

# Retailer Certifications

**Erin Holland, Nevada WIC**

**John Hannemann, Texas WIC**

**Joe Jurich, RORC**

**Chaz Veite, Kroger**

# Today's Panel Discussion

- Introduction and basic overview
- Past and Present Online Certifications
- Past and Present Offline Certifications
- Brief Q&A on Current practices
- The Workgroup and Justification for change
- The future from the perspective of Independent Grocers, a National Chain, an online SA, and a smart card SA
- Audience questions

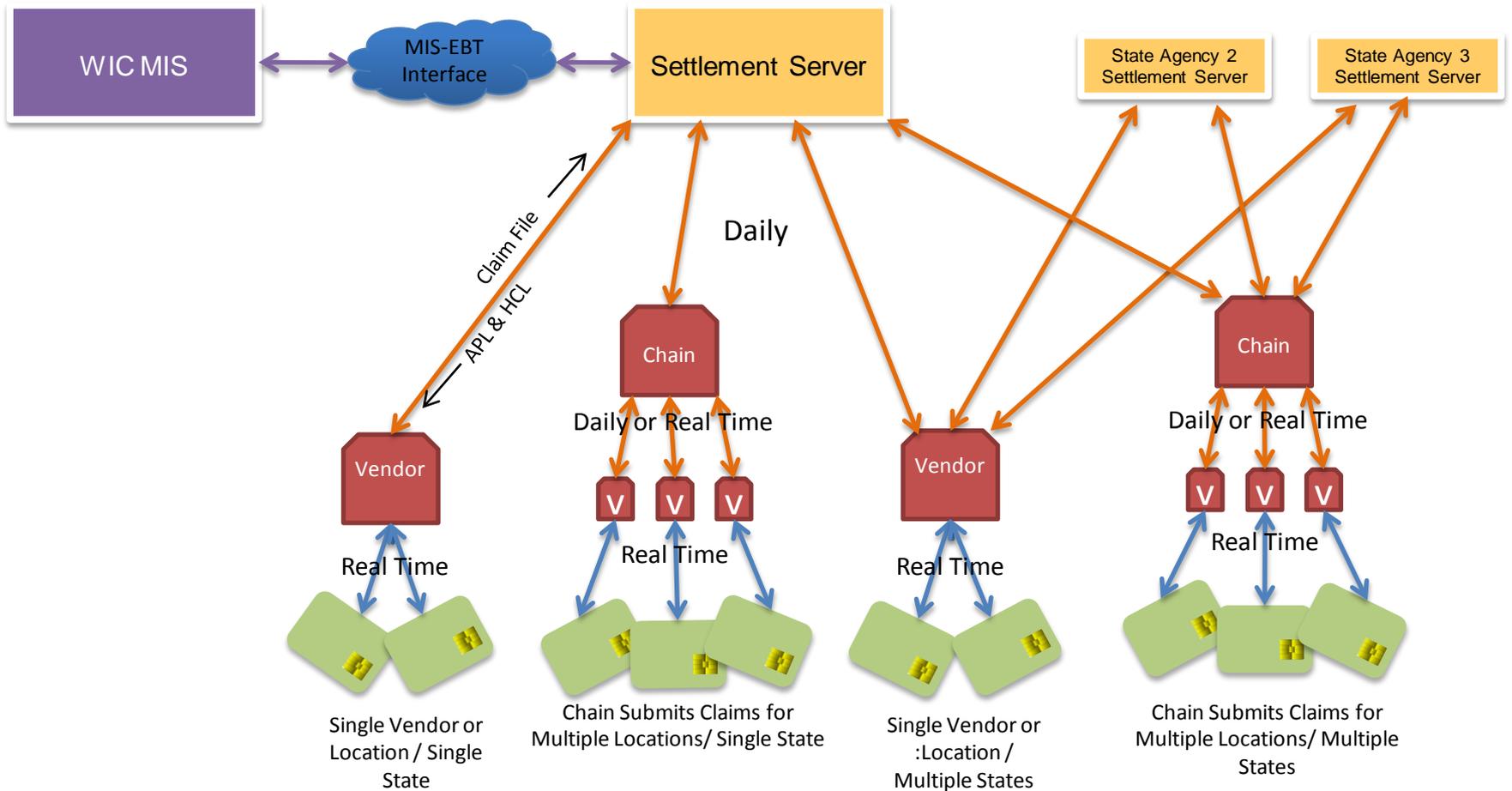
# The Basics

- Retailer Certification refers to testing of integrated POS/ECR systems
  - Systems capable of processing a mixed basket transactions
- Retailer Certifications in the first EBT Systems were conducted to confirm transactions were being processed correctly
  - Stringent testing at first ... err on the conservative side
  - The benefit balance was being adjusted in lane
  - FNS needed proof that the solution was viable and customer experience was improved

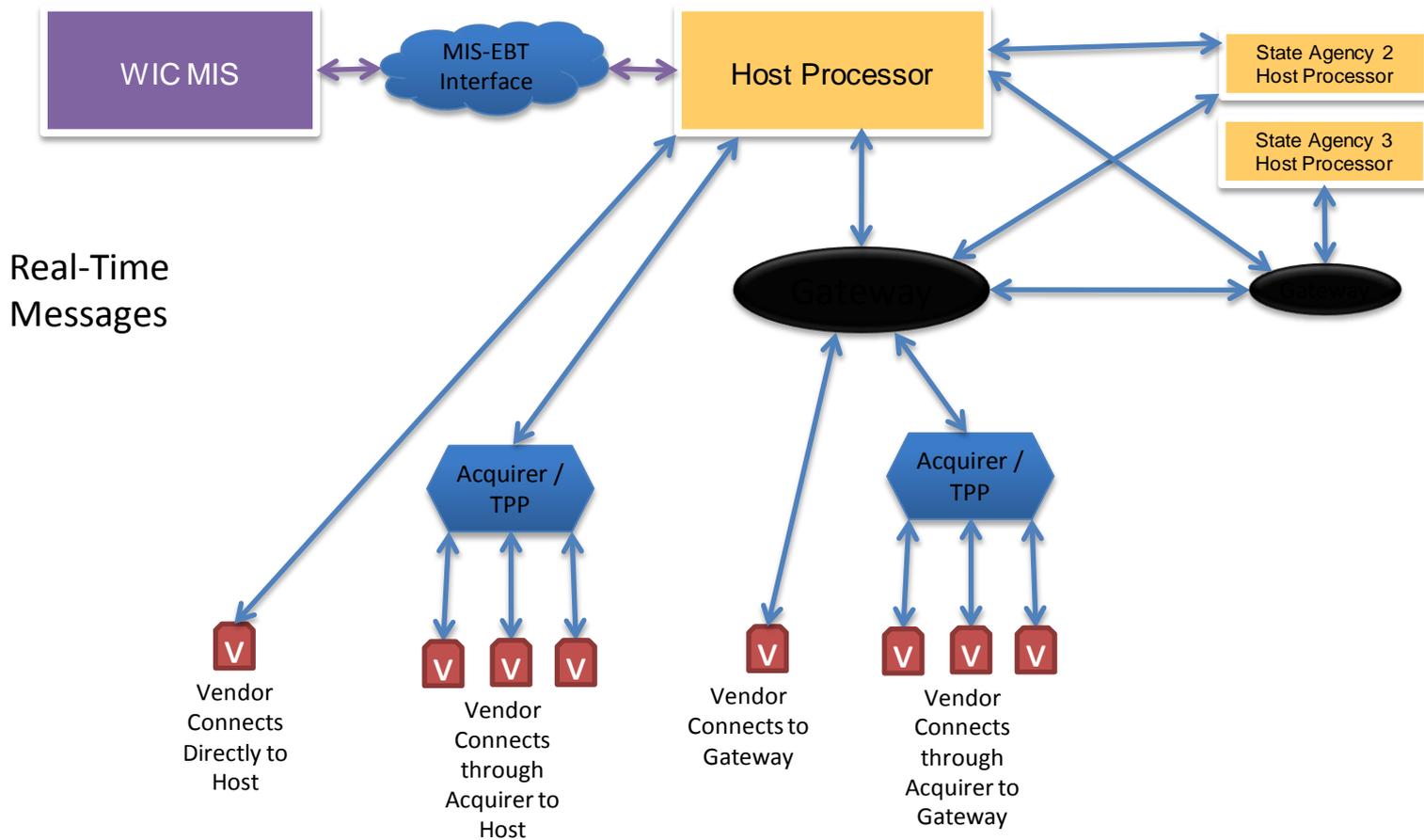
# The Basics

- Initially there was only one Card Technology, now there are two types of WIC EBT cards
  - Smart Cards store the benefit balance on the card
  - Magnetic Stripe cards store the only the PAN while the benefit balance is maintained on a Host
- ... And there are more parties involved in the transaction
  - Acquirers, Third Party Processors, Gateways, and EBT Processors

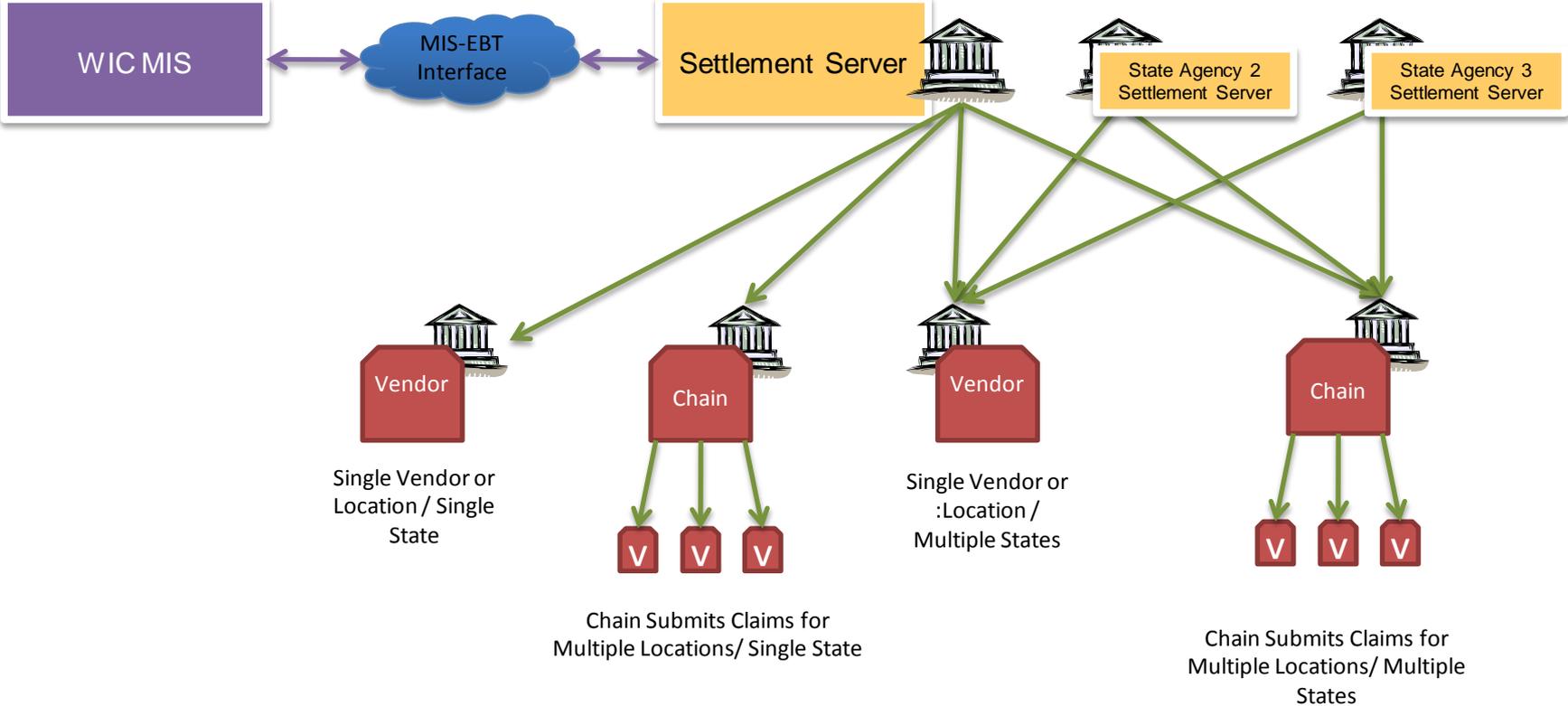
# Offline Transaction Processing



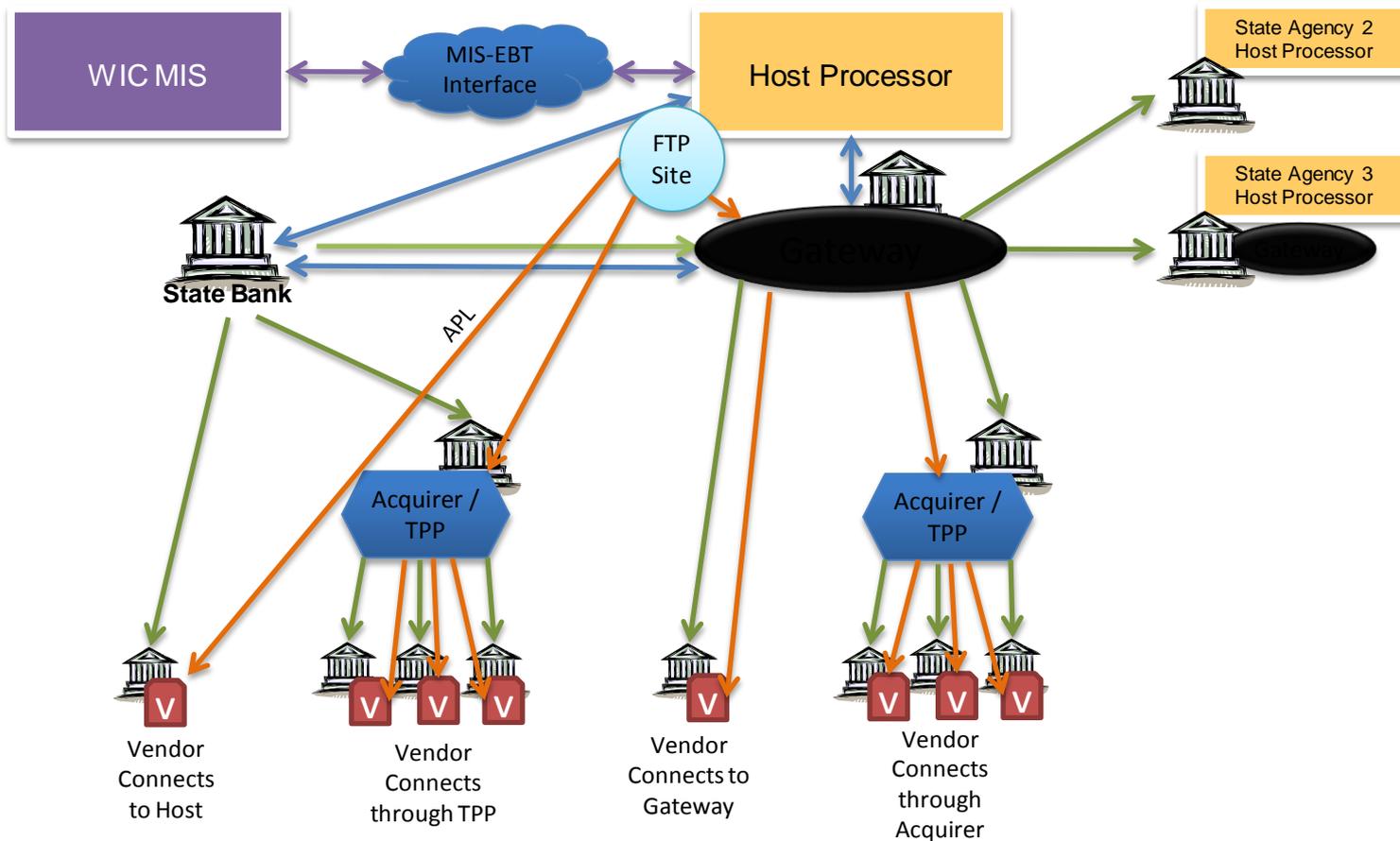
# Online Transaction Processing



# Offline Settlement Processing



# Online Settlement Processing



# WIC EBT Retailer Certification



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[http://health.nv.gov/WIC\\_VendorInfo.htm](http://health.nv.gov/WIC_VendorInfo.htm)

# Integrated vs. Stand-Beside

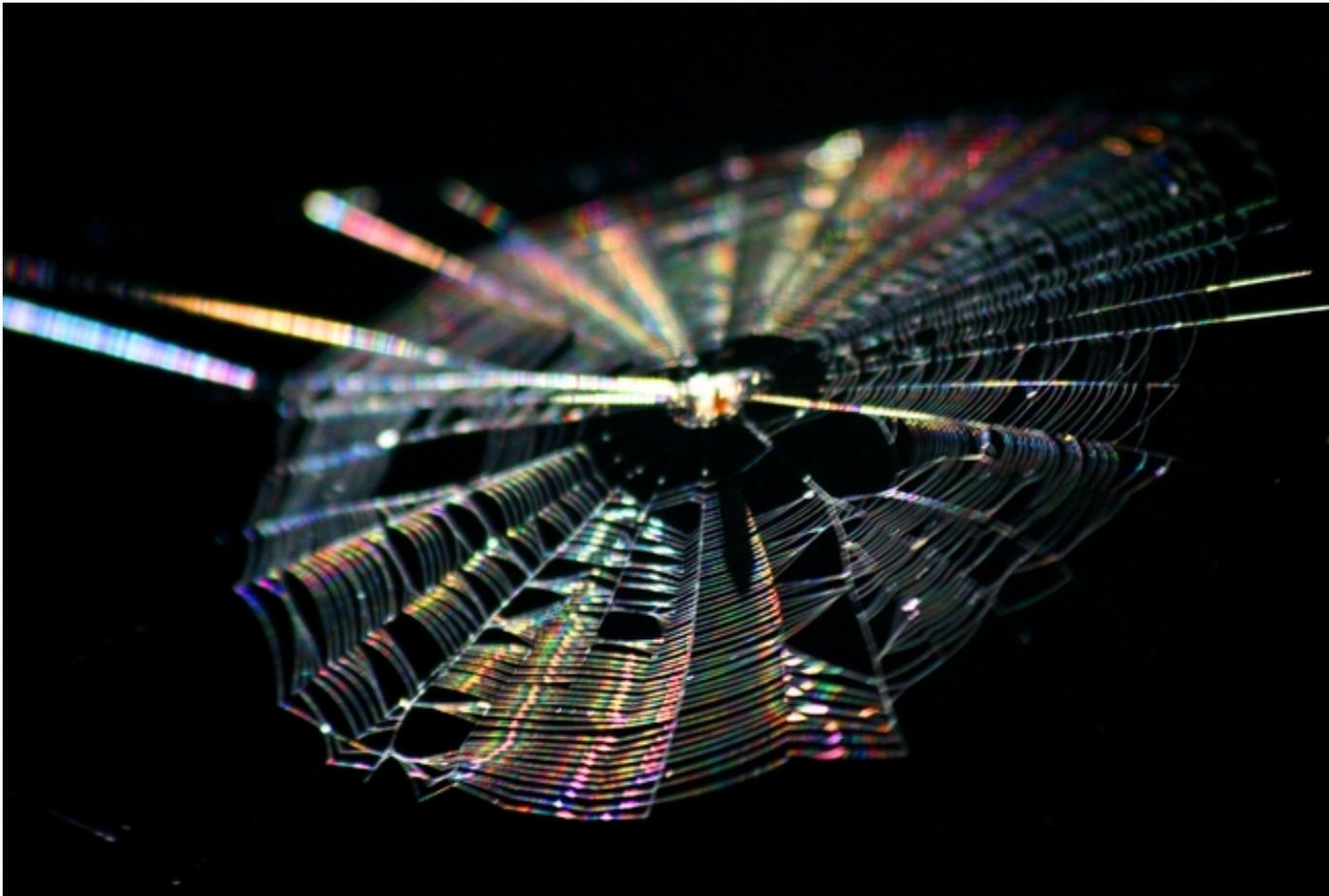
- Participant can purchase WIC items at ANY lane
- Items are processed in one transaction
- Participant must go to a WIC-designated lane with the appropriate equipment
- WIC items are separated, scanned twice, and finalized in a separate transaction from other items



# Benefits of Integration

- Transactions are processed in the retailer's point of sale system without the need for additional hardware; eliminating stand-beside terminals
- There is no need to double-scan WIC items
- Integration allows for mixed-basket transactions
- Seamless to the participant
- Improved lane flow
- Single settlement for the retailer

# Challenges of Integration



# System Configurations

POS	Payment Engine	TPP
IBM	SurePOS ACE	FIFTH THIRD
RORC	MTX	FDMS
SELF	SELF	FDMS
NCR	MTX	FDMS
NCR	NCR Real POS 80	JPM
Retalix ISS45 v7	MTX	FDMS
Retalix ISS45 v8	MTX	FDMS
Retalix Scanmaster	MTX	FIFTH THIRD
Sweda Corp	Aurora v4	FDMS
NCR	ACI	JPM
NCR	RCS	WORLDPAY
Retalix ISS45 v7	MTX	WORLDPAY
Retalix ISS45 v7	Retail Mgt System	FDMS

Specifications  
and  
Standards

Project Plan

Development  
and pre-cert  
testing

Certification

# Test:

- Balance Inquiries
- Redemptions
- Operator Functions
- File Exchanges
- Settlement and Reconciliation

# WIC EBT Retailer Certification



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**[http://health.nv.gov/WIC\\_VendorInfo.htm](http://health.nv.gov/WIC_VendorInfo.htm)**

# *Current Smart Card Certification Process*

- 1) Vendor System Developer alerts States to upgrades and provides details.**
- 2) States jointly determine and advise developer of level of needed certification event.**
- 3) States, FNS and Developers agree to dates of event. All states may send testers and observers**
- 4) Pre-Certification script and cards are provided—usually 1/3, 1/3, 1/3—performed by developer and returned to respective states for review and a joint go-no go decision**

# *Current Smart Card*

- 5) Participating states travel to vendor developers' lab and perform testing which involves around 50 different scenarios and uses about 40 different customized cards. States test separately.**
- 6) Usually two people from each state—one tester and one documenter use the Integrated Certification Utility (ICU) for preparation, comparison and documentation of event.**
- 7) Transaction behavior and terminal messages provided to the Cashier and WIC Customer are scrutinized and claim files are submitted to the states and reviewed.**

# *Current Smart Card*

- 8) Errors are recorded and assigned a severity. Developers may fix them and needed regression testing may be performed.**
- 9) Failure, conditional or complete certification is determined for participating states if so authorized to provide by their states.**
- 10) If Conditional Certification, fixes are made & tested remotely and status updated.**
- 11) States provide individual written notifications to the System Developer.**

# Sustainability Concerns

- Cost – Approximately \$42,000 each
- Currently Repetitive
- Time Consuming – two to six months

# Work Group Goals

- Continue high degree of accuracy for transaction processing
- Reduce Cost and Time
- Ensure customer experience is not compromised

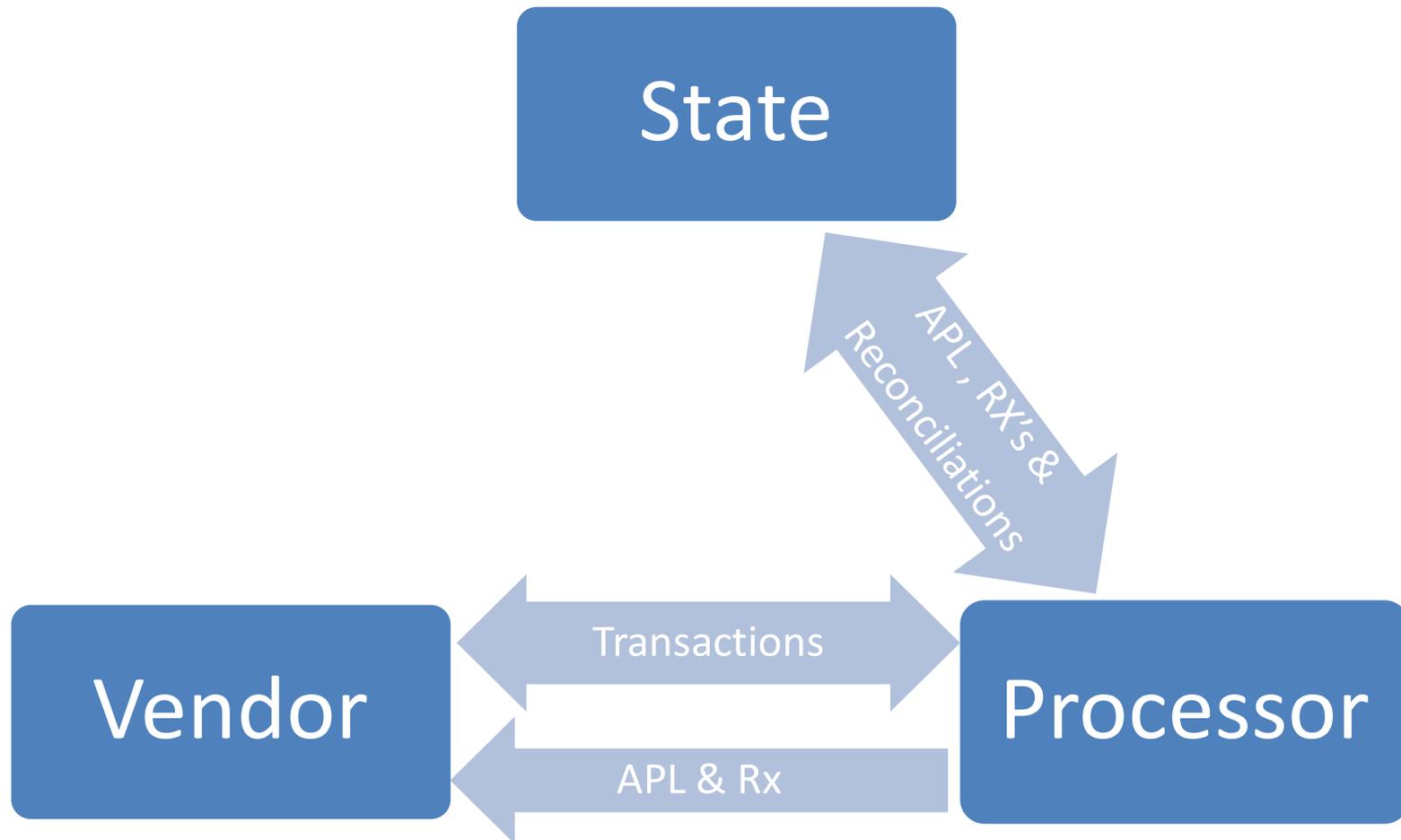
# WIC User's Group Meeting

Capital Hilton

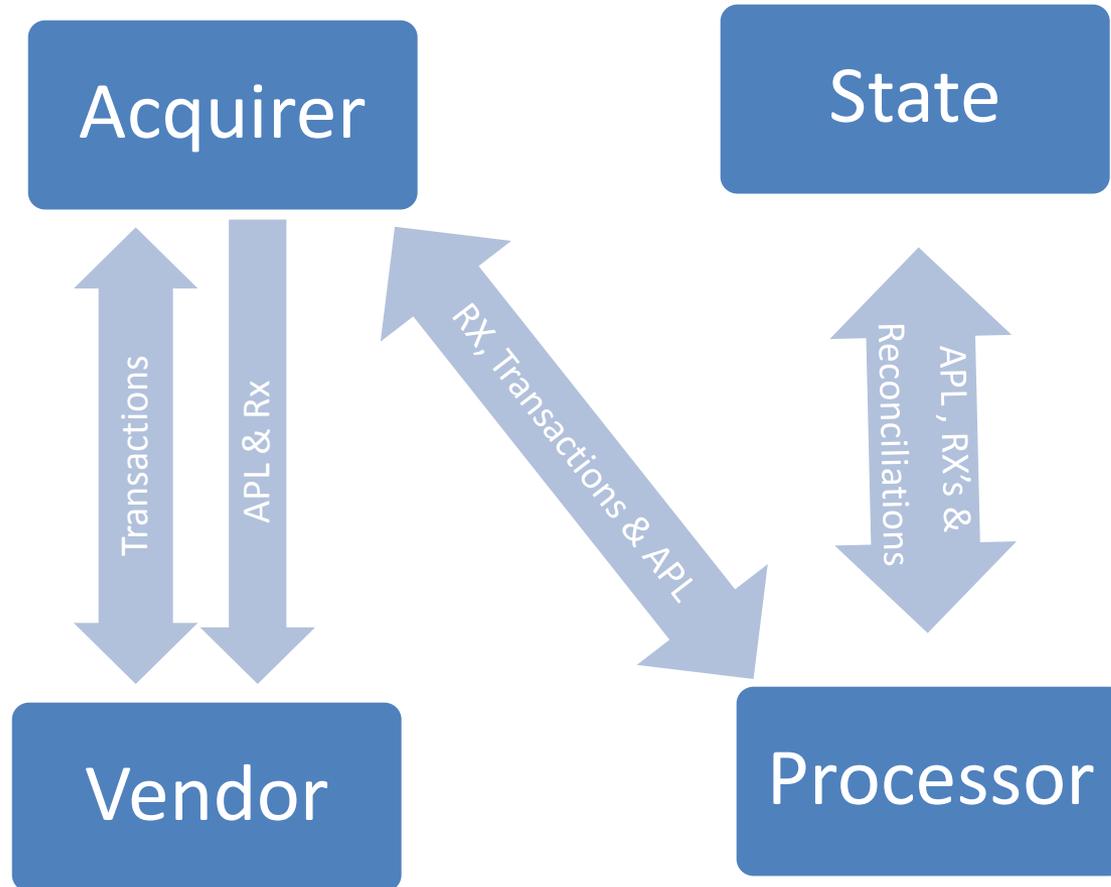
Washington, DC

August 21, 2012

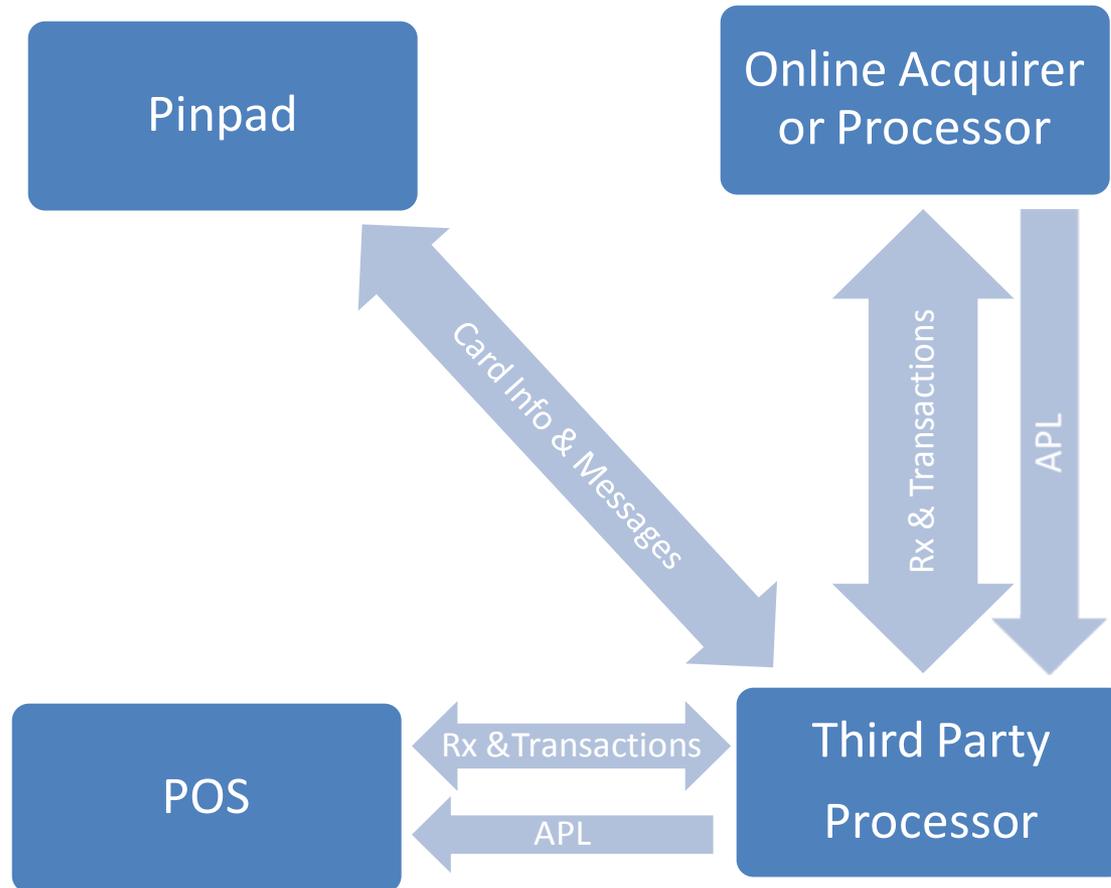
# Vendor / State – Online without Acquirer



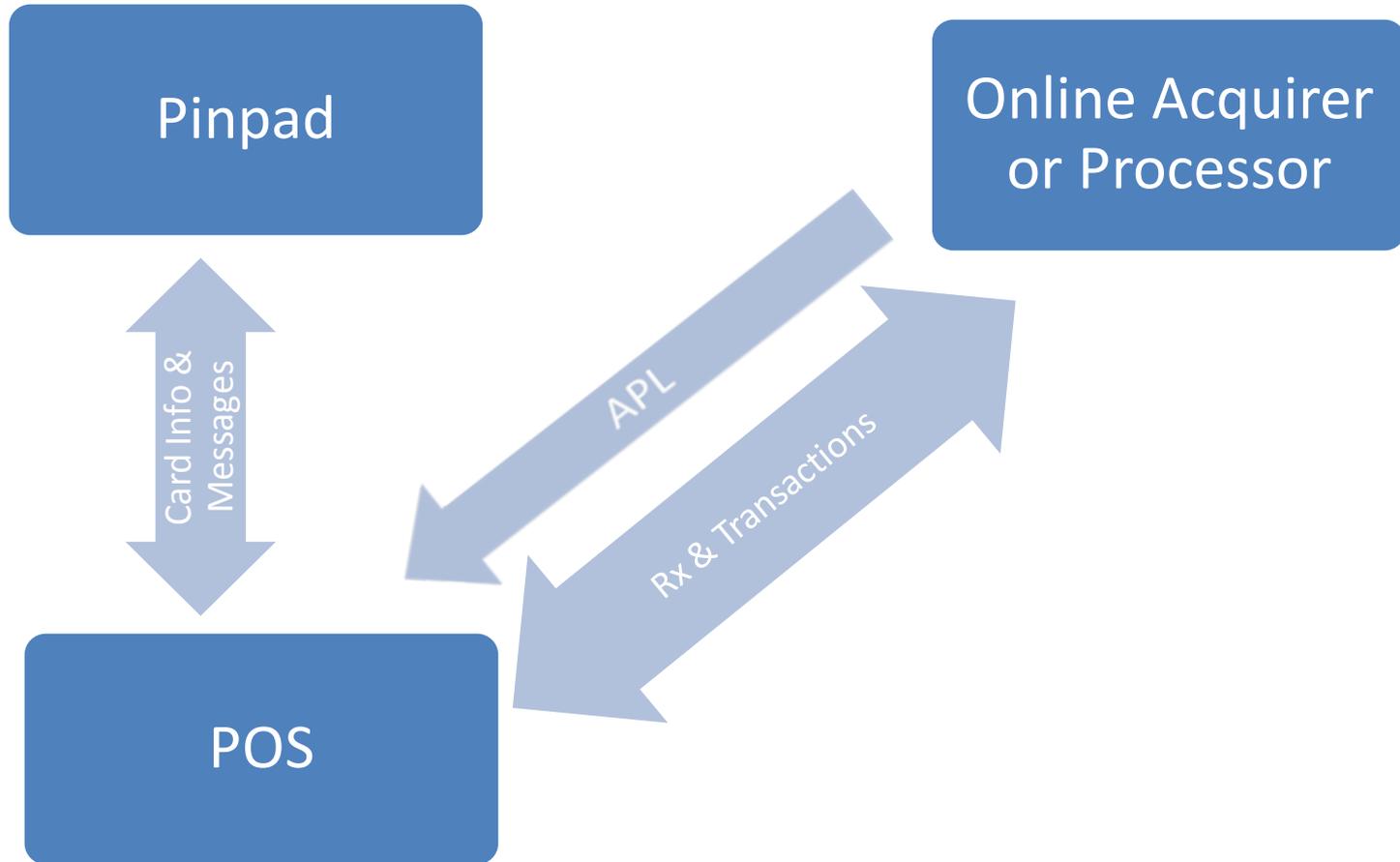
# Vendor / State – Online with Acquirer



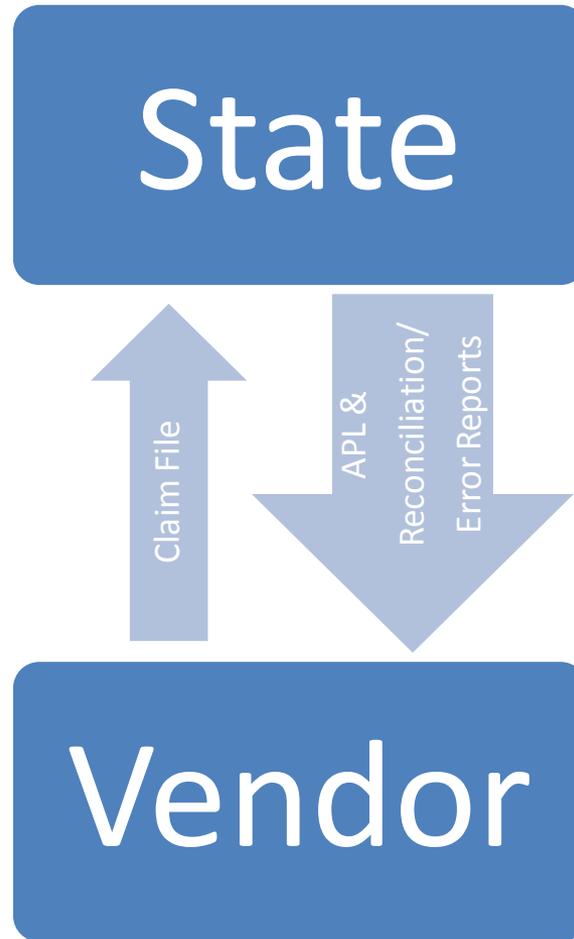
# At the Vendor – Online With Third Party



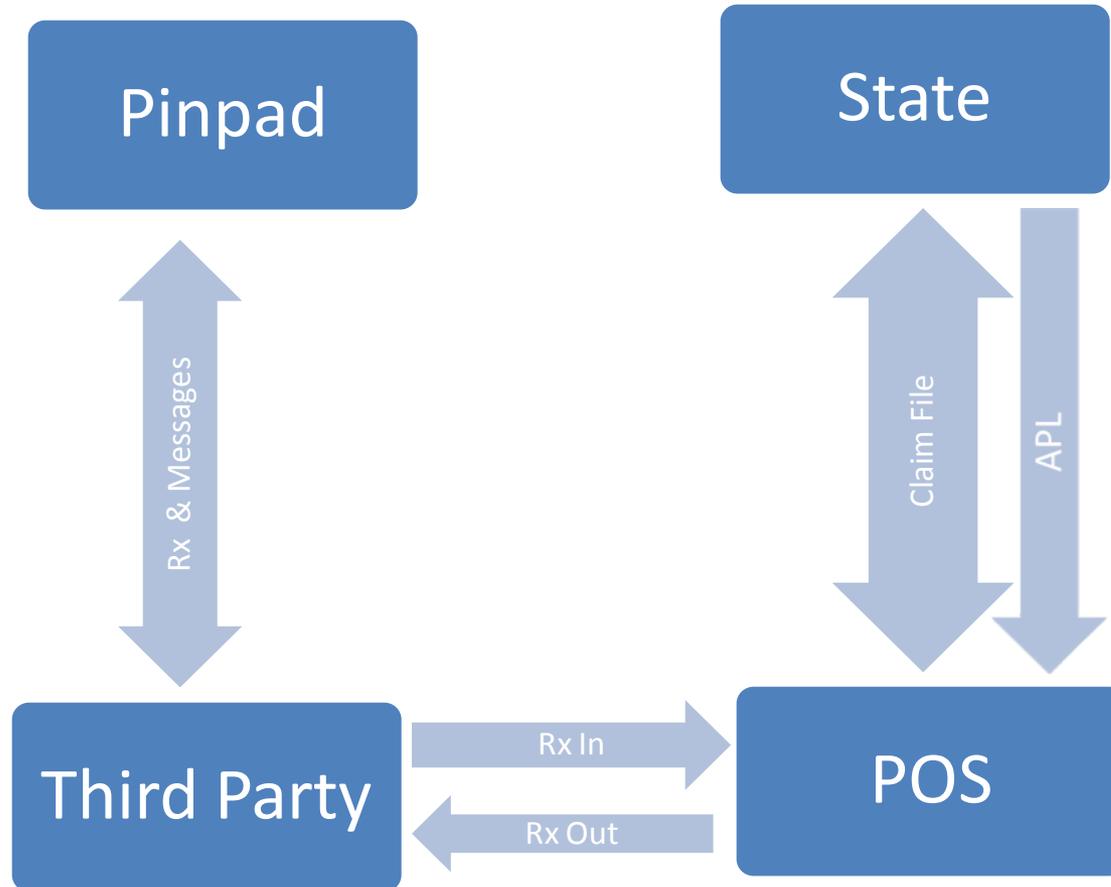
# At the Vendor – Online Without Third Party



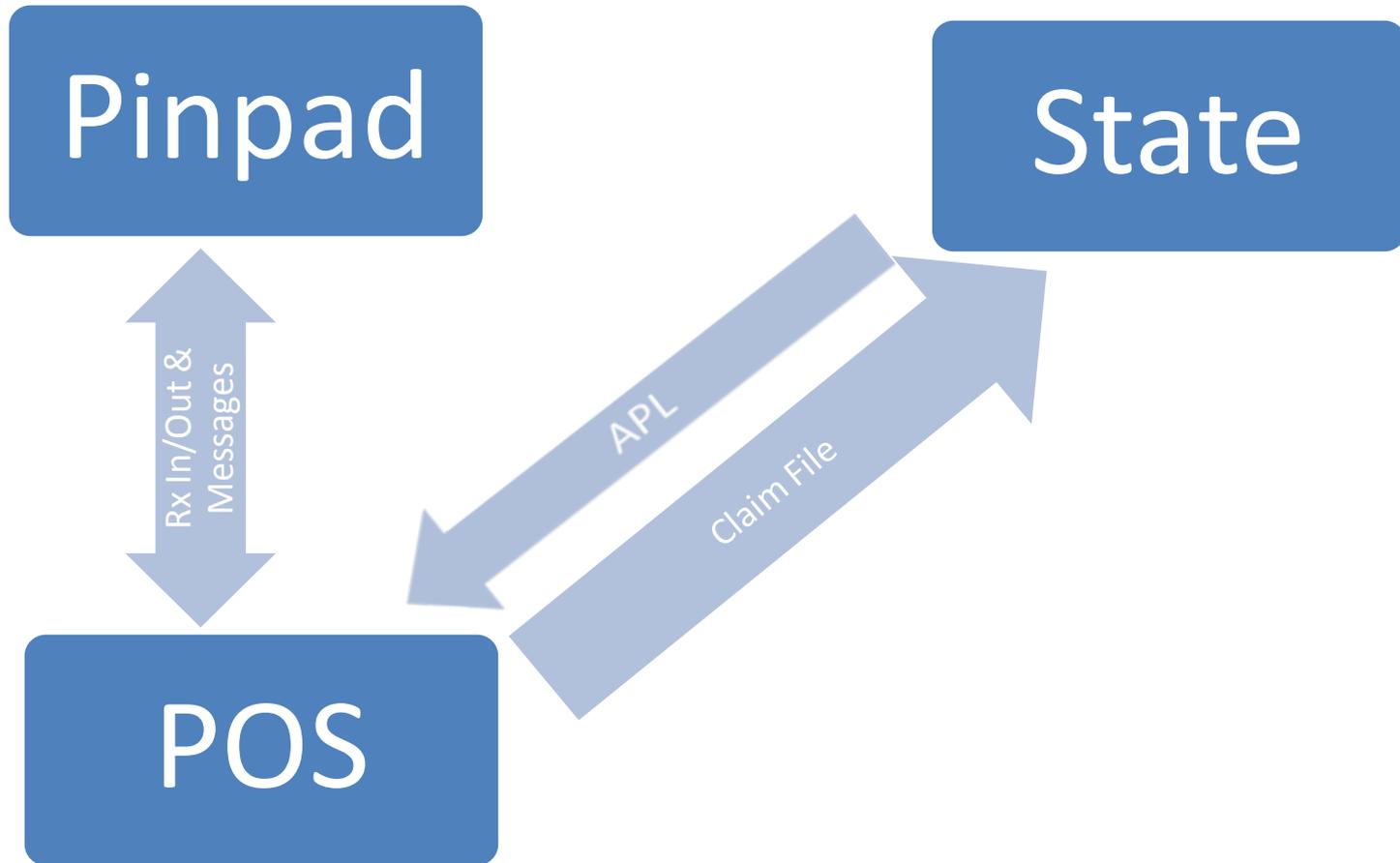
# Vendor / State - Offline



# At the Vendor – Offline With Third Party



# At the Vendor – Online Without Third Party



# WIC EBT Certifications



**KROGER PERSPECTIVE**

# The Kroger WIC Team



## **Chaz Veite – Application Analyst – Point of Sale Payments**

- Technical support for payment acceptance (IBM ACE, Verifone pinpads)
- Technical lead for WIC
- Experience – 12 years with Kroger, 5 years in current role
- [Chaz.Veite@kroger.com](mailto:Chaz.Veite@kroger.com)

## **Jennifer Simpson – Corporate Government Benefits Manager**

- Oversees business side of WIC
- Responsible for training, store execution and compliance
- Experience – 8 years with Kroger – 4 years in stores, 2.5 years in Corporate Audit, 1.5 years in current role
- [Jennifer.M.Simpson@kroger.com](mailto:Jennifer.M.Simpson@kroger.com)



# Kroger Background



- Headquartered in Cincinnati, Ohio
- One of nation's largest grocery retailers
- 2,440 stores in 31 states
- Barney Kroger opened 1<sup>st</sup> store in 1883 for \$372



# Our Many Names



# Kroger Viewpoint



- Current internal testing process
- Retailers interest in getting it right
- Kroger proposal
- Looking for a Partnership



# Goals for the FUTURE:

- 1. Ensure a positive WIC participant and vendor experience.**
- 2. Be prepared for more Smart Card States**
- 3. Be prepared for new states that won't want to test**



# *FUTURE* Smart Card Certification Process

- 1) Vendor System Developer alerts States to upgrades and provides details.**
- 2) States jointly determine and advise developer of level of needed certification event.**
- 3) States determine who will attend Certification—  
MAXIMUM of six state people (or their representatives if have hired a contractor for WIC EBT) + potentially two FNS Observers.**

# Sample Statistics on Systems

<b>System</b>	<b>Total Stores</b>	<b>Avg. WIC Sales (Jan-June 2012)</b>	<b>Percent of Total Stores</b>	<b>Percent of WIC Sales</b>
Blue	22	\$44,042.01	3%	0.3%
Purple	401	\$12,151,235.40	62%	79.6%
Orange	5	\$123,231.41	1%	0.8%
White	160	\$1,933,144.11	25%	12.7%
Brown	56	\$1,020,354.02	9%	6.7%
<b>TOTAL</b>	<b>644</b>	<b>\$15,272,006.95</b>	<b>100%</b>	<b>100%</b>

# *Future Smart Card*

- 4) Pre-Certification script and cards are provided—usually 1/3, 1/3, 1/3—performed by developer and returned to respective states for review and a joint go-no go decision.**
- 5) Participating states travel to vendor developers' lab and perform which testing involves around 50 different scenarios and uses about 40 different customized cards. States test separately.**
- 6) State Participants have decided in advance how they will pair up for testing and will test accordingly. ICU is used for preparation, comparison and documentation of event.**

# *Future Smart Card*

- 7) Transaction behavior and terminal messages provided to the Cashier and WIC Customer are scrutinized and claim files are submitted to the states and reviewed.**
  
- 8) Errors are recorded and assigned a severity. Developers may fix them and needed regression testing may be performed.**
  
- 9) Failure, conditional or complete certification is determined for participating states if so authorized to provide by their states.**

# *Future Smart Card*

- 10) ICU data and assessments are shared with all potentially impacted states. States may request clarification and or special test of vendor system.**
- 11) If Conditional Certification, fixes are made and tested remotely and status updated and shared with other states.**
- 12) States provide individual written notifications to the System Developer**

# FAQ's

- 1. How much time will this save the system developers and states?**
- 2. Do you have any other new cool tools up your sleeve?**
- 3. What if a state gets to go but does not want to? Did you come up with this all by yourself?**
- 4. Will it always work like what you said?**

# FAQ's

- 5. When will you finalize “THE FORMULA” for who goes?**
- 6. What's next with the ICU?**
- 7. How will the Aggies do in the SEC?**

# Questions?

## Contact Information:

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