Card Acquiring Service (CAS) Agency Participation Policies

March 25, 2020

Housekeeping

Guidelines for today's session

- We kindly ask to keep lines on **mute**

- Moderator will place lines on **lecture mode** for quality assurance

- Please do not place calls on hold; feel free to disconnect and dial back in if you need to step away

- To ask questions: enter your question in the **Q&A message** feature or questions can be submitted to the CAS Outreach Mailbox (CardAcquiringService@fiscal.treasury.gov)

- To comply with the rules outlined by Treasury's Legislative and Public Affairs Division, no presenter(s) will disclose their identifies.

This webinar will be recorded

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Purpose: **Why are you here?**

Objectives:

- To educate agencies on the policies outlined by the Card Acquiring Service (CAS) program.

How:

- Providing agencies with a detailed synopsis of specific CAS participation policies, also known as the "CAS Card Rules" that are outlined in the Treasury Financial Manual (7000) Volume 1, Part 5: Credit and Debit Transactions.

- Help our agency customers understand the ramifications of non-compliance for important card service rules and policies.

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CAS Program
Agency Participation Policies

Policies: CAS governing policies

What is the Treasury Financial Manual (TFM)?

- The TFM is the Department of the Treasury's (Treasury's) official publication of policies, procedures, and instructions concerning financial management in the Federal Government.

What are the CAS Card Rules?

- The card rules apply to federal agencies that are collecting or intend to collect obligations via credit or debit card. In addition to these requirements, an agency also must comply with and be bound by the rules and regulations governing all debit and credit card transactions accepted by the agency (collectively, the Network Rules), any of which may be altered or amended periodically and without notice.

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Policies: **Understand the CAS Card Rules**

- **Operational**
  - Intra-governmental Card Transactions
  - Limitations on Card Collection Transactions
  - Prohibition of Credit Cards on Debt
  - Honoring of Cards
  - Dispute Processing
- **Security**
  - Payment Card Industry Data Security Standard
- **Administrative**
  - Maintenance of Agency Contacts
- **CAS Program Non-Compliance**

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Policy: **Intra-governmental Transactions**

- **Definition**
  - An intra-governmental Card transaction (IGT) is defined as a sale of goods or services, or collection of other obligation by one government agency from another government agency using a government-issued Card.

- **Rules for Intra-governmental Transactions**
  - Each agency is solely responsible for all fees associated with processing the transaction, including interchange, processing fees and charges for IGTs.
  - Failure to pay fees associated with IGT processing may subject an agency to the CAS Program Non-Compliant Notice and Suspension of Service Process.

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Policy: **Intra-governmental Transactions**

Currently, the limit for IGT is
$24,999.99

New limit to be implemented as of FY2021

1 October 2020, the limit for IGT will be $10,000.00

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Policy: **Limitations on Card Collections**

Transaction Maximums

- CAS program agencies must limit credit card collections of an individual or multiple transactions to not exceed $24,999.

Prohibition of Split Transactions

- **What is a "split transaction"?**
  - A transaction obligation paid to which a customer uses one or more cards over the course of one or multiple days that result in an exceeded transaction maximum of over $24,999.

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Policy: **Prohibition of Credit Cards on Debt**

Card Network Rules

Card Brand Changes	Prohibition of Debt-for-Debt	Fiscal Service Adoption

What is a "debt obligation"?

Loans	Obligations in arrears	Late payments	Payment Plans*

*** All must be paid in full within 30 days***

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Policy: **Prohibition of Credit Cards on Debt**

What is _**not**_ considered to be a "debt obligation"?	
Purchase of goods or services	Overpayments

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Policy: **Honoring of Cards**

- **All valid cards _must_ be honored**
  - Agencies must honor all valid Cards within the appropriate categories of acceptance when properly presented as payments from customers and/or cardholders.

- **Agencies must not:**
  - Dissuade
  - Criticize or mischaracterize
  - Persuade
  - Engage in harmful activities

    that can harm the business or brand of Visa, MasterCard, American Express or Discover

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Policy: **Dispute Processing**

Chargeback Processing

- Agencies are debited automatically for any chargeback submitted by a network to the Financial Agent.

Chargeback Timeline

- Agencies should respond to a chargeback within 15 calendar days
- If a <u>complete</u> and <u>proper</u> chargeback response is not received in 45 calendar days, the chargeback is *finalized.*

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Policy: **Dispute Processing**

Chargeback Tracking

- Our Financial Agent maintains an online system that allows for the automation of the chargeback process
  - iQ portal - iQ is a one-stop reporting tool that houses all cardholder information for credit/debit transactions, and other relevant financial analytics and business intelligence.

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Security Policy: **PCI DSS**

- **Security**
  - Section 7065: Retention and Storage of Card Data/Payment Card Industry Data Security Standard

Agencies are subject to requirements, including the Payment Card Industry Data Security Standard and the data retention requirements set forth in the Network Rules.	Agencies that fail to comply with the requirements of this section may be subject to network fines, and/or penalties, liabilities, or damages arising under federal law.

Security is IMPORTANT, ensure your agency is COMPLIANT.

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Card Security 101: **Security Posture**

What is a Security Posture? A consistent standard of cardholder data protection across a given footprint.

Drafting the Posture

- Establish minimum standards
- Create the posture

Establishing the Posture

- Align customer agencies data security structure
- Provide understanding of security measures

Implementing the Posture

- Ideal end-state of security posture standards for agency adoption
- Identifying the 4 security posture elements

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Card Security 101: **Posture Elements**

OUR MISSION:
Ensure our agency customers are utilizing a consistent standard of security for cardholder data protection

PCI Compliance

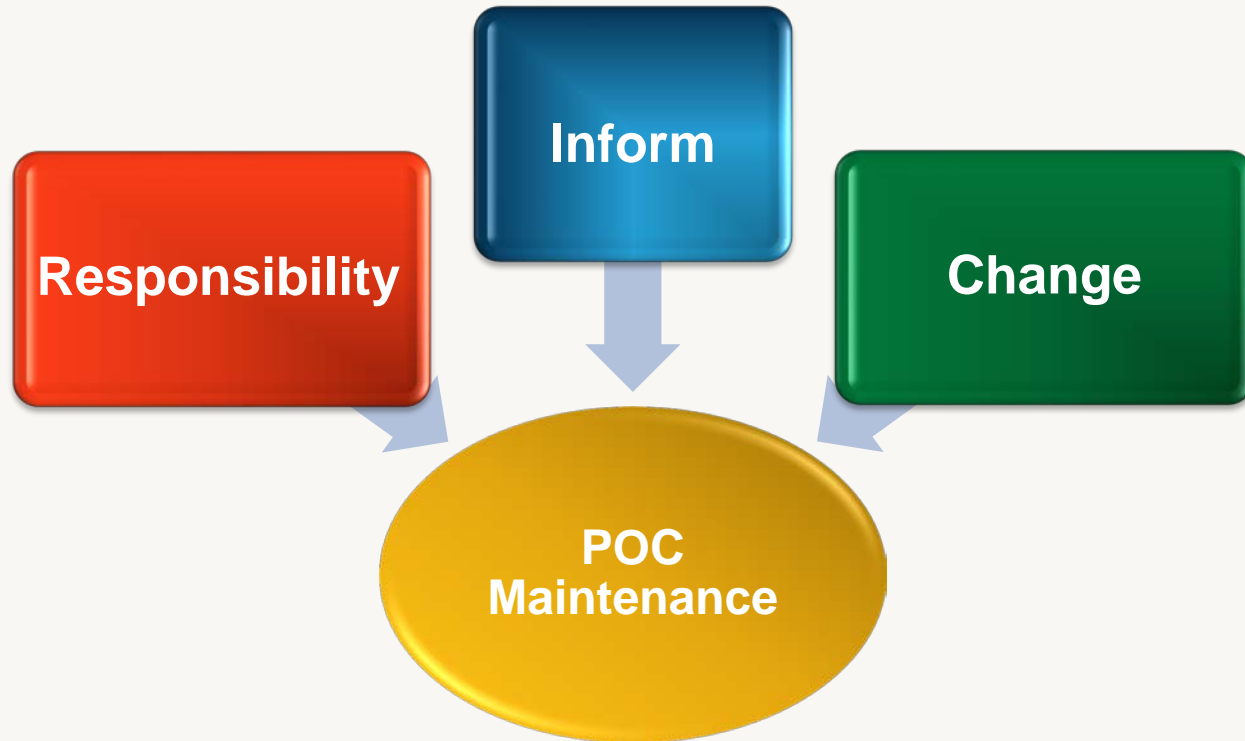**Payment Card Industry Data Security Standard (PCI-DSS):**
Is an information security standard for organizations that handle branded credit cards from the major card schemes

EMV
is a payment method based upon a technical standard for smart payment cards and terminals

TOKENIZATION
is the process of substituting a sensitive data element with a non-sensitive equivalent

ENCRYPTION
is the process of encoding a message of information

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Administrative Policy: POC Maintenance

- POC Maintenance is the **_responsibility_** of our Card Servicing customers.
- Agencies should **_inform_** Fiscal Service/CAS promptly when a Chain or Merchant ID point of contact (POC) changes.
- **_POC changes_** can be sent to the CAS Agency Outreach mailbox.

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CAS Program Non-Compliance Policy

Customer agencies using CAS must abide by all Network Rules and the policies specified in chapter 7000 of the Treasury Financial Manual (collectively "CAS Program Rules").

An agency that fails to comply with any provision of the Network Rules may incur fines and penalties imposed by a network.

https://tfm.fiscal.treasury.gov/v1/p5/c700.pdf

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CAS Program Non-Compliance Policy

Agencies that fail to follow all applicable

CAS Program Rules are subject to being

placed on notice of non-compliance:

Phase 1
- Initial Notice of Non-Compliance

Phase 2
- Follow-Up Notice of Non-Compliance

Phase 3
- Final Notice of Non-Compliance
  - Suspending the provision of Card acquiring services to the non-compliant agency for those cashflows deemed non-compliant

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Next Steps

Next Steps - **What's up next?**

1 We are asking participants to refresh themselves with the TFM, (https://tfm.fiscal.treasury.gov/v1/p5/c700.html)

2 Complete the post-webinar survey for this session

3 Place on your future calendar the upcoming CAS' webinars

4 Questions can be submitted to the CAS Outreach Mailbox (CardAcquiringService@fiscal.treasury.gov)

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Upcoming Webinars: Save the Date

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QUESTIONS?

Contact Information

CAS Agency Outreach Mailbox
CardAcquiringService@fiscal.treasury.gov

ARM Mailbox
ARM@fiscal.treasury.gov

For More Information
CAS Online: www.fiscal.treasury.gov/cas

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APPENDIX

Appendix A - TFM References

Section 7010—Scope, Applicability, and Network Rules

Section 7020—Application

Section 7025—Honoring of Cards and Surcharges

- 7025.10—Honoring of Cards

Section 7045—Limitations on Card Collection Transactions

- 7045.10—Transaction Maximums
- 7045.20—Prohibition on Splitting Transactions

Section 7050—Dispute Processing: Retrieval Requests and Chargeback Processing

- 7050.20—Chargeback Processing

Section 7065—Retention and Storage of Card Data/Payment Card Industry Data Security Standard

- 7065.20—Payment Card Industry Data Security Standard (PCI DSS)

Section 7070—Training of Key Personnel

- Section 7070.10—Maintenance of Agency Contacts

Section 7090—CAS Program Non-Compliant Notice and Suspension of Service Process

Section 7100—Prohibition of Using Credit Cards For Debt Repayment Obligations

Section 7155—Intra-governmental Card Transactions

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Appendix B - **Glossary**

ARM – Agency Relationship Management

CAS – Card Acquiring Service

CASA – Card Acquiring Service Application

CIR – Collections Information Repository

TFM – Treasury Financial Manual

SSD – Settlement Services Division

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