Category 2 **<Merchant Name>** Operational Policies & Procedures

**<Merchant Name>** PCI DSS 4.0 merchant policy details the minimum requirements that **<Merchant Name>** will adhere to for securing payments received and processed on a dial up or cellular terminal. **<Merchant Name>** Operational Policy details who is responsible for each PCI DSS 4.0 policy and how that policy is being enforced.

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**Terminal Usage policy**

Only **<Individuals X, Y, & Z>** are authorized to process transactions on the terminal(s). Authorization can only be granted from **<Individual A>**. Documentation granting access to **<Individuals X, Y, & Z>** is on file with **<Merchant Name>.**

Payment can only be processed in these approved ways: *<below are typical data flows and are to be used as a template and can be deleted, modified, etc. to fit your business practices>*

1. In person swipe
   1. Card is physically swiped capturing the data on the magnetic stripe.
   2. Cardholder data is sent to the payment processor over the dial up phone line or the 4G AT&T cellular connection.
   3. Authorization is returned back to the terminal over the dial up phone line or 4G AT&T cellular connection.
2. In person swipe fails (hand key payment)
   1. Card swipe fails
   2. PAN and expiration is hand keyed into the terminal
   3. Cardholder data is sent to the payment processor over the dial up phone line or the 4G AT&T cellular connection.
   4. Authorization is returned back to the terminal over the dial up phone line or 4G AT&T cellular connection.
3. Phone payment
   1. Payment information is given to **<Merchant Name>** over the phone via analog phone line or special cellular phone used just for taking card data over the phone.
   2. PAN and expiration is hand keyed into the terminal by **<Individuals X, Y, & Z>** and never written down on paper
      1. Alternative, PAN and Expiration is written down on scratch paper or specific form.
      2. Paper is stored in a secure location (locked drawer, locked room, locked cabinet) until it can be processed.
   3. Cardholder data is sent to the payment processor over the dial up phone line or the 4G AT&T cellular connection.
   4. Authorization is returned back to the terminal over the dial up phone line.
   5. **<choose your method for destroying the cardholder data>**
      1. Paper copy containing the PAN and Expiration is cross cut shredded
      2. Payment portion is removed and cross cut shredded
      3. All but last 4 of PAN is removed by hole punch
      4. All but last 4 of PAN is marked out with sharpie and then the paper is photo copied and the copy is retained and the original is cross cut shredded.
4. Mail order (hand keyed)
   1. Customer mails the completed form to the **<Merchant Name>** via US postal service or other carrier service.
   2. The form is collected and them given to the **<Individuals X, Y, & Z>** to process the payment into the terminal.
      1. Paper is stored in a secure location (locked drawer, locked room, locked cabinet) until it can be processed.
   3. PAN & Expiration date is hand keyed into the dial up terminal by **<Individuals X, Y, & Z>.**
   4. Cardholder data is sent to the payment processor over the analog phone line or the 4G AT&T cellular connection.
   5. Authorization is returned back to the terminal over the analog phone line.
   6. **<choose your method for destroying the cardholder data>**
      1. Paper copy containing the PAN and Expiration is cross cut shredded
      2. Payment portion is removed and cross cut shredded
      3. All but last 4 of PAN is removed by hole punch
      4. All but last 4 of PAN is marked out with sharpie and then the paper is photo copied and the copy is retained and the original is cross cut shredded.
5. fax payment (hand keyed)
   1. Fax machine MUST be audited by Treasurer’s Office and/or ISAM to ensure it is configured correctly
      1. No electronic storing of faxes
      2. No fax forwarding
      3. We want the fax machine to print the fax and nothing more. And the fax machine needs to be placed in a secure location.
   2. Customer faxes the completed form to the **<Merchant Name>** analog fax line.
   3. PAN & Expiration date is hand keyed into the dial up terminal
      1. Paper is stored in a secure location (locked drawer, locked room, locked cabinet) until it can be processed.
   4. Cardholder data is sent to the payment processor over the analog phone line or the 4G AT&T cellular connection.
   5. Authorization is returned back to the terminal over the analog phone line.
   6. **<choose your method for destroying the cardholder data>**
      1. Paper copy containing the PAN and Expiration is cross cut shredded
      2. Payment portion is removed and cross cut shredded
      3. All but last 4 of PAN is removed by hole punch
      4. All but last 4 of PAN is marked out with sharpie and then the paper is photo copied and the copy is retained and the original is cross cut shredded.

Payments can NEVER be accepted in the following ways:

1. Email
2. Other

Procedure to follow if you receive customer credit card data in an unapproved channel.

1. Email
   1. Write down the customer contact information
   2. Delete the email and empty your trash can in outlook
   3. Contact the customer explaining that their email has been deleted and that you cannot accept their payment by email. Let them know that you can accept payment by **<list your acceptance channels>**. Explain you are following policy to protect their personal information. Follow your procedures for accepting payments above and process their payment using an approved acceptance channel.
2. Other
   1. Write down customer contact information
   2. Destroy the card data that was received in an unapproved acceptance channel.
   3. Contact the customer explaining that their email has been deleted and that you cannot accept their payment by email. Let them know that you can accept payment by **<list your acceptance channels>**. Explain you are following policy to protect their personal information. Follow your procedures for accepting payments above and process their payment using an approved acceptance channel.

**Refund Policy**

Refunds should be submitted back to the same card that the original charge was processed. **<Individual A>** is the only person authorized to issue refunds. **<Individual A>** will verify the last 4 digits of the card with the customer and then ask the customer for the full card number to process the refund back to the verified card. **<Individual A>** will hand key the card number and expiration date into the terminal and never write down the cardholder data on paper.

**Cardholder Data Storage Policy**

All cardholder data storage policies and operational procedures are:

* Documented.
* kept up to date.
* in use.
* known to all affected parties.

**Paper storage policy for Pre-Authorization card data**

Account data storage is kept to a minimum through implementation of data retention and disposal policies, procedures, and processes that include at least the following:

Paper Storage of card holder information at **<Merchant Name>** is kept **pre-authorization** per the following business reasons:

1. Reason X
2. Reason Y
3. Reason Z

Media such as paper storage and fax machines must be physically secured at all times.

1. **<Individual A>** is responsible for the security of the cardholder data that is stored on paper.
2. **<Individual A>** will lock the cardholder data stored on paper in a secure location (locked drawer, locked cabinet, etc.).
3. **<Individuals X, Y, & Z>** are granted access to the cardholder data stored on paper by **<Manager A>** since access is needed for their job duties.
4. **<Individual A>** must classify the sensitivity of all stored media so all individuals can determine the sensitivity of the data.

**Paper storage policy for Post-Authorization card data**

Paper storage of card holder information at **<Merchant Name>** is kept post-authorization per the following business reasons:

1. Reason X
2. Reason Y
3. Reason Z

**<Individual A>** is responsible for the security of the cardholder data that is stored on paper.

1. **<Individual A>** will lock the cardholder data stored on paper in a secure location (locked drawer, locked cabinet, etc.).
2. **<Individuals X, Y, & Z>** are granted access to the cardholder data stored on paper by **<Manager A>** since access is needed for their job duties.
3. **<Individual A>** must classify the sensitivity of all stored media so all individuals can determine the sensitivity of the data.
4. **<Individual A>** must keep an inventory log of all cardholder data stored on paper and the inventory log must be reviewed at least annually.
5. **<Individual A>** is responsible for updating the inventory each time a new record is filed, or an existing record is destroyed.
6. **<Individual A>** is responsible for media that is sent by secured courier or other delivery method that can be accurately tracked.
7. **<Individual A>** will obtain management approval from **<Manager A>** before data is moved or transferred, including when media is distributed to individuals.

**Protect Stored Account Data**

All security policies and operational procedures that are identified in Requirement 3 are:

* Documented.
* Kept up to date.
* In use.
* Known to all affected parties.

So therefore, **<Individual A>** is responsible for the following or they know who is responsible and **<individual A>** will follow-up to ensure the requirements are being met:

* SAD is not retained after authorization, even if encrypted. All sensitive authentication data received is rendered unrecoverable upon completion of the authorization process.
* The full contents of any track are not retained upon completion of the authorization process.
* The card verification code is not retained upon completion of the authorization process.
* The personal identification number (PIN) and the PIN block are not retained upon completion of the authorization process.
* PAN is masked when displayed (the BIN and last four digits are the maximum number of digits to be displayed), such that only personnel with a legitimate business need can see more than the BIN and last four digits of the PAN.

**Paper Destruction Policy**

Retention of cardholder data stored on paper must not exceed **<X units>**. Once the retention period has been reached the cardholder data stored on paper must be destroyed. **<Individual A>** is responsible for the destruction or redaction of cardholder data that is no longer needed. Cardholder data can be destroyed or redacted by:

1. proper methods of destruction include:
   1. Cross Cut Shredding
   2. Incineration
   3. Pulping of the paper record
2. proper methods of redaction include:
   1. Removal of all but the last 4 of the customer credit card number (PAN) by hole punch
   2. Removal of all but the last 4 of the customer credit card number (PAN) by security marker or thick sharpie marker (if sharpie marker is used then the original with the card number blacked out will be copied, then the original will be destroyed, and the copy retained)
3. Materials are stored in secure storage containers prior to destruction.

**Access Control Policy**

**<Individual A>** is responsible for the following or they know who is responsible and **<individual A>** will follow-up to ensure the requirements are being met:

1. access to system components and cardholder data limited to only those individuals whose jobs require such access, as follows:
   1. Access to privileged user IDs are restricted as follows:
      1. To least privileges necessary to perform job responsibilities.
      2. Assigned only to roles that specifically require that privileged access.

**Security Policy**

The **Treasurer’s office** is responsible for an overall security policy. That is:

* Established
* Published
* Maintained
* Disseminated to all relevant personnel, as well as to relevant vendors and business partners.

All employees that come into contact with customer cardholder data at **<Merchant Name>** are responsible for protecting cardholder data.

**<Individual A>** is responsible for reviewing the merchant policies and procedures at least annually and polices must be updated if/when the environment changes.

**The UM System Incident Response Plan includes the following:**

1. Roles, responsibilities, and communication and contact strategies in the event of a suspected or confirmed security incident, including notification of payment brands and acquirers, at a minimum.
2. Incident response procedures with specific containment and mitigation activities for different types of incidents.
3. Business recovery and continuity procedures.
4. Data backup processes.
5. Analysis of legal requirements for reporting compromises.
6. Coverage and responses of all critical system components.
7. Reference or inclusion of incident response procedures from the payment brands.

**Merchant Incident Response Plan details the following:**

**<Individual A>** is responsible for establishing, documenting, and distributing security incident response and escalation procedures to ensure timely and effective handling of all situations.

**<Individuals X, Y, & Z>** are responsible for reporting any suspected data breaches to **<individual A>.** **<Individual A>** is responsible for gathering all relevant information and reporting any suspected data breaches to the [information security officer](https://www.umsystem.edu/ums/is/infosec/iso) at the respective campus or business unit. **<Individual A>** is responsible for meeting with the Information security officer not more than one week following the incident to review the results of the investigation to determine the root cause of the compromise and evaluate the effectiveness of the incident response plan.

**Security Training**

**<Individual B>** is responsible for the formal security awareness program to make all personnel aware of the cardholder data security policy and procedures. **<Individual B>** is responsible for all new hires and **<Individuals X, Y, & Z>. <Individual B>** will use the [new hires checklist](https://sharepoint.umsystem.edu/sites/uminfopoint/media/fa/treasurer/credit_cards/New_Hire_Checklist.docx?d=wfd390590756f482683e6ae590101e78a) to perform the following:

1. Have all relevant staff read, understand, and attest that they have read and understood the merchant specific policies and procedures.
2. Have all relevant staff read, understand, and attest that they have read and understand the University credit card policy (<https://www.umsystem.edu/ums/fa/treasurer/payment_card_policies>)
3. Have the new hire complete the [cardholder data processing agreement & annual training form](https://sharepoint.umsystem.edu/sites/uminfopoint/media/fa/treasurer/credit_cards/Merchant_Request_Form.docx?d=w27f4e88c0e8e4029b6b9b75734b13ade)
4. Contact The Treasurer’s Office to have your new hire enrolled into the appropriate online training upon hire. New hires are enrolled at the beginning of each month.
   1. New hires must complete the online training upon hire and annually thereafter.
      * Regular staff go through [Percipio](https://umsystem.percipio.com/)
      * Hospital staff go through SABA
      * Students regardless of campus go through [Canvas](https://canvas.umsystem.edu/)
   2. **<Individual A>** will maintain a training log that lists who was enrolled and when they last completed the annual training.
5. Train the new hire with specific functional training as it relates to their job duties.
   1. For example, train them to use the specific terminal or point of sale device that they will be processing transactions on. This training should include the desk manual that you develop.

**Terminal Physical Security**

**<Individual A>** is responsible for developing and maintaining a [Capture Device Inventory Log](https://sharepoint.umsystem.edu/sites/uminfopoint/media/fa/treasurer/credit_cards/Capture_Device_Inventory_Log.docx?d=w01eea484fe174cd688f377c95f01128f). **<Individual A>** is responsible for making sure the inventory log has the following minimum requirements:

1. Make/Model of the terminal(s)
2. Location of the Terminal(s)
3. Serial number or unique identification number of the terminal(s)
4. Serial number(s) of the tamper tape that was added to the swipe devices.

**<Individual A>** is also responsible for maintaining the log so that it is updated anytime a new device is added, relocated, no longer in use, etc. If any device the merchant has is a cellular device and is mobile then a [Cellular Terminal Log](https://sharepoint.umsystem.edu/sites/uminfopoint/media/fa/treasurer/credit_cards/Cellular_Terminal_Log.docx?d=w11e077796fad46218eded513fe4aa4a5) must be maintained by **<individual A>** detailing where the device is and who is in possession of it at all times.

**<Individual A>** is responsible for inspecting all terminals to look for tampering or substitution using the [Capture device Periodic Inspection Procedure](https://sharepoint.umsystem.edu/sites/uminfopoint/media/fa/treasurer/credit_cards/Capture_Device_Periodic_Inspection_Procedure.docx?d=w491cec7229dd43c0b7ebcc1e797fb32a) every 3 months or if the terminals are open to the public then **DAILY**.

**<Individual A>** is responsible for training **<Individuals X, Y, & Z>** to be aware of attempted tampering or replacement of devices as follows:

1. **<Individuals X, Y, & Z>** Mustverify the identity of any third-party persons claiming to be repair or maintenance personnel, prior to granting them access to modify or troubleshoot devices.
   1. Only JPMorgan Chase is authorized to access, modify, or trouble shot devices.
   2. **<Individual A>** will call JPMorgan Chase at 888-886-8869 to initiate the access.
2. **<Individuals X, Y, & Z>** willnot install, replace, or return devices without verification by **<Individual A>**.
3. **<Individuals X, Y, & Z>** will be aware of suspicious behavior around devices (for example, attempts by unknown persons to unplug or open devices).
4. **<Individuals X, Y, & Z>** will report suspicious behavior and indications of tampering or substitution to **<individual A>**.

The terminal physical security policies and operational procedures is documented, in use, and known to all affected parties.

**Service Providers Policy**

**<Individual A>** is responsible for the following as it pertains to managing third party service providers:

1. Maintain a list of all service providers that **<Merchant Name>** account data is shared or that could affect the security of account data is maintained, including a description for each of the services provided.

|  |  |
| --- | --- |
| **Service Provider Name** | **Service(s) Performed** |
| **Example**: Chase Paymentech | Acquiring Bank and payment processor |
| **Example**: TouchNet | E-commerce Gateway |
| **Example**: Cintas | Document secure storage and destruction |
|  |  |
|  |  |

1. Written agreements with TPSPs are maintained as follows:
   1. Written agreements are maintained with all TPSPs (3rd party Service Providers) with which account data is shared or that could affect the security of the CDE (Card Holder Data Environment).
   2. Written agreements include acknowledgments from TPSPs that they are responsible for the security of account data the TPSPs possess or otherwise store, process, or transmit on behalf of the entity, or to the extent that they could impact the security of the entity’s CDE.
2. The **Office of the Treasurer** will complete [the 3rd party check list](https://sharepoint.umsystem.edu/sites/uminfopoint/media/fa/treasurer/credit_cards/3rd_Party_Checklist.docx?d=w1f1f7e4b799e4d28a56643a2c720dfb8) before a new 3rd party service provider is to be added to the cardholder data environment to ensure proper due diligence
3. The **Office of the Treasurer** monitors the TPSPs’ PCI DSS compliance status at least once every 12 months.
4. Information is maintained about which PCI DSS requirements are managed by each TPSP, which are managed by the entity, and any that are shared between the TPSP and the entity.
   1. A “Responsibility Matrix” should be given to **Office of the Treasurer** to satisfy this requirement.