

**CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
NOVEMBER 2, 2010 AGENDA**

Subject:	Type:	Submitted By:
STANDARD OPERATION POLICY – CREDIT CARD PAYMENTS	◆ RESOLUTION ORDINANCE RECEIVE/FILE	SHEILA A. LINDBERG FINANCE DIRECTOR

SYNOPSIS

A resolution has been prepared approving a Standard Operation Policy regarding credit card payments.

FISCAL IMPACT

N/A.

RECOMMENDATION

Approval.

BACKGROUND

The City would like to start accepting credit card payments at City Hall, the Recreation Department and the Library. The City currently accepts credit card payments at the La Vista Falls Golf Course. First National Merchant Solutions (FNMS) will be the processor for the credit card payments at City Hall, the Recreation Department and the Library. FNMS has the state bid for credit card processing.

RESOLUTION NO.

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA, APPROVING A STANDARD OPERATION POLICY.

WHEREAS, the City Council has determined that it is necessary and desirable to establish Standard Operation Policies as a means of establishing guidelines and direction to the members of the City Council and to the city administration in regard to various issues which regularly occur; and

WHEREAS, a Standard Operation Policy entitled Accepting and Handling Credit Card Payments has been reviewed and recommended.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of La Vista, Nebraska, do hereby approve the Standard Operation Policy entitled Accepting and Handling Credit Card Payments, and do further hereby direct the distribution of said Standard Operation Policy to the appropriate City Departments.

PASSED AND APPROVED THIS 2ND DAY OF NOVEMBER 2010.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, CMC
City Clerk

SUBJECT: Accepting and Handling Credit Card Payments**DATE ISSUED:** November 2, 2010**ISSUED BY:** Brenda Gunn, City Administrator

The following procedures are established for the proper handling of credit card transactions processed through automated systems and/or manual procedures.

1. Payment Card Industry Data Security Standard (PCI-DSS) Compliance

Any City of La Vista department that accepts, captures, stores, transmits and/or processes credit card information including accepting credit cards as payment for goods and/or services, must comply with PCI-DSS to ensure the security of cardholder information. Compliance with the requirements of this policy (as updated or amended) satisfies the elements of compliance with PCI-DSS.

2. Authorization and Training

Only authorized and properly trained individuals may accept and/or access credit card information. No individual is authorized to accept, access or support systems housing credit card information until the following requirements are satisfied:

- The individual must be authorized by their appropriate Department Head to do so.
- The individual must be trained in the proper handling of credit card information. Individuals who are new to the role must be trained prior to taking on their credit card handling duties. Individuals whose credit card handling responsibilities preceded the implementation of this policy should receive training as soon as possible. The content of the training program must be reviewed and approved by the City Administrator and/or his/her designee to ensure that City of La Vista objectives are met.
- The individual must acknowledge his or her understanding of this policy and must confirm his or her commitment to comply with all related City of La Vista policies and procedures before he or she assumes credit card handling duties. This requirement will be satisfied by the individual signing the "Credit Card Security and Ethics Agreement" in Appendix A of this document indicating his or her understanding and intent to comply with this policy.
- Only authorized individuals can access any lists, reports and/or storage areas where credit card information is stored in electronic, magnetic, optical and/or physical (e.g., paper) form, or support computer systems that store or process credit card information.

3. Acceptance Methods

Credit card payments may only be accepted by the following methods: in person, via telephone, via FAX, via physical mail (not e-mail).

4. Access to and Handling of Information

Individuals who have access to credit card information are responsible for properly safeguarding the data and must comply with all requirements of the City of La Vista to protect the integrity and privacy of such information.

The following pieces of information are considered "confidential" within the meaning of this policy and must be protected appropriately from initial capture through destruction

regardless of the storage mechanisms used (e.g., on computers, on electronic, magnetic or optical media, on paper, etc.):

- Credit card number
- Credit card expiration date
- Cardholder Verification Value (CVV2) – the 3- or 4-digit code number generally located on the back of the credit card.
- Cardholder's name, address and/or phone number when used in conjunction with the above fields.

Special note:

The use of Social Security Numbers in conjunction with credit card information is strictly prohibited. City of La Vista's use of Social Security Numbers is highly restricted and, as such, Social Security Numbers should never be used.

Point-of-sale devices must be configured to print only the last four characters of the credit card number on both the customer and the merchant receipts, and on any reports that may be produced by the device. Physical documents, such as customer receipts, merchant duplicate receipts, reports, etc., that contain credit card information should be retained only as long as there is a valid business reason to do so, and no longer than 90 days. While the documents are retained, they must be stored in locked cabinets in secured areas with access restricted to authorized individuals on a need-to-know basis. Keys that allow access to such containers must be immediately collected from any individual who leaves the City of La Vista or whose responsibilities no longer require him or her to access such documents. When combination locks are used, the combination must be changed when an individual who knows the combination leaves the City of La Vista or no longer requires access to perform assigned work. For any physical documents that contain credit card information, all but the last four digits of the credit card number will be physically cut out of the document. Overwriting the credit card number with a marker is not acceptable since the number can still be viewed in certain circumstances. The three- or four-digit credit card validation code (CVV2) must never be captured in any form. No lists should be maintained that include entire credit card numbers. Credit card information may be shared only with individuals who have been authorized to access such data by the appropriate Department Head.

All credit card information must be destroyed as soon as it is no longer necessary, and may not be retained for more than 90 days after the transaction is processed. All physical documents that are no longer necessary must be shredded using a commercially available shredding device.

Departments handling credit card transactions must segregate, to the extent possible, all duties related to data processing and storage of credit card information. A system of checks and balances as approved by the Finance Director shall be put in place in which tasks are performed by different individuals in order to assure adequate controls. For example, the same person should not process credit card transactions/refunds and perform the monthly credit card reconciliation. Where staffing permits, it is strongly recommended that the responsibility for processing transactions and refunds be segregated as well. The Finance Director or his/her designee should not handle or have access to credit card transactions. He or she will verify that the original supporting detail

records agree with deposits on the General Ledger. Terminal or web-based reports must not be the only supporting detail record.

5. Department Compliance Procedures

Each department that handles credit card information must have written procedures tailored to that department's operation, which are consistent with this policy and PCI-DSS. Departmental procedures should be reviewed, signed and dated by the Department Head indicating compliance with the City of La Vista's Credit Card Policy. These procedures also must be submitted to and approved by the Finance Director or his/her designee. These departmental procedures will include, but are not limited to, the following: Segregation of duties, Deposits, Reconciliation procedures, Physical security, Disposal, Cash register procedures (if applicable).

6. General Procedures

Bank card receipts should typically be treated with the same care as you would treat large sums of cash. The Department Head will be responsible for any losses due to poor internal or inadequate controls.

Sensitive cardholder data (i.e., full account number, type, expiration or other data) cannot be stored in any way on computers or networks.

Bank card numbers shall not be transmitted in an insecure manner, such as by email or inter-office mail. Bank card numbers may be faxed only to a fax machine in a secure location. Printed customer receipts that are distributed outside the Department must show only the last four digits of the bank card number.

All documentation containing card account numbers must be maintained in a "secure" environment limited to authorized staff. Secure environments include locked drawers, file cabinets in locked offices, and safes. Do not store bank card information in a customer database or electronic spreadsheet.

The City is required, in good faith, to maintain a fair policy for the exchange and return of merchandise and for resolving disputes over merchandise and/or services purchased with a bank card. If a transaction is non-returnable, non-refundable merchandise, that must be indicated in the appropriate area on the Department's web site with a link to your return policy.

A cash advance or withdrawal to a cardholder, or to an employee, is not authorized.

Proper credit for returns and adjustments must be done by performing the proper function as required by the bank card processor. Under no circumstances may a cardholder be paid in cash or check for any card refund or adjustment. If cash or a check is given as a refund and the cardholder files a dispute, the Department will bear the loss of income from the transaction.

The Department must provide, upon demand, any information, evidence, assignments or other assistance needed for any billing dispute with a cardholder or any dispute with a cardholder over the nature, quality or performance of the goods or services or in connection with any return or rejection of such goods or services. This request must be complied with in a timely manner.

No employee may disclose or acquire any information concerning a cardholder's account without the cardholder's consent. The City of La Vista or its employee(s) shall not sell, purchase, provide, disclose or exchange card account information or any other transaction information to any third person, unless ordered by applicable law or regulation.

Bank card regulations prohibit assigning a minimum or maximum purchase amount, or adding a surcharge to bank card transactions.

Bank card regulations prohibit listing the cardholder's personal information on the bank card draft/ticket. Such information includes, but is not limited to, phone number, driver's license or Social Security number.

7. Reporting Suspected Theft of Information

Any individual who suspects the loss or theft of any materials containing cardholder data must immediately notify their department head.

Violations of this policy and these procedures may result in the following for the Department and/or the employees involved: discontinuance of the practice of accepting bank cards, loss of computer or network access privileges, disciplinary action, suspension, termination of employment, and/or legal action.

Credit Card Security and Ethics Agreement

Applicable to any individual that accepts, captures, stores, transmits and/or processes credit card information.

Anyone who has access to credit card information must sign this form.

The City of La Vista accepts credit card information, such as credit card numbers, expiration dates and card verification codes, from donors, purchasers of City of La Vista publications, goods and services, etc. I recognize that this information is sensitive and valuable and that the City of La Vista is contractually obligated to protect this information against its unauthorized use or disclosure in the manner defined by the Payment Card Industry's Data Security Standard (PCI-DSS), and should such information be disclosed to an unauthorized individual, the City of La Vista could be subject to fines, increased credit card transaction fees and/or the suspension of our credit card privileges. As an individual whose role includes the acceptance, capture, storage, transmission and/or processing of credit card information, I agree with the following statements:

- I have read the requirements stated in the City of La Vista's Standard Operation Policy - Accepting and Handling Credit Card Payments ("Policy").
- I understand that I may only accept credit card payments using methods approved by the City of La Vista.
- I understand that as an employee who has access to credit card information I am responsible for protecting the information in the manner specified within the Policy. Further, I understand that I am also responsible for effectively protecting the credentials (IDs and passwords) and the computers that I may use to process credit card transactions.
- I understand that in cases where I suspect that a breach of credit card information has occurred, I must immediately report the breach to the Department Head.
- If I manage an area that handles credit card information, I understand that I must have appropriate checks and balances in the handling of credit card information, and that I am responsible for having documented procedures in place for complying with Policy.
- I commit to comply with the Policy and its documented procedure, and understand that failure to comply with the above requirements may result in the following for the Department and/or me as an employee: discontinuance of the practice of accepting credit cards, loss of computer or network access privileges, disciplinary action, suspension, termination of employment and/or legal action.

Signature: _____ Date: _____

Print Name: _____

Department Head Witness: _____