



by Richard Edmund, Staff Writer, QS/1

Managing Your Business with POS

QS/1's Point-of-Sale system can help enhance the bottom line of your business operation. Whether you run a pharmacy or HME operation, POS can help you check-out customers quickly and efficiently, as well as streamline your operation "behind-the-scenes."

It is important you stay informed on government regulations that can impact you and your POS system. Here are a few items that can help you make sure you are getting the most from your Point-of-Sale system while staying compliant with these federal rules.

PCI DSS Compliance

It's a story that is becoming too common on the evening news. Companies storing customer credit card data are hacked and thousands, even millions, of card records are compromised. With an increase in identity theft crimes, this can turn into a nightmare for the card holders. For businesses that are hacked, it means a loss of customer confidence, which could potentially mean the end of the business.

That is where the Payment Card Industry Data Security Standard (PCI DSS) Program comes into play. This mandated set of security standards were created by the major credit card companies to offer merchants and service providers a complete, unified approach to safeguarding sensitive credit card data.

In September 2006, the five leading payment companies announced the formation of the PCI Security Standards Council, an independent organization that would manage the development and implementation of the PCI standard industry-wide. Those companies (American Express, Discover Financial Services, JCB, MasterCard Worldwide, and Visa International) saw this growing trend for identify theft and wanted to find ways to protect cardholders and vendors.

The PCI Data Security Standard requirements apply to all payment card network members, merchants and service providers that store, process, or transmit cardholder data. These requirements apply to all methods of credit card processing, from manual to computerized. The most comprehensive and demanding standards will apply to e-commerce websites and retail POS systems (like pharmacies and HME operations) that process credit cards over the internet.

The PCI Security Standards Council is issuing a 12-recommendation program to help you reach that goal. Some of the suggestions seem like commonsense. But sometimes the obvious can be overlooked.

Twelve Steps Towards Reaching your PCI DSS Goals

1. Install and maintain a firewall configuration to protect cardholder data
2. Do not use vendor-supplied defaults for system passwords and other security parameters
3. Protect stored cardholder data
4. Encrypt transmission of cardholder data across open, public networks
5. Use and regularly update anti-virus software
6. Develop and maintain secure systems and applications
7. Restrict access to cardholder data by business need-to-know
8. Assign a unique ID to each person with computer access
9. Restrict physical access to cardholder data
10. Track and monitor all access to network resources and cardholder data
11. Regularly test security systems and processes
12. Maintain a policy that addresses information

Now, the big question. How does this impact me? Any operation that deals with credit card transactions is going to have to make sure it is PCI DSS compliant.

Now is the time to ask compliance questions. QS/1 is PCI DSS compliant for data that is switched through PowerLine. However, if you use another credit card vendor, you will need to work with that specific vendor to make sure safeguards are in place once that credit card data electronically leaves your operation.

If you use QS/1's Point-of-Sale to process credit cards, changes are coming to the system. A new PCI certified module is being developed to isolate the credit card process.

The credit card application will run on your QS/1 Windows client. By default, credit card information is not saved to your POS application. If you have a customer with recurring billing, you will have to make the proper set-up in the Credit Card Module to retain that customer's card information for the repeat billing. These requirements will be published prior to the release of SP 19.1.0. Additionally, our support staff is working diligently to move customers to our central credit card processing gateway, prior to the release SP19.1.0.

If you are using a DOS point-of-sale register and you wish to process credit cards, you will have to make the upgrade to Point-of-Sale GUI. With the release of 19.1.0 products, you will no longer have the ability to process those credit card transactions. Because of the Microsoft platforms and hierarchy, it is imperative that you upgrade to ensure compatibility to meet these tougher standards to protect credit card data. POS DOS systems not used to process credit cards will continue to work as your register and checkout point.

To make the upgrade to Point-of-Sale GUI, contact the QS/1 Upgrades Department.

QS/1 is working to ensure the transmission from your server to the QS/1 PowerLine meets or exceeds all certification requirements. We are also putting together documentation to help you meet these standards inside your operation. It will tell you what is required of you, and your operation, to meet the guidelines. Look for this documentation on our website.



For more PCI DSS Information go to:

<http://www.pcicomplianceguide.org/>

<http://www.pcisecuritystandards.org>

Inventory Information Approval System

PHARMACY 201 ST. JOHN STREET SPARTANBURG, SC 29306			
(H)RX#	2015761		13.00
	ALTOIDS 1.760Z CINNAMON -2 @ .50		1.00
	(H)ACE BANDAGES 1PK -2 @ 1.00		2.00
	ITEM DISCOUNT		.50-
	(H)EXTRA STRENGTH TYLENOL 100 TAB		5.00
	SUBTOTAL		20.50
	TAX 5%		1.05
	TOTAL DUE		21.55
	SUBTOTAL FSA ITEMS:		19.50
	FSA ITEMS TAX:		1.00
	TOTAL FSA ITEMS:		20.50
	FLEX DEBIT VISA *****5454		
	AUTH NO. 1234567		20.50
	MC *****6545		
	AUTH NO. 12345678		1.05
	12/01/07 09:18 JM 00418182 01		
	(H) -- FLEXIBLE SPENDING ACCOUNT ITEM		

..... FSA Amount

..... Credit Card Amount

You are probably encountering more customers making purchases with Flexible Spending Accounts (FSA). An FSA is a tax-advantaged plan that can be used to help pay for medical expenditures. An FSA allows an employee to set aside a portion of their earnings to pay for qualified medical expenses. Notice carefully the wording, though. An FSA can pay for “qualified” expenditures. What is qualified? What isn’t qualified? How do we know what is, and is not, qualified? These are questions that push the burden onto our businesses to know what is qualified and what is not. Some items the Internal Revenue Service will allow as acceptable expenditures. Others, like some vitamins, do not qualify under the plan. It can be a guessing game at times to determine what will get approved and what won’t.

That is where the Inventory Information Approval System (IIAS) can help. IIAS is the first IRS-approved FSA debit card approval system for over-the-counter drugs and prescription drugs.

Making sure IIAS is a part of your POS system can help you avoid some of the pitfalls associated with that “what is qualified” question.

IIAS was created to help determine an industry standard for applying rules and keeping a database of what would be approved under the FSA plan. Not long after Flexible Spending Accounts were approved, it became very confusing as to what items could be purchased under the plan. Third party administrators were having a difficult time trying to determine the validity of purchases. The burden of sorting through the purchases became even more complicated because FSA and non-FSA receipts were not split. This became known as the “pay and chase” method. Too much time was spent trying to track down inconsistent barcodes, non-split receipts, and a variety of other issues to properly implement payment for these purchases.

IIAS solves these problems by having the retailer identify each eligible item and split the transactions. While this plan ensures you are paid properly for the items purchased, it also shifts the burden to you to ensure they are qualified purchases.

The Special Interest Group for IIAS Standards, also called SIGIS, will help shape the guidelines to determine eligibility. SIGIS is comprised of a broad range of participants including retailers, card issuers, third party plan administrators, merchant acquirers, processors, financial institutions, trade association groups, software vendors, and payment card networks.

Once in place, the plan would mean swiping the FSA card, much in the same way as you run a credit card, and getting an approval or denial on the purchases quickly.

The deadline for pharmacies to have IIAS implemented into their systems is January 1, 2009.

As a member of SIGIS, QS/1 is working to integrate and deploy IIAS standards within our POS systems well before that deadline arrives. That will give you plenty of time to get comfortable with the operation and approval process for FSA purchases. Once IIAS is deployed, we will bring you more information on how to make it work in your system.

Getting Certification

The certification process for IIAS involves more than your POS. It requires completing a 21 page self-assessment. If you operate a chain of pharmacies, this assessment can be done at the corporate level. Each store under the corporate umbrella would be certified as part of the chain. Expect each assessment process to take between two and six months to complete.

Independent pharmacies, however, will have to get this certification individually. If you own several independent pharmacies, you will have to seek certification for each location separately.

Certification requires completion of a Merchant Self Assessment Questionnaire, a technical processing certification, the completion of the User Registration Form, Membership Registration Agreement and arrangements to support transaction data retention/retrieval.

The merchant will be considered fully certified once it has satisfied all of the following conditions:

- Self-Assessment is approved by SIGIS
- Merchant has executed its Membership Agreement and Merchant has been notified that its membership has been approved by SIGIS
- Retailer credit processor and POS vendor must be approved through SIGIS

SIGIS expects other items to be included, like store brand items. SIGIS will review the list and make additions and deletions monthly.

To stay compliant with IRS regulations, allow QS/1 POS to give your business the management tools to process and track FSA transactions based on IIAS’s work.

Additional Resources:

http://www.sig-is.org/en/join/membership_signupform.asp#certification_program