

GEORGETOWN UNIVERSITY

FINANCIAL AFFAIRS MANUAL

Issuing Department: General Accounting Office		Topic Processing JV's for Merchant Account Deposits	Policy # FA140-03
New	Revised November 29, 2010	Supersedes Policy # n/a	Effective Date 05/01/03

100.01 POLICY: Processing JV's for Merchant Account Deposits.

100.02 STATEMENT: This policy explains the entries and procedures for recording credit card deposits when a department within the University accepts credit cards for payment of goods or services.

100.03 APPLICABILITY: This policy applies to all University employees in departments accepting credit cards for payments for goods or services.

100.04 DEFINITIONS: *Credit card* refers to Visa, MasterCard, American Express, and Discover cards.

100.05 ADMINISTRATION AND IMPLEMENTATION: Each department is responsible for preparing the JV to record the department's credit card sales and credits. The department should prepare and process JVs on a daily or weekly basis depending on the volume of credit card sales. The department is required to ensure that the amount recorded in the JV reconciles to the merchant transmission report.

If a department desires to up a merchant account number, contact Treasury Operations for a Merchant Number Application. After the department gets the merchant account established, Treasury Operations will refer the department to the General Accounting Office for the journal processing policy and information.

Steps to recording credit card revenue to a department:

1. The employee preparing the journal voucher should enter on the journal debit (the left side of the entry) the general ledger account number and cost center combination that coincides with the cash bank account in which the merchant account activity is deposited. A department can find this information on the Financial Affairs web site under Chart of Accounts at <http://financialaffairs.georgetown.edu/FMS/coa.html>.
2. The journal credit (the right side of the entry) contains the general ledger account number and cost center combination that is set up to record credit card revenue to a department. If an item or service is returned or cancelled, a credit to

individuals' credit cards (i.e., removing revenue from a cost center) shall be prepared. This JV records an entry that is the opposite of the entry recorded to recognize revenue (see example below). The department can find the journal voucher form at <http://financialaffairs.georgetown.edu/forms/forms.html>.

Example:

Debit		Credit
Record sales/deposits	01169 GY0504000	5xxxx Gxxxxxxxxx
Record Credit	5xxxx Gxxxxxxxxx	01169 GY0504000

3. The preparer should also include a detailed description on each transaction line. The description should include the date of sale and the event or name of the individual. The department can decide what other information is needed that would assist them in identifying and reconciling their entries. Merchant activity should be recorded and reconciled to merchant reports, by the departments, weekly (monthly if there is minimum credit card activity).

4. An authorized signer in the department must approve the journal voucher. If the preparer is the department's manager, then the preparer's supervisor must approve the form. A subordinate may not approve a supervisor's journal voucher. The preparer must have the original signature of the Department Head, not a rubber stamp of a Department Head's signature. In no case may the preparer of the journal voucher also approve the voucher.

<http://financialaffairs.georgetown.edu/policy/signat.pdf>.

5. The journal voucher should then be uploaded by the department or sent to General Accounting by the authorized signer via email at gaojvf@georgetown.edu, for processing.

100.06 RESPONSIBILITIES:

Department: The employee preparing the journal voucher must make the correct entries on the journal voucher and obtain the appropriate signatures from those in the department. Departments who share terminals must clearly identify their department's using the description line and/or reference line. Departments must reconcile their jv activity to the merchant transmittal reports. In addition, a report should be sent to General Accounting by the department that allocates the shared charges by department. This report will assist General Accounting with reconciliation and proper allocation of merchant fees. The department must also review the monthly CSRs to be sure that the journal voucher was processed timely and accurately.

General Accounting Office:

The General Accounting Analyst reconciles the monthly bank statement with the general ledger account, and works with the departments to resolve discrepancies.

100.07 RESOURCES: <http://financialaffairs.georgetown.edu/policy/signat.pdf>
<http://financialaffairs.georgetown.edu/forms/forms.html>
<http://financialaffairs.georgetown.edu/FMS/coa.html>

100.08 APPROVAL: Director, General Accounting

100.09 REVIEW CYCLE: At least annually.