



UNIVERSITY OF ROCHESTER

Electronic Commerce Payments via University Websites

APPROVED BY:

DATE:

PAGE:

I. Date of Initiation

April 30, 2003 (Pilot)

II. Policy Classification

Senior VP Administration and Finance & CFO delegated to Office of Treasury

III. Policy Summary

This policy provides guidelines and directives on electronic commerce for the University. The policy strives to protect and preserve the assets of the University, the integrity of the data, financial and confidential information about our customers and increase customer trust and confidence in using electronic commerce.

IV. Related Policies

Guidelines on Credit Card Fraud
Guidelines on Security of Card-Not-Present Transactions

V. Delegation of Authority

The director of Treasury is authorized to delegate responsibilities for this policy to others in their respective departments and advise amendments to this policy as necessary. The Senior VP for Administration and Finance and CFO supports this policy. Any deviation from this policy must be brought to the attention of the director and subsequently to the Senior VP for Administration and Finance and CFO.

VI. Policy Statement

The Office of Treasury is responsible for the electronic check program, merchant card program and the credit card system for all card transactions accepted in payment for the sale of goods and services or gifts, or event registration or application fees within the University. This policy will strive to maintain consistency in electronic payments throughout the University. This policy strives to mitigate or eliminate financial risk of the University and/or the department. The risks include higher interchange rates for card transactions, legal liability for unauthorized or fraudulent items, and possible sanctions, fines and penalties for excessive chargebacks and/or fraudulent transactions and inadequate Internet site security. It is essential that each department accepting electronic commerce payments understand their responsibility and liabilities when accepting these types of payments. By means of this policy and process, departments will be able to establish the ability to accept electronic commerce payments via the University's web sites and know that the information is secure and confidential.

VII. Definitions

Card transactions include Discover, MasterCard, and Visa.

Electronic checks are Automated Clearing House (ACH) transactions, which are electronic funds, transfer alternative to checks. The ACH is batch settlement at least one day in advance as opposed to Fedwire, which is a real-time settlement.

National Automated Clearing House Association (NACHA) is the regulatory body for the ACH payment network.

Electronic commerce is a term used to define business transactions conducted using an electronic medium.

Electronic medium is a mechanism used for transferring; storing, and manipulating electronic data on such devices as telephone, leased lines, the Internet, compact disc, magnetic tape, diskettes and fiber lines.

VIII. Responsibilities

Department:

1. Complete a business plan and departmental request to process electronic commerce payments via the University's websites.
2. Complete a Merchant Agreement. The merchant agreement provides an overview of the payment card process, the general rules, regulations and guidelines, responsibilities for management of the merchant account, fees and liabilities, and the guidelines for security of data.
3. The department will assume responsibility and liability for the security of all transactions and data, including any monetary loss suffered by the University due to theft or improper use of electronic commerce payment numbers and associated information.
4. Adhere to the "Guidelines for card-not-present credit card transactions" found at { HYPERLINK "http://www.rochester.edu/adminfinance/treasury/nocard.html" }

Office of Treasury:

1. Receive business plan, departmental request and Merchant Agreement forms from department.
2. The application and request will be prepared for Chase Merchant Services to create a merchant identification number and proper standard industry classification for the department.

Information Technology Services (ITS)

1. Provide a secure and robust technical environment to handle University financial transactions
2. ITS will receive approved business plans from the Office of the Treasury. For approved plans, ITS will work with the department, Office of the Treasury and the vendor to implement appropriate IT-related controls to secure e-commerce transactions and interfaces to and from UR central administrative systems and to set-up appropriate storage/purge processes for credit card and e-check data.
3. Work with the University designated e-commerce vendor to register UR departments, design, and implement and support technical environment for e-commerce, consistent with UR technical architecture requirements.
4. Monitor related hardware and software residing in the University's Data Center 24x7x365.
5. Create and maintain system documentation and change management documentation for e-commerce applications.
6. Develop and maintain business continuity plan for e-commerce hardware and software located in the University's Data Center

IX. Procedure

Department:

1. Identify the need for electronic commerce payments via the University's web sites.
2. Read and complete a Merchant Agreement. The merchant agreement provides an overview of the payment card process, the general rules, regulations and guidelines, responsibilities for management of the merchant account, fees and liabilities, and the guidelines for security of data.
3. Read "Credit card fraud: what is it and how to avoid it" found at { HYPERLINK "http://www.rochester.edu/adminfinance/treasury/cardfraud.html" }
4. Read "Guidelines for card-not-present credit card transactions" found at { HYPERLINK "http://www.rochester.edu/adminfinance/treasury/nocard.html" }
5. Complete a business plan and departmental request to process electronic commerce payments via the University's websites. The business plan identifies the nature of the services or items offered, web site compliance. The departmental request requires the FRS department name, department number, address, contact name, contact telephone number, contact fax number, contact email address, full account number for deposits/income, full account number for

fees/expense, estimated electronic commerce payments sales volume, estimated electronic commerce payments average sale amount, electronic commerce account manager signature and department director signature.

The Office of Treasury and Information Technology Services will review the business plan and departmental request. Upon approval, the Office of Treasury will prepare the appropriate application and request for a merchant identification number. Information Technology Services will register the department with Verisign, and provide training.

Office of Treasury:

1. Receive business plan and department request and Merchant Agreement forms from departments requesting merchant processing. Treasury will review and acknowledge accuracy of information and forward to ITS for the Verisign/Cybersource registration. The application and request will be prepared for Chase Merchant Services to create a merchant identification number and proper standard industry classification for the department.
2. Forward a copy of the business plan and departmental request to Finance.

ITS:

1. The ITS e-commerce Lead will receive the approved business plan and department request from the Office of Treasury. The Lead will work with appropriate ITS staff to review and acknowledge the accuracy of central administrative system information. The Lead will work with the department to create functional and technical specifications for the customer web view and financial reconciliation. Approved specifications will be signed by ITS and department official (s) before programming is started.
2. The ITS Lead will confirm with the ITS Business Manager that implementation and maintenance funding is appropriate prior to the start of programming.
3. The ITS E-commerce Lead will register the department with the University's designated e-commerce vendor
4. The ITS e-commerce team will work with the vendor to create and maintain web pages for transactions and interfaces between the vendor and central administrative systems.
5. The ITS lead will conduct a technical walk-through for any changes to the UR production system environment and be responsible for technical change management documentation
6. The Data Center Manager will work with ITS staff to monitor hardware and software in the Data Center on a 24x7 basis, consistent with other critical applications.
7. The Business Continuity Lead will work with the dept to establish appropriate University business continuity for e-commerce hardware and software located in the University's Data Center.

X. Compliance

It is the responsibility of the department to maintain compliance with this policy. Compliance will be monitored by Office of Treasury, Information Technology Services and Finance. If any one or more of these areas identify non-compliance, it will be brought to the attention of the department director for their immediate attention and appropriate action for resolution. If it becomes necessary to notify the director of the department more than 3 times, the merchant account and gateway will be deactivated.

XI. Policy Review

The Policy on Electronic Payments via University web sites will be reviewed periodically by the Office of Treasury and Information Technology Services.

MERCHANT AGREEMENT for Electronic Payments via Web

Send the following request to Office of Treasury, Attn: Kathy King-Griswold. For questions contact Kathy at kathy.king-griswold@rochester.edu or 275-6968 or to Box 270023.

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DATE: _____

TO: Kathy King-Griswold, Assistant Treasurer

FROM: _____ (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. My department has read and agrees to the Policy on Electronic Commerce Payment via University websites, "Credit Card Fraud: what is it and how to avoid it" and Guidelines for card-not-present credit card transactions. My department also agrees that they will be responsible for paying any implementation, set up costs and any and all risk and liability for loss of credit card data and information as well as the ongoing fees to VeriSign and Chase Merchant Services, Discover and the like.

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: _____

This is the amount you expect to collect per year from the Web credit card sales.

Estimated Average Ticket Amount: _____

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 including sub code to be charged for the monthly fees for Verisign

Expense Account including sub code to be charged for the monthly fees for Chase Merchant Services & Discover Financial Services _____

Account numbers for posting total amount received to FRS

Debit ____ - ____ - ____ Credit ____ - ____ - ____

Authorized Signature for account (*please sign*): _____

Merchant name: _____
(22 characters maximum)

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. UR Computer Sales & Service).

E-commerce vendor (WEB processor): VeriSign

I will accept the following credit cards types:

_____ (Initials) MasterCard & Visa
_____ (Initials) Discover

U.S. Postal address where documents should be mailed. A name is required on the attention line.

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

Departmental contact: _____ Title: _____

Intramural Mail Box #: _____ Phone #: _____ Fax #: _____

Someone in administrative or managerial position i.e. Manager, Director, Assistant Director.

Accounting contact: _____ Intramural Mail Box #: _____ Phone # _____

(if different from departmental contact) Person responsible for creating the daily deposit to record the income collected.

Chargeback contact: _____ Intramural Mail Box #: _____

Fax #: _____

Person responsible for responding to chargeback or information request.

Use of Section for Policy, Procedure and Process

<u>Section</u>	<u>Policy</u>	<u>Procedure/Process</u>
Date of Initiation/Revision	yes	yes