleges. This debit card program is only available to undergraduate and TGS student groups holding active accounts at SOFO.

Debit Card Reconciliation Form (Appendix E) – Used to document the reconciliation of an online transaction summary for debit card activity with the original receipts from the corresponding purchases. It is used as a header page of the items within the reconciliation submission.

Designee Debit Card Usage and Purchasing Agreement (Appendix C) – This features the terms and conditions associated with the use of the debit card. It serves to inform and remind Designees of their responsibilities with respect to the appropriate use of the student organization's Debit Card(s). Executed (signed) by Designee and Advisor, at least one such agreement must exist for each Designee and be maintained by the Advisor.

Advisor Debit Card Distribution Log (Appendix D) – Used to record the actual retrieval from and return to the Advisor of the group Debit Card by the Designee. Also records the intended use of the card, as well as the total balance used, whether receipts were presented, and whether the activity was reconciled.

Student Organization Debit Card Application (Appendix A) – Used by student groups to formally request a debit card for the group. President and Treasurer must assume responsibility for the administration and training requirements for the Debit Card(s). The group Advisor is charged with determining whether a student group’s structure and processes can sustain the necessary controls for fund advances a Debit Card represents. Upon signing the application, the Advisor assumes responsibility for the security of the Debit Card(s) and their distribution. The Advisor also assumes the role of record keeper of executed treasurer authorizations and the usage and purchasing agreements.

Treasurer Authorization for Debit Card Use Form (Appendix B) – Used to authorize a student group member access to the group Debit Card(s) for a specified use or duration.

Debit Card Loss Notification Form (Appendix F) – Used to report lost, stolen, or compromised debit cards to the Norris Cashier’s Office.

OVERVIEW

Goal: Reduce the use of personal funds for student organization purchases. The practice of using personal funds to expedite student group activities, aside from being less financially transparent, has the potential for creating financial and social barriers to full participation in campus life. The debit card program was created to remove the perceived need for using personal funds.

Northwestern-branded Debit Card Program: Northwestern-branded debit cards do not replace any of the types of transactions

Further, it is important to note that the debit card program is unique in one very significant way. Where the transaction types listed above are available to all student groups at account opening, Northwestern-branded debit cards are available by the submission of application only. Student officers should work with their advisors to determine whether the benefits of a debit card (reduced reliance on personal funds, ease of use, flexibility, etc.) outweigh its potential costs/risks (loss of debit card and pre-loaded funds, misuse by members, missing documentation, frozen account for compliance failures, etc.).

Per the current revision of the **Student Organization Finance Office Policies and Procedures**, “The funds that student organizations use, whether earned through fundraising or received by allocation, are restricted by the organization’s charter, governing authority and University policy.”

The SOFO-issued debit cards may be used for most transactions that would otherwise:

- Require a voucher,
- Meet the requirements for initiating a voucher,
- Acquire consumable rather than capital goods,
- Meet the University’s substantiation/reconciliation requirements,
- Comply with all other University/SOFO policies.

Advisor: *Each Advisor is responsible for the custody and control of every debit card entrusted to student organization(s) under their supervision.* In approving a debit card application submitted by their student group, or a subsequent reload request, the Advisor agrees to:

- Store the debit card(s) in a secure location, properly labeled to correspond to the student group that is funding the card.
- Store separately the original documentation that accompanied the debit card when it was issued to the student group. Account documentation (e.g. Username/Password, statements, receipts, etc.) should also be kept secure, separate from the debit cards.

Only a Norris Financial Administrator may change Debit Card logins or passwords.

- Review the Designee Debit Card Usage and Purchasing Agreement form, at least once, with each student organization member authorized to use the group debit card. The form should be signed and dated by the student member and advisor on the first occasion that possession of the debit card is transferred to the student. Only one fully executed **Agreement form** is needed per member per academic year. The forms should be stored

Residence Hall Debit Cards will be issued with pre-set values.

Residential Colleges Debit Cards will be issued with pre-set values based on the authorization of the exec board at the end of spring quarter.

Reconciliation of Transactions and Card Balances: Student organization debit cards provide spending access to funds on deposit with SOFO. These debit cards ***must be reconciled and presented to the Norris Cashier's Office for verification once per month, at minimum.*** Debit card load balances will only be replenished after this verification. At the time the cards are reconciled (generally toward the end of each calendar month):

Remaining balance of available funds on the card	}	should equal	}	Debit card's beginning load balance
+ Receipts for authorized purchases				
+ Reimbursements to the group's SOFO account				

If the initial balance is used early in the month, additional reconciliations and reload requests may be necessary. Should a debit card go unreconciled over a calendar month, it will be frozen one week after month's end by the group's Advisor.

A frozen debit card is one that is unavailable for authorization, distribution, and use. The freezing of one debit card for an organization, freezes all debit cards issued to that organization.

Meeting the requirement to reconcile debit cards monthly does not change, in any way, the requirement to perform and present to SOFO a quarterly SOFO account reconciliation.

Documentation: Documentation required for debit card transactions shall meet the **Student Organization Finance Office Policies and Procedures**, as detailed for all other transaction types at <http://www.northwestern.edu/norris/services/sofo/index.html>. Unless the receipts/proof of payments are generated as a result of a transaction performed completely online, all receipts presented for reconciliation purposes must be originals. Receipts must contain the name of the vendor, location and contact information, a listing (not a summary) of what was purchased, the date of the transaction—the method of payment must coincide with the debit card information.

When to Use: Each debit card is an advance of funds to a student organization. In this respect, the debit card is similar to a check advance, and should be used:

- For purchases of *consumable* items—individual items that are normally used up within

Communication between officers and members, officers and Advisor, and members and Advisor must be strong for the group to fully realiz

Training: SOFO and the Norris Cashier's Office are responsible for providing the general financial training offered to organization Treasurers as part of SOFO's New Officer orientation. It is strongly recommended that organization presidents and Advisors go through this training as well.

For an organization's members to become **Designees**, and be permitted to make purchases with the organization's debit card, they must first be trained by the officers and/or the Advisor who would authorize and give them the debit card. Designees should be aware of:

- The appropriate uses of the debit cards
- When it is not appropriate to use a debit card
- University guidelines and rules for purchasing, including Illinois Sales tax exemptions
- SOFO requirements regarding supporting documentation and timelines
- The restrictions placed on the purchases by the Authorization for Debit Card Use forms

Purchasing: When an organization needs to give a group member purchasing authority and access to the group's debit card, the Treasurer must complete a Treasurer Authorization for Debit Card Use form (Appendix B) which serves to inform and authorize the group's Advisor to issue the card. On the form, the Treasurer:

- Provides the name of the debit card Designee to the Advisor,
- Indicates the parameters of the authority given to the Designee
 - Detail what purchases the Designee is authorized to make,
 - Specify the organization activity for which the purchases are being made,
 - Period of time that the Designee is to have the card.

Debit Cards used for URL Staff Programming Funds

Since the Residence Director serves as both authorizer of Debit Card use as well as distributor of Debit Cards, the Treasurer Authorization for Debit Card Use form may not be necessary. However, if this form is not used to issue cards to Residence Assistants (RAs), then completion of the Advisor Debit Card Distribution Log at the time of Debit Card distribution becomes most important as the sole record of the card transfer to the RA.

The Designee must sign the Designee Debit Card Usage and Purchasing Agreement form in the presence of the Advisor indicating that the Designee:

- Has read the Designee Debit Card Usage and Purchasing Agreement form,
- Understands the terms, conditions, and expectations governing the use of an organization's debit card,
- Accepts and agrees to all of the policies, procedures, terms, and conditions governing Debit Card use.

The Advisor will then sign out the card for purchases to the Designee, and collect the card and

Receipts:

Receipts for purchases must be originals, and include:

the front of the reconciled statement, and take the reconciled statement, as well as any deposit receipts (from step 5), to the Norris Cashier's Office for final review and approval. If a reload is needed and sufficient funds are available to arrive at the pre-set Debit Card Load Balance.

11. Make copies of all documentation for the group's records.

University Residential Life (URL) Programming Funds

Residence Director - At the end of each month (or sooner if needed):

1. Download the Debit Card Transaction History for the specific period for each debit card under their custody and control.
2. Organize and tape receipts/substantiation in the order that they appear on the statement.
3. Compare each transaction on the Transaction History to receipts /documentation /substantiation.
4. Review each receipt for sales tax or any other unauthorized purchases.
5. Place a check mark next to each verified transaction and note which hall/college/community the funds may have been used for.
6. Highlight and follow-up on any unauthorized items requiring reimbursement to the URL SOFO account.
7. Collect and deposit any funds to be reimbursed to SOFO account. Use deposit receipts in debit card reconciliation.
8. Highlight and follow-up on any unreconciled items (charge on statement lacking receipt will be most common).
9. Seek assistance from Residential Services Budget & Finance when needed.
10. Sign and date the monthly statement to document reconciliation of transactions.
11. Make copies for your records.
12. Provide reconciled debit card statement and documentation, as well as funds to be reimbursed to the URL SOFO account to Residential Services Budget & Finance.

Upon receiving reconciled Debit Card transaction detail and documentation from the RD,

Residential Services Budget & Finance shall:

1. Review the RD's reconciliation for completeness and accuracy.
2. Verify that all items on the statement have been reconciled.
3. Perform final review of receipts/substantiation for any unauthorized charges or purchases.
4. Verify that the RD has resolved all outstanding items and collected funds to be reimbursed to the SOFO account.
5. Sign and date the reconciled monthly statement to document that it was reviewed.
6. Complete and attach the Debit Card Reconciliation Form to the front of the reconciled statement, and take the reconciled statement and any reimbursements to the Norris Cashier's Office for final review, approval and to request a reload.

RELOADING DEBIT CARD BALANCES



restrictions: expectations governing debit card use. This authority is to be limited to the following one or more res

Purchase(s) (list specific items):

Event(s) and/or event date(s) and/or date(s):

Date: _____ Signature: _____

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Debit Card Terms, Conditions, Functions, Usage, Return

... require the designee to sign for receipt of the debit card.

... with experienced designees.

GENERAL
... credit with the NU Student Organization Finance Office (SOFO). Though our policy prohibits debit cards to be used as a credit card. Withdrawal of funds through PIN-based sales/transactions will be rejected.

... session.

CARD USE

... must comply with all Northwestern University policies, procedures and regulations.

Designee Debit Card Usage and Purchasing Agreement

f. If a vendor's receipting policy does not comply with the receipt requirements listed above, you should request that the vendor create a receipt on the company's letterhead stationery.

SALES TAX

Illinois Sales Tax Exemption Letter that is specific to the purchase you will make. If the letter is not kept by the vendor, you must return it to the Advisor with the purchase receipts.

Exemption Letter each time you use the debit card. You should contact the group treasurer as soon as you determine which exemption letter is most appropriate. Do shopping or purchase debit transactions on the campus and bring your Illinois sales tax exemption letter to the Advisor. Advisors may not acquire these letters from SOFO.

REIMBURSEMENT OF THE STUDENT ORGANIZATION

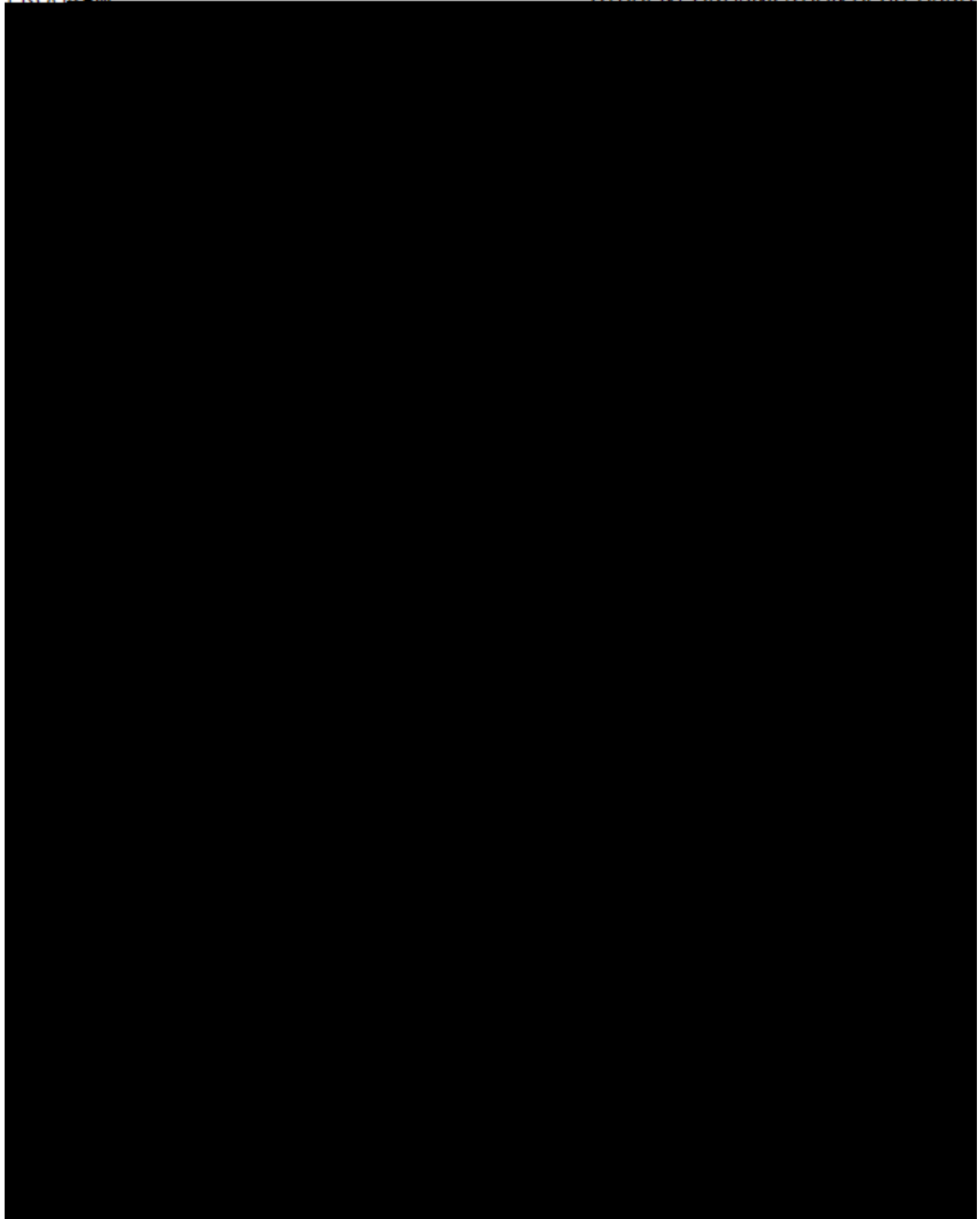
- a. Any debit card transaction lacking receipts, proper documentation or substantiation.
- b. Any unauthorized debit card charge or transaction.
- c. Payment of Illinois Sales Tax (Consistent with the University's tax exemption policy, any sales tax included on any debit card transaction must be reimbursed.)

If reimbursement is not timely made, the associated debit card (and all cards issued to your organization) will be frozen. If reimbursement is made and deposited in the SOFO account, the card will be unfrozen.

LOST, STOLEN OR COMPROMISED DEBIT CARDS

PROGRAM

STUDENT ORGANIZATION DEBIT CARD



STUDENT ORGANIZATION DEBIT CARD RELOAD RECEIPT

Organization Name: _____ Region: _____ / _____ / _____

Account No.: 20 Card No.: _____

INVENTORY CONTROL NO.: _____

REIMBURSEMENTS DEPOSITED TO ORGANIZATION

DATE	AMOUNT	DATE	DESCRIPTION	DEBIT
		No.		\$
<p>Reconciling items:</p> <p>Load Balance: \$ _____ Authorized receipts: _____</p> <p>Balance as of: _____ Reimbursements deposited: _____</p> <p>Discrepancies: _____ Pending transactions: _____</p> <p style="text-align: right;">Total Expense for the reconciliation to succeed: _____</p> <p>DEBIT CARD RELOAD _____</p> <p>Reconciliation Subtotal: _____</p> <p>Debit Card Reload Amount: \$ _____</p>				

I warrant the accuracy and the integrity of the attached reconciled debit card _____ By my signature, I attest to the accuracy of the reconciliation and warrant that all the debit card transactions listed therein, entered into by the student organization that I represent. I understand that all funds presented on this receipt are to be applied to this reconciliation to, and deposited to the organization through the Norris Cashier's Office.

DATE: _____ TREASURER: _____

DATE: _____ CASH SERVICES ASSISTANT: _____

STUDENT ORGANIZATION DEBIT CARD
LOSS NOTIFICATION

This form is to be completed by the organization's Advisor and filed with the Norris Cashier's Office on