



**Background**

To accept credit and debit card payments from customers, departments at The Ohio State University will need to set up a merchant account with the Office of the Treasurer. The department will first need to determine the method of acceptance. Pre-approved methods are processing payments using a phone line terminal and online processing that is redirected to an approved third party service provider.

- **In-Person payments (Card Present)** – Departments will purchase a phone line terminal to process customers’ payments at OSU’s place of business. This method is pre-approved.
- **Online payments (CNP, Card Not Present) redirected to approved third party service provider** - Departments will set up a website to collect payments online. OSU policy and PCI, Payment Card Industry, require departments to use an approved third party service provider to process online payments. (Please see PCI Compliance below.) An example of a third party providers and product is Cybersource’s Web Mobile Pay Secure Acceptance. This method is pre-approved.
- **Other methods must be reviewed and approved by OSU’s PCI QSA, Qualified Security Assessor** - Departments that want to use POS (point of sale) software, a terminal attached to a computer, or Internet processing will need to contact the Office of the Treasurer to arrange a review by OSU’s QSA.

**Costs**

There are two fees for processing credit cards. Fees are charged by the card brands and transaction fees are assessed by our processor. If your department is processing payments on the Internet, there will also be online fees.

<b>Costs to accept credit/debit cards</b>	<b>Visa</b>	<b>Master Card</b>	<b>Discover</b>	<b>American Express</b>
Card Brand Fees	Approx. 2%	Approx. 2%	Approx 1.8%	Approx 2.3%
Processor Transaction Fees	Per trans	Per trans	Per trans	Per trans
Online Processing Fees (One time set-up fee and monthly minimum \$10)	Approx. 13 cents/tran	Approx. 13 cents/tran	Approx. 13 cents/tran	Approx. 13 cents/tran

**Fees charged by the card brands – Visa, MasterCard, American Express, and Discover.**

- Visa and MasterCard Fees – approximately 2.0%. Visa and Master Card fees are called “Interchange and Assessment” fees. The fees are based on the type of card presented. Generally, the rate will be lower for debit card transactions and basic consumer credit card transactions. The rate will be higher for rewards cards such as Corporate and Signature Preferred cards as these reward points are paid by the merchant.
- American Express Fees – The American Express rate is a flat % rate.

- Discover Fees – Discover has a flat % rate for each type of card presented – debit card, credit card and corporate credit card transactions.

**Transaction processing Fees** - Our processor charges a transaction fee to authorize and settle credit and debit card payments with our bank. In addition, they provide statement and transaction information for our merchants.

**Online Processing, Web Mobile Pay Secure Acceptance Rates** – Merchants accepting payments online will set up Web Mobile Pay with an approved PCI service provider. A one-time set-up fee is charged and a transaction fee for each charge. If your volume is low, a \$10 monthly transaction fee minimum will apply.

### **Set up Time**

Please allow fifteen (15) business days to set up a merchant account. If your department is also designing a web page with online payment processing, please contact your web designer and IT department for further information.

### **PCI, Payment Card Industry, Compliance**

The credit card industry formed a Council called the Payment Card Industry (PCI) Council which includes Visa, MasterCard, American Express, and Discover. The PCI Council developed Data Security Standards (DSS) to assure consumers using credit and debit cards are secure. Merchants accepting credit and debit card payments are required to comply with these standards. For more information, please refer to the OSU “Merchant Card Policy # 5.15” or contact the Office of the Treasurer.

### **Training on your Phone Line Terminal**

Contact First Data customer service 800-558-7101 for terminal training.

### **Two (2) Important Daily Processes**

- **Authorizing the charge** – when a merchant accepts a customer’s credit or debit card, swiping the credit card is a request to our processor to determine if the card can be charged.
- **Settlement or “Batching out”** – at the end of the business day, a merchant will settle the authorized transactions. This process is called batching out. The transactions are sent in a batch to the processor who will request customers’ charges be sent to our OSU bank account. A department can also program the terminal to “auto-settle” at the end of a business day.

### **Auto Journal Posting**

The Office of the Treasurer will establish for merchants an automatic journal process for credit and debit card deposits and fees. Departments can reconcile their accounts by accessing the PeopleSoft system to run a report of their transactions.

### **Reconciliation**

Daily, or at a minimum, monthly reconciliation must be completed. Merchant transactions must be reconciled to OSU’s bank account using the General Ledger/PeopleSoft and your merchant

statements. Monthly statements are provided by hard copy and mailed to the merchant and also by using an online tool, "My Client Line" (contact the Treasurer's office, 292-7792, to sign up.) Daily transaction detail is also available on My Client Line.

**Buck I.D.**

To order a Buck ID terminal, contact David Anthony at 2-7240 or e-mail [anthony.113@su.edu](mailto:anthony.113@su.edu).

**Policy**

Refer to Credit Card Policy Number 5.15 for complete details.

**Contact Information**

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