

Web Credit Card Guidelines for Departments at UT Austin

Departments may use outside vendors to develop and host their e-commerce systems, including credit card processing. All requirements outlined in this document apply, regardless of whether departments develop and host their own e-commerce systems or select an outside vendor.

Departments must use a web credit card processing system that is certified by UT Austin's credit card processor (currently Global Payments; formerly NDC-ECommerce).

Departments are responsible for all costs associated with web credit card processing, including but not limited to: setup fees, monthly maintenance fees, bank fees, discount rate fees, and per transaction fees.

Departments are responsible for their own voids, returns and chargebacks and all the costs associated with such transactions.

Department web sites that sell goods or services must have all the following information:

- Complete description of goods or services offered
- Returned merchandise and refund policy
- Customer service contact, including electronic mail and/or telephone number
- Transaction currency (must be US dollars)
- Export or legal restrictions (if any)
- Delivery policy
- Privacy policy (explain use of information gathered)
- Procedure by which a person can be removed from marketing mailing lists

Departments must use secure socket layer (SSL) or secure electronic transaction (SET) as the data encryption system for the credit card portions of their web sites.

Storage of credit card numbers must be in a secured database. Departments must complete a self assessment checklist of the web credit card system. In addition, departmental technical personnel must complete a design walkthrough with Internal Audits. Any resulting recommendations for improving system security must be implemented before the department's web merchant account is activated to accept 'live' transactions.

Physical Security: Departments are to keep all copies of credit card information confidential and protected from misuse. Current records are to be locked in file cabinets. Only authorized personnel should have access to keys to file cabinets containing credit card information. Discarded daily detail credit card information is to be shredded. Outdated records (fiscal year end plus three) are to be marked for confidential disposal - shred.

Any other rules concerning point-of-sale terminal or batch credit card transactions established by UT Accounting also apply to web credit card transactions. These include:

- Daily settlement: Departments must settle batches daily with a printed settlement report which lists total collected for each card type.
- Daily vouchering: Departments must create a VC1 for each day's business and deliver it to the Bursar's Office for approval by the end of the next business day. More than one day's business cannot be combined into one VC1.
- Reconciliation: Each credit card company will send a statement of activity, which departments are required to reconcile with deposit records and forward to the Office of Accounting-Cash Management, campus mail K5300 by the 20th of each month.

Web Credit Card Self Assessment Checklist

General description

- Include copy of cost analysis.
- List vendor credit card processing software used (ex. Verisign, Authorize.Net ...).
- Describe method of item delivery (physical shipment or electronic delivery).
- Will any of the items for sale be subject to sales tax?
- Provide documentation of information required in the Web Credit Card Guidelines for Departments at UT Austin. (Description of goods or services offered, Returned merchandise and refund policy, ...)

Credit card number processing

- Will the credit card number be stored?
If a card number is stored either electronically or on hardcopy records, identify the storage location and describe any related security procedures.
If card number is stored electronically, describe encryption methodology.
- Describe method of accessing credit card information to process returns, refunds, chargebacks.

Server security

- Describe server security methodology and include personnel responsible for security administration.
- List server operating system and version number.
- List services enabled on the server.

Internal processing

- Describe the treatment of web credit card transactions by the department (personnel involved and duties performed by different personnel).
- Describe basic procedures for reconciling web credit card transactions and provide a sample of reconciliations conducted during system testing. The reconciliation should provide adequate detail to support (follow) an individual transaction from customer charge to collection of cash and delivery of purchased goods or services.
- Provide documentation of procedures for processing credit card transactions. Examples of these procedures include steps for daily 'closeout' of web payments, guidelines for granting refunds/returns, and methods of updating item pricing and items available for sale, ...
- Describe the established procedure for addressing 'pending' transactions.

Availability

- Describe server backup methodology (should address server software).
- Describe transaction backup methodology (should provide for secured off-site storage of transaction data).
- List procedures to protect server against viruses (software package used, frequency of scans, ...).
- Describe contingency procedures to be used in the event of server failure (notice to technical personnel, manual procedures for processing transactions).
- List personnel that will be responsible for maintaining the e-commerce server. Describe what, if any, duties these personnel will have in processing credit card transactions or maintaining the security of credit card information.
What percentage of time will these personnel be assigned to e-commerce duties?
- Describe basic procedures for detecting and correcting a breach of server security.

Design Walkthrough

- Schedule a time with Internal Audits to conduct a design walkthrough. This meeting may be scheduled by calling the Office of Internal Audits at 512-471-7117.

Credit Card Costs

**These Fees Are Set By The Credit Card Companies, The Web Processors, The Bank,
And Can Change Without Notice**

Credit Card Discount Rates And Related Fees

MasterCard/Visa base discount rate for credit card transactions	1.885% of <u>gross sales</u>
MasterCard/Visa base discount rate for Checkcard transactions	1.745% of <u>gross sales</u>
Handling fee for unauthorized transaction	\$50.00 per transaction

* Additional non-qualified surcharges, which can range up to 1.27%, will be applied to certain Commercial card transactions, International card transactions, to transactions which are settled beyond 24 hours, and to transactions that do not meet Visa/MasterCard interchange standards.

MASTERCARD/VISA ADDITIONAL FEES

Chargeback fee (actual occurrence)	\$5.00 per chargeback
Monthly Statement Fee per merchant number	\$3.00 per month

DISCOVER/NOVUS FEES

Discover/Novus discount rate	1.75% of <u>gross sales</u>
Transaction fee	.10¢ <u>per item</u>

AMERICAN EXPRESS FEES

American Express discount rate	2.60% of <u>gross sales</u>
Transaction fee	.05¢ <u>per item</u>

BANK FEES

Bank Credit charge	25¢ per item
Bank Debit charge	10¢ per item

Each settlement (close-out) of the credit card terminal creates a credit transaction to the Bank, and discount fees and chargebacks create debit transactions. If you have credit card transactions for each card type each day, the average bank credit charge is \$22.50/month and the average bank debit charge is 0.30¢/month.

ADDITIONAL CREDIT CARD INFORMATION

The monthly bank fees, MasterCard/Visa, Discover and American Express fees will be charged to your designated expense account each month by the Office of Accounting-Cash Management. You will receive an activity statement from **each credit card company**, which you are required to reconcile with your deposit records and forward to the Office of Accounting-Cash Management by the **20th** of the month.

Possible Additional Charges For Web Credit Card Transactions

If you plan to use Verisign or Authorize.Net, please contact Rose Paez at 232-2104 e-mail oa.cmcc@austin.utexas.edu for the following prices.

MERCHANT SETUP FEE

This will be determined by your web credit card transaction processor.

MONTHLY SERVICE FEE

This will be determined by your web credit card transaction processor. It is usually charged regardless of the number of transactions processed.

PER TRANSACTION FEE

This will be determined by your web credit card transaction processor. This fee is charged for each transaction processed.

How to Request a Credit Card Merchant Number

Send the following request along with the Cost Scenario Worksheet to Kim Herber Wicheta in the Office of Accounting (fax 512-471-1651 or K5300) with a copy to Rose Paez (fax 512-232-1492 or K5300). For questions, contact Cash Management at oa.cmcc@austin.utexas.edu.

DATE: _____

TO: Kim Herber Wicheta, Associate Director

FROM: _____ (typed name)

_____ (title, Dean, Director or Equivalent)

SIGNATURE: _____

Please approve the issuance of a credit card merchant number to the department of _____ to process live Web credit card payments via the Internet. I have read and agree to the Web Credit Card Guidelines for Departments at UT Austin.

This merchant number is being requested to: (choose one)

_____ Provide income from a new product or service. (explain new product or service)

_____ Provide another means of payment for an already existing product or service. (explain existing product or service)

Estimated Annual Sales Volume: _____ Required by Global Payments
This is the amount you expect to collect per year from the Web credit card sales.

Estimated Average Ticket Amount: _____ Required by Global Payments
This is just a rough estimate of your average ticket price. List only one price, not a range.
i.e. \$600; not \$200 to \$1,000.

Expense Account to be charged for the monthly fees: _____

Authorized Signature for account (please sign): _____

Merchant name: _____
The merchant name is the name that will appear on the customer's statement and is limited to 23 characters including spaces. It should reflect the department's name in a way that the customer will recognize the charge. (i.e. UT Cont Legal Educ)

E-commerce vendor (WEB processor): _____

E-commerce vendor contact person: _____

Web page: _____

Name and email address of employee(s) who will reconcile credit card activity (at least two): _____

Department Contact phone number for cardholder's credit card statement: _____

I will accept the following credit cards:
MasterCard & Visa *Required*
Discover/Novus *Optional*
American Express *Optional*

Statement Mailing Address: _____

Attention: _____

U.S. Postal address where the credit card statement(s) should be mailed. Please provide a P.O. Box if possible. A name is required on the attention line. This is usually the person who is responsible for the credit card reconciliation.

Physical Address of Department: _____ *Include Building, Room #*
_____ *Street Address if available*
_____ *City, State, Zip Code*

Departmental contact: _____ Title: _____
Mail code: _____ Phone #: _____ Fax #: _____
Someone in an administrative or managerial position. i.e. Manager, Director, Assistant Director.

Accounting contact: _____ Mail Code: _____ Phone #: _____ Fax #: _____
Person responsible for creating the daily VCI to record the income collected.

Reconciliation contact: _____ Mail Code: _____ Phone #: _____ Fax #: _____
Person responsible for the monthly credit card statement reconciliations.

Chargeback contact: _____ Fax #: _____
Person responsible for responding to chargebacks. Global Payments will fax a "Ticket Retrieval Request" or "Chargeback Notification" when a card holder disputes or questions a charge. The department must respond before the date listed to avoid a chargeback. Chargebacks for web processed credit card payments have historically been very hard to avoid. The credit card processor will supply the credit card number, amount, settlement date, and batch control number. They will not provide the name of the card holder.

If you require additional information please contact me at _____ (phone number).