## Treasury Operations

FY16-17 Strategic Priority: Expand Use of Stored Value Cards

## Spotlight on Stored Value Cards

**Bank vs. Non-Bank Stored Value Cards**

<table>
<thead>
<tr>
<th></th>
<th>Banks</th>
<th>Non-Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citibank and Chase have exited this business due to heightened KYC (Know Your Customer) compliance regs.</td>
<td>Hyperwallet, Greenphire, others</td>
<td></td>
</tr>
<tr>
<td>PNC, BAM!, US Bank</td>
<td>Cannot offer &quot;no cost&quot; solution</td>
<td></td>
</tr>
<tr>
<td>Can offer a &quot;no cost&quot; solution to Northwestern</td>
<td>These are &quot;for profit&quot; organizations. They would share in any fees imposed on cardholders with their banks in the background</td>
<td></td>
</tr>
<tr>
<td>Can work with card brands to reduce fees to card holders</td>
<td>Less &quot;out of the box&quot; functionality – leaving some of the admin work to the client.</td>
<td></td>
</tr>
<tr>
<td>Less &quot;out of the box&quot; functionality – leaving some of the admin work to the client.</td>
<td>Price in robust functionality (e.g. Cincard) for which the client must pay.</td>
<td></td>
</tr>
</tbody>
</table>
Spotlight on Stored Value Cards

Treasury has always pursued a stored-value card which

- Has no cost to research teams;
- Uses a co-branded Northwestern -VISA debit card;
- Reduces or eliminates some of the standard fees to research participants (we want them to have all of the cash on the card);
- Can be replaced if lost or stolen;
- Provides core functionality and capabilities;
- Is designed to be centrally administered, supported and reconciled;
- Helps us to eliminate cash/checks/paper within the University’s research community.

What research participants receive:
(front of insert) →

1. The branded card
2. Safety and usage guidelines to reduce fees
3. How to register the card in case it is lost or stolen.
What research participants receive:
(back of insert) →

1. FAQ's
2. Instructions on how to check the balance on the card
3. A schedule of fees and limits
4. Note: ATM withdrawals from PNC ATM's are free.

Note: Help your participants by letting them know what to avoid, and that ATM's will not dispense cash unless they contain the right denominations.

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### Frequently Asked Questions

- **What is the PNC® Prepaid Card?**
  - Your PNC® Prepaid Card is a pre-funded prepaid card that uses a secure network to allow you to access your balance and transact online or in-store.

- **How can I use my PNC® Prepaid Card?**
  - You can use your PNC® Prepaid Card for in-store purchases, online transactions, and cash withdrawals at ATMs.

- **What is the maximum amount that can be loaded onto my card?**
  - The maximum amount that can be loaded onto your card is $10,000.

- **Can I use my PNC® Prepaid Card internationally?**
  - Yes, your PNC® Prepaid Card is accepted worldwide for purchases and cash withdrawals.

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### Fee Schedule

- **Signature/Transaction Fee:** $0.00
- **Daily ATM Use Fee:** $2.00
- **Overdraft Fee:** $35.00
- **International Transaction Fee:** $5.00
- **Monthly Maintenance Fee:** $5.00

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### Spotlight on Stored Value Cards

**High-level process and workflow**

- Unloaded card stock can be issued to your administrative staff;
- Online request for plastic (instant issue vs. personalized) or virtual*;
- Secondary approval by Dean or VP can be emailed;
- Urgent requests can be provided same-day up to 10 AM CST;
- Confirmation email is sent by Treasury that cards are loaded;
- Cards have immediate value and can be used immediately.

**Benefits**

- Immediate value on cards;
- Increase in security of payment;
- Northwestern branded cards;
- Recipients like them!

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* Virtual cards are not free, they cost $0.40 per “card” and are for online use only.
Payment Policies and Procedures

- The Human Subject Payments Policy should be consulted for details on the recommended payment methods:  
  http://www.northwestern.edu/financial-operations/policies-procedures/policies/HumanSubjectPayments.pdf

- Under no circumstances should investigators' personal funds be used to pay human subjects!

Payment Policies and Procedures

- For payments of $100 and less (in aggregate -per person per calendar year) disbursements should be made via:
  
  - Stored Value (Visa) Cards
  - Petty cash (cash or checks)
  - Non-travel advances
  - Gift card* (vendor purchase)

* Off the shelf gift cards very often contain restrictions and limits designed to generate fees and reduce the actual amount loaded to the card at the cash register.
Payment Policies and Procedures

For payments greater than $100 (in aggregate – per person per calendar year) disbursements should be made via:

Checks through Northwestern’s Accounts Payable procedures

- Payment thresholds are set to ensure appropriate reporting of taxable payments to an individual totaling $600 or more in a calendar year; our system of record is Accounts Payable (W-9 is obtained with recipient tax information, taxable payments are automatically accumulated for each individual across all chartstrings/units; tax forms and filings are automatically generated by the system)

Payment Policies and Procedures

Expense Account Codes:

- Research Subject Fees account code 78660 should be used for human subject payments.

- Sundry Payments account code 78666 should be used for human subject travel related expenses*

* Travel expense are not taxable and can be combined with subject fees on the request form as long as the JV separates the amount using above account codes, travel expenses are reasonable, and travel receipts are available.
Payment Policies and Procedures

Payments—exceeding $100

- Principal Investigators or research personnel must apply for an exception to provide payments that exceed $100. Limited exceptions may be granted by Accounting Services for Research Program (ASRSP) depending on facts and circumstances. Requests should be sent to Karen Spina.

Process for an exception:
- The requestor may submit an exception request by email addressing the following:
  - The reason for the exception and the rationale for the payment exceeding $100
  - The number of participants in the study who will receive payments in excess of $100
  - The dates of the study

Please attach copy of approval with the stored value card request and reconciliation.

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Summary: Research Subject Payment Options

<table>
<thead>
<tr>
<th>Type of Payment</th>
<th>Payment Method</th>
<th>Total Number of Payments</th>
<th>Average Payment Value</th>
<th>Approval Process</th>
<th>Approval Required</th>
<th>Approval Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-time</td>
<td>Cash</td>
<td>1</td>
<td>$100</td>
<td>Submit form</td>
<td>Yes</td>
<td>Email</td>
</tr>
<tr>
<td></td>
<td>Check</td>
<td>2</td>
<td>$500</td>
<td></td>
<td>No</td>
<td>Electronic</td>
</tr>
<tr>
<td></td>
<td>Wire Transfer</td>
<td>3</td>
<td>$1,000</td>
<td></td>
<td>No</td>
<td>Electronic</td>
</tr>
</tbody>
</table>

*Note: Approval process and approval method may vary depending on institutional policies and procedures.*
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Questions?

Thank you!