

# WASHINGTON STATE UNIVERSITY MERCHANT ACCOUNT AGREEMENT FOR UNIVERSITY DEPARTMENTS

## I. Introduction, Background and Purpose

This Merchant Account Agreement (the “Merchant Agreement” or “Agreement”) is entered into by and between Washington State University’s (WSU) Office of the Vice President for Business and Finance (hereafter “ B&F” ) and the undersigned Washington State University Department (hereafter the “Department” or “You”). B&F’s duties and responsibilities will be fulfilled by its Treasury and eCommerce Services unit (hereafter “TeCS”).

B&F has an existing comprehensive merchant agreement with Bank of America Merchant Services (the “Master Agreement”) governing the processing services for credit and debit card transactions at the University. This Merchant Agreement with You is entered into under the terms of that Master Agreement and sets forth Your specific duties and responsibilities in order to be approved for payment card processing capabilities as a merchant under the Master Agreement. By signing this Merchant Agreement, You agree to comply with all such duties and responsibilities as detailed herein regarding these processing services, and any other services as may be elected by You and approved by TeCS. In the event of Your non-compliance, TeCS may revoke at any time, in its sole discretion, Your payment card processing capabilities under this Merchant Agreement until compliance is once again achieved to TeCS’s satisfaction.

## II. TeCS Responsibilities

- A) Interpreting and communicating to You current policies and procedures as they pertain to payment card processing and relevant industry standards;
- B) In conjunction with WSU Information Technology, administering a university-wide payment card process that ensures compliance with industry standards and the requirements of the University’s bank as set forth in the Master Agreement;
- C) Being the primary point of contact and liaison with WSU’s bank for these services.

## III. Merchant Duties and Responsibilities

### A) General

- 1) You will provide all information requested by TeCS in a timely manner and make changes to merchant equipment or operating procedures as required by TeCS.
- 2) You will accept for payment all Visa and MasterCard cards issued by U.S. or non-U.S card issuers.
- 3) You agree that any person in your department who processes revenue in any form (credit cards, electronic, cash) or who has access to WSU’s virtual terminal technology will complete the mandatory Cash Handling training, prior to commencing his or her revenue processing duties(see BPPM 30.53). All employees who process revenue MUST complete this training prior to assuming such duties.
- 4) You warrant that Your department is and will continue to be in compliance with BPPM 30.15, Service Centers, unless the department or activity is exempt from BPPM 30.15.

### B) Requirements for Card Transactions

1) You will take all reasonable steps to ensure that all merchant equipment is available for use by Cardholders; that it functions in a reliable manner; that You will update, reprogram or replace equipment as required by TeCS; and that all merchant equipment will be operated by competent and qualified personnel.

2) You will submit all card transactions in U.S. dollars.

3) You warrant that each sales draft is unaltered and 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), You will charge the customer when confirmation of the sale is sent.

4) 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 at your register or on Your web site prior to conducting the transaction. You must clearly display Your return policy.

5) You will 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) No cash advances to You or a card holder are 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.

7) All transaction records and credit records will include the Cardholder's name and account number (truncated), Your merchant name, signature of the Cardholder, date of transaction, description of merchandise and/or services, total price (including tax, if applicable).

8) You are responsible for the quality and accuracy of the data submitted to the card processor. Excessive errors may result in suspension of processing privileges until such time that the underlying causes have been identified and rectified.

9) Merchants using WSU's OneStep POS product or a stand-alone card reader in conjunction with OneStep POS will need to suspend credit/debit card transaction processing from 4:00pm to 4:05pm each week day.

10) You will not accept or process WSU Purchasing cards for any card transactions.

#### C) Merchant Account Administration

1) You must promptly and carefully review statements and reports provided to You by WSU's General Accounting Revenue unit or the bank. If You believe any discrepancies exist or adjustments are needed, You must contact WSU's bank within sixty (60) days after such transaction is settled. The bank's contact information can be found on the back of your monthly merchant statement.

2) "Chargeback" is the return or adjustment of any card transaction with or without notice to or consent from You and is initiated by a cardholder or card issuer for transmittal to and payment by You. You must resolve all disputed claims (chargebacks) as expeditiously as possible. The credit card organization (credit card processor for Visa /MasterCard) will notify WSU's General Accounting Revenue Unit regarding the nature of the dispute, who is lodging the dispute and the amount of the dispute. Your designated income account will be charged for the disputed item via a JV. 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 designated income account will be reimbursed for the disputed item.

3) All fees, charges, fines, assessments and penalties related to Your merchant account will be deducted from the account You designate. WSU's General Accounting Revenue unit will post the charges using object 03TP by way of a JV. The Visa/MasterCard statement from our bank will be mailed directly to You for Your review. It is Your responsibility to monthly verify the fees charged to the account and to promptly advise WSU of any errors.

4) You are obligated to retain legible copies or images of Your transaction records, cardholder consents and credit records for a minimum of eighteen (18) months, but not more than twenty-four (24) months. If requested, You will provide to WSU's General Accounting unit a legible copy of a transaction record, cardholder consent or credit record within ten (10) days after the date of the retrieval request, or as specified in the notice from WSU's General Accounting unit. Your failure to properly and timely respond to a retrieval request may result in a Chargeback to Your account.

5) If You use third party software or service provider, You are responsible on a daily basis for auditing, balancing, verifying and reconciling any out-of-balance condition within that system and notifying WSU's General Accounting unit of any errors within two (2) business days.

6) You will maintain with TeCS a complete list of all locations where You accept cards, which will include physical address, contact name(s), telephone number(s) of contact(s), their mailing address(es), fax number(s) and email address(es). You will provide TeCS an updated list as changes to this information occurs.

7) You must notify TeCS in writing via the appropriate form to add a new employee or remove an employee's access to previously authorized eCommerce applications when: Employee changes responsibilities, Employee changes departments, Employee leaves WSU service or Hourly employee is terminated. Access Applications for New Point of Sale Cashiers as well as EAMS and Cybersource Business Center can be found at [www.wsu.edu/e-commerce/forms](http://www.wsu.edu/e-commerce/forms)

#### D) Information Security

1) You must ensure that You and any third party providers that You use for credit card processing have proper security measures in place for the protection of cardholder data and comply with the Payment Card Industry Data Security Standards (PCI DSS) (see <http://www.PCIsecuritystandards.org>). You must use only services and equipment that are certified as PCI DSS compliant. You must have written agreements with third party providers requiring such compliance. You are responsible for demonstrating Your compliance with the standards as well as Your third party provider's compliance. If requested by our bank, You will ensure reasonable access to Your facility to verify Your ability to prevent security violations. Your third party provider must ensure reasonable access to their facility as well.

2) You must ensure that You and any third party providers You use have, maintain and use at all times proper controls for secure storage of, limited access to, and rendering unreadable prior to disposal, all records containing cardholder data, card imprints and cardholder signatures. Secure environments include locked drawers, file cabinets in a locked office, and safes. Access to the area must be audited either via card swipe access or a manual entry log, however, video surveillance is recommended. You are prohibited from digitally storing card information and card-validation codes (three-digit value printed on the signature panel of a card) on any computer, database or server. You must not retain or store magnetic stripe or PIN data after a transaction has been authorized.

3) You must not collect card numbers and card information via e-mail or unsecured fax as they are not secure formats.

4) A "compromised data event" is any loss, disclosure, theft or compromise of cardholder data or card transaction information. If You or a third party provider You use is determined by any card organization to be the likely source of a compromised data event, You will be assessed and will promptly pay for all related expenses, claims, assessments, fines, losses, costs and penalties imposed by the card organizations and/or WSU's bank. You will notify TeCS immediately of any suspected, alleged or confirmed compromised data events, regardless of the source, including any from a third party provider You use. You will cooperate fully with any investigation. WSU's bank may conduct remote electronic scans of Your system(s) to confirm PCI DSS compliance. You may be subject to fee increases if You are determined to be out of compliance and/or TeCS may revoke Your card processing capabilities in our sole discretion.

5) 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. If You are a web based merchant, You will maintain a Privacy and Refund Policy and provide links to the policies on Your website.

6) You will maintain a departmental policy that addresses card holder information security to educate Your staff and ensure compliance with industry standards and this Merchant Agreement.

7) On an annual basis, by October 31<sup>st</sup>, You will complete a PCI DSS Self Assessment Questionnaire to assess compliance with the Payment Card Industry Data Security Standards. TeCS must 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 the E-Commerce website (<http://ecommerce.wsu.edu/home>).

E) Merchant's Responsibilities for Third Parties Used by Merchants

1) Any services, equipment, software, systems, materials, supplies or resources of third parties You use regarding Your card transactions are considered Your authorized agents. You are solely responsible for determining whether they meet Your needs and standards. You acknowledge and agree that their actions, inactions and compliance with this Agreement are Your responsibility as a Department. Any fees, costs, expenses and other obligations owed by them with regard to Your card transactions are Your responsibility.

2) Before You engage any Third Party Provider, You must provide to TeCS in writing (a) the provider's legal name, (b) provider's contact information and (c) the intended function. You will not use or provide access to any of WSU's systems or bank systems until You receive TeCS approval, and if required, approval by WSU's bank as to the bank's registration of the provider with applicable card organizations.

3) You are responsible for any costs and expenses associated with TeCS's (or WSU's Bank's) review, approval, certification, and registration of any Third Party Provider.

4) You must have written agreements with Third Party Providers (to be processed according to WSU's contract processing procedures set forth in BPPM 10.11) which provisions include access to their facilities and records by WSU's bank (or bank's representatives) for the purposes of conducting inspections and copying of books or records pertaining to credit and debit card processing performed under this Merchant Agreement. Such access will be provided for the term of this Merchant Agreement and for one (1) year after termination to determine or verify compliance with the obligations outlined in this Merchant Agreement.

F) Additional Responsibilities for Internet-Based Merchants

1) You must post Your consumer data privacy policy on your website. If you are using a third party service provider, their method of transaction security must be indicated on Your payment website.

2) You must install, maintain and keep security patches and anti-virus software up to date on all systems handling or transmitting card data.

3) You will restrict access to data on a "need to know" basis and assign a unique ID to each person with computer access to data.

4) Immediately prior to the Cardholder's accessing of payment instructions, Your Internet website must contain: a) a complete description of the goods or services offered, b) Your returned merchandise and refund policy, c) Your customer service contact information, including e-mail address and/or telephone number, d) transaction currency, e) export or legal restrictions (if known), and f) Your delivery policy.

5) You must disclose that You are the merchant of record and responsible for any card transaction.

6) You must notify the Cardholder that You are responsible for the products and services offered, direct customer service, dispute resolution and all terms and conditions of the transaction. Your website must show Your merchant name and Your customer service phone number as it will display on the Cardholder's statement.

#### IV. Accounting Procedures

A) Daily net sales automatically settle into WSU's main checking account. Unless other arrangements have been made in advance, this revenue is posted to BALANCES by WSU's General Accounting Revenue unit to a single income account designated by you for the posting of revenues and fees. Postings will occur Monday through Friday except on WSU Pullman Holidays. Any changes to the income account coding must be requested in writing or via email by your Fiscal Officer to WSU's General Accounting Revenue unit.

B) It is the responsibility of the department to reconcile the settlement amount in BALANCES to the credit card receipts and the Merchant Billing Statement provided by WSU's processor. This should be done on a daily basis. Any discrepancies are the responsibility of the department to reconcile. If You are unable to reconcile any discrepancy, notify WSU's General Accounting Revenue unit immediately.

C) Departments are responsible for all external fees associated with credit card processing. Unless other arrangements have been made in advance, the income account designated in accordance with IV. A. above will be used.

1) All merchant accounts are assessed monthly fees by the bank and the credit card networks based on usage. Equipment rental and wireless access are also billed monthly to merchants using such services.

2) Internet-based merchant accounts generally pay a one-time set-up charge and an annual software maintenance charge, reflecting licensing and maintenance fees paid by WSU to the credit card processor. These charges are paid centrally and the expense is allocated to the merchant accounts.

3) Core OneStep POS merchants are charged an annual fee reflecting licensing and maintenance fees paid by WSU to the software developer.

D) It is the responsibility of the department to respond to all Copy Requests. A Copy Request is a request from the cardholder (forwarded through WSU's processor) for a copy of the transaction and more importantly their signature authorizing the transaction. You will be notified of a Copy Request by WSU's General Accounting Revenue unit. When replying You should include any documentation that will assist WSU 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, WSU will not have any recourse and Your department will be charged.

E) You are responsible for following WSU's Credit Card refund policy found in BPPM 30.55. Additionally You will work with WSU's General Accounting Revenue unit to process credit card refunds through any third-party software or information system.

#### V. Account Set-up, Training, and Support

A) Account Set-up

1) The following minimum system requirements apply:

a) You will provide to TeCS the static IP Addresses for all servers, workstations and stand alone card swipe equipment that are involved in the processing of credit/debit cards prior to account set-up. Any changes in the number of hosts and/or IP's must be reported to TeCS as they occur.

b) 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 TeCS.

c) You will implement a physical or host-based firewall for any systems processing credit/debit card transactions. Contact E-Commerce Team for assistance with any necessary firewall configurations.

d) All systems involved in the merchant process are required to be registered for quarterly scans. Requests for scans should be emailed to [secmetrics@wsu.edu](mailto:secmetrics@wsu.edu).

Merchant Name \_\_\_\_\_ Merchant Number \_\_\_\_\_

e) If You are not using a PCI compliant third party provider, You are required to connect to the ITS Central Payment Site. You will not collect payment information on Your own web site.

2) Upon receipt of the signed completed Request to Process ePayments, TeCS will proceed to assess Your requirements and , if approved, will create a merchant account with WSU's bank. Accounts take a minimum of two weeks to set up. You will be notified once the account is set-up and ready for testing.

B) E-Commerce Team will provide basic training on virtual terminal technology if You are using the ITS Central Payment Site.

C) Support

1) Contact TeCS (<http://treasury.wsu.edu/Contact%20Us> ) with any concerns with transaction processing or the Central Payment Site. TeCS will provide merchant support via telephone and/or email during normal business hours (Monday thru Friday 8am-5pm). TeCS will act as a liaison to WSU's bank and WSU's processor.

2) All merchant accounts must have ongoing monthly transaction activity 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 email. TeCS may, at its discretion, terminate an inactive merchant account.

**VI. Signature Page**

This Agreement shall not become effective until accepted and signed by B&F and will remain in full force until terminated by either party by giving written notice to the other party.

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

**Please print, sign and mail to: Treasury & E-Commerce Services, 240 French Admin, PO Box 641025, Pullman, WA 99164-1025.**

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

Area Finance Officer (print name): \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Area Finance Officer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

VP or Dean (print name): \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

VP or Dean Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Both signatures must be obtained prior to sending this form to Treasury & E-Commerce Services**

Business and Finance Approval (print name): \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

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

**\*\*Upon Business and Finance approval, the Merchant Name and Number will be assigned and a copy of the Merchant Agreement will be provided to the Department. The original Merchant Agreement will remain on file with Treasury & E-Commerce Services.**

Note: If you have more than one merchant account, this agreement will serve as a blanket agreement for all applicable merchant accounts. See attached addendum for a list of all applicable merchant accounts.