

<p style="text-align: center;">Nutrition Services Department of State Health Services</p>

Effective October 1, 2016

Policy No. WV:12.0

WIC EBT RETAIL VENDOR ECR SYSTEMS

PURPOSE

To define retail vendor and State Agency (SA) responsibilities for Electronic Benefit Transfer (EBT) food delivery systems.

AUTHORITY

42 US Code §1786(h)(12)(E-G); 24612 W-AA

POLICY

A WIC applicant vendor must demonstrate the capability to accept WIC program benefits electronically through the SA's EBT system prior to authorization to participate in the WIC Program. The retail vendor may demonstrate this capability by using its own multifunctional equipment or through use of a separate system that transacts only WIC EBT smart card redemptions. Limited SA reimbursement for single function equipment to retailers is available as outlined in this policy.

Notwithstanding the provisions of this policy, reimbursements will not be paid unless the SA has concluded that sufficient funds are available for this purpose.

EBT System Components and Responsibilities

I. Texas WIC EBT System

- A. WIC food benefits in Texas are provided to eligible participants with the use of a smart card at authorized retail vendors throughout the state.
- B. Current retail vendors must maintain a certified electronic cash register (ECR) system in each authorized vendor outlet that accurately redeems WIC benefits from participants' smart cards and accurately submits claims for reimbursement of WIC food

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benefits, and receives Hot Card Lists (HCL), Approved Product Lists (APL), and Auto Reconciliation Files (ARF) from the EBT host system.

- C. An EBT host system will be available to accept and process the vendor's claims/payments for the reimbursement of food benefits accepted by the retailer and to provide HCL files, APL files, and ARF files to the vendor.
- D. A retailer who applies to become a WIC vendor must demonstrate its capability to accept WIC Program benefits and exchange claim, APL, HCL, and ARF files electronically prior to being authorized by the WIC Program.

II. State Reimbursements for WIC Retailer ECR Systems

- A. An authorized store that conducts WIC business at a location that has not previously received an ECR reimbursement from the WIC Program may request reimbursement for a WIC-only ECR system as provided in Sections II & III of this policy if:
 - 1. The vendor is not able to accept WIC electronic benefit transfers using its current ECR equipment or modification of that equipment.
 - 2. The vendor purchases a new certified ECR system or modifies existing equipment from an approved Texas point-of-sale (POS) system provider in a configuration that has been previously certified by the WIC Program.
 - 3. To be eligible for reimbursement the ECR system must be used solely for WIC sales either by functional limitations or by license and not used as a multi-tender system. This includes, but is not limited to, the ability to read magnetic stripe cards or accept cash purchases through the use of a cash drawer. This does not preclude the system from including a hybrid smart card/magnetic stripe card reader, but the magnetic stripe card capability must not be active.

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4. Current vendor locations participating in the WIC Program using multi-tender ECR systems are not eligible for reimbursement in addition to any previous reimbursement received prior to the effective date of this policy.

B. Amount of Potential Reimbursements

1. WIC will reimburse authorized vendors purchasing a commercial one-lane ECR system, or modification to existing system, up to the maximum amount listed in Section II.B.3.
2. Reimbursement for the purchase of a one-lane commercial WIC-system is also contingent on a retail vendor's continuing compliance with the WIC vendor agreement, plus federal and state statutes, regulations, policies, and procedures governing the WIC Program. Additionally, the following terms and conditions apply to the reimbursement of WIC-only ECR systems:
 - a. Vendors will be considered for initial ECR reimbursement as described above in Section II.B.1 after six months (180 days) of WIC Program operations. If at that point the vendor has complied with the WIC Vendor Agreement, policies, and all on-going selection criteria during the first six months of operation, WIC will process the vendor's ECR reimbursement request. If the vendor has not met all requirements of the WIC Vendor Agreement, policies, and on-going selection criteria during the first six months of operation or the vendor is pending termination for any reason, the vendor shall be ineligible for ECR reimbursement under this policy.
 - b. Vendors will be evaluated at least twice annually to ensure they continue to meet on-going selection criteria. If the vendor fails to meet on-going selection criteria, the Vendor Agreement will be terminated and the vendor must return to the WIC Program a pro rata share of the total original ECR reimbursement received to the SA. Reimbursement to the SA is based on the pro rata straight-line unused portion

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of the 12 months since the ECR system was certified by the SA.

- c. Any retail vendor that receives ECR reimbursement that is terminated from the WIC Program for fraud, abuse, or violation of WIC policies or who ceases to participate as a WIC vendor within 12 months of the EBT capable date, will return a pro rata share of the total reimbursement to the SA unless the vendor is re-authorized by the WIC Program within a six-month period following termination. Vendor repayment to the SA is based on the pro-rata straight-line unused portion of the 12 months since the ECR system was deemed EBT-capable. If the vendor re-applies after the six-month period, the vendor must become EBT capable without further reimbursement.
- d. The SA, at its option, may waive the return of the pro rata share of the total ECR reimbursement described in Section II.B.2.b-c if an authorized WIC vendor outlet ceases to participate as a WIC vendor and the ECR equipment at the closing outlet is transferred to another WIC-authorized vendor outlet (or account) within the same corporate structure and used solely for the purpose of WIC EBT food benefit redemptions.
- e. THE SA will not provide any ECR reimbursement to a store vendor/owner at a store location that has previously received an ECR reimbursement. If an existing vendor sells any or all of its stores after the SA has reimbursed the vendor for the purchase of an ECR, as a condition of being eligible for reimbursement, the selling vendor agrees in advance of any such sale that the WIC-only ECR system will be provided to the purchaser of the store(s) as part of the sale. Failure of the purchasing vendor to seek, accept, or maintain the seller's ECR system does not obligate the SA to provide additional ECR reimbursement for any previously reimbursed store location(s).

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- f. Any ECR system purchased and reimbursed under this policy must be used solely for the purpose of transacting WIC EBT benefits for a period of one year. If the WIC ECR system reimbursed under this policy is used for the transaction of any tender other than WIC (including, but not limited to cash, credit, and/or magnetic stripe card), the vendor must return the full amount of any reimbursement it received to the SA.
 - g. Terminations, as referenced in Section II.B.2.c, are subject to the consideration of participant access as described in WIC Policy WV 03.0.
3. Reimbursement will be based on the actual cost of a WIC-only one-lane ECR system at a cost not exceeding \$2,000.00, plus tax. If a vendor purchases a WIC-only one lane system that exceeds \$2,000.00 plus tax, the vendor's reimbursement will be capped at \$2,000.00, plus tax.

The SA will reimburse the eligible vendor up to the maximum amount listed above, plus applicable State sales tax, for a one-lane WIC ECR system. This reimbursement can only be applied to a complete WIC-capable one-lane ECR system to be used for conducting transactions in a retail outlet that conducts WIC business.

- 4. Regardless of any provision of this policy, any system that does not ultimately achieve in-store WIC certification will not be eligible for reimbursement by the SA.
- 5. Enforcement of all warranties and maintenance agreements is a responsibility of the individual vendor.
- 6. A retail vendor is not precluded from leasing equipment for use in WIC EBT at its own option and cost. The leasing of ECR equipment for use in WIC EBT is not reimbursable under this policy. Leasing of ECR equipment does not relieve the vendor from the EBT capability requirements elsewhere in this document.

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III. REIMBURSEMENT PROCEDURE

- A. The vendor must initiate the ECR reimbursement request for an ECR system by submitting the following documentation no later than 180 calendar days after the store's system is deemed EBT Capable:
1. The Completed Reimbursement Request Form to the SA for reimbursement (see Attachment 1). Reimbursement Requests received more than 180 calendar days after the store EBT capable date will not be paid.
 2. An invoice from a Texas WIC-approved ECR vendor that is numbered and dated and identifies the retail vendor by name, the store's physical address, equipment configuration for a one-lane system including confirmation that the system is limited by license or software to function solely to transact only WIC transactions, and detailed item pricing for the equipment.
 3. Proof of payment (check, money order, receipt for cash, or ECR vendor installation that the invoice has been paid in full). Promissory notes will not be considered as proof of payment.
 4. Any signed Vendor Agreement addenda, if required, to authorize the reimbursement.
 5. WIC vendors who meet the requirements listed in Section II.B.2.a and Sections III.A.1-4 will be reimbursed according to Section II.B.3. The SA will process a State Purchase Voucher to reimburse the vendor within 30-calendar days of receipt of all completed and approved documentation.
- B. Payment for vendor requests for ECR reimbursement that are received within 180 calendar days of EBT Capable and that meet all the requirements of Section II.A above, in addition to 6 months of WIC Program Operations, will be considered for payment. If the request for ECR reimbursement and all subordinate requirements/documentation

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are not received within 180 calendar days after installation, the vendor will not be paid a reimbursement by the SA.

- IV. Reimbursement procedures provided in this policy are subject to change if funds become unavailable or policy and/or guidance from USDA related to reimbursement changes. All changes, revisions, or waiver of this policy and its procedures must be approved by the Director, Texas WIC Nutrition Services Section. These changes, revisions, or waivers may be implemented on an emergency basis or through the normal approval/revision cycle depending on circumstances.

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WIC-Only ECR Reimbursement Request

WIC Vendor Information:

*Name _____ Account# _____
Outlet# _____

*Store's Physical Address:

Contact Person: _____

Telephone No. _____

** Store name and address must match information in WIC Vendor Agreement*

EBT ECR System Information:

ECR System Provider:

ECR Vendor's Invoice No. _____

Date of Invoice _____

Date of ECR System deemed EBT Capable:

Date of ECR Vendor provided Training to WIC-Vendor:

Type of Payment for ECR System:

Cash

Check

Proof of Payment Attached:

Yes

Money Order

No

Credit Card

Note: ECR Vendor's Invoice must be attached to this Request for ECR Reimbursement. Invoice must meet all the requirements of State Policy WV:12.0, Section III.A.

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WIC Vendor Certification:

I certify that the information provided in this Request for ECR Reimbursement is true and correct to the best of my knowledge and that the ECR system will be used solely for the purpose of processing WIC EBT transactions.

WIC-Vendor Signature

Date

State Use Only:

1. Vendor Eligibility for Reimbursement:

Date EBT Capable: _____ # Lanes _____

If not Eligible, Reason:

2. ECR Vendor Invoice Complete and Paid by WIC Vendor (See State Policy WV:12.0, Section III.A):

Yes

No. Deficiency:

3. Amount of Reimbursement for which vendor is eligible:

\$ _____

Comments:

Approval:

1. WIC Staff Review: _____

2. Manager Approval: _____