

Policy Change Cover Sheet

This form must be attached to each policy presented. All areas in **red**, including the header, must be completed; if not, it will be sent back to you for completion.



If the changes you are requesting include housekeeping, please submit those changes to nds.scc@nds.edu first so that a clean policy can be presented to the committees.

SECTION: **509 Electronic Financial Transaction Policy**

1. **Effect of policy addition or change (explain the important changes in the policy or effect of this policy). Briefly describe the changes that are being made to the policy and the reasoning behind the requested change(s).**

- Is this a federal or state mandate? Yes No
- Describe change:

Changes are being requested to update the Policy to meet current industry standards. In addition, the specific vendor references were removed.

2. **This policy change was originated by (individual, office or committee/organization):**

- **Office/Department/Name and the date submitted**
Vice President of Finance and Administration 11/24/20, Vice President of Information Technology 6/9/20
- **Email address of the person who should be contacted with revisions:** carrie.a.petersen@nds.edu

3. **This policy has been reviewed/passed by the following (include dates of official action):**

Senate Coordinating Committee:

Faculty Senate:

Staff Senate:

Student Government:

President's Cabinet:

The formatting of this policy will be updated on the website once the content has final approval. Please do not make formatting changes on this copy. If you have suggestions on formatting, please route them to nds.scc@nds.edu. All suggestions will be considered, however due to policy format guidelines, they may not be possible. Thank you for your understanding!

North Dakota State University

Policy Manual

SECTION 509

PAYMENT CARD AND ELECTRONIC FUNDS TRANSFER (EFT) FINANCIAL TRANSACTION POLICY

SOURCE: NDSU President

The purpose of this policy is to outline payment card and/or EFT acceptance methods suitable for University business and the usage restrictions for payment card transactions.

Formatted: Justified, Indent: Left: 0", First line: 0"

The Division of Finance and Administration and the Division of Information Technology are responsible for campus compliance of payment card and/or EFT processing and security regulations. These Divisions are granted authority to take appropriate action to ensure conformity and compliance with University policies and procedures.

- All individuals NDSU departments and colleges that conduct who participate in payment card or EFT processing on behalf electronic-based financial transactions of NDSU which involve the transfer of credit/debit card or Electronic Funds Transfer (EFT) information must be compliant with Payment Card Industry Data Security Standards (PCI DSS), all applicable laws and mandates, and North Dakota University System and NDSU policy and procedures.
- All merchants engaged in any form of payment card or EFT acceptance (e.g. point of sale, swipe, or e-commerce) must have the approval of the Vice President of Finance and Administration or their designee and the Vice President of Information Technology or their designee prior to engaging in any commerce activity. No merchant may enter into any contracts or otherwise arrange for payment transaction processing, or obtain any related equipment, software, or services without the involvement and approval of the Vice President of Finance and Administration or their designee and the Vice President of Information Technology or their designee. electronic-based financial transactions of NDSU that involve the transfer of credit/debit card or EFT information must be performed through the North Dakota University System application, TouchNet, or through an NDSU approved third party vendor, or on systems provided by Information Technology Division (IT Division) for this purpose. All specialized servers and other electronic equipment which have been approved for this activity must be housed within IT Division, and administered in accordance with the requirements as set forth by PCI DSS, all applicable laws and mandates, and North Dakota University System and NDSU policy and procedures.
- Entities wishing to use TouchNet must file a request with the NDSU Customer Account Services Department (ndsu.customer.account@ndsu.edu). Entities that use TouchNet for a purpose other than that which was approved will be required to stop electronic payment transactions. All payment card and EFT activity by agents of NDSU must be established within the University banking and accounting environment with receipts deposited into the Bank of North Dakota, unless an exception is approved by the Vice President of Finance and Administration and the Vice President of Information Technology, and the Bank of North Dakota.
- Exceptions to this policy may be granted only after a written request from the unit has been reviewed and approved by the Vice President for Finance and Administration and the Vice President for Information Technology or their designees. Payment card transactions may only be accepted via walk-in (face-to-face) payment, telephone, mail, or customer-initiated online payment. No merchant may accept a payment card transaction via email, fax, or any end-user messaging technology. Use of a website that collects payment card information requires authorization by the Vice President of

Finance and Administration or their designee and the Vice President of Information Technology or their designee.

5. The NDSU official online payment system is provided by TouchNet. Anyone wishing to accept online payment card or EFT transactions must use TouchNetNDSU's official online payment system, unless an exception by the Vice President of Finance and Administration or their designee, and the Vice President of Information Technology, or their designee is granted. All online transactions must be customer-initiated; that is, NDSU merchants may not enter customer payment information into their website on a customer's behalf; nor may they provide computers as "virtual terminals" to customers on their premises. TouchNet has two products that NDSU merchants may request to utilize—Marketplace, which is an online storefront product; or the TouchNet Payment Gateway, which offers secure payment processing for selected third-party vendors.

~~4.~~

6. Vendors using NDSU facilities to conduct business are to ensure that they ~~comply are compliant~~ with all PCI DSS standards and guidelines. NDSU is not required to provide internet services to vendors doing business on campus to access credit card payment processors; it is the vendor's responsibility to specifically request such services ~~through the Vice President for Finance and Administration, and the Vice President for Information Technology Services, or their designee.~~ Vendors on campus can use the ~~Vendor Request to Process Credit Card and Electronic Fund Transactions Utilizing (Outside) Third-Party Online Processor form~~ Third Party Internet Acceptable Use Form to request access.

5.7. Appropriate action up to an including suspension or termination of payment card and/or EFT processing activities will be imposed for a merchant that violates NDSU Policy 509.

6.8. Definitions

a. Electronic Funds ~~Transaction~~Transfer: Commonly referred to as "EFT" or "ACH". The term "electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes but is not limited to: point of sale transfers, automated teller machine transactions, direct deposits or withdrawals of funds, and transfers initiated by telephone or online. This term does not refer to transactions initiated by the customer directly with their financial institution, which are then sent to NDSU's financial institution. is used for a number of different concepts such as cardholder-initiated transactions, where a cardholder makes use of a payment card (e.g., credit or debit card); electronic payments by businesses, including salary payments, electronic check clearing.

~~—TouchNet: Third party vendor and software for campus online billing and payment processing which follow applicable PCI-DSS standards and guidelines.~~

b. Processing Method: The means by which merchants accept payment cards or EFT payments.

c. Payment Card: Any credit, debit, or pre-paid credit/debit card. All payment card activity for North Dakota State University is supervised by Customer Account Services.

~~b.~~

Formatted: Indent: Left: 0.5", No bullets or

Formatted: No bullets or numbering

~~e.d.~~ Payment Card Industry Data Security Standards (PCI DSS): The PCI DSS ~~is the result of collaboration between was developed by~~ the major credit card brands to develop a single approach to safeguarding sensitive data. Merchants engaged in any form of payment card processing must comply with these standards as a condition of their payment card processing contracts. A copy of the PCI DSS can be obtained from Customer Account Services or the Information Technology Security Office. ~~companies as a guideline to help organizations that process card payments prevent credit card fraud, hacking and various other security issues. A company processing, storing, or transmitting credit card numbers must be PCI DSS compliant or they risk losing the ability to process credit card payments. The current version of the standard (1.1) specifies 12 requirements for compliance, organized into six logically related groups called control objectives. For more information please see https://www.pcisecuritystandards.org/security_standards/pci_dss.shtml~~

For related procedures see the Electronic Financial Transaction Procedure #509.

HISTORY:

New	June 2008
Amended	January 2009
Amended	June 2009
Amended	January 26, 2011