FAQ’s for Payment Card Processing at the University

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1) We are thinking about taking credit cards for payments. What do we need to know?

a. Any agreement or contract to process credit card transactions by members of the University and University-related community requires prior approval from University Payment Card Services.

b. Any unit anticipating revenue resulting from conducting credit card transactions, directly or indirectly, must have prior approval from both the University Comptroller and their appropriate Dean or Department Head and the Vice President or EVP & Provost. (Policy V.A.1). Refer to this website for more information and links to policy and procedure. http://www.virginia.edu/finance/finanalysis/rev_gen_act.html

c. The operating entity is required to adhere to University Credit Card Requirements & Payment Card Industry Data Security Standard (PCI-DSS as promulgated by the Credit Card Industry). For additional information on PCI see https://www.pcisecuritystandards.org/

d. The operating entity is responsible for all costs of accepting credit cards including transaction fees, website development, equipment, chargebacks, disputes, and fees and penalties related to noncompliance with University requirements and PCI standards.

e. The ability to accept credit cards is a privilege. University Payment Card Services reserves the right to suspend or terminate a merchant number, and thus end credit card transaction acceptance, if necessary, to insure compliance with University and PCI Compliance regulations.

f. We encourage you to review the current Credit Card Requirements, Fee Tables, Training requirements and Procedures as part of your business plan before applying for a credit card merchant number. This information is available on the Financial Administration website under Payment Card Services or from the Payment Card Process Coordinator.

g. For questions regarding credit card activity or an application, please contact the University Payment Card Process Coordinator.

2) Who is the PCPC (Payment Card Process Coordinator)?

BC Worsley, in Financial Administration, is your source for all things related to credit cards including access, application, chargebacks, commerce manager, compliance, costs, disputes, guidance, PCI, reconciliations, revenue distribution, retention, set-up, swipe terminals, third-party software
solutions, training, and wireless. [Contact BC]

3) What is a merchant?

Any department or unit that accepts payment cards on an ongoing basis is issued Merchant ID numbers (MID) by MC/Visa/Discover and American Express. These merchant account numbers identify you to the credit card companies and establish a contractual obligation to comply with all credit card rules and regulations.

4) Which credit cards does the University accept?

The University of Virginia contracted with MasterCard, Visa, American Express and Discover Cards. As a merchant, you will be set up to accept all four cards. EPay @ UVA merchants (the University Gateway) may also have the option to collect funds by way of ACH, a debit to your customer's checking or saving account.

5) Can anyone associated with the University apply for a credit card merchant account?

All University departments and administrative units (Academic units in the Medical School) are eligible to apply for a merchant account, as well as any related organization (such as University foundations), provided that they agree to abide by all University policies and procedures and PCI DSS. Student Contracted Independent Organizations (CIOs) are excluded from use of University merchant accounts.

It should be noted that the operation of a credit card merchant account may require access to the University's Integrated System for GL batch posting and required Discoverer reconciliations, a revenue project where funds will be deposited and a PTAO where fees will be charged.

6) How do we begin the process to obtain credit card merchant numbers?

Contact the PCPC to discuss the programs available and other considerations such as costs, accounting and security requirements. This information will assist the department understanding all of the ramifications of accepting credit cards. The next step is to request the application from the PCPC, complete it, and submit it to the PCPC.

7) How long will it take to obtain a credit card merchant account?
The process typically takes 2-3 weeks to obtain a merchant account once an application has been submitted. This does not include the time that the requestor may incur during development of webpages, or if applications involve the use of non-standard University credit card payment methods (third-party vendors, for example).

8) **Is there a difference in the process between choosing to use a swipe terminal (Point-of-Sale or POS) versus a secure web-site?**

Swipe terminals are typically used for face-to-face transactions. Swipe terminals may also be used to manually enter mail order or telephone order transactions, where your customer is registering for an event or function, and the department does not have a website that accepts registrations or payments. A swipe terminal is the most secure method of transmitting cardholder data and the cost of the machine is minimal. The security issue with using swipe terminals is protecting the customer’s account number from exposure and misuse.

Website development and design is a departmental responsibility. Typically, the website will supply information about the event or products. The department can also opt to collect registration information on their site, process this information, and provide reports to the department or choose E-Pay @ UVA to collect the registration information. In order to comply with PCI standards, the application must NOT capture, store or transmit the actual credit card number. This function is managed through the website’s connection to the University Gateway (E-Pay @ UVA) or your third-party’s gateway provider.

For information regarding the development of a departmental website, if the resources do not exist at the department level, please contact the ITS Custom Applications unit.

9) **If we only need a short-term, infrequent, and/or small-volume ability to take credit cards such as conferences or a one-time activity, what are our options?**

a. There are short-term, one-time only web processing options available. Please contact the PCPC.

b. You can apply for web processing through the PCPC using E-Pay at UVA through Commerce Manager. A departmental website is required. Depending on your needs, we may be able to manage your registration page and collect payment information for no additional fee. The department or unit will still be responsible for all processing costs of operations and for full compliance with University and PCI requirements during the period of operations.
10) What about credit card processing fees? How are they calculated and billed? How will I be able to see the fees?

Credit card processing fees vary by card type and type of card used. The University receives a monthly invoice from our processor, Elavon, who processes MasterCard/Visa/Discover cards and from American Express for approximately 2% of total sales for each merchant account. These fees are then distributed to the department’s PTAO. These fees are itemized on the monthly statements provided by Elavon and American Express.

An additional $.30 per transaction fee will apply for use of EPay (the University credit card gateway). This amount will also be billed as a separate item on your PTAO. The total number of transactions processed is available through “Reporter” in EPay.

11) What is the difference between a merchant account and an EPay account?

Merchant accounts are issued by the credit card companies, one account for MasterCard/Visa/Discover and a second by American Express. The merchant account drives the description on the customer’s bill, and the flow of the deposit and PTAO (see above). The deposits from the credit card companies are deposited into a general account at our Bank and distributed to the department via a “clearing project” (see question # 18) or posted directly to the unit’s GL revenue string.

An EPay account is for “web only” processing and will provide a subset of opportunities for multiple processes using the same merchant account and revenue. For instance, your “account” is set up and billed as “ANY Dept Events at UVA” which is used for credit card transactions. The cardholder statement will be billed as “ANY Dept Events at UVA”. Sub-accounts can be used to track separate activities. For example, registration and payment information can be identified separately from parking and fees collected from visiting vendors by using two sub-accounts, one titled “ANY Dept Events at UVA – Cheever Training Fall 2015” and a second titled “ANY Dept Events at UVA – Career Day Parking”.

The money for both events will be entered as a lump-sum into the clearing projects or your revenue and fees will be deducted from the same PTAO. However, reporting of the two events will allow you to track the registrations and money separately.

The department can have as many EPay sub-accounts as required linked to a single merchant account. The only time you might want an additional
merchant account is if the cardholder statement description needs to be different, or if the money needs to be deposited into a different GL string, the process is being handled by a separate unit within the department, and the NEW process is ongoing.

12) Are we allowed to use a service such as PayPal for credit card transactions?

University and University-related merchants are NOT currently permitted to utilize services such as PayPal or other third-party credit card service providers without authorization from the PCPC.

These types of relationships may utilize click-through agreements. These agreements are contracts and they may contain language that is prohibited by State statutes. PayPal has thus far refused to negotiate with Procurement Services to revise the language. PayPal-Payflow Pro may be allowed in certain situations. Please contact the PCPC for information.

These same barriers may exist with other third-party negotiations. These issues, as well as security and PCI compliance, make contracting with third-parties difficult.

13) What are the requirements if we are using a University contracted vendor (usually a $0.00 PO) who collects revenue on our behalf via credit cards?

With PCI 3.0 (effective December, 2013) the University became responsible for annually verifying the payment card data flow and PCI compliance for all third-party contracted vendors and their external service providers (either AOC (Attestation of Compliance) or ROC (Report of Compliance) for each vendor who touches payment card data). As some of the agreements with vendors have not been re-negotiated in a while, they most likely do not currently reflect the necessary contract language in the Data and Intellectual Property Protection agreement. Contact Procurement Services and the PCPC before you commit to a vendor so these issues can be addressed.

The individual unit will then be obligated to update the compliance documents (payment Flow document and AOCs or ROAs) annually with the PCPC as part of the University wide annual PCI review. These compliance documents have a direct consequence to University’s ability to continue to purchase Risk Insurance.

14) When can we use a third-party vendor for front-end data collection (i.e. someone who may provide a service or software)?

These services may include a registration form, manipulating the data into the
reports, managing a conference, etc. If the vendor does not also collect credit card payment information or refer your customer to a third-party for payment card processing, then using these vendors does not bring your process under PCI compliance rules.

We recommend that credit card merchants utilize one of the University’s two preferred credit card payment options; web processing through EPay@UVA or payment processing through our processor, Elavon. In both instances, the customer is passed to an outside PCI compliant payment page where the card information is collected and verified. With extra coding from your IT staff, the customer can then be re-directed back to your website to continue their experience.

15) Can we use a mobile device like “Square”?  
Mobile devices are not allowed for credit card processing at the present time. The card swipe device that is attached to a smart phone is PCI compliant. However, the app that is used and the smart phone itself are not compliant and cardholder numbers can be easily skimmed and other data compromised.

16) Can we use wireless terminals?  
Wireless/cellular terminals obtained through our Processor, Elavon, can be used. There are additional security considerations that must be satisfied to protect cardholder equipment/data.

You must maintain a chain of custody document for each terminal. Non-employees should not be allowed to use wireless terminals because they have not gone through the background checks that are required for employees, nor are they bonded or insured. For more information, please contact the University PCPC.

17) Why are there so many requirements to use credit cards?  
The University of Virginia recognizes that individual credit card information is confidential. Failure to maintain strict controls over this information could result in unauthorized use of a credit card number and serious problems for the consumer, the unit, and the University. Credit card information is treated as carefully as other confidential information. In addition, the necessity to comply with industry required PCI standards requires significant diligence and constant review to protect our customers and our reputation.

18) What can happen if we fail to meet PCI Compliance?  
The card brands and credit card processors can assess significant fines (currently
starting at $50,000 for each card type) for failure to comply with the standards and can revoke the University’s ability to accept payment cards if we are breached.

Additionally, the PCPC has the authority and responsibility to deactivate a unit’s credit card merchant account if it is determined that a unit is not in compliance with the University’s credit card policies or if the unit creates significant risk that is not appropriately mitigated. Merchants are required to complete an annual PCI questionnaire to attest to compliance and to notify the PCPC immediately if they are aware that they have become non-compliant at any time. For more information on PCI, please refer to the PCI website.

**19) How does revenue get into my account?**

a) Our payment card processors deposit funds into a central University bank account.
b) Accounting Services posts the credit for the transactions and fees to the appropriate department’s clearing accounts or directly to a revenue project.
c) The department with a clearing account then debits the clearing account and credits the appropriate department revenue project.
d) For Foundations, the funds can be deposited directly into your bank account.

**20) How long will I need to keep sales and/or credit card receipts? How long will I need to keep other records or forms that contain credit card information?**

State guidelines require that supporting documentation is maintained for three years plus the current year (see University Record Retention Policy II.C.1). The complete cardholder account number and security code need to be eliminated from any document as soon as there is no business need for the information (within 90 Days [PCI]). You may retain a maximum of the first six and the last four digits of the account number with the documentation for the record retention period, but never the Security code (CVV2).

**21) What is a cardholder dispute and chargeback?**

Credit card purchases, unlike purchases made with cash or a check come with the right by the Cardholder to question any amount billed to their account. These rights of dispute are provided under the Fair Credit Billing Act. What this means for a merchant is that charges that you took in good faith may end up being reversed for a number of reasons. The best way to avoid cardholder disputes and eventual chargeback is to have proper documentation for each purchase, properly provide your cancellation/return policy, and work with the cardholder to resolve any misunderstandings. For more information on the
“dispute” process, see the MerchantConnect website under Chargebacks & Retrievals – Chargeback Overview: https://www.merchantconnect.com/CWRWeb/tech_support.do

22) Why does a credit to a cardholder’s account take so long to post?

At Elavon, the credit is processed and submitted to the bank along with the settlement. Per Visa and MasterCard Regulations, the Bank has up to 30 days to apply a credit/refund to their card holder’s account. This is not something that we can control.

We suggest that the cardholder “dispute” the charges in question with the card issuer. The card issuer will then issue a temporary credit to the customer’s account until the department’s credit has been applied. Cardholder dispute instructions are printed on each monthly Payment Card statement. (Fair Credit Billing Act [1974])