

Payment Card Processing by NC Community Colleges

07/23/2007

1. Overview & Background Links

- a) E-Commerce Policies and Statutes: www.ncosc.net/SECP/SECP_Policies.html
- b) Office of State Controller's overview at www.ncosc.net/SECP/About_SECP_MerchOverview.html
- c) Merchant Cards 101 (PowerPoint presentation): www.ncosc.net/SECP/SECP_MerchantCard_Services.html
- d) Credit card security: PCI Security Standards and Compliance
 - i) Overview: www.ncosc.net/SECP/SECP_PCIOverview.html
 - ii) VISA: www.visa.com/cisp
 - iii) MasterCard: <http://www.mastercard.com/us/merchant/security/index.html>
 - iv) AmbironTrustWave (PCI Security support): www.atwcorp.com/

2. Structure of Credit Card Processing & Associated Fees:

- a) Stand-alone terminals / card-swipe (telephone interface w/Merchant Services provider):
 - i) See diagram a) in CIS Payment Card Processing Schematic, below
 - ii) Applicable fees:
 - (1) lease & maintenance of terminal:
see <http://www.ncosc.net/SECP/ScheduleB-ScheduleofFees.pdf>
 - (2) Merchant Services provider fees (see www.ncosc.net/SECP/Cards_Schedule_of_Fees.pdf for details of the State Controller's Master Service Agreement fees)
 - (3) Credit card company fees; www.ncosc.net/SECP/Cards_Schedule_of_Fees.pdf
- b) CIS E-Commerce (CREN screen) and/or WebAdvisor (Colleague E-Commerce solution w/Internet access to Merchant Service provider via embedded PayPal/Verisign PayFlowPro)
 - i) Diagram of system & information flow: See b) and c) in CIS Payment Card Processing Schematic, below.
 - ii) Applicable fees:
 - (1) Datatel E-Commerce software (applies to all transactions that are entered via CREN screen, Web Advisor, etc. except when Official Payments Corp. is the Merchant Services Provider; does not apply to transactions through stand-alone terminals w/card swipe, EPOS telephone registration system):
 - (a) Tiered Annual License fee
 - (i) Level 1: \$ 2,700 (up to 2999 FTE students as defined in IPEDS); each additional license, as required for multiple transaction types (Mail Order/Telephone Order, Card-present, Internet) is \$1,350 (50%)
 - (ii) Level 2: \$ 4,800(3000 to 7499 students), Each additional license is \$1,200 (25%)
 - (iii)Level 3: \$ 6,900 (7500 to 14999 students). Each additional license is \$1,725 (25%).
 - (iv)Level 4: \$9,000 (above 15000 students), Each additional license is \$2,250 (25%).
 - (b) Merchant Services Provider fees

- (i) Verisign (PayPal): Transaction fee: A .001 volume-based transaction fee will be charged on the total annual E-commerce dollar volume. There will be no volume-based fee for the first year through June 30, 2007. On July 1, 2007 the volume-based fee will be estimated and billed based upon the prior year dollar volume. Any difference between the estimated and actual volume-based fee will be calculated and billed at the end of the year.
 - (ii) In addition, fees for Merchant Services from SunTrust or other Merchant Services providers will apply to all payment card transactions. (see www.ncosc.net/SECP/Cards_Schedule_of_Fees.pdf for details of the State Controller's Master Service Agreement fees.)
 - (c) For further information and to establish an account with PayPal (Verisign), contact Dave Monaghan, Datatel, (dtm@datatel.com, 513-791-9119))
 - (2) Datatel E-Commerce software (applies to all transactions that are entered via CREN screen, Web Advisor, etc. when Official Payments Corp. is the Merchant Services Provider; does not apply to transactions through stand-alone terminals w/card swipe, EPOS telephone registration system):
 - (a) Tiered Annual License fee
 - (i) Level 1: \$ 2,700 (up to 2999 FTE students as defined in IPEDS); no additional licenses are required for multiple transaction types (Mail Order/Telephone Order, Card-present, Internet)
 - (ii) Level 2: \$ 4,800 (3000 to 7499 students),
 - (iii) Level 3: \$ 6,900 (7500 to 14999 students),
 - (iv) Level 4: \$9,000 (above 15000 students),
 - (b) Merchant Services fee: 2.5% of total dollar volume. Contact Tom Gavin, Account Executive, Official Payments Corp., (866-580-0980 ext. 7345, Fax: 925-854-1019, Email: tgavin@officialpayments.com)
 - (c) For further information, contact Dave Monaghan, Datatel, (dtm@datatel.com, 513-791-9119)
 - (3) Credit card company fees: see www.ncosc.net/SECP/Cards_Schedule_of_Fees.pdf for links to MC/VISA/DISC fees.
 - c) Telephone registration (EPOS Interactive Voice Response w/telephone interface w/Merchant Services provider):
 - i) Diagram of system & information flow: See d) in CIS Payment Card Processing Schematic, below.
 - ii) Applicable fees: purchase & maintenance of equipment & software, Merchant Services provider fees and Credit card company fees; <http://www.ncosc.net/SECP/ScheduleB-ScheduleofFees.pdf>
3. **State Controllers Master Contract for Merchant Services** (SunTrust Merchant Services) see http://www.ncosc.net/SECP/SECP_MerchantCard_Services.html for information on Contract scope, requirements / features, cost structure and contact for further info.

4. Payment Card Industry (PCI) Security Standards

- a) Support Contract (Ambiron Trustwave) www.atwcorp.com/
 - i) OSC Master Contract participants: OSC has contracted for and enrolled all community colleges that are participating in the Master Services Agreement with SunTrust in the TrustKeeper Portal.
 - ii) Other community colleges: NCCCS has contracted for TrustKeeper portal services for all community colleges that are not participating in the OSC Master Services Agreement. Contact Bob Blackmun (blackmunb@nccommunitycolleges.edu) or Kim Van Metre (vanmetrek@nccommunitycolleges.edu) for enrollment assistance.
- b) Compliance status information:
 - i) Datatel Colleague E-Commerce

PCI Compliance Statement

Datatel, Inc.

August 2006

The payment processing industry continues to strengthen data security measures to protect consumer credit card information. In 2005, a consortium of credit card companies, including VISA and MasterCard, adopted the Payment Card Industry Data Security Standard (PCI Standard) - a common standard of recommended security controls.

As part of Datatel's continued commitment to ensure our e-Commerce Solution meets industry standards, we have performed a review of the current PCI Standard and compared them to our e-Commerce Solution. With the recent release of e-Commerce 3.7, we believe, that clients using Datatel's e-Commerce Solution, with either PayPal (VeriSign) or Official Payments Corp., are PCI compliant.

As part of the e-Commerce 3.7 delivery, Datatel provided clients with utilities and post-installation instructions to ensure all existing data is encrypted with 128-bit encryption as required by the PCI Standard.

Please note: When Telephone Registration is running with summary or detail logging turned on, or when DMI is running in verbose mode, sensitive cardholder data is stored in an unencrypted fashion on the server, resulting in non-compliance. Datatel recognizes the need for the troubleshooting functionality provided by these means of operation and has documented recommendations that will ensure continued compliance, see AnswerNet support document 4397.

© 2006, Datatel, Inc. All rights reserved. Datatel® and Colleague® are registered trademarks of Datatel, Inc. All other names, products and services mentioned are the trademarks or registered trademarks of their respective companies.

ii) EPOS Interactive Voice Response (Telephone Registration)

EPOS IVR Payment Card Industry (PCI) Security Standards Compliance:

The following is to address the PCI compliance concerns of the North Carolina College System. As you know, PCI has several requirements that are outside of the FirstLine Encore/PCCharge

systems we deploy. Details on PCI and CISP requirements can be found at <https://www.pcisecuritystandards.org> and <http://www.visa.com/cisp>.

As for the systems deployed in North Carolina, we are using the PCCharge Payment Server as the payment processing engine on the FirstLine Encore IVR systems. According to the Verifone, who produces PCCharge, their software is PCI compliant and has been evaluated by a third party certification company. A copy of their certification letter and other details can be retrieved from the PCCharge website (<http://www.pccharge.com/products/pccharge.htm>).

FirstLine Encore is used by the overall solution to collect credit card details, such as the card number, expiration date, and CVV2 number, and to communicate the gathered data to PCCharge. Special care is recommended for this data as it is subject to PCI. Within the FirstLine Encore platform, there are three methods that could be used to store this confidential information on the server and violate PCI. These methods include:

1. Standard system logging: Standard system logging can be set to log every DTMF keystroke entered over the phone. This logging should only be used for debugging purposes. Enabling such logging would cause confidential information to be stored in a plain text file on the FirstLine Encore server, which would violate PCI
2. Script logging: The FirstLine Encore applications (known as scripts) can be used to write DTMF keystrokes to the system log. The original scripts provided by EPOS do not cause these keystrokes to be logged, but since our customers are provided with application source code it is possible that they have been modified to do so.
3. The third method, which also involves script level programming, would cause the sensitive data to be written to a data store other than the log. The product provided by EPOS did not write any data to the hard disk or other data stores, but (since source code was provided) it is possible that the applications were modified thusly.

It is our recommendation that each customer evaluate the operational settings and scripts to ensure that sensitive data is not stored in a manner that violates PCI. It is our understanding from Verifone that PCCharge stores credit card data on the system's hard disk in a compliant, encrypted data store

In addition, Tier recommends that any of the systems provided as a part of our solution reside in a PCI-compliant environment behind a firewall. In addition, we recommend that intrusion detection, virus protection, and other security measures be in place.

If there are any specific questions regarding this matter, please feel free to contact either our Support Center or myself.

Best regards,
Keith

Keith M. Womack
Sr. Product Manager
Tier Technologies
177 Technology Pkwy
Auburn, AL 36830
(334) 321-3767 ext. 7473 office
(334) 321-3767 ext. 7702 mobile
(334) 321-7285 fax
Email: kwomack@tier.com Web site: www.tier.com

CIS Payment Card Processing Schematic

