

PCI Compliant Workshop
“Out of Compliance, Out of Business”



GREEN BAY AREA
CHAMBER
OF COMMERCE

Presenters

- ***Troy Streckenbach, Owner/Operator
Jimmy Seas Pub, Grill & Fenders / Stir-
Up's Parlor & Saloon***
- *Peter Helander, Founder & Owner
Heartland Label Printers*
- *Matt Leman, VP of Business
Development
First Data*
- *Diane Roundy, Director of Business
Development
Schenck SC*



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Why PCI Compliance?

- ◆ PCI = Payment Card Industry (Credit Cards)
- ◆ Goal of PCI: Reduce the risk of credit card processing
- ◆ 70% of small merchants are unaware of PCI requirements

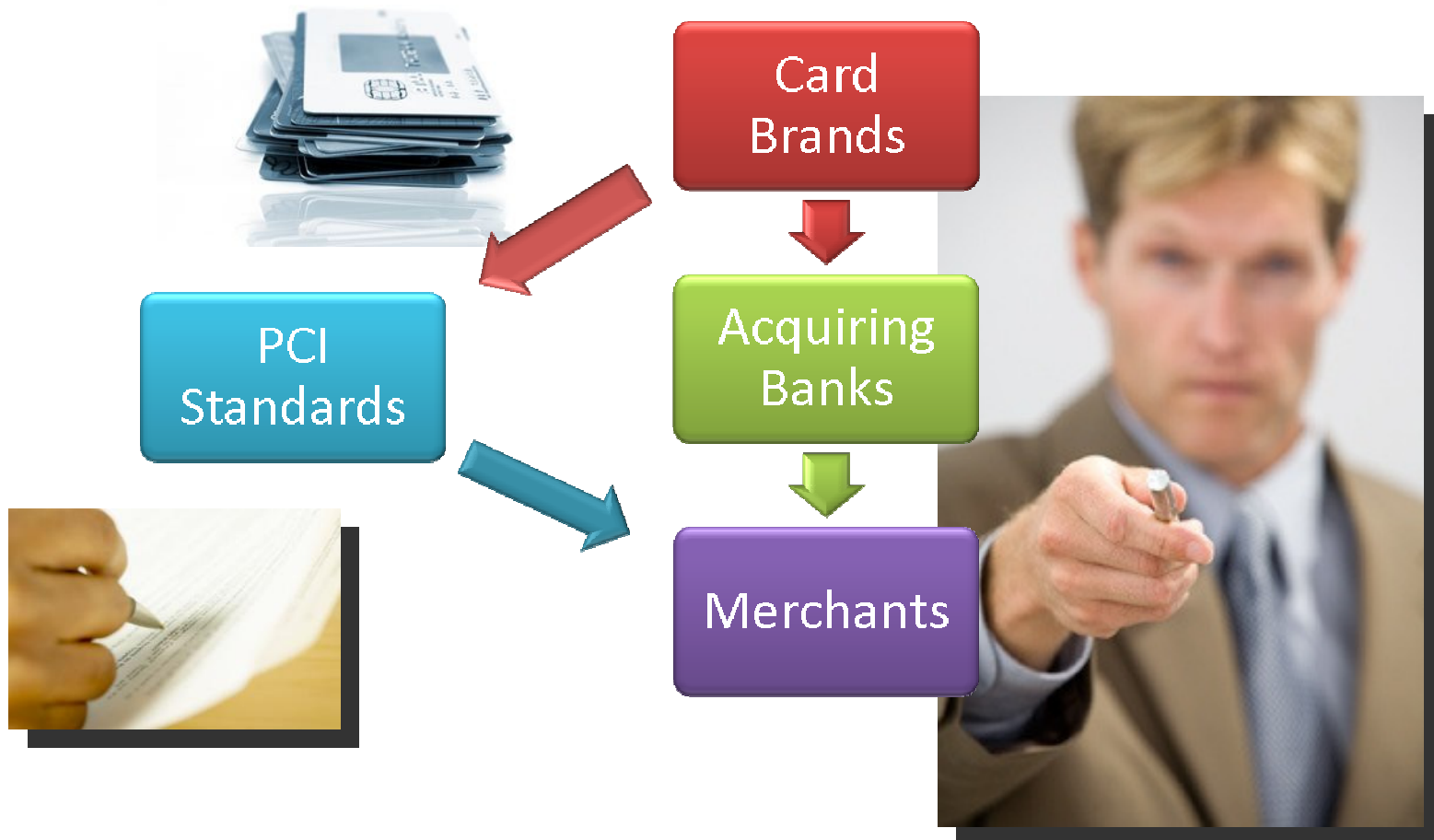


PCI Security Standards Council

- ◆ **Founded in 2004 by**
 - American Express, Discover Financial Services, JCB International, MasterCard Worldwide, and Visa, Inc.
- ◆ **Purpose**
 - To standardize the security requirements from each of the card brands



How do PCI Security Standards relate to you?



PCI Data Security Requirements

- ◆ **Build and Maintain a Secure Network**
- ◆ **Protect Cardholder Data**
- ◆ **Maintain a Vulnerability Management Program**
- ◆ **Control Measures**
- ◆ **Regularly Monitor and Test Networks**
- ◆ **Maintain an Information Security Policy**



Merchant Levels

Merchant Level	Description (annual transactions)
1	More than 6 million
2	1 – 6 million
3	20,000 – 1,000,000 card not present
4	< 20,000 card not present < 1 million other transactions



Merchant Compliance Requirements

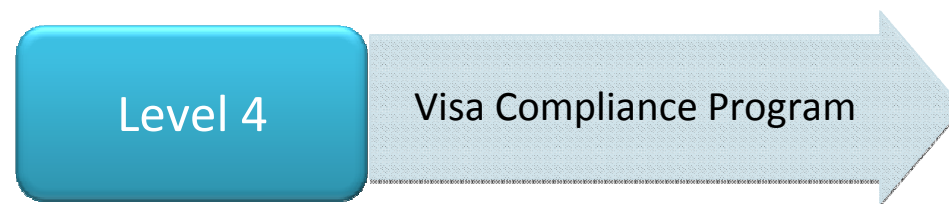
Merchant Level	Validation Action	Validated By
1	Annual On-site PCI Assessment Quarterly Network Scan	Qualified Security Assessor Approved Scanning Vendor
2 – 4*	Annual PCI Self-Assessment Questionnaire Quarterly Network Scan	Merchant Approved Scanning Vendor

*Level 4 at merchant acquirers discretion

Level 4 Merchant Compliance

Visa Level 4 Merchant Compliance Program

- ♦ **Acquirers must submit plans to ensure compliance of Level 4 merchants**
- ♦ **High Risk Level 4 merchants:**
 - **Card Present, Networked POS, five or more locations**
- ♦ **All merchants must be using a PA-DSS certified payment application by July 1st 2010**



Small Business Risks

- ◆ Hackers do not need to target you
- ◆ **Spanky's Marshside Restaurant**
 - One location in Brunswick, GA
 - \$1.5 million gross sales
 - Cost of Breach:
 - First six months = \$100,000
- ◆ **Vulnerability Scanning/Malware**
- ◆ **30% of breaches are internal**
- ◆ **Skimming**





Schenck
CPAs AND SO MUCH MORE.

***From the Acquiring
Bank's Point of View***



***Basics in
Understanding Credit
Cards & Processing***

Credit Card Discussion

- ***Understanding your statement***
- ***How to Calculate your Effective Rate***
- ***Difference between Cost-Plus and Tier System***
- ***Hidden secrets of Tier System***
- ***Negotiating your fees and rates***
- ***Not all businesses are equal***

Understanding Statements

- ***Important items to look for:***
 - *Total dollar volume*
 - *Total fees*
 - *Break-down between types of cards*
 - *Applicable rates*
 - *Warning signs*

Calculating Effective Rate

- ***What is Effective Rate?***
- ***How to calculate your effective rate?***
 - *Gross Sales (subtract AMEX) divided by total fees then multiple by 100.*
 - *\$10,000 in sales / \$295 in fees * 100 = 2.95%*
- ***This will give you a better understanding of the true cost of accepting credit cards per your agreement and your business practice***

Cost-Plus vs. Tier System

- ***What is Cost-Plus?***
- ***What is Tier System?***
 - *Hidden secrets regarding Tier System*
 - *Bucket System*
- ***What is best for your business?***

Negotiating Fees & Rates

- ***This is very simple!***
- ***Everything except for what MasterCard and Visa pass through.***
- ***What are all the types of fees out there?***

Not all Businesses are Equal

- ***Credit Card processing companies are in the business of making money.***
- ***Each business has its own unique situation:***
 - *Volume of sales*
 - *Average Ticket*
 - *Type of Transaction*
 - *Type of Business*
 - *Online vs. In person*

Not all Businesses are Equal

- ***Gaining a historical understanding of your costs over time will help you better understand your ability to negotiate your fees and rates.***

References

- http://www.intelli-collect.com/accept_creditcards.pdf
- <http://www.merchantcouncil.org/>
- <http://www.merchant-account-services.org/resources/calculators/advanced-rate-comparison.php>
- http://www.touchtoneprocessing.com/insider_report.pdf
- <http://www.occ.treas.gov/handbook/merchproc.pdf>

www.schencksc.com

Events





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Thank You!