

PA DSS: WHAT TO DO WHEN BEST PRACTICES BECOME MANDATORY

by: David Taylor



What's the difference between mandates and PCI best practices? Best practices sounds nicer.

Known as "Phase III" of the PA DSS compliance mandates, it is the first major push to get Level 3 and 4 merchants to wake up to the importance of PCI. Like other PCI-related mandates, it's driven by Visa, through the card acquirers, and it requires that the acquirers not board (sign up) any new merchants that are not either PCI compliant or running PA DSS-compliant payment applications. This is designed to stop merchants from switching from "tough" to "easy" acquirers, among other objectives. What's interesting is that only last year these were Visa's "best practices," for merchants and vendors, and they are now becoming the toughest and most comprehensive of the standards designed to secure the payment process.



There's a big difference between best practices and mandates. The study of PCI Best Practices that the PCI Knowledge Base is doing for the National Retail Federation would be very different if they were all mandates—and we'd get a lot of merchants pretty ticked off. Well, that's the sort of impact we're expecting among the merchant community as the Payment Application Best Practices (PABP) becomes a powerful mandate in 2009 and 2010.

The power of PA DSS is contained in just a couple of sentences: As of October 1, 2009, the payment networks and their agents must "de-certify" vulnerable (non-compliant) payment applications and on July 1, 2010, non-compliant payment applications will no

longer be processed by the payment networks. All merchants, listen up: This is not a mandate just for Level 1 merchants. It applies to all merchants, everywhere. Now I'm not a betting man (anymore—long story), but I'm willing to bet that about 99 percent of retailers haven't thought this through and started making plans to change out (or upgrade) their software, which will involve much more than creating a bunch of reports for the PCI assessor's annual visit. It turns out that when you upgrade or switch your payment applications, a bunch of other applications may not work so well. Even though the deadlines are a year or two away, when you add in the PED device deadlines (don't get me started on those), merchants simply cannot wait to plan the upgrade for another six months.

One of the biggest differences between PCI DSS and PA DSS is that although there's no list of PCI-compliant merchants, there is a list of PA DSS-compliant vendors and products. Actually, there's a list of PABP-compliant vendors and products that is being upgraded during this "transition period" to be a list of PA DSS vendors and products. The object is to provide a list to make it easier for merchants to select compliant products. By creating such a list, Visa (now the PCI SSC) has provided a huge incentive to vendors to get on that list, since it can impact company revenues by millions of dollars, more or less. Add to this that the PCI (and PA DSS) assessment market has become very price-competitive and the potential to "cut corners" in the name of cost effectiveness is growing and will continue to grow substantially as these new "make or break" PA DSS deadlines approach.

To combat this, the PCI SSC has put into place a new quality assurance (QA) process. That's also good. We love quality. But then again, who is going to report

3 Easy Steps to Accelerate Your Credit Card Processing System



By Jeff Haefner

1. Update your terminal.
There is a wide variety of terminals offered to merchants. To determine which terminal will best fit your needs, speak with your Point of Sale Solutions Provider. They should be able to guide you to finding the fastest terminal to meet your needs.

2. Update your data line.
Many credit card terminals operate over a telephone line. This can be a slow process with transaction processing times ranging from seconds to minutes. Consider updating your system to operate over a high speed internet line, on a PC, or via a wireless system.

3. Integrate the approval process into your POS.
Many Point of Sale systems offer integrated credit card processing. This is the best option if you're looking to save valuable time for your customers and yourself. Many point of sale software products provide internet connection capabilities, which means faster reporting times. They also support a variety of hardware or terminal options which means that you can choose the fastest and most cost effective option for your needs. AND, they incorporate the information directly into your reports.

For more information on integrated credit card processing, please contact Mollie at 800-513-5917 ext. 193



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“questionable” assessments of the vendors, when neither of the parties to the process (the vendor and the assessor) have any motivation to do so?

That’s where retailers come in. Merchants simply cannot assume that just because a payment application product is on some long list that there has been a thorough and complete review, comparable to a Level 1 merchant’s PCI DSS assessment. Merchants must review the detailed audit reports and even be directly involved in their vendor’s PA DSS assessment. Merchants must own this process, simply because they own the resulting liability and brand damage.

On the other hand, the pricing of payment processing services is a common source of complaints in our PCI Best Practices research. We expect that as the popularity grows, the average transaction fees will be reduced significantly due to competition. The question for many merchants is when is the right time, if any, to consider outsourcing to minimize both transition costs and transaction fees?

MEET THE STAFF AT RETAIL TECHNOLOGY EXPERTS

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Mollie LaFramboise has been with the Retail Technology Experts team since February 2008 as a Retail Systems Consultant. She is currently certified in Microsoft Dynamics RMS Headquarters and Store Operations. Mollie brings with her extensive Microsoft Dynamics RMS knowledge as she has been working as an RMS project manager and trainer for over four years. She enjoys assisting customers and prospects find systems that are good matches for their retail operations.

Mollie holds a BS degree in Computer Science from Otterbein College. In her spare time, she enjoys spending time with her husband and daughter watching football or taking part in outdoor activities like camping.

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**PRODUCT
SPOTLIGHT**

DEFINING CRITERIA IN THE FILTERED VIEW

The following tips will teach you how to define criteria within the filtered view.

- **Spaces:** A space made by pressing <Space> is a keyboard character — the same as any other entered character. When a space is included in a criterion, a matching space is required in the data record for the record to be a match during filtering.
 - **Blank Fields:** A blank field acts as a wildcard; it matches every entry. No matter what is contained in that field in each record, the record is included during filtering. If all filter criteria are blank, all data records are included in the filter results.
 - **Descriptive Field:** (Examples: Desc 1, Attr) Records that have a string of characters anywhere in the field that exactly match the criterion entry are included. For example, the filter criterion of buckle would include such records as ladies buckle shoe, buckle girls dress shoe, boys casual shoe buckle, and so on, in the filter results. For an exact match, enclose the string of characters within quotes; e.g., “buckle” will return only those records that match buckle exactly.
- Note: Retail Pro does not distinguish between uppercase letters and lowercase letters. During filtering, entries such as navy, Navy, and NAVY would all match the criterion of navy.
- **Blank Entries:** To filter for descriptive fields with blank entries, use empty quotes as your filter criterion. For example, entering "" as your size criterion would locate records that have no value recorded in their Size field.
 - **Excluding Matches:** Descriptive fields typically do not make use of the Included field described above that allows you to choose to exclude matches. However, you can exclude matches in a descriptive field by using the tilde (~). For example, entering ~blue as your attribute criterion would exclude records that contain blue in their Attribute field.


**PRODUCT
SPOTLIGHT**

GIFT CARDS IN RMS-PART 1

RMS allows you to track, sell, and redeem gift cards within your single store location. When using gift cards in Store Operations, you must first create a Gift Card tender type.:

1. Launch Store Operations Manager.
2. From the Database menu choose Tender Types. In the Tender Types window click New.
3. In the Description field type the name of the tender type (Example: Gift Card).
4. In the Tender Type field select Voucher and click OK. Note - Each POS station must Z out in order for this change to go into effect.

How to Create the Voucher :

1. In Store Operations Manager, create a new item for the gift card (Database | Items | New | Standard Item).
2. Enter the desired Item Lookup Code and Description (Example: Voucher).
3. On the Item Type field, select Voucher from the drop-down list.
4. Click the Serial tab and choose the Add button to insert Voucher ID (serial) numbers for your gift cards.
5. Select the Serial Number Count you wish to use (1, 2, or 3 serial numbers).
6. You can add the serial numbers individually in the Serial Number field(s) by typing the number and clicking OK. Or you can add multiple instances of the same serial number by utilizing the Automatically Generate Serial Numbers option in the Options section. Insert quantity in the Number to Create field.
7. In the Inventory tab, enter the quantity of gift cards you have in stock into the On Hand field.
8. In the Pricing tab, to enter the pre-defined amount (Example: \$25) in the Price field. If you are not selling gift cards with pre-defined amounts, leave the Price field at \$0.00. Then mark the Must Enter Price at POS option in the Options tab. The cashier will then be required to enter a price for each gift card in Store Operations POS. Click OK.

In next month’s Retail Optimizer, learn how to sell and redeem gift cards in RMS.

THE RETAIL LEGAL ADVISOR

By: Michael Berger, Esq.



PRODUCT RECALLS - A BRIEF PRIMER ON WHAT A RETAILER SHOULD KNOW

A consumer injured by a product, may sue the retailer from which the product was purchased. To minimize the risk of being sued for selling a defective product and to prevent customer injuries, retailers should carefully screen the products they sell and ensure the manufacturers and distributors they buy from are reputable and follow applicable safety guidelines.

To further limit their potential liability, retailers should also be aware of and take all necessary precautions in the event of a product recall. Recalls are typically initiated by manufacturers or importers under the supervision of a federal agency pursuant to the Consumer Product Safety Act ("CSPA"). The Consumer Product Safety Commission ("CPSC") has authority over such items as toys, clothing, tools etc. Other agencies commonly involved in product recalls include the Food and Drug Administration, National Highway Traffic Safety Administration and Environmental Protection Agency. For a complete of products over which the CPSC does not have jurisdiction, please visit <http://www.cpsc.gov/businfo/notcpsc.html>.

WHAT SHOULD YOU DO IF YOU SELL OR SOLD PRODUCTS SUBJECT TO A RECALL?

- 1) Remove the recalled products immediately from all locations and return them to the supplier as soon as possible;
- 2) Identify through your sales software, all customers who purchased the recalled product; and
- 3) Contact all such customers as soon as possible to notify them about the recall. Use any and all available methods to contact these customers.

HERE ARE SOME PRACTICAL SUGGESTIONS:

- 1) Make sure you are using your point-of-sale and related software in an effective and efficient manner so that you can identify if you are selling and/or sold a recalled product.
- 2) Collect contact information from your customers—useful for marketing purposes and in the event you need to reach them for product recall notifications.
- 3) Work with your suppliers to handle a recall as efficiently as possible. You should also be entitled to a credit/refund on the items you return to the supplier in response to a recall.
- 4) Contact your insurance agent to see if your insurance covers any of the costs you incur in connection with a recall.

For more information on product recalls and your responsibilities as a retailer, please visit the CPSC website at: <http://www.cpsc.gov/businfo/faq.html>.

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YOUR BENEFITS WITH A RETAIL TECHNOLOGY EXPERTS SUPPORT CONTRACT

Retail Technology Experts' support model is focused on providing prompt, excellent technical support. Having a support contract affords you the benefit of a more efficient system where your calls are promptly answered by our Technical Support Team. Make sure you have all the support tools to ensure your success!

Benefits to having a support contract with Retail Technology Experts:

- Unlimited Support Calls
- Toll Free Access Number
- Guaranteed response time within 1 hour
- Urgent priority status for system-down emergencies
- Priority over customers without support contracts
- Low, fixed monthly fee
- Can be set up using ACH for hands free payments
- 5% discount on consumables
- No additional fees for after hours support

PEACE OF MIND IS JUST A PHONE CALL AWAY!

Get more return on your retail automation investment with valuable answers to all of your questions. To set up or renew your monthly support contract, please contact us at:

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