

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

Effective January 1, 2010

Policy No. WV: 14.0

---

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

**PURPOSE**

To assist retail vendors authorized to participate in the WIC Program in maintaining their 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 vendors' maintenance of a vendor's commercial electronic cash register (ECR) hardware and software system to support the redemption of WIC-issued food benefits on the WIC EBT smart card. The rate of reimbursement to the retail vendor for WIC EBT ECR maintenance is determined by the State Agency as outlined in this policy.

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

**PROCEDURES**

**I. DEFINITIONS**

- A. Maintenance reimbursement: State payment under this policy for all or part of a 12-month commercial ECR system maintenance agreement between an authorized WIC vendor (retail grocer) and a State-approved EBT ECR vendor payable after the WIC retail

grocer has made payment or committed to pay for the maintenance agreement as outlined in this policy. The maximum maintenance reimbursement available is limited to the number of lanes of the commercial system originally reimbursed under State Policy WV:12.0 and not to exceed the amounts listed below:

1. One lane – maximum reimbursement = \$1,100/12-months
2. Two lanes – maximum reimbursement = \$1,500/12 months
3. Three lanes – maximum reimbursement = \$2,000/12 months
4. Four lanes – maximum reimbursement = \$2,400/12 months

- B. Commercial ECR System: A complete/fully functional ECR system as purchased and reimbursed to the WIC retail grocer under WV:12.0.
- C. EBT: Electronic benefits transfer, specifically the WIC smart card benefits technology used by the WIC Program in Texas.
- D. ECR: Electronic cash register system.
- E. Maintenance Agreement: A contract with a certified WIC EBT ECR vendor to maintain the WIC retail grocer's WIC EBT commercial ECR system (hardware and software).
- F. Multi-tender ECR System: A commercial ECR system that accepts any combination of payment methods (tender) available to a vendor's customer including the WIC EBT smart card and at least one of the following: cash, check, credit card, SNAP (Food Stamps), or TANF.
- G. WIC-only tender System: A commercial ECR system that is capable of accepting only the WIC EBT smart card in payment for a store purchase.
- H. Total annual sales: Total amount of the WIC retail grocer's sales on an annual basis to include both food and merchandise (taxable and non-taxable items).

## II. ELIGIBILITY AND LIMITS OF REIMBURSEMENTS

- A. Only WIC retail grocers who have a current/active account as a WIC Program vendor are eligible for reimbursement of WIC EBT ECR maintenance agreements.

- B. Reimbursement of maintenance for retailer ECR systems will be available only for retail vendors who previously purchased an ECR system for WIC and were reimbursed for that system by the State and who have exhausted the initial 3-year maintenance agreement provided with their purchase of the ECR system. ECR systems that were not previously reimbursed by the State or component/subcomponent reimbursed system are not eligible for maintenance reimbursement.
- C. For purposes of maintenance reimbursements, retailer ECR systems are divided into two types: (1) commercial ECR systems that are only capable of conducting WIC transactions (WIC-only tender) and (2) commercial store systems that are capable of conducting multi-tender transactions, one of which must be a WIC tender.
- D. The State will reimburse the cost of annual maintenance for commercial systems that only conduct WIC transactions (WIC-tender only) at 100% of the annual charge for the maintenance up to the maximum amount listed in § I.A of this policy.
- E. The State will reimburse the cost of annual maintenance for commercial EBT ECR lanes originally reimbursed by the State under State Policy WV:12.0 that are capable of conducting multi-tender transactions (at least one of which must be WIC tender) using a pro rata methodology. [See § III.C.1.f(2)(c) for detailed methodology]. The maximum maintenance reimbursement cannot exceed the maximum amount listed in §I.A of this policy.
- F. Maintenance reimbursements are available beginning October 1, 2009. Vendors are not eligible for the retroactive reimbursement for any period of time prior to October 1, 2009.
- G. Maintenance reimbursement will be limited to the cost of maintenance for the number of store lanes which were originally approved and reimbursed under State Policy WV: 12.0.
- H. Currently authorized WIC retail grocers who have received, or are in the process of receiving, a termination notice for fraud or violation of WIC state policies or who have advised the State that they are voluntarily closing their store are not eligible for reimbursement of their maintenance agreement.
- I. Vendors who are terminated for fraud or violation of State WIC policies, or who voluntarily close their store within the time

period covered by a reimbursed maintenance agreement must return to DSHS a pro rata share of the total maintenance reimbursement received from DSHS. Reimbursement to DSHS is based on the pro-rata straight-line unused portion of the 12 month maintenance agreement.

### III. REIMBURSEMENT PROCEDURE

- A. The retail vendor must enter into a contractual maintenance agreement that:
1. Provides maintenance services for both the original hardware and software purchased by the WIC retail grocer for which the State provided reimbursement under State Policy WV:12.0. The invoice must indicate the total number of lanes covered by the maintenance agreement.
  2. Must cover a one-year (12-month) period beginning on or after October 1, 2009, and must not duplicate any period of time previously reimbursed by the State.
    - (a) As a one-time exception, the State will reimburse vendors for an existing one-year maintenance agreement executed prior to October 1, 2009, for the pro rata portion of the agreement that remains in effect after October 1, 2009 (not to exceed a 12-month maximum) and a pro rata share of any succeeding maintenance agreement to complete the current federal fiscal year period (October 2009-September 2010).
    - (b) Maintenance contracts paid month to month will be reimbursed at the conclusion of a twelve month period. Request for payment must be submitted within 90 days of the end of the twelfth month.
    - (c) Request for reimbursement of prepaid annual maintenance contracts must be submitted within 90 days of the effective date of the maintenance contract.
  3. Must be an ECR maintenance agreement with an ECR provider currently approved by the State as a certified EBT system provider.

4. Must provide maintenance services covering a 24 hour x 7 day period. More limited coverage (i.e., Monday-Friday, 8am-5pm) may be considered for reimbursement if a more limited coverage period is negotiated by the vendor as a matter of its store's business decision.
5. Includes all maintenance services required to keep the store's commercial WIC EBT system operational, including service and parts, but does not include the additional replacement cost of complete hardware units or software outside of the manufacturer's warranty period or maintenance agreement. This does not preclude a vendor from negotiating a maintenance contract with its ECR provider that includes the replacement of existing equipment.

B. Procedure for requesting maintenance reimbursement:

1. WIC retail grocer must submit a completed Request for Reimbursement of WIC EBT ECR Maintenance Costs form (see attachment A).
2. WIC retail grocer must attach the following documentation to the completed Request for Reimbursement of WIC EBT ECR Maintenance Costs form:
  - a. Invoice for the maintenance agreement from an ECR provider currently approved by the State as a certified EBT system provider. The invoice must clearly identify the WIC retail grocer who is receiving the maintenance services and the ECR vendor who is providing the maintenance services, identify the item being purchased as an ECR maintenance agreement for a WIC EBT system previously reimbursed by the State, indicate the total number of lanes covered by the maintenance agreement, and identify the specific time period the maintenance agreement is in effect (inclusive dates). The inclusive dates must represent a full 12-month period. The invoice must also meet the requirements of § III.A.1 of this policy.
  - b. Proof of full payment of the invoice for the WIC EBT ECR maintenance agreement in the form of:
    - (1). Copy of fully negotiated check, or

- (2). Copy of credit card receipt indicating payment to the ECR vendor, or
- (3). Receipt for payment by cash or a statement by the ECR vendor confirming payment of the invoice.

C. State Review and Reimbursement Process:

1. On receipt of a completed Request for Reimbursement of WIC EBT ECR Maintenance Costs form from a WIC retail grocer, the State will:
  - a. Verify the vendor has an current/active WIC account, and
  - b. Verify the vendor was previously reimbursed for a complete commercial ECR system under State Policy WV:12.0, and
  - c. Verify the vendor has not been sent or is not in the process of being sent notification of termination from the WIC Program or has notified the State that it is voluntarily terminating from the WIC Program, and
  - d. Verify the invoice meets the requirements of § III.B.2 of this policy, and
  - e. Verify the request for reimbursement has been received not later than the 90 day submission requirements.
  - f. Calculate the amount of reimbursement the vendor is eligible to receive:
    - (1) If the reimbursement request is for a WIC-only tender system, the vendor is eligible to receive full reimbursement up to the maximum amount listed in § I.A of this policy for the invoice submitted and no further calculation is required; or
    - (2) If the reimbursement request is for a multi-tender system:

- (a) Determine the vendors store's WIC volume from DSHS records for the most recent 12 months of WIC claims available at the time reimbursement is requested; then
  - (b) Divide the store's WIC volume (WIC sales/redemptions) by the store's total sales volume (food and merchandise) as indicated by State records, then
  - (c) Multiply the cost of the vendor's maintenance agreement by the percentage determined in § III.C.1.f(2)(b) to determine the amount of reimbursement for which the vendor is eligible. The maximum reimbursement available is listed in § I.A of this policy. If the maintenance agreement covers more lanes than originally reimbursed by the State, the cost of the maintenance agreement used for this calculation will be determined as a pro rata share (the maintenance amount total divided by the total number of lanes indicated on the invoice multiplied by the number of lanes originally reimbursed by the State). The maximum maintenance reimbursement cannot exceed the maximum amount listed in §I.A of this policy.
- g. Process a State of Texas Purchase Voucher for the amount of reimbursement the vendor is eligible to receive.
2. Approved maintenance reimbursements will be paid to the vendor through the vendor's direct deposit account with the Texas Comptroller of Public Accounts (CPA). Reimbursements to WIC retail vendors will typically be processed to payment within 60 days from the time of receipt of all completed documentation (assuming normal CPA processing times).

- IV. 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.

**Request for Reimbursement of WIC EBT ECR Maintenance Costs**

Vendor Name \_\_\_\_\_ Account No. \_\_\_\_\_

Vendor Address \_\_\_\_\_ Outlet No. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Vendor WIC EBT System (circle one): JPMA IBM-ACE ISS-45 NCR  
LOC/Cassio/SMS Sweda RORC  
Other (specify) \_\_\_\_\_

1. Were you reimbursed by the State for this ECR system:  Yes  
 No

2. Name/address of ECR vendor providing Maintenance Agreement:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Amount/Cost of WIC EBT Maintenance Agreement: \$ \_\_\_\_\_

4. Period of time covered by Maintenance Agreement \_\_\_\_\_ - \_\_\_\_\_  
(month/year) (month/year)

I certify to the State of Texas that the information provided in this request for WIC EBT ECR maintenance reimbursement and the attached ECR vendor invoice is true and correct.

Signature of Vendor: \_\_\_\_\_

Date: \_\_\_\_\_