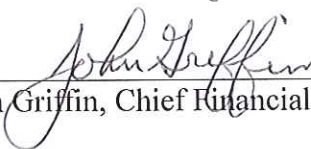




Procedure Number: AC025

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John Griffin, Chief Financial Officer

Title Procedure for gift cards (A la Card)

### Background

The Commercial Services Department will begin selling gift cards, called A la Cards, for use in TUC's food service locations. The gifts cards will be used as a prepaid debit card. The cards can be purchased with cash, Visa or MasterCard. The minimum card value is \$10 and the maximum will be \$300. The cards never expire and can be reloaded with a minimum of \$10 after depletion. The cards will be tracked by number within the Infogensis POS system. They will not be tracked by the name of the buyer or card holder. Card balances may be checked at any participating location. This is not a personal account but rather a prepaid debit card that cannot be replaced if lost or stolen.

### Procedure

#### A. How to purchase and use an A la Card

1. New A la Cards can be purchased at designated TUC food service locations.
2. All TUC food service locations can add dollars to an existing A la Card.
3. When adding \$10.00 or more to an A La Dining Card a 10% bonus will be added to the customer's card.
4. 1) Go to the Function Screen and press GA Credit button
5. 2) Type in the total dollar amount (including bonus) and press enter
6. 3) Window pops up that says "no items on check". Press "Yes" to continue.
7. 4) Swipe the A La Card and Confirm GA \$ pops up. If amount is correct, press "Yes".
8. 5) A Tender Screen will pop up next.
9. 6) Select "\$bonus\$/alaCard" tender.
10. 7) enter only the 10% portion of the total amount
11. 8) Select whatever tender the guest would like to use.
12. 9) Continue on as you would for any cash or credit card transaction.
13. 10) When cash is used you must "print last receipt" for the guest receipt.
14. It is very important that the "\$bonus\$/alaCard" tender be used first!
15. **Cashiers will go to function screen and press GA credit button.**
16. **Type in requested amount and hit enter.**

17. **Swipe card and confirm GA \$ appears on screen. If amount is correct, press yes.**
18. **Select tender from the next pop up window. Tender can be cash, MC, or VISA.**
19. **When cash is used print last receipt twice to generate receipts for the envelope and customer.**
20. **Keep all GA credit transaction receipts in a separate envelope in register draw.**
21. A la Cards can be used at all TUC food service locations.
22. A la Cards will be presented to the cashier at time of purchase. The cashier will press the A la Card tender button on the terminal, swipe the card, and give the card and receipt back to customer. No signature is required.

**B. Accounting treatment for A la Cards -**

1. The initial purchase of an A la Card is recorded as deferred revenue. When the A la Card is used for a purchase, the transaction amount will be credited to the respective food service unit as sales revenue and the deferred revenue account reduced accordingly. This reduction to the deferred revenue account continues for each sales transaction until the A la Card is depleted.
2. In the state of California, gift cards with no expiration date are excluded from the unclaimed property escheatment requirements (AB1092, CCP Section 1520.5). Thus, after two years of inactivity, TUC will take the unused/dormant balance on gift cards into income, by debiting the deferred revenue account that holds the initial sales activity for the gift cards and crediting other income.
3. A reserve account will be established at the end of the second year. This reserve account will be used in the event a dormant card that was taken to income is presented for payment. The reserve will be calculated at 15% of the unused gift card balance at the end of the second year. The reserve balance will be reviewed and adjusted each year thereafter as the company garners specific experience regarding redemptions, how many gift cards remain dormant and the historical balance that remains unredeemed on those cards.