

# payments NAVIGATOR

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*It is a new year and we are excited to be working with you as we step into 2011. Merchant advocacy remains the hallmark of our focus as we continue to look for opportunities to help you better manage your electronic payments, as well as keep you informed of recent industry updates. In this edition of Payments Navigator, we'll review best practices for accepting payments in the Card Present and Card Not Present environments, as well as the latest info on the new PCI Self Assessment Questionnaires. Be sure to check out our new Merchant Referral Program, as well! Finally we'll review proposed changes to IRS requirements that may affect your business in 2011 and beyond.*

*Best Regards,  
Donald Boeding, President, Merchant Services*

## Card Acceptance Best Practices

Following proper card acceptance procedures is critical to your business. How you accept and process cards at the point of sale may vary by industry and has a very big impact on your fees, risk and expenses!

In general, you can categorize transactions into two groups:

**Card Present** - Card is presented in a face to face environment.

**Card Not Present** - Card is not present at the point of sale.

### Card Present Best Practices (retail, restaurant, etc.):

- 1 Validate the physical card.
  - Check things like expiration date, embossing, and the magnetic stripe to ensure the card has not been altered!
- 2 Swipe the card through the point of sale system
  - Avoid key entry when possible and if you do key enter, be sure to get an imprint of the card.
- 3 Authorize the transaction.
  - ALL transactions must be authorized! Review the authorization response and take appropriate action.
- 4 Request a signature and be sure that the signature on the transaction receipt matches the signature on the card.
  - A signature *may not be required* on some small ticket transactions. Check with the Contact Center for details.
- 5 Settle the transactions daily.
  - Settling daily can help you avoid costly interchange downgrades for Late Presentment!

### Card Not Present Best Practices (MOTO, e-commerce, etc.):

- 1 Authorize the transaction.
  - Again...ALL transactions must be authorized!
- 2 Utilize fraud prevention tools such as:
  - Address Verification Service (AVS) to check the cardholder's address given at the time of the sale against the address the cardholder's bank has on file
  - CVV2/CVC2 to verify the security code located on the signature panel of the card.
  - *Remember - it is your responsibility to validate that you are dealing with a legitimate customer/cardholder. Failure to do so could put you at risk of loss so be sure to use the fraud prevention tools!*
- 3 Ensure timely processing between the time the order is placed and the time you deliver the goods.
  - Your transaction date should equal your shipment date and not be greater than 7 days from authorization date.
  - Do not charge your customer before you have shipped your goods!
- 4 Identify transactions with the proper card not present/e-commerce indicators.
- 5 Settle the transactions daily.
  - Remember...settling daily can help you avoid costly interchange downgrades for Late Presentment!



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## Contact Us!

If you have any questions, need assistance, or would like to discuss a new product or service, please contact your Relationship Manager or our Contact Center at 1-877-744-5300.

## New PCI Self Assessment Questionnaire

The Payment Card Industry Security Standards Council (PCI SSC) released version 2.0 of the PCI Data Security Standard (PCI DSS). The Council has also released a new set of version 2.0 Self-Assessment Questionnaires (SAQ) – including a new Self-Assessment Questionnaire C-VT, which addresses merchants using web-based virtual terminals.

**SAQ A** - Card-not-present (e-commerce or mail/telephone order) merchants, all cardholder data functions outsourced. This would never apply to face-to-face merchants.

**SAQ B** - Imprint-only merchants with no electronic cardholder data storage, or standalone, dial-out terminal merchants with no electronic cardholder data storage.

New!

**SAQ C-VT** - Merchants using only web-based virtual terminals, no electronic cardholder data storage.

**SAQ C** - Merchants with payment application systems connected to the Internet, no electronic cardholder data storage.

**SAQ D** - All other merchants (not included in descriptions for SAQs A through C above) and all service providers defined by a payment brand as eligible to complete a SAQ.

These SAQs and the entire PCI Data Security Standard can be found at the PCI SSC's Document Library located here - [https://www.pcisecuritystandards.org/security\\_standards/documents.php](https://www.pcisecuritystandards.org/security_standards/documents.php)

As a reminder, Fifth Third Processing Solutions has partnered with Trustwave® to create our latest security product – **PCI Assist**. **If you have been notified of your automatic enrollment in PCI Assist, we encourage you to take action immediately to protect your business, brand, and bottom line! Access PCI Assist today to help validate your compliance!**

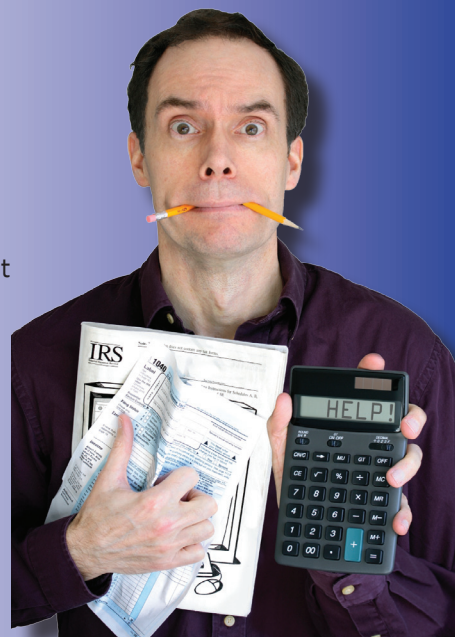
**Getting started is easy! Simply visit: <https://pci.trustwave.com/pci-assist>. Trustwave's intelligent PCI Wizard walks you step-by-step through the PCI DSS validation and certification process!**

## Proposed IRS Requirements

The Internal Revenue Service (IRS) issued proposed regulations requiring that, starting with transactions in calendar year 2011, the gross amount of payment card and third-party network transactions be reported annually to participating merchants and the IRS. The new law requires reporting entities to collect and verify the tax identification number (TIN) along with the merchant's legal name and address associated with the TIN number. Inaccurate or incomplete information may result in a withholding of 28 percent of the merchant's future payments from card transactions. This withholding provision goes into effect for payments starting in 2012.

If you have questions or would like to validate the TIN and legal name that we have on file for your business, please call the Fifth Third Processing Solutions Contact Center at 866-458-7280.

For more information on the IRS requirements, please visit: [www.FTPSLLC.com/merchant](http://www.FTPSLLC.com/merchant) (Payments Education Section).



# payments NAVIGATOR

We are merchant advocates. We educate and consult with our clients, empowering them to minimize risk, control expense and navigate the complexities of the payments landscape to achieve their goals and protect their brand.



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