

# Payment Card Handling Requirements

*Merchant Card Services  
Office of Treasury Operations*

# *Welcome!*

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# Introduction

You will learn in this presentation about the required guidelines to accept and process payment cards for goods or services made through University merchant departments. Using the best practices for payment card transaction processing will protect the cardholder by keeping their information secure. You, as the University merchant using the best practices, will aid in protection from payment card fraud and processing mistakes that make you vulnerable to security breaches.

# Payment Card Acceptance Requirements

- **Prohibited Payment Card Practices, *but not limited to:***
  - Tuition payment for a degree-granting program or other fees assessed and billed via the Enterprise-wide Banner AR system; these payments should be handled by OBFS, University Student Financial Services & Cashier Operations (USFSCO) and UI-Pay.
  - The procurement of cash from the University, including cash advances and amounts over a sale amount .
  - No Cash, check, or wire transfers should be provided as refunds for a originating credit/debit card transaction.
  - Adjustment of the price of goods or services based upon the method of payment (that is, giving a discount to a customer for paying with cash is prohibited).

# Payment Card Acceptance Requirements

**ALL sales transactions are required to be processed for an authorization code.**

**Authorization** is a very important step in a credit/debit card transaction to obtain an authorization code because it determines if the purchase will be approved by the card issuing bank. Authorization is the process by which card-issuing banks ultimately verify to merchants that cardholders have enough credit to cover purchases.

- The card issuing banks are NOT required to pay for transaction sales that have not been processed for an authorization code.
- If the card issuing bank denies to pay for the transaction they can process a chargeback (debit to department internal funds account, CFOAP) to the merchant.
- The rule to follow is to process all transactions for an authorization code to avoid loss of sales due to processing penalties.

# Terminal Payment Card Acceptance Requirements

## Before Completing a Transaction

- **Validate the Card Presented**
  - Check the embossed expiration date on card.
    - The card may not be accepted if date on the card has expired. Proceed to ask the customer for another form of payment.



# Terminal Payment Card Acceptance Requirements

## Procedures for Processing Terminal Transactions,

- Always swipe the card when present.



- Compare account numbers when terminal prompts to enter the last four digits of card number.
- **Foreign cards**, not supported for AVS validation, enter the merchant ZIP code. However, this won't protect the merchant from bank chargebacks (debits to the department internal funds, CFOAP).

# Terminal Payment Card Acceptance Requirements

## Procedures for Processing Terminal Transactions,

- **Calling for Authorization**

- If the terminal electronic authorization is not working, obtain an authorization by calling [Global Payments Voice Authorization](#).

If a referral code is displayed “**call center or call ND**,” you must call for a ***voice authorization***.

- **If declined**, make no comment to customer of the decline. Direct the customer to call their card-issuing bank, at the phone number written on the back of card. Then proceed to ask the customer for another form of payment.



# Terminal Payment Card Acceptance Requirements

## Procedures for Processing Terminal Transactions,

- Print the sales draft, customer and merchant copies.
- Compare the truncated card number (last four digits on receipt) to numbers embossed on the **credit** card. If a debit card, PIN entered by the cardholder is the security verification to authorize the payment.



# Payment Card Acceptance Requirements

## Procedures for Processing Terminal Transactions,

- Check to make sure a signature is presented on the back of **credit** card signature line. No signature comparison is required for a debit card as the PIN entered by the cardholder is the security verification to authorize the payment.
- The signature on back of card should match the signature on the receipt.
- If the card presented has no signature, ask for two forms of identification. At least one piece of identification must be a government-issued picture ID, **Ex: Drivers License.**



# Payment Card Acceptance Requirements

## Procedures for Processing Terminal Transactions,

- Review the sales receipt to verify for accurate amounts and service or merchandise has been recorded correctly.
- For Debit Card transactions, customers key their PIN on the external PIN Pad device or the terminal key pad.
- **For Card Data Security,**
  - ALL receipts/invoices and terminal settlement report must mask or truncate the card number, no full card number is viewable.
  - Card expiration date should never be printed on sales receipts or invoices.
  - Never refund a payment card transaction as cash, check, or process a wire transfer to refund a card sale.

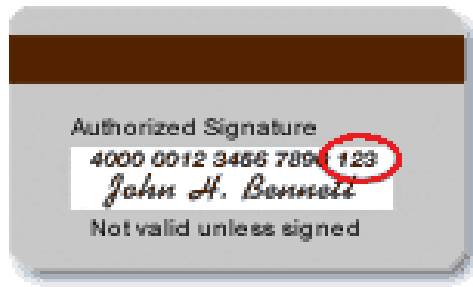
# Payment Card Acceptance Requirements

- **Requirements for Processing Returns, Canceled Sales, or Refunds,**
- **For Card Data Security,**
  - Never refund a payment card transaction as cash, check, or process a wire transfer to refund a card sale.
  - Merchants must issue a credit to the original payment card and process the credit at the same terminal where the card was transacted.
  - The refund(credit) amount may not exceed the original card sale amount.
  - No authorization is required for an even exchange.
  - Uneven exchanges must be processed as a total refund (credit) and then process a new transaction for a new authorization code.

# Payment Card Fraud Awareness

All merchants should be aware of following payment card security reminders:

- Card Brands card numbering identifiers are the first digit: Visa 4, Master 5, Discover 6, and AMEX 3.
- Validate the payment card verification security code (CVS) validation, 3 digits on back of cards (Visa/Master/Discover), 4 digits on front of AMEX cards.
  - ✓ If the AVS or CVS is by passed, merchant risks loss of funds to cardholder disputes or the bank reviews consistent passing attempts by the merchant to increase the department's monthly processing fee costs.
- Request an authorization for ALL sale transactions.
- Never refund payment card transactions for cash, check or as a wire transfer of funds.

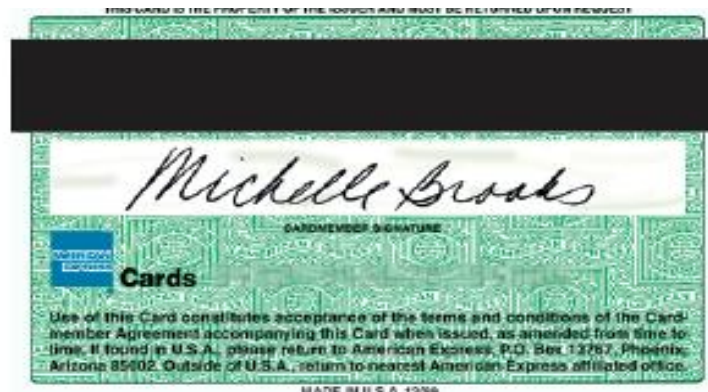


# Required Signature on Payment Card

**Signature on a payment card should be written as indicated,**

A signature is authorization from the cardholder to the card issuing bank to allow a purchase to be posted to their payment card account.

The only signature the merchant can accept is the cardholder's signature that is displayed in the signature panel on the back of the payment card.



# Required Signature on Payment Card

## Signature panel is blank

If the signature panel on the back of the payment card is blank, the merchant must ask for identification. The customer must sign the card in your presence and present two forms of identification to verify the person presenting the payment card is the cardholder. One form of identification should be a government-issued valid photo ID.

Ask the cardholder to sign the payment card before completing the transaction. If the cardholder refuses to sign the payment card, do not accept the card and ask the cardholder for an alternate form of payment.



# Required Signature on Payment Card

## Signature panel indicating “see id” or “ask for id”

The words ‘see id’ or ‘ask for id’ displayed in the signature panel are not valid substitutes for a cardholder signature.

- The customer must sign the card in your presence and present two forms of identification to verify the cardholder presenting the card is the cardholder.
- Or call the [Global Payments voice authorization](#) number for verification to process the card (with two forms of identification and customer signed signature panel in your presence).





# Payment Card Fraud Awareness

**Heightened awareness of best practices for card security will help to avoid fraudulent transactions.**

- Phishing is a way to obtain a merchant's ID number or cardholder account information. Never reveal a complete cardholder number or merchant ID to anyone. Merchant Card Services will never ask for this information and the card-issuing bank will not contact the merchant directly for information.
- Always swipe the payment card at the terminal for each transaction.
- Terminal card-not-present transactions, select phone order or select sale, then select "No" for card not present, to manually key the card number.
- If the credit card magnetic stripe is not working, call Global Payments *voice authorization* to process the charge as card not present transaction.

# Payment Card Fraud Awareness

**Heightened awareness of best practices for card security will help to avoid fraudulent transactions.**

- If the ***terminal card reader*** is not working, call Merchant Card Services, 217- 244-9384.
- If accepting card sale by mail, telephone or fax, call Global Payments voice authorization to verify the cardholder's billing address and card security code.
- Never force through any declined payment card sale. If an authorization of a sale is declined, the "Declined" status is an unauthorized transaction.
- Never honor a payment card when....
  - ✓ the customer does not have the payment card.
  - ✓ the payment card appears to have been altered or tampered with.
  - ✓ the signature on the signed receipt sales draft does not match the signature on back of the payment card.

# Contact Information

If you have questions concerning payment card transaction processing procedures on card fraud, please contact Merchant Card Services by email at [merchantcardhelp@uillinois.edu](mailto:merchantcardhelp@uillinois.edu), or by phone at 217-244-9384, or by Fax at 217-239-6719

***Thank You!***