



EMV Chip Cards FAQ's

General Statement

Greater Giving is able to securely process credit cards that contain EMV chips via the magnetic stripe that each card contains.

The first of many card industry milestones that relate to EMV, which occurred in October 2015, does not include discontinuing support for traditional magnetic stripe credit cards, nor will it impact PCI compliance regulations or Greater Giving's longstanding and current PCI compliance.

The card industry infrastructure to support EMV is in its introductory stages, and Greater Giving's product and technology pipeline is developing alongside all industry trends, regulations and standards.

Greater Giving will continue to deliver products and services with the highest levels of value, security and compliance to our clients as it relates to EMV/NFC and all industry standards.

FAQS

What exactly is EMV?

EMV is named after the three organizations that created it: Europay, MasterCard and Visa. U.S. banks are now issuing EMV chip credit cards. These credit cards have a small computer chip that makes them more difficult to counterfeit, which is designed to help reduce counterfeit card fraud for card-present transactions in areas where such fraud typically takes place (e.g. chain retail stores).

What changed in October 2015 with EMV chip cards?

You probably heard a lot about the EMV liability shift on October 1st 2015. October 1, 2015 is the date when the card networks began implementing new chargeback rules that may shift the card-present liability in the event of a fraudulent chargeback. Prior to October 1st, the card issuer usually assumed liability for chargebacks arising from card-present counterfeit fraud. However, starting October 1, 2015, if your nonprofit accepts payments in a card-present environment and does not have a terminal, virtual terminal, mobile device, or point-of-sale system that is enabled to process EMV secure chip cards, you may be liable in the event of a chargeback that results from fraud.



What is the impact of EMV on nonprofit organizations today?

In general nonprofits experience very low rates of fraud; typically 0.003 percent of charges are disputed as chargebacks. Most chargebacks occur because a donor forgot they bought something at an auction, or another authorized cardholder made the purchase or donation and forgot to tell them. Most fraudulent transactions are online transactions, which are not impacted by EMV changes (EMV only impacts card-present transactions). A typical organization that processes 4,000 transactions per year would have, on average, one to two chargebacks per year (mostly online charges). So, to most nonprofits, the impact of this change is very minimal.

How do EMV requirements affect PCI compliance?

Use of an EMV-compliant point-of-sale system is not required by the Payment Card Industry Data Security Standard (PCI DSS) requirements. EMV is intended to help reduce card-present fraud, and PCI compliance is intended to provide security around credit card data. Greater Giving has been validated as a Level 1 Service Provider and Payment Gateway. Use (or nonuse) of EMV-enabled equipment does not impact an organization's PCI compliance.

Are Greater Giving solutions enabled to process EMV secure chip cards?

Like most of the industry, Greater Giving does not currently support EMV/NFC cards, because there are not enough EMV cards distributed yet and the card industry infrastructure is still not fully in place. EMV/NFC only applies to card present transactions and many of the transactions processed through Greater Giving tools are card-not-present (e.g. online transactions). We are actively monitoring card industry trends and regulations. The full card industry transition to EMV/NFC will take many years, and magnetic stripes are projected within the payment card industry to continue to be in use though at least 2020. Charitable events may continue to be held without EMV card readers for the foreseeable future without any interference on the donor's ability to pay with EMV or non-EMV enabled cards.

We are aggressively developing an EMV-compliant point-of-sale (POS) solution targeted for release in 2017. In the meantime, existing Auctionpay terminals and card readers will continue to work for current credit cards and the new EMV chip cards by swiping the cards' magnetic stripe or keying in the card information.



Does our organization need to purchase or rent EMV-capable credit card readers now?

That will be a decision your organization will need to make based on the risk factors of fraudulent card present charges. Understanding EMV and the changes in progress is the best way to determine what is best. Greater Giving's Auctionpay card readers will continue to work for both current credit cards and new EMV chip cards by swiping the cards' magnetic stripe or keying in the card information.

What is our risk if we continue using our current card readers?

First start by considering how much fraudulent card-present activity your organization is currently experiencing for in-person transactions. If the answer is "extremely low" or "never" then you likely have very little risk. The risk is only for fraudulent transactions that have an EMV chip used in a card-present transaction. For these charges, there is a liability shift. Typically, the risk is extremely low for nonprofit organizations.

Is there a liability shift for EMV cards with online/website credit card transactions?

No. EMV chip card liability rules apply only to card-present transactions in which you read the card information from a machine and process those transactions as card-present transactions. They do not apply when credit card numbers are typed into a website or other system.

Will magnetic stripes continued to be used for the foreseeable future?

Yes. Magnetic stripes will be continued to be used for the foreseeable future, until a plan for worldwide chip migration is in place. There are currently no specific deadlines and the process will be gradual.