

<p style="text-align: center;">Nutrition Services Department of State Health Services</p>

Effective August 1, 2007

Policy No. WV:12.0

**REIMBURSEMENT FOR COMMERCIAL WIC EBT
RETAIL VENDOR ECR SYSTEMS**

PURPOSE

To assist retail vendors authorized to participate in the WIC Program in transitioning from the current WIC paper voucher food delivery system to the WIC electronic benefits transfer (EBT) food delivery system.

AUTHORITY

Public Law 108-265, Section 203(e)(12), Imposition of Costs On Retail Stores; State Policy

POLICY

The Department of State Health Services (DSHS) will provide financial assistance in the form of reimbursements to retail vendors for the retail vendors' purchase of commercial electronic cash register (ECR) hardware, software, and maintenance that is capable of redeeming WIC-issued food benefits on a smart card. All rates of reimbursement shall be determined by the State Agency as outlined in this policy.

Notwithstanding the provisions of this policy, reimbursements will not be paid unless the State agency has concluded that sufficient funds are available for that purpose.

PROCEDURES

I. ELIGIBILITY AND LIMITS OF REIMBURSEMENTS

- A. For purposes of reimbursements, retail ECR systems capable of accessing and processing WIC EBT transactions are divided into two types: (1) legacy integrated commercial systems and (2) commercial

store systems (WIC-only tender, Government tender or multi-tender). These types of systems are further defined in Section I.B-C below.

B. Legacy Integrated Commercial Systems that fully integrate WIC EBT functionality into their existing ECR systems

1. Legacy Integrated Commercial Systems are ECR systems that widely existed in retail vendors' stores prior to the introduction of Texas WIC EBT and are defined as the following ECR software packages:

- a. IBM ACE, Release 2.0 or later
- b. IBM SA, Release N001 or later
- c. ICL Fujitsu ISS45 WIN PoS, Release 7.7 or later
- d. NCR ACS, Release 6.0 or later
- e. HEB internal ECR system

2. Upgrades to the software listed in Section I.B.1 above were funded at the software developer-level through separate arrangements with DSHS. Based on informed estimates that as many as 80% of the retail vendors in the state used one of the systems listed in Section I.B.1 above, the State provided funding support for these major integrated commercial ECR systems as an investment in software infrastructure for the potential use of the majority of Texas WIC retail vendors. This funding was a one-time investment by the State to enable these systems to accept WIC without cost to the retail vendor. Consequently, WIC-integrated functionality is available through these DSHS-funded modifications directly from the developer/distributor to the retail vendor. Under agreements with DSHS, each software developer will provide the WIC functionality at no cost to retail vendors who are using and maintaining the listed software.

3. Any retail vendor operating one of the ECR systems listed in Section I.B.1 above is eligible to receive up to \$200 per lane reimbursement for all front-end lanes where WIC food sales routinely occur, except self-checkout lanes. The \$200-per-lane reimbursement is intended to offset the cost of upgrading a retail vendor's point of sale system from single technology terminals capable of accepting magnetic stripe cards only to dual technology terminals capable of accepting both magnetic stripe and smart cards. Additionally, retail vendors may request reimbursement for one additional terminal to support WIC balance inquiries at the customer service booth or another non-checkout location.

4. Retail vendors electing to modify existing ECR software without State reimbursement and accept only WIC technical support during software and systems design, development, testing, and certification for WIC EBT are also eligible for reimbursement as described in Section I.B.3 above.
 5. Provisions of Section I.B apply only to retail vendors who were operating the software identified in Section I.B.1 on June 29, 2005, when DSHS announced its reimbursement policy to the retail vendor community, or to retail vendors who elected to modify their software as described in Section I.B.4 above. All other retail vendors will be reimbursed according to the methodology described in Section I.C below.
- C. Commercial Store Systems include those systems that have been marketed subsequent to the start of the WIC EBT pilot on June 1, 2004, and have been certified by the WIC Program to provide full WIC functionality: (hereafter referred to as "Commercial Systems").
1. Retail vendors are eligible to be reimbursed for the purchase of Commercial Systems as described in Sections I.C.2 and I.C.4 below. To be considered for reimbursement, the retail vendor (or the ECR vendor representing the retail vendor) must identify the specific ECR system configuration in advance of the actual purchase and receive EBT Development Branch approval of the configuration. The Commercial System must fully meet certification requirements as established by the DSHS WIC EBT Certification Policy. DSHS will periodically publish/update a list of all currently certified Commercial Systems offered in the commercial marketplace.
 2. DSHS will reimburse retail vendors purchasing Commercial Systems based on (a) annualized gross food sales and annualized WIC sales and/or (b) their status as a WIC retail vendor with 80% or more of their total food sales being WIC food benefit redemptions (hereafter referred to as an 80%+ retail vendor).
 - a. Retail vendors with declared gross annual food sales of less than \$1 million are eligible to receive reimbursement for at least one lane, but no more than four lanes based on the store's annualized average monthly WIC sales volume for the most recent 12-month period as follows:

- \$1 - \$15,999 of WIC sales monthly = one lane funded by the State; or
 - \$16,000 - \$23,999 of WIC sales monthly = two lanes funded by the State; or
 - \$24,000 - \$31,999 of WIC sales monthly = three lanes funded by the State; or
 - \$32,000 and above of WIC sales monthly = four lanes funded by the State.
- b. Retail vendors with declared gross annual food sales of more than \$1 million are eligible to receive reimbursement for at least one lane, but no more than four lanes based on the store's annualized average monthly WIC sales volume for the most recent 12-month period as follows:
- \$1 - \$21,999 of WIC sales monthly = one lane funded by the State; or
 - \$22,000 - \$32,999 of WIC sales monthly = two lanes funded by the State; or
 - \$33,000 - \$43,999 of WIC sales monthly = three lanes funded by the State; or
 - \$44,000 and above of WIC sales monthly = four lanes funded by the State.
- c. 80%+ retail vendors are eligible to receive at least one lane, but not more than three lanes, based on the store's monthly WIC sales volume for the most recent 12-month period as follows:
- \$1 - \$49,999 of WIC sales monthly = one lane funded by the State;
 - \$50,000 - \$99,999 of WIC sales monthly = two lanes funded by the State; or
 - \$100,000 and above of WIC sales monthly = three lanes funded by the State;

Any retail vendor who is defined by the State as an 80%+ retail vendor can only receive reimbursement under this section (not eligible for reimbursement under Sections I.C.2.a and I.C.2.b above).

3. Reimbursement for the purchase of a commercial system is also contingent on a retail vendor maintaining WIC on-going selection criteria including, but not limited to, at least \$500 a month in WIC

sales as stated in the current Vendor Agreement and compliance with the WIC competitive pricing criteria as provided by State Policy WV 10.0. Accordingly, the following terms and conditions apply to the State reimbursement of grocer ECR systems:

- a. Current retail vendors not meeting on-going selection criteria (i.e., at least \$500 per month in WIC sales and/or competitive pricing as described in WIC Policy WV:10.0) will not be eligible for WIC-EBT ECR reimbursement. Since the Vendor Agreement for vendors not meeting the on-going selection criteria will be terminated, WIC EBT ECR reimbursement is not authorized.
- b. Current retail vendors meeting on-going selection criteria (i.e., at least \$500 per month in WIC sales and/or competitive pricing as described in WIC Policy WV:10.0) will be eligible for WIC-EBT ECR reimbursement under this policy. As an exception, a current retail vendor who has received a warning letter related to its failure to meet on-going selection criteria will become eligible for reimbursement only after the next scheduled review of the vendor's status confirms its compliance with on-going eligibility requirements (see WIC Policy WV 10.0). All retail vendors must continue to meet on-going selection criteria on all subsequent evaluations (conducted at least twice annually) or the retail vendor's Vendor Agreement will be terminated in accordance with WIC Policy WV 10.0, and the vendor must return to DSHS the pro rata share of the total original reimbursement received from DSHS. Reimbursement to DSHS is based on the pro-rata straight-line unused portion of the 36 months since the ECR system was installed.
- c. New retail vendors in areas where EBT has been implemented will be reimbursed for equiptage of one lane. If the retail vendor does not meet on-going selection criteria (i.e., at least \$500 per month in WIC sales and/or competitive pricing as described in WIC Policy WV: 10.0) when evaluated after four months of operation or during evaluations conducted at least twice annually, the retail vendor's Vendor Agreement will be terminated and the vendor must return to DSHS the pro rata share of the total original reimbursement received from DSHS. Reimbursement to DSHS is based on the pro-rata straight-line unused portion of the 36 months since the ECR system was installed.

- d. New retail vendors in areas where WIC EBT has not been implemented are not required to purchase/install WIC EBT-certified ECR systems as a condition of eligibility to participate in the WIC Program. Retail vendors in these areas do not require WIC EBT-certified ECR systems to accept the current WIC paper vouchers being issued in their area. Retail vendors in these areas may, at their option, purchase WIC EBT-certified ECR systems in anticipation of the rollout of WIC EBT to their area. However, new retail vendors in areas where EBT has not been implemented must demonstrate their ability to meet on-going selection criteria (i.e., at least \$500 per month in WIC sales and/or competitive pricing as described in WIC Policy WV:10.0) for a minimum of four months of operation as a WIC retail vendor. If the retail vendor meets on-going eligibility after four months of operation, the retail vendor may request reimbursement for their WIC EBT-certified ECR system under the provisions of this policy. If the new retail vendor fails to meet on-going selection criteria after four months of operation, the State will not reimburse the retail vendor for its WIC EBT ECR system and its Vendor Agreement will be terminated (See WV: 10.0). Subsequent to this initial evaluation, new retail vendors will also be evaluated on an on-going basis, as are all existing WIC retail vendors, to ensure they maintain WIC Program eligibility based on the on-going selection criteria. If the retail vendor does not meet on-going selection criteria when evaluated subsequent to its initial four-month evaluation, the retail vendor will have its Vendor Agreement terminated and the vendor must return to DSHS the pro rata share of the total original reimbursement received from DSHS, if any. Reimbursement to DSHS is based on the pro-rata straight-line unused portion of the 36 months since the ECR system was installed.
- e. Terminations, as referenced in Sections I.C.3.a-d, are subject to the consideration of participant access as described in WIC Policy WV 03.0.
- f. Any retail vendor that received WIC EBT ECR reimbursement that is terminated from the WIC Program by DSHS for fraud, abuse, or violation of WIC policies or is voluntarily closed within 36 months of the date the ECR was installed, will return a pro rata share of the total reimbursement to the

State (Reimbursement to DSHS is based on the pro-rata straight-line unused portion of the 36 months since the ECR system was installed).

- g. DSHS, at its option, may waive the return of a pro rata share of the total WIC EBT ECR reimbursement described in Sections I.A.3.b-e if an authorized WIC vendor outlet is closed and the WIC EBT ECR equipment at the closing outlet is transferred to another WIC-authorized vendor outlet (or account) within the same corporate structure and used for the purpose of WIC EBT food benefit redemptions.
 - h. DSHS will not provide any WIC EBT ECR reimbursement to participate in the WIC Program to a new store vendor/owner at a store location that has previously received ECR reimbursement. If an existing vendor sells any or all of its stores after the State has reimbursed the vendor for the purchase of a WIC EBT commercial system, as part of the reimbursement agreement, the selling vendor agreed in advance of any such sale that the WIC EBT commercial ECR system will be provided to the purchaser of the store(s) as part of the sale. Failure of the purchasing vendor to seek, accept, or maintain the seller's ECR system does not obligate DSHS to provide additional WIC EBT ECR reimbursement for any previously reimbursed store location(s).
4. Level of Reimbursement: Regardless of a retail vendor's classification based on annualized gross food sales, annualized WIC sales, and/or status as an 80%+ WIC retail vendor, reimbursement will be based on the actual cost of a WIC-certified Commercial System, including 3-year maintenance agreement, at the number of lanes authorized not to exceed:
- \$11,000 plus tax for one lane;
 - \$18,000 plus tax for two lanes;
 - \$25,000 plus tax for three lanes; or
 - \$33,000 plus tax for four lanes.

DSHS will reimburse the eligible retail vendor up to the maximum amounts listed above regardless of whether the retail vendor purchases a single or multi-tender Commercial System. This reimbursement is designed to be applied to a complete WIC-certified ECR system purchased by the retail vendor. Under the circumstances described in Sections I.C.6 and I.D.2 below, DSHS

may reimburse for (1) components/subcomponents of a system or for (2) modified system configurations. "Components/subcomponents" of a system is defined as a combination of new equipment and/or software purchased to work in conjunction with existing retailer equipment in providing full WIC EBT functionality. A modified system configuration is a variation in manufacturer/model number of new equipment associated with an existing approved Level III WIC EBT certified configuration. In any case where reimbursement for subcomponents is granted under Sections I.C.6 and/or I.D.2, reimbursement will not include maintenance costs for a hybrid (legacy plus new subcomponent) system. Three years of system maintenance is required for modified system configurations.

5. Section I.C.4 above identifies the maximum amount per authorized lane retail vendors who qualify for reimbursement of a Commercial System may receive. However, the retail vendor may be reimbursed up to the maximum amount to which it is entitled by applying that amount to any one of the following five business options:
 - a. Purchase and install a WIC EBT-certified ECR system for use in addition to its current ECR system or manual cash register system, or
 - b. Purchase and install a WIC-certified ECR system for use in lieu of its current ECR or manual cash register system, or
 - c. Upgrade to a current version of a WIC-enabled integrated ECR software system if it's ECR system software is an earlier version of the software listed in Section I.B.1 above and was in use at the store on June 29, 2005. If a retail vendor selects this option, the retail vendor must submit appropriate supporting reimbursement documentation as required by DSHS based on the specific situation.
 - d. Modify and install an approved configuration previously certified by DSHS where the modifications (i.e., different manufacturer or model) represent equipment that meets or exceeds specifications of the originally WIC EBT certified equipment. Such modifications must be approved in advance by the EBT Development Branch.

- e. Purchase and install components/sub-components of a new ECR system that, when combined with a retail vendor's legacy ECR equipment, present a WIC EBT-enabled ECR configuration. For consideration of reimbursement of components/subcomponents, the following conditions must be met:
 - i. The retail vendor/ECR vendor must request approval in advance from the EBT Development Branch for the proposed configuration of new and legacy equipment/software. For the components/sub-components approach to be approved, the entire ECR system (new equipment and legacy equipment) must:
 - 1. Result in a WIC EBT-enabled ECR configuration that will meet WIC Level III Certification standards; and
 - 2. Result in either:
 - a. A fully Level III Certified system at less reimbursement than listed in Section I.C.4 and within the price constraints listed in Section I.C.5.e.iv; or
 - b. More WIC EBT Level III Certified lane coverage for the same or less amount of reimbursement available under Section I.C.4 and within the price constraints listed in Section I.C.5.e.iv.
 - ii. The EBT Development Branch must approve of the proposed component configuration prior to deployment. Such approval is only for the retail vendor to move forward with the proposed component configuration to the potential Level III Certification of the system.
 - iii. Regardless of advance approval of the proposed component configuration, any system that does not ultimately achieve Level III Certification will not be eligible for reimbursement.
 - iv. The State will only consider reimbursement for components/sub-components if pricing of the

components is reasonable (at or below MSRP or average price as determined from independent sources).

- f. Equipment and software purchased through Sections I.C.5.a-d must be new/unused products and carry a minimum of three years warranty as part of the purchase. Component/subcomponents purchased under Section I.C.5.e may be new, used, or refurbished equipment and/or software. Warranty of components/subcomponents is a retail vendor decision and is not reimbursable by the State.
6. Since retail vendors must purchase WIC EBT-enabled ECR systems through the commercial marketplace, additional options beyond those listed in Section I.C.5 may exist in the future. A retail vendor may approach DSHS about applying its reimbursement (limited to actual expenditure up to the maximum amounts listed in Section I.B.3 or I.C.4) toward such future options. DSHS will consider any such option on a case-by-case basis, and approve or disapprove of the option with the guiding principles that (1) the option enables the retail vendor to conduct WIC transactions with a certified ECR system and (2) such option is determined to be in the best interest of the WIC clients. When such options are approved, FIRS will enter into the file a narrative description of how the solution meets the two criteria listed above and presents best interest/best value to the State. This documentation is not required for options listed in Section I.C.5. of this policy.
 7. A retail vendor is not precluded from leasing equipment for use in WIC EBT at its own option and cost. The leasing of ECR equipment for use in WIC EBT will not be reimbursed under this policy. In the case of WIC EBT, State policy requires transition assistance for retail vendors (paper-to-smart card) for services for a three-year period of operation. Unlike purchases, which occur at one point in time and can be reimbursed, the State cannot fund a lease agreement in advance of the delivery of services under the terms of a lease (Texas Constitution, Article III, Section 50). Periodic/after-delivery reimbursements for leases would also create an obligation on the State to monitor ongoing retail vendor's use of the equipment in-store that is beyond the intended scope of this policy and an unnecessary State intervention in store operations.

D. Future reimbursements:

1. Once a retail vendor has been reimbursed under Sections I.B or I.C above, no further reimbursement for software or hardware related to WIC EBT-enabled ECR systems shall be made by DSHS for at least a three-year period of WIC EBT operation due to changes in classification of a retail vendor's store including store location, changes in store systems, or losses due to natural or man-made disasters. Since the State-reimbursed ECR system is owned by the retail vendor, the retail vendor may recover the loss of the system due to natural or man-made disaster through private insurance or other coverage outside of the State-retail vendor agreements.
2. If individual WIC store sales volume increases over four consecutive months to the level where a retail vendor becomes eligible for reimbursement of an additional WIC EBT ECR lane, the retail vendor may request reimbursement for the smart card terminal for the additional lane (not to exceed \$200 per lane). Reimbursement for the additional smart card terminal is only available if the retail vendor actually purchases the additional terminal after DSHS has verified the vendor's eligibility for the additional lane and documentation supporting the purchase of the additional terminal has been submitted and reviewed/ approved by DSHS
3. If a vendor is reimbursed for components/subcomponents to be operated in conjunction with a vendor's legacy system (see Section I.C.5.e) the State will not subsequently provide reimbursement for any of the ECR system's legacy components should they fail in the future. Except as provided in Section I.D.2, no State reimbursements for additional new components/ subcomponents beyond the initial reimbursement are available.

II. REIMBURSEMENT PROCEDURE

- A. During the period DSHS is implementing the WIC EBT system statewide, an eligible retail vendor may request reimbursement through the following procedure:
 1. Retail Vendor Responsibilities and Procedures. Each retail vendor eligible for reimbursement may submit a claim for reimbursement of WIC EBT terminals as described in Section I.B.3 or Commercial System as described in Section I.C.2-6.

- a. For reimbursement of smart card terminals as described in Section I.B.3, the retail vendor must submit the following documents to the Food Issuance and Redemptions Services (FIRS) Unit:
 - i. Invoice identifying the total number of front-end lanes in which terminals were installed by store(s) name(s) (including retail vendor and outlet number) and physical store address for which reimbursement is requested (may use supplemental spreadsheet if multiple stores are claimed). A store may include one additional inquiry terminal if such was purchased for WIC EBT purposes and shown on the invoice.
 - ii. Terminal vendor/provider's invoice verifying brand/model number installed and the original purchase price of the terminals installed.

- b. For reimbursement of a Commercial System as described in Section I.C.2-6, the retail vendor must submit the following documents to FIRS:
 - i. Invoice identifying the store name (including retail vendor and outlet number as listed on the Vendor Agreement), physical store address, and the Commercial System purchased and certified.
 - ii. The Purchase Voucher must have documentation attached to verify the purchase of and payment for the Commercial System to include:
 - (1) ECR vendor invoice indicating the specific Commercial System and configuration of the system purchased.
 - (2) Verification of payment to the ECR vendor by the retail vendor confirming reimbursement as represented by:
 - (a) Copy of the retail vendor's payment (check, money order, or receipt for cash) to the ECR vendor or copy of the ECR vendor's invoice to the retail vendor that is clearly marked paid by the ECR vendor, or

(b) Copy of credit card receipt verifying payment by the retail vendor to the ECR vendor, or

(c) Copy of promissory note/contract to pay signed by both the retail vendor and the ECR vendor that clearly indicates the retailer and ECR vendor (or other third party) have entered into a binding legal/contractual obligation for payment for the ECR system.

(3) In the case of an invoice that lists more lanes of equipment/software than the retail vendor is eligible to receive in reimbursement, the invoice must list a subtotal indicating the specific amount that is being charged for the number of lanes authorized/requested for reimbursement.

2. Listed below are Food Issuance and Redemption Services (FIRS) Unit Responsibilities and Procedures. FIRS will verify the following information related to the claim for reimbursement prior to reimbursement:

a. Retail vendor's name (as listed on the Vendor Agreement) and contract status (including active Vendor ID and Outlet ID).

b. Retail vendor's physical store address.

c. Retail vendor's status related to on-going selection criteria and eligibility for reimbursement.

d. The retail vendor requesting reimbursement (or its corporate headquarters) has executed all required EBT contract addenda.

e. Total number of lanes for which the retail vendor's store is eligible for reimbursement. This number is based on store volume as described in Section I.C.2.

f. Eligibility of the Commercial System configuration for reimbursement (verification that claimed system configuration is approved by the EBT Development Branch and is a DSHS-

WIC certified configuration and includes 3 years of maintenance, if required).

- g. Verify that documentation is attached and supports retail vendor's payment to the ECR vendor.
- h. Verification that the retail vendor's store for which reimbursement is being requested has achieved Level III Certification of its system as installed at the store and has received ECR systems training.
- i. Approval or remediation of the retail vendor's claim for reimbursement:
 - i. When a retail vendor's claim is determined valid and includes the required documentation, FIRS will approve and submit the claim to the Financial Management Section for payment processing.
 - i. If retail vendor's claim is incomplete, deficient, or determined invalid, FIRS will take the following actions, as appropriate:
 1. Notify the retail vendor if the claim is not eligible for reimbursement and state the reason for its ineligibility.
 2. Return the claim to the retail vendor for correction if the identification information or number of lanes claimed is incorrect according to official State records,
 3. Return the claim to the retail vendor if the Commercial System purchased is not Level III certified by State or system training is not completed.
 4. At the State's option, FIRS may remediate the claim through contact with the retail vendor and/or ECR vendor if the deficiency can be resolved administratively and does not impact the integrity of the claim.

- j. Complete Commercial Systems eligible for reimbursement include hardware and software maintenance for a full 36-month period.
 - i. For retail vendors reimbursed prior to October 1, 2006, if a retail vendor is terminated from the WIC Program the retail vendor voluntarily terminates the Vendor Agreement before the end of the 36-month period, the retail vendor will be required to refund the pro-rata cost for any remaining months of hardware and software maintenance to the State. FIRS will calculate the value of the remaining months of the 36-month maintenance and deduct that amount from any remaining/pending claims submitted by the retail vendor. If there are no remaining/pending claims, FIRS will notify the retail vendor of the amount of the original reimbursement that the retail vendor must refund to DSHS.
 - ii. For retail vendors reimbursed prior to October 1, 2006, if a retail vendor is terminated from participating in the WIC Program for a period of time that is less than the 36-month maintenance period and the retail vendor resumes participation in the WIC program prior to the end of the 36-month maintenance period, DSHS will take no action seeking reimbursement for the lapsed period of warranty.
 - 1. If a retail vendor is terminated for a period of time less than the 36-month maintenance period and resumes participation in the WIC Program, the retail vendor will not receive any credit or additional financial assistance/reimbursement to cover the lost period of maintenance from DSHS.
 - 2. If the retail vendor does not resume participation in the WIC Program after the termination period of less than the 36-month maintenance period, the retail vendor must reimburse the State as described in Section II.A.2.j.i above from the date of the original termination.
 - iii. For retail vendors reimbursed after October 1, 2006. if a retail vendor is terminated from participating in the WIC Program due to the failure to meet on-going

selection criteria, retail vendor refunds for previous reimbursements will be governed by Section I.C.3.e.

- k. FIRS will maintain a record set of each retail vendor's reimbursement claim processing through a combination of spreadsheet tracking and a physical file containing appropriate documentation as described in this policy.

3. Listed below are EBT Development Branch Responsibilities and Procedures

- a. The EBT Development Branch shall provide FIRS with the following information:
 - i. Commercial System configurations that are certified and eligible for reimbursement under this policy.
 - ii. Approval of variations in Commercial System configurations such as the certification of new terminals or other hardware that are subcomponents of previously certified Commercial System configurations. EBT Development will also review/approve modified system configurations proposed by the retail vendor.
 - iii. Successful Level III certifications of retail vendors by name, account number, outlet number, and location (same as listed on the Vendor Agreement).
- b. If FIRS receives a retail vendor's claim for reimbursement that does not match the approved configuration in detail, the EBT Development Branch will provide technical assessment and interpretation of any system variations to FIRS as to whether the claimed Commercial System is certified and should be reimbursed. The EBT Development Branch is responsible for contacting the ECR provider to reconcile any discrepancies in installed versus certified systems.
- c. If FIRS receives a retail vendor's claim for reimbursement that has not been Level III certified, FIRS will notify the EBT Development Branch. The EBT Development Branch will apply criteria and evaluate the retail vendor to achieve Level III certification of the retail vendor that will then enable FIRS to respond to the retailer's invoice. FIRS may communicate

with the retail vendor concerning the status of the pending claim.

- d. The EBT Development Branch will monitor and report evidence of the on-going system operability of a retail vendor's certified system. If the EBT Development Branch becomes aware of an integrity issue/problem in a retail vendor's system, the EBT Development Branch shall notify FIRS of the potential problem. FIRS will communicate the issue/problem to the retail vendor and take such action as may be necessary to protect the integrity of the WIC benefits and claims process.
- e. The EBT Development Branch shall update the information provided in Section II.A.3.a as changes occur.

B. Reimbursement procedures are subject to change if funds become unavailable or policy and/or guidance from USDA related to reimbursements change. All changes, revisions, or waiver to these procedures must be approved by the Director, Nutrition Services Section. These changes, revisions, or waivers may be implemented on an emergency basis or through the normal approval/revision cycle depending on circumstances.

Attachment 1: FIRS Checklist for Approval of Retail Vendor’s Claim for Reimbursement

√	Checklist Items
	Invoice from retail vendor is received
	Verify retail vendor’s status related to meeting on-going selection criteria; If retail vendor is eligible for reimbursement continue with checklist; if retail vendor is ineligible for reimbursement, advise vendor of status. (Ref: Section I.C.3).
	Verify appropriate EBT Addenda have been executed with the retail vendor <ul style="list-style-type: none"> a. When Addenda are executed, enter invoice on FIRS tracking spreadsheet b. If Addenda are not executed, send Addenda forms to the retail vendor for signature; take no further action until signed Addenda are returned by the retailer.
	Verify number of lanes for which the retail vendor’s store is eligible for reimbursement
	Verify Commercial System configuration claimed by retail vendor is an eligible/certified ECR system and verify a 3-year warranty is included. <ul style="list-style-type: none"> a. If Commercial System configuration does not match or is a component/ sub-component purchase, request EBT Development Branch review the configuration and confer with management to determine if configuration is approved. b. If Commercial System configuration matches or is approved by EBT Development Branch, proceed to next step.
	Verify that appropriate retail (store) vendor-to-ECR vendor payment documentation is attached to the invoice.
	Verify that retail vendor’s outlet is Level III certified <ul style="list-style-type: none"> a. If certified, enter information on State of Texas Purchase Voucher b. If not certified, notify FIRS manager for remediation of issue who will, in turn, notify the EBT Development Branch for their action.
	Provide State of Texas Purchase Voucher to FIRS management for approval. If FIRS management does not approve State of Texas Purchase Voucher, remediate as directed by management.
	Forward a copy of the approved State of Texas Purchase Voucher to Fiscal for processing and file a copy of the State of Texas Purchase Voucher in the retail vendor’s reimbursement file.
	After no fewer than five business days, verify payment of the retail vendor through the Texas Comptroller’s State and Teleprocessing USAS system <ul style="list-style-type: none"> a. If retail vendor has been paid, print a copy of the payment information and place in retail vendor’s reimbursement file and enter information into the FIRS tracking spreadsheet b. If retail vendor has not been paid, re-check the USAS system at least once every five days to determine the status of payment. Once payment is confirmed, print a copy of the payment information and place in retail vendor’s reimbursement file and enter information into the FIRS tracking spreadsheet

Signature of person completing Checklist

Date

Attachment 2: Sample ECR System Vendor Invoice

Date:

**ECR Vendor Name/Logo
(Ex: ABC Cash Register Company, Inc.)**

Name and Physical Address of Retail Customer _____

COMMERCIAL WIC EBT SYSTEM SOLUTION

DO NOT ADD ITEMS. THE LIST OF ITEMS MUST BE THE SAME AS ON FILE WITH DSHS FOR A WIC-CERTIFIED ECR SYSTEM CONFIGURATION.

Qty	Description	Price
	Atlas TP2002-S Cash Register POS	
	Epson TPG RS-232 POS Printer	
	RS-232 Scanner POS	
	Hypercom IC Terminal	
	Back Office Computer Software	
	Version 7.X Computer Software	
	Hypercom Version 7.X WIC/EBT POS Software	
	V7.X Manager POS Client Library Software	
	Credit Card / WIC Terminal Software	
	Microsoft Internet Explorer Ver 6.0 WIC Com Software	
	Version 4 Back Office Computer Software	
	3-year Hardware and Software Maintenance Agreement	

Description of the specific certified system configuration (hardware, software, and maintenance)

Invoice Total: \$ *[NOTE: THE INVOICE MUST ALSO LIST A SUBTOTAL INDICATING THE SPECIFIC AMOUNT THAT IS BEING CHARGED FOR THE NUMBER OF LANES AUTHORIZED/ REQUESTED FOR REIMBURSEMENT]*

I hereby acknowledge the electronic cash register and point of sale equipment and software described in this invoice have been purchased, delivered, installed, certified by DSHS, and all payment terms and conditions have been met or a legal obligation has been entered into for payment (documentation attached).

Buyer _____ Seller _____

Select One (√)	Method of Payment
	Cash/Check/Money Order
	Credit Card (VISA, MC, American Express, Discover)
	Promissory Note/Contract to Pay