I. Purpose

This section outlines policy and procedure pertaining to the authorization granted to University units and affiliates to accept credit and debit cards as a form of payment for services performed or for merchandise sold by such activities.

II. Definitions

A. Acquiring bank--merchant bank contracted through Office of the Chief Investment Officer of the Regents on behalf of all campuses in the UC system to perform credit card processing services.

B. Centralized payment process--central system for the purpose of capturing, storing, and transferring cardholder information to the acquiring bank.

C. Chargeback--a reduction of the merchant’s cash receipts initiated by the acquiring bank in response to a transaction that has been rejected by the acquiring bank or issuing bank or disputed by the cardholder.

D. Discount fees--costs imposed on merchants by the acquiring bank in exchange for the privilege of accepting a card.

E. Merchant--a University department or an affiliate of the University that has received the appropriate prior authorization to accept credit/debit cards as a form of payment for services performed or for merchandise sold in person, through phone or mail, or through the internet.

F. Operating guidelines--rules and procedures published by the acquiring bank that specify the operational parameters that each merchant must adhere to when accepting a card as a form of payment.

G. Settlement--process by which a merchant presents a single or group of financial transactions to the acquiring bank for the purpose of converting the credit information collected from a cardholder into cash receipts.

III. Policy

A. Merchants must comply with the policy and procedures established in BUS-49 and validate applicable compliance requirements in accordance with the Payment Card Industry Data Security Standards (PCI DSS) before merchant account can be activated.

B. Services for processing cards, depositing cash receipts and validating compliance with all credit card companies’ compliance programs and any other related services are contracted on a system wide level through the Office of the President Banking Services Group and/or the Office of the Treasurer. Merchants must use the services of vendors with system wide contracts in place.
C. Cards may be accepted from the cardholder by a merchant for their own transactions within the parameters of the appropriate operating guidelines. Merchants may not accept cards or authorize or complete settlement for transactions of other University units or affiliates.

D. Merchants must authorize each transaction in order to secure the most favorable processing fee.

IV. Establishment and Maintenance of Card Services

A. Requests to accept cards must be submitted via email to merchantsupport@ucdavis.edu.

B. If merchant request approved:
   1. The UCD Credit Card Merchant Administrator prepares and submits all documentation to the acquiring bank and credit card companies to establish the merchant account, order the merchant terminal and notify the merchant of the assigned merchant number.
   2. The merchant department must provide contact information to the Coordinator for all individuals who will be involved in the processing of credit card transactions.

C. Accounting and Financial Services allocates discount fees, rental costs for equipment, and fees for banking network access fees to merchants based on their merchant account and activity.

D. Accounting & Financial Services receives all chargeback notifications, will notify the appropriate merchant of the notification, and prepare appropriate accounting entries to reflect the chargeback.
   1. Merchants must respond directly to the acquiring bank within the appropriate time frame by providing requested information or appropriate documentation to demonstrate the legitimacy and appropriate processing of the original transaction.
   2. The acquiring bank has sole authority to determine if the chargeback will be reversed and the cash receipts returned to the merchant.
   3. Upon receipt of a chargeback reversal notification, Accounting & Financial Services will notify the appropriate merchant of the notification and prepare appropriate accounting entries to reflect the chargeback reversal.

V. Roles & Responsibilities

A. The UCD Credit Card Coordinator is responsible for:
   1. Providing information and assistance to University units and affiliates regarding acceptance of cards as a form of payment, related controls and credit card security, financial responsibility and technical requirements.
   2. Reviews potential contracts and RFPs for required PCI DSS language.
   3. Coordinates with acquiring bank required (AOC) Attestation of compliance documents.
   4. Coordinating review of departmental network architecture with Internal Security Assessor (ISA) for proposed merchants as well as any changes proposed for existing merchants.
   5. Coordinates yearly merchant validation process, provides guidance and policy templates when applicable.
   6. Immediately deactivating merchant accounts that are determined to be out of compliance with operating guidelines, PCI compliance standards or compliance standards required by the acquiring bank, Office of the President or University policy or directive.

B. Accounting & Financial Services is responsible for:
1. Reconciling the depository bank account to the general ledger cash account monthly.
2. Maintaining procedures to ensure the appropriate and timely recording of deposits onto the general ledger.
3. Administration and coordination of chargeback defense efforts.
4. Administration of the University’s centralized payment process.

C. Information & Educational Technology is responsible for reviewing department network architecture for compliance with technical standards.

D. All merchants are responsible for:
   1. Complying with all requirements of the appropriate operating guidelines.
   2. Performing all periodic compliance activities and providing all requested evidence and documentation of compliance to the UCD Credit Card Coordinator in a timely manner.
   3. Notifying the UCD Credit Card Coordinator immediately when merchant accounts are no longer needed and should be deactivated.
   4. Notifying the Credit Card Coordinator of any changes in the personnel involved in the processing of credit card transactions or any changes to the infrastructure of credit card processing activities (e.g., technology upgrades, changes).
   5. Responding to chargeback notifications and credit card company inquires.
   6. Ensuring that no cardholder information is stored electronically in any database, application or system.
   7. Notifying the Credit Card Coordinator immediately regarding any proposed changes to network architecture.
   8. Notifying the Credit Card Coordinator (merchantsupport@ucdavis.edu) and Chief Information Security Officer (security@ucdavis.edu) when a security breach is suspected or has occurred.
   9. Ensuring that all employees involved in the credit card process complete annual credit card training. The Credit Card Online Training is available from the campus Learning Management System. To access, go to http://lms.ucdavis.edu enter Credit Card Online Training in the Search field and the training will be available for viewing.

VI. Further Information

For additional information, contact Accounting and Financial Services, Banking & Credit Card Merchant Services at 530-757-8511; http://afs.ucdavis.edu/our_services/cashier-e-payment-solutions-office/banking-e-merchant-services/index.html

VII. References

A. UC Office of the President:
   1. BUS-49: Cashiering Responsibilities and Guidelines.
   2. IS-3: Electronic Information Security.


C. Credit Card Companies Security Requirements:
2. MasterCard International Site Data Protection (SDP) Program.
4. Discover Information Security and Compliance (DISC) Program.
5. Payment Card Industry (PCI) Standards.