



SAN DIEGO COMMUNITY COLLEGE DISTRICT

Administrative Procedure

CHAPTER 6 – BUSINESS AND FINANCIAL SERVICES

AP 6300.9 Disputed Credit Card Procedures

Office(s) of Primary Responsibility:

Vice Chancellor of Business Services
Controller
Vice Presidents of Administrative Services

A. Purpose/Scope

The purpose of this procedure is to implement certain provisions of Board Policy 6300 Fiscal Management, including the standardization of handling and accounting for Disputed Credit Card charges. Students use credit cards to enroll using on-line registration (Reg. E), or register and pay student fees at the campus accounting offices. Credit card charges are later disputed by the student or credit cardholder with their banks or credit card issuer which becomes a charge back to the District's bank account.

B. Function

A hold shall be placed on the student's records when a credit card payment is disputed and shall stay on the record until the dispute is cleared.

A fee may be charged for a disputed credit card and will be established in the Student Fee Policy 3300.

A refund due to the student will be applied to a disputed credit card debt.

C. Implementation

Charge-back or disputed credit card notice is received from Merchant Services Chargeback Department (MSCD). The notice includes the following information: a respond by date; case number or ID; amount; card holder number; reference number and a charge-back reason identified on the list.

District Office Business Services – General Accounting will:

- Date stamp when the notice was received;
- Retrieve information from Cybersource website and Elavon Merchant Services about the disputed credit card; and
- Retrieve information from ISIS regarding credit card payment from student's AR screen

If the notice from the charge-back department is requesting information only, and the transfer account has not been debited, General Accounting will fax the needed information to the charge-back department. There is no action required from the campuses. General Accounting will notify the campus(s) of the disputed credit card.

If the transfer account has been debited for the disputed credit card charges, General Accounting will:

- Forward information and documentation to originating campus;
- Identify the charge-back amount debited from the transfer account, from the daily Union Bank statement download; and
- Prepare a Journal Entry to record the charge-back. DR 11 1010-9183 Disputed Credit Card Clearing Account, and CR Union Bank Transfer Account 11 1010 -9012. Use the campus name as description and the date of transaction.

Campus Accounting Office will:

- Enter the appropriate fee code for credit card dispute on the Student RQAR screen. Using the fee codes by campus for these transactions will set-up the AR disputed credit card by campus and reverse (credit) the receivable set-up in the disputed clearing account 11 1010-9183;
- Place a hold # 32 on the student record and follow-up with student for collection via e-mail or send the written notices, with samples #1 & 2 attached; and
- Refunds due to the student may be applied to the disputed credit card hold.

Collections and reversals of disputed credit card amounts:

Notification from the Charge-back department will be received noting that the disputed amount has been credited back to the transfer account.

General Accounting will:

- Identify the amount credited in the transfer account from the daily Union Bank statement download;
- No journal entry is required for this credit as it will be treated as part of the daily deposit to be included in the ACH entries for the transaction date; and
- Notify the campus to remove the hold on the student record.

Campus Accounting Office will:

Reverse the amounts (negative) on the Student RQAR screen using the same campus fee codes for disputed credit cards.

Pending credit card dispute holds can be removed from the student records if the following requirements are submitted to the campus accounting office:

- A written documentation from his/her bank stating the dispute is no longer being pursued; or
- A letter stating that he/she will not dispute the credit card charges, noting the dollar amount, date and receipt number in the letter.

CAMPUS LETTERHEAD

Sample 1

The bank has notified the San Diego Community College District of a credit card charge dispute on your enrollment fees. Those fees were charged on

Receipt number _____ Dated _____ for
\$ _____.

You were dropped from the classes you enrolled in and a financial hold was placed on your student records. If you intend to attend classes in this coming term, please contact:

Accounting Office
Address

Tel. # _____

Thank you,

Name
Title

FOR USE BEFORE CLASSES START

CAMPUS LETTERHEAD

Sample 2

Date:

Student Name
Address

Dear

The bank has notified the San Diego Community College District of a credit card charge dispute on your enrollment fees and has reversed the charge to the credit card used to pay for your enrollment fees on Receipt number _____ dated _____ for \$ _____.

A financial hold was placed on your student records. Please bring a cashier's check or cash totaling \$ _____ to the office indicated below within 14 days of the date of this letter.

Accounting Office
Address

Tel. # _____

Thank you,

Name
Title

FOR USE AFTER CLASSES START

Reference: BP 6300

Approved by Chancellor:

Date

Constance M. Carroll, Ph.D.

Reviewed by Cabinet on 9-22-09 and approved by concurrence.