

**ETAU: COLLEGE OF GENERAL STUDIES
INTRODUCTION TO OPERATIONS
COURSE OUTLINE**

Learning Objectives:

At the end of the course, participants should be able to:

- Define the various operational terminologies.
- Understand the functions of merchant settlement, risk management, data security, exceptions/chargebacks, interchange, reporting, customer support and outsourcing.
- Understand the resources available for each of the above functions.
- Understand how to determine the potential benefits of bringing the various operational functions in-house or through third party providers.

I. Merchant Settlement

- ❖ Terminology
- ❖ Federal Reserve System
- ❖ EFT Merchant Payment

II. Risk Management

- ❖ Terminology
- ❖ Acquirer/ISO/Merchant Level Monitoring
 - Chargeback
 - Deposit
- ❖ Association Level Monitoring
 - Chargeback Monitoring Program
 - High-Risk Chargeback Monitoring
 - Visa Risk Identification Service (RIS)
 - MasterCard Watch And Alert Reports
 - Fraud Reports
 - Advices
 - Alerts
 - Notification
 - Warning

III. Data Security

- ❖ Members
 - PCI Security Standards Council
 - Visa
 - MasterCard
 - American Express
 - Discover
 - JCB
- ❖ PCI DDS Version 1.1
 - Build and maintain a secure network
 - Protect cardholder data
 - Maintain a vulnerability management program
 - Implement strong access control measures
 - Regularly monitor and test networks
 - Maintain an information security policy
- ❖ Impact to Acquirers
- ❖ Impact to Service Providers
 - Level 1
 - Level 2
 - Level 3

- ❖ Validation action to Service Providers
 - Level 1 and 2
 - Level 3
- ❖ Impact to Merchants
 - Level 1
 - Level 2
 - Level 3
 - Level 4
- ❖ Validation action to Merchants
 - Level 1
 - Level 2
 - Level 3
 - Level 4
- ❖ Self Assessment Questionnaire validation types
 - Type 1
 - Type 2
 - Type 3
 - Type 4
 - Type 5
- ❖ Payment Applications Best Practices (PABP)
- ❖ PABP Impact to Acquirers
- ❖ PABP Impact to Software Vendors
- ❖ PABP Impact to MLS/ISO

IV. Exceptions/Chargebacks

- ❖ Terminology
- ❖ Why They Occur
- ❖ Six Basic Categories
- ❖ Documentation Examples
- ❖ Responding to Copy Requests
- ❖ Timeframes
- ❖ Types
 - Procedural
 - Substantive
- ❖ Chargeback process
- ❖ Arbitration
- ❖ Compliance

V. Interchange

- ❖ Players
 - Acquirer
 - ISO
 - Issuer
 - National Associations
- ❖ Interchange example
- ❖ Determining the discount rate
 - Interchange
 - Assessments
 - Authorizations
 - Processing
- ❖ Terminology
 - Mid Qualified / Partial Qualified
 - Non Qualified / Standard

- ❖ Qualifications Hierarchy
 - Visa
 - MasterCard

- ❖ Examples
 - CPS Retail
 - CPS Retail Debit
 - Merit III Retail
- ❖ Common Downgrade Reasons
- ❖ Categories
 - Visa
 - MasterCard

VI. Reporting

- ❖ Terminal/Point Of Sale (POS)
- ❖ Merchant
- ❖ ISO/MSP
- ❖ Acquirer
- ❖ Association/BIN

VII. Customer Support

- ❖ Technical Help Desk
 - Support
 - Training/Downloads
 - Troubleshooting
- ❖ Merchant Level
 - Support
 - Client Retention
 - Billing
 - Reporting
 - Chargebacks
 - Deposits
- ❖ ISO/MSP Level
 - Business Hours
 - Client/Sales Support
 - Billing/Statements
 - Reporting
 - Reserves

VIII. Outsourcing

- ❖ Risk Management
- ❖ Chargebacks
- ❖ Customer Support
- ❖ Deployment