



# How to accept credit cards at Queen's

## GETTING STARTED: HOW TO OPEN A NEW MERCHANT ACCOUNT

Financial Services' General Accounting department provides guidance and assistance in setting up a debit or credit card facility, a merchant account, to allow university departments to accept payments other than by cash, cheque, or wire transfer.

The below guidelines are for opening a new merchant account with Chase Paymentech and should meet the needs of most Queen's merchants. If you are looking to open a non-Chase account the [Payment Card Acceptance Procedures](#) Section 3.0 Exemption Requests will detail the steps you should take. Please email the [PCI Coordinator](#) for guidance as needed.

## 1 WHAT IS A MERCHANT ACCOUNT?

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The Payment Card Industry Security Standards Council (PCI SSC) is the governing organization and an open forum responsible for the development, management, education, and awareness of Payment Card Industry (PCI) security standards. They define a merchant as any entity that accepts payment cards bearing the logos of any of the five members of the PCI SSC. These are American Express, Discover Financial Services, JCB International, MasterCard Worldwide, and/or Visa Inc. Merchants accept payments for goods and/or services.

**A merchant account enables Queen's departments, faculties, and/or business units to accept credit or debit (card) payments for goods or services provided on behalf of Queen's.**

### 1.1 DO YOU NEED A MERCHANT ACCOUNT?

If you represent a Queen's department, faculty, or unit and plan to accept credit or debit cards for payments of goods or services at Queen's, then the answer is yes. We recommend reviewing the [Payment Card Acceptance Policy](#) to understand Queens' position on accepting payment cards prior to proceeding.

If you are looking to host a one-time event or conference, you may be eligible to use the Financial Services ePly merchant account. To determine if this is the right solution for you please review the [One-Time Events – Procedure for Accepting Credit Card Payments](#).

## 2 FACTORS TO CONSIDER

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You've determined that you'd like to proceed in opening a merchant account. That's great! Here are some questions that we recommend you consider prior to starting the paperwork:



## 2.1 HOW WILL YOUR CUSTOMERS BE PAYING?

Queen's has several approved methods for accepting payment cards under the [Payment Card Acceptance Procedures \(Section 1.0\)](#). When you look at your customer journey, how will your customers pay?

- In-person (card present)
- Remotely (card not present)
  - Example: phone, mail order, fax, online

## 2.2 OTHER FACTORS

Other factors to consider are:

- Will you process transactions immediately or is there a business need to temporarily write cardholder data<sup>1</sup> down prior to processing?
- Will transactions be recurring?
- Does the account need to integrate with pre-existing software (like an online storefront or point of sale system)?
- Is the account in use year-round?
- What is your budget?
- Are you looking to host a one-time event or conference?
  - If, so we recommend reviewing the [One-Time Events – Procedure for Accepting Credit Card Payments](#). You may be eligible to use the Financial Services ePly account and forgo the need to open a merchant account. Fees are based on what you sell and PCI compliance is managed by Financial Services.

# 3 TYPES OF ACCOUNTS

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## 3.1 POINT OF SALE DEVICE (PIN PAD)

### 3.1.1 Wired PIN Pads

These are the most affordable option for businesses that accept card present and some card not present (phone, mail order) transactions. These are fixed in one location and are not mobile. These are not recommended for merchants with a need to process recurring transactions.

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<sup>1</sup> At a minimum, cardholder data consists of the full primary account number (PAN). Cardholder data may also appear in the form of the full PAN plus any of the following: cardholder name, expiration date and/or service code



### 3.1.2 Cellular PIN Pads

These offer the same transaction types as the wired PIN pads but have the added benefit of mobility. Cellular PIN pads are slightly more costly as they connect to the cellular network to facilitate payment processing.

## 3.2 ONLINE PAYMENTS

### 3.2.1 Hosted Checkouts and Payment Gateways

Hosted checkouts and payment gateways both offer payment processing for online storefronts and are always a card not present environment. Customers complete the checkout process and are re-directed to the secure payment page or gateway to enter their cardholder data. Some web development may be required for integration with your website and checkout cart (this is not provided by Queen's and will need to be sourced independently). The type of account you open will depend on which checkout cart you use.

**Checkout cart software does need to be approved by the PCI Coordinator prior to use as it is part of the payment stream. The PCI Coordinator can provide some examples of what we use at Queen's upon request.**

### 3.2.2 Virtual Terminals (PCI Terminals)

Virtual terminals (known at Queen's as PCI terminals) are best for card not present (phone, mail order) transactions. This allows Queen's staff to process transactions using a desktop PC connected to the PCI network through a Wyse terminal. Virtual terminals are most suitable for recurring transactions as cardholder data is stored offsite with the Acquirer<sup>2</sup> (not Queen's). There are some additional costs to purchase the PCI terminal equipment.

## 4 SUBMITTING THE REQUEST

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Once you have determined what your payment stream will look like you are ready to reach out to the [PCI Coordinator](#) to obtain pricing. Pricing consists of account overhead (monthly device rentals, admin fees, and set-up fees) and per transaction cost. Transaction costs are typically 1.5-3.5% of the transaction value for credit cards and a small dollar flat fee for debit. If you anticipate a low volume of sales, speak with the [PCI Coordinator](#) about your options.

The PCI Coordinator will review the proposed payment stream with you and, if everything aligns with the Payment Card Acceptance Policy & Procedures, will provide a *New Merchant Request Form* which

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<sup>2</sup> Also referred to as "merchant bank," "acquiring bank," or "acquiring financial institution". Entity, typically a financial institution, that processes payment card transactions for merchants and is defined by a payment brand as an acquirer. Acquirers are subject to payment brand rules and procedures regarding merchant compliance.



should be completed and signed by both the PCI Merchant Contact <sup>3</sup>and Business Officer<sup>4</sup>. The process will continue as per the [Payment Card Acceptance Procedures](#) Section 2.1 Establishing Merchant Accounts with an Approved Acquirer.

**Requests for new accounts can take 4-6 weeks from the receipt of the signed New Merchant Request form. This is dependent on Chase's current volume.**

## 5 RESPONSIBILITIES

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Once the account is up and running, the following are on-going responsibilities:

### 5.1 RECORDING REVENUE AND MONTHLY FEES (FINANCIAL SERVICES)

On a monthly basis, Financial Services will record the revenues and fees associated with the merchant account. The entries made to record the revenues will debit the Financial Services bank account and record the credit to the departmental revenue account provided by the department at the time of account set-up.

Similarly, the entries made to record the associated fees and chargebacks will credit the Financial Services bank account and record the debit to the proper departmental expense account. Entries are required to be done monthly before the general ledger closes for the month pertaining to the revenue and/or fees.

### 5.2 INTERNAL RESPONSIBILITIES (DEPARTMENT, FACULTY, OR UNIT)

#### 5.2.1 Segregation of duties

Separate, to the extent possible, all duties related to processing cardholder data. For example, the person receiving, and processing credit card transactions should not also perform the monthly statement reconciliation. Where possible, it is recommended that the same person that processes transactions does not also process refunds.

#### 5.2.2 Compliance with the Payment Card Industry Data Security Standard (PCI DSS)

Queen's has created the Payment Card Acceptance Program (comprised of the [Policy](#) and [Procedures](#) for payment card acceptance) to facilitate compliance with the PCI DSS. By choosing to open a merchant account you are agreeing to comply with current and future Queen's policy for the regulation of cardholder data, as well as the PCI DSS.

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<sup>3</sup> An individual operating on behalf of Queen's to coordinate compliance for a specific merchant account. This role is responsible for maintaining compliance at the merchant level by managing user access, coordinating training, managing inventory, completing Point of Sale Inspection Logs, PCI Staff Logs, and reporting violations to the PCI Coordinator.

<sup>4</sup> The finance and/or operational authority for a department, faculty, or unit.



Departments, faculties, and/or units should ensure that they have the appropriate internal processes to support the compliance activities as outlined in the [Payment Card Acceptance Procedures](#) Section 6.0 Compliance Activities.

**Ignorance is not a sufficient justification for non-compliance. It is your responsibility to ensure you understand what your accountabilities are.**

## 6 CONTACT

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If you have any questions about accepting credit and/or debit cards at Queen's, please reach out to the [PCI Coordinator](#).

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