



Food and Nutrition Service  
U.S. DEPARTMENT OF AGRICULTURE

# **OPERATING RULES WOMEN, INFANTS AND CHILDREN (WIC) ELECTRONIC BENEFITS TRANSFER (EBT)**

## **Version 3.0**

This document provides the system operating rules for WIC EBT. FNS requires all stakeholders supporting WIC EBT to incorporate these standards, and any future approved bulletin publications, into all WIC EBT systems. Approved bulletin publications to this standard will be posted to PartnerWeb and incorporated into future versions of this document.

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## WIC EBT Operating Rules 3.0

### 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 participants, and infants and children to age five who are found to be at nutrition risk.

WIC is a federal grant program for which Congress authorizes a specific amount of funding each year for program operations. The U.S. Department of Agriculture's (USDA) 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, 32 Indian Tribal Organizations (ITOs), America Samoa, District of Columbia, Guam, the Commonwealth of the Northern Marianas Islands, Puerto Rico, and the U.S. Virgin Islands. These 88 WIC State Agencies administer the Program through numerous local agencies and clinic sites.

Through the American Rescue Plan Act of 2021 (P.L. 117-2, or ARPA), the USDA received \$390 million and time-limited waiver authority to carry out outreach, innovation, and program modernization efforts to increase participation and redemption of benefits in WIC and the WIC Farmers' Market Nutrition Program (FMNP). Under this waiver authority, FNS has issued waivers of [7 CFR 246.12\(bb\)\(1\)\(i\)](#) and select Operating Rule provisions to support WIC State Agency modernization efforts. These waivers apply exclusively to the provisions approved, and unless additional waivers are obtained by State Agencies, all other Operating Rule provisions must be met. More information about waivers issued to date can be found at [WIC Modernization | Food and Nutrition Service \(usda.gov\)](#).

The Operating Rules and other technical standards will be updated as new technologies to access WIC benefits are developed. Current examples include the WIC Online Shopping Grants, the forthcoming publication of the [Special Supplemental Nutrition Program for Women, Infants and Children \(WIC\): WIC Online Ordering and Transactions final rule](#), and other successful modernization projects. FNS will work collaboratively with the Technical Standards Workgroup to update these standards in future editions to reflect new technologies and support the modernization efforts.

Currently, WIC State Agencies use either WIC Smart Card or magstripe EBT technologies, and this document reflects the Operating Rules for both. This document will be updated as appropriate to address the changes in technologies used by State Agencies.

Suggestions for the improvement or revision of this document are welcome via the change request process. Change requests can be submitted online via the FNS WIC EBT Technical Documents PartnerWeb site.

Interested parties may also join the WIC EBT Technical Documents workgroup, which maintains all documents and change requests. Access to the PartnerWeb website or the workgroup can be requested through [SM.FN.WIC-EBT-MIS@usda.gov](mailto:SM.FN.WIC-EBT-MIS@usda.gov) or [WICTechDocs@LMI.org](mailto:WICTechDocs@LMI.org).

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## WIC EBT Operating Rules 3.0

### Document history

Version	Publication Date	Updates
Published	12/21/2010	Incorporates comments from conference calls and FNS review.
Published	9/30/2014	Incorporates Bulletins and updates since 2010 publication.
Published	11/2024	Incorporates Bulletins and updates since 2014 publication, see <i>Changes in Version 3.0</i> . Note: Beginning with this version, this document will be numerically versioned instead of tracked by date.

### 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.

## WIC EBT Operating Rules 3.0

### Changes in Version 3.0

The following bulletins and changes have been incorporated in Operating Rules Version 3.0 and apply to all affected parties stated within the bulletin. The changes are effective upon publication of the Operating Rules or the Implementation Date as indicated within the approved bulletin.

#### Bulletins

All bulletins were published with references to change the previous 2014 version. When implementing these changes, some section numbers have adjusted between the two published versions. These bulletins are posted on PartnerWeb at <https://usdagcc.sharepoint.com/sites/FNCSPW-Programs/FNCSPW-WIC-EBT-TDW/SitePages/News-Standard.aspx>.

1. R-021: Elimination of Genetically Modified Produce PLUs (Jan. 6, 2015): Updated 11.2 APL entries for CVB food items by adding 11.2 f to explain the elimination of “8” prefix for PLUs from APL files.
2. R-022: 48 Hour Submission Timeframe for WIC Vendors (Feb. 19, 2015): Updated 12.2 WIC claim file processing (12.2 c) to provide an exception to the rule. For Smart Card State Agencies, the former requirement for WIC Vendors was to submit claim files within 48 hours of the transaction. Some WIC Vendors did not have the ability to meet the deadline due to retailer business practices. This change allows WIC State agencies to determine the timeframe of a claim submission.
3. R-023: Cash Back Prohibited in WIC EBT (April 21, 2022): Updated 4.7.5 Discounts and coupons to add a new 4.7.5 f to align with 7 CFR 246.12(h)(3)(ii), which prohibits WIC Vendors from Providing cash back as part of a WIC purchase.
4. R-025: WIC Vendor Reporting of Smart Card Benefit Balances (April 9, 2015): Updated 4.7.8.2 Voided transactions (4.7.8.2 b) with recommendations and requirements for reporting balances.
5. R-027: UPCs for Fresh Packaged or Bagged CVB Food Items (Aug. 17, 2015): Updated 11.2 APL entries for CVB food items (11.2 b, 11.2 d) and 11.3.2 Partial mapping (11.3.2 d) with updates for UPCs for fresh packaged or bagged CVB food items.
6. R-030: Netting Cash Value Benefit (CVB) Discounts (Jan. 22, 2021): Updated 4.7.5 Discounts and coupons, sections 4.7.5 e, 4.7.5 f by modifying subsection e) and adding new subsections f) 1) and f) 2). The changes require either net price or line item (Smart Card only) for CVB fruit and vegetable items.
7. R-031: Cardholder Confirmation of Purchase (Jan. 22, 2021): Updated 4.7.4 Mixed basket (4.7.4 f) and 5.2 General CAD requirements (added 5.2 f) for mixed basket purchases to clarify the purchase confirmation may be provided by a printed receipt identifying the items and quantities to be decremented from the benefit balance.
8. R-032: Reduced to Clear Promotions (Feb. 22, 2021): Added a new section 4.7.5.7 Reduced to clear promotions to describe the use and reporting of WIC products sold at a reduced price to clear products the retailers are discounting, such as those nearing expiration date. The WIC Vendor applies a reduced price to an eligible WIC food item using a reduced price linked to an alternate bar code label.
9. R-033: All Online Transactions Must Settle (April 21, 2022): Added new part h) to 12.3 WIC settlement processing to require any transaction in an online WIC EBT system processed by the EBT processor in a production system shall be included in the daily settlement. The bulletin clarifies an error in some online (magnetic strip) State Agency WIC EBT processing Request for Proposals, which required support for a training purchase not paid during an end of day settlement.
10. R-034: Refined Balance Inquiry Requirement Using Self-checkout (April 21, 2022): Updated 4.6.1 Minimum transaction set at the end of a) Balance Inquiry and amends Annex A – Definitions and abbreviations to include a definition for self-checkout to support the amendment to Section 4.6.1. Amends the WIC Vendor transaction processing requirement rule for a “minimum transaction set” to clarify when the WIC balance inquiry transaction applies to self-checkout.
11. R-035: \$0 Transactions but Benefits Decrementing (April 21, 2022): Updated 4.7.5 j) Discounts and coupons to require all Smart Card WIC transactions decrementing benefits from the card regardless of the total amount

## WIC EBT Operating Rules 3.0

due, shall be reported to the WIC State Agency via the claim file. Added a requirement for all WIC transactions decrementing benefits from the account, regardless of the total amount due, to be reported to the WIC State Agency via the claim file or purchase method for monitoring. \$0.00 totals may occur due to the application of discounts.

12. R-036: Identify WIC Items on Purchase Receipt (June 07, 2023): Updated 5.5.2 WIC Purchase receipt data, part e) to clearly indicate WIC food item identifiers on the store receipt.
13. R-037: Sub-Category Straddle for CVB Items (March 29, 2023): Updated Annex B.3.3 Food Sub-Category straddle to allow food sub-category straddle for category 19, Cash Value Benefit (CVB), in WIC EBT Smart Card transactions.
14. R-038: Remove Store and Forward (SAF) Functionality and References to Manual Authorizations, Vouchers, and Functions/Processes (March 29, 2023): Updated the following sections by removing references to store and forward functionality, manual authorizations, vouchers, and functions/processes: 1 Scope and purpose, 4.6.1 Minimum transaction set, 4.7.8.2 Manual authorizations, 6.2.1 Card Issuer hold on benefits, 7.2 WIC Cardholder training, 9.4 Store and forward processing, 14.4.2 WIC Vendor disputes, A.1 Terms and definitions, A.2 Abbreviated terms, and A.2.1.1 WIC Online EBT transaction processing.
15. R-039: Transaction Processing Updates (March 28, 2023): Added new part g) in 4.6 WIC Vendor transaction processing requirements to ensure for WIC Smart Card transactions, the terminal software must not update the benefit balance greater than the initial balance. Amended 4.6.2 Transaction data content part a) 2) to clarify the transaction date/time stamp for Online transactions must be equal to the date/time at the EBT Card Issuer Processors system at approval; for WIC Smart Card, it must be equal to the card acceptor location at the time of card authentication.
16. R-040: Online EBT Card Issuer Availability (March 11, 2022): Remove part g) 6.1 Card Issuer processing standards to simplify the requirements. Part g) was duplicative to part e).
17. R-041: Redemption Strategy Alternatives (Sept. 15, 2023): Updated B.3 Redemption strategy examples, B.3.1 Progressive redemption strategy, B.3.2 Aggressive redemption strategy, and B.3.3 Food Sub-Category straddle to clarify the narrative and provide example tables to illustrate the redemption strategies.
18. R-043: APL Support Requirements for Vendors (May 1, 2023): Updated 11 Authorized Product List (APL) files with multiple modifications in 11.1 WIC State Agency APL requirements, 11.3 WIC Vendor APL mapping requirements, 11.4 Other WIC Vendor APL Requirements, and 11.5 APL distribution and updated to clarify the language around mapping requirements. This change requires the WIC Vendor to revert to the last known good APL file if the most recent APL is corrupt, the WIC Vendor system to support processing up to 50,000 authorized products per WIC State Agency, and the WIC Vendor system to apply an APL file at least once within 48 hours of APL file create date and time as recorded in the APL file header.
19. R-044: Editorial Changes to Discounts and Coupons (Feb. 14, 2023): Updated 4.7.5 Discounts and coupons and Section 4.7.5.5 Loyalty programs to clarify the language and the heading. This change requires the same discounts and coupons to be offered and honored to WIC customers as to any other customer.
20. R-045: Receipt Requirements Updates (March 28, 2023): Updated 5.5 Receipt data requirements, 5.5.1 Balance Inquiry receipt data, and 5.5.2 WIC Purchase receipt data to update receipt requirements and to indicate CAD training mode must have the capability to print all receipt types and must include a special indication to distinguish training receipts. The receipt data printed/displayed must include benefits available, regardless of balance, to ensure food category/subcategories with zero balance are not omitted.
21. R-046: Add Interface Security to Operating Rules (Aug. 15, 2022): Added new sections and subsections 9.6 Interface security requirements, 9.6.1 Transport layer protection, 9.6.1.1 Transport layer security, 9.6.1.2 Secure shell, 9.6.2 Virtual private networks, and 9.6.3 Interface layer protection, which adds interface security between EBT processing host computers and State Agency MIS and includes secure FTP sites used to upload and download files.
22. R-047: Receipt Requirement Editorial Changes (Aug. 23, 2022): Updated 5.5 Receipt data requirements with editorial changes to indicate 'receipts may be provided in print, text, email, link, or a combination of these or other formats' allowing for technology advances.



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23. R-048: Lane Operations and Back Office Updates (March 28, 2023): Updated 4.7.3.1 CVB and split tender, 4.7.4 Mixed basket, 4.7.7.2 Invalid PIN, and 4.10 WIC Vendor back-office requirements to update back office and lane operations. This change includes requirements stating, “benefits restored to the account cannot exceed the original purchase balance” and “WIC items are not taxable.” Clarifies language regarding invalid PIN attempts. Updates tracking elements to the Vendor back-office requirements.
24. R-049: Update Section 13 and Add Definitions (Oct. 10, 2024): Updated 13 Testing and certification requirements to expand the section to describe the State approval process, define the ongoing certification criteria to apply consistent expectations for all States and EBT Processors, document an ongoing process for standardized test script review and update, and define the online POS system retail testing process.
25. R-050: APL Being Incorrectly Coded (March 12, 2024): Updated 11.5 APL distribution and updates by adding parts j) and k) to clarify how the retailer should handle an APL containing UPC/PLU records with invalid data.
26. R-051: Specifications for Receipt Requirements (Oct. 4, 2024): Updated 5.5 Receipt data requirements; Annex A.1 Terms and definitions.

### Other Changes

1. Foreword (Oct. 30, 2023): Updated language to reflect the current environment.
2. Introduction A. WIC EBT features (Oct. 30, 2023): FNS updated to bring information current.
3. 4.1 WIC Vendor types (Oct. 30, 2023): FNS updated to bring information current.
4. Annex A – Definitions and abbreviations, A.1 Terms and definitions (Aug. 16, 2018): For Processing Day, updated definition.
5. Annex A – Definitions and abbreviations, A.1 Terms and definitions (Aug. 4, 2020): For Prices Look Up (PLU) code, removed genetically modified reference.
6. Annex A – Definitions and abbreviations, A.1 Terms and definitions (Oct. 30, 2023): Added additional terms for WIC stakeholders (Third Party Processor and WIC Management Information System (MIS) Contractor).

## WIC EBT Operating Rules 3.0

### Introduction

#### A. WIC EBT features

Electronic Benefits Transfer (EBT) in the WIC Program allows WIC Participants to access their WIC food benefits electronically to purchase their authorized supplemental foods.

In retail food delivery systems, the WIC State Agency enters into agreements with WIC Vendors to participate in the WIC Program and provide 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 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.

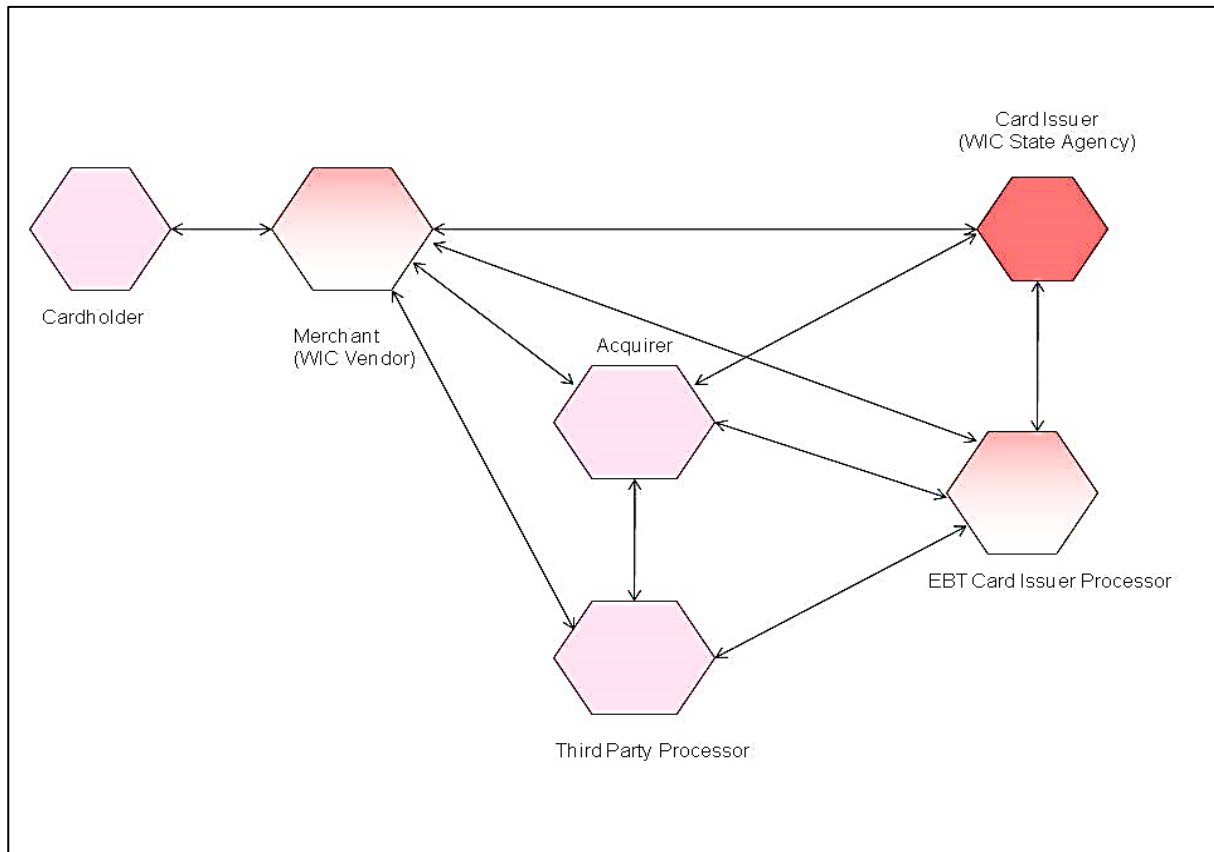
#### A.1 Financial transaction processing entities

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.

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**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](#).

## WIC EBT Operating Rules 3.0

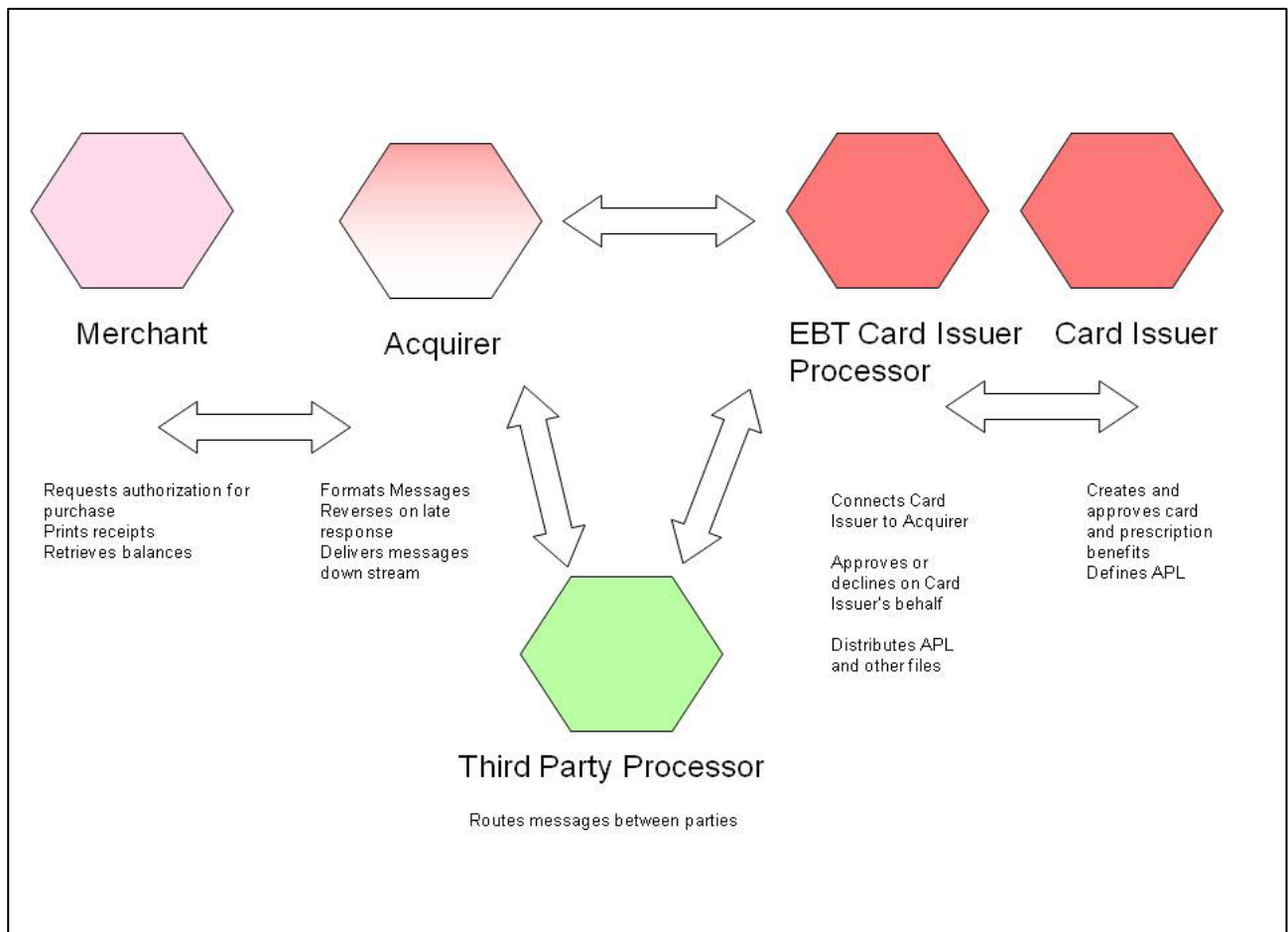


Figure 2: WIC Online EBT processing

### A.2.1.1 WIC Online EBT transaction processing

WIC Online EBT transaction processing uses a payment card with 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 containing 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 matching 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.

### 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 reported lost or stolen and the transaction will be denied for an inactive card.

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### 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 holding 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 with 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](#).

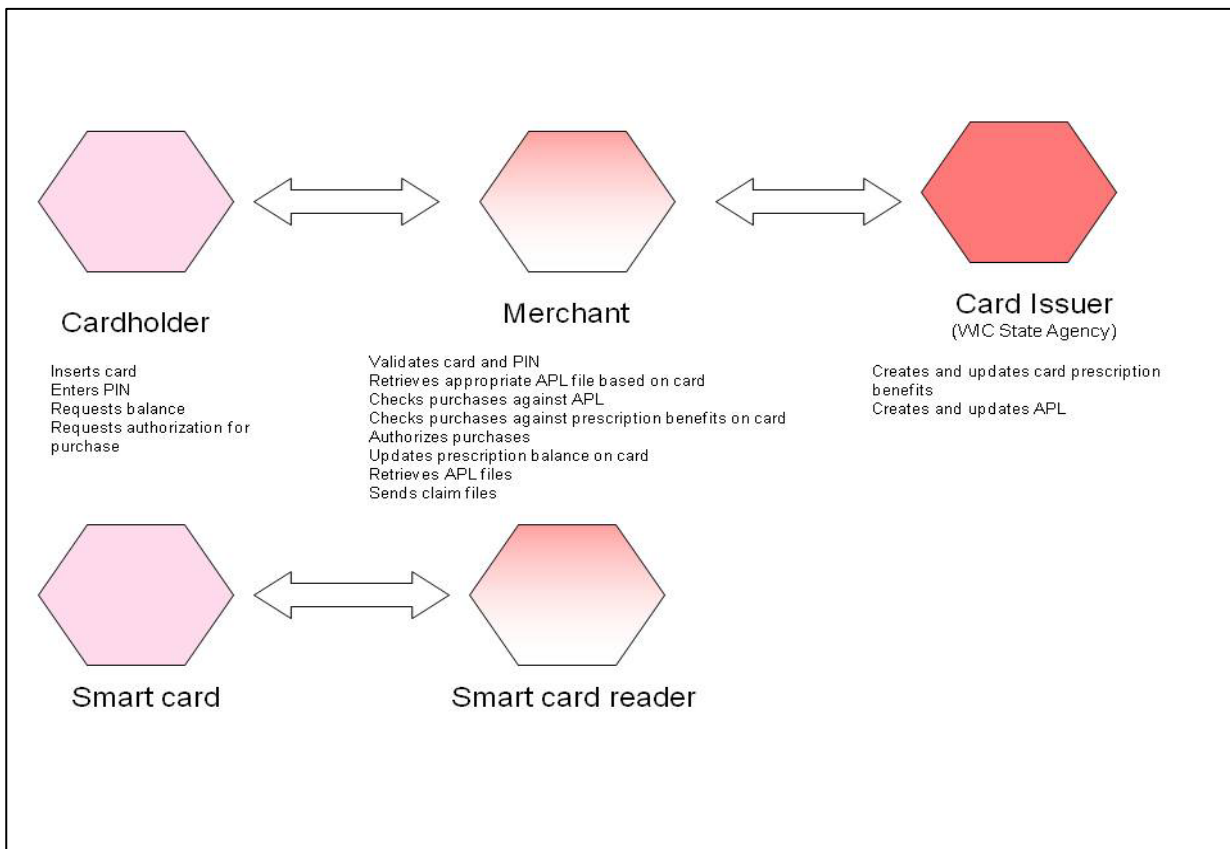


Figure 3: WIC Smart Card EBT processing

## **WIC EBT Operating Rules 3.0**

### **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**

The WIC State Agency makes updates to the APL. 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 3.0**

### **WIC EBT Operating Rules**

#### **1 Scope and purpose**

This document provides a framework for the initiation and continuing operation of WIC EBT by defining the operating rules for those entities participating in the program; WIC State Agencies (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 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.

The issuance, processing, and settlement procedures followed in other environments, such as paper-based benefits, are not addressed in this document.

## **WIC EBT Operating Rules 3.0**

### **2 WIC EBT**

#### **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**

FNS requires all stakeholders supporting WIC EBT to incorporate these Operating Rules, and any future approved bulletin publications, into all WIC EBT systems. Approved bulletin publications to this specification will be posted to PartnerWeb and incorporated into future versions of this document.

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

Card Issuers, Acquirers and the Processors for these entities found to not be in compliance with these Operating Rules shall be notified by the WIC State Agency 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).



## **WIC EBT Operating Rules 3.0**

### **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 so 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 acting 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.
- a) 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.
- b) 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.
- c) Acquirer shall ensure 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.
- d) 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.

## WIC EBT Operating Rules 3.0

### 4 WIC Vendor requirements

A WIC Vendor is a retail store providing 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 Vendor types

WIC Vendors provide WIC Participants with the authorized supplemental foods are available in their benefit balance. A WIC State Agency may authorize a range of vendor types, which may include:

- a) WIC 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) Pharmacy: Pharmacies may be authorized to supply only exempt infant formula and/or WIC-eligible nutritionals, or to provide all authorized WIC food items, as required by the WIC State Agency's applicable minimum stocking requirements.
- c) Commissary: a U.S. military facility which may be authorized as a WIC Vendor per FNS Instruction FNS Instruction 806-4 rev. 1 exhibit A.
- d) Above-50-percent WIC Vendor: a WIC Vendor getting more than 50 percent of their annual food sales revenue from WIC sales.

While Farmers and Farmers' markets are not types of WIC Vendors, the State Agency may authorize them to accept the cash-value benefits for eligible fruits and vegetables under a retail food delivery system.

#### 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.2](#) 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 utilizing a Value-Added Reseller, an Acquirer or a Third Party Processor shall incorporate the requirements of [Section 4.2](#) into agreements with those parties. 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.

## **WIC EBT Operating Rules 3.0**

### **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.
- 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 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). 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

## WIC EBT Operating Rules 3.0

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.
- 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 WIC Vendor. The WIC Vendor shall also be identified by their store name and address on receipts provided by the WIC Vendor.
- g) For WIC Smart Card EBT transactions, the terminal software must not update the balance on the card for any category or sub-category where the new balance is greater than the initial balance. The terminal software must not add benefit categories or sub-categories to the prescription.

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.
  - 1) Self-checkouts must provide a balance inquiry either at all self-checkout point of sale devices, or at a single *non-self-checkout* location within each self-checkout area (e.g., an attendant's station).
- 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 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 partially or completely.
- d) Void – to cancel a previously authorized and completed transaction, resulting in a Reversal. See [Section 4.7.8.2](#).

### 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 card acceptor location date and time of authentication attempt between the CAD and the WIC EBT Card at the time of purchase initiation.

## **WIC EBT Operating Rules 3.0**

- 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 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.
- 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.

## **WIC EBT Operating Rules 3.0**

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

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- 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.
- f) For smartcard, the benefits restored to the account cannot exceed the original purchase balance.

#### **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 confirm the WIC purchase quantities and amounts on a printed receipt or displayed on the PIN pad or other display screen 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 identified as part of the WIC purchase confirmation.
- h) WIC items are not taxable, but all other items in the transaction must follow the appropriate tax rules.

#### **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) The same discounts and coupons must be offered and honored to WIC customers as to any other customer.
- b) 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.
- c) Discounts and coupons shall be applied to the Purchase transaction prior to accepting payment from the WIC Cardholder.
- d) 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.

### WIC EBT Operating Rules 3.0

- e) For all WIC food items except CVB items, the benefit of a discount shall accrue to the WIC State Agency. Discounts for CVB items shall accrue to the WIC Participant's benefits deducted from their WIC card/account.
- f) At the WIC Vendor's option, the value of any discount or coupon shall be reported in the transaction or transaction record for:
  - 1) Non-CVB food items as:
    - i) an amount netted from the cost of the food item (net price).
    - ii) a separate total discount amount deducted from the total purchase amount (lump sum).
    - iii) a discount for each food item (line item). Line item discounts apply only to Smart Card WIC EBT purchases.
  - 2) CVB food items as:
    - i) a net amount for any discount amount applied to CVB items.
    - ii) a discount for each food item (line item). Line item discounts apply only to Smart Card WIC EBT purchases.
  - 3) A State Agency may allow procedural alternatives for netting the CVB discount for stand-beside equipment provided the discount accrues to the WIC cardholder.
- g) Cash back is not permitted on WIC food items.
- h) 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](#).
- i) 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.
- j) For Online technology, 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. For Smart Card technology, all WIC transactions decrementing benefits from the card, regardless of the total amount due, shall be reported to the WIC State Agency via the claim file. \$0.00 totals may occur due to the application of discounts.
- k) 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.
- l) Any sales tax required by state law 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 WIC 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.



## **WIC EBT Operating Rules 3.0**

### **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.
- 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 the 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.

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- 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 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 associated with free or bonus quantities. If the WIC State Agency adds these UPCs to the APL, they shall record the original number 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.

### **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 Loyalty programs**

WIC Vendors may offer loyalty programs providing a variety of quantity and/or price discounts to shoppers. Following are the rules for loyalty programs:

- a) WIC Vendors offering loyalty programs to non-WIC shoppers must also make these options available to WIC Cardholders. WIC Cardholders may use these programs when purchasing WIC food items.
- b) WIC Cardholders are not required to participate in loyalty programs.
- c) Although not required, a WIC Vendor may apply a loyalty discount even if the WIC Cardholder is not participating in the loyalty program.
- d) The discount promotion available through participation in these loyalty programs shall be applied as described in Sections 4.7.5.1 through 4.7.5.5 and as applicable to the loyalty program's policies.

### **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.

## **WIC EBT Operating Rules 3.0**

- 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.

### **4.7.5.7 Reduced to clear promotions**

- a) The WIC Vendor shall support 'reduced to clear promotions' for eligible WIC foods listed on the State Agency APL file or mapped to a PLU on the APL file.
- b) The WIC Vendor shall report the redeemed food item using the original product UPC or mapped PLU (if a CVB item) listed on the APL.
- c) The net price shall be reported for both CVB and non-CVB items linked to the promotion.
- d) The WIC Vendor may use an embedded UPC, store override function, or other method to link the 'reduced to clear promotional' price amount to the original product UPC or a mapped PLU code on the APL.
- e) Partial or full mapping rules are only allowed for CVB items.

### **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) enough 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 the declined food item is not allowed for WIC or 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.

## **WIC EBT Operating Rules 3.0**

### **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.
- c) For Smart Card technology, the WIC Vendor must allow at least three (3) PIN attempts per card presentation up to a maximum of seven (7) PIN attempts.

### **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.
- 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 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. The restored benefits shall not exceed the original benefit balance read from the card at the beginning of the WIC transaction.

## **WIC EBT Operating Rules 3.0**

- 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.

### **4.7.8.3 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 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.
- 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 selling 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).

## **WIC EBT Operating Rules 3.0**

### **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), Claim Submission Tracking ID, Extraction Tracking 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).

## WIC EBT Operating Rules 3.0

### 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 accepting the WIC EBT Card.

A POS terminal typically contains a card reader, an integrated or attached keypad 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	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

## **WIC EBT Operating Rules 3.0**

### **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.

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 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 accepting 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.
- 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.
- f) The CAD shall allow the WIC Cardholder to confirm the WIC purchase quantities and amounts shown on a printed receipt or displayed on the PIN Pad or other display screen prior to completing the purchase.



## **WIC EBT Operating Rules 3.0**

### **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 requirements**

The following types of receipts must be provided to a WIC Cardholder via print, text, email, link, or a combination of these or other formats.

- a) WIC Balance Inquiry receipt (current, beginning, and ending benefit balance) (as defined in Section 5.5.1),
- b) WIC Confirmation receipt (as defined in Section 5.5.2),
- c) Vendor Sales receipt (as defined in Section 5.5.3), and
- d) WIC Void receipt (as defined in Section 5.5.4).

The following general rules apply to all receipts:

- a) CAD training mode must have the capability to print all receipt types and must include a special status line to distinguish training receipts from regular receipts.
- b) Other data may be added if available at the POS at the WIC Vendor's option.
- c) The WIC State Agency may not require additional data.
- d) Date and time, local transaction specifies seconds, but it is acceptable to exclude seconds when printing the local date and time on a receipt.
- e) Stand-beside or stand-alone CADs must be able to generate a receipt showing the total dollar amount of the WIC food items transacted to support WIC Vendor reconciliation procedures.

## WIC EBT Operating Rules 3.0

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

### 5.5.1 WIC Balance Inquiry receipt data

The WIC Balance Inquiry receipt (also known as the Current, Beginning, or Ending balance receipt) is provided when 1) the WIC Participant wants to obtain their current balance (customer initiated; see Figure 4); 2) the WIC Participant wants to view their beginning balance during a purchase transaction (system initiated; see Figure 1); and 3) the WIC Participant wants to view their ending/remaining balance at the end of a purchase transaction after WIC items have been deducted from the WIC benefit balance (system initiated; see Figure 5). The WIC Vendor may provide a WIC Balance Inquiry receipt as a separate receipt, as part of the WIC Confirmation Receipt, or as part of the Vendor Sales receipt. A WIC Balance Inquiry receipt provided separately from other receipts must include the following data:

- a) Title: Title distinguishing the type of receipt. If the receipt is used as part of a purchase, it must also distinguish beginning or ending balance in the title.
- b) Last Four Digits of PAN: Last four digits of the Primary Account Number (PAN) only. No other digits may be displayed.
- c) Store Name.
- d) Store Address: Store street address, city, state abbreviation, and zip code.
- e) Date and Time: Local date and time of balance inquiry or purchase.
- f) WIC Benefit Expiration Date: Benefit expiration or end date.
- g) Available WIC Benefits: Benefits available, including the subcategory description, quantity (including zero balances), and benefit unit description. If provided at the beginning of the transaction, data reflects the beginning benefit balance; if provided at the end of the transaction, data reflects the ending benefit balance.
- h) Unique Transaction Identifier: 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. A unique systems trace audit number may not be assigned to a balance inquiry for WIC Smart Card.

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SHOP N SAVE #3 123 W MAIN ST CHEYENNE, WY 82001 555-555-5555		
*****		
WIC Beginning Balance		
PAN: *****9576		
QTY		Description
1.00	POUND	Cheese
0.00	DOZEN	Eggs
72.00	OUNCE	Breakfast Cereal
3.00	JARBAG	Beans/Peas/Peanut Butter
48.00	OUNCE	Whole Grains
69.00	\$\$\$\$	Fruits and Vegetables
0.00	QUART	Yogurt - Low fat/Nonfat
8.50	GALLON	1% or Fat Free Milk
3.00	CANBOT	Child's Juice - 64 oz
*****		
Benefits expire at MIDNIGHT on 01/31/2024		
*****		
Store: 00003 Register: 002 Cashier: 0001 Trace #:0023 17JAN2024 10:12:32		

SHOP N SAVE #3 123 W MAIN ST CHEYENNE, WY 82001 555-555-5555		
*****		
WIC Ending Balance		
PAN: *****9576		
QTY		Description
1.00	POUND	Cheese
0.00	DOZEN	Eggs
60.00	OUNCE	Breakfast Cereal
2.00	JARBAG	Beans/Peas/Peanut Butter
48.00	OUNCE	Whole Grains
56.15	\$\$\$\$	Fruits and Vegetables
0.00	QUART	Yogurt - Low fat/Nonfat
6.50	GALLON	1% or Fat Free Milk
0.00	CANBOT	Child's Juice - 64 oz
*****		
Benefits expire at MIDNIGHT on 01/31/2024		
*****		
Store: 00003 Register: 002 Cashier: 0001 Trace #:0023 17JAN2024 10:13:25		

**Figure 4: WIC Beginning Balance Inquiry Receipt #1      Figure 5: WIC Ending Balance Inquiry Receipt #2**

A WIC Balance Inquiry receipt included as a section of another receipt type (i.e., Confirmation or Vendor Sales receipt) must include the following data:

- Title: Title distinguishing the beginning or ending balance in the title.
- WIC Benefit Expiration Date: Benefit expiration or end date.
- Available WIC Benefits: Benefits available including the subcategory description, quantity (including zero balances), and benefit unit description. If provided at the beginning of the transaction, data reflects the beginning benefit balance; if provided at the end of the transaction, data reflects the ending benefit balance.

The following rules apply to Balance Inquiry receipts:

- The ending balance must be derived by obtaining the balance from the card/account, not based on calculations performed by the POS during the transaction.
- For approved transactions, response data must return all balances to the WIC Vendor, including zero balances.
- When providing balance information, all subcategories must be displayed, even if the balance is zero.
- If the WIC Participant has used all their benefits for the benefit period or has no benefits issued for the benefit period and, therefore, has all zero benefit balances, the POS terminal must provide a message indicating there are no benefits in the card/account, such as "No Current WIC" or "No Available Benefits."

## WIC EBT Operating Rules 3.0

- e) The Card Issuer must provide the benefit balance end date for the food item expiring the earliest for an account where the benefits are aggregated for the WIC Participant's household.
- f) During a purchase transaction and up to the point when all tender types have been processed, the POS must have the ability to reprint the WIC Balance Inquiry receipt.

### 5.5.2 WIC Confirmation receipt data

As part of a purchase transaction, the WIC Confirmation receipt (also known as the WIC Utilization/Redemption receipt) provides the WIC Participant with a detailed list of benefits to be redeemed by food subcategory and quantity before the transaction is finalized. To understand how their balance will be impacted by the transaction before completing a purchase, the WIC Participant uses the WIC Confirmation receipt (see Figure 6), along with the WIC Beginning Balance receipt, to review the items to be debited from their benefit balance. In addition to providing the WIC Confirmation receipt prior to the purchase transaction, the WIC Vendor may print this receipt at the end of the transaction to show the quantities by food subcategory deducted from the WIC benefit balance. The WIC Confirmation receipt must include the following data:

- a) Title: Title distinguishing the type of receipt.
- b) Benefits Being/Have Been Redeemed by Subcategory: This data must include:
  - Subcategory description.
  - Benefit unit description by subcategory.
  - The total benefit quantity by subcategory being (prior to confirmation) or have been deducted (after completion of the WIC Purchase) from the benefit balance.
- c) Benefit Food Item Description: The item description of each food item by subcategory proposed to be included (pre-confirmation) or were included (after completion of the WIC Purchase ) in the WIC purchase transaction.

WIC Confirmation			
QTY		Description	
12.00	OUNCE	Breakfast Cereal	
1.00	JARBAG	Beans/Peas/Peanut Butter	
13.44	\$\$\$\$	Fruits & Vegetables	
		Fr Baby-cut Carrots, 1 LB	\$1.38
		Fr Pineapple, Whole, 1 EA	\$2.51
		Fr Navel Oranges, 8 LB	\$8.96
		Fr Avocados, 1 EA	\$0.59
2.00	GALLON	1% or Fat Free Milk	
3.00	CANBOT	Child's Juice - 64 oz	
*****			
Store: 00003 Register: 002 Cashier: 0001			
Trace #:0023 17JAN2024 10:13:00			

**Figure 6: WIC Confirmation Receipt**

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The following rules apply to WIC Confirmation receipts:

- a) The receipt must be provided or displayed prior to the Participant confirming the WIC purchase on the POS.
- b) The receipt may also be provided after purchase completion.
- c) The receipt must list the item description of all CVB food items included in the WIC purchase.
- d) The receipt may also include the item description for non-CVB food items.

### 5.5.3 Vendor Sales receipt data

A Vendor Sales receipt (also known as the Store receipt; see Figure 7) is the receipt provided by the WIC Vendor to the WIC Participant after all tender types have been processed and there is no balance due. It provides a list of all WIC and non-WIC foods purchased showing all tender types and totals. A Vendor Sales receipt must include the following data:

- a) Last Four Digits of PAN: Last four digits of the PAN only. All other digits must not be nor printed on the receipt.
- b) Store Name.
- c) Store Address: Store street address, city, state abbreviation, and zip code.
- d) Lane Number: Store lane number, if available.
- e) Date and Time: Local date and time of purchase.
- f) WIC Item Indicator: Indicator to distinguish food items paid for using WIC benefits.
- g) Unique Transaction Identifier: 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. A unique systems trace audit number may not be assigned to a balance inquiry for a WIC Smart Card.
- h) Discounts: Any discounts or coupons applied to the WIC purchase.
- i) Ending Balance: Final balance after purchase; can be included within the Vendor Sales receipt or printed separately.

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SHOP N SAVE #3	
123 W MAIN ST	
CHEYENNE, WY 82001	
555-555-5555	
01/17/2024	10:13:28
US DEBIT	Entry Method: Chip
Card #. *****5555	
Purchase Approved	
Auth Code: 050505	
Total	\$7.63
<b>BREAD</b>	
SL RAISIN BREAD, 20 OZ	\$3.68 N F
<b>DAIRY</b>	
SV MILK, 1% LOW FAT, GAL	
2 @ 2.44 EA	W \$4.88 N F
<b>GROCERY</b>	
HC TOMATO SOUP	\$1.54 N F
HC MUSHROOM SOUP	\$0.92 N F
SS TOASTED OATS, 12 OZ	W \$1.67 N F
SS APPLE JUICE, 64 OZ	
3 @ 2.74 EA	W \$8.22 N F
HC CR PEANUT BUTTER, 16 OZ	W \$1.94 N F
<b>PRODUCE</b>	
FR BABY-CUT CARROTS, 1LB	W \$1.38 N F
FR PINEAPPLE, WHOLE	W \$2.51 N F
FR NAVEL ORANGES, 8 LB	W \$8.96 N F
FR AVOCADOS	W \$0.59 N F
FR ORG RED PEPPER	\$1.49 N F
<b>BALANCE DUE</b>	<b>\$37.78</b>
EBT WIC	\$30.15
*****9576	
<b>BALANCE DUE</b>	<b>\$7.63</b>
VISA	\$7.63
*****5555	
Auth Code - 050505	
CHANGE	\$0.00
TOTAL TAX	\$0.00
*****	
WIC Ending Balance	
PAN: *****9576	
QTY	Description
1.00 POUND	Cheese
0.00 DOZEN	Eggs
60.00 OUNCE	Breakfast Cereal
2.00 JARBAG	Beans/Peas/Peanut Butter
48.00 OUNCE	Whole Grains
55.56 \$\$\$	Fruits and Vegetables
0.00 QUART	Yogurt - Low fat/Nonfat
6.50 GALLON	1% or Fat Free Milk
0.00 CANBOT	Childs Juice - 64 oz
*****	
Benefits expire at MIDNIGHT on	
01/31/2024	
*****	
Store: 00003	Register: 002
Cashier: 0001	
Trace #: 0023	17JAN2024 10:13:25

**Figure 7: Vendor Sales Receipt**

The following rules apply to the Vendor Sales receipt:

a) When balance information is included:

1. The ending balance must be derived by obtaining the balance from the card/account, not based on calculations performed by the POS during the transaction.

## WIC EBT Operating Rules 3.0

2. All subcategories must be displayed, even if the balance is zero.
  3. The Card Issuer must provide the WIC benefit balance end date for the food item expiring the earliest for an account where the benefits are aggregated for the WIC Participant's household.
- b) If the purchased food item quantity is one ("1"), it may be implied without listing "1 @."
- c) The POS must have the ability to reprint the Vendor Sales receipt.

### 5.5.4 WIC Void receipt data

A WIC Void receipt (see Figure 8) is the receipt provided by the WIC Vendor to the WIC Participant indicating a void of a WIC purchase transaction has occurred. A WIC Void receipt must include the following data:

- a) Void Indication: Indication showing a void has occurred.
- b) Date and Time: Local date and time of the void.
- c) Unique Transaction Identifier: Unique transaction identifier or systems trace audit number for the voided purchase.

```
SHOP N SAVE #3
123 W MAIN ST
CHEYENNE, WY 82001
555-555-5555

STORE ID:          WICW006
TERM ID:           WIC006001
CLERK ID:          999
DATE & TIME:       01/17/2024 11:15:45 AM
SEQ NUMBER:        034
CARD:              *****0007
AUTH CODE:         123499

VOID LAST SUCCESSFUL

WIC PURCHASE VOIDED

**NO CASH BACK**

****MERCHANT COPY****
```

**Figure 8: WIC Void Receipt**

The following rule applies to the Void receipt:

- a) If the WIC Vendor or the WIC Participant voids the transaction as described in 4.7.8.3 resulting in a reversal, they must provide a receipt reflecting the voided transaction.

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### **5.5.5 WIC Merchant receipt**

A WIC Merchant receipt is an optional receipt used for store accounting/reconciliation. More commonly used with stand-beside POS, this receipt provides information a WIC Vendor can use to calculate daily WIC sales in conjunction with other POS reporting.

- a) WIC Vendor/POS Developer will determine the language for this receipt.
- b) The WIC State Agency may not require additional data.

### **5.5.6 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.



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### 6 Card Issuer requirements

The Card Issuer in WIC EBT is the WIC State Agency (or its agent) issuing 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 so 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 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:

- 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.

#### 6.2 Card Issuer transaction processing requirements

Following are the rules applying 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

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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.

### **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.

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### **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 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 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 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.
- f) Cards – lost, stolen or failure to read at POS and card replacement procedures.

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- g) Transaction information – Where to obtain transaction information.
- h) Disputes – What to do if they have a dispute or question related to their benefits.
- i) Benefit effective and expiration dates.
- j) Remote benefit transaction, if offered by the WIC State Agency and their WIC Vendors.

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### 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 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, inventory and track a card for use in testing or training.
- d) Cards issued for WIC EBT shall not include other programs using EBT or services using 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*. 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.
- 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 identifying 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.

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### **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.

### **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 issuing proxy cards shall advise WIC Participants and WIC Vendors regarding transactions 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.

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### **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 State Agencies 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 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 X9.24-1:2014 Retail Financial Services – Symmetric Key Management Part 1: Using Symmetric Techniques.
- b) The same PIN Pad keys shall not be shared by different WIC State Agencies 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.

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- 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 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 WIC Vendors, shall sign in and shall be assigned a temporary guest badge for identification.
- e) Guests, including WIC Vendor service personnel, shall be always escorted.
- 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 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.



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- 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.
  - 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.
- 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 list cards used for training or testing on the Hot Card List provided to WIC Vendors indefinitely.

### **9.5 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.

### **9.6 Interface security requirements**

Establishing an interface between systems requires a secure means of communication. Each interface requires a minimum set of acceptable security requirements to ensure the safety of data transmitted within each interface. These requirements apply to all interface points between the EBT Card Issuer Processor and downstream entities, such as Third-Party Processors (TPP), Acquirers, WIC Vendors, and/or other integrating entities, such as the WIC SAs. Interfaces may be subject to additional security requirements of the WIC State Agency.

#### **9.6.1 Transport layer protection**

Transport layer protection generally provides the following security benefits:

- a. Confidentiality: protection against an attacker from reading the contents of traffic.
- b. Integrity: protection against an attacker modifying traffic.
- c. Replay prevention: protection against an attacker replaying requests against the server.
- d. Authentication: allows the client to verify they are connected to the real server.

The following rules apply to the implementation of transport layer protection for all interfaces:

- a. Transport layer protection shall be used for all interfaces that exchange data.
- b. One of the following protocols shall be used for transport layer protection: Transport Layer Security (TLS) and/or Secure Shell (SSH).

##### **9.6.1.1 Transport layer security**

The following rules apply to the implementation of TLS:

- a. Do Not Use: SSL 2, SSL 3, and TLS 1.0 have serious cryptographic weaknesses and shall not be used.
- b. Do Not Use: TLS 1.1, while still PCI DSS compliant, also has known security vulnerability and should be avoided.
- c. Do Enable: TLS 1.2 and TLS 1.3 shall be enabled and supported.

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In addition to these rules, modern best practices for securing TLS shall be used:

- a. Choose and make use of a reliable and reputable certificate authority (CA).
- b. Use strong private keys, such as a minimum of 2028-bit RSA or 256-bit ECDSA keys.
- c. Protect private keys. They should be generated by the entity themselves and should not be generated by the CA or anyone outside the entity.
- d. Use a short list of secure cipher suites. Use only those cipher suites offering at least 128-bit encryption or stronger. Avoid cipher suites utilizing the DES cipher (or variants) and instead utilize those using the AES cipher.
- e. Use forward secrecy to ensure a compromised private key may not be used to also compromise prior recorded traffic.

### 9.6.1.2 Secure shell

A cryptographic network protocol, secure shell (SSH), operates network services securely over an unsecured network. The following rules apply to the implementation of two publicly released versions of SSH: SSH-1 and SSH-2:

- a. Do Not Use: SSH-1 contains inherent design flaws, rendering it vulnerable to attack, and shall not be used.
- b. Do Enable: SSH-2 shall be enabled and supported.

In addition to these rules, the following modern best practices for securing SSH shall be used:

- a. Disable root login.
- b. Change the default SSH port. The default SSH port is widely known among attackers and changing the port uses will help eliminate noise.
- c. Use key-based authentication instead of password-based authentication. If password-based authentication is a must, then require suitably strong passwords.

### 9.6.2 Virtual private networks

In the event an entity does not wish to open their interfaces to the Internet, an alternative approach can establish a virtual private network (VPN) between the entities involved in an interface connection. A VPN allows entities to connect to private networks. However, additional transport layer protections shall be used to ensure security of the data flowing through such connections.

### 9.6.3 Interface layer protection

Interfaces used to communicate between EBT processors and connecting entities like the MIS, specifically Representational State Transfer (REST) and/or Simple Object Access Protocol (SOAP) interfaces, require interface layer protection. The following rules apply to implementing interface layer protection for all entities involved in an interface connection:

- a. Use interface layer protection for all interfaces that exchange data.
- b. Comprise the interface layer protection with authentication and authorization. Authentication validates the identity of the entity connecting. Authorization validates the entity's access to data and/or methods.
- c. Authentication may be handled application-to-application outside the context of a specific user or may be handled application-to-user whereby the user is allowing the application to act on behalf of the user. Either way, authentication credentials shall never be communicated via a URL parameter. HTTP basic authentication, HTTP digest authentication, cookies, and tokens/secrets within HTTP headers, combined with appropriate transport level protections, are acceptable means of communicating authentication credentials.

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### **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.

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### 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).

#### 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 which 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) 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: *The International Fresh Produce Standard (IFPS)* include check digits for PLUs and therefore the check digit shall be calculated by the WIC State Agency.

- f) 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.
- g) 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.
- h) Package size – the package size, if provided, shall be quantified in the benefit unit of measure.

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- i) Benefit quantity – the benefit quantities shall be consistent with the unit of measure of the associated Food Sub-Category.
- j) 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 “™”.
- k) 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.
- l) Date, effective – The WIC State Agency may indicate an effective date for a food item beyond the file create date of the APL file, i.e., a future effective date.
- m) 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 authorization continues (Date, end is zero).
- n) 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.

- o) 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.
- p) If the most recent APL is corrupt or a bad file, the WIC Vendor should revert to the last known good file.

### 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 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 if using partial mapping.
- c) The WIC State Agency may include IFPS herb PLUs as state specified CVB authorized food items on their APL per FNS regulations.
- d) The WIC State Agency may include UPC codes for fresh packaged or bagged, frozen, canned and/or dried fruits and vegetables if authorized by the WIC State Agency for purchase by their WIC Cardholders.

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- e) The WIC State 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.
- f) The WIC State Agency shall not add any PLUs with the prefix of “8 – genetically modified” to the APL as these prefixes are not used in the United States.

### **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 to identify authorized WIC food items.

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 and that are not already in the APL to the International Federation of Produce Standards (IFPS) 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.

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### **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), UPCs for fresh packaged or bagged, frozen, canned, and/or dried fruits and vegetables, PLUs, or GTINs to the FNS designated CVB PLU 4469 if approved by the WIC State Agency. Bagged CVB food items containing a variety of fruits or vegetables shall be mapped to the predominant fruit or vegetable in the bag.
- 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.
- b) The WIC Vendor, or their agent, shall create and be able to access a subset of the APL file identifying the WIC eligible food items available at the WIC Vendor. The list shall indicate the product name, UPC/PLU, and authorizing WIC State Agency.
- c) The WIC Vendor system must support processing up to fifty thousand (50,000) authorized products (UPCs/IFPS PLUs) per 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 daily.
- 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.

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- 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 download and apply an APL file at least once within 48 hours of the APL file create date and time as recorded in the APL file header record of the current APL file.
- 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.
- 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.
- 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 daily. 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.
- j) WIC Vendors must notify the WIC State Agency and/or their EBT Processor when an issue is identified in the APL file.
- k) The WIC State Agency and/or their EBT Processor must correct APL issues when reported by the WIC Vendor.



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### 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. Enforcement of this rule shall be determined by the WIC State Agency.
- 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 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.

- a) The WIC State Agency shall provide a standard daily cut-off time for transaction processing to their WIC Vendors or their agents.

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- 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 the bank 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.
- 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.
- h) Any transaction in an online WIC EBT system processed by the EBT Processor in a production system shall be included in the daily settlement.

### **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. 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.

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- 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 aggregating 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.
- 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. 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.

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### 13 Testing and certification requirements

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

#### 13.1 WIC Vendor testing and validation requirements

To demonstrate EBT capability in accordance with WIC State Agency requirements, vendor systems must successfully complete testing and validation processes prior to becoming WIC authorized. After vendors are WIC authorized, additional validation testing may be required in the circumstances described in Section 13.1.2.

##### 13.1.1 Overview of WIC Vendor testing types and scripts

The following lists the four WIC Vendor testing types:

- **System Readiness Check** (also known as Pre-Certification): To ensure readiness for Lab or Renewed Validation testing, a WIC Vendor, the Software Developer, or Retail System Provider performs a system readiness check. Use the same test scripts planned for use in the forthcoming Lab or Renewed validation for this test. Use the same test environment for System Readiness as the environment planned for use in the Lab or Renewed Validation testing. The WIC State Agency and/or their EBT Processor should coordinate this testing. The System Readiness Check uses cards provided by the WIC State Agency or their EBT Processor and uses the approved, standard test scripts and the existing test communications networks to test transactions and provide evidence of completion.
- **Lab Validation** (also known as Level I or II Certification): WIC State Agencies and their EBT Processor representatives formally schedule and attend (in person or virtually) this testing to exercise the full set of scripts. The Lab Validation must be conducted in a stable and secure test environment with no disruptions, such as server restarts, system maintenance. The WIC EBT application software must be frozen to avoid changes of any kind during the testing. The latest WIC State Agency APL file must be used for the tests. Any updates to software to correct deficiencies identified during testing should only be permitted once the scripted tests have been completed, unless otherwise agreed to by the WIC State Agency, EBT Processor, and the WIC Vendor (and/or the WIC Vendor's system provider).
- **Renewed Validation** (also known as Recertification): Process of testing for a previously validated system when there have been modifications to the software impacting WIC EBT functionality. This test is similar to Lab Validation and is monitored by the WIC State Agency and/or their EBT Processor. Renewed validations must also be performed if it has been four (4) years since the last Lab or Renewed Validation was performed. A renewed validation may use full, targeted, or abbreviated test scripts (see definitions of script types in Table 2) as determined by the WIC State Agency and/or their EBT Processor.
- **Live Validation** (also known as Level III Certification or Test Buy): The WIC Vendor and/or a WIC State Agency representative performs this testing to demonstrate the system is functioning per technical standards. This testing uses live production cards and uses a subset of the standard test scripts. Receipts produced show the results. Live Validation testing happens after a system has passed previous levels of testing, when only minor modifications have been made to a previously validated system, or when the WIC Vendor or WIC Participants note functionality issues. The WIC State Agency uses live validation testing to approve the vendor's system.

There may be differences in the scripts completed and the processes depending on the type of test being performed and the type of system being tested. The types of systems include commercial products available "off the shelf" for WIC Vendors, such as the integrated systems developed by Software Developers, the stand-beside point-of-sale (POS) terminals as an alternate to the integrated systems, and a retail proprietary system developed in-house or a modified commercial system.

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Table 2 provides the types of test scripts used in validation testing depending on the circumstances:

**Table 2: Validation Testing Scripts**

Type of Scripts	Content of the Scripts	Type of Test	When To Use
Full Validation Scripts	All test scenarios.	<ul style="list-style-type: none"> <li>• Lab Validation</li> <li>• System Readiness</li> </ul>	Used to validate a new system or a system not validated for processing WIC EBT. Also can be used if there have been significant modifications to the retail system necessitating a complete test of all functions and processes.
Targeted Validation Scripts	Subset(s) of test scenarios from the full test script focusing on a specific area or areas of the system.	<ul style="list-style-type: none"> <li>• Renewed Validation</li> <li>• System Readiness</li> </ul>	Used when updates have been made to a discrete part of the system functionality or a need to test a specific area of the system exists due to issues in production. For example, if an update is made to the processing of the APL, all APL tests would be performed.
Abbreviated Validation Scripts	A subset of test scenarios across all areas of the test scripts to address all major functions and components of the system.	<ul style="list-style-type: none"> <li>• Renewed Validation</li> <li>• System Readiness</li> </ul>	Used when modifications to a retail system impacts WIC EBT transaction processing or the cardholder experience, but the changes, as determined by State Agency and/or their EBT Processor, are not significant enough to require the use of the Full Validation Scripts. Also can be used for Renewed Validation testing.
Live Validation Scripts	A limited set of test scenarios performed at a vendor location in the production system. Test typically focuses on in-lane processes – balance inquiries, purchases, and voids.	<ul style="list-style-type: none"> <li>• Live Validation</li> </ul>	Used at the discretion of the State Agency for testing newly authorized retail outlets as well as new systems, updated systems or systems (as determined by State Agency and/or their EBT Processor) to have enough major changes to warrant a revalidation. It is recommended, at a minimum, one store per system is tested. (Section 13.1.2)

Test scripts developed for validation testing include (to the extent possible) all scenarios in a system. Not all systems may contain all functions and processes tested in the validation test scripts. In situations where test scenarios do not apply to a particular system, they must be marked as not applicable in the test results with a reason documented.

### 13.1.2 Reporting Modifications of Vendor Software

As a key aspect of ongoing testing processes, the WIC Vendor, Software Developer, or WIC Vendor System Provider must report all software modifications impacting WIC EBT functionality to the WIC State Agency and/or their EBT Processor prior to introducing the software into production. Vendor software modifications include, but are not limited to, the following changes which:

- Affect transactions or transaction data sent to the WIC State Agencies or their EBT Processors;
- Impact the cardholder experience;
- Modify discount processing; and
- Affect split tender.

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In addition, the WIC Vendor, Software Developer, or WIC Vendor System Provider must report all hardware changes to the State Agency and/or their EBT Processor. The changes are reviewed to determine what level of testing is necessary, if any, using either the full, targeted, or abbreviated test scripts depending on the circumstances.

### 13.1.3 WIC Vendor Validation Testing Rules

To ensure the WIC Vendor meets the technical and operational requirements to process WIC EBT transactions, their systems must apply the following rules to test and validate their systems:

- a) The WIC Vendor's system must have successfully completed a Lab or Renewed Validation prior to authorization.
- b) In consultation with the WIC State Agency's EBT Processor, a WIC State Agency may accept a Lab or Renewed Validation of a WIC Vendor's system from another WIC State Agency or third party. Examples of when this could occur would be:
  - A vendor/chain operating in one State begins operations in a new State with a different EBT Processor where the vendor's software has not been validated;
  - In a WIC State Agency converting to a new EBT Processor where there are vendors who have not been previously validated by the incoming EBT Processor. The State Agency and the EBT Processor will determine the level of validation/revalidation required; and
  - When a WIC State Agency's EBT Processor performs a revalidation on behalf of another WIC State Agency.

For the WIC State Agency and/or their EBT Processor to accept the validation or revalidation of another State, the following minimum criteria must be met:

- A Lab Validation or Renewed Validation has been performed on the system in the past four (4) years by any WIC State Agency, preferably by a WIC State Agency with the same EBT Processor as the accepting WIC State Agency.
- The Accepting WIC State Agency must be able to review those previously validated test results from the validating WIC State Agency or their EBT Processor; either party may make the documentation available to view.
- The WIC Vendor, Software Developer, or Retail System Provider has completed a System Readiness Check using the accepting WIC State Agency's EBT card prior to processing WIC EBT transactions in production.

The Accepting WIC State Agency and/or their EBT Processor may choose to perform a Live Validation per system. At the discretion of the Accepting WIC State Agency, a Lab Validation using targeted or abbreviated test scripts may be performed prior to the Live Validation and may include WIC State Agency-specific requirements, particularly when accepting a validation from a State Agency using a different EBT Processor.

- c) A WIC State Agency may require ongoing and, as needed, Renewed Validation to ensure compliance with the WIC State Agency's specific processing parameters or requirements in the following circumstances:
  - When implementing a major release or new version of the system (e.g., moving from version 1.21 to 2.0).
  - A change affecting the WIC Participant's interface with the POS, which may include alternate methods for interfacing with the system (i.e., self-checkout, online ordering, curbside pickup apps, and mobile payments).
  - A change affecting the display of the required WIC EBT data on the receipt.

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- A change potentially impacting the reconciliation and settlement of transactions.
  - A change to respond to changes in FNS regulations.
  - A change to the Third-Party Processors or additional processing layers are added (e.g., for additional transaction message data or encryption).
  - When four (4) years or more have passed since the last Lab or Renewed Validation was performed.
  - When WIC Vendors, EBT Processors, developers, WIC State Agencies, or WIC Participants report transaction issues.
- d) A Live Validation at a minimum of one location per accepting WIC State Agency should be performed following a Lab or Renewed Validation.
- e) At a minimum, once every four (4) calendar years, a Renewed Validation with abbreviated test scripts must be performed on each unique base vendor system. At a minimum, a renewed validation must be performed on the current version of each unique base vendor system. The WIC State Agency, in consultation with their EBT Processor, may choose to revalidate additional versions still in active use. A unique base vendor system includes one of the following:
- A commercial product configured for the needs of a vendor or vendor chain. This type of product is typically provided to a WIC Vendor by a Value Added Reseller (VAR) or POS provider. At a minimum, a renewed validation for one VAR or POS provider must be performed for this type of system. Renewed validations are not required for each VAR or POS provider unless the State Agency in consultation with their WIC EBT Processor determines additional revalidations are necessary.
  - A commercial product customized to specifically support a vendor or vendor chain.
  - A system developed specifically for a vendor or chain.

Renewed validation must be performed, at a minimum, by one WIC State Agency or each EBT Processor on behalf of the WIC State Agencies they represent. The WIC State Agency or EBT Processor performing the test must include state-specific functions. State-specific functions are not used by all State Agencies. Examples of state-specific functions include full versus partial PLU mapping, bottle return fees, bag fees, and sales tax.

Validation test scripts must be provided by the WIC State Agency or their representative to the WIC Vendor and their agents.

- f) A common set of test scripts is recommended to be utilized for all WIC State Agencies.
- g) A test platform and test cards must be provided by the WIC State Agency or their Agent to the WIC Vendor and their Agents meeting the conditions in the test scripts.
- h) Results of a validation must be documented following the conclusion of the testing. The WIC State Agency must determine which entity is responsible for documenting the results, which may include WIC State Agency, EBT Processor, or other entity designated by the WIC State Agency. The WIC State Agency must maintain the validation results for the validation performed. The following information must be included in the documentation of results.
- Date
  - Type of Validation (Lab or Renewed)
  - Script Type (Full, Targeted, or Abbreviated)

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- WIC State Agency
- EBT Processor
- Vendor
- System (including version)
- Hardware
- Third-Party Processor
- Issues Identified (including the following information):
  - Description of this issue
  - Test Script Number(s)
  - Severity levels (recommended levels below):
    - 0: Observation.
    - 1: Issue is a design clarification or implementation issue the WIC State Agency or the EBT Process or will correct.
    - 2: Component has a minor editing error e.g., misspelling on report or display. Error does not affect the function or validity of the test but will need to be corrected before production.
    - 3: Function within component is not working correctly. Testing can continue with other functions within the component.
    - 4: Major malfunction of component. Testing cannot continue until problem is resolved.
    - 5: Major malfunction of the system. Testing cannot continue until the problem is resolved.
  - If resolved, how the issue was addressed
  - If not resolved, plans and timeline for addressing (WIC State Agencies or their Agent must be responsible for follow up)
- Test Scripts (as an attachment, including the following information):
  - Failed scripts along with any notes about failure and/or cause
  - Not applicable scripts (scripts not performed)
- Results (Pass, Fail, or Pass contingent on resolution of outstanding issues by a specified date)
  - i) The WIC State Agency reviews and accepts the results and provides a final approval for the system to begin or continue processing WIC EBT transactions. The WIC State Agency provides the final approval in the form of a letter (may be electronic) to the vendor, their software developer, and/or the vendor system provider.
  - j) At a minimum, a live validation should be performed at one retail location following the lab or renewed validation.



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

The following lists the rules for Acquirer/Third Party Processor testing and certification:

- a) Compliance with standards and operating rules must be enforced through the Acquirer/ Third-Party Processors agreement executed between the Acquirer and EBT Processor.
- b) Each Acquirer must be certified to the EBT Processor of the WIC State Agency.
- c) Failure to correct a problem or to define a corrective action plan with reasonable timelines for correction will require the acquirer to undergo testing for renewed validation.

### **13.3 WIC State Agency EBT system testing requirements**

WIC State Agencies must perform the following EBT system testing requirements prior to implementing or converting a WIC EBT system:

- a) Each WIC State Agency must successfully pass a User Acceptance Test (UAT) prior to implementation. The testing must include all processing for the WIC State Agency Management Information System (MIS) and EBT processing.
- b) If the WIC State Agency utilizes an EBT Processor, the EBT Processor must participate in the UAT.
- c) UAT may be done in conjunction with a WIC State Agency's acceptance test with their EBT Processor.
- d) The WIC State Agency or the EBT Processor must provide test cards with loaded benefits and/or establish test accounts with benefits.
- e) The WIC State Agency and the EBT Processor must provide a test environment to support MIS-EBT interface testing and WIC transaction processing testing.

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### **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.

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- 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) Transaction not paid because of invalid electronic signature (CRC).
- b) 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.
- c) Transaction rejected.
- d) Claim file rejected.
- e) Transaction not previously submitted.

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### 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.

#### 15.1 WIC Vendor sample report descriptions

In addition to reports required for reconciliation in Section 12, the WIC Vendors or their agents may create the reports described below for viewing, displaying and/or printing for use in managing the WIC EBT system. 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 cats/sub cats exceeding 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 number of transactions submitted for payment to the date and amount of payments as documented in the received auto reconciliation files or their equivalent.

## WIC EBT Operating Rules 3.0

### 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 the 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 WIC Vendor peer group system, competitive price criteria and allowable reimbursement levels in a manner that ensures the WIC Program pays authorized WIC 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.

## **WIC EBT Operating Rules 3.0**

### **Indian Tribal Organization (ITO)**

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

### **Merchant Receipt**

optional receipt used for store accounting/reconciliation, which provides information a WIC Vendor can use to calculate daily WIC sales in conjunction with other POS reporting.

### **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 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**

processing occurs 24X7. Bank settlement of payments excludes holidays and weekends.

### **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.

### **Self-checkout**

a service vendors offer to customers to use integrated POS systems to complete their purchases independently.

### **Third Party Processor**

an entity routing transaction data from WIC Vendor systems to the next point in the transaction flow; the next point may include another TPP, a gateway (or switch), or a WIC EBT Processor system. Also known as an Acquirer.

### **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.

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### **Vendor Sales Receipt**

receipt providing the WIC Participant a list of all WIC and non-WIC foods purchased showing tender types and totals after all tender types have been processed. Also known as the Store receipt.

### **WIC Balance Inquiry Receipt**

receipt providing the WIC Participant with their current, beginning or ending balance throughout different points of a purchase transaction. Also known as the Beginning or Ending Balance receipt.

### **WIC Cardholder**

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

### **WIC Confirmation Receipt**

Receipt providing the WIC Participant with a detailed list of benefits to be redeemed by food subcategory and quantity before the transaction is finalized. Also known as the WIC Utilization/Redemption receipt.

### **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 Management Information System (MIS) Contractor**

the system used to determine WIC program eligibility for applicants, maintain participant certification information, determine benefit allotments, issue benefits, maintain WIC Vendor information, maintain WIC-approved food information, and communicate benefit activity with the WIC EBT Processor system.

### **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 88 WIC State Agencies, comprised of the 50 U.S. states, 32 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.

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### **WIC Void Receipt**

Receipt provided to the WIC Participant when the WIC Vendor voids the WIC transaction and returns benefits to the WIC benefit balance.

### **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 X9.93-2022 Financial transaction messages – Electronic benefits transfer (EBT) – Part 1: Messages and ANS X9.93-2022 Financial transactions messages – Electronic benefits transfer (EBT) – Part 2: Files.



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### **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
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
RBS	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 3.

**Table 3: 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 and reads and updates smart cards issued to WIC Cardholders. WIC Vendors utilize a daily claim file process
Connectivity	WIC Vendors integrating 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.

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### B.2 Sample authorized WIC Vendor agreement

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

### B.3 Redemption strategy examples

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

#### B.3.1 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) and 1 gallon of skim milk (1 unit of benefit) for redemption. The Prescription benefit contains 1 unit of non-fat milk (52-002) and 3 units of any low/non-fat (0-1.5%) milk (52-000, a Broadband Food Sub-Category). The progressive redemption strategy will decrement 0.5 unit of non-fat milk (52-002) benefit and 1 unit of any low/non-fat (0-1.5%) milk (52-000) benefit. This leaves 0.5 units of non-fat milk (52-002) and 2 units of any low/non-fat (0-1.5%) milk (52-000) benefit.

<i>Transaction Start</i>	
<b>Cat/SubCat</b>	<b>Beginning Balance</b>
52-000 Any low/non-fat (0-1.5%) milk	3.0 gal
52-002 Non-fat (0%) milk	1.0 gal

<i>Order of Scanned/Applied Items (Progressive Redemption)</i>	
<b>Order Products Scanned</b>	<b>Order Products Applied</b>
1. Non-fat milk; 0.5 gal	1. Non-fat milk; 0.5 gal
2. Non-fat milk; 1.0 gal	2. Non-fat milk; 1.0 gal

<i>Quantity Decrementd from Balance</i>		<i>Transaction End</i>	
<b>Cat/SubCat</b>	<b>SubCat Qty</b>	<b>Cat/SubCat</b>	<b>Ending Balance</b>
52-000	1.0 gal	52-000	2.0 gal
52-002	0.5 gal	52-002	0.5 gal

The progressive redemption strategy allows foods to be decremented from the most restrictive Food Sub-Category first, which is better for utilization of benefits than decrementing food items in the order in which they are scanned.

#### B.3.2 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 non-fat (0%) milk (52-002) and 3 units of any low/low-fat (0-1.5%) 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 non-fat (0%) milk (52-002) Food Sub-Category. For the moment, 0.5 unit of benefit remains in the Prescription benefit balance for non-fat (0%) 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 unit from the non-fat (0%) milk (52-002) Food Sub-Category along with redeeming the initial 0.5 unit from any low/low-fat (0-1.5%) milk (52-000). This leaves zero units of non-fat (0%) milk (52-002) and 2.5 units of any low/low-fat (0-1.5%) milk (52-000) benefits for the WIC Cardholder's future milk redemptions.

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<b>Transaction Start</b>	
<b>Cat/SubCat</b>	<b>Beginning Balance</b>
52-000 Any low/non-fat (0-1.5%) milk	3.0 gal
52-002 Non-fat (0%) milk	1.0 gal

<b>Order of Scanned/Applied Items (Aggressive Redemption)</b>	
<b>Order Products Scanned</b>	<b>Order Products Applied</b>
1. Non-fat; 0.5 gal	1. Non-fat milk; 1.0 gal
2. Non-fat; 1.0 gal	2. Non-fat milk; 0.5 gal

<b>Quantity Decrementd from Balance</b>		<b>Transaction End</b>	
<b>Cat/SubCat</b>	<b>SubCat Qty</b>	<b>Cat/SubCat</b>	<b>Ending Balance</b>
52-000	0.5 gal	52-000	2.5 gal
52-002	1.0 gal	52-002	0.0 gal

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

### B.3.3 Food Sub-Category straddle

In Online EBT, Food Sub-Category straddle processing provides the ability to redeem a single food item across multiple Food Sub-Categories to maximize the WIC Cardholder's benefit utilization.

Food Sub-Category straddle logic shall only be used in WIC Smart Card EBT processing for category 19 (Cash Value Benefit).

Food Sub-Category straddle is a redemption approach that can be used in conjunction with either progressive or aggressive strategies. When used with progressive redemption, the redeemed quantity applied by subcategory is similar to the results of aggressive redemption described in B.4.2. When used with aggressive redemption, Food Sub-Category straddle can further maximize the available benefit balance.

An example of the progressive redemption strategy and Food Sub-Category straddle logic is a WIC Cardholder presenting 1 gallon of skim milk for redemption. The Prescription benefit allows for 0.5 unit of non-fat (0%) milk (52-002) and 0.5 unit of any low/non-fat (0-1.5%) milk (52-000). When the WIC Cardholder presents the 1 gallon the system will decrement 0.5 unit of benefit from the non-fat (0%) milk (52-002) Food Sub-Category and 0.5 unit of benefit from any low/non-fat (0-1.5%) milk (52-000). This leaves zero units of non-fat (0%) milk (52-002) and zero unit of any low/non-fat (0-1.5%) milk (52-000) benefits.

<b>Transaction Start</b>	
<b>Cat/SubCat</b>	<b>Beginning Balance</b>
52-000 Any low/non-fat (0-1.5%) milk	0.5 gal
52-002 Non-fat (0%) milk	0.5 gal

<b>Order of Scanned/Applied Items (Progressive Redemption w/ Straddle)</b>	
<b>Order Products Scanned</b>	<b>Order Products Applied</b>
1. Non-fat milk; 1.0 gal	1. Non-fat milk; 1.0 gal

<b>Quantity Decrementd from Balance</b>		<b>Transaction End</b>	
<b>Cat/SubCat</b>	<b>SubCat Qty</b>	<b>Cat/SubCat</b>	<b>Ending Balance</b>
52-000	0.5 gal	52-000	0.0 gal
52-002	0.5 gal	52-002	0.0 gal

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An example of the aggressive redemption strategy and Food Sub-Category straddle logic is a WIC Cardholder presenting ½ gallon of skim milk and 1 gallon of skim milk for redemption. The Prescription benefit allows for 0.5 unit of non-fat (0%) milk (52-002) and 0.5 unit of any low/non-fat (0-1.5%) milk (52-000). When the WIC Cardholder presents the ½ gallon followed by the 1 gallon of skim milk, the POS system will assess both items against the available benefit balance and recognize that there is a total of 1.0 gallon between the two subcategories to which the items can be applied. It will then identify the most advantageous application of the items scanned to the benefit balance. In this scenario the 1 gallon of skim milk will be redeemed across two subcategories by applying 0.5 unit to non-fat (0%) milk (52-002) and 0.5 unit of any low/non-fat (0-1.5%) milk (52-000) to redeem the full 1.0 unit. The ½ gallon of skim milk will not be included as part of the WIC tender and the cardholder can choose to remove it from the order or pay for the item with a different tender type. The final balance leaves zero units of non-fat (0%) milk (52-002) and zero units of any low/non-fat (0-1.5%) (52-000) benefits.

<b>Transaction Start</b>	
<b>Cat/SubCat</b>	<b>Beginning Balance</b>
52-000 Any low/non-fat (0-1.5% fat) milk	0.5 gal
52-002 Non-fat (0% fat) milk	0.5 gal

<b>Order of Scanned/Applied Items (Aggressive Redemption w/ Straddle)</b>	
<b>Order Products Scanned</b>	<b>Order Products Applied</b>
1. Non-fat milk; 0.5 gal	1. Non-fat milk; 1.0 gal
2. Non-fat milk; 1.0 gal	

<b>Quantity Decremented from Balance</b>		<b>Transaction End</b>	
<b>Cat/SubCat</b>	<b>SubCat Qty</b>	<b>Cat/SubCat</b>	<b>Ending Balance</b>
52-000	0.5 gal	52-000	0.0 gal
52-002	0.5 gal	52-002	0.0 gal

The ability of the aggressive redemption strategy to reevaluate the food items provides the WIC Cardholder with the maximum shopping power.

In any 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**

ANS X9.24-1:2014 *Retail Financial Services – Symmetric Key Management Part 1: Using Symmetric Techniques.*

ANS X9.93:2022 (all parts) *Financial transaction messages – Electronic benefits transfer (EBT).*

ANS X9.131 (2015) *Financial transaction messages – Electronic benefits transfer (EBT) – WIC retailer interface standard.*

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.*

ISO/IEC 7813:2006, *Information technology – Identification cards – Financial transaction cards.*

ISO/IEC 7816 (all parts) *Information technology – Identification cards – Integrated circuit(s) cards.*

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PCI Security Council. (2009, July). *PCI Data Security Standard (PCI DSS)*. Retrieved 02 01, 2010, from PCI Security Standards Organization: [https://www.pcisecuritystandards.org/security\\_standards/pci\\_dss.shtml](https://www.pcisecuritystandards.org/security_standards/pci_dss.shtml).

*WIC EBT Technical Implementation Guide, 2018 version.*

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