

MEMORANDUM

TO: Departments Accepting Credit Cards

FROM: Jeffrey J. West, Associate Vice President

DATE: September 4, 2009

RE: Payment Card Assessments



As you may be aware, within the past few years, the payment card industry has imposed increasingly stringent standards for all entities accepting any type of payment cards. New standards are continuously being implemented and compliance with these industry standards is mandatory. These new Payment Card Industry Data Security Standards (PCI DSS) have imposed numerous requirements which require constant monitoring, scanning, verification, and training. Unfortunately, there are costs associated to ensure compliance with these standards. In years past, administrative costs were fairly minimal and simply absorbed within existing budgets. However, the standards have evolved, and continue to evolve, to levels that require new funding models to pay for increased costs in personnel, process development, and third party services.

To equitably assist in covering the increased costs, we will be assessing departments a fee that will be based on the amount of revenue received from payment cards— regardless of how the payments are received. This fee will be 0.05%, or \$0.50 per every \$1,000 in revenue. In addition, departments using third party applications to receive payments online, with a Wells Fargo merchant account, will be also be charged a pro rata share of the scanning and monitoring fees required for those applications. Fees will be assessed quarterly, per merchant account, and charged to your department by a journal entry. The first quarterly assessment will appear in your October 2009 management reports.

The University's UPay system continues to be monitored for compliance centrally and is fully compliant with PCI DSS standards. Departments currently using the UPay system will no longer pay the \$1/transaction fee in this new funding model. They will only pay the 0.05% fee on total payment card revenue. The net effect of these changes to the fee structure will result in some departments paying more than they currently do, while others will be paying less – with the

objective to distribute these unavoidable charges as fairly and equitably as possible, across the University.

If you desire to get an estimate of what the fees may be, based on your credit card volume, we can help you with that calculation. Please send your requests to Kim.Stringham@utah.edu.