



# Operating Rules Women, Infants and Children (WIC) Electronic Benefits Transfer (EBT)

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## Foreword

The Special Supplemental Nutritional Program for Women, Infants and Children (WIC) provides nutritious foods, nutrition education and referrals to health and other social services to WIC Participants at no charge. WIC serves low-income pregnant, postpartum and breastfeeding women, and infants and children to age 5 who are at nutrition risk.

WIC is a Federal grant program for which Congress authorizes a specific amount of funding each year for program operations. The Food and Nutrition Service (FNS), which administers the program at the Federal level, provides these funds to WIC State Agencies to pay for WIC foods, nutrition education and administrative costs.

The Program is available in all 50 States, 34 Indian Tribal Organizations (ITOs), America Samoa, District of Columbia, Guam, the Commonwealth of the Northern Marianas Islands, Puerto Rico and the Virgin Islands. These 90 WIC State agencies administer the Program through numerous local agencies and clinic sites.

Electronic Benefits Transfer (EBT) development has been a key long-term goal of FNS and of the WIC Program. Under EBT, an electronic system replaces paper checks or vouchers with a card that can be used at the Point of Sale (POS). The challenge was finding technological solutions that were both affordable and met the functional needs of a relatively complex nutrition program. As a cornerstone of the initiative to pursue an EBT solution, FNS developed a Strategic Plan to address this challenge.

FNS supports both WIC Smart Card and WIC Online EBT technologies.

This document reflects the Operating Rules for WIC EBT in the Smart Card and WIC Online EBT environment.

Suggestions for the improvement or revision of this document are welcome. They should be sent to:

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Alexandria, Virginia 22302  
or email: [WICEBTTECH@fns.usda.gov](mailto:WICEBTTECH@fns.usda.gov).

Interested parties may also join the WIC EBT Technical Documents workgroup which maintains all documents and provides for change requests online via the FNS WIC EBT Technical Documents PartnerWeb. Access to this may be requested in the email above.

Copies of this document and revisions may be obtained from the address above.

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## Document history

Version	Revision Date	Updates
Draft 1.0	11/02/2009	Original draft publication
Draft 2.0	11/23/2009	Incorporates initial FNS review (E. McBride)
Draft 3.0	12/04/2009	Incorporates FNS final review and the recommendations from resolved issues; First version released for review to workgroup
Draft 4.0	2/23/2010	Incorporates comments received on Draft 3.0
Draft 4.1	3/31/2010	Incorporates comments from FNS review
Draft 4.2	4/01/2010	Version sent for review to distribution list
Draft 5.0	7/3/2010	Incorporates comments on Draft 4.2; pre-publication
Published	12/21/2010	Incorporates comments from conference calls and FNS review
Published	9/30/2014	Incorporates Bulletins and updates since 2010 publication, see <i>Changes in 2014 Version</i> below.

## Note to readers of this document

Section A – WIC EBT Features provides an introduction and overview of WIC EBT and is not a part of the Operating Rules.

Terminology used in this document is consistent with terms in common use within the commercial sector and with definitions used in the WIC Program rules. Readers of this document are encouraged to review the definitions in Annex A.1. Wherever a term is capitalized in the document it shall have the meaning defined in Annex A.1.

Readers of the electronic (“pdf”) version of this document may return to the original location of any link in the document (e.g., such as those in the Table of Contents) by holding the ALT key and clicking the left-arrow key.

## Changes in 2014 Version

The following bulletins and changes have been incorporated in the 2014 Operating Rules and apply to all affected parties; WIC State Agencies, WIC Vendors, WIC EBT Processors and retail system providers. The changes are effective upon publication of the Operating Rules or as of the date indicated in the linked section(s).

### Bulletins

- a) R-001, dated June, 18, 2012, addressing the application of bottle deposits and grocery bag fees to WIC purchases, at Section 4.7.5.6.
- b) Note: R-002 on Manual Vouchers has not been released.
- c) Note: R-003 on WIC receipt information was superseded by R-009.
- d) R-004, dated August 3, 2013, addressing the application of discounts and coupons to WIC purchases, at Section 4.7.5 (h), 4.7.5.1 (c). Section 4.7.5.3 (a) the end of the sentence was changed from "the benefit quantity" to "the WIC Participant's benefit balance". Changes in R-004 to Section 4.7.5.4 were superseded by R-020.
- e) R-005, (also T-011) dated August 17, 2012, addressing WIC EBT card handling at the POS, at Sections 4.7.8.1 (c) and Section 4.7.1 (d).
- f) R-006, dated April 5, 2013, addressing the Hot Card List purge criteria, at Section 9.5 (g).
- g) R-007 dated June 12, 2013, addressing WIC EBT Processor uptime requirements, at Section 6.1 (e) and (g).
- h) R-008, dated August 21, 2013, addressing further WIC Card requirements, at Section 8.1 and a new Section 8.6.
- i) R-009, as updated February 11, 2014, addressing further WIC POS receipt requirements, at Section 5.5 and added sample receipts to Annex B.2.
- j) R-010, as updated January 14, 2014, addressing training mode for CAD at the POS, at Section 5.2.
- k) R-011, dated January 6, 2014, address PAN usage, at Section 8.3.
- l) R-012, dated January 16, 2014, addressing WIC settlement timeframes and clarified the definitions of Settlement day and Processing Day, at Section 12.3 and A.1.
- m) R-013, as updated February 11, 2014, addressing reconciliation and back office reporting requirements, at Sections 4.10, 11.4, 12.4, 12.5 and 15.1.
- n) R-014, dated April 24, 2014, addressing the assignment of WIC Vendor Identifier (ID), at Section 4.6 (f).
- o) R-015, dated June 17, 2014, addressing WIC EBT Smart Card Remote Benefit Service at Sections A.1, A.2, 4.3, 4.6 (a), 5.1.5, 5.1.6, 4.7.8.3 (c), 4.8 (d), 5.5.3, 7.2 (k), 9.5 (d) (3), and 11.5 (h).
- p) R-016, dated May 23, 2014, addressing printing of POS receipts, at Section 5.5.
- q) R-017, dated May 23, 2014, addressing POS system support for both WIC Online and Smart Card EBT at Section 4.6 (b).
- r) R-018, dated May 26, 2014, addressing Card Issuer Processor settlement, at Section 12.3 (b) (g).
- s) R-019, dated May 27, 2014, addressing NTE price management, at Section 11.5 (i) .
- t) R-020, dated July 15, 2014, addressing handling of transaction discounts at Section 4.7.5.4.
- u) T-009 dated November 28, 2013, addressing WIC tender resulting in a zero amount and the tax implications, at Section 4.7.5 (i), (j) and (k) (added to Operating Rules for consistency).
- v) T-012, dated April 16, 2013, addressing the assignment of UPC/PLUs, at Section 11.1(0).
- w) T-018, dated May 12, 2014, addressing additional requirements for Split Tender, at Section 4.7.3.1 (b) and (c).

Other Changes

- a) Updated the definition of Farmers' market at 4.1(b) and the changed the term "medical foods" to "nutritionals" from Final Rule published March 4, 2014.
- b) Corrected the definition of Food Sub-Category at Annex A.1.
- c) Added sentence to Section 13.3 (f) recommending the use of FNS common test scripts.
- d) Added definition and abbreviation for Value Added Reseller (VAR) and used the term in Section 3 and 4.3.
- e) Changed "NTE" to "adjusted" in Section 12.3 (e) to accommodate other adjustments to the item price.
- f) Updated Section 2.3 Compliance to accommodate updated publication.
- g) References to DSTU X9.108 were replaced at Section 4.6 (c), 6.2(d) to refer to "the specifications identified by FNS". In Annex A.1 and Annex C, ANS X9.131, when published, replaces DSTU X9.108.
- h) References to X9.93:2008 have been updated to X9.93:2015 at Sections 4.6 (c) and (e), 6.2 (c) and (e), 10 and 10 (a), 11.1 (b), 12.2 (b), 12.4.1 (a), 12.5, A.1 and Annex C. The note was added that WIC State Agencies and their agents shall support backward compatibility in message and file exchanges with prior versions until WIC Vendors are capable of supporting the updated versions incorporated into the Technical Implementation Guide.
- i) References to other documents or standards have been updated to the latest publication date and/or link or deleted where no longer applicable
- j) Minor changes to terminology were made for consistency throughout the document.
- k) The document has been updated to reflect the current publication date.

## Introduction

### A. WIC EBT features

WIC benefits are authorized through local WIC clinics and provided to WIC Cardholders in a prescription format that allows only specific food items to be redeemed within a benefit month. Electronic Benefits Transfer (EBT) in the WIC Program allows WIC Cardholders to receive a WIC EBT Card in their clinic, select a Personal Identification Number (PIN) and purchase their authorized foods from WIC Vendors equipped to accept the WIC EBT Card.

The WIC State Agency enters into agreements with WIC Vendors in their area to participate in the WIC EBT Program and provide specific WIC authorized food items for purchase by WIC Cardholders. The WIC State Agency provides WIC Vendors with an electronic list of authorized food products called the Authorized Product List (APL).

The Authorized Product List (APL) is an electronic file of all Universal Product Codes (UPCs) and Price Look Up codes (PLUs) authorized by a WIC State Agency. In the APL, each food item is uniquely identified by a specific Food Category, Food Sub-Category, quantity of benefits and benefit description. See Section 11 for details of the APL.

In order to redeem benefits, the WIC Cardholder uses the WIC Participant's WIC EBT Card to purchase authorized food items at authorized WIC Vendors.

#### A.1 Financial transaction processing entities

WIC EBT operates in the financial transaction processing environment which supports various payment types such as debit, credit, EBT and paper checks or cash. In this environment are the following entities:

- a) WIC Cardholder. The WIC Cardholder is an individual authorized to use the WIC Participant's family WIC EBT Card.
- b) WIC Vendor. The WIC Vendor is a retail merchant authorized to provide WIC authorized food products for purchase by WIC Cardholders. When used in these Operating Rules, this term refers to the WIC Vendor or its agent.
- c) Acquirer. The Acquirer is a processing entity that electronically obtains transaction information and/or files from the WIC Vendor and sends them to the Card Issuer, the EBT Card Issuer Processor or a Third Party.
- d) Card Issuer. The Card Issuer is a WIC State Agency (or its processing agent) that issues the WIC EBT Card to the WIC Cardholder. When used in these Operating Rules, this term refers to the WIC State Agency or its processing agent.
- e) EBT Card Issuer Processor. The EBT Card Issuer Processor provides processing services to the Card Issuer. When used in these Operating Rules, this term refers to the EBT Card Issuer Processor or its agent.

- f) Third Party Processor. A Third Party Processor provides transaction processing services such as routing and switching of EBT transactions to another party on behalf of the WIC Vendor, Acquirer or EBT Card Issuer Processor.

See Figure 1 for the interfaces between these financial transaction processing entities.

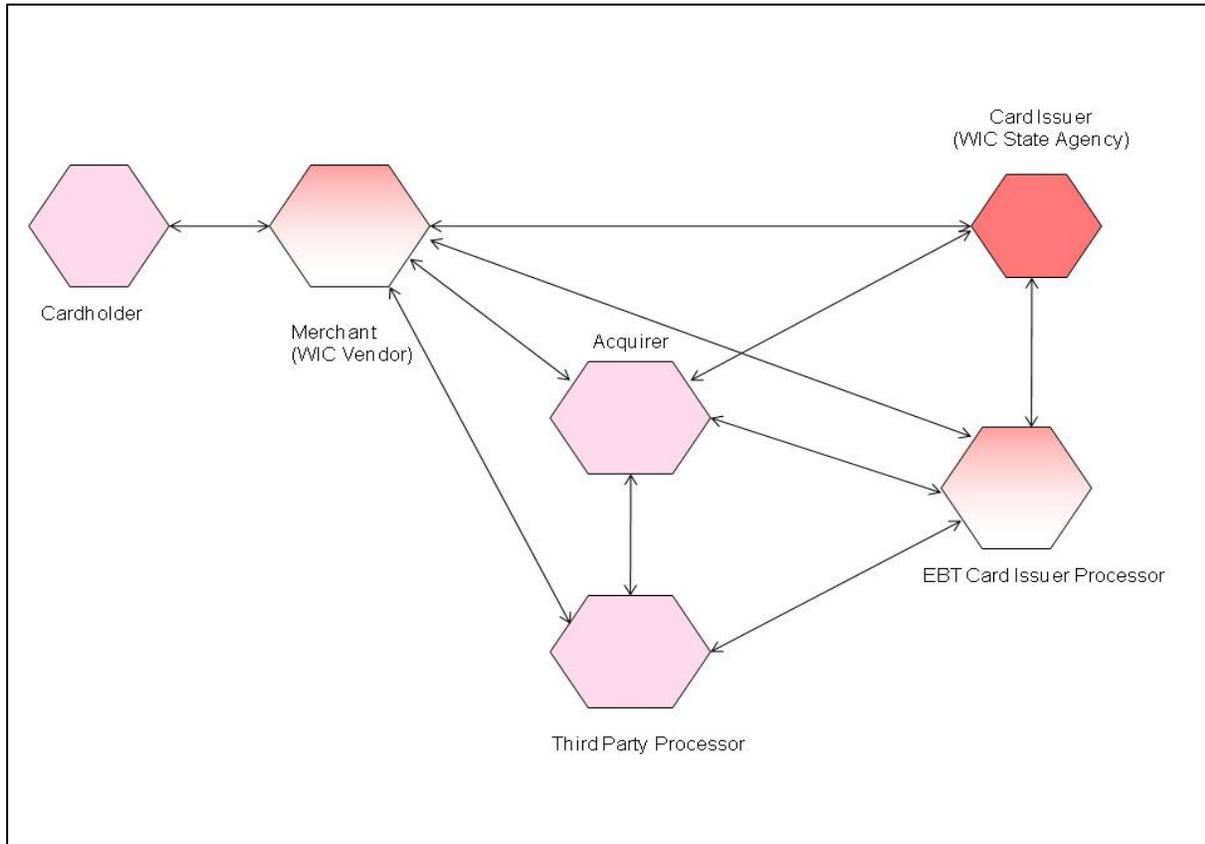


Figure 1 Financial Transaction Entities

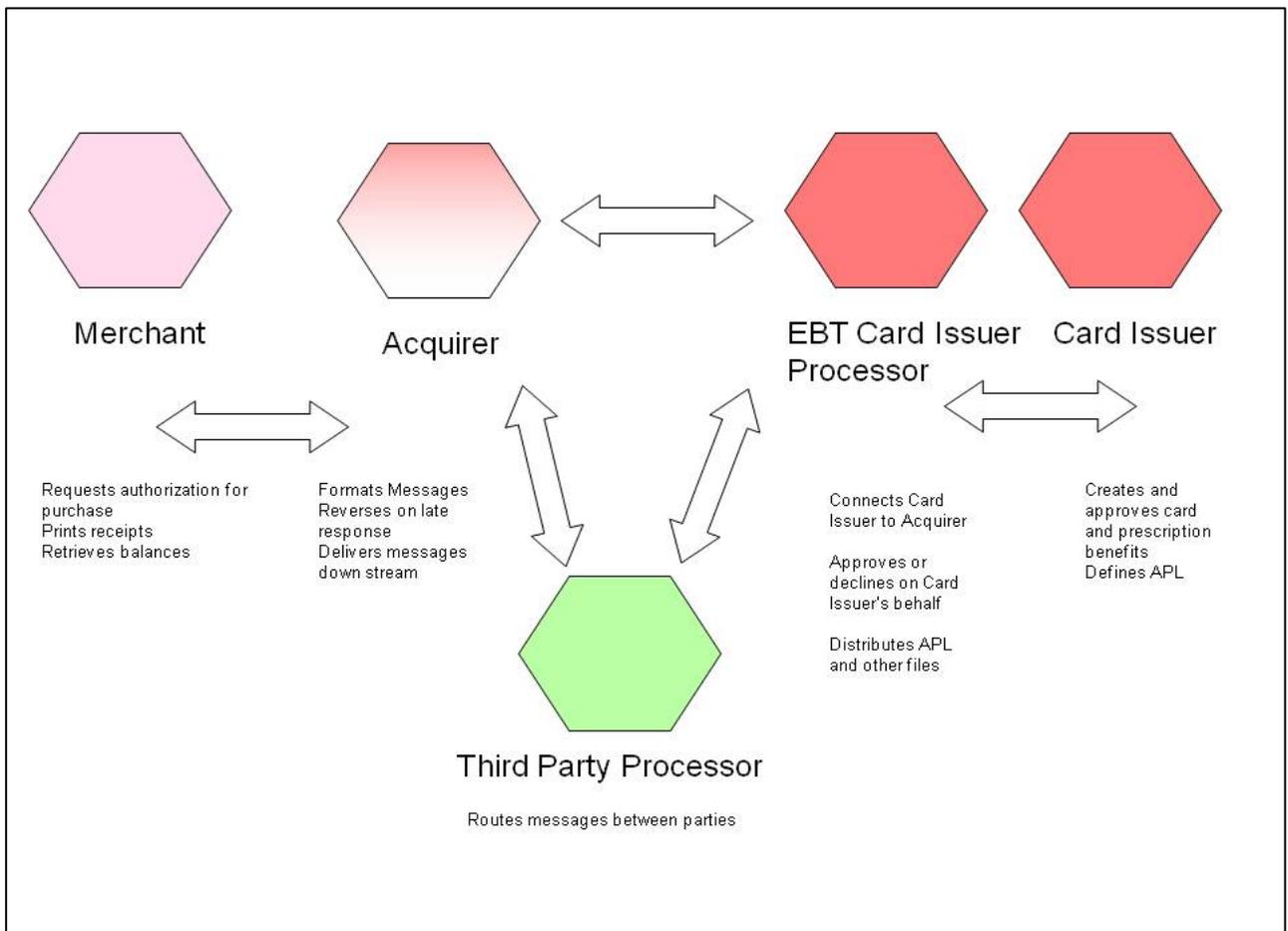
## A.2 WIC EBT processing overview

WIC EBT processing refers to the sequence of events that occur when a WIC Cardholder makes a purchase with their WIC EBT Card to obtain WIC benefits at an authorized WIC Vendor. When presented in the checkout lane, the WIC EBT Card allows the point of sale to obtain the Prescription benefit balance associated with the WIC EBT Card to start the WIC purchase. A food item UPC or PLU is scanned at the POS; the WIC Vendor system matches the UPC or PLU against the list of WIC food items identified in the APL provided by the WIC State Agency to obtain the Category and Sub-Category for the food item. The WIC Vendor’s system then matches the Category and Sub-Category of the scanned food items against the remaining WIC food balance associated with the WIC EBT Card.

WIC EBT may be operated using either WIC Online EBT Processing or WIC Smart Card EBT Processing. See Annex B.1 for a comparison of WIC Smart Card EBT and WIC Online EBT.

**A.2.1 WIC Online EBT processing**

WIC Online EBT is the processing option where the WIC transaction is completed in real-time through messages sent from the WIC Vendor to the Acquirer then to the EBT Card Issuer Processor and back at the time of purchase. The EBT Card Issuer Processor responds to the message request with a response which approves or denies the WIC purchase. See Figure 2.



**Figure 2 WIC Online EBT processing**

**A.2.1.1 WIC Online EBT transaction processing**

WIC Online EBT transaction processing uses a payment card that has a magnetic stripe to perform a series of real-time transactions between the card acceptor device (CAD) at the WIC Vendor and the EBT Card Issuer Processor to approve the WIC transaction. The WIC Cardholder's benefit balance is obtained from the EBT Card Issuer Processor using the card number and a valid PIN. The card number links to an account that contains the Prescription benefit balance. The WIC Cardholder presents food items for purchase and these food items are

compared with the APL at the WIC Vendor for the appropriate Card Issuer (WIC State Agency). Authorized food items are then compared to the Prescription benefit balance to determine the available benefits. Food items that match the available benefits and the APL are sent to the EBT Card Issuer Processor for approval. The EBT Card Issuer Processor authorizes each item and calculates the amount to be paid to the WIC Vendor.

The only exceptions to real-time processing in WIC Online EBT transaction processing is the use of a Store and Forward transaction (see Section 9.4) or Manual Voucher (see Section 4.7.8.2) that is manually authorized via phone in the event of a system outage.

#### **A.2.1.2 WIC Online EBT Card validation**

A card status is maintained at the EBT Card Issuer Processor by the WIC State Agency for any WIC EBT card numbers that are reported lost or stolen and the transaction will be denied for a card that is not active.

#### **A.2.1.3 WIC Online EBT APL handling**

Updates to the APL are made by the WIC State Agency. The updated APL may be retrieved by the WIC Vendor in a batch mode from the EBT Card Issuer Processor. Optionally, updates may be provided by the exchange of real-time messages between the WIC Vendor and the EBT Card Issuer Processor.

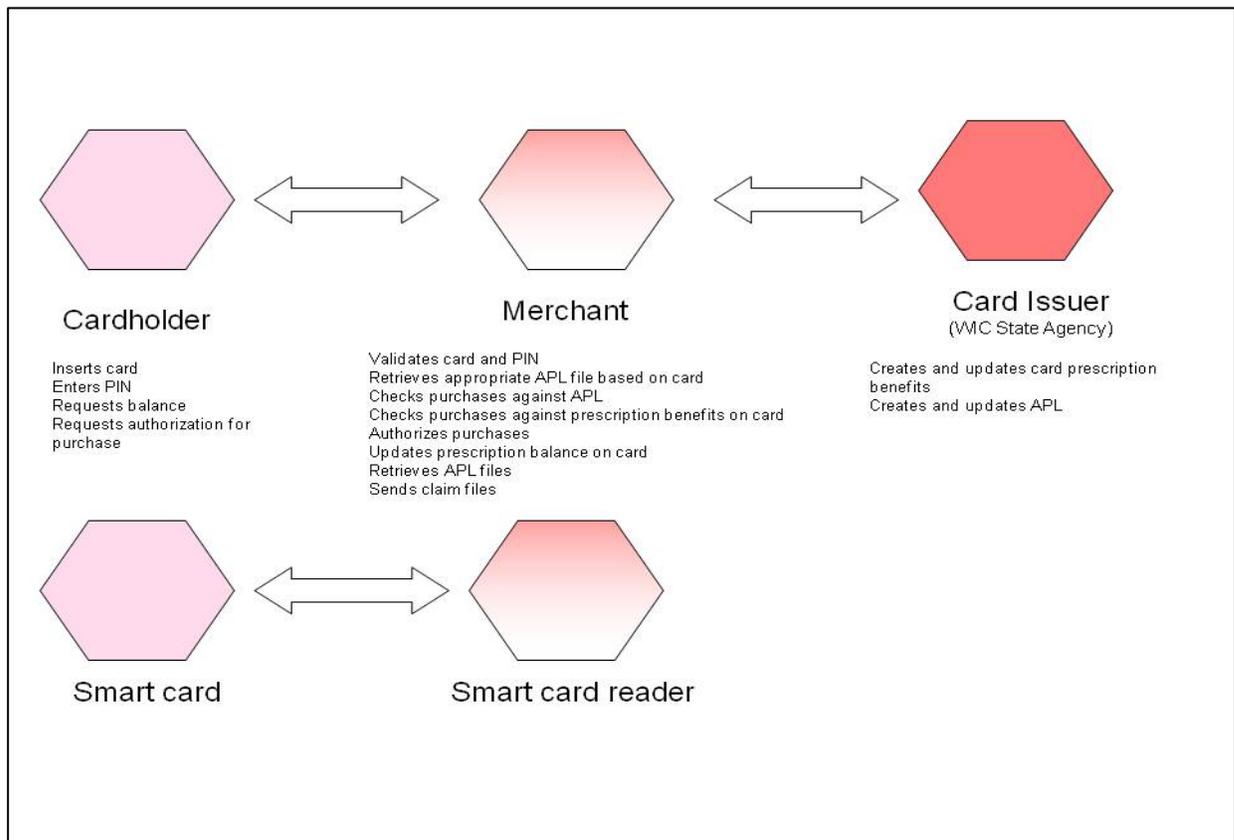
#### **A.2.1.4 WIC Online EBT reconciliation and settlement**

To reconcile and settle completed transactions, approved purchases are totaled by the EBT Card Issuer Processor at the end of each Processing Day and a WIC Auto-Reconciliation file and an ACH payment file are created. The WIC Auto-reconciliation file is sent to the WIC Vendor or their agent.

Based on the ACH payment file, funds are deposited to the designated financial institution that holds the settlement account for the WIC Vendor. See Section 12.

#### **A.2.2 WIC Smart Card EBT processing**

WIC Smart Card processing uses a payment card that has a computer chip embedded on the card; commonly referred to as a smart card. All transactions are processed between the smart card and the smart card reader in conjunction with the WIC Vendor's system using the WIC State Agency's APL at the POS and the Prescription benefit stored on the chip. See Figure 3 WIC Smart Card EBT processing.



**Figure 3 WIC Smart Card EBT processing**

#### **A.2.2.1 WIC Smart Card EBT transaction processing**

WIC Smart Card EBT processing accesses the chip to determine the validity of the account, the benefits available on the WIC EBT Card and, using the BIN derived from the PAN, the APL to be referenced. The WIC Cardholder presents food items for purchase and these food items are compared with the APL for the appropriate WIC State Agency stored in the WIC Vendor's system. Authorized food items are then compared to the Prescription benefit balance on the WIC EBT Card to determine the available benefits. Sold food items are decremented from the Prescription benefit balance and the WIC EBT Card is updated at the POS. Completed transactions are submitted in a batch file to the EBT Card Issuer Processor or Card Issuer (WIC State Agency) for settlement.

#### **A.2.2.2 WIC Smart Card EBT Card validation**

When the WIC Cardholder inserts the WIC EBT Card into the smart card reader and enters the PIN, the card number is checked against the Hot Card List (HCL) file in the WIC Vendor's system. If the card number is on the Hot Card List, the transaction may be denied depending on the information on the Hot Card List.

The Hot Card List file is updated by the WIC State Agency and made available for WIC Vendors and their Acquirers at the WIC State Agency's data retrieval site for download and application to the WIC Vendor's system.

**A.2.2.3 WIC Smart Card EBT APL handling**

Updates to the APL are made by the WIC State Agency. The updated APL may be retrieved by the WIC Vendor or their agent at the WIC State Agency's data retrieval site for download and application to the WIC Vendor's system.

**A.2.2.4 WIC Smart Card EBT reconciliation and settlement**

To reconcile and settle completed transactions, approved purchases are totaled by the WIC Vendor or their agent at the end of each Processing Day and a WIC Claim File is created and submitted to the WIC State Agency for payment.

The WIC State Agency will validate the WIC Claim File, create the WIC Auto-Reconciliation file and will request an ACH payment file for valid transactions be generated by the financial entity responsible for payment. The ACH payment file is submitted to the WIC State Agency's settlement bank. Funds are deposited to the WIC Vendor's account at their settlement bank. The WIC State Agency creates a WIC Auto-Reconciliation File and makes it available for download by the WIC Vendor. The WIC Auto-Reconciliation File enables the WIC Vendor to reconcile transactions.

# WIC EBT Operating Rules

## 1 Scope and purpose

This document provides a framework for the initiation and continuing operation of a WIC EBT program by defining the operating rules for those entities participating in the program; WIC Authorities (States, Indian Tribal Organizations, District of Columbia, and U.S. territories), WIC Cardholders, retail system providers, WIC Vendors, Acquirers and the Processors for these entities. It lays the groundwork to provide services consistently regardless of the Processor or the location of the WIC Vendor. The Operating Rules are modeled after operating rules used by debit, ATM and credit card payment networks.

The Operating Rules apply to all variations of WIC EBT processing and environments. Operating rules define the environment of WIC transactions and give a framework for mitigating errors and assigning liabilities. The Operating Rules define the responsibilities of each person or company that becomes involved in handling a WIC EBT transaction. This includes the cardholder (WIC Participant), the WIC Vendor, the WIC Vendor's cash register and payment providers, (Acquirer, Value Added Reseller (VAR) software providers, and others), any third party involved in switching or associated services, the EBT Card Issuer Processor, WIC State Agencies and the banks where funds are paid and deposited for successful WIC purchases. Not all of these participants will become involved in every situation.

The Operating Rules focus on the benefit redemption portion of WIC EBT and do not address the WIC State Agency clinic operations.

Where WIC EBT is not implemented, WIC transactions are processed using paper vouchers or checks (food instruments) issued for the WIC Participant from the WIC Clinic. The issuance, processing and settlement procedures followed in the paper environment are not addressed in this document.

## **2 WIC EBT program**

### **2.1 Governance**

WIC Legislative Requirements are contained in Section 17 of the Child Nutrition Act of 1966.

WIC Regulations are published by the Federal Register in the Code of Federal Regulations, 7 CFR Part 246. Specifics of EBT are found in the Definitions and in Section 246.12(a) and (g). The CFR is updated annually with an effective date as of January 1 each year. Individual rules are published throughout the year with specific effective dates. The CFR, in print or online, represents updates as of January and will not include changes which have been subsequently published. Current, proposed and final regulations are also located at [www.fns.usda.gov](http://www.fns.usda.gov).

Policy memos and Guidance are provided by FNS on an ongoing basis. All WIC EBT transactions must comply with these regulations, policies and guidelines.

### **2.2 Maintenance of operating rules**

These Operating Rules shall be updated from time to time as deemed necessary by FNS. Changes to the Operating Rules shall be released as dated updates and will specify:

- a) the change to be made, referenced by Section, paragraph and sub-paragraph as necessary,
- b) the effective date of the change,
- c) the affected parties,
- d) any certification or testing requirements for implementation of the change.

Updates will be incorporated into regular revisions of the Operating Rules which are published and made available by FNS.

### **2.3 Compliance**

WIC State Agencies operating WIC EBT systems as of 2010 shall have 5 years from September 30, 2010 to bring their systems into compliance unless specifically granted additional time by FNS. New WIC EBT systems implemented since September 30, 2010 by WIC State Agencies shall comply with these Operating Rules unless specifically granted additional time by FNS. Other regulatory or policy action may modify these timeframes.

### **2.4 Consequences of non-compliance**

Card Issuers, WIC Vendors, Acquirers and the Processors for these entities that are found to not be in compliance with these Operating Rules shall be notified by FNS sending a compliance memo stating the area of non-compliance, explaining how the offending entity may correct the problems, and request them to provide a schedule for resolution. If the problems continue after the deadline lapses, the entity shall be disqualified or suspended.

## **2.5 Confidentiality**

The confidentiality of WIC Participant and WIC Vendor information must be protected to the extent required by §246.26 of the Federal WIC regulations (7 CFR Part 246).

### 3 Acquirer requirements

The Acquirer is a processing entity that electronically acquires transaction information and/or files from the WIC Vendor and sends them to the Card Issuer, the EBT Card Issuer Processor or a Third Party.

A WIC Vendor may have a contractual agreement with a Value Added Reseller and/or the Acquirer to provide a CAD device and support, transaction and file processing, software support, security management, telecommunication connectivity, reporting and other support in WIC Online or Smart Card EBT environments.

The Acquirer routes transactions to and exchanges files directly with the Card Issuer or they may be sent through a Third Party Processor.

In some instances, such as with large national or regional retail chains and WIC Smart Card EBT, the WIC Vendor may directly connect to the Card Issuer and act as the Acquirer.

These Acquirer requirements shall apply to whatever entity is acting as the Acquirer.

#### 3.1 Acquirer processing standards

Processing standards enforce a level of service for the WIC EBT processing environment as a whole so that consistent service is provided regardless of the technology utilized or the entities involved. Processing standards are established by FNS in cooperation with WIC EBT entities. The following is a list of the processing standards for Acquirers which shall be incorporated in contractual agreements with the Acquirer or the WIC Vendor that acts as their own Acquirer.

- a) Acquirer shall maintain the necessary computer hardware and software to interface directly with data processing facilities required to accommodate transaction and file processing.
- b) Acquirer's processing system shall be available 7 days a week, 24 hours a day for transaction processing except for scheduled downtime which shall not exceed two (2) hours per month.
- c) No more than two (2) in every 10,000 transactions processed by an Acquirer's processing system shall lead to an adjustment resulting from Acquirer error.
- d) Acquirer shall provide Customer Support regarding their EBT transactions for the WIC Vendors they service 7 days a week during business hours unless other timeframes are agreed upon by the WIC Vendor.
- e) Acquirer shall ensure that Card Acceptor Devices (CADs) it owns, operates, controls, or for which it has signed an agreement to accept transactions, shall operate and support transactions in accordance with these Operating Rules.
- f) Acquirer shall supply the WIC Vendor identification information in all agreements and according to technical processing standards.

#### 3.2 Third Party Processor requirements

Third party processors may provide services to Acquirers or WIC Vendors. Third party processors shall comply with these Operating Rules where they act as the agent of one or more of the parties to WIC EBT processing.

## 4 WIC Vendor requirements

A WIC Vendor is the WIC retail vendor location that provides authorized WIC food items under an Authorized WIC Vendor Agreement (also known as the WIC retail vendor agreement) with a WIC State Agency. Following are the types of WIC Vendors and the WIC Vendor requirements.

### 4.1 WIC outlet types

WIC Vendors authorized for WIC redemption sell the food items available in the Prescription benefit. Some WIC Vendors may sell a limited number of the WIC authorized food items. Following is a list of the types of WIC outlets that may be authorized by WIC State Agencies to accept WIC EBT Cards. A WIC State Agency may authorize some or all of these types.

- a) WIC retail vendor – a sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores authorized by the WIC State Agency to provide authorized WIC food items to WIC participants under a retail food delivery system.
- b) Farmers' Market – an association of local farmers who assemble at a defined location for the purpose of selling their produce directly to consumers. Individual farmers or farmers markets may be authorized to sell eligible fruits and vegetables to WIC Participants at a Farmers' market or roadside stands as defined in 7 CFR 246.12 (v). A farmer at a Farmers' Market and/or the Farmers' market shall accept the Cash Value Benefits (CVB) only. A farmer at a Farmers' Market and/or the Farmers' market shall not be required to meet minimum food stock requirements.
- c) Pharmacy - Pharmacies may be authorized for WIC-eligible nutritionals or Exempt infant formula only.
- d) Commissary – a WIC Vendor located on a U.S. military facility.
- e) Home food delivery systems – systems in which authorized foods are delivered to the WIC participant's home as defined in 7 CFR 246.12 (m).
- f) Direct distribution food delivery systems – a WIC food distributor of specialty formula and other WIC authorized food items as defined in 7 CFR 246.12 (n).
- g) Above-50-percent vendor – a WIC retail vendor that obtains more than 50 percent of its food revenue from WIC sales.

### 4.2 Authorized WIC Vendor agreement

An Authorized WIC Vendor Agreement between the WIC State Agency and a WIC Vendor shall meet the requirements of this section which complement existing WIC Vendor Agreement requirements contained in WIC regulations at 7 CFR 246.12. See Annex B.3 for a sample Authorized WIC Vendor Agreement.

- a) A WIC Vendor shall have an Authorized WIC Vendor Agreement with the WIC State Agency and operate a certified system implementation prior to accepting WIC EBT Cards for purchase.
- b) A WIC Vendor may have an Authorized WIC Vendor Agreement with more than one WIC State Agency and therefore, accept WIC EBT Cards issued by more than one WIC State Agency.

- c) The Authorized WIC Vendor Agreement shall reference these Operating Rules, as amended from time to time, and shall require the WIC Vendor to comply with these Operating Rules.
- d) A WIC State Agency shall amend any existing WIC Vendor Agreement to comply with these Operating Rules by the time a WIC State Agency begins issuance of EBT cards to WIC Participants or upon agreement with FNS for WIC State Agencies operating prior to the publication of these Operating Rules.

### **4.3 Other WIC Vendor agreements**

A WIC Vendor that utilizes a Value Added Reseller, an Acquirer or a Third Party Processor shall incorporate the requirements of Section 4.2 into agreements with those parties.

#### **[Section 4.3, second paragraph, effective beginning October 1, 2014]**

A WIC Vendor shall amend their Authorized WIC Vendor agreement and/or have a separate agreement with the WIC State Agency and/or a third party if they agree to provide Remote Benefit Services.

### **4.4 WIC Vendor card acceptance**

A WIC Vendor shall accept the WIC EBT Cards of the WIC State Agencies for which they are authorized. Following are the rules for card acceptance.

- a) The WIC EBT Card must be presented at the time of purchase.
- b) For WIC Online EBT, the WIC EBT Card number may be key-entered from a magnetic stripe card if the card read fails.

#### **[Section 4.4 (c) effective until September 30, 2014 or until home food delivery systems eliminated]**

- c) For home food delivery systems, the WIC EBT Card shall be accepted according to the specific requirements of the WIC State Agency as approved by FNS.

### **4.5 WIC Vendor signage**

The WIC Vendor shall comply with the signage requirements as follows:

- a) WIC Vendors shall display a sign that reflects the WIC EBT Card design for the WIC State Agency if required by the WIC State Agency.
- b) WIC Vendors may display a sign stating "WIC Accepted Here" and utilize the WIC logo developed by the WIC State Agency if permitted by the WIC State Agency in accordance with FNS WIC Policy Memorandum 2009-1 and FNS Instruction 800-2.
- c) WIC Vendors may display a shelf tag to identify WIC food items if permitted by the WIC State Agency and consistent with FNS WIC Policy Memorandum 2009-1 and FNS Instruction 800-2.
- d) WIC Vendors may use the State WIC EBT Card design or logo to identify checkout lanes that accept WIC EBT Cards in a manner consistent with lane identifiers for other payment types.

- e) WIC Cardholders shall not be restricted to a single lane of those lanes equipped to accept WIC EBT Cards.
- f) The use of the 'WIC' abbreviation and logo are trademarks of the Food and Nutrition Service (FNS). Use of the term 'WIC' is restricted for other purposes by for-profit entities.

#### **4.6 WIC Vendor transaction processing requirements**

Following are the rules that shall apply to transaction processing by a WIC Vendor.

- a) A WIC Vendor shall establish **[effective beginning October 1, 2014, “one or more”]** direct or indirect telecommunications connections for the routing of transactions and exchange of files with the Card Issuer or the Card Issuer's EBT Card Issuer Processor. The WIC Vendor may choose to use an Acquirer or Third Party Processor directly or indirectly connected to the Card Issuer for this purpose.
- b) A WIC Vendor or its Acquirer shall support EBT Online or EBT Smart Card processing as required by their Authorized WIC Vendor Agreement(s).

#### **[Section 4.6 (b) new additional sentence effective beginning October 1, 2014]**

The capability to process WIC Online EBT and WIC Smart Card EBT transactions at a single WIC Vendor location, e.g., where the location is authorized by more than one WIC State Agency, is required.

- c) A WIC Vendor or its Acquirer using EBT Online processing shall conform to the *ANS X9.93-2:2014 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 1:Messages* standard for message processing as defined in the WIC Technical Implementation Guidelines when presenting transaction to the Card Issuer. WIC State Agencies and their agents shall support backward compatibility in message exchanges with prior versions until WIC Vendors are capable of supporting the updated versions incorporated in the WIC Technical Implementation Guidelines.
- d) A WIC Vendor or its Acquirer using WIC EBT Smart Card processing shall conform to the specifications identified by FNS for reading and writing data to the smart card.
- e) A WIC Vendor or its Acquirer shall conform to the *X9.93-2:2014 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 2:Files, 2014* standard for file processing as defined in the WIC Technical Implementation Guidelines. WIC State Agencies and their agents shall support backward compatibility in file exchanges with prior versions until WIC Vendors are capable of supporting the updated versions incorporated in the WIC Technical Implementation Guidelines.

#### **[Section 4.6 (f) effective until September 30, 2016]**

- f) A WIC Vendor shall be identified by the unique WIC Vendor identification information assigned by the WIC State Agency. The WIC Vendor shall also be identified by their store name and address on receipts provided by the WIC Vendor.

#### **[Section 4.6 (f) effective beginning October 1, 2016]**

- f) A WIC Vendor shall be identified by the unique WIC Vendor Identifier (ID) assigned by the WIC State Agency. The WIC Vendor ID assigned should not contain logical constructs and should not be changed or re-used for another vendor. The WIC Vendor shall also be identified by their store name and address on receipts provided by the WIC Vendor.

Additional processing requirements are defined in the following sections.

#### **4.6.1 Minimum transaction set**

The WIC Vendor or its Acquirer shall, at minimum, support the following types of transactions:

- a) Balance Inquiry – to provide the WIC Cardholder with a shopping list and/or to retrieve the balance of the Prescription benefit prior to beginning a purchase.
- b) Purchase – to authorize and complete a sale. For WIC Smart Card EBT, an attempt to complete a sale shall also be supported and submitted in the WIC Claim File.
- c) Reversal – to partially or completely nullify the effects of a previous Purchase transaction and add benefits back to the WIC Participant's Prescription benefit because the Purchase transaction cannot be processed as instructed.
- d) Void – to cancel a previously authorized and completed transaction, resulting in a Reversal. See Section 4.7.8.3.
- e) In WIC Online EBT only:
  - 1) Voucher clear – to submit Manual Vouchers.
  - 2) The Card Issuer shall, in addition, support the store and forward purchase transaction (see Section 9.4) which may be used by the WIC Vendor to complete a transaction if the Card Issuer cannot be accessed to complete a Purchase transaction.

#### **4.6.2 Transaction data content**

WIC Vendors shall conform to the following transaction data content requirements:

- a) Transaction date and time shall be:
  - 1) for WIC Online EBT transactions, the local date and time the Purchase transaction is approved at the EBT Card Issuer Processor's system, adjusted to the local date and time at the WIC Vendor location.
  - 2) for WIC Smart Card EBT transactions, the local date and time of authentication attempt between the CAD and the WIC EBT Card at the time of purchase initiation.
- b) Transaction currency - All transactions shall be settled in U.S. dollar currency only. The use of any other currency shall be approved by FNS before any development or contractual agreements are initiated.

#### **4.6.3 Transaction data retention**

Information from WIC EBT transactions and files shall be retained by the WIC Vendor or their agent for a minimum of 120 days from the date of the transaction or the transmission date of the file. Information for a disputed transaction shall be retained by the WIC Vendor or their agent until the dispute is resolved or 120 days, whichever is longer.

## 4.7 Lane operations

In the checkout lane of the WIC Vendor the rules in this section shall apply.

### 4.7.1 General lane operations

The following rules apply to general lane operations.

- a) The WIC Vendor shall support a balance inquiry capability on demand; either in the checkout lane or at a separate CAD so that the WIC Cardholder may check the available Prescription benefit balance and use it as a shopping list.
- b) No minimum purchase amounts or quantities shall be required of the WIC Cardholder.
- c) The maximum number of different food items as identified by a unique UPC or PLU that can be purchased at one time is:
  - 1) in WIC Online EBT, 50 different food items because of message size limitations.
  - 2) in WIC Smart Card EBT, the maximum number of different food items may be restricted to 254 unique combinations of the Food Category, Food Sub-Category, and UPC or PLU per transaction.

#### **[Section 4.7.1 (d) effective beginning October 1, 2014]**

- d) Only one WIC EBT card may be accepted per transaction.

### 4.7.2 Non-CVB Prescription benefit redemption

To redeem Prescription benefits for non-CVB WIC food items, a scanned or keyed UPC is matched to an eligible food item in the Prescription benefit. Food items are listed in the APL by Food Category and Food Sub-Category with the associated UPC. A Food Category identifies a general food group, i.e., milk, bread, etc. A Food Sub-Category with a value greater than "000" identifies a particular type of the food within the Food Category, i.e., skim milk, whole milk, lactose free milk, etc. The Food Sub-Category value of "000" within a Food Category is called the Broadband Food Sub-Category.

Following are the rules for redeeming Prescription benefits by Food Category and Food Sub-Category.

- a) WIC Vendors shall redeem available Prescription benefits from the Food Sub-Categories with values greater than "000" before redeeming benefits from the Broadband Food Sub-Categories.
- b) If a food item is allowed to use a Broadband Food Sub-Category, then the food item may be redeemed with the units remaining in the Broadband Food Sub-Category once all units in the specified Food Sub-Category have been decremented.
- c) The purchase quantity redeemed from the WIC participant benefits shall be obtained from the benefit quantity associated with the UPC in the APL.
- d) In WIC Online EBT only, a single WIC food item may be redeemed in part from a non-zero Food Sub-Category and in part from the Broadband Food-Sub-Category.

See Annex B.4 for examples of possible redemption strategies.

#### **4.7.2.1 Non-CVB Prescription benefit and split tender**

Split tender for non-CVB Prescription benefit purchases refers to a single Prescription benefit food item being redeemed in part using the Prescription benefits and in part using one or more additional methods of payment. Split tender shall not be used for Non-CVB Prescription benefit purchases.

#### **4.7.3 Cash value benefit (CVB) redemption**

CVB food items are any fresh fruits and vegetables not specifically excluded and, at the option of the WIC State Agency, canned, dried and/or frozen fruits and vegetables meeting WIC nutritional guidelines.

Note: See the USDA FNS web site for a complete description of the WIC food package.

The Cash Value Benefit (CVB) provides the WIC Cardholder with a cash amount of benefits for the purchase of authorized CVB food items.

Following are the rules for CVB redemption:

- a) The WIC State Agency shall allow WIC Cardholders to use their CVB to purchase any fresh fruit or vegetable not specifically excluded by regulations, whether packaged in bulk or sold as individual food items.
- b) The WIC State Agency may allow WIC Cardholders to use their CVB to purchase frozen, canned and/or dried fruits or vegetables.
- c) CVB shall not be used to purchase other WIC prescribed food items.
- d) WIC Cardholders shall not be given cash or credit for any unused portion of the CVB.
- e) The WIC Vendor shall record and report the WIC authorized UPC or PLU and the cash value of the UPC or PLU purchased, including the generic FNS designated CVB food item PLU 4469.
- f) The WIC Vendor shall not be required to record, track or report the weight or the number of individual fruit and vegetable food items (package, bulk or individual) purchased with the CVB.
- g) The benefit quantity of a WIC CVB item redeemed shall be the number of pennies in the purchase price.
- h) CVB food items shall not be subject to WIC NTE policy and other Cost Containment policies.

#### **4.7.3.1 CVB and split tender**

CVB Split tender refers to a single CVB food item being redeemed in part using CVB and in part using one or more additional methods of payment. Following are the rules for CVB split tender processing.

- a) WIC Vendors shall support the capability to perform split tender processing for CVB.

**[Section 4.7.3.1 (b) effective beginning between October 1, 2014 and no later than April 1, 2015]**

- b) WIC State Agencies using WIC Online EBT shall support the capability to perform split tender processing for CVB.

**[Section 4.7.3.1 (c) effective no later than October 1, 2016]**

- c) WIC State Agencies using WIC Smart Card EBT shall support the capability to perform split tender processing for CVB.
- d) When the CVB purchase amount exceeds the CVB amount available, the WIC Vendor shall allow the WIC Cardholder to pay the difference with an alternate method of payment.
- e) If the WIC Cardholder does not have an alternate method of payment, the sale of the single CVB food item may be reversed or voided and the CVB amount restored to the account.

**4.7.4 Mixed basket**

A mixed basket refers to the ability of the WIC Cardholder to purchase both WIC and non-WIC foods without separating the food items prior to checkout into two separate transactions, WIC and non-WIC. The rules for mixed basket processing are described below.

- a) The mixed basket feature shall be a feature of all integrated system platforms.
- b) The WIC Vendor shall have the option to activate mixed basket processing in an integrated system platform.
- c) The WIC State Agency shall not limit the WIC Vendor from utilizing mixed basket.
- d) Benefits and funds shall be applied to the mixed basket purchases in order of the most restrictive benefit account to the least restrictive benefit account or payment type.
- e) When needed for processing the transaction, the order of precedence of payment for WIC food items that are eligible for redemption shall be WIC, then SNAP, then Temporary Assistance for Needy Families (TANF), then other forms of payment.
- f) The WIC Cardholder shall have the ability to confirm the WIC purchase quantities and amount prior to selection of additional methods of payment needed to complete the purchase.
- g) The WIC Cardholder shall be allowed to remove food items from being paid with WIC Prescription benefits that are identified as part of the WIC purchase confirmation.

**4.7.5 Discounts and coupons**

Discounts and coupons provide a greater quantity or lower price of a food item. The following rules apply to the use of discounts and coupons.

- a) Discounts and coupons may be applied to Prescription benefit purchases and CVB purchases. This reduces the amount due from the WIC State Agency to the WIC Vendor.

- b) Discounts and coupons shall be applied to the Purchase transaction prior to accepting payment from the WIC Cardholder.
- c) The benefit of a quantity discount (e.g., buy one get one free) may accrue to the WIC Cardholder and shall not reduce the non-CVB Prescription benefit balance or the CVB balance amount.
- d) The benefit of a price discount shall accrue to the WIC State Agency (when the applicable food item is paid by the WIC State Agency) by reducing the total price paid by the WIC State Agency for the approved WIC food item.
- e) At the WIC Vendor's option, the value of the discount or coupon may be reflected in the transaction or transaction record as:
  - 1) an amount netted from the cost of the food item, or
  - 2) a separate total discount amount from the total purchase amount.
- f) Cash back is not recommended on WIC food items where the discounts or coupons applied to the WIC food items create a cash back balance. Cash back may be permitted only if all other customers of the WIC Vendor would receive cash back amount of less than \$1.00.
- g) Manufacturer's coupons are discounts or coupons identified in print with the words 'manufacturer coupon', issued by a manufacturer, and for which a WIC Vendor may be reimbursed by a third party. Manufacturers' coupons shall follow the same rules as other coupons and discounts except when subject to sales tax, see Section 4.8.

**[Section 4.7.5 (h) effective beginning October 1, 2016]**

- h) Discounts and coupons that cannot be readily applied to a specific WIC eligible food item are recommended to be applied as specified under Section 4.7.5.4 Transaction discounts.

**[Section 4.7.5 (i), (j) and (k) effective beginning October 1, 2014]**

- i) If the total dollar amount of a WIC purchase results in zero amount due (\$0.00) because of the application of coupons or discounts, the transaction shall not be submitted to the WIC State Agency.
- j) Free items resulting from discounts or coupons shall not be decremented from the WIC Participant's Smart card in WIC Smart Card EBT nor reported to the WIC State Agency for settlement.
- k) Any sales tax that may be required by state law that is associated with the WIC food items received for free with discounts or coupons is to be paid by the WIC Participant.

Note: The use of discounts and coupons by Above-50-percent vendors requires approval WIC State Agencies, see 7 CFR 246.12 (g)(3)(iv)(A)(3).

The rules for processing WIC EBT transactions under the different types of discount and coupon promotions are described below.

#### 4.7.5.1 Buy one, get one free

In this promotion, the WIC Vendor sells one authorized WIC food item and provides a second identical food item or a different food item at no additional cost. A “Buy one, get one free” promotion is a quantity discount. Following are the rules for this promotion.

- a) If the WIC Cardholder has one or more units or sufficient CVB balance that can be applied to the advertised food item available, only the value of the purchased food item shall be deducted from the Prescription benefit balance or CVB balance associated with the WIC EBT Card and the WIC Vendor shall provide the second food item free to the WIC Cardholder.
- b) The free food item shall not be deducted from the Prescription benefit balance or CVB balance associated with the WIC EBT Card nor shall it be reported to the WIC State Agency.

#### [Section 4.7.5.1 (c) effective beginning October 1, 2016]

- c) If a food item is advertised as “Buy one, get one free” with the disclosure that each item is sold for half the advertised price, both food items shall be redeemed using WIC benefits and shall reflect an item price of half the advertised price in the transaction.

#### 4.7.5.2 Buy one, get one at a reduced price

In this promotion, the WIC Vendor sells one authorized WIC food item at full price and sells a second identical authorized WIC food item or a different authorized WIC food item at a reduced price. A “Buy one, get one at a reduced price” promotion is a price discount. Following are the rules for this promotion.

- a) If the WIC Cardholder has at least two of the food items remaining for redemption in the Prescription benefit balance associated with the WIC EBT Card, then both food items shall be deducted from the Prescription benefit balance. WIC State Agency reimbursement shall be for the full price for the first food item and the reduced price for the second food item.
- b) If the WIC Cardholder has only one unit of the food items remaining for redemption in the Prescription benefit balance associated with the WIC EBT Card the unit shall be deducted from the Prescription benefit balance and cash or other payment shall be used to purchase the second food item at the reduced price. WIC State Agency reimbursement shall be for the full price for the first food item. The second food item is not reported to the WIC State Agency.
- c) If the WIC Cardholder has a CVB balance for at least two of the food items in the CVB balance associated with the WIC EBT Card, the full price of one food item and the reduced price of the other food item shall be deducted from the CVB balance. WIC State Agency reimbursement shall be for the full price for the first food item and the reduced price for the second food item.
- d) If the WIC Cardholder has a CVB balance available for one of the food items in the CVB balance associated with the WIC EBT Card, the amount of the food item shall be deducted from the CVB balance and cash or other payment shall be used to purchase the second food item at the reduced price. WIC State Agency reimbursement shall be for the full price for the first food item. The second food item is not reported to the WIC State Agency.
- e) If the WIC Cardholder prefers to preserve WIC benefits and purchase the reduced price food item with cash or some other form of payment, the WIC Vendor shall allow that option.

#### 4.7.5.3 Free ounces added to food item by manufacturer

Food manufacturers may add extra ounces to their products at no extra cost to the consumer. This promotion is a quantity discount. Following are the rules for handling this promotion.

- a) WIC Cardholders may purchase authorized WIC food items that have bonus ounces added to the package. Any additional ounces included in the package shall not be deducted from the remaining EBT benefit balance, e.g., a standard 16 ounce box of cereal with 2 free ounces for a total 18 ounce box of cereal shall only result in 16 ounces being deducted from the WIC Participant's benefit balance.
- b) Food items with "free ounces" or "bonus packages" may have unique UPCs separate from the UPC of a standard package. The amount deducted from the food package when scanned at the WIC Vendor shall be obtained from the benefit quantity associated with this UPC in the APL.
- c) The WIC State Agency shall maintain the accurate unit of measure and original benefit quantity associated with any UPCs in the APL that are associated with free or bonus quantities. If the WIC State Agency adds these UPCs to the APL, they shall record the original amount of ounces or packages in the item into the APL benefit quantity, not the total ounces or packages including any free or bonus amount. The package size on the APL shall reflect the total ounces or packages including any free or bonus amount for the item.
- d) Free ounces or bonus packaging shall be stated on the product labeling.

#### [Section 4.7.5.4 effective until September 30, 2016]

##### 4.7.5.4 Transaction discounts

In this type of promotion, the WIC Vendor applies a discount percentage to the total dollar amount of the WIC and non-WIC food items purchased. For example, the offer may be for 10% off when \$50 or more in groceries are purchased. A transaction discount promotion is a price discount on the total purchase. Following are the rules for this promotion.

- a) Transaction discounts shall be applied first to any non-WIC food items, not exceeding the total amount due for those food items.
- b) Any remaining discount after applying the discount to non-WIC food items shall be applied to the total amount of the WIC purchase, up to the total WIC purchase amount due.

#### [Section 4.7.5.4 effective no later than October 1, 2016]

##### 4.7.5.4 Transaction discounts and other discounts

In this type of promotion, the WIC Vendor applies a fixed amount or a discount percentage to the total dollar amount of the WIC and non-WIC food items purchased. For example, the offer may be for \$10 off or 10% off when \$50 or more in groceries are purchased. A transaction discount promotion is a price discount on the total purchase. Any other discount or coupon that cannot be readily applied to a specific WIC eligible food item are recommended to be applied as specified in this section. WIC Vendors are recommended to use the following rules:

- a) Transaction discounts and any discount not specified in the Operating Rules shall be applied at the POS by the WIC Vendor proportionately across the transaction to the price of all eligible purchased items, including WIC food items, not exceeding the total amount due for those items.
- b) No specific mathematical algorithm is required to handle calculating or rounding.

#### **4.7.5.5 Store/loyalty shopping cards**

WIC Vendors may provide a card or token that provides additional discounts for the customer's use in the WIC Vendor location. Store/loyalty shopping cards may provide a variety of quantity and/or price discounts. Following are the rules for this promotion.

- a) WIC Cardholders may use store/loyalty shopping cards when purchasing WIC food items.
- b) By regulation, the WIC State Agency shall not require WIC Cardholders to sign up for and use such cards.
- c) The WIC State Agency shall not require WIC Vendors to keep a shopping card available to use for all WIC Cardholder sales or to apply shopping cards discounts for WIC Cardholders, although the WIC Vendor may choose to do so.
- d) The amount of any discount promotion available by using a store/loyalty shopping card shall be applied as described in Section 4.7.5.1 through Section 4.7.5.4 as applicable to the store/loyalty shopping card provisions.

#### **[Section 4.7.5.6 effective beginning October 1, 2014]**

#### **4.7.5.6 Bottle deposits and grocery bag fees**

- a) Some WIC food items may have a bottle or container deposit charge included with the purchase of the food item. The WIC Participant is responsible for paying the deposit charge and may redeem the deposit amount upon return of the bottle or container. WIC Vendor systems shall identify and charge bottle deposits and bag fees to other tender to be paid by the WIC Participant.
- b) WIC Vendors are not required to provide grocery bags for WIC customers if they are not provided to other customers in compliance with the WIC 'Equal Treatment' policy (246.12(h)(3)(iii)). WIC Vendor systems shall credit grocery bag use to the WIC Participant's non-WIC item purchases. If any credit remains, the remainder shall be applied to the WIC purchases.

#### **4.7.6 Self-checkout**

Some WIC Vendors may offer the ability for their customers to use unattended integrated POS systems to complete their purchases independently. This service is known as self-checkout. Following are the rules for self-checkout.

- a) Self-checkout may be permitted at the WIC State Agency option.
- b) WIC State Agencies may choose to certify WIC Vendors for self-checkout separately from other POS.

#### 4.7.7 Declined transactions

The purchase of WIC food items may be declined for several reasons. The following sections describe the actions that shall be taken for different declined transactions.

##### 4.7.7.1 Declined food items

The following rules apply to WIC EBT Card purchases where a food item is declined.

- a) A food item shall be declined for WIC EBT Card purchase if:
  - 1) it is not an authorized WIC food item (not on the APL for the WIC EBT Card presented) or
  - 2) it is not an available authorized WIC food item in the WIC Cardholder's Prescription benefit or
  - 3) sufficient quantities of an authorized WIC food item are not available in the WIC Cardholder's Prescription benefit.
- b) The WIC Cardholder and/or the clerk shall be notified that the declined food item is not allowed for WIC or that the Prescription benefit balance is insufficient.
- c) The WIC Cardholder shall be offered the option by the WIC Vendor to pay for a declined food item with another form of payment or to not purchase the declined food item.

##### 4.7.7.2 Invalid PIN

The following rules apply to WIC EBT Card purchases where an invalid PIN response is received.

- a) The WIC Vendor shall permit the WIC Cardholder to re-enter the PIN when an invalid PIN response is received at the point of sale.
- b) The WIC EBT Card purchase shall receive a decline response after the maximum number of unsuccessful PIN tries, as determined by the Card Issuer, is reached.

##### 4.7.7.3 Invalid WIC EBT Card read

The following rules apply to WIC EBT Card purchases where an invalid WIC EBT card response is received.

- a) The WIC Vendor shall verify the CAD is functioning correctly and re-attempt the transaction.
- b) If the card read is still invalid after re-attempting the transaction,
  - 1) for magnetic stripe read errors, perform a manually key-entered transaction (See 4.7.8.1) and
  - 2) for smart card reader failure, attempt the purchase on another CAD or advise the WIC Cardholder to contact the WIC Clinic.

#### 4.7.8 Exception handling

This section describes the process to be followed when an exception occurs during WIC EBT processing.

#### 4.7.8.1 Manually key-entered transactions

Manually key-entered transactions allow the Primary Account Number (PAN) from the WIC EBT Card to be entered at the POS to complete the transaction when the WIC EBT Card cannot be read. Following are the rules for manually key-entered transactions.

- a) Manually key-entered transactions shall only be used for WIC Online EBT transactions.
- b) Manually key-entered transactions shall only be completed when the WIC EBT Card is present.

#### **[Section 4.7.8.1 (c) effective until September 30, 2014]**

- c) The 16 to 19 digit PAN from the WIC EBT Card shall be entered manually by the cashier (not the WIC Cardholder) and then the WIC Cardholder can enter the PIN.

#### **[Section 4.7.8.1 (c) effective beginning October 1, 2014]**

- c) The 16 to 19 digit PAN from the WIC EBT Card shall be entered manually by the cashier (or at the WIC Vendor's option, by the Cardholder) and then the WIC Cardholder can enter the PIN."

#### 4.7.8.2 Manual authorizations

A manual authorization permits a WIC transaction to be completed when the transaction is interrupted before being authorized. Following are the rules for obtaining manual authorizations and completing the transaction.

- a) Manual authorizations shall only be used in WIC Online EBT processing.
- b) The WIC Vendor may choose to obtain manual authorization for a WIC purchase if supported by the WIC State Agency.
- c) Manual authorization shall only be permitted when the Card Issuer is unavailable to the CAD.
- d) A manually authorized transaction shall be completed within 5 Processing Days of the authorization:
  - 1) by submitting a paper Manual Voucher if approved for use by the WIC State Agency or
  - 2) by submitting a voucher clear transaction.
- e) If a Manual Voucher or voucher clear transaction is submitted without a manual authorization approval code, the WIC Vendor assumes full risk for the transaction.
- f) A Manual Voucher shall be signed by the WIC Cardholder.
- g) A copy of the Manual Voucher shall be retained by the WIC Vendor for 30 days.

#### 4.7.8.3 Voided transactions

A WIC Vendor may cancel the purchase of a single WIC food item, a method of payment or the entire transaction, at the WIC Cardholder's request. Following are the rules for voided transactions.

- a) A voided transaction shall not be used to return or provide a credit for WIC foods.
- b) In WIC Smart Card EBT, the void shall be performed prior to completing the transaction and tendering WIC, unless reversal processing is implemented, then the WIC tender shall be reversed and the benefits restored to the card.

**[Section 4.7.8.3 (c) effective beginning October 1, 2014]**

- c) For a Remote Benefit transaction, a void shall occur if the WIC Cardholder cancels the transaction or removes their card prior to benefits being loaded to their WIC EBT card.

**4.7.8.4 Returns**

A return occurs when a WIC Cardholder attempts to give back a food item purchased with WIC benefits. Following are the rules for returns.

- a) Returns shall not be allowed for WIC EBT purchases other than in exchange for the same brand, package size and type of food.
- b) Acceptance of returns for exchange of the same WIC food item may be completed at the WIC Vendor's option.
- c) A WIC Vendor shall not request additional payment for the same WIC food item provided in exchange of the same WIC food item.
- d) Returns for the same brand and type of food or exchanges of the same WIC food item shall not result in a WIC EBT Card transaction.
- e) A WIC Vendor shall not provide cash to a WIC Cardholder for a return under any circumstances.

**4.8 WIC Vendor taxes, fees and surcharges**

Following are the rules on taxes, fees and surcharges.

- a) WIC purchases are not taxable.
- b) Sales tax may apply to manufacturers' coupons in some States or local jurisdictions. Where a sales tax is applied to manufacturers' coupons, the price of the authorized WIC food items bought with a manufacturers' coupon shall be reduced by the value of the coupon minus the sales tax that is applied to the coupon amount.
- c) Sales tax shall apply to the split tender amount paid with an alternate method of payment provided sales tax is not prohibited for the alternate method of payment, e.g., SNAP benefit.

**[Section 4.8 (d) effective until September 30, 2014]**

- d) Transaction fees shall not be assessed by the WIC Vendor to the WIC Cardholder for a WIC purchase.

**[Section 4.8 (d) effective beginning October 1, 2014]**

- d) Transaction fees shall not be assessed by the WIC Vendor to the WIC Cardholder for a WIC purchase or Remote Benefit transaction.
- e) A Commissary or a WIC Vendor that sells food items on a cost plus basis shall be permitted to add a surcharge calculated as a percentage markup on the total purchase to WIC purchases.

**4.9 WIC Vendor training**

Following are the rules for WIC Vendor training.

- a) The WIC State Agency shall incorporate EBT specific materials in all training required for WIC Vendors required by regulation.
- b) WIC EBT specific training may be provided at initial implementation or as needed by WIC State Agencies.
- c) EBT-specific training shall include use of WIC EBT Cards, policy and procedural steps, daily settlement and reconciliation and file handling requirements (e.g., periodic downloads of APL, Hot Card List or other files).

**[Section 4.10 effective beginning October 1, 2015]****4.10 WIC Vendor back office requirements**

WIC Vendor EBT systems shall support the ability to:

- a) input configurable WIC EBT parameters,
- b) assign claim prices to authorized WIC food items,
- c) manually initiate claims processing (WIC Smart Card EBT only),
- d) view, display and/or print WIC EBT related reports (see sample list of reports in Section 15),
- e) store, retrieve and maintain WIC EBT contract information including PLU Mapping, WIC State Agency BIN/BINS, Forwarding institution identification code, WIC Vendor ID (WIC EBT ID), and Card acceptor identification code,
- f) store, retrieve and maintain WIC EBT parameters for data communication to include login username/password, network address or host name, and Remote Access Service login username and password (if required).

## 5 Card acceptor device (CAD) requirements

The Card Acceptor Device (CAD) as defined in this document is the POS terminal or Integrated Electronic Cash Register (ECR) system that accepts the WIC EBT Card.

A POS terminal typically contains a card reader, an integrated or attached key pad to securely enter a PIN, a display screen that prompts cardholder to enter a PIN, confirm the amount and/or select a method of payment, a printer, hardware and software to operate the device.

An integrated ECR system is a retail in-store cash register and management system which may be comprised of a combination of the following components; hardware, software, cash drawer, scanner, scale, monitor, POS terminal, PIN pad, receipt and coupon printer, and other peripherals installed and used in the lane as well as the in-store telecommunications network and in-lane and backroom store servers or controllers.

This section identifies the CAD device configurations and processing requirements.

### 5.1 CAD device configurations

In WIC EBT, the CAD shall be described by whether or not it supports the features and configurations described in this section (see Table 1).

#### 5.1.1 Basic CAD features

The basic features used to describe a WIC CAD are whether it:

- a) reads a magnetic stripe on a card
- b) reads from and writes to a smart card
- c) accepts EBT transactions
- d) accepts non-EBT transactions
- e) is integrated with the ECR system
- f) uses proprietary message formats for communication with the Card Issuer.

**Table 1 — Card Acceptor Device (CAD) features**

CAD Features	Card Acceptor Device (CAD) type			
	EBT Only CAD	Stand-beside or stand-alone CAD	Closed loop CAD	Integrated ECR system CAD
Reads a magnetic stripe on a card	yes	yes	yes	yes
reads from and writes to a smart card	yes	yes	no	yes
Accepts EBT transactions	yes	yes	yes	yes
Accepts non-EBT transactions	no	yes	yes	yes
Integrated with the ECR system	no	no	no	yes
Uses proprietary message formats for communication with the Card Issuer	no	no	yes	no

### 5.1.2 EBT Only CADs

EBT Only CADs accept EBT transactions only for WIC Online or Smart Card EBT WIC Vendors. The EBT Only CAD is offered by the WIC State Agency or the EBT Card Issuer Processor to provide EBT processing to those WIC Vendors with POS terminals or ECR systems that cannot support WIC EBT.

### 5.1.3 Stand-beside or stand-alone CADs

Stand-beside or stand-alone CADs are not integrated with the ECR system.

### 5.1.4 Closed loop CADs

In Closed loop CAD systems, transactions are processed between the CAD and the EBT Card Issuer using proprietary message processing. The CAD is connected to the WIC State Agency or EBT Card Issuer Processor who acts as the Acquirer for WIC transactions. Closed loop CAD devices are only used in WIC Online EBT processing and are not used in conjunction with an Integrated ECR system.

### 5.1.5 Integrated ECR system

Integrated ECR systems may be used for WIC Online EBT or WIC Smart Card EBT processing. The POS terminal integrated with the ECR system may accept magnetic stripe cards or smart cards or both.

### **[Section 5.1.5, second paragraph and new Section 5.1.6, effective beginning October 1, 2014]**

An Integrated ECR system may have the capability to perform RBS transactions.

### 5.1.6 Remote Benefit Service (RBS) kiosk CAD

An RBS kiosk is a free standing CAD used by the WIC Cardholder to load benefits to their WIC EBT Smart Card. WIC balance inquires and WIC remote benefit transactions are the only WIC transactions that shall be performed on an RBS kiosk. An RBS kiosk shall meet the general CAD requirements in Section 5.2.

## 5.2 General CAD requirements

All CADs that accept WIC EBT shall meet the following requirements.

- a) CAD shall have a PIN pad consistent with current industry standards for hardware encryption as defined in ISO 9564 standard.
- b) CAD shall be able to manage a minimum of 6 WIC State Agencies including the WIC State Agency BIN numbers.
- c) CAD shall be able to utilize the APL (and for WIC Smart Card EBT, the Hot Card List) and other WIC State Agency specifications that may apply.
- d) CAD shall utilize the BIN on the WIC EBT Card to identify the appropriate WIC State Agency APL and identify authorized WIC food items.

**[Section 5.2 (e) effective until September 30, 2014]**

- e) CAD shall support a training mode. See Section 13.

**[Section 5.2 (e) effective beginning October 1, 2014]**

- e) CAD shall support a training mode and shall support the capability to logon to training mode, during which all the functions of the CAD are available for training the WIC Vendor. The CAD shall visibly notify the operator of the CAD of training mode.

**5.3 WIC Online EBT CAD requirements**

WIC Online EBT CAD requirements not specified in these Operating Rules may, with the approval of FNS, be defined by the WIC State Agency and provided to WIC vendors.

**5.4 WIC Smart Card EBT CAD requirements**

WIC Smart Card EBT CADs utilize WIC State Agency modules to configure options specified by the WIC State Agency.

The required configurable module contents, whether residing in the CAD or integrated ECR, shall include:

- a) Advice to receive (ATR) string values.
- b) Minor version number and Major version number.
- c) Issuer reference number.
- d) Card prefixes (BIN information).
- e) PIN encryption keys.
- f) Hot card message reason codes requiring a response.
- g) Integrated circuit card (ICC) result code.

WIC Smart Card EBT CAD requirements not specified in these Operating Rules may, with the approval of FNS, be defined by the WIC State Agency and provided to WIC vendors.

**5.5 Receipt data requirements**

At a minimum, the following types of receipts shall be provided to a WIC Cardholder

**[Section 5.5 a new clause effective October 1, 2015]**

in printed format and may be provided via email or text message if allowed by the WIC State Agency:

- a) Balance Inquiry (opening or ending benefit balance) receipt (containing the data as define in Section 5.5.1 and;

- b) WIC Purchase receipt (containing transaction benefits utilization/redemption data as defined in Section 5.5.2).

**[Section 5.5 (c) effective beginning October 1, 2015]**

and/or;

- c) WIC Vendor sales receipt (may contain the transaction benefits utilization/redemption data as defined in Section 5.5.2).

Other rules applying to receipt data are:

- d) Other data may be added if available at the POS at the WIC Vendor's option.
- e) Additional data shall not be required by the WIC State Agency.
- f) The Card Issuer shall provide the benefit balance end date for the food item that expires the earliest for an account where the benefits are aggregated for the WIC Participant's household.

**[Sections 5.5 (g) through (i) effective beginning October 1, 2015]**

- g) If the WIC Vendor includes the benefit utilization/redemption data defined in 5.5.2 in the WIC Vendor sales receipt, the food items purchased with WIC benefits shall be identified.
- h) If the WIC Vendor or the WIC Participant voids the transaction as described in 4.7.8.3 resulting in a reversal, a WIC Purchase receipt or a WIC Vendor sales receipt reflecting the voided transaction shall be provided.
- i) For stand-beside or stand-alone CADs, the ability for the cashier to generate a receipt showing the total dollar amount of the WIC food items redeemed shall be available for use by the WIC Vendor in reconciliation.

See Annex B.2 for sample receipts.

The following sections identify the data required for each type of receipt.

**5.5.1 Balance Inquiry receipt data**

A Balance Inquiry receipt shall include the following data:

- a) Last four digits of the card number of the Primary Account Number (PAN) only. All other digits shall not be displayed in the clear nor printed on the receipt.
- b) Store name. The generally accepted name for the location or one consistent with the WIC application to become an authorized WIC Vendor with a specific WIC State Agency.
- c) Store street address, city, state abbreviation and zip code.
- d) Local date and time of balance inquiry.
- e) Benefit expiration date or benefit effective and benefit ending dates.

- f) Benefits available, **[and effective beginning October 1, 2015, even if zero balances,]** including the benefit description, quantity and unit of measure. If provided at the beginning of the transaction, data reflects the opening benefit balance; if provided at the end of the transaction, data reflects the ending benefit balance.
- g) Unique transaction identifier or systems trace audit number. Uniqueness may be created by a combination of data elements, e.g., WIC Vendor store number, CAD terminal number, operator number, transaction number and date and time.

#### **5.5.2 WIC Purchase receipt data**

A WIC Purchase receipt **[and a new clause effective beginning October 1, 2015, may be separate or included in the WIC Vendor's sales receipt and]** shall include the following data:

- a) Last four digits of the card number of the Primary Account Number (PAN) only. All other digits shall not be displayed in the clear nor printed on the receipt.
- b) Store name. The generally accepted name for the location or one consistent with the WIC application to become an authorized WIC Vendor with a specific WIC State Agency.
- c) Store street address, city, state abbreviation and zip code.
- d) Local date and time of purchase.

#### **[Section 5.5.2 (e) effective until September 30, 2015]**

- e) Store lane number, if available.

#### **[Section 5.5.2 (e) effective beginning October 1, 2015]**

- e) WIC food item identifier (if a separate WIC Purchase receipt is not provided).
- f) Benefit expiration date and time.
- g) Purchased food items including the food item quantity, description and unit of measure.
- h) Unit cost.
- i) Total purchase amount.
- j) Benefits remaining, including the benefit description, quantity and unit of measure.
- k) Unique transaction identifier or systems trace audit number.

#### **[Section 5.5.3, effective beginning October 1, 2014]**

#### **5.5.3 Remote Benefit Services (RBS) receipt data**

An RBS receipt shall include the following data:

- a) Last four digits of the card number of the Primary Account Number (PAN) only. All other digits shall not be displayed in the clear or printed on the receipt.
- b) Store name. The generally accepted name for the location, or a name consistent with the WIC application to become an authorized WIC Vendor with a specific WIC State Agency.
- c) Store street address, city, state abbreviation and zip code.
- d) Local date and time of Remote Benefit transaction.
- e) Benefit expiration date or benefit effective and benefit ending dates.
- f) Benefits loaded, including the benefit description, quantity and unit of measure.
- g) Benefits available, including the benefit description, quantity and unit of measure.
- h) Unique transaction identifier or systems trace audit number. Uniqueness may be created by a combination of data elements, e.g., WIC Vendor store number, CAD terminal number, operator number, transaction number and date and time.

## **5.6 POS response time requirements**

All WIC EBT transactions shall be processed within 20 seconds:

- a) in WIC Online EBT, from the point of sending the transaction from the WIC Vendor to the Acquirer or to the Card Issuer if the WIC Vendor is directly connected to the Card Issuer.
- b) in WIC Smart Card EBT from the point of writing to the card.

## 6 Card Issuer requirements

The Card Issuer in WIC EBT is the WIC State Agency (or its agent) that issues WIC benefits and provides WIC Cardholders with their cards. The WIC State Agency oversees the WIC Program for a jurisdiction such as a State, Indian Tribal Organization (ITO), the District of Columbia, or U.S. territories.

### 6.1 Card Issuer processing standards

Processing standards enforce a level of service for the WIC EBT processing environment as a whole so that consistent service is provided regardless of the technology utilized or the entities involved. Processing standards are established by FNS in cooperation with WIC EBT entities. The following is a list of the processing standards for Card Issuers which shall be incorporated in contractual agreements with the Card Issuer.

The following minimum processing standards apply to all Card Issuers (or their agents).

- a) Card Issuer shall maintain the necessary computer hardware and software to interface directly with data processing facilities required to accommodate transaction and file processing.
- b) Card Issuer shall initiate a response to a request to transmit or retrieve a file within two (2) seconds from the time such request is received by the Card Issuer's system, 99.99% of the time, on a monthly average basis. Scheduled downtime of the Card Issuer will be excluded provided a minimum of two weeks' notice is provided to all network participants prior to the scheduled outage. Outages shall be scheduled during early morning hours, e.g., 1:00 a.m. to 5:00 a.m.
- c) No more than two (2) in every 10,000 Transactions processed by a Card Issuer's system shall lead to an adjustment resulting from Card Issuer error.
- d) Card Issuer shall ensure that WIC transactions are originated from an authorized WIC Vendor only, by validating the WIC Vendor identification information in all agreements and according to technical processing standards.

The following minimum standards apply to WIC Online EBT processing by Cards Issuers:

#### **[Section 6.1 (e) effective until September 30, 2014]**

- e) Card Issuers processing WIC Online EBT shall be available 99.9% of the scheduled up-time, twenty-four (24) hours per day, and seven (7) days per week.

#### **[Section 6.1 (e) effective beginning October 1, 2014]**

- e) Card Issuers processing WIC Online EBT shall be available 99.9% of the scheduled up-time, twenty-four (24) hours per day, and seven (7) days per week on a monthly basis.
- f) Card Issuers processing WIC Online EBT shall initiate a response to a transaction request within two (2) seconds from the time such request is received by the Card Issuer's system, 98% of the time, on a monthly average basis. These calculations do not include data transmission time between the Card Issuer and the Acquirer. Scheduled downtime of the Card Issuer will be excluded provided a minimum of two weeks' notice is provided to all network participants prior to the scheduled outage. Outages shall be scheduled during early morning hours to minimize impact to WIC Cardholder benefit access, e.g., 1:00 a.m. to 5:00 a.m.

**[Section 6.1 (g) effective until September 30, 2014]**

- g) Card Issuers processing WIC Online EBT shall have an uptime of 99.9% on an hourly basis, excluding maintenance.

**[Section 6.1 (g) effective beginning October 1, 2014]**

- g) Card Issuers processing WIC Online EBT shall have an uptime of 99.9% on an hourly basis, excluding maintenance. The cumulative hourly downtime shall not exceed the requirements of paragraph (e).

**6.2 Card Issuer transaction processing requirements**

Following are the rules that apply to transaction processing by a Card Issuer.

- a) A Card Issuer shall establish a direct or indirect telecommunications connection for the routing of transactions and retrieval from and delivery of files to the WIC Vendor or the WIC Vendor's Acquirer, or to a Third Party Processor directly or indirectly connected to the Card Issuer.
- b) A Card Issuer or its EBT Card Issuer Processor may use either EBT Online or EBT Smart Card processing.
- c) A Card Issuer or its EBT Card Issuer Processor using EBT Online processing shall conform to the *ANS X9.93-2:2014 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 1: Messages* for message processing as described in the WIC Technical Implementation Guide. WIC State Agencies and their agents shall support backward compatibility in message exchanges with prior versions until WIC Vendors are capable of supporting the updated versions incorporated in the WIC Technical Implementation Guidelines.
- d) A Card Issuer or its EBT Card Issuer Processor using EBT Smart Card processing shall conform to the specifications identified by FNS for reading and writing data to the smart card.
- e) A Card Issuer or its EBT Card Issuer Processor shall conform to the *ANS X9.93-2:2014 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 2: Files, 2008* for file processing as described in the WIC Technical Implementation Guide. WIC State Agencies and their agents shall support backward compatibility in message exchanges with prior versions until WIC Vendors are capable of supporting the updated versions incorporated in the WIC Technical Implementation Guidelines.
- f) A Card Issuer shall support the minimum transaction set identified in Section 4.6.1 as appropriate for their operating environment.

**6.2.1 Card Issuer hold on benefits**

A hold makes food items in the WIC Participant's benefits temporarily unavailable. Holds on benefits are only used in WIC Online EBT processing. Following are the rules for placing a hold on the WIC Participant's benefits.

- a) Card Issuers may place a hold on the WIC Participant's benefits for manually authorized transactions.
- b) Card Issuers shall not place holds on the WIC Participant's benefits as the result of a balance inquiry.

- c) If a manually authorized transaction is cancelled, voided, reversed, cleared, or a manual voucher expires, any hold placed on the WIC Participant's benefits shall be removed and the benefits restored if within the same benefit period.

### **6.3 EBT Card Issuer Processor requirements**

Card Issuers (WIC State Agencies) may utilize EBT Card Issuer Processors to provide processing of WIC Online or Smart Card EBT transactions. The WIC State Agency shall ensure compliance by the EBT Card Issuer Processor with these Operating Rules.

### **6.4 Third Party Processor requirements**

Third party processors may provide services to Card Issuers (WIC State Agencies) or EBT Card Issuer Processors. Third party processors shall comply with these Operating Rules where they act as the agent of one or more of the parties to WIC EBT Card Issuer processing.

## 7 WIC Cardholder requirements

Following are the rules for WIC Cardholders and WIC Participants:

- a) The WIC Participant shall meet the eligibility requirements of the WIC State Agency in order to receive WIC benefits. If eligible, the WIC Participant is issued benefits for authorized WIC food items. The WIC Participant or their proxy is issued a WIC EBT Card that can access the benefits for use at authorized WIC Vendors.
- b) WIC Cardholder shall not use benefits beyond the benefit end date shown on their receipt(s).
- c) WIC Cardholder shall pay the non-WIC amount in a split tender transaction. See Section 4.7.3.1.

### 7.1 Prescription benefit requirements

A Prescription benefit issued to a WIC Participant includes food items authorized by WIC State Agencies in accordance with WIC regulations. Following are the rules for Prescription benefits.

- a) WIC EBT benefits shall be put on a WIC EBT Card or card account as food categories, subcategories and benefit units in the FNS approved system designs.
- b) Cash Value Benefits (CVB) shall be issued in Food Category 19 with a benefit unit of measure as a dollar currency value (to one penny, i.e., \$0.01).
- c) Cash Value Benefits shall not be issued separately from other WIC EBT benefits.
- d) If there are multiple WIC Participants in a household, their benefits may be aggregated into a single account.
- e) If WIC Participants in a household are aggregated into a single account, the Card Issuer shall attempt to synchronize the Prescription benefit periods.
- f) The WIC State Agency may void or adjust the WIC Participant's benefit balance because of a change in the Prescription benefit for a food item, e.g., formula. Any such void or adjustment shall not affect transactions for benefits already redeemed.

### 7.2 WIC Cardholder training

The WIC State Agency shall ensure WIC Cardholders receive training in using their WIC EBT Card and benefits to include, but not limited to, the subjects identified in this section.

The WIC Cardholder shall be trained in completing the following transactions:

- a) Balance inquiry
- b) Purchase, e.g., allowable food items, mixed basket, split tender, etc.
- c) Declined transaction.

WIC Cardholder training shall also cover the following subjects:

- d) PIN - use of the PIN and maintaining PIN security.

- e) Signature - No signature required at POS, unless a Manual Voucher is used.
- f) Cards – lost, stolen or failure to read at POS and card replacement procedures.
- g) Transaction information - Where to obtain transaction information.
- h) Disputes - What to do if they have a dispute or question something that happened to their benefits.
- i) Benefit effective and expiration dates.
- j) Manual Voucher use, including any limitations on allowable food items and quantities that may be obtained if authorized by the WIC State Agency.

**[Section 7.2 (k) effective October 1, 2014]**

- k) Remote benefit transaction, if offered by the WIC State Agency and their WIC Vendors.

## 8 WIC EBT Card appearance and requirements

The WIC EBT Card issued by the WIC State Agency shall comply with the requirements of this section.

### 8.1 Issuer Identification Number (IIN)

IINs (formerly called Bank Identification Numbers or BINs) are 6 digit numbers, the first digit indicating the major industry identifier (MII) classification of the numbering scheme specified in the ISO 7812-Part 1 standard. Card Issuers are assigned Issuer Identification numbers (IINs). Following are the rules for obtaining IINs:

- a) Each WIC State Agency shall apply for and retain an IIN from the American National Standards Institute (ANSI) so that the IIN is allocated to the WIC State Agency and not their EBT Card Issuer Processor.
- b) WIC State Agencies shall apply for an IIN independently from any other WIC State Agency.
- c) The 7th and/or 8th digits of a WIC EBT Card may be used to:
  - 1) identify the WIC State Agency within the IIN only with FNS approval.
  - 2) identify **[and effective beginning October 1, 2014, inventory and track]** a card for use in testing or training.

### **[Section 8.1 (d) replaced effective beginning October 1, 2014 and Section 8.1 (e) (formerly (d)) re-numbered]**

- d) Cards issued for WIC EBT shall not include other EBT programs or services that use different technical interfaces for transaction processing.
- e) Exceptions to 8.1 (b) or (c) or (d) shall require FNS approval.

### 8.2 WIC EBT Card physical characteristics

WIC EBT Card physical characteristics shall comply with ISO/IEC 7810:2003, *Identification cards – Physical characteristics*.

### **[Section 8.2 added sentence effective beginning October 1, 2014]**

The WIC Participant's name is not required to appear on the WIC EBT card. A signature panel may or may not be present.

### 8.3 WIC EBT Card encoding

Following are the rules for WIC EBT Card encoding:

- a) WIC EBT Cards shall comply with ISO standard for financial cards -- ISO 7811, 7812 and 7813 for magnetic stripe cards -- and ISO 7812 and 7816 for contact integrated circuit cards (smart cards).
- b) The Primary Account Number (PAN) shall be encoded and may be embossed, laser engraved, indent printed or hot stamped on the WIC EBT Card.

**[Section 8.3 (c) effective beginning October 1, 2015]**

- c) WIC State Agencies shall utilize the last four digits of the PAN, including the check digit, in such a way as to identify the WIC cardholder account number on a receipt (see 5.5.1 and 5.5.2).

**8.4 Branding**

Following are the rules for WIC EBT Card branding:

- a) The WIC EBT Card issued to the WIC Cardholder shall contain a mark, brand or wording that identifies it as a WIC EBT Card associated with a specific WIC State Agency.
- b) The WIC EBT Card shall not contain the mark or brand of any PIN Debit or Credit network without the approval of FNS.

**8.5 Co-branding**

WIC EBT Cards shall not be co-branded with other payment card logos nor permitted to access non-WIC benefits with the WIC EBT Card (shared benefit card) unless approved by the WIC State Agency and FNS.

**[Section 8.6 effective beginning October 1, 2014]****8.6 Proxy cards**

With WIC Online EBT, additional cards may be issued to an authorized representative of the WIC Participant who may complete WIC purchases on behalf of the WIC Participant. WIC Smart Card EBT does not use proxy cards. The proxy card accesses the same benefits issued to the WIC Participant. Processing issues may occur if both cards are used at the same time. WIC State Agencies that issue proxy cards shall advise WIC Participants and WIC Vendors that if transactions are received at the same time for both cards by the EBT Card Issuer, they will be processed in the order received and may result in a denied purchase if benefits are exhausted before the second purchase can be processed.

## 9 Risk management and security

Risk management and security rules address the requirements to be followed by Card Issuers (and their agents), Acquirers (and their agents), WIC Vendors, WIC Authorities and WIC Cardholders to manage and control the possibility of losses in the WIC EBT environment.

### 9.1 PIN security requirements

The following rules apply to PIN security:

- a) PIN security and management shall conform to ISO 9564.
- b) WIC EBT transactions shall not be required to conform to the Payment Card Industry (PCI) Data Security Standard as it applies to PINs.
- c) PIN selection shall be done either by the WIC Cardholder at the WIC Clinic or remotely via a secured process approved by FNS and the WIC State Agency.
- d) The Card Issuer shall not put any data on the WIC EBT Card from which it is possible to determine the PIN.
- e) The WIC Vendor and Acquirer shall ensure that the CADs used in their environment:
  - 1) accept and securely encrypt 4 to 6 digit PINs.
  - 2) do not display the PIN in plain text, print, electronically record or write the PIN.
- f) PIN data encryption shall be done as follows:
  - 1) in a secure tamper resistant module in card reader devices used in WIC Clinics and at the CADs at WIC Vendors.
  - 2) in WIC Online EBT processing using 3DES, or end to end encryption may be used if utilized by the WIC Vendor and their Acquirer.
  - 3) in WIC Smart Card EBT processing using either PKI or 3DES.
- g) FNS may consider specific situations on a case by case basis if an alternate PIN encryption method is proposed or in use.

### 9.2 Key management

Encryption technology requires the exchange of keys used to encode and decode the encrypted data. The Card Issuer, Acquirer, WIC Vendor and their agents shall comply with the following requirements for the management of keys used in PIN encryption.

- a) WIC EBT processing shall comply with *ANS X9.24-1:2009 Retail Financial Services – Symmetric Key Management Part 1: Using Symmetric Techniques*.
- b) The same PIN Pad keys shall not be shared by different WIC Authorities unless specifically authorized by FNS.

- c) WIC Smart Card EBT systems implemented prior to the publication of these Operating Rules are grandfathered in the use of keys until a date agreed upon with FNS.
- d) WIC State Agencies shall have the capability to support test keys to enable efficient testing prior to WIC Vendor and/or Acquirer certification according to standard industry practices.

### 9.3 Data security requirements

Each WIC Vendor, Acquirer and WIC State Agency shall ensure that all data sites incorporate the following into security procedures:

- a) Data sites shall be secured 24 hours a day, every day of the year.
- b) Employee access to the data site shall be controlled by an electronic access system.
- c) Employee access to departments within the data site shall be controlled by an electronic access system.
- d) Guests, including vendors, shall sign in and shall be assigned a temporary guest badge for identification.
- e) Guests, including vendor service personnel, shall be escorted at all times.
- f) WIC State Agencies shall, at a minimum, on a yearly basis, conduct a test of the names of current employees against the names of individuals authorized for the WIC State Agency's EBT system access and any changes in the roles and responsibilities of said individuals.
- g) Tapes, disks, and other storage media shall be kept in a secure access controlled environment when not being utilized by computer operations.
- h) No storage media shall leave the data site without prior management authorization.
- i) Programming personnel, including contractors, shall be restricted from sensitive storage media unless prior management approval is obtained and access shall be granted on a need to know basis.
- j) Sensitive output shall be shredded prior to disposal.
- k) Data beyond the PIN may be secured using message encryption from the CAD to the Acquirer by bilateral agreement.
- l) WIC EBT transactions shall not be required to conform to the Payment Card Industry (PCI) Data Security Standard.
- m) Data security audits may be performed as required by FNS.

### 9.4 Store and forward processing

Store and forward transaction processing is a method of stand-in processing where the information needed to complete the transaction at the POS may not be available and the WIC Vendor may stand-in for the WIC State Agency.

Following are the rules for store and forward transactions.

- a) Store and forward processing shall not be used in WIC Smart Card EBT processing.
- b) The WIC Vendor shall be liable for any portion of a store and forward transaction which does not comply with these rules.
- c) Store and forward processing shall be performed at the WIC Vendor's option.
- d) The WIC Vendor may choose to support store and forward at the entire store or at the cash register level only.
- e) WIC Agencies' WIC Online EBT systems shall support store and forward processing.
- f) A store and forward transaction shall be submitted by the WIC Vendor to the WIC State Agency within 24 hours of the date and time the transaction took place provided the WIC State Agency's system is available.
- g) A store and forward transaction shall comply with WIC Online EBT processing rules, including:
  - 1) validation of card,
  - 2) validation of PIN,
  - 3) validation of WIC Vendor,
  - 4) benefit balance availability, and
  - 5) benefit balance effective and end dates.
- h) A store and forward transaction may be partially approved if the WIC Participant's benefit account balances are insufficient to cover the purchase.
- i) In addition to Purchase transaction reasons for decline, a store and forward transaction may be declined if:
  - 1) the WIC Participant's benefits have expired prior to the date and time the transaction is submitted for payment.
  - 2) the WIC Participant's benefit account balance is insufficient to cover the purchase,
- j) The WIC Vendor shall not resubmit store and forward transaction that have been declined.
- k) The WIC State Agency and/or FNS shall not accept liability for any portion of a store and forward transaction which is not approved within the period of availability unless extenuating circumstances warrant consideration by the WIC State Agency. See Section 14 Dispute resolution.

### **9.5 Hot Card List (HCL) file**

The Hot Card List protects the WIC Vendor from the risk of performing transactions on PANs which are no longer valid. Following are the rules for the Hot Card List.

- a) The HCL shall contain those PANs which are no longer valid after reported as lost, stolen, damaged, administratively locked or otherwise invalidated by the WIC State Agency.

- b) A PAN reported as lost, stolen, damaged, administratively locked or otherwise invalidated shall be updated on the HCL immediately by the WIC State Agency.
- c) The Hot Card List (HCL) file shall be created and updated by the WIC State Agency.
- d) For WIC Smart Card EBT:
  - 1) the WIC Vendor shall download from the WIC State Agency a HCL file at least once each 48 hour period.
  - 2) the WIC Vendor shall be liable for transactions processed with a card included on the HCL if the effective date for the PAN on the card in the HCL is more than 48 hours after the date and time of the transaction.

**[Section 9.5 (d) (3) effective beginning October 1, 2014]**

- 3) The Remote Benefit Service (RBS) shall utilize the HCL file provided to the WIC Vendor location.
- e) For WIC Online EBT, no Hot Card List file shall be provided to the WIC Vendor.
- f) A PAN which had been administratively locked by the WIC Agency may be reused or reactivated if supported by the WIC Vendor and the WIC State Agency.

**[Section 9.5 (g) effective until September 30, 2014]**

- g) The WIC State Agency shall purge PANs from the HCL file 120 days from the last effective date of the WIC EBT Card.

**[Sections 9.5 (g) and (h) effective beginning October 1, 2014]**

- g) Except as noted in (h), the WIC State Agency shall purge PANs from the HCL file provided to WIC Vendors not more than 31 days following the last benefit period associated with the WIC EBT Card.
- h) A WIC State Agency may continue to list cards used for training or testing on the Hot Card List provided to WIC Vendors indefinitely.

**9.6 Security and financial audits**

The WIC Vendor, the Card Issuer and their agents shall be subject to security and financial audits as required by regulation.

## 10 File handling

The files exchanged in WIC EBT are listed in *ANS X9.93-2:2014 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 2:Files*.

Files exchanged in WIC EBT shall comply with the following requirements:

- a) Files shall conform to the *ANS X9.93-2:2014 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 2:Files* standard as described in the WIC Technical Implementation Guidelines. WIC State Agencies and their agents shall support backward compatibility in file exchanges with prior versions until WIC Vendors are capable of supporting the updated versions incorporated in the WIC Technical Implementation Guidelines.
- b) Files submitted after the daily cutoff timeframe for the recipient of a file shall be processed by the recipient the following Processing Day.
- c) The WIC State Agency or their agent shall maintain a single data retrieval site for retrieval and delivery of files by WIC Vendors.
- d) If an EBT Card Issuer Processor or Third Party Processor provides file processing services for more than one WIC Agency, a single data retrieval site may be maintained for retrieval of files by WIC Vendors.

## 11 Authorized Product List (APL) files

APLs are electronic lists (files) identifying WIC food items authorized by the WIC State Agency for purchase with WIC benefits. Each authorized WIC food item is identified by a Food Category, a Food Sub-Category and a unique product identifier, either a Universal Product Code (UPC) or a Price Lookup (PLU) code. Food items are grouped by Food Sub-Category within the Food Category. A Food Category is defined by a 2 digit code and description that identifies a food group. A Food Sub-Category is defined by a 3 digit code and a description of a specified food item within the Food Category. For example the food “peanut butter” is coded as Food Category “06” (legumes) and Food Sub-Category “002” (peanut butter).

The *National Food Category/Sub-category Table* provides the framework for creating the APL. Copies of the table may be downloaded from the FNS website or obtained from FNS.

### 11.1 WIC State Agency APL requirements

Following are the rules for the creation and maintenance of the APL by the WIC State Agency for all authorized WIC food items:

- a) The WIC State Agency shall identify in the APL the UPCs or PLUs associated with each authorized WIC food item that may be purchased by a WIC Cardholder.
- b) The WIC State Agency shall provide for their authorized WIC Vendors a single WIC State Agency-wide APL consistent with *ANS X9.93-2:2014 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 2:Files* and the WIC Technical Implementation Guidelines. WIC State Agencies and their agents shall support backward compatibility in file exchanges with prior versions until WIC Vendors are capable of supporting the updated versions incorporated in the WIC Technical Implementation Guidelines.
- c) Infant formula UPCs in Food Categories 11, 21, 31 and 41 shall only be assigned to a non-zero Food Sub-Category in the APL and all Food Sub-Categories for infant formula shall be listed in the APL.

The following rules apply to data contained in the APL created and maintained by the WIC State Agency. See the Technical Implementation Guide for further details.

- d) State identifier - The WIC State Agency shall be identified in the APL by the state identifier, see the WIC Technical Implementation Guidelines for a list of values.
- e) Category code, Category description, Sub-category code and Sub-Category code description – see the *National Food Category/Sub-category Table*.
- f) UPC/PLU data - The first digit of the 17-digit UPC/PLU data shall indicate whether the field contains either a UPC or PLU. The UPC or PLU shall include a calculated check digit in the right-most position of the 17 digit UPC/PLU data field.

Note: Neither *the National Food Category/Sub-category Table* nor the *International Fresh Produce Standard (IFPS)* include check digits for PLUs and therefore the check digit shall be calculated by the WIC State Agency.

- g) UPC or PLU – A UPC or PLU shall occur in only one Food Category and within the Food Category in only one non-zero Food Sub-Category and/or one Broadband Food Sub-Category for a given effective date.

- h) Unit of measure - the Food Sub-Category unit of measure shall be the same across the Food Sub-Categories associated with the Broadband Food Sub-Category and across the same Food Sub-Category.
- i) Package size - the package size, if provided, shall be quantified in the benefit unit of measure.
- j) Benefit quantity – the benefit quantities shall be consistent with the unit of measure of the associated Food Sub-Category.
- k) Benefit unit description – The description of the food item unit of measure shall be limited to the length available on the POS receipts, no greater than 6 characters. Special characters are to be avoided as some older CADs may not be able to accept them, e.g., the trademark symbol “™”.
- l) Item price - The food item price, if included, shall be a WIC State Agency-wide value for the Not to Exceed (NTE) price for non-CVB food items. The item price for a food item may be defaulted to zero. The item price for a CVB food item in the APL file shall be \$1.00.
- m) Date, effective – The WIC State Agency may indicate an effective date for a food item that is beyond the file create date of the APL file, i.e., a future effective date.
- n) Date, end – The WIC State Agency shall remove food items from the APL when the end date is reached or set the end date to indicate that authorization continues (Date, end is zero).
- o) Purchase indicator – The purchase indicator shall be used to identify a UPC or PLU of a food item that can be purchased with benefits in a non-zero Food Sub-Category as well as benefits within the Broadband Food Sub-Category.

Note: WIC Smart Card EBT systems shall migrate to use of the purchase indicator by a date agreed upon with FNS and shall work with their WIC Vendors to develop a migration schedule.

#### **[Sections 11.1 (p) effective beginning October 1, 2014]**

- p) Food items identified by UPC or PLU in the APL file shall be assigned to a valid, active Food Category and Food Sub-Category which includes the Broadband Food Sub-Category for a given effective date.

#### **11.2 APL entries for CVB food items**

CVB food items are any fresh fruits and vegetables not specifically excluded and, at the option of the WIC State Agency, canned, dried and/or frozen fruits and vegetables meeting WIC nutritional guidelines.

The APL identifies CVB fresh fruit and vegetable items by unique product identifiers that are compliant with the International Fresh Produce Standard (IFPS). The IFPS standard uses Product Look Up (PLU) codes as product identifiers. FNS has designated a single IFPS generic PLU code value of “4469” to identify a WIC CVB fresh fruit or vegetable.

Following are the rules for the WIC Agency to follow in listing CVB food items on the APL:

- a) The list of CVB authorized food items in the APL shall include, at minimum, the PLUs of the subset of fresh fruit and vegetables eligible for CVB redemption contained in the International Federation of Produce Standards (IFPS) list of PLUs.
- b) The WIC State Agency shall also include the generic FNS designated CVB food item PLU code 4469 on the APL.
- c) The WIC State Agency may include IFPS herb PLU's as state specified CVB authorized food items on their APL per FNS regulations.
- d) The WIC State Agency may include UPC codes for frozen, canned and/or dried fruits and vegetables if authorized by the WIC State Agency for purchase by their WIC Cardholders.
- e) The WIC Agency shall not add any WIC vendor specific or non-standard UPC reserved ranges (UPCs with prefixes of 2 (variable or random weight item), 4 or 9), to the APL.

### 11.3 WIC Vendor APL mapping requirements

Mapping refers to matching the WIC Vendor's product identification numbers used in the WIC Vendor's store to those on the WIC State Agency's APL file so that authorized WIC food items may be identified.

Following are the requirements for WIC Vendor APL mapping.

- a) Mapping, whether full or partial, shall only be done for fresh fruits and vegetables identified as WIC food items eligible for CVB redemption in the WIC State Agency APL.
- b) WIC Vendors shall map the UPCs, PLUs and GTINs for fresh fruit and vegetable sold in their stores to the UPCs/PLUs for authorized CVB food items on the APL files provided by the WIC State Agency.
- c) GS1 Global Trade Item Numbers (GTINs) are a global standard for product identification that may be used for fresh produce by the WIC Vendor. The WIC State Agency shall allow mapping the GTIN to the subset of fresh fruit and vegetables eligible for CVB redemption contained in the International Federation of Produce Standards (IFPS) PLUs in their APL.
- d) Either the full mapping or partial mapping option shall be used by the WIC Vendor.

#### 11.3.1 Full mapping

Full mapping is the matching of product identification numbers utilized by a WIC Vendor for fresh fruit and vegetables on a one-to-one (1:1) basis to the list of fresh fruit and vegetables on the WIC State Agency's APL.

A WIC Vendor may use PLUs (retailer assigned and standard), UPCs (retailer assigned and standard) and GTINs to identify fresh fruit and vegetables. The following rules apply to full mapping of these product identification numbers:

- a) Full mapping shall be done by the WIC Vendor unless approved for partial mapping by the WIC State Agency.
- b) Each standard PLU utilized by the WIC Vendor for authorized fresh fruit and vegetable CVB food items shall be mapped by the WIC Vendor on a one-to-one basis to the subset of fresh fruits and vegetables eligible for

CVB redemption contained in the International Federation of Produce Standards (IFPS) PLUs as provided in the WIC State Agency APL.

- c) The mapped PLU for the CVB food item shall be used for purchase approval and sales reporting.
- d) WIC Vendors shall map their retailer assigned UPCs (UPCs with a prefix of 4 or 9), PLUs and GTINs for CVB food items eligible for redemption to like IFPS PLUs and the mapped IFPS PLUs shall be used for purchase approval and reporting.
- e) Random weight food items identified with a UPC prefix of 2 shall be mapped to an IFPS PLU for the food item and the mapped IFPS PLU shall be used for purchase approval and reporting.
- f) If the WIC Vendor does full mapping, the WIC State Agency shall not require the use of the FNS designated CVB PLU 4469 or any further subset of the IFPS PLUs.

### **11.3.2 Partial mapping**

Partial mapping is the matching of PLUs utilized by a WIC Vendor for fresh fruit and vegetables on a many-to-one basis to the FNS designated CVB PLU 4469 on the WIC State Agency's APL to reduce the size of the APL for the WIC Vendor.

Following are the rules for partial mapping:

- a) Partial mapping shall be done only with the WIC State Agency's approval.
- b) Each standard PLU utilized by the WIC Vendor for authorized fresh fruit and vegetable CVB food items shall be mapped by the WIC Vendor on a many-to-one basis to the FNS designated CVB PLU 4469.
- c) The mapped FNS designated CVB PLU 4469 shall be used for purchase approval and reporting.
- d) WIC Vendors may map their retailer assigned UPCs (UPCs with a prefix of 4 or 9), PLUs or GTINs to the FNS designated CVB PLU 4469 if approved by the WIC State Agency.
- e) Random weight food items identified with a UPC prefix of 2 may be mapped to the FNS designated CVB PLU 4469 if approved by the WIC State Agency.
- f) The WIC State Agency shall continue to maintain and accept purchases of the full list of IFPS codes for WIC foods regardless of whether the WIC Vendors utilizes partial mapping.

### **11.4 Other WIC Vendor APL requirements**

The following additional rules apply to the use of the APL by the WIC Vendor:

- a) The WIC Vendor may remove food items not sold by the WIC Vendor from the WIC Agency's APL maintained in the WIC Vendor's system.

**[Section 11.4 (b) effective beginning October 1, 2015]**

- b) The WIC Vendor, or their agent, shall create and be able to access a subset of the APL file that identifies the WIC eligible food items available at the WIC vendor. The list shall indicate the product name, UPC/PLU and authorizing WIC State Agency.

**11.5 APL distribution and updates**

The following rules apply to the APL distribution and updates:

- a) APLs shall be available from the WIC State Agency on a daily basis.
- b) APLs with a file created date of the last Processing Day of a calendar week shall be in effect until the APL with a file created date for the first Processing Day of the calendar week is created.
- c) APLs shall be made available by the WIC State Agency via batch file processing.
- d) An updated APL file shall include a full replacement of authorized UPCs and/or PLUs.
- e) The WIC State Agency may provide APL updates via real-time messages; however, WIC Vendors shall only be required to support batch file processing.
- f) WIC Vendors shall retrieve the APL on each of their Processing Days.
- g) WIC Vendors shall apply the APL to their systems when retrieved and no later than within 48 hours of the APL file create date and time as recorded in the APL file header record.

**[Section 11.5 (h) effective beginning October 1, 2014]**

- h) The WIC State Agency shall provide an APL file to the Remote Benefit kiosk at the WIC Vendor's location, if a kiosk is present.

**[Section 11.5 (i) effective beginning October 1, 2016]**

- i) The WIC State Agency or their EBT Card Issuer Processor shall have the capability to change the NTE price for a specific UPC or an entire Sub-Category on a daily basis. Changes in the NTE price, whether due to an override or regularly scheduled updates, are to be applied to new WIC food item purchases no later than the next day's transactions after the change is made.

## 12 Clearing, settlement and reconciliation

Clearing, settlement and reconciliation are processes used to submit transactions from the WIC Vendor, process those transactions for payment and provide the WIC Vendor information to reconcile the payment amount to the submitted transactions.

### 12.1 WIC Clearing (Claims processing)

Clearing (claims processing) is the process of sending transactions from the WIC Vendor, either directly from the WIC Vendor or an Acquirer, to the WIC State Agency or their EBT Card Issuer Processor for payment.

WIC Online EBT clears (captures) the transaction information in real time.

WIC Smart Card EBT clears the transaction information by processing WIC claim files submitted by the WIC Vendor or their Acquirer.

### 12.2 WIC claim file processing

WIC claim files contain transactions from the WIC Vendor being submitted for payment. Following are the rules for WIC claim file processing.

- a) WIC claim file processing shall only be done for WIC Smart Card EBT processing.
- b) The WIC State Agency shall conform to the *ANS X9.93-2:2014 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 2:Files* standard for WIC claim files. WIC State Agencies and their agents shall support backward compatibility in message exchanges with prior versions until WIC Vendors are capable of supporting the updated versions incorporated in the WIC Technical Implementation Guidelines.

Note: WIC State Agencies using WIC Smart Card EBT systems implemented prior to 2010 shall migrate to the *ANS X9.93-2:2008 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 2:Files* (and future updates) standard formats by March 2015 unless authorized by FNS.

- c) WIC claim files shall be submitted by WIC Vendors each Processing Day but no later than 48 hours from the date of the oldest original transaction in the file.
- d) A WIC Vendor may submit a single claim file for multiple store locations. The WIC Vendor shall identify the specific store where each transaction occurred as a part of the WIC claim file using the numeric identifier assigned by the WIC State Agency.
- e) Corrected files and/or corrected transactions that have been approved for re-submission by the WIC State Agency shall be submitted within 60 days of the date of the original file submission unless a longer timeframe is approved by the WIC State Agency.

### 12.3 WIC settlement processing

Settlement is the process of creating an ACH payment to a WIC Vendor's settlement bank account by distributing funds for payment of approved, cleared WIC transactions. Settlement day is the calendar date on which funds are transferred for Settlement. Following are the rules for WIC settlement processing.

**[Section 12.3 (a) effective until September 30, 2015]**

- a) The WIC Vendor shall receive payment for approved, cleared transactions within two (2) Processing Days of the settlement date of the transaction.

**[Section 12.3 (a) and (b) effective beginning October 1, 2015; following paragraphs re-numbered]**

- a) The WIC State Agency shall provide a standard daily cut-off time for transaction processing to their WIC Vendors or their agents.
- b) The WIC Vendor shall receive payment at the financial institution holding their payment account for approved, cleared transactions within two (2) Processing Days of the Settlement day of the transaction. EBT Card Issuer Processors shall not hold payments to the WIC Vendor which can be paid earlier.

A WIC State Agency may request an exception to this rule from FNS after providing appropriate documentation describing their financial constraints, resource limitations or fiscal year processing constraints. In no instances shall the WIC Vendor receive payment greater than five (5) Processing Days from the settlement date of the transaction. The timeframe for payment shall be disclosed in the WIC Vendor agreement with the WIC State Agency.

- c) The Card Issuer shall send an ACH payment file to its bank directing that it pay the WIC Vendor for all settled transactions.
- d) If an Acquirer or Third Party Processor exists between the Card Issuer and the WIC Vendor, the Card Issuer shall direct its bank to pay the first authorized downstream entity for all authorized transactions that occurred for the specified settlement date through the entity.
- e) The WIC Vendor shall be reimbursed for the sale of an approved food item purchase at either the requested food item price or the adjusted price, whichever is lower.
- f) Payments transmitted to the WIC Vendor's settlement bank shall be reconciled to the settlement bank's report of payments submitted to the Federal Reserve for the WIC State Agency.

**[Section 12.3 (g) added effective beginning October 1, 2016]**

- g) The EBT Card Issuer Processor shall be responsible for meeting the settlement cutoff timeframe established by the WIC State Agency. When submitting transactions for settlement to a third party processor, the EBT Card Issuer Processor shall provide a standard settlement cutoff timeframe to the third party processor. Any differences in these settlement cutoff timeframes shall be the responsibility of the EBT Card Issuer Processor.

**12.4 WIC reconciliation processing**

Reconciliation is the process of balancing the transactions processed for payment with the transactions paid to the WIC Vendor. The WIC State Agency shall provide WIC auto-reconciliation files for their WIC Vendors for this purpose. At the WIC Vendor's option, the WIC Vendor may use existing commercial payment processing for reconciliation purposes provided they comply with the data requirements for WIC auto-reconciliation files.

**[Section 12.4 new sentence effective beginning October 1, 2015]**

The WIC Vendor or their agent shall maintain the means to process and reconcile transactions and adjustments reported in the WIC auto-reconciliation file or its equivalent with the transactions submitted for payment.

**12.4.1 WIC auto-reconciliation file processing**

Following are the general rules for processing WIC auto-reconciliation files provided by the WIC State Agency.

- a) The WIC State Agency shall conform to the *ANS X9.93-2:2014 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 2:Files* standard for WIC auto-reconciliation files or they may use existing commercial payment processing provided they comply with the data requirements for WIC auto-reconciliation files. WIC State Agencies and their agents shall support backward compatibility in file exchanges with prior versions until WIC Vendors are capable of supporting the updated versions incorporated in the WIC Technical Implementation Guidelines.

Note: WIC State Agencies implemented prior to 2010 shall migrate to the *ANS X9.93-2:2008 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 2:Files* standard formats no later than March 2015 and no later than February 6, 2016 to X9.93:2015 update unless authorized by FNS.

- b) WIC auto-reconciliation files may be created on a Processing Day basis and shall include transactions submitted since the last WIC auto-reconciliation file.
- c) The WIC State Agency may create a WIC auto-reconciliation file that aggregates the transactions of multiple WIC Vendor locations belonging to the same regional or national WIC Vendor.
- d) The WIC Vendor shall use the WIC auto-reconciliation files to reconcile transactions captured in WIC Online EBT or submitted in claim files in WIC Smart Card EBT.
- e) Settlement of funds via ACH is done only on the ACH Processing Days. Therefore, multiple reconciliation files may need to be used by the WIC Vendor to reconcile to an ACH deposit.
- f) The transaction amount in a WIC reconciliation file may reflect an adjusted amount determined by the WIC State Agency.

**[Section 12.4.1 (g) effective beginning October 1, 2015]**

g) The WIC Vendor or their agent shall maintain a record of the transactions processed or submitted in a claim file for reconciliation purposes. The record may be a report or electronic log of the transactions.

**12.5 WIC acknowledgement file processing**

The WIC acknowledgement file may be used to indicate the disposition of a WIC Claim file and the transactions within the WIC Claim file. See *ANS X9.93-2:2014 Financial Transaction Message - Electronic Benefits Transfer (EBT) - Part 2:Files* for details of WIC acknowledgement file processing.

**[Section 12.5 new sentence effective beginning October 1, 2015]**

The WIC Vendor or their agent shall maintain a record of the WIC acknowledgement file indicating the disposition of the claim file and any error descriptions, if available. The record may be a report or electronic log of the transactions.

## **13 Testing and certification requirements**

The implementation of WIC EBT requires testing and certification of the entities involved.

### **13.1 WIC State Agency EBT testing and certification requirements**

Following are the rules for WIC State Agencies to test and certify prior to implementing WIC EBT.

- a) Each WIC State Agency shall successfully pass a Federal Acceptance Test with FNS prior to implementation in accordance with FNS policy. The testing shall include all processing for the WIC State Agency Clinic System and EBT processing.
- b) If the WIC State Agency utilizes an EBT Card Issuer Processor, the EBT Card Issuer Processor shall participate in the Federal Acceptance testing.
- c) Federal Acceptance Testing may be done in conjunction with a WIC State Agency's acceptance test with their EBT Card Issuer Processor.
- d) The WIC State Agency shall provide test cards with loaded benefits and/or establish test accounts with benefits.
- e) The WIC State Agency shall provide a test environment to support WIC file processing testing.

### **13.2 Acquirer testing and certification requirements**

Following are the rules for Acquirer testing and certification.

- a) Each Acquirer must be certified to the EBT Card Issuer Processor of the WIC State Agency or directly to the WIC State Agency if no EBT Card Issuer Processor is used by the WIC State Agency.
- b) If an Acquirer or their WIC Vendor exceeds the error rate defined in Section 3.1 the offending party shall be required to correct the problem and re-test.
- c) Failure to correct a problem or operating an un-certified system shall be cause to terminate participation in WIC EBT.

### **13.3 WIC Vendor testing and certification requirements**

The following rules apply for the testing and certification of WIC Vendors for WIC EBT:

- a) Only WIC Vendor's with a valid WIC Authorized Vendor Agreement shall be certified by a WIC State Agency.
- b) Only WIC Vendor's systems certified by a WIC State Agency shall accept WIC redemptions and be reimbursed for same.
- c) A WIC State Agency may accept a certification of a WIC Vendor's system from another WIC State Agency or third party subject to confirmation of the store location and WIC Vendor identification information.
- d) A WIC State Agency may require ongoing and as needed certifications in order to ensure compliance with the WIC State Agency's specific processing parameters or requirements.

- e) The costs of testing and certification (including but not limited to travel, cost of equipment and systems, personnel) that is required as a result of a failure and subsequent correction in an installed system shall be borne by the entities determined to be at fault by FNS.
- f) Certification test scripts shall be provided by the WIC State Agency to the WIC Vendor and their agents.

**[Section 13.3 (f) second sentence, effective immediately]**

It is recommended that all WIC State Agencies utilize the common scripts available from FNS.

- g) A test platform and test cards shall be provided by the WIC Agency to the WIC Vendor that meet the conditions in the test script.

## 14 Dispute resolution

Dispute resolution addresses conditions where one or more parties to a WIC transaction have or may incur a financial loss. When a transaction is disputed by the WIC Cardholder, the WIC Vendor or other parties to the transaction, the following rules shall be used to resolve the dispute.

### 14.1 Dispute process

The following rules shall apply to the dispute process.

- a) Dispute resolution rules shall be incorporated in WIC Vendor Agreements and/or policies, Acquirer and Third Party Processor Agreements, and the Rights and Responsibilities for WIC Participants at the clinic.
- b) Reporting of a dispute shall follow the dispute timeframes and documentation requirements described in the following sections.
- c) Disputes which are resolved and require payment shall be resubmitted and/or settled by following the procedures established by the WIC State Agency.
- d) The WIC State Agency's resolution of a dispute completed within the dispute timeframes is final.

### 14.2 Dispute timeframes

The WIC State Agency shall include the following provisions in the Authorized WIC Vendor Agreement or the WIC Vendor policies.

- a) Disputes between the WIC Vendor and the WIC State Agency shall be resolved within the 45 days of the dispute being submitted by the WIC Vendor.
- b) A dispute shall be reported by the WIC Cardholder to the WIC State Agency within the same benefit period. Benefits shall not be adjusted if the dispute is reported beyond the benefit end date.
- c) The WIC Vendor shall research and provide receipts or other documentation within 10 Processing Days from the receipt of the notification of a dispute from the WIC State Agency.
- d) The WIC Agency shall research and provide a response within 10 Processing Days of the receipt of the notification of a dispute from the WIC Vendor.
- e) If a dispute is not resolved within the specified timeframes, the party raising the dispute shall be deemed entitled to the claim and shall settle the disputed item in their favor.

### 14.3 Dispute documentation

The information from the transaction that shall be available for researching a dispute is listed below:

- a) copy of WIC related transaction receipt (for a WIC Participant originated dispute) or the transaction log record (for a WIC Vendor originated dispute) for the purchase being disputed.
- b) date and time of transaction. The date and time of the transaction is the local date and time at the WIC Vendor when a food item is tendered as recorded on the transaction receipt or the transaction log record.

- c) WIC EBT Card number
- d) WIC Vendor identification information assigned by the WIC State Agency.
- e) Transaction details, i.e., systems trace audit number, UPC/PLUs purchased, Category and Sub-Category details.
- f) For WIC Smart Card EBT only, the claim file name in which the transaction appeared.
- g) Dispute documentation shall be submitted via fax, email or U.S. post.

#### **14.4 Dispute types**

The types of disputes and any additional documentation required for each type of dispute are described in this section.

##### **14.4.1 WIC Cardholder disputes**

WIC Cardholder disputes shall be initiated by the WIC Cardholder, WIC Participant or the WIC Agency on the WIC Participant's behalf. The following WIC Cardholder disputes are defined:

- a) WIC benefit purchase declined or reduced in amount
- b) WIC benefit purchase not received
- c) WIC benefit purchase in error

##### **14.4.2 WIC Vendor disputes**

WIC Vendor disputes may be initiated by the WIC Vendor or by the Acquirer or a Third Party Processor on the WIC Vendor's behalf. The following WIC Vendor disputes are defined:

- a) Benefits not available for a voucher clear transaction (if voucher clear processing is supported by the WIC State Agency).
- b) Benefits not available for a store and forward transaction.
- c) Benefits not available for a Manual Voucher (if Manual Voucher processing is allowed by the WIC State Agency).
- d) Transaction not paid because of invalid electronic signature (CRC).
- e) Transaction not paid because of out of date food items.
  - 1) The date and time a food item is tendered shall determine if a food item is out of date when submitted for payment.
  - 2) The date and time a food item is tendered is the local date and time at the WIC Vendor as reported in the transaction and recorded and adjusted for the WIC Vendor's local time by the Card Issuer.

- 3) A food item is considered out of date if the date and time a food item was tendered is 48 hours beyond the file creation date and time of the APL in force when the food item was tendered and, if provided by the WIC State Agency in the APL,
  - i) is prior to the UPC effective date for the food item or,
  - ii) is after the UPC end date for the food item.
- f) Transaction rejected.
- g) Claim file rejected.
- h) Transaction not previously submitted.

## 15 Reporting requirements

WIC Regulations are published by the Federal Register in the Code of Federal Regulations, 7 CFR Part 246. Specifics of EBT reporting requirements are found in Section 246.25. WIC State Agencies shall comply with all reporting requirements specified in 7 CFR Part 246.

### [Section 15.1 effective beginning October 1, 2015]

#### 15.1 WIC EBT Vendor sample report descriptions

In addition to reports required for reconciliation in Section 12, the WIC EBT Vendors or their agents may create the reports described below for viewing, displaying and/or printing for use in managing the WIC EBT program. The layout of the reports may vary depending on the WIC Vendor system.

- a) WIC Allowable Foods by Food Category/Sub-Category with Pricing, noting any that exceeds the WIC Not-to-Exceed price allowed. Authorized WIC food items are listed alphabetically and grouped by WIC Food Category. The detail will include Product Name, UPC, Unit of measure, Quantity, Unit of benefit, Max Price, and Shelf Price. The Shelf Price field is highlighted where the shelf price exceeds the Not-to-Exceed price.
- b) WIC Food Categories / Subcategories Sorted by Description The set of Food Categories sorted and grouped alphabetically by WIC State Agency, Category Description, and Sub-Category Description. The detail includes unit of measure.
- c) WIC Food Categories / Subcategories Sorted by Code. The set of Food Categories listed and grouped alphabetically by WIC State Agency, Category Code, and Sub-Category Code. The detail includes Category / Sub-Category name and unit of measure.
- d) Hot Card List. The set of Invalid PANs sorted in numerical order and grouped by issuing WIC State Agency (WIC Smart Card EBT only).
- e) Daily Transaction Summary by Store, Card acceptor terminal identification and Hour. Lists transaction details ordered chronologically. The transactions are grouped by Store, Card acceptor terminal identification, and Hour. For each group the report calculates the number of transactions and total dollar amount.
- f) Daily Transaction Summary by Store, Card acceptor terminal identification and Cashier. Nearly identical to the previous report save for the final grouping by Cashier.
- g) WIC Redemption Volume by Day, Hour, and Duration. Documents transaction volume and total values over time. The report totals and counts by day, hours and shows deviations in duration (for fraud and inventory control).
- h) WIC Redemption Volume by Card acceptor terminal identification, Hour, and Duration. Documents transaction volume and total values for checkout lanes over time. The report totals and counts by hour for each lane and shows deviations in duration (for fraud and inventory control).
- i) WIC Redemption Volume by Food Category / Sub-Category, Product, and Total Dollar Amount. Documents redemption trends and totals for food products ordered by product name and grouped by food category.
- j) Settlement History. Summarizes the transactions submitted for settlement to the WIC State Agency or their agent, grouped by each submission.

- k) Reconciliation History. Summarizes payments as received in the auto reconciliation file or its equivalent.
- l) Reconciliation Aging. Compares the date and amount of transactions submitted for payment to the date and amount of payments as documented in the received auto reconciliation files or their equivalent.

## Annex A - Definitions and abbreviations

The terms and abbreviations shown below are capitalized when used in this document to aid clarity.

### A.1 Terms and definitions

**Acquirer**

an entity which acquires from the WIC Vendor the data relating to the transaction and initiates that data into an interchange system.

**Broadband Food Sub-Category**

a Food Sub-Category within a Food Category that has a value of zero ("000").

**Card Acceptor**

the party accepting the card and presenting transaction data to an Acquirer.

**Card Issuer**

WIC State Agency (or its agent) which issues the WIC EBT Card to the WIC cardholder.

**Cash Value Benefit (CVB)**

A fixed-dollar amount associated with the WIC EBT Card used by a WIC Participant to obtain authorized fruits and vegetables.

**Cost Containment**

a provision of the Child Nutrition and WIC Reauthorization Act of 2004 that requires WIC State Agencies to implement a vendor peer group system, competitive price criteria and allowable reimbursement levels in a manner that ensures the WIC Program pays authorized vendors competitive prices for supplemental foods.

**EBT Card Issuer Processor**

an entity contracted by the responsible government agency for the implementation, maintenance and operation of the WIC State Agency's WIC EBT system and acts as the agent of the WIC State Agency to process and settle transactions.

**Exempt infant formula**

an infant formula that meets the requirements for an exempt infant formula under section 412(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 350a(h)) and the regulations at 21 CFR part 106 and 107.

**Food Category**

a numbering sequence of 2 digits used to identify broad WIC food groups.

**Food Sub-Category**

a numbering sequence of three digits following the Food Category that identifies the foods, brands, and size of food item identified within each food group.

**Global Standard Organization (GS1)**

a worldwide body that establishes standards for product identification. GS1 issues the UPC Company Prefix assigned to manufacturers used in Global Trade Item Numbers (GTINs).

**Global Trade Item Number (GTIN)**

A numbering scheme displayed at the bottom of and encoded in the GS1 compliant UPC bar codes. It is composed of the UPC Company Prefix assigned by GS1 to a manufacturer, an item reference number assigned by the manufacturer and a check digit.

**Indian Tribal Organization (ITO)**

the recognized governing body of any Indian Tribe or group of Tribes.

**Manual Voucher**

a paper document signed by the WIC Cardholder to redeem benefits through telephone verification when the WIC EBT system is unavailable.

**Not to exceed (NTE) policy**

FNS-approved Cost Containment methodology whereby WIC Vendors are subject to price limitations.

**Prescription benefit**

an authorized WIC food package, as defined in 7 CFR 246.10, including the Cash Value Benefit (CVB), issued to a WIC Participant for one or more benefit periods.

**Price Look Up (PLU) code**

a 4 or 5 digit code in the 3000 to 4999 range as defined by the International Federation for Produce Standards (IFPS). PLUs are used by a WIC Vendor to identify products that typically are of variable measure, e.g., meat, deli, seafood, fruits and vegetables or produce. Five digit PLUs with leading digit of 8 indicate a genetically modified product and a leading digit of 9 indicates organic products. The trailing four digits of genetically modified and organic products represent the standard PLU for a food item. A zero is the leading digit for standard non-genetically modified or organic PLUs but it is omitted in practice.

**Processing Day**

a day on which transactions and/or files are processed; excluding legally defined holidays and Saturdays and Sundays.

**Remote Benefit Service (RBS)**

an optional service offered at approved and certified WIC Vendors that allows participating WIC State Agencies or their agent to send benefit updates to an RBS kiosk or the WIC Vendor's Integrated ECR system for loading to a WIC Participant's WIC EBT Smart Card.

**Remote Benefit Service (RBS) kiosk**

a free standing device with a card reader, interface display and processing capabilities that communicates with the WIC State Agency or their agent to obtain benefit updates and allows the WIC Cardholder to load the benefits to their WIC EBT Smart Card.

**Remote Benefit Service (RBS) transaction**

a type of WIC EBT transaction completed by a WIC EBT Cardholder at an RBS kiosk or the WIC Vendor's Integrated ECR system to load benefits to their WIC EBT Smart Card.

**Universal Product Code (UPC)**

A specific type of barcode used to identify products sold by the WIC vendor. The numbers shown in the barcode are entered on the APL file to identify authorized WIC food items.

**Value Added Reseller (VAR)**

An entity which adds features or services to an existing product, then resells it as an integrated product or complete turn-key solution. A VAR which sells or leases CADs to a WIC Vendor provides software, installation, telecommunication connectivity and/or other technical support required to process WIC EBT transactions.

**WIC Cardholder**

the WIC Participant or the person authorized to use the WIC EBT Card on their behalf.

**WIC EBT Card**

A food instrument (electronic benefits transfer (EBT)) card used by a WIC Participant to obtain supplemental foods.

**WIC-eligible nutritionals**

certain enteral products that are specifically formulated to provide nutritional support for individuals with a qualifying condition, when the use of conventional foods is precluded, restricted, or inadequate

**WIC Online EBT**

the processing system for EBT transactions where the transaction is completed in real-time through messages sent from the Card Acceptor Device (CAD) through the network to the WIC State Agency or their EBT Card Issuer Processor.

**WIC Participant**

the person or family to whom WIC benefits are issued.

**WIC Smart Card EBT**

the processing system for EBT transactions that uses a payment card that has a computer chip embedded on the card.

**WIC State Agency**

a governmental organization that participates in the federal WIC program. It manages the WIC program for a particular state, possession, territory or tribal organization. There are 90 WIC State Agencies, comprised of the 50 U.S. states, 34 Indian Tribal Organizations, the District of Columbia, and five territories (Commonwealth of the Northern Marianas Islands, American Samoa, Guam, Puerto Rico, and the Virgin Islands).

**WIC Vendor**

the merchant location that provides authorized WIC food items under an Authorized WIC Vendor Agreement with a WIC State Agency.

**WIC Vendor's System**

the CAD and/or integrated ECR used at the POS and related communication equipment used by the WIC Vendor for WIC Online or Smart Card EBT processing.

**X9.108 /X9.131 standard**

X9.108 was the draft standard for trial use published by the American National Standards Institute (ANSI) titled *DSTU X9.108- Financial transaction messages – Electronic benefits transfer (EBT) – WIC retailer interface standard*. It is replaced by ANS X9.131, with the same title.

**X9.93 Standards**

The standards published by the American National Standards Institute (ANSI) titled *ANS X9.93-2014 Financial transaction messages – Electronic benefits transfer (EBT) – Part 1: Messages* and *ANS X9.93-2014 Financial transactions messages – Electronic benefits transfer (EBT) – Part 2: Files*.

**A.2 Abbreviated terms**

Abbreviations when used within this document have the following meanings:

- ACH – Automated Clearing House
- ANS – American National Standard
- ANSI – American National Standards Institute
- APL- Authorized Product List (aka UPC/PLU store file)
- BIN – Bank Identification Number
- CAD – Card Acceptor Device
- CRC – Cyclical Redundancy Check
- CVB – Cash Value Benefits, a.k.a. Cash Value Voucher
- EBT – Electronic Benefits Transfer
- FNS – Food and Nutrition Service
- GS1 – Global Standard Organization
- GTIN – Global Trade Item Number
- IFPS – International Federation for Produce Standards
- IIN – Issuer Identification Number
- ITO – Indian Tribal Organization
- NTE – Not To Exceed
- PAN – Primary Account Number
- PCI – Payment Card Industry

- PIN – Personal Identification Number
- PKI – Public Key Infrastructure
- PLU – Price Look-Up Code
- POS – Point of Sale or Point of Service
- RBT – Remote Benefit Service
- SNAP – Supplemental Nutrition Assistance Program, a.k.a. Food Stamps
- TANF – Temporary Assistance for Needy Families
- UPC – Universal Product Code
- VAR – Value Added Reseller
- WIC – Women, Infants and Children

## Annex B - Exhibits

### B.1 Comparison of WIC EBT Processing

A comparison of the functionality of WIC Online and Smart Card EBT is shown in Table 2.

**Table 2 – Functional comparison of WIC Online and Smart Card EBT**

Function	WIC Online EBT	WIC Smart Card EBT
CAD or integrated ECR Used	The WIC Vendor may utilize their existing integrated ECR system or a Stand-beside CAD.	The WIC Vendor uses a smart card reader that may be integrated with the ECR system or part of an EBT Only CAD.
Performance or “Uptime” Requirements	Requires connectivity (telephone, network or internet line) to the WIC State Agency’s EBT processing system at all times transactions are being authorized.	Requires card-to-CAD connectivity in-lane to complete transaction.
Transaction Processing and switching	Transactions are processed and authorized between the WIC Vendor and the WIC State Agency’s EBT Card Issuer Processor.	Transactions are processed and authorized within the WIC Vendors’ CAD that reads and updates smart cards issued to WIC Cardholders. WIC Vendors utilize a daily claim file process
Connectivity	WIC Vendors that integrate the WIC EBT payment platform have the option to direct connect to the WIC State Agency’s Processor or connect to a Third Party Processor directly, via dialup or internet to provide services for WIC transactions.	Dialup or internet connectivity is used for file exchanges to/from the WIC Vendor and the WIC EBT Card Issuer’s data retrieval site at the end of the Processing Day. Connectivity to the WIC State Agency’s EBT processing system can be made at any time for batch file exchange.
Reconciliation and Settlement	WIC State Agency’s EBT Card Issuer Processor provides settlement to the WIC Vendors based upon transactions processed and approved during the Processing Day. Settlement occurs on Processing Days through ACH. The benefits redeemed are reconciled by card number to household level benefits via daily reports and/or files provided by the EBT Card Issuer Processor.	WIC State Agency provides settlement to the WIC Vendors based upon the claim file uploaded by the WIC Vendor on a daily basis. Settlement occurs on Processing Days through ACH. Benefits redeemed are reconciled to household records of benefits issued; maintained within the EBT host or MIS systems.
Data availability from the WIC State Agency or their EBT Card Issuer Processor	Transaction and redemption data available in real time	Transaction and redemption data available after all daily transaction data (claim files) are uploaded and transactions processed.





\*\*\*\*\*  
**WIC EBT BENEFIT REDEMPTION RECEIPT**  
 Terminal: 007 Store: 9860  
 Trans: 14 Operator: 1  
 \*\*\*\*\*

3.49 value FRUITS &/OR VEGETABLES  
 1 BANANAS 1.00  
 1 ORG ORANGES .99  
 1 FROZEN OKRA 1.50

1 ctrn BABY FOOD FRUIT OR VEG  
 1 GERBER CARROTS .47

6 ounce TUNA OR SALMON IN WTR 5  
 1 CHK OF SEA TUNA # .79

1 item DRY BEANS 1 LB PKG  
 1 REM PINTO BEANS # .59

1 gal WHOLE MILK ONLY  
 1 DAIRY WHOLE MILK # 2.69

END OF WIC EBT REDEMPTION RECEIPT  
 \*\*\*\*\*  
 last 4 digits of PAN  
 \*\*\*\*\*  
**WIC EBT BENEFIT BALANCE RECEIPT**  
 Date: 5/12/10 Time: 09:08  
 PAN: \*\*\*\*\*0881\*\*\*  
 BENEFITS EXPIRE 05/31/2010 AT MIDNIGHT  
 \*\*\*\*\*

26.51 value FRUITS &/OR VEGETABLES  
 62 ctrn BABY FOOD FRUIT OR VEG 4  
 2 lb BREAD/TORTILLAS/RICE/OATH  
 24 can EVAP MILK LOWFAT/FATFREE  
 113 ctrn RESOURCE 2.0 RTU 8OZ  
 39 ounce TUNA OR SALMON IN WTR 5 &  
 2 item PEANUT BUTTER 18 OZ  
 1 item DRY BEANS 1 LB PKG  
 2 item DRY BEANS OR PEANUT BUTTE  
 36 ounce CEREAL  
 0 dozen EGGS-A OR AA LARGE/MED/SM  
 4 qt WHOLE MILK ONLY QT  
 4 qt MILK SKIM 1/2% 1% 2% QT  
 3.5 gal WHOLE MILK ONLY  
 4.5 gal MILK SKIM 1/2% 1% 2%

END OF WIC BENEFITS RECEIPT  
 \*\*\*\*\*

**Little Card. Big Savings.**  
 LET US HEAR FROM YOU!  
 1-877-723-8929 or visit RANDALLS.COM

\*\*\*\*\*  
**WIC EBT BENEFIT BALANCE RECEIPT**  
 Date: 5/12/10 Time: 09:07  
 PAN: \*\*\*\*\*0881\*\*\*  
 BENEFITS EXPIRE 05/31/2010 AT MIDNIGHT  
 \*\*\*\*\*

30.00 value FRUITS &/OR VEGETABLES  
 64 ctrn BABY FOOD FRUIT OR VEG 4  
 2 lb BREAD/TORTILLAS/RICE/OATH  
 24 can EVAP MILK LOWFAT/FATFREE  
 113 ctrn RESOURCE 2.0 RTU 8OZ  
 45 ounce TUNA OR SALMON IN WTR 5 &  
 2 item PEANUT BUTTER 18 OZ  
 2 item DRY BEANS 1 LB PKG  
 2 item DRY BEANS OR PEANUT BUTTE  
 36 ounce CEREAL  
 0 dozen EGGS-A OR AA LARGE/MED/SM  
 4 qt WHOLE MILK ONLY QT  
 4 qt MILK SKIM 1/2% 1% 2% QT  
 4.5 gal WHOLE MILK ONLY  
 4.5 gal MILK SKIM 1/2% 1% 2%

END OF WIC BENEFITS RECEIPT  
 \*\*\*\*\*

**Randalls**  
 3346 HWY 6 SOUTH  
 281 980-1800  
 GROCERY  
 TS .47 F  
 FROZEN OKRA 1.50 F  
 CHK OF SEA TUNA # .79 F  
 DAIRY WHOLE MILK # 2.69 F  
 REM PINTO BEANS # .59 F  
 PRODUCE  
 1.00 lb @ \$1.00 /lb MAN WT  
 WT BANANAS 1.00 F  
 1.00 lb @ \$0.99 /lb MAN WT  
 WT ORG ORANGES .99 F  
 F/W BAL DUE 8.03  
 \*\*\*\* TAX .00 BAL 8.03  
 WIC EBT 8.03  
 F/W CH .00 CHG .00  
 5/12/10 09:08 9860 07 0014 1  
 YOU COULD HAVE SAVED \$ .80  
 Join the Safeway Club today, and  
 earn toward your 5% Savings Award

benefits redeemed including qty, unit and price  
 store name, street address (missing state and zip)  
 combination of Terminal ID, store, trans, operator and date/time provide unique STAN  
 benefit expiration date  
 benefits remaining  
 benefits available  
 local date and time

### **B.3 Sample authorized WIC Vendor agreement**

Samples of WIC EBT WIC Vendor agreements may be obtained from FNS upon request.

### **B.4 Redemption strategy examples**

The following strategies are described to assist WIC vendors in designing and configuring processing to provide the WIC Cardholder with the opportunity for maximum benefit redemption.

#### **B.4.1 Progressive redemption strategy**

In order to maximize the WIC Cardholder's opportunity for benefit redemption, the progressive redemption strategy matches benefits in the non-Broadband Food Sub-Category before the Broadband Food Sub-Category.

For example, a WIC Cardholder presents ½ gallon of skim milk (0.5 units of benefit—assuming liquid milk benefits are measured in gallons) and 1 gallon of skim milk (1 unit of benefit) for redemption. The Prescription benefit contain 1 unit of skim milk (52-002) and 3 units of low-fat milk (52-000, a Broadband Food Sub-Category). The progressive redemption strategy debits 0.5 unit of skim milk (52-002) benefit and 1 unit of low-fat milk (52-000) benefit. This leaves 0.5 units of skim milk (52-002) and 2 units of low-fat milk (52-000) benefit.

The progressive redemption strategy is an improvement on decrementing food items in the order in which they are scanned by decrementing a food item from the most restrictive Food Sub-Category first.

#### **B.4.2 Aggressive redemption strategy**

The aggressive redemption strategy reevaluates all food items presented for WIC benefit redemption every time a new food item is added during a transaction.

As in the progressive redemption strategy example, a WIC Cardholder presents ½ gallon of skim milk and 1 gallon of skim milk for redemption. The Prescription benefit allows for 1 unit of skim milk (52-002) and 3 units of low-fat milk (52-000). When the WIC Cardholder presents the ½ gallon of skim milk first, the system will decrement 0.5 unit of benefit from the skim milk (52-002) Food Sub-Category. For the moment, 0.5 unit of benefit remains in the Prescription benefit for skim milk (52-002). Subsequently, when the WIC Cardholder presents the 1 gallon of skim milk, the system will reevaluate the food items submitted and redeem the 1 gallon from the skim milk (52-002) Food Sub-Category along with redeeming the initial ½ gallon from low-fat milk (52-000) which is the Broadband Food Sub-Category. This leaves zero units of skim milk (52-002) and 2.5 units of low-fat milk (52-000) benefits for the WIC Cardholder's future milk redemptions.

The aggressive redemption strategy goes one step further than the progressive redemption strategy by using an algorithm that reorders the food items in such a way that the WIC Cardholder will receive the maximum remaining benefit in each Food Sub-Category.

#### **B.4.3 Food Sub-Category straddle**

With Food Sub-Category straddle processing, the ability to redeem a single food item across multiple Food Sub-Categories is added to maximize the WIC Cardholder's benefit utilization.

Food Sub-Category straddle logic shall not be used in WIC Smart Card EBT processing.

With the progressive redemption strategy and Food Sub-Category straddle logic, a WIC Cardholder presents ½ gallon of skim milk and 1 gallon of skim milk for redemption. The Prescription benefit allows for 0.5 unit of skim milk (52-002) and 0.5 unit of low fat milk (52-000). When the WIC Cardholder presents the ½ gallon first, the system will decrement ½ unit of benefit from the skim milk (52-002) Food Sub-Category. Subsequently, when the WIC Cardholder presents the 1 gallon of skim milk, the system will *reject* the gallon purchase as there is not enough remaining benefit. This leaves zero units of skim milk (52-002) and 0.5 unit of low-fat milk (52-000) benefits.

With the aggressive redemption strategy and Food Sub-Category straddle logic, a WIC Cardholder presents ½ gallon of skim milk and 1 gallon of skim milk for redemption. The Prescription benefit allows for 0.5 unit of skim milk (52-002) and 0.5 unit of low-fat milk (52-000). When the WIC Cardholder presents the ½ gallon first, the system will decrement ½ unit of benefit from the skim milk (52-002) Food Sub-Category. Subsequently, when the WIC Cardholder presents the 1 gallon of skim milk, the system will *reject* the initial ½ gallon and *combine* the remaining 0.5 unit of skim milk with the initial 0.5 unit of low-fat milk to create 1 unit of benefit that the WIC Cardholder will redeem in order to acquire the gallon. This leaves zero units of skim milk (52-002) and zero units of low-fat milk (52-000) benefits.

The ability of the aggressive redemption strategy to reevaluate the food items provides the WIC Cardholder with the maximum remaining benefit in each Food Sub-Category

In either case, the rejected food item is returned to stock by the WIC Vendor or paid for by the WIC Cardholder with another method of payment, after the WIC purchase has been accepted by the WIC Cardholder and tendered by the WIC Vendor.

## Annex C - References

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- ANS X9.93:2008 and ANS X9.93:2015 (all parts) *Financial transaction messages – Electronic benefits transfer (EBT)*.
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- ISO/IEC 7810:2003, *Identification cards – Physical characteristics*.
- ISO/IEC 7811 (all parts) *Identification cards – Recording techniques*
- ISO/IEC 7812:2006 (all parts) *Identification cards – Identification of issuers*.
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