

Questions and Answers on the WIC EBT Final Rule

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I. [General](#)

a. What is the basis for this rulemaking and who is affected?

The Healthy, Hunger-Free Kids Act of 2010 (HHFKA) included provisions related to electronic benefit transfer (EBT) for the WIC Program. Subsequent to enactment, the Department issued WIC Policy Memorandum #2011–3 on March 22, 2011 on implementation of the nondiscretionary provisions of the HHFKA. However, select areas of the law were discretionary, and therefore public comment was sought through a proposed rule published on February 28, 2013 (78 FR 13549). This final rule addresses comments and makes adjustments to improve clarity of the provisions set forth in the proposed rule and implements EBT requirements for the Program.

The final rule includes provisions that affect WIC State agencies, WIC local agencies and clinics, WIC vendors, WIC participants, EBT processors, and providers of payment systems such as third party processors, acquirers, payment switches and developers of cash register products and WIC Management Information Systems (MIS).

b. How is *EBT* defined?

The final rule defines *EBT* as a benefit delivery method allowing WIC participants to access their benefits electronically. This definition permits use an EBT card and Personal Identification Number (PIN) to redeem WIC approved foods, but also allows for alternatives to an EBT card. While this definition allows the Department to consider and approve alternative approaches as they arise, State agency proposed methods must be compatible with technology in use by authorized vendor payment systems.

c. When is a State agency considered to have statewide EBT?

Statewide EBT occurs when all WIC clinics have been converted to an EBT delivery method and all WIC authorized vendors are capable of transacting WIC EBT purchases.

d. What is a Cash Value Benefit?

The electronic Cash Value Benefit (CVB) is equivalent to with the paper Cash Value Voucher (CVV) used to purchase fruits and vegetables. Unlike CVVs, electronic CVBs can be issued to the same EBT card as all other food benefits. .

e. What changes were made to the *Participant Violation* definition?

The final rule clarifies that a *Participant Violation* refers to the deliberate selling, offering to sell, or attempting to sell an EBT card in person, in print, or on-line in exchange for unauthorized items. WIC participants may be disqualified for this type of violation.

f. What does it mean to be EBT capable?

After a WIC State agency has implemented statewide EBT, a vendor applying for WIC authorization must demonstrate to the State agency that their Point-of-Sale (POS) system can accept WIC EBT purchases, obtain a benefit balance, and complete a WIC transaction accurately and securely. Additionally, WIC vendors must be able to exchange updated files with the state agency pursuant to State agency EBT system requirements.

g. What is the difference between multi-function and single-function equipment?

Multi-function equipment is equipment capable of supporting WIC EBT and other electronic payment tender such as Supplemental Nutrition Assistance Program (SNAP), debit, and credit. Multi-function equipment is typically obtained through commercial suppliers and can support mixed basket purchases (both WIC and non-WIC items in one transaction) and split tender purchasing for CVB.

Single-function equipment is provided to an authorized WIC vendor solely for use with processing WIC transactions. It includes items such as barcode scanners, card readers, PIN pads, and printers and only supports WIC purchases.

h. Is a shared POS device supporting WIC and SNAP/Cash EBT single-function or multi-function equipment?

A device supporting WIC and SNAP/Cash EBT is a multi-function device. A single-function device only supports WIC transactions.

i. Is a WIC State agency required to consult with their SNAP agency to ensure the WIC and SNAP EBT systems are integrated?

No, a WIC State agency is only required to consult with other programs if they are considering joint implementation or collaboration. State agencies are not required to integrate WIC EBT with SNAP EBT. Contractual and grocer equipment requirements should be coordinated where possible

II. [2020 EBT Mandate](#)

a. **What is the 2020 EBT mandate and what immediate steps must State agencies take toward meeting this requirement?**

Each WIC State agency must convert their present food delivery method to an EBT delivery method by October 1, 2020. The EBT delivery method must operate statewide – meaning all WIC clinics and WIC vendors are capable of issuing and redeeming benefits via a common EBT system.

The final rule requires each State agency to submit a Planning Advance Planning Document (PAPD) by August 1, 2016. This ensures State agencies have adequate time to meet the 2020 mandate given the significant level of planning, procurement, and implementation activity required.

b. **Are there any exemptions to the 2020 EBT mandate?**

The final rule permits a State agency to request an exemption to the 2020 EBT mandate for up to three years, provided the State agency can demonstrate to FNS the following:

- Unusual technical barriers to implement EBT;
- Unaffordable operational costs; or
- It is in the best interest of the WIC Program to grant an exemption.

It is important to note that the EBT requirement is mandated by law. The exemption does not waive this requirement. Any State agencies receiving an exemption from FNS will need to continue to work with FNS during the period of the exemption on ways to meet the requirements of the Program. In addition, the exemption does not relieve a State agency of the annual EBT status reporting requirement. (See section III.b. below for more information on these requirements).

c. **When can a State agency submit a request to FNS for an exemption and what will be required?**

The final rule does not specify a time period for requesting an exemption. A State agency will need to support the exemption request with information such as a cost analysis, contract response, feasibility analysis, or other data to support consideration of an exemption. Exemption requests will be considered on a case-by-case basis. Submission of an exemption request is not the same as approval.

d. **If an exemption is granted, will FNS require State agencies to re-apply at expiration of the exemption period?**

During the period covered by the exemption, the State agency is still required to demonstrate progress toward statewide EBT implementation. If the State agency needs additional time to implement Statewide EBT, then the State agency will need to request a new exemption and include current supporting documentation.

III. [EBT Project Management and Reporting](#)

a. **What EBT project management and reporting is the responsibility of the State agency?**

The final rule requires each State agency with an active EBT project to coordinate and manage their EBT system, to follow the Advanced Planning Document (APD) process defined by [Handbook 901](#), and to consult with other State agency programs such as SNAP if they are considering implementing with such programs.

b. **What are the 2017 State Plan reporting requirements?**

The final rule requires State agencies to report on three new areas related to EBT implementation in their annual State Plan (7 CFR 246.4(a) and 246.12(y)(4)). The State agency must provide descriptions of:

- *Its goals and progress toward meeting the 2020 EBT mandate.* A State agency with an active EBT APD may fulfil this requirement by including a reference to the details of its APD in their annual State Plan. A State agency that has implemented statewide EBT may indicate no changes have occurred since the previous reporting period, if appropriate. A statewide EBT State agency considering significant changes such as a re-procurement, addition of new programs, or significant design modification must follow Handbook 901 guidance and should indicate upcoming changes in their State plan.
- *How it will address card replacement and benefit transfer to a replacement card within seven business days.* This description should address card replacement in clinics with intermittent hours and card replacement in the event of imminent benefit expiration.
- *The minimum customer service procedures during State agency/clinic hours and during non-business hours.* At a minimum, the procedures should address how the State agency: (1) receives reports of lost, stolen, or damaged cards; (2) receives reports about other card and benefit concerns; (3) provides benefit balance information; and (4) provides the benefit expiration date. The final rule does not require State agencies to describe how EBT cards will be deactivated when lost, stolen, or damaged but State agencies may choose to include these and any other relevant procedures in their State Plan.

c. **If a State agency has an approved Planning or Implementation APD or APDU, is a separate update also required annually to the State Plan?**

No, The State Plan update may cross-reference a current approved Planning or Implementation APD or APDU rather than re-stating the same information in the State Plan. A current designation means the document has been updated per Handbook 901 submission guidance without a lapse.

d. **Are State agencies required to incorporate provisions required by the final EBT rule in their Fiscal Year (FY) 2016 State Plan?**

No, while each State agency must have an active EBT planning project by August 1, 2016, corresponding State Plan status reports are not required until FY 2017.

IV. [EBT Cost Impositions on WIC Vendors](#)

a. How did the final rule change prohibitions against imposing costs on WIC vendors from the proposed rule?

The final rule changed the equipment cost sharing policy (section 246.12(aa)). After statewide EBT implementation, the State agency must:

- Establish cost sharing criteria applicable to multi-function equipment for determining whether a vendor is “necessary for participant access” to WIC foods.
- Determine if a vendor applicant has an EBT capable register system before authorizing the vendor to participate in the WIC Program;
- Support the ongoing maintenance costs of single-function equipment;

The final rule also made the following changes to cost sharing policy (section 246.12(h)(3)), regardless of EBT status:

- WIC vendor agreements must include a prohibition against imposing costs on participating vendors if they use single-function equipment.
- A State agency may decide to share in the cost of multi-function equipment, if the State agency determines that the authorized vendor is necessary for participant access to WIC foods.

b. How can State agencies best determine whether a vendor is necessary to ensure adequate participant access?

State agencies must have clear participant access criteria and procedures for making participant access determinations. State agencies must authorize an appropriate number and distribution of vendors to ensure the lowest practicable food costs while ensuring adequate participant access.

When the State agency develops participant access criteria, it must consider the availability of other authorized vendors in the same areas and any geographic barriers to these vendors.

c. Are vendors required to obtain their own EBT equipment prior to authorization as a WIC vendor?

Yes, if the State agency has implemented statewide EBT, then WIC vendor applicants must demonstrate they have EBT capable equipment. The only exception is when the State agency determines the vendor is necessary for participant access and arranges for installation of single-function equipment or elects to share in the cost of multi-function equipment.

d. Can a State agency provide provisional authorization to a vendor applicant pending verification the vendor has EBT capable equipment?

No. A vendor applicant must meet all vendor selection criteria in order to become a WIC authorized vendor, thus provisional authorization is not allowed. No vendor may transact WIC benefits before the beginning of the vendor agreement period.

State agencies do, however, have the option to develop a two-step application process in which vendor applicants are assessed for all selection criteria, except EBT capability. Once the applicant is

notified that they meet all other vendor selection criteria, then the State agency may take steps to verify the equipment is EBT capable.

A two-step process would ensure that vendor applicants are not required to spend time and money to become EBT capable if they are otherwise ineligible for WIC authorization.

e. Is a State agency able to charge any costs to WIC vendors for single-function EBT equipment?

No, single-function equipment must be provided at no cost to authorized WIC vendors during both pilot and statewide implementation. Single-function equipment may be installed directly by the State agency, its EBT contractor, or through other providers.

A State agency may work with vendors to share resources such as a telephone line or internet connection or by reimbursing vendors for the purchase of supplies such as paper rolls for the POS device printer.

Vendors may agree to accept some costs for single-function EBT equipment provided it is voluntary.

f. Will the State agency be responsible for paying ongoing maintenance and operational costs for new vendors approved after statewide implementation?

No, with the exception of WIC vendors that are necessary for participant access. After a State agency has implemented statewide EBT, all new vendor applicants will be required to demonstrate EBT capability. These vendor applicants, if authorized by the State agency, will assume the equipment costs, ongoing maintenance and operational costs. The State agency may choose to provide single-function equipment to a new vendor that is needed for participant access, and the ongoing maintenance and operational costs of single-function equipment will be assumed by the State agency. All other newly authorized WIC vendors will be responsible for the equipment costs, ongoing maintenance and operational cost.

g. Are State agencies required to pay for vendor internet access if it is necessary to support single-function WIC equipment?

If a vendor does not voluntarily accept costs, such as internet service, a State agency needs to establish a policy to pay the allowable internet costs to support the single-function equipment. A State agency may share in resources that have multiple uses provided the shared costs conform to 2 CFR Part 200. WIC State agencies can only pay the proportion of shared costs attributable to WIC Program support.

h. Can a State agency implement EBT that relies only on a commercial multi-function system?

Yes, this approach is permitted by the State agency while implementing EBT and until statewide EBT is accomplished provided implementation costs are not imposed on the authorized vendors. After statewide implementation, the State agency must limit any cost sharing to vendors with multi-function equipment deemed necessary for participant access. In these cases, the State agency must establish a multi-function cost-sharing policy and identify this in the vendor enablement plans when the IAPD is submitted for FNS approval.

i. Can a State agency decide not to share in the cost of multi-function equipment after implementing EBT statewide?

Yes, with one limited exception. The final rule requires EBT capable equipment for a new vendor. A State agency would only share in the cost of multi-function equipment if it determined the vendor was necessary for participant access.

j. Are State agencies required to implement new vendor agreements or amendments in order to comply with the new requirements in the EBT Rule?

This answer varies based on each State agency's vendor agreement. State agencies may need to add or update information depending on the language in the existing agreement and EBT implementation status. State agencies should follow their established procedures to make sure vendor agreements include provisions on the following topics no later than the specified date:

1. Third-party processing costs and fees	May 2, 2016
2. Interchange fees	May 2, 2016
3. Minimum lane coverage	March 1, 2017
4. Ongoing maintenance and operational costs	March 1, 2018
5. Compliance with operating rules, standards, and technical requirements	March 1, 2018

V. [Minimum Lane Coverage](#)

a. What are the minimum lane equipage requirements?

The final rule establishes minimum standards for lane coverage for payment terminals to accept WIC EBT transactions. It prescribes minimum lane coverage for all vendors, including supermarkets/superstores, which are defined as having at least \$2 million dollars annually in food sales. The minimum lane equipage requirements are:

- *Supermarkets/Superstores*: a minimum of one lane for every \$11,000 in monthly WIC business (up to four State agency-provided single-function or vendor-provided multi-function devices).
- *All other vendors*: a minimum of one lane for every \$8,000 in monthly WIC business (up to four State agency-provided single-function or vendor-provided multi-function devices).

A State agency may use alternative equipage formulas to the required POS equipage formula with FNS approval. A State agency may provide additional POS devices to be installed in vendor customer service areas to permit WIC shoppers to obtain their food balance information. The cost of these devices may be addressed in the State agency cost sharing plan.

b. How will the State agency determine the number of lanes to be equipped for new vendors in the program?

State agencies will apply the Minimum Lane Coverage formula provided in the final rule. For newly authorized vendors who meet the necessary for access criteria, State agencies may install one POS terminal initially and add more terminals if necessary.

c. Is a State agency required to provide single-function equipment to a vendor which does not have sufficient lanes equipped with multi-function equipment to meet the POS equipage standards?

No, a State agency is not required to equip the remaining lanes for multi-lane vendors. The vendor will be responsible for obtaining and installing any additional multi-function equipment necessary to comply with the equipage formula.

d. Does the POS equipage formula apply to multi-function equipment operating in an authorized vendor location?

Yes, the POS equipage formula applies to multi-function equipment.

e. If a WIC vendor's redemption level only qualifies the vendor for a single POS device, how can WIC participants be served using a single checkout lane without causing potential stigma?

We recommend that each State agency work with its WIC vendors to provide appropriate lane signage to clearly identify lanes for WIC purchases. Checkout lanes must not be restricted to only WIC shoppers. . The checkout lane with the single POS device for processing WIC transactions must also accept customers with non WIC transactions. Also, a State agency may establish EBT processor contracts to allow vendors to acquire additional single-function equipment if vendors want to equip more lanes.

f. Are State agencies required to equip farmers and farmers' markets according to the POS equipment formula?

No, State agencies are not required to equip farmers and farmers' markets according to the equipage formula that applies to WIC vendors. Farmers and farmers' market equipment levels are determined by the State agency. Technical and operational differences exist in farmers' markets such as the availability of telephone or internet service and some markets may operate with a central market manager, while other markets operate with independent farmers individually authorized by the State agency. State agencies should consider these differences when determining the best POS equipage for a farmers' market.

g. If a State agency opts to provide single-function equipment to authorized farmers or farmers' markets, is it required to support that equipment?

Yes. As with WIC vendors, if single-function equipment is provided for farmers or farmers' markets, then the State agency remains responsible for the cost of this equipment.

h. Are authorized farmers and farmers' markets required to accept WIC EBT by 2020?

Yes, but only if a State agency decides to authorize farmers or farmers' markets to accept CVBs for fruits and vegetables. In such cases, authorized farmers and farmers' markets will need to be able to support an electronic WIC purchase using an EBT card by October 1, 2020.

VI. [Technical Standards and Operating Rules](#)

a. **What are the technical standards and Operating Rules established by the Secretary?**

The Department published WIC EBT Operating Rules (OR) and a Technical Implementation Guide (TIG) which are available at the following web link: [WIC EBT Operating Rules & Technical Implementation Guide \(http://www.fns.usda.gov/wic/wic-ebt-operating-rules-technical-implementation-guide\)](http://www.fns.usda.gov/wic/wic-ebt-operating-rules-technical-implementation-guide). These documents were created in 2010 in collaboration with industry and State agencies and the assistance of a technical consultant hired by the Department. The ORs establish technical rules for WIC EBT transactions comparable to commercial operating rules for credit, debit, and other tender types. The TIG provides specific implementation guidelines for using the X9.93 standards for parties processing a specific subset of EBT transactions, namely, WIC On-line EBT transactions and WIC Online and Smart Card EBT files.

The Department has also defined a common interface specification called the WIC Universal MIS-EBT Interface (referred to as UI). State agencies are required to adopt the UI requirements as part of their WIC EBT implementation. FNS is currently in the process of making further refinements to the UI specifications.

b. **Does each State agency operating an EBT delivery method prior to the publication of the EBT Operating Rules need to comply with the Operating Rules and Technical Implementation Guide?**

Yes, all State agencies must comply with the OR and TIG. A State agency that has already implemented statewide EBT has until March 1, 2018 to comply or seek Department approval of an alternative date.

c. **What are the consequences for noncompliance by industry stakeholders with the Operating Rules and Technical Implementation Guide?**

The final rule requires compliance with the OR and TIG. Depending on the nature of the issue, noncompliance may be addressed through State agency EBT processor contract enforcement actions for noncompliance, or enforcement of the State agency vendor agreement.

d. **Are the Operating Rules and Technical Implementation Guide, referenced in the final rule, currently in use?**

Yes, the final rule references the OR, which was updated in 2015, and the TIG, which was last updated in 2012.

e. **Are State agencies required to certify that every cash register system complies with the EBT Operating Rules and Technical Implementation Guide?**

No, the Operating Rules allow a State agency to accept a certification performed by another State agency or its processor. A State agency is ultimately responsible for making sure that their authorized vendors' cash register systems can accurately manage benefit deductions and settlement.

f. What procedures does FNS use to solicit input from external stakeholders when updating the Operating Rules or Technical Implementation Guide?

The EBT Technical Documents Workgroup provides for participation in monthly conference calls by industry and State agency stakeholders. Workgroup members have access to a shared website where they may add, view and comment on proposed changes for 30 days. FNS reviews the comments, and then develops a draft bulletin for any changes. This draft bulletin is also made available for another 30-day comment period before it is finalized and posted on the WIC EBT Technical Documents Workgroup PartnerWeb. In addition, updates or potential changes are discussed on the monthly conference call before a bulletin is finalized. All bulletins include an effective date, which is based on the estimated timeframe required for making any necessary procedural or software updates. To participate in this workgroup, send a request to WICEBTMIS@fns.usda.gov.

g. Is an EMV-based EBT system allowed under the final rule?

EMV stands for Europay, MasterCard, and VISA and refers to an integrated chip card (e.g., smart card). It is a system used globally for bank debit and credit cards supporting both on-line and off-line purchases, and is used in countries around the world. While it is currently being introduced in the United States, the processing technology is different than the current smart cards (off-line EBT) and magnetic stripe cards (on-line EBT) in use by WIC State agencies.

While allowable under the final rule with prior FNS approval, the implementation of an EMV-based WIC EBT system would require examination of the processing changes and the impact on each stakeholder (State agency, processor, third party processor, value added reseller, cash register system developer, and WIC vendor) as well as an evaluation of the impact on the WIC Operating Rules and Technical Implementation Guide. We expect this to be a significant undertaking; it would require a State agency to submit a plan following the APD process defined in Handbook 901.

VII. [Replacement Cards, Customer Service Standards, and EBT System Contingency Plans](#)

a. What are the requirements for replacing a lost, stolen, or damaged card?

The final rule establishes standards for card replacement and minimum customer service requirements. A State agency must replace an EBT card and transfer benefits to the replacement card within seven business days from the date a lost, stolen, or damaged card is reported to the State agency. The minimum customer service standards require a State agency to support the reporting of a lost, stolen, or damaged EBT card 24 hours a day, seven days a week. The State agency must have steps in place to deactivate the card to prevent additional usage within one business day of receiving a report from a participant, caretaker, or proxy.

b. When replacing a lost, stolen, or damaged card, does the seven business day requirement also include replacing the Personal Identification Number (PIN)?

Yes, the seven day replacement requirement also includes replacing the PIN, if a new PIN is necessary. PIN replacement is not automatic; it is included at the request of the cardholder. The cardholder's availability to select a new PIN may impact this timeline. State agency personnel should provide instructions to cardholders requesting PIN replacement with the overall timeline in mind. The purpose of this requirement is to ensure remaining benefits can be accessed within seven business days or sooner once reported to the State agency.

c. How will a State agency handle card replacement if benefits could expire before the seven day card replacement occurs?

A State agency must establish procedures to expedite card and benefit replacement through the use of express or overnight mail, if travel to a nearby clinic is not possible for the WIC participant. If replacement cannot occur until after benefits have expired, the WIC participant will only be able to access the next month's benefits when they receive their replacement card. The prior month's benefit balance will not be replaced. Appropriate notice must be included in the State agency Rights and Responsibilities statement provided to the WIC participant at the time of certification. The exact language describing this notification requires FNS approval.

d. Can a State agency charge a WIC participant for a replacement card?

No, the State agency may not charge a WIC participant for a replacement WIC EBT card.

e. Can a State agency use a clinic answering machine to meet the non-business hour service requirement?

Yes, if the State agency can meet the minimum standards for customer service.

f. Do customer service standards apply to WIC vendors?

No, the final rule requires the State agency to implement customer service support to WIC participants. However, a State agency has the option to provide customer service support for WIC vendors.

g. What provisions are in place to ensure benefit delivery when the EBT delivery method is unavailable?

The FNS Handbook 901 requires contingency plans for each State agency automated system to address interruptions to benefit delivery, such as disasters. State agency EBT contracts must contain telecommunications redundancy, backup host processing capability, and an annual demonstration of the backup EBT host. Also, the WIC EBT Operating Rules allow for the use of manual vouchers and store-and-forward processing when EBT is otherwise unavailable.

VIII. [National Universal Product Code \(NUPC\) Database](#)

a. What is the National Universal Product Code (NUPC) database?

The NUPC database is a repository of WIC foods that have been authorized by State agencies. This includes Price Look Up (PLU) codes and other information on fruits and vegetables so a State agency may incorporate these food items into their WIC Authorized Product List (APL).

b. What are the minimum requirements for submitting information to the National UPC Database?

At a minimum, a State agency must provide FNS with their APL for submission to the NUPC database. Each State agency is required to submit an initial APL and an updated APL when they reach statewide implementation. At this time, there are no other requirements for submitting APLs.

c. Does the final rule require a State agency to use the NUPC database to evaluate individual food products?

No, a State agency is not required to use the NUPC database to evaluate individual food products. Each State agency remains responsible for evaluating individual products and determining the specific supplemental foods for their Program.

d. Does the NUPC database support other technologies, such as GS1 Databar barcodes for fresh fruits and vegetables?

No, the NUPC database is only built to comply with the technical standards used for EBT.

IX. [Implementation Dates](#)

The final rule (81 FR 10433) was published on March 1, 2016 and has an effective date of May 2, 2016, except where otherwise indicated.

- **Minimum lane coverage (March 1, 2017):** The provisions found at 7 CFR 246.12(h)(3)(xxvii) and 7 CFR 246.12(z)(2) require minimum lane coverage and deployment of POS equipment.
- **Ongoing maintenance and operational costs (March 1, 2018 or FNS approved date):** The provisions found at 7 CFR 246.12(h)(3)(xxx) and 7 CFR 246.12(aa)(4)(i) prohibit a State agency from paying ongoing maintenance, processing fees or operational costs for multi-function vendor systems and equipment after statewide implementation.
- **Compliance with operating rules, standards, and technical requirements costs (March 1, 2018 or FNS approved date):** The provisions found at 7 CFR 246.12(h)(3)(xxxi) and 7 CFR 246.12(bb)(1) require each State agency, contractor and authorized WIC vendor to comply with the published operating rules, standards and technical requirements and other industry standards identified by the Secretary.