To: Recipients of Credit Card Payments, Merchant Locations

From: General Accounting
Office of Finance

Date: August 25, 2003

Subject: Guidelines for Transacting Credit Card Payments

As a University Department authorized to accept credit card payments, there are a number of responsibilities that must be assumed and adhered to by your area. These responsibilities include the proper and timely processing of credit card transactions, proper and timely recording and submission of cash reports, proper handling of chargeback items and refunds, reconciliation of your monthly statement(s), and proper and timely return of equipment.

Our mandatory goal is to keep the number of non-reconciled items to a minimum with a timely resolution of these items. Some of you have already been asked to make changes in the recording of your cash reports which have made a significant improvement in the reconciliation process thus far. However, in our daily review of cash reports, we continue to encounter various problems such as:

✓ Improper, incomplete, or missing descriptions on the designated bank account line(s) of the cash report - (See item 12 on page 4 of the attached guidelines)
✓ Incorrect amounts (per credit card type) entered on the designated bank account line(s) of the cash report — (See page 2 “Completion of Cash Reports” of the attached guidelines)
✓ Improper recording of refund transactions on the cash report — (See items 10 and 11 on page 4 of the attached guidelines)
✓ LATE submission of cash reports — (See page 2 “Completion of Cash Reports” of the attached guidelines)
✓ Insufficient support documentation - (See pages 2 and 3 “Completion of Cash Reports” of the attached guidelines)

In order to assist you in carrying out the above responsibilities and in the proper and timely completion and submission of cash reports, General Accounting and the Office of Finance have prepared the enclosed instruction and procedure packet. You are required to review and implement these procedures immediately.

Failure to do so may result in a loss of revenue for your department.

Should you have any questions or concerns with any of the information that is being provided to you, we encourage you to call the individuals listed on page 7 of this packet. We greatly appreciate your cooperation and your efforts in providing a creditable source of revenue for the University.

Enclosures

E-Business Resource Group, Attn: Michael Pavia (w/o encl.)
Internal Audit, Attn: John Elliott (w/encl.)
Jayne McGoey (w/encl.)
University of Pittsburgh
Guidelines for Transacting Credit Card Payments

CREDIT CARD TYPES

The University has approved the acceptance of multiple credit card types for payment of departmental sales or services. The approved credit card types are MasterCard, Visa, Discover Card, and American Express. Your department may choose to accept any or all these card types. The set-up of your Merchant Location for each credit card type you have selected MUST be done through the Office of Finance. The initiation of a WEB application for accepting credit card payments MUST be done through the E-Commerce Business Resource Group (Michael Pavia, Office of Planning & Analysis). **Set-up of your Merchant Location is NOT permitted to be done directly with the approved Credit Card Companies.**

MECHANISMS FOR TRANSACTING CREDIT CARDS

Credit card payments may be transacted by way of standard equipment, PC software, and/or through the internet (WEB). Equipment, PC software or internet capability MUST be acquired through the Office of Finance from University approved vendors.

CREDIT CARD FEES

Various fees such as rentals, interchange, and discounts are associated with each card type. They will appear on your Merchant statements in the respective month but will be applied to your departmental account on a two-month delay by the General Accounting office. **(Note: All fees associated with American Express will be charged to your department account.)** General Accounting should immediately be alerted to any discrepancies associated with these fees that appear on your Level I report. It is recommended that all departments use the "Address Verification" component when processing credit card transactions, when the card is not present. There is a higher risk associated with a cardholder transaction when the card is not present. Address Verification is a fraud protection tool for Merchants to reduce this risk. By passing along the address information through the equipment, it qualifies the transaction at a lower cost to the department.

PROCESSING OF CREDIT CARD TRANSACTIONS

Once you have obtained your Merchant ID (Location) number from the Office of Finance, your equipment or software, and/or WEB Page has been established, you can begin to process credit card payments. You will need to follow the instructions provided to you by PNC Merchant Services (PNCMS-the University's Non-WEB Credit Card processor) or the WEB Page provider. It is critical that you process items as they are received since a time lapse can result in a loss of payment due to a credit card maximum being obtained during such time lapse or the inactivation of a credit card. For Non-WEB payments, this process also involves the settling of your transactions daily prior to 12:59 a.m. All settlements made from 1:00 a.m. on a given day to 12:59 a.m. the following day are considered one day's business and must be recorded as such on the corresponding cash report that you must prepare. For WEB payments, your WEB Page publisher must provide a reporting tool that allows access to determine total payments by card.

Updated on 8/15/2003
type made for a given day. This activity must also be recorded as such on the corresponding cash report.

**RECONCILIATION OF MONTHLY STATEMENTS**

Monthly statements (from PNCMS, and if applicable Discover Card, American Express, and the designated WEB Merchant) will be sent directly or be available online to the individual who is responsible for the Merchant activity in your area. These statements are to be reconciled to your cash reports to ensure that the appropriate dollars for each settlement day have been recorded to the proper bank accounts (PCC, PDS, AMX – see page 3 for descriptions). Your cash reports are to be reconciled to your monthly Level I report to ensure that each cash report has been received and properly credited to your department. Cash reports received at the end of the month may not appear on your Level I report until the following month. Please call General Accounting if you believe that a cash item is missing and has not appeared in the subsequent month. This will avoid duplicate transactions. (See guidelines for completing cash reports for further information.) **Both reconciliations are to be done on a monthly basis to avoid any loss of revenue.** If you are not receiving these statements, please contact the Office of Finance.

**CHARGEBACK NOTICES**

Chargeback notices are sent directly to the individual in your area who is responsible for the Merchant activity in your area. If you choose to dispute the item, it is this individual’s responsibility to respond directly to the appropriate Merchant provider (PNCMS - Non-WEB Visa/MasterCard, Discover, etc.) within the number of days specified on the notice. If you choose not to dispute the claim or if your dispute is denied, General Accounting will automatically charge your specified departmental account once it appears on the Bank Statement. General Accounting will also record chargeback reversals that appear on the Bank Statement to the same departmental account.

**COMPLETION OF CASH REPORTS**

As a recipient of revenue (cash, check or credit card payments) you are responsible for recording these transactions to your departmental accounts and the University’s Bank accounts via cash reports (Form 0200-Journal Entry Form). **IT IS CRITICAL THAT CASH REPORTS BE COMPLETED ACCORDING TO THE FOLLOWING INSTRUCTIONS TO AVOID ERROR OR DELAY IN PROCESSING. Cash reports MUST be completed and submitted to General Accounting 3700 CL for processing on a daily basis. CASH REPORTS MUST BE SUBMITTED FOR PROCESSING THE SAME MONTH THE REVENUE IS RECEIVED WITH THE ONLY EXCEPTION BEING THE LAST ONE OR TWO DAYS OF THE MONTH.**

*Complete one cash report for each day’s activity (see the following). DO NOT combine multiple days on a cash report unless previously authorized to do so by the General Accounting Department.*

**Non-WEB Payments**

All settlements made from 1:00 a.m. through 12:59 a.m. the following day are considered one day’s business and should be recorded to the proper University bank account (PCC, PDS, AMX – see page 3 for descriptions) as one total amount per respective bank account on one cash report.

Updated on 8/25/2003
• A copy of the Balancing or Settlement Report showing the totals for Visa/MasterCard, Discover, and American Express must be attached to the back of the cash report.

WEB Payments

• All WEB-based transactions made from 12:00 a.m. through 11:59 p.m. per day are considered one day’s business and should be recorded to the proper University bank account (PCC, PDS, AMX – see descriptions below) as one total amount per respective Bank account on one cash report.

• A copy of the Transaction Report showing the totals for Visa/MasterCard, Discover, and American Express must be attached to the back of the cash report.

Completing a Cash Report (FORM 0200-Journal Entry Form)
(Refer to Attachment A)

1. Journal Entry Header
   • Your Department Name must be printed in the “Name” box on the form.
   • Any additional information may be included after the Department Name

2. Category – Place a check mark in the box indicating “Cash Receipts.”

3. Description/Explanation – Identify the type of income.

4. Date – Enter the settlement date, which appears, on the Balancing, Settlement or Transaction Report associated with this cash report.

5. Dept Address – Preparer’s departmental address.

6. Reference – Assign a unique sequential identifier (numeric or alpha-numeric) to each cash report. The information supplied in the reference field will appear on your departmental Level I Report. This unique identifier will facilitate inquiries by both your department and General Accounting.

7. Prepared By/Phone – Preparer’s name (printed and signed as indicated on form). Preparer’s phone number.

8. Authorized By/Phone – Authorizer’s name (printed and signed as indicated on form). Authorizer’s phone number.

9. Account Number – Enter the appropriate departmental account/s and University Bank account codes to which the revenues apply.

   PCC = University Visa/MasterCard Bank Account
   PDS = University Discover Card Bank Account
   AMX = University American Express Bank Account

Updated on 8/25/2003
10. **Debit** – Enter the total dollar distribution to the appropriate University Bank Account/s. **NOTE:** **DO NOT** combine Non-WEB and WEB totals as one amount. If you are recording a refund item, the amount of this item should be entered on a line corresponding to the appropriate Departmental Account. **Only one amount, either debit or credit, can be entered per line item.**

**Credit** – Enter the dollar distributions to the appropriate Departmental Account/s. If you are recording a refund item, the amount of this item should be entered on a line corresponding to the appropriate University Bank Account. **NOTE:** **DO NOT** combine Non-WEB and WEB totals as one amount. **Only one amount, either debit or credit, can be entered per line item.**

12. **Description**

- For departmental journal lines, enter a description that will help you identify the item on your Level I report. However if the description provided in the "Description/Explanation" field is sufficient, leave this field blank. (Only the first 25 characters will appear on your Level I Report.)

**Examples:**
- **(Non-WEB)** For University Bank Accounts, PCC - enter the settlement date followed by V/MC, for PDS - enter the settlement date followed by DSCV, for AMX – enter the settlement date followed by AMX.
  
  **Example:**
  
  8/31/03 V/MC
  8/31/03 DSCV
  8/31/03 AMX

- **(WEB)** For University Bank Accounts, PCC - enter the settlement date followed by V/MC WEB, for PDS – enter the settlement date followed by DSCV WEB, for AMX – enter the settlement date followed by AMX WEB.
  
  **Example:**
  
  8/31/03 V/MC WEB
  8/31/03 DSCV WEB
  8/31/03 AMX WEB

- If this item is a refund, include the word “refund” at the end of the description.
  
  **Example:**
  
  8/31/03 V/MC Refund
  8/31/03 DSCV WEB Refund
  8/31/03 AMX Refund

13. **Totals** – The amounts entered here are the total dollars that make up each column. **Do not subtract any amounts.** TOTAL DEBITS MUST EQUAL TOTAL CREDITS. If your cash report consists of more than one page, calculate the totals and include them on the last page only.

**SECURITY AND RECORD RETENTION**

Proper security and access restrictions must be maintained when processing credit card transactions. All documents containing credit card numbers must be secured and unavailable to unauthorized individuals. All documents containing credit card numbers should be destroyed.
(shredded) unless otherwise required in accordance with University file retention guidelines, which then must be maintained in a secure location.

**Record retention requirements:** credit card cash reports, support documentation (copies of settlement information), and monthly statements for a fiscal year should be maintained until the first quarter end of the following fiscal year.

**RETURN OF EQUIPMENT**

Should you elect to return the credit card equipment/printer, (either because business has closed or activity was seasonal), contact the Office of Finance. Send an e-mail to Emily Gavin (egavin@bc.pitt.edu) that includes all Merchant Location numbers (PNCMS, Discover, and American Express, if applicable), address, and contact information. **Please specify if the Merchant Location numbers are to be closed.** The Office of Finance will then contact PNCMS; PNCMS will make arrangements with the individual Merchant location to have a “CALL TAG” delivered to your location. **You must place the call tag on the package/equipment to be returned and call the phone number on the tag.** Either RPS or Airborne will pick up the package from you and directly return it to PNCMS free of charge. Please communicate the tracking number of the package and the date of shipment to the Office of Finance so your location can be removed from further PNCMS billing.

Please note that once equipment is no longer used but still resides in your possession - such equipment rental fees will continue to be charged to your Merchant location until such equipment has been returned.

**ADDITIONAL INFORMATION**

It is highly recommended that you swipe the card whenever it is present. Swiping the card allows the University to receive a better rate for credit card processing. It also proves that the card was present during the sale, providing for greater protection under the chargeback regulations.

⇒ **For the following items call:**  
PNCMS Terminal Help Desk  1-800-501-8748  
Open 24 hours a day: 7 days a week

1) Credit card equipment does not work or you receive an Error Code message.

PNCMS can run diagnostic checks to determine the problem and possibly correct it over the phone. If they cannot correct it, they will send you a new piece of equipment in 24 hours. Please ship back the broken equipment with the call tag provided to you. (If you do not return the broken equipment within one month, you will be charged for both pieces.)

2) You are unable to settle your batch.

PNCMS can help determine the problem and settle the batch.
For the following items call:  PNCMS Client Services 1-800-742-5030
Open 24 hours a day: 7 days a week

1) You need supplies.

They will provide ribbons and paper for your printer, free of charge. Rush or overnight deliveries will be charged a shipping and handling fee.

2) You need a copy of your monthly statement.

3) You think you might have double charged one of your customers.

4) You have received a chargeback and have questions about it.

5) You need to verify whether or not a batch was processed.

For the following items call:  PNCMS Voice Authorization Center
1-800-501-8749
Open 24 hours a day: 7 days a week

1) Terminal prompts: "Call Center"

This means you need to obtain a voice authorization for the transaction you are currently processing. The customer may be close to exceeding their credit limit, the transaction amount may be very large, the card might be close to expiration, etc. After you obtain the voice authorization, you need to enter the transaction into your machine as a 'post authorization' or an 'offline sale'. Remember, the cardholder is not actually charged until you process the sale through the machine.

2) You suspect a fraudulent/counterfeit card.

If you suspect a fraudulent card, you may call and ask for a "Code 10 Operator".

For additional assistance with unresolved matters call:
(Have your respective Merchant Location number available)

PNCMS (Non-WEB)
JoAnne Nordloh
Relationship Manager
Phone: 513-965-9572
Fax: 513-965-9573
E-Mail: josephine.nordloh@pncbank.com

DISCOVER
Tom Hess
Account Representative
Phone: 1-800-347-7038 (ext. 4573)
Fax: 614-283-4735
E-Mail thomashess@discoverfinancial.com

AMERICAN EXPRESS
Customer Service
Phone: 1-800-528-5200 (option 5 then option 1)

Undated on 8/25/2003
IMPORTANT INTERNAL CONTACT INFORMATION

For the following items contact:

University - General Accounting Department

Matt Shaffer
3700 Cathedral of Learning
Phone: 412-624-6290
FAX: 412-624-9911
E-Mail: mshaffer@bc.pitt.edu

Sharon Sobol
3700 Cathedral of Learning
Phone: 412-624-6068
FAX: 412-624-9911
E-Mail: ssobol@bc.pitt.edu

- Completion and delivery of cash reports
- Missing cash reports
- Reconciliation issues

For the following items contact:

University - Office of Finance

Emily Gavin
2409 Cathedral of Learning
Phone: 412-624-1378
FAX: 412-624-4384
E-Mail: egavin@bc.pitt.edu

Susan M. Gilbert
2409 Cathedral of Learning
Phone: 412-624-6620
FAX: 412-624-4384
E-Mail: sgilbert@bc.pitt.edu

- Initial Merchant Location set-up
- Acceptance of additional credit card types
- Department name or address changes
- FAX receipt of chargeback notices
- Continuous non-receipt of monthly statements
- Cancellation of card type or Merchant Location and return of equipment
- PNCMS online statement set-up

For the following items contact:

University – E-Commerce Business Resource Group

Michael Pavia
Office of Planning & Analysis
1910 Cathedral of Learning
Phone: 412-624-2387
FAX: 412-624-1817
E-Mail: mpavia@bc.pitt.edu

- Information and set-up regarding WEB credit card processing

Updated on 8/25/2003
## JOURNAL ENTRY HEADER

**NAME:** General Accounting  
**CATEGORY:** CASH RECEIPTS  
**DESCRIPTION/EXPLANATION:** Winter Workshop Fees  
**DATE:** 25-Aug-2003  
**DEPT. ADDRESS:** 3700 CL  
**REFERENCE:** 256  
**PREPARED BY (Print Name):** Linda Clark  
**PHONE:** 412-123-1234  
**AUTHORIZED BY (Print Name):** Paul Williams  
**PHONE:** 412-123-1345  

## ACCOUNT NUMBER

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**TOTALS:**  
$1,275.00 | $1,275.00  
**TOTAL DEBITS MUST EQUAL TOTAL CREDITS**