

# LUTHER COLLEGE

## POLICIES AND PROCEDURES

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Department:	Financial Services
Subject:	e-Commerce Payments via PayPal using Reason Web Forms
Date Issued:	5/15/2011
Date Revised:	10/21/14, 7/2/15
Approved By:	

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### I. Policy

This policy sets forth guidelines for approval and acceptance of e-commerce payments via PayPal using Reason CMS (Reason) web forms.

### II. Purpose

The purpose of this policy is to ensure that e-commerce activities are properly authorized and E-commerce deposits and reconciliations are done on a timely basis.

### III. Scope

These procedures apply to departments/groups who want to accept e-commerce payments via PayPal using Reason web forms and to the Office for Financial Services who receipts the payments and reconciles the PayPal account.

### IV. Terms and Definitions

- **E-commerce** - the buying and selling of goods and services on the Internet, especially the World Wide Web.
- **PayPal** - PayPal is an e-commerce business allowing payments and money transfers to be made through the Internet. PayPal serves as an electronic alternative to traditional paper methods such as checks and money orders.
- **Reason** – is an open-source web-based content management system. It provides an extensible framework for building large websites and for distributing site management among multiple content contributors and maintainers. Luther College uses Reason to create web forms that accept credit card and PayPal payments for various college related events and services. Reason is licensed under the GPL (GNU General Public License).

### V. Procedures and Guidelines

#### A. Setup

- Department/group completes the Application for Accepting e-commerce Payments form (see Appendix A) and forwards to the Accounting Clerk in the Office for Financial Services (OFS). All application forms will be reviewed by the Controller to determine if the need for a new or revised Reason web form is justified. OFS will notify the department/group of approval or denial. If approved, OFS will initiate a work order request for the new or revised Reason web form via [help.luther.edu](http://help.luther.edu), which is forwarded to Web Content. Web Content or Library and Information Services (LIS) will be assigned to the work order depending on the complexity of the form.

- Accounting Manager or Accounting Clerk meets with the department/group to review their responsibilities when accepting e-commerce payments using Reason web forms.
- Web Content or LIS meets with department/group to train on the use of Reason web forms.
- Department/group sets up the Reason web form after receiving training from Web Content or LIS, or by following the instructions at <https://www.luther.edu/web-content/resources/reason/>.
- Web Content or LIS reviews the completed Reason web form and makes the form live.
- Department/group is responsible for turning off the Reason web form when it is no longer appropriate to keep it live.

#### B. Payments

- As customers make payments using a Reason web form, the department/group receives an e-mail from Reason confirming a transaction has occurred. No credit card information is in the e-mail.
- On a bi-monthly basis, the Accounting Clerk runs the PayPal transaction report which lists each e-commerce transaction. The Accounting Clerk creates a deposit report for receipting revenue to appropriate department/group.
  - The department /group will determine whether to use a revenue or deferred revenue general ledger account number for their deposits according to the following guidelines:
    - If receiving payments in a current fiscal year for an event that will take place in the same fiscal year, use the revenue general ledger account number (last five digits of the general ledger number will be 4xxxx).
    - If receiving payments in a current fiscal year for an event that will take place in the subsequent fiscal year, use the deferred revenue general ledger account number (last five digits of the general ledger number will be 22xxx).
  - OFS will determine whether to use an expense or deferred expense general ledger account number when allocating the monthly PayPal user fees.

#### C. Refund of credit card payments

- Refunds can be issued up to 60 days after the original transaction date.
- If approved by the Controller, one person in the department/group may be designated as a person who can refund credit card payments. LIS or OFS will give this person access to Luther's PayPal account via PayPal Manager, and provide PayPal training if approved.
- If no one in the department/group has been approved to issue a refund, the following information should be e-mailed to the Accounting Clerk or Accounting Manager in OFS for processing the refund: name of the person that the refund is to be issued to (should be the credit card holder), reason for the refund, original PayPal transaction ID, transaction date, and amount to be refunded. OFS will notify the department/group when the refund has been issued via e-mail.
  - The credit card refund information will not appear on the Reason report printed by the department.

#### D. Reconciliation of payments / PayPal account / general ledger

- OFS Accounting Clerk
  - Imports report from PayPal Manager.
    - Report includes transaction detail.
  - Reconciles report to the PayPal general ledger.
  - Runs the PayPal monthly statement.
    - Report includes the fees and withdrawals and lump sum daily deposits (refunds are included in this amount).
  - Writes journal entry to account for credit card fees.
  - Gives journal entry to Accounting Assistant to post.
    - Credit card fees are allocated based on the dollar amount of the transactions for each department.
  - OFS Cashier assists the Accounting Clerk in identifying missing deposits and refunds.
  - The Accounting Clerk monitors PayPal activity and at least weekly transfers money to Luther's Bank of the West account.

- Accounting Manager reviews Accounting Clerk's PayPal bank reconciliation monthly.

## **VI. Confidentiality and Record**

All records related to this policy will be maintained by the Office for Financial Services and Library and Information Services.

## **Appendix A – Application for Accepting e-commerce Payments**

**This section to be completed by applicant**

Application Type: New  Revised

Department/Group Name: \_\_\_\_\_

Contact Name: (please Print) \_\_\_\_\_

Site: \_\_\_\_\_ Form ID: (if existing) \_\_\_\_\_ Page ID (if existing): \_\_\_\_\_

Supervisor/Department Head Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Department General Ledger Account Number: \_\_\_\_\_

Describe the event or activity the e-commerce payments will be used for: \_\_\_\_\_

Date(s) of event: \_\_\_\_\_ Date Web Form to go Live: \_\_\_\_\_ Date to remove Web Form: \_\_\_\_\_

(Contact's responsibility)

Describe the frequency of this event or activity:

One time  Annual  Continuous  Other  Please explain your selection in detail: \_\_\_\_\_

**Please note that there will be a \$ 0.30 per transaction fee and an approximate 2.3% processing fee (subject to change) that will reduce your gross payment and will be charged to your departmental expenses.**

Example: Fee for the event:	\$ 25.00
Transaction fee:	( .30)
Processing Fee:	( .58)
Net Revenue:	\$ 24.12
Departmental Expense:	\$ .88

**Please send this application form to Renee Lillibridge in OFS after completing this section.**

**This section to be completed by the Controller and used by Web Programmer.**

e-commerce application: Approved  Denied  \_\_\_\_\_ Date: \_\_\_\_\_  
(signature of Controller)

Reason for Approval or Denial: \_\_\_\_\_

Issue refunds: Approved  Denied  \_\_\_\_\_ Date: \_\_\_\_\_  
(signature of Controller)

Reason for Approval or Denial: \_\_\_\_\_

Datatel Revenue Account Number: \_\_\_\_\_  
(event occurs in the current fiscal year) (assigned by the Controller)

Datatel Deferred Revenue Account Number: \_\_\_\_\_  
(event occurs in the subsequent fiscal year) (assigned by the Controller)

Datatel Expense Account Number: \_\_\_\_\_  
(event occurs in the current fiscal year) (assigned by the Controller)

Datatel Deferred Expense Account Number: \_\_\_\_\_  
(event occurs in the subsequent fiscal year) (assigned by the controller)

Date e-commerce work order closed: \_\_\_\_\_  
(OFS to complete)