

# INDIANA UNIVERSITY PAYMENT CARD POS TERMINAL MERCHANT AGREEMENT

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## 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 Payment Cards)
- c) 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", "Department", "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 comes 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](#). (click link)

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

**Note: This POS Terminal Merchant Agreement is only valid for those merchants who set up credit card processing and equipment installation 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 Payment Cards. 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 business being settled (i.e. USBYMMDD). 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. 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. The last week of the month 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 Payment Cards has sufficient funds to allow an orderly billing process. It is the department's responsibility to verify the fee charged to the General Ledger.
- 4) It is the responsibility of the Department to resolve all disputed claims ("chargeback's") 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 Payment Cards 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 Payment Cards will be reimbursed for the disputed item.
- 5) 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, 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 (face to face or electronic) 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/index.htm> 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 (terminal receipts & batch reports) containing truncated card account numbers 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 terminal receipts and card documentation (registration forms, mail-in forms, internal documents) 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).
- 6) You will maintain a policy that addresses card holder information security to educate you 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.
- 8) Treat the following as high risk transactions: use of anonymous e-mail address, shipping address from overseas, prisons, hospitals, or mail drops.
- 9) On an annual basis, by December 31st, you will complete a PCI DSS Self Assessment Questionnaire to maintain compliance with the Payment Card Industry Data Security Standards. All POS 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. To complete the compliance questionnaire go to [IU POS Terminal Merchant Compliance](#).

## B) Revenue Processing

- 1) You agree that any person who processes revenue in any form (credit cards, electronic, cash) 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 [Revenue Processing Policy VI-120](#)). All employees who process revenue must attend an On-Campus training.

## C) Transaction Processing Protocol

- 1) All face-to-face transactions should have the payment card present and you must obtain the cardholders signature. Always verify that the card is valid and signed. Compare signatures and check ID where possible and feasible.
- 2) If it is not a face-to-face transaction you will need to obtain some other means of securing the validity of the payment (mail-in form with card information and signature). Request a signed authorization letter and obtain a signature of the cardholder as often as possible. Failure to obtain a customer signature puts the merchant at risk of loss of income to customer disputes due to fraud. If a signature is not obtained the merchant will bear the responsibility of transaction outcome.
- 3) You agree that the terminal sales receipt represents a bona fide, newly created transaction involving the merchandise and/or services itemized on the sales receipt. 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.
- 4) You are required, in good faith, to maintain a fair policy for 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 prior to conducting the transaction. You should also clearly display your return policy in public view.
- 5) You will give proper credit for returns and adjustments by performing the proper function on the terminal. 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.
- 6) 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 for the purpose of creating a credit to the purchaser's account. The terminal should be used for transactions related to purchases of Indiana University goods and services only.
- 7) You must settle your transactions on a timely basis, at least once a day. The processor verifies settlement by a "GBxxxx" response, where the x's represent the batch number. Settlement can also be verified by the postings to the General Ledger. If the terminal is not settling as described, it is the merchant's responsibility to notify the Office of the Treasurer, Payment Card Services in order to correct the problem.

### Transaction Processing Protocol cont.

- 8) If you are directed by the authorization center to recover a payment card, it is your responsibility to comply with the request. However, Indiana University does not want to put any of its employees at risk. Therefore, if you do not wish to recover the payment card you do not have to do so.
- 9) 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) Upon receipt of the signed completed Departmental Request to Process Payment Cards we will proceed to create 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 activated and ready for transaction processing.
- 2) Any terminal equipment must be obtained, programmed, and installed by the Office of the Treasurer. Equipment obtained by our office is PCI DSS compliant. You are responsible for implementing any changes to your Terminal as directed by our office in an expedient manner. You must keep equipment in reasonable working order and no terminal is to be exchanged or removed without our permission. Terminals should be located in a secure environment with limited physical access.
- 3) The Office of the Treasurer, Payment Card Services will provide basic POS (point of sale) transaction processing training outlining terminal functions, transaction authorization, transaction security, and the settlement process.
- 4) You should contact Payment Card Services for any concerns with terminal function and processing. 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 and processor.
- 5) 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).

## V. Signature Page

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, Attention: Kim Stuart.**

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

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

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

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

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

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

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

Campus Administrator: \_\_\_\_\_

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

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

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

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.**