

# INDIANA UNIVERSITY PAYMENT CARD INTERNET PAYMENT AUTHORIZATION SERVICE MERCHANT AGREEMENT

## I. Introduction

This Merchant Agreement (the "Agreement"), executed on the date stated on the signature page, includes the following:

- a) an operations guide
- b) the merchant application (Departmental Request to Process Internet Payments)
- c) the business plan (Business Plan for Internet Merchant Authorization)
- d) any schedule or addendum to this Agreement

All of which are incorporated herein by reference, entered into between Indiana University, Office of the Treasurer (referred to as "IU", "we", "us", or "our") and you, the undersigned Indiana University Department (referred to as "Merchant", "you", or "your").

It is our role to interpret and communicate policies and procedures as they pertain to payment card processing. The Office of the Treasurer will administer the process so that you will be capable of accepting payment cards. Along with the privilege of accepting payment cards come required responsibilities. In the event of non-compliance, the Office of the Treasurer will revoke those privileges until which time compliance is achieved. We will also facilitate the transfer of funds arising from the use of Cards for which we have agreed to settle, by your customers ("Cardholders"), in accordance with Indiana University Policy VI-110, Accepting Electronic Payments.

By signing this agreement you are requesting these services. We, Indiana University, Office of the Treasurer, and you, the departments, agree to the following terms and conditions as stated in this merchant agreement.

**Note: This Internet Payment Authorization Service Merchant Agreement is only valid for those merchants who set up web-based credit card processing through the Office of the Treasurer.**

## II. Payment Card Processing Overview

- 1) The daily net sales will automatically settle into the appropriate bank account designated by the Office of the Treasurer. This information is automatically fed into Indiana University's Financial Information System (FIS). Income and the associated processing fees are placed into the valid IU FIS account number(s) specified on the Departmental Request to Process Internet Payments. The posting will occur Sunday through Friday. The settlement will appear as a line entry document type CCAD in the specified FIS account with the document number consisting of the initials of our processor followed by the date of the posting (i.e.: USBYYMMDD). Any changes to the FIS account number(s) must be requested in writing or in email form by the Fiscal Officer for that account.
- 2) It is the responsibility of the department to reconcile the settlement amount in the general ledger (via the Indiana University Information Environment IUIE) to the credit card receipts and the Merchant Billing Statement provided by our processor. This should be done on a daily basis. Once in IUIE the general ledger settlement detail can be accessed under folder Financial-General Ledger-Other Queries-Credit Card Transaction Detail. Any discrepancies are the responsibility of the department to reconcile. In addition, a unique URL will be provided to you so that additional tracking may be accomplished via the PayPal Manager Interface. If you are unable to reconcile any discrepancy, notify the Office of the Treasurer, Payment Card Services immediately.
- 3) The processing and discount fees related to the transactions you process will be billed to you two different ways. The Visa/MasterCard processing costs will be automatically booked on the third business day of each month in the same manner as the income. Document type will be CCCH. You will be internally billed for Discover and/or American Express processing fees related to the

- transactions you processed. You may receive up to three billings depending on the type of cards you accepted during the month. It is important that the expense account specified on the Departmental Request to Process Internet Payments has sufficient funds to allow an orderly billing process. These fees are for the Internet Merchant only; if you accept over the counter payments they will be billed separately. It is the department's responsibility to verify the fee charged to the General Ledger.
- 4) Internet processing accounts incur a one-time set-up charge and an ongoing monthly charge. The rates charged for these are the current rates being charged to IU by PayPal. These charges are paid by Payment Card Services and a Distribution of Income/Expense document in FIS is used to charge the departments. The expense account listed on the Departmental Request to Process Internet Payments will be used unless requested otherwise.
  - 5) It is the responsibility of the Department to resolve all disputed claims ("chargebacks") as expeditiously as possible. The credit card organization (credit card processor for Visa /MasterCard or directly by Discover and American Express) will notify Payment Card Services regarding the nature of the dispute, who is lodging the dispute and the amount of the dispute. Your income account specified on the Departmental Request to Process Internet Payments will be charged for the disputed item via an FIS document. You will have a specified length of time (usually 30 days) in which to respond back to the credit card organization. It is imperative that you respond in a timely manner with all of the information requested. If the chargeback is reversed, your income account specified on the Departmental Request to Process Internet Payments will be reimbursed for the disputed item.
  - 6) It is the responsibility of the department to respond to all Copy Requests. A Copy Request is a request from the cardholder (forwarded through our processor) for a copy of the transaction and more importantly their signature authorizing the transaction. You will be notified of a Copy Request by Payment Card Services. When replying you should include any documentation that will assist us in proving that the customer received benefit from the transaction (such as a sales draft, the authorizing signature, shipping information, etc.). If you fail to respond to a copy request within the allotted time (usually 10 days) and it results in a chargeback, we will not have any recourse and your department will be charged.

### **III. General Rules, Regulations and Guidelines**

#### **A) Security**

- 1) If you process credit card data in any form you must be in compliance with Payment Card Industry Data Security Standards (PCI DSS). If a breach occurs of the data you are storing you will be responsible for any and all fines as well as the costs associated with bringing your location into compliance (see [https://www.pcisecuritystandards.org/security\\_standards/pci\\_dss.shtml](https://www.pcisecuritystandards.org/security_standards/pci_dss.shtml) for additional information).
- 2) It is prohibited to store card information and card-validation codes (three-digit value printed on the signature panel of a card) on any IU computer, database or server. You must protect card holder data by keeping it secure and confidential.
- 3) You must not collect card numbers and card information via e-mail or unsecured fax as they are not secure formats.
- 4) You agree to maintain all card documentation in a "secure" environment restricting user access to payment card account numbers to a need-to-know basis. Secure environments include locked drawers, file cabinets in a locked office, and safes. Credit card receipts and card documentation should be treated in the same manner you would treat large sums of cash. You, the department, will be responsible for any losses due to poor internal controls.
- 5) You will keep all original copies, imaged copies or microfilmed copies of receipts and card documentation for no less than 180 days and no longer than two (2) years depending on the documentation being retained. After which time card holder data must be deleted or destroyed before it is physically disposed (i.e. shredded).  
If you know of or suspect a security breach or unauthorized disclosure of sensitive data, you will immediately report the incident to the Information Policy Security Office (see <http://informationpolicy.iu.edu/>) and to Payment Card Services ([pmtcards@indiana.edu](mailto:pmtcards@indiana.edu) or 812-855-0586).

- 6) You will maintain a policy that addresses card holder information security to educate your staff about common fraud methods used and have internal fraud detection procedures. We have Fraud videos which we can loan to departments to help with educating your staff. The Office of the Treasurer will provide a copy of Payment Card Merchant Operational Guidelines.
- 7) You agree not to disclose or acquire any information concerning a cardholder's account without the cardholders consent. You will not sell, purchase, provide, disclose or exchange card account information or any other transaction information. You will maintain a Privacy Policy and provide a link to the policy on your website.
- 8) Treat the following as high risk transactions: use of anonymous e-mail address, shipping address from overseas, prisons, hospitals, or mail drops.
- 9) All staff members that are involved in the payment card process must attend yearly training in regards to PCI DSS and systems security.
- 10) On an annual basis, by December 31<sup>st</sup>, you will complete a PCI DSS Self Assessment Questionnaire to maintain compliance with the Payment Card Industry Data Security Standards. All merchants must complete this assessment on an annual basis to evaluate your payment card processes so that remediation can be taken on procedures which are out of compliance.

**B) Revenue Processing**

- 1) You agree that any person who processes revenue in any form (credit cards, electronic, cash) or whom has access to the PayPal Manager Interface will complete the mandatory Office of the Treasurer, Treasury Operations Revenue Processing Compliance Online Tutorial if unable to attend the mandatory Revenue Processing On-Campus training on it's scheduled date, prior to the inception of revenue processing (see Policy VI-120, Revenue Processing). All employees who process revenue must attend On-Campus training.
- 2) You agree that your department is in compliance with Policy I-450, Establishing and Generating Revenue Producing Activity.

**C) Transaction Processing Protocol**

- 1) You agree that the sales draft represents a bona fide, newly created transaction involving the merchandise and/or services itemized on the sales draft. You will not charge a customer before merchandise is shipped. In the case of an intangible product (i.e. Registration) charge the customer when confirmation is sent to the customer.
- 2) You are required, in good faith, to maintain a fair policy for the exchange and return of merchandise as well as for resolving disputes over merchandise and/or services purchased with a payment card. If a transaction is for non-returnable, non-refundable merchandise, you will indicate this on your web site prior to conducting the transaction. You should clearly display your return policy.
- 3) You will give proper credit for returns and adjustments by performing the proper function via the PayPal Manager Interface. You should not, under any circumstances, pay any card refund or adjustment to a cardholder in cash. If cash is refunded and the cardholder files a dispute, your department will bear the loss of the income from the transaction.
- 4) A cash advance or withdrawal from your department to a cardholder, or to yourself, is not authorized. You may not accept money from a cardholder and subsequently prepare a credit draft (refund) for the purpose of creating a credit to the purchaser's account. The accounts should only be used for transactions related to purchases of Indiana University goods and services.
- 5) You will provide Indiana University or our processor, upon demand, with any information, evidence, assignments or other assistance needed of any billing dispute with a cardholder or any dispute with a cardholder over the nature, quality or performance of the goods or services or in connection with any return or rejection of such goods or services. You will also comply with this request in a timely manner.

**IV. Account Set-up, Support, and Training**

- 1) The following minimum system requirements must be met prior to a merchant account being set-up by the Office of the Treasurer:

- a) Static IP Addresses for all servers and workstations that are involved in the merchant process.
  - b) A list of static IP's for the systems involved in the merchant process is required to be reported to Office of the Treasurer, Payment Card Services. This list must be kept up to date. Any changes in the number of hosts and/or IP's should be reported to Payment Card Services.
  - c) Anti-Virus software must be running on all systems involved in the merchant process. A screenshot of the AV Client screen showing the definition date and software version will be required for each IP address that is registered with Office of the Treasurer, Payment Card Services.
  - d) Host based firewall required on merchant systems
  - e) File integrity monitoring software required on merchant systems
  - f) System and audit trail logs must be maintained for at least one year and reviewed on a regularly scheduled basis.
  - g) All systems involved in the merchant process are required to be registered for monthly scans via the IT Security Office. Systems can be registered for scans as <https://itso.iu.edu/scanner>. Web Server's that are used for Ecommerce are required to be scanned via out Web Application Vulnerability Scanner. Requests for scans should be emailed to scanner-admin@itso.iu.edu.
- 2) Upon receipt of the signed completed Departmental Request to Process Internet Payments we will proceed to create a PayFlow Pro account with PayPal and a merchant account with our credit card processor. Accounts take a minimum of two weeks to set up unless a rush order is requested. You will be notified once the account is set-up and ready for testing.
  - 3) You are required to connect to the Office of the Treasurer Payment Page via the Internet Payment Authorization Service – PayFlow Version. You will not collect payment information on your own web site.
  - 4) The Office of the Treasurer, Payment Card Services, will provide basic training on the PayPal Manager Interface. We will also provide a Frequently Asked Questions tutorial packet.
  - 5) You should contact Payment Card Services with any concerns with transaction processing or the PayPal Manager Interface. We will provide merchant support via telephone and/or email during normal business hours (Monday thru Friday 8am-5pm). We will also act as a liaison to our bank, processor, and PayPal.
  - 6) All merchant accounts must maintain transaction activity monthly to remain active and be considered an open account. Requests to activate/deactivate/suspend a merchant account must be received in writing from an authorized user via [pmtcards@indiana.edu](mailto:pmtcards@indiana.edu).

This Agreement shall not become effective until accepted by the Office of the Treasurer, and will remain in full force until terminated by either party by giving written notice to the other party.

I understand the contents, terms, and conditions of this Merchant Agreement. By signing below I agree to abide by all rules and regulations stated here within.

**Please print and sign then mail to: Office of the Treasurer, Treasury Operations, Poplars 205, Bloomington Campus, and Attention: Payment Card Services.**

Department Name: \_\_\_\_\_

Merchant Name: \_\_\_\_\_

Merchant Number: \_\_\_\_\_

Fiscal Officer: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Fiscal Officer Signature: \_\_\_\_\_

Department LAN and/or technical support: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

LAN Signature: \_\_\_\_\_

Campus Administrator: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Campus Admin. Signature: \_\_\_\_\_

**All of the above signatures must be obtained prior to sending this form to the Office of the Treasurer, Payment Card Services.**

Treasury Approval: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Signature: \_\_\_\_\_

\*\*Upon the Office of the Treasurer approval, a copy of the Merchant Agreement will be provided to the department. The original Merchant Agreement will remain on file with the Office of the Treasurer.