
Guide to WIC EBT for Retailers

A Retailer's Handbook for WIC EBT Payments

Version 1.1

January 22, 2018

Table of Contents

- 1. Preface 1**
- 2. Executive Summary 2**
 - 2.1 Introduction2
 - 2.2 Purpose3
 - 2.3 Suggested Audience3
- 3. Benefits Order of Use 3**
- 4. WIC Retail Integration 3**
 - 4.1 Integrated Solution Benefits3
 - 4.2 WIC EBT In-Lane Process4
 - 4.2.1 Mixed Basket4
 - 4.2.2 Split Tender4
 - 4.2.3 Coupons.....4
 - 4.2.4 Reversals5
 - 4.3 Current State of WIC EBT Integration5
 - 4.3.1 IBM ACE Payment Platform5
 - 4.3.2 MicroTrax ISS45 Payment Platform.....6
- 5. Connectivity Models 6**
 - 5.1 Third Party Networks6
- 6. WIC EBT Retailer Certification Process 7**
 - 6.1 Processes and Standards for Integrated Retailer Certification9
 - 6.2 Processes and Standards for Acquirers/TPP Certification9
- 7. Approved Product List (APL) 9**
- 8. Integrated Retailer Enrollment Procedures 10**
 - 8.1 Third-Party Processor (TPP) Agreement..... 10
 - 8.2 X9.93 Standards and Operating Rules 10
- 9. Stand-beside Point-of-Sale (POS) 11**
- Appendix A – Acronyms and Key Terms 12**
- Appendix B – Current System Certifications..... 13**

1. Preface

Document History

Version	Version Date	Summary of Changes
1.0	December 28, 2017	Valarie Simms
1.1	January 22, 2018	Valarie Simms

Related Documentation

The following documents expand on the detail provided in this document. Readers should refer to them as appropriate to gather more information on these topics:

ANSI (American National Standards Institute) X9.93 – Part 1 – Provides the standards used for e-WIC messages and files.

FNS (Food and Nutrition Service) WIC EBT Technical Implementation Guide – This is the WIC EBT interpretation of the X9.93 standard and explains online EBT messages processing

FNS WIC EBT Operating Rules – This document clarifies and supplements FNS Regulations regarding WIC EBT.

Conduent Integrated Retailer Interface Specifications – Complies with X9.93 standards and describes Conduent messaging and interface processing rules in detail.

2. Executive Summary

Conduent developed this guide in an effort to partner with the retail community and facilitate the integration of WIC EBT payments into existing retail payment platforms.

2.1 Introduction

This document describes two approaches to WIC EBT transaction processing: Integration and the stand-beside POS terminal. Sections 3 through 7 describe the approach to integrating retailers, the activities required by retailers and other stakeholders, the options for integration, and information regarding systems already certified. These sections also provide information helping retailers get started with their integration efforts so that WIC EBT payments can be processed by existing Electronic Cash Register (ECR) systems. It includes an overview of the following:

- Retail Integration and Solution Benefits
- Connectivity Options
- Retailer Certification Process
- Standards and Specifications
- APL File
- Certified Third Party Processors(TPP) and ECR systems

Section 9 describes the Verifone Vx520 stand-beside terminal option for those retailers opting not to integrate WIC EBT into their existing ECR.

2.2 Purpose

The purpose of this document is to provide WIC retailers with a guide to enabling their stores to accept online WIC EBT payments either through integration or a stand-beside POS terminal.

2.3 Suggested Audience

The WIC EBT integration Guide is intended to be used by WIC retailers considering the integrated solution or stand-beside POS terminal solutions for WIC EBT payment processing. It also works as a reference for retailer VARs (Value Added Resellers), TPPs, and IT departments.

3. Benefits Order of Use

Customer using WIC benefits may also use other forms of payment for items not purchased with their WIC benefits. To fully utilize their benefits, the WIC customer should pay for eligible items using benefits and other forms of payments in the following order:

- WIC benefits
- Supplemental Nutritional Assistance Program (SNAP) benefits
- Other forms of payment, such as EBT cash benefits, cash, debit, credit

4. WIC Retail Integration

When a WIC retailer is referred to as 'integrated', it simply means that they can accept WIC EBT payments via their ECR system without the need for a separate stand beside device. While the operation of an integrated system is similar for the same types of ECR systems, the method in which it is implemented can vary from a direct connect system to one that processes transactions through a third party processor (TPP). The table in Appendix C shows that many of the largest payment platforms have already been certified as well as the largest TPPs. As a result of these early efforts, retailer certification can often be abbreviated. In the end, much of the work required for integration and FNS certification is done by either the retailer's internal IT staff or VAR also referred to as the retailer's ECR service provider.

4.1 Integrated Solution Benefits

For stores with ECR systems capable of handling complex transactions, WIC redemption processing is integrated with all other tender types as a part of the total payment processing solution for the store. The existing in-lane hardware infrastructure (POS, printer, scanner) can be used to serve the needs of WIC processing along with all other supported tender types. The result is a more seamless flow through the checkout lane. It facilitates the concept of mixed basket shopping and eliminates the need for WIC specific lanes (i.e., all WIC and non-WIC items can be scanned without separating WIC items).

Additionally, for those retailers using a third party processor (TPP), an integrated solution will allow them to receive WIC payments in the same manner in which they receive settlement from other payment options. This generally includes consolidated settlement and reporting as well.

4.2 WIC EBT In-Lane Process

The general process for an integrated WIC EBT transaction is similar among payment platforms. It begins in a manner much like a standard transaction with all items being scanned, followed by either the cashier using a tender button to initiate a WIC transaction or the WIC participant selecting WIC EBT as the payment method from the PIN-pad device. The WIC participant then swipes their card and is prompted by the terminal to accept the charges for WIC. Once accepted, the WIC EBT transaction is finalized. There are slight variations to this depending on the payment platform, but the technical process behind the scenes is the same.

4.2.1 Mixed Basket

A mixed basket transaction is one that includes both WIC and non-WIC items. The transaction begins with the scanning of all items, there is no need to separate WIC and non-WIC items. Once all items are scanned and WIC tender selected, the participant swipes their WIC EBT card and enters the PIN. Once they accept the charges, all WIC tendered items have been paid and the participant may now use another tender type to complete the transaction.

4.2.2 Split Tender

A split tender transaction is related to the WIC cash value benefit (CVB) and occurs when a participant exceeds the balance of their CVB on a single purchase. This allows a participant to use their entire CVB balance and pay any overage with another tender type.

4.2.3 Coupons

Coupons are handled by an integrated ECR in accordance with FNS rules for coupons. The benefit of the coupon is required to go to the participant, as in a buy one get one, or to the program, as in reducing the amount the program is required to pay for a product. The integrated system will handle all coupons as a part of normal processing and does not require any additional effort from the cashier.

4.2.4 Reversals

As a rule, reversals can only be performed before the transaction has been finalized. If a transaction fails, a reversal is generated and the message sent to the host. In most cases, this is done in the course of a normal transaction that does not complete for some reason. In the case of a transaction where the participant decides that they no longer want an item, the entire transaction must be voided if WIC has been tendered and accepted. This will generate a reversal, and the transaction must be started over. There is more specific information regarding reversals in the integration specifications, and other supporting documents.

4.3 Current State of WIC EBT Integration

One very positive aspect of WIC EBT is the support of FNS in integrating the most widely used payment platforms and ECR systems. These efforts have moved integration efforts forward and currently some of the most common payment platforms are certified with others scheduled for certification and integration in the near future. If you have a payment platform that has been certified, you may still need the latest release installed on your ECR system and/or the WIC EBT functionality enabled and configured. This could require that you have a current maintenance agreement in place.

In addition to payment platform certification efforts, the most used Third Party Processors have been certified as well. In essence, if a TPP is WIC EBT certified with Conduent and the retailer payment platform is WIC EBT certified with the TPP, integration is a matter of turning the functionality on and performing the certification test scripts remotely without the involvement of FNS. For a list of certified payment platforms and TPPs, see Appendix B.

4.3.1 IBM ACE Payment Platform

The IBM ACE platform is one of the most used ECR payment solutions for large retail chains and is also widely used by small and medium sized retailers.

Through FNS and State agency efforts, IBM added and certified online WIC EBT functionality to their base ACE payment platform. This new WIC EBT functionality was made available immediately to retailers in current WIC EBT states and was included in the

subsequent software release. While an additional FNS certification may be required for new states, stores using this payment platform are expected to have the option of being integrated.

4.3.2 MicroTrax ISS45 Payment Platform

The ISS45 payment platform is used in several ECR systems including Retailix, Scanmaster, StoreNext, RORC, and others. It has been certified in many variations.

Retailix currently has two primary versions of its ECR (V.7 and V.8) and is generally used by independent stores and mid-sized chains with the ScanMaster and StoreNext products. In previous efforts, both versions are WIC EBT certified and the functionality is available in recent and current releases. It is expected that stores utilizing these ECRs will be integrated.

5. Connectivity Models

Online WIC EBT requires a real time connection with a central host processor (Conduent) that will allow purchase request messages to be transmitted from the checkout lane to a host system that will, in turn, validate the purchase and return the approval/ denial back to the checkout lane. For online WIC to succeed, retailers need to either connect directly to the Conduent system or use intermediaries called acquirers or third party processors (TPP) that are certified with Conduent to process WIC EBT transactions.

5.1 Third Party Networks

This approach makes use of TPPs to provide access to a large number of issuers using a single connection in the store. In other words, for stores that use TPPs already, this model would combine WIC EBT payments into the same consolidated settlement already used by these retailers.

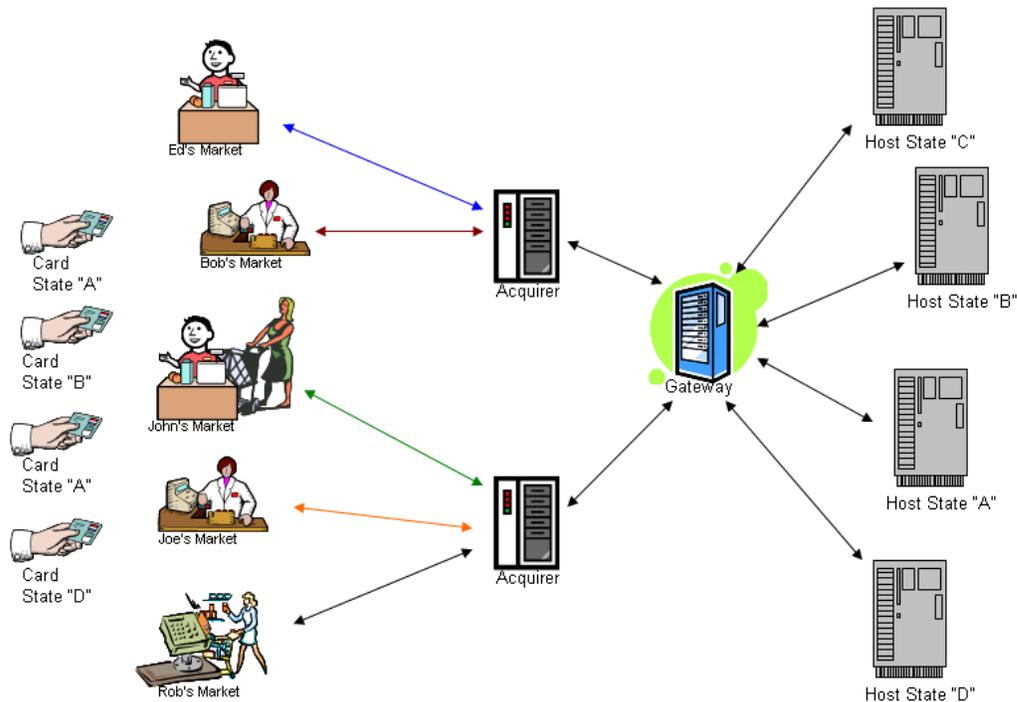


Exhibit 1: Third Party Network Approach

However, there is a fee per transaction associated with the use of TPPs. WIC's general position is that a store elects to use this transaction interface because of the value it adds to the store. Consequently, this is the store's cost of doing business and does not violate the no cost policy. The use of acquirers and networks is the typical infrastructure that is used in virtually all stores that accept electronic payments of any type.

6. WIC EBT Retailer Certification Process

The WIC EBT retailer certification process involves several stakeholders and, except for large chains with internal IT departments, generally requires little involvement from the retailer. In most circumstances, the State determines and coordinates the required activities with the processor (Conduent) to certify a system. Very often, the VAR or ECR Service Provider works on behalf of the retailer and has already gone through the precertification process for a particular payment platform. That process is formalized for retail certifications by adding additional stakeholders, such as FNS, the State, Conduent,

and others to validate that the transactions are being performed properly and settled accurately.

It is the WIC State agency's responsibility to validate that its required business rules and processes are properly implemented in electronic WIC redemption systems. This includes verifying that the in-store processing enforces WIC requirements and confirming that the messages transmitted to the WIC host processor conform to the approved technical specifications.

There are several layers to these certifications. In the pilot projects, the State agency and FNS have worked closely with each store to validate its WIC solution. However, this is a very time consuming and expensive process for both WIC and the retailer. Some of the potential guidelines and alternatives are listed as follows:

- If the solution is a brand new implementation of WIC EBT functionality in an ECR that has not been certified, then it will require a full certification.
- If the solution is a previously approved "commercial model" system then, because it has already undergone a rigorous certification process to become approved, the in-store implementation will only require a cursory (if any) certification.
- If the solution is for an integrated chain store, then one certification of the chain's WIC implementation is considered sufficient. It is not necessary to certify every store that is installing that solution. A self-certification process, wherein WIC provides the test scripts to the store and the retailer exercises them internally and provides WIC with a document attesting to certification can also be considered sufficient.
- In an online environment, where many retailers use the services of third parties who in turn might use the services of a gateway provider, transaction certification will be delegated downstream. For example, the host processor will certify the transaction gateway. The gateway will in turn certify the acquirers or TPPs that want to send the gateway transactions on behalf of their retail customers. Each TPP will certify all stores for which it is acquiring transactions. However, even in this environment, FNS or the State agency may want to validate the in-store processing that is taking place at least upon initial implementation.
- If a system undergoes a significant modification, then a recertification may be necessary. The scope of the recertification depends on the extent of the changes and the perceived risk.

6.1 Processes and Standards for Integrated Retailer Certification

Conduent uses proven processes and standards to support the State agency in successful integrated retailer certification. The following three-phased approach has been successful in certifying retailers, payment platforms and TPPs:

- **Phase 1 – Initiation.** This phase includes reviewing the integrated specifications with the retailer and TPP to ensure all requirements are understood.
- **Phase 2 – Integration Testing.** This phase include providing the retailer and TPP with the WIC EBT test cards and a separate test environment for their integration testing to Conduent. The exit criteria for this phase includes retailer and TPP processing of all WIC financial transactions to the WIC Connect system and Conduent verifying all integration testing results. Upon, satisfactory review of the test results, Conduent notifies the State that the retailer/TPP has successfully completed testing.
- **Phase 3 – Level 3 Certification Testing.** Once integration testing has been successfully completed, the State agency schedules the level 3 onsite certification. Conduent supports level 3 testing remotely. Level 3 certification testing follows certification scripts approved by the State and FNS. The State agency determines if the retailer passes level 3 certification testing and provides notice of final certification.

6.2 Processes and Standards for Acquirers/TPP Certification

While the activities in the above section described integrated certification for retailers and acquirers/TPPs as an overall parallel process, individual certifications between Conduent and a TPP may be pursued without involving a retailer. While this does not reduce the involvement of a TPP in a retailer integration certification, it does eliminate much of the related development required for the TPP.

7. Approved Product List (APL)

Since WIC is a state administered program that issues benefits as food items rather than a specific dollar amount, each program may have a significantly different approved product

list as well as different Not to Exceed (NTE) amounts. This generally requires retailers use a different APL for each State agency with which it is authorized. For the retailer, it is very important for the State to have submitted all eligible food items via the APL. If a food item is not on the APL, it can not be purchased by any participant.

Any changes made to the APL are processed immediately and a new APL will be generated on a regular daily schedule. Once generated, the new APL is available to the retailer via an agreed upon process. This may be through the retailer TPP or from an FTP site.

Often, the ECR will be configured by either the VAR or internal retailer IT staff so that it will use its network connection to automatically log into the FTP server and download the APL. This configuration is determined by the store and is set to a daily download at a specific time.

8. Integrated Retailer Enrollment Procedures

Enrollment of integrated retailers using a TPP will be handled by the State agency and will begin with the addition of retailer information to the MIS system with an indication if approved. The State agency eligibility system will send approved vendor information to Conduent and a vendor account will be created in EPPIC (Electronic Payment Processing Interface and Control).

8.1 *Third-Party Processor (TPP) Agreement*

Retailers choosing to process WIC EBT transactions through a TPP are not required to complete a Retailer Agreement with Conduent. Retailers using a TPP are required by their TPP to complete and sign a WIC EBT Addendum to the current contract they have with the TPP.

All TPPs processing WIC EBT transactions for retailers with state authorization are required to complete a TPP Agreement with Conduent. All WIC EBT certified TPPs listed in Appendix B have a master agreement with Conduent.

8.2 *X9.93 Standards and Operating Rules*

Conduent will comply with the X9.93 Operating Rules and Technical Implementation Guide, which set forth the requirements for the distribution of WIC EBT benefits.

9. Stand-beside Point-of-Sale (POS)

Another option, for retailers who choose not to integrate or who need a temporary solution while upgrading their existing system is the Verifone Vx520 stand-beside Point-of-Sale (POS) device. This device can be provided to retailers, separate from their existing ECR, to process WIC transactions only. Retailers who have a stand-beside device for processing SNAP may already be familiar with the stand-beside solution.

To use the stand-beside device, retailers must have a dedicated analog phone line for each lane where they will have an active device, or must have a wired Ethernet internet connection available in the store lane. Store owners must also complete the Conduent Vendor Agreement.

Once the owner has completed the Vendor Agreement, Conduent ships the stand-beside device(s) to the store. The stand-beside device arrives at the store pre-configured for the retailer and is immediately ready to be installed. Conduent's retail equipment vendor (CDE Services, Inc.) , schedules an over-the-phone installation and training session during which time selected store staff are walked through the installation and setup process and trained on the operation of the device including APL download, WIC balance inquiry, WIC transaction processing, and report generation.

Retailers are also provided with a 24/7 Retailer Help Desk line, available in both English and Spanish, that they can call at any time to get assistance with their device or to receive a replacement device should their device malfunction.

Appendix A – Acronyms and Key Terms

Acronym	Description
APL	Approved Product List
Conduent	Conduent State & Local Solutions, Inc.
CSR	Customer Service Representative
EBT	Electronic Benefit Transfer
ECR	Electronic Cash Register System
EPPIC	Electronic Payment Processing Interface and Control
FNS	Food and Nutrition Service
NTE	Not to Exceed
PIN	Personal Identification Number
POS	Point-of-Sale
SNAP	Supplemental Nutrition Assistance Program
TPP	Third-Party Processor
VAR	Value Added Reseller
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children

Appendix B – Current System Certifications

Third Party Processor	Certification Date
First Data	2008
Vantiv	2011
Worldpay	2016
Fiserv	2016

Retail Chain	Certification Date
Walmart	2010
Food Lion	2012
Kroger	2011
Ingles	2012
Piggly Wiggly	2013
CVS	2015
Save A Lot	2013
Food City	2013
Houchens	2013
Target	2015
Publix	2016

Walgreens	2017
-----------	------

ECR System/Platform	Certification Date
IBM ACE Platform	2010
IBM ACE Version 7.2	2011
StoreNext ISS45 V7/V8	2011
StoreNext Scanmaster V2	2012
IBM System 3200	2011
Dell Optiplex 760	2012
LOC SMS	2014
ACS-IR	2013