

NEVADA  
WOMEN, INFANTS, AND CHILDREN (WIC) PROGRAM  
INTEGRATION PLAN FOR RETAILERS

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## Guidelines for Use

We have used a number terms and acronyms throughout this document. A list of terms and acronyms with their meanings are below:

### Terms

Authorized Person	The person authorized by the WIC Program to access WIC benefits on behalf of a participant. The Authorized Person and a participant may be the same person. This is the cardholder.
Benefit Issuance Number	The unique ID number that the State provides to J.P. Morgan EFS authorizing the benefits for the WIC Participant.
Benefit Issuer	From a network perspective, J.P. Morgan EFS is the benefit issuer on behalf of the Nevada WIC Program.
Benefit Issuer Totals Screen	This is a screen in our EBT Browser Admin application, the Benefit Issuer Totals screen – BIT.
Card Issuer	From a network perspective, J.P. Morgan EFS is the card issuer on behalf of the Nevada WIC Program.
Certification	The process of validating core messaging, fields and field contents to process a WIC transaction between an integrated vendor, Third Party Processor (TPP) and WIC EBT processor.
EBT-only Vendor or Non-Integrated Vendor	WIC vendor utilizing WIC Program/J.P. Morgan EFS supplied POS equipment per contractual agreement between the WIC Program and J.P. Morgan EFS.
EBT Gateway	The path for all J.P. Morgan EFS EBT transactions to go through to reach J.P. Morgan EFS. This may also be referred to as FiServ or the switch.
Food Package	The sum of the food benefits issued to an authorized WIC family/participant.
FiServ	The path for all J.P. Morgan EFS EBT transactions to go through to reach J.P. Morgan EFS. This may also be referred to as the EBT Gateway or the switch.
Integrated Vendor	A WIC authorized vendor utilizing their existing commercial equipment to process WIC EBT transactions.
Interface	J.P. Morgan EFS uses the term interface to describe the interaction using online core messages, fields and field contents to process a WIC transaction between the integrated vendor and J. P. Morgan host.
ITCN	The Inter-Tribal Council of Nevada, Inc. (ITCN) was incorporated as a non-profit organization under Nevada State Law on February 23, 1966. ITCN is a Tribal organization serving the member reservations and colonies in Nevada. ITCN now manages Federal and State funded programs aimed at improving the well-being of community members throughout the State of Nevada. For efficiency purposes and

	to eliminate duplicate efforts within Nevada, ITCN WIC Benefits are issued utilizing State of Nevada resources via a Memorandum of Understanding.
J.P. Morgan	J.P. Morgan is the EBT provider for the Nevada WIC Program as well as Nevada's SNAP program. J.P. Morgan serves as the information technology host, providing the bridge mechanism to store food benefits issued to eligible Participants, and reimburse Retailers for authorized WIC purchases.
Nevada WIC Program	The Nevada Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a federally funded short-term nutrition program operated in Nevada through the Nevada State Health Division, Public Health and Clinical Services. It provides nutritious foods to supplement the diets of pregnant, postpartum and breastfeeding women, infants and children under age 5 who meet WIC eligibility requirements. WIC benefits for ITCN are issued under the umbrella of Nevada WIC. For the purposes of this document, Nevada WIC incorporates ITCN's WIC program, participants and retailers by reference, unless stated otherwise.
Participant	The individual member of the family (recipient) who is approved to receive benefits and for whom benefits are prescribed.
State Issuer Balance Screen	This is a screen in our EBT Browser Admin application. Also referred to as State Issuer Totals (SIT), its Tandem counterpart.
Switch	The path for all J.P. Morgan EFS EBT transactions to go through to reach J.P. Morgan EFS. This may also be referred to as the EBT Gateway or FiServ.
WIC	The Special Supplemental Nutrition Program for Women, Infants, and Children - better known as the WIC Program - serves to safeguard the health of low-income women, infants, & children up to age 5 who are at nutritional risk by providing nutritious foods to supplement diets, information on healthy eating, and referrals to health care. The Food and Nutrition Service (FNS), a Federal agency of the U.S. Department of Agriculture, is responsible for administering the WIC Program at the national and regional levels.
Vendor/Retailer	Vendor/Retailer is the retail location where a cardholder redeems their WIC food package (food benefits).

## Acronyms

The System Security Plan contains a number of acronyms and terms that may not be familiar to every reader. To assist the reader, a list of the acronyms and terms with their associated meanings is presented here:

AA	Authorized Agent
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ACH	Automated Clearing House
AICPA	American Institute of Certified Public Accountants
ANSI	American National Standards Institute
APTM	Advanced Personal Transaction Machine
AR	Authorized Representative
ARU	Automated Response Unit
AVR	Automated Voice Response
BAH	Booz Allen Hamilton
BTD	Business Totals Data
CAV	Card Authentication Value
CIF	Customer Information File
CPU	Central Processing Unit
CRS	Cash Register System
CSR	Customer Service Representative
CSV	Comma Separated Value
CVB	Cash Value Benefit
DEK	Data Encrypting Key
DES	Data Encrypted Standard
DHHS	Nevada Department of Health and Human Services
DM	Domain Manager
DOM	Document Management System, used to refer to EBT Online Reporting
DUKPT	Derived Unique Key Per PIN Transaction
EBT	Electronic Benefits Transfer
ECR	Electronic Cash Register
ECMS	J.P. Morgan Enterprise Change Management System
EDP	Electronic Data Processing
EFS	J. P. Morgan Electronic Financial Services, Inc.
FDC	First Data Corporation
FIPS PUB 140	Federal Information Processing Standards, Publication 140
FNS	U. S. Dept. of Agriculture Food and Nutrition Services
FTP	File Transfer Protocol
HP	Hewlett Packard
HP NonStop	Tandem System
IMSD	J.P. Morgan EFS Identity Management Service Delivery (security administration)

IP	Internet Protocol
IPSec	Internet Protocol Security
ISO	International Organization for Standardization
IT	Information Technology
ITCN	Inter-Tribal Council of Nevada, Inc.
IVR	Interactive Voice Response
KEK	Key Encrypting Key
LAN	Local Area Network
M2	M2 Software, Inc. (software developers)
MAR	Maximum Allowable Reimbursement
MAC	Message Authentication Code
NSC11 and NSC12	Hewlett Packard (HP) NonStop™ Computing platforms at the J.P. Morgan EFS data centers designated as primary and backup support for the Nevada WIC Program EBT project.
OIG	Office of the Inspector General
OLTP	Online Transaction Processing
OTC	Over The Counter
PAN	Primary Account Number
PC	Personal Computer
PDF	Portable Document Format
PIN	Personal Identification Number
POS	Point Of Sale
QA	Quality Assurance
RDF	Remote Database Facility
RFA	Request for Applications. (For the purposes of this document, this refers to the request issued by Nevada WIC, to WIC-Approved Retailers regarding grant funding.)
RRM	Resiliency Risk Management, J.P. Morgan term referring to continuity of business and event recovery planning
SAS	Statement of Auditing Standards
SCC	Security Control Center
SIVR	Speech Interactive Voice Response
SNAP	Supplemental Nutrition Assistance Program, federal term to replace Food Stamps
SOX	Sarbanes-Oxley Act
SPOE	Secured Point of Entry
SSL	Secure Socket Layer

TCP	Transmission Control Protocol
TPP	Third-Party Processor
TSU	Transaction Services Unit
TPX	Internet Protocol Addressing
UPS	Uninterruptible Power Supply
UOM	Unit of Measure
VAR	Value Added Reseller
VPN	Virtual Private Network
WIC	The Special Supplemental Nutrition Program for Women, Infants, and Children

## Overview

The purpose of the Nevada WIC Program EBT Retailer Integration Project is to migrate WIC-Approved Retailers to a fully integrated, online ECR/POS/VAR system. Integration will benefit over 73,000 participants each month, who redeem over \$43 million in WIC food benefits each year through Nevada's 212 WIC-Approved Retailers.

In a fully integrated online environment, vendors and participants will realize a number of improvements, such as:

1. A streamlined WIC transaction process eliminating the current requirement of duplicate item scanning, which will significantly increase customer pass through and allow retail vendors to process more transactions in the same amount of time;
2. The removal of the existing "stand-beside" WIC point of sale devices in favor of the standard credit card terminals currently in use for automated transactions, which will preserve in-lane space;
3. Electronic Cash Register Point of Sale Systems utilize network connections, which allows for the streamlining transaction activity within the existing integrated vendor environment;
4. Improved customer service by reducing the amount of time necessary to process a WIC transaction;
5. Eliminate the stigma associated with an easily identifiable WIC purchase. Integration will enhance the dignity with which WIC participants receive their food prescription, while improving the in-lane-flow for the retailer, thus resulting in a positive and efficient in-lane experience for both the participant and the retailer.

Nevada is already successfully operating with an online stand-beside EBT system. The next and final component in this realm of online EBT is to integrate the retailers' ECR/POS/VAR Systems.

Funding to assist Retailers was provided under the auspices of Public Law 115-5, the American Recovery and Reinvestment Act of 2009 (ARRA) administered by the United States Department of Agriculture, Food and Nutrition Service. An integral component of the ARRA grant award provides funding to participating Nevada WIC Program retail grocery chains and independent grocers who apply and are approved to migrate to a fully integrated online ECR/POS/VAR system.

The WIC Program, in partnership with J.P. Morgan, will work with the ECR/POS/VAR Developers (to be determined, i.e., IBM, NCR), Value Added Resellers (to be determined, i.e., CRS Inc, Retalix, JPMA) Processors (to be determined, i.e., First Data, Fifth Third, FBS Worldpay) and the WIC-Approved Retailers to integrate the various ECR/POS/VAR systems, terminal software, and online transaction processing capabilities, and coordinate the appropriate resources and support to fully integrate WIC EBT functionality in the retail stores authorized to redeem WIC benefits.

## Specifications and Standards

FNS has committed efforts and funding to pursue the expansion of technology-neutral WIC EBT projects in line with current trends in commercial retail transaction processing. Consistent operating rules from State to State are an integral part to the modernization and streamlining of business practices through electronic solutions nationwide. In addition to utilizing the following standards, Nevada will be participating in the WIC EBT Online Summit, organized to develop and implement business rules and processing specifications that align with those of other online WIC agencies.

The following Specifications and Standards support a National WIC Standard for retail electronic processing.

### Operating Rules

FNS has prepared Operating Rules to provide a framework for the initiation and continuing operation of a WIC EBT program. This includes the rules of operation for those parties participating in the program, including WIC Authorities, WIC Cardholders, retail system vendors, WIC vendors, Acquirers and Processors. See Appendix A.

### Technical Implementation Guidelines

FNS has prepared a Technical Implementation Guide to insure consistency to allow for adoption and ease of implementation for WIC Vendors providing WIC benefits. This guide provides the requirements for utilizing X9.93 files<sup>1</sup> for WIC Online EBT Implementations. See Appendix B.

### J.P. Morgan EFS WIC Transaction Guidelines and Online Interface Document

J.P. Morgan has provided guidelines that define the business requirements for the functionality of a retail ECR/POS/VAR System. The document provides the framework for the processing of WIC online transactions with the J.P Morgan EFS System, provides information on the receipt and use of UPC/PLU APL file downloaded to the ECR System, and provides guidance on the use of data elements transmitted to/from the J.P. Morgan EFS System. The WIC Online Interface Document provides information on the core messages, fields and field contents used in the J.P. Morgan WIC EBT system. See Appendix C.

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<sup>1</sup> (\* X9.93 Standards are copyrighted and protected by Digital Rights Management (DRM) at the request of the copyright holder. One can download and open the file to their own computer but DRM prevents opening this file on another computer, including a networked server. The copyright holders may impose other restrictions that limit document printing and copy/paste of documents. X9.93 Standards are available for purchase via the following link to the ANSI eStore, as provided on the FNS Document Library:

<http://webstore.ansi.org/FindStandards.aspx?SearchString=X9.93&SearchOption=1&PageNum=0>

## Implementation Requirements

Retailers who are currently WIC-approved, and already operating in the Online EBT platform, may be eligible for grant funding to defray the costs of integrating their ECR/POS/VAR systems. Awards are subject to availability of grant funding. The amount of funds awarded depends on the number of requests received, and the viability of the Retailer's Project Proposal. All retailers interested in integration have been requested to provide a Letter of Interest to the Nevada WIC Program. The request was emailed on February 18, 2011 to all retailer contacts on file. The email was followed via hard copy to the owner on file for each retailer. The hard copy to each owner included a listing of each contact that received the email on February 18, 2011, as well as a listing of any ECR/POS/VAR and TPP information that the Nevada WIC has on file. In the event that a retailer does not respond as requested, the retailer may be ineligible for the first round of grants.

Retailers will submit a Project Proposal before consideration of approval to integrate, and prior to award of any grant monies (if requested). Awards are subject to availability of grant funding. The amount of funds awarded depends on the number of requests received, and the viability of the Retailer's Project Proposal. The conditions of the Nevada WIC Program's Request for Proposals, along with the retailers' resulting project proposals will be reviewed, clarified as needed, and upon approval, will be incorporated by reference into a Sub Grant Agreement.<sup>2</sup>

The Retailer's Project Proposal will incorporate, at a minimum, the following elements for consideration:

- A Detailed Project Plan, including:
  - Project Scope
  - System Details and Associated Parties
    - ECR/POS/VAR
    - TPP
    - Retailers involved, including specific sites and any other retailer chains participating under the lead retailer
  - Schedules
  - Tasks/Milestones
  - Dependencies
  - Verifiable Cost Elements (if requesting funding)
  - Project Contacts/Roles
  - Amount Requested for Reimbursement, if any
  - Amount that the Retailer is willing to contribute to complete the project<sup>3</sup>
  - Commitment to produce an updated Project Plan within 30 days of signing the Sub Grant Award Agreement
  - Commitment to produce a System Design Document, a Certification Testing Plan, and a Pre-Certification Functional Walk-through within 60 days of signing the Sub Grant Award Agreement (90 days is acceptable if the proposal includes building a new system or performing major customization to an existing system)

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<sup>2</sup> Note: The Sub Grant Agreement will be utilized for all Retailers wishing to integrate. For those Retailers who do not request reimbursement, the dollar value of the agreement will be listed as zero.

<sup>3</sup> Retailers are not required to incur additional costs for the purposes of integration if used solely to support WIC EBT, however, retailers are required to share costs for the integration of systems that are not solely dedicated to WIC EBT transactions.

- Proposed site for certification
  - Identify what store will host configuration testing upon successful certification
  - Identify parties involved with configuration testing

Nevada WIC will provide a template proposal form for guidance. It is not required for Retailers to use the template.

### *Sub Grant Award Details*

The grant process is an Integrity Based System<sup>4</sup>, a system that relies on everyone to act with honesty in using public funds and in reporting on their use of such funds (defined by the United States Dept. of Justice: <http://www.justice.gov/oig/recovery/docs/GrantFraudHandout.pdf>). Sub Grant award selections must be made using a fair and transparent process, free of undue influence.

Determination of which parties are responsible for the various cost elements associated with integration must be worked out within each set of affected organizations (Retailers, ECR/POS//VAR, TPP, etc.). Sub Grant funding will be awarded in a fair and equitable manner to assist with these costs.

Awards are subject to availability of grant funding. The amount of funds awarded depends on the number of requests received, and the viability of the Retailer's Project Proposal.

Nevada WIC will allocate Sub Grant funding factoring using the following criteria, to ensure that grant funding is utilized in an efficient manner and to ensure maximization of the benefit experienced by the Retailer and Participant communities:

- Federal monies received through other agencies for Online Integration projects
- Stage and schedule of certification with other agencies
- Common elements among retailers that may minimize cost and duplication of efforts, and where feasible to consolidate development, commonalities which may help identify viable retailer candidates to serve as the lead in integration efforts for each ECR/POS//VAR, TPP. Elements specific to each retailer include:

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<sup>4</sup> See <http://www.justice.gov/oig/recovery/docs/GrantFraudHandout.pdf>

#### **Overview of the Grant Process**

The grant process is an "Integrity Based System"—we rely on everyone to act with honesty in using public funds and in reporting on their use of such funds. Any concern about a lack of integrity anywhere in the process requires careful analysis and follow-up.

#### **Conflicts of Interest**

Grantees are required to use funds in the best interest of their program. Decisions about the use of funds must be free of undisclosed personal or organizational conflicts of interest— both in appearance and fact. Typical issues include:

- Less than Arms-Length Transactions: purchasing goods or services or hiring an individual from a related party such as a family member or a business associated with an employee of a grantee.
- Sub grant award decisions and vendor selections must be accomplished using a fair and transparent process free of undue influence. Most procurements require full & open competition.
- Consultants can play an important role in programs; however, their use requires a fair selection process, reasonable pay rates, and specific verifiable work product.

- ECR/POS/VAR Software Developer
  - Software Program and Version
  - ECR/POS/VAR System and Version
  - TPP
  - Common membership in Associations that may help coordinate and support these efforts for multiple chains or independent retailers in one effort
- Dollar Value of Food Benefit Redemption processed by each Retailer
  - Volume of participant transactions through each retailer
  - Retailer's Project Proposal, Reimbursement Request, and Schedule

Nevada WIC proposes to determine actual amounts upon receipt and review of all requests considering the pool of funds available, and using the categories listed in Exhibit 1 below.

Retailers will be factioned into four categories as follows:

Exhibit 1: Nevada WIC Funding Model

Category	Definition	Funding Methodology
1	<ul style="list-style-type: none"> <li>● Retailers that must purchase an upgrade to an existing commercial ECR/POS/VAR System in order to integrate</li> </ul>	<ul style="list-style-type: none"> <li>● Proposed cost and funding requested</li> <li>● Number of WIC stores in Nevada</li> <li>● Type of ECR/POS/VAR, and the number of other Nevada WIC stores using the same system</li> <li>● Volume of transactions and actual benefits redeemed</li> <li>● Number of lanes</li> </ul>
2	<ul style="list-style-type: none"> <li>● Retailers that will integrate a ECR/POS/VAR System that has not yet been modified for online WIC EBT</li> </ul>	
3	<ul style="list-style-type: none"> <li>● Retailers that operate using a proprietary ECR/POS/VAR software to be integrated</li> </ul>	
4	<ul style="list-style-type: none"> <li>● Retailers that own their ECR/POS/VAR</li> <li>● Retailers that will integrate without funding assistance through Nevada WIC.</li> </ul>	

## WIC Retailers

All existing WIC retailers have already applied to and have been approved by the Nevada WIC Program to provide reasonable participant convenience and access, and are currently certified for and operating with Online EBT technology. This final phase of the project will integrate the retailers' ECR/POS/VAR systems in order to eliminate the stand-beside terminals for those Nevada WIC retailers who choose to participate in this integration project.

Retailers have proven their commitment to the Nevada WIC program by meeting the following criteria prior to being authorized to legally redeem Nevada WIC benefits, and incorporated into Nevada WIC's online EBT program. While this information is not specific to the Integration Project, it does articulate, commitment and ability to operate under a federal program, and confirms their ability to certify/integrate if they are so inclined:

- Provide a full line of grocery items, including meat, dairy, produce, and dry goods
- Stock at all times, the required quantity and variety of WIC foods as specified in the WIC Vendor Manual
- Certify that infant formula is purchased only from the sources specified on the List of Authorized Suppliers of Infant Formula provided by the State WIC Agency
- Offer prices comparable and competitive to similarly situated retailers (in terms of type/size of store, and geographic location)
- Retailers must comprise at least 50% of their annual food sales from non-WIC sales
- Retailers must be within proximity of at least 10 WIC participants that routinely shop at the location, and the location must be opened at least 8 hours per day, 6 days per week
- Retailer locations must be accessible to WIC staff for visits as required by federal regulations to conduct training and monitoring visits
- Owners, officers and managers may not have been convicted of or have had a civil judgment in the past 6 years for fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, or obstruction of justice
- Retailers participating in the SNAP Program cannot have been disqualified or suspended from the Program for the preceding two years, or been assessed a civil money penalty for hardship in lieu of a disqualification. Failure to meet these criteria prevents a Retailer's eligibility as a Nevada WIC-approved retailer.
- Retailers must pass a pre-agreement onsite inspection certifying that the above criteria has been met, and that initial retailer training has been performed

### *Retailer System Details*

The Nevada WIC Program will approach the integration of retailers in a logical manner according to their common components and interest in combining efforts with other retailers.

- ECR/POS/VAR Software Developer/Provider
- Software Program and Version
- POS Payment System and Version
- POS Software Vendor Contact
- Third Party Processor
- Third Party Processor Link

In no way does this imply preference. This only states that Nevada WIC will maximize efficiencies and resources where feasible.

## *Vendor Integration Challenges and Remediation*

There are challenges and obstacles inherent to implementing a project of this magnitude. The following issues are commonplace for such an undertaking, and with the coordination, cooperation, and consistency from FNS, J.P. Morgan, Nevada WIC, the Retailers, the ECR/POS/VARs and Third Party Processors, the challenges will be managed successfully, lending lessons learned to other WIC Programs with such an undertaking in their future.

Nevada WIC will schedule recurring conference calls and status updates with the relevant parties in each certification to provide a forum for parties to communicate with all involved.

Balancing the cost/benefit ratio for retailers may be a challenge as well. While transaction fees are considered part of doing business in a multi-tender environment that includes debit, credit, gift cards and various cobranded cards, as well as WIC EBT, some retailers have voiced concerns relating to additional transaction fees and overall development cost compared to the impact of double scanning using the stand-beside process. Nevada WIC will communicate with Retailers to ensure they fully understand all options. One such option is connecting directly to J.P. Morgan, which provides the Retailer with the ability to connect to Nevada WIC's EBT processor to eliminate transaction fees. While it will be the retailers' responsibility to define their internal cost drivers associated to comparing the impact of using the stand-beside with double scanning versus integration, Nevada WIC and J.P. Morgan will provide assistance with this evaluation by working with the retailers to help them understand the integration essentials.

While the Nevada WIC Program will build on the certification processes successfully utilized by Chickasaw Nation and J.P. Morgan, there are still inherent challenges with requirement gaps, various hardware platforms and versions, and adequate testing resources. Nevada WIC and J.P. Morgan will maintain open lines of communication with the retailers and request that they provide advance notice of any changes to their system that may have an impact to WIC EBT. Upon discussions of these changes, Nevada WIC and J.P. Morgan will evaluate any necessary impacts and identify levels of testing to be coordinated relating to these changes.

Training at the retailer level will pose the same challenges the Nevada WIC Program met when going online. Each ECR/POS/VAR system will process differently, and one size does not fit all. While retailer integrated training is a function for the retailer, Nevada WIC will work with each retailer to ensure their staff has adequate training to transition to the integrated solution from the stand-beside.

The success of this implementation requires that the Nevada WIC Program be kept in the center of communications and concerns that are likely to surface throughout this project. The Nevada WIC Program will work closely with J.P.Morgan and all stakeholders to be made aware and actively involved so that any concerns or interests may be managed with minimal impact to this project, and to the satisfaction of the concerned parties. While the integration process is owned by Nevada WIC, all parties must communicate with integrity, transparency and honesty in order for the project to be a success.

## **Stakeholders**

There are many stakeholders affected by the successful implementation of a fully integrated online environment. The primary stakeholders in this project are the Participants, who will experience a more dignified and efficient shopping experience. They will not have to wait in a WIC-designated lane, and they will experience the convenience of mixed basket purchases. The other primary stakeholder is the Retailer, who will experience a smoother traffic flow for in-lane

transactions without the need to duplicate-scan/duplicate-key benefit items. Integration will eliminate the need to designate and staff special lanes for WIC Participants, will eliminate the need for stand-beside equipment that takes up valuable lane space, and will provide better reporting for reconciliation purposes.

The key stakeholders supporting the Participants and Retailers through implementation include the Nevada WIC Program and J.P. Morgan, along with associations such as the National Grocer Association, Nevada Retailer Association, and most certainly the providers of retail support such as the Point of Sale Providers, Value Added Resellers and Third Party Processors.

### *Project Team*

The key personnel devoted to this project have the requisite experience, skills and education to make positive contributions in their assigned areas of expertise. The Nevada WIC Program was the first agency in the nation to implement Online EBT in their WIC Program state-wide, and has proven its ability to coordinate this final piece, integrating the participating Retailers' ECR/POS/VAR systems.

The project team members are actively involved in weekly conference calls, participating in WIC Technical Conference Calls hosted by FNS, as well as participating in monthly conference calls for the newly formed Western Region EBT Users Group.

Nevada WIC is the driver for retailer integration, providing project management to the overall integration effort. The Nevada WIC Program will provide a number of critical functions to fully integrate Retailer ECR/POS/VAR systems to streamline the purchase process and remove the stigma associated with WIC purchases. Functions include but are not limited to:

- Determine interest, eligibility, and funding needs from Retailers interested in integration
- Review and approve Retailers' Project Proposals
- Allocate available Sub Grant funding to subsidize the viable costs of integration efforts where needed, to the maximum benefit of Participants and Retailers
- Coordinate with J.P. Morgan to provide operating rules and implementation guidelines to interested Retailers
- Schedule certifications with various retailers, balancing priorities and coordinating to meet and maximize the schedules of all involved
- Host recurring conference calls with each set of affected parties during each certification (Retailer/POS/ECR/TPP/VAR/FNS/BAH), and ensure appropriate and timely communication between scheduled calls
- Monitor open tasks and issues
- Coordinate and maintain schedules for the various phases of certification
- Ensure adequate testing is performed in each phase and that all scripts are executed
- Coordinate with Booz Allen Hamilton (BAH) during certifications to ensure receipts are reviewed and reconciliation is performed
- Communicate and coordinate with other WIC Programs regarding integration efforts and resources to develop and utilize a standardized and efficient process for current and future implementations
- Properly track the use of funds, and maintain adequate supporting documentation.

Nevada WIC will determine which retailers will integrate in what order, and will allocate available grant funding to subsidize retailer integration efforts where needed.

- Nevada WIC Program Resources/Responsibilities:

- WIC Program Director: Dave Crockett  
[dcrockett@health.nv.gov](mailto:dcrockett@health.nv.gov)  
775-684-4267

Responsibilities:

- ✓ Responsible for oversight and resource allocation to the overall project
- ✓ Review and approve Retailers' Project Proposals
- ✓ Allocate available Sub Grant funding to subsidize the viable costs of integration efforts where needed, to the maximum benefit of Participants and Retailers

- Integration Project Manager: George McNeil  
[gmcneil@health.nv.gov](mailto:gmcneil@health.nv.gov)  
775-684-4252

Responsibilities:

- ✓ Responsible for technical oversight/project management
- ✓ Coordinate with J.P. Morgan to provide operating rules and implementation guidelines to interested Retailers
- ✓ Host bi-weekly conference calls with each set of affected parties during each certification (Retailer/POS/ECR/TPP/VAR/FNS/BAH), and ensure appropriate and timely communication between scheduled calls
- ✓ Ensure adequate testing is performed in each phase and that all scripts are executed
- ✓ Coordinate with Booz Allen Hamilton to ensure receipts are reviewed and reconciliation is performed
- ✓ Communicate and coordinate with other WIC Programs regarding integration efforts and resources to develop and utilize a standardized and efficient process for current and future implementations

- Integration Manager: Erin Hegarty  
[ehegarty@health.nv.gov](mailto:ehegarty@health.nv.gov)  
775-684-3206

Responsibilities:

- ✓ Responsible for overall communication and coordination of the participating entities for the project in general
- ✓ Determine interest, eligibility, and funding needs from Retailers interested in integration
- ✓ Review and approve Retailers' Project Proposals
- ✓ Allocate available Sub Grant funding to subsidize the viable costs of integration efforts where needed, to the maximum benefit of Participants and Retailers
- ✓ Coordinate with J.P. Morgan to provide operating rules and implementation guidelines to interested Retailers
- ✓ Schedule certifications with interested retailers, balancing priorities and coordinating to meet and maximize the schedules of all involved
- ✓ Host bi-weekly conference calls with each set of affected parties during each certification (Retailer/POS/ECR/TPP/VAR/FNS/BAH), and ensure appropriate and timely communication between scheduled calls
- ✓ Monitor open tasks and issues
- ✓ Coordinate and maintain schedules for the various phases of certification

- ✓ Communicate and coordinate with other WIC Programs regarding integration efforts and resources to develop and utilize a standardized and efficient process for current and future implementations
- ✓ Coordinate with Booz Allen Hamilton to ensure receipts are reviewed and reconciliation is performed

- Vendor Coordinator- Nevada WIC                      Janice Hadlock-Burnett  
[jburnett@health.nv.gov](mailto:jburnett@health.nv.gov)  
775-684-4269

Responsibilities:

- ✓ Review and approve Retailers' Project Proposals
- ✓ Host bi-weekly conference calls with each set of affected parties during each certification (Retailer/POS/ECR/TPP/VAR/FNS/BAH), and ensure appropriate and timely communication between scheduled calls
- ✓ Assist with certification testing and ensure that all scripts are executed
- ✓ Coordinate with Booz Allen Hamilton to ensure receipts are reviewed and reconciliation is performed

- Vendor Coordinator – ITCN                                      Theresa Carsten  
[Tcarsten@itcn.org](mailto:Tcarsten@itcn.org)  
775-355-5210 Ext 152

Responsibilities:

- ✓ Review and approve Retailers' Project Proposals
- ✓ Host bi-weekly conference calls with each set of affected parties during each certification (Retailer/POS/ECR/TPP/VAR/FNS/BAH), and ensure appropriate and timely communication between scheduled calls
- ✓ Assist with certification testing and ensure that all scripts are executed
- ✓ Coordinate with Booz Allen Hamilton to ensure receipts are reviewed and reconciliation is performed

- Financial Manager:    Mike Urban  
[murban@health.nv.gov](mailto:murban@health.nv.gov)  
775-684-4053

Responsibilities:

- ✓ Properly track the use of funds, and maintain adequate supporting documentation.

J.P. Morgan is the Nevada WIC Program's EBT provider. In this capacity, J.P. Morgan personnel serve a number of critical EBT functions, including, but not limited to:

- serving as the information technology host for the the Nevada WIC Program EBT system,
- providing the bridge mechanism to store food benefits issued to eligible participants during the WIC application process (this includes providing EBT cards),
- communicating with grocery stores to identify food benefits issued and available for purchase,

- installing, maintaining, and servicing external EBT point-of-sale devices at participating grocery stores,
- reimbursing vendors for authorized WIC purchases,
- coordinating with the Nevada WIC Program to provide various reports used to track participation statistics,
- working with the WIC program to fully integrate vendor ECR/POS/VAR systems to streamline the purchase process and remove the stigma association with WIC purchases, and
- Coordinating with State agency personnel on matters of common interest (e.g., Nevada SEBTC-WIC project).

J.P. Morgan is fully committed to this project, considering it a logical next step in the expansion of EBT technology designed to deliver similar programming to other venues. J.P. Morgan understands that through their efforts, they have the opportunity to benefit low-income, at-risk families by facilitating nutrition based programming that promotes healthy lifestyles and positive nutritional choices. This can be accomplished with minimal modifications to the existing system, thereby maximizing efforts to address hunger and food insecurity.

- J.P. Morgan Resources:

- Relationship Manager, Nevada                      Bill Zidel  
[William.m.zidel@jpmchase.com](mailto:William.m.zidel@jpmchase.com)  
(360) 456-6387
- Sr. Relationship Manager                              Jane Laurence  
[Jane.h.laurence@jpmchase.com](mailto:Jane.h.laurence@jpmchase.com)  
(480) 539-0121
- WIC EBT Technical Manager                      Chris Harbord  
[Christopher.p.harbord@jpmchase.com](mailto:Christopher.p.harbord@jpmchase.com)  
(813) 432-4715
- Treasury Services EFS                              Somen Adhikari  
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(813) 432-5882
- Integrated Retail Manager                          Kristen Bosso  
[Kristen.w.bosso@jpmchase.com](mailto:Kristen.w.bosso@jpmchase.com)  
(813) 907-2646
- Sr. Retail Manager                                      Valarie Simms  
[Valarie.l.simms@jpmchase.com](mailto:Valarie.l.simms@jpmchase.com)  
(502) 995-3703
- Product Manager, WIC EBT                          Bonnie Wright  
[Bonnie.a.wright@jpmchase.com](mailto:Bonnie.a.wright@jpmchase.com)  
(813) 432-4896

## Advisory Resources

In addition to the Project Team, other contributors to the success of this implementation include:

- National Grocers Association: Greg Ferrara (703) 516-0115
- Nevada Retailers Association: Lea Tauchen (775) 882-1700
- Associated Foods: Byron Goodwin (801) 978-8274
- FNS, Western Region: Mike Drew (415) 705-1313
- Retailix: John Schaffer (724) 776-5544
- NCR: Glynn Rogers (770) 557-0723
- IBM: Peter Harris (919) 486-3147
- IBM: Roger Adema (919) 486-3733
- RORC: Joe Jurich (817) 607-9000
- First Data: Dave Weis (402) 222-5417
- Fifth Third: Melanie Huron (513) 358-3790
- Novo Dia Group: Ricky Aviles (512) 413-4287

## POS Systems

WIC EBT is unlike a typical credit card, because specific prescription items are being redeemed as opposed to a financial transaction. There are several rules to be met in order for such a transaction to be processed successfully. Redemption items must be verified to the prescription specific to each participant, and set in accordance to the Authorized Product List that is specific to each state agency.

Point of Sale Systems will be certified via a test host system created to run transactions that ensure data is formatted appropriately, and that the system will process the transaction correctly.

## Summary of WIC EBT Systems as of February, 2011

The following WIC EBT Systems are currently certified, or under development:

Store Systems	Online	SmartCard
CRS ISS45		X
Cygnus – RMS		X
IBM ACE	X	X
IBM SA	X	X
ISIS	X	X
ISS 45 v7	X	X
ISS 45 v8	X	X
LOC SMS	X	X
Market Master	X	
NCR ACS-IR		X
NCR ScanMaster v2	X	X
NDG Mobile Market	X	
POS Designer		X
Retalix StoreLine	X	X
RORC	X	X
Sweda Aurora		X

Third Party Proc	Online	SmartCard
Fifth Third	X	
First Data ISO	X	
FIS/efunds	X	
First Data EPC	X	
MTXEPS	X	X

## Communication Plan

The Nevada WIC Program is dedicated to keeping clear and consistent communication with the key stakeholders throughout the project. Nevada WIC will host recurring conference calls with interested retailers to keep them abreast of progress and any adjustments to the project plan and schedule.

The Nevada WIC Program will work with the affected parties to define what role each party will play in communication, and identify who is responsible for communicating the various elements of the project moving forward, such as realistic timelines and milestones that are viable for each

Certification Plan, submitted by the Retailers and approved by Nevada WIC. For updates that are more general in nature, Nevada WIC will also utilize the various associations, corporate contacts, and retailers' newsletters to keep all stakeholders apprised of the overall project status.

The Nevada WIC Program has communicated with each retailer to request a Letter of Interest, asking the retailer to provide the necessary information listed under the Implementation Requirements, and is following up on plan/proposal development with those retailers interested in integration. J.P. Morgan and the Nevada WIC Program will coordinate communication with each retailer's TPP using documents such as the TPP Certification Process flow (included in Appendix E).

The Nevada WIC Program has been reaching out to WIC-approved retailers within the state to determine their ECR/POS/VAR information so that the Nevada WIC Program can work in an efficient manner where there are commonalities with the stakeholders. The Nevada WIC Program has also been working with retailers, TPPs and other stakeholders who have already integrated with other agencies, seeking information about lessons learned, likes/dislikes, suggestions, etc so that we may incorporate this advice to improve our project.

Nevada WIC will also take into consideration prior funding received from other WIC Agency projects. Sub Grant funding will be awarded in a fair and equitable manner to assist with these costs as discussed in the Sub Grant Award Details. The Nevada WIC Program will work with FNS and the other stakeholders to schedule certification in the most logical and efficient manner, to affect the maximum benefit to Participants, Stakeholders, and WIC Programs nationwide.

NV intends to schedule certifications first for those retailers who are not requesting money and/or are ready to integrate in the near future. Those retailers who are requesting relatively little money and who may require only minor modifications to systems already certified elsewhere will be scheduled for certifications next. All remaining retailers will be scheduled for certification as development work is completed and tested. NV expects that 76% - 90% of all NV WIC transactions are processed on systems falling under the first and second categories. Once certified, retailers will be encouraged to place these integrated systems into production without further delay.

Throughout the project, the Nevada WIC Program will host regularly scheduled calls with all stakeholders using an agenda based on the status report to monitor open tasks, and additional calls will be held with the relevant parties to recap each certification.

## System Certification Plan

Each Retailer interested in this integration project will submit a System Certification Testing Plan specific to their TPP/VAR/ECR.

Below you will find the definitions for the level of certification needs.

- Level One Certification involves the WIC Agency certifying the base retailer ECR System before the TPP process.
- Level Two Certification involves the WIC Agency certifying the retailer ECR system through to their TPP.

- Level Three Certification involves the retailer certifying their ECR system through the TPP and to J.P. Morgan by validating the production end to end process. In-store certification is not typically required, however a live compliance purchase will be required at the store level to confirm hardware and software are operating correctly.

NOTE: There are other activities between J.P. Morgan and the TPPs that occur outside of the FNS defined levels of certification. Please refer to the TPP Certification Process Flow in Appendix E for details.

Certification will require the attendance of WIC Agency representatives running scripts and validating. The Retailer and TPP will perform their development integration testing in order to process every conceivable financial transaction and validate formatting. The retailer will provide sample receipts and perform end-to-end reconciliation with the TPP. J.P.Morgan will validate the transactions to FNS, who observes the run of the pre-approved scripts and verifies reconciliation of the receipts through Booz Allen Hamilton.

The Nevada WIC Program and J.P. Morgan will work together to ensure the certifying party has the same APL file that the test scripts were built from. A variety of both long and short prescription records will be used to ensure the memory is cleared correctly from one transaction to the next. Barcodes will be provided to ensure proper scanning, and pricing will be kept unique to facilitate reconciliation.

Data verified during testing includes:

- Descriptions listed in the APL match the descriptions, quantity and UOM on the receipts
- PIN validation (including using additional digits at the end of the PIN)
- Ensure coupons and promotions are included and processed correctly
- Ensure CVB is processed correctly
- Process transactions for WIC only, as well as mixed basket transactions
- Ensure accounts are decremented properly during purchases
- Ensure voids and reversals process and credit accounts correctly
- Verify that financial settlement to the retailer is accurate
- Certify that the Management information reports communicated by the system are accurate
- Ensure that full regression testing is performed if code changes are introduced

A SAMPLE certification script and associated APL file are available in Appendix E. As the Nevada WIC Program receives guidance on the level and degree of certification required for the various categories of retailers (stores with their own systems, stores with distributor-provided POS, and stores with off-the-shelf solutions, and whether they are certified/integrated elsewhere), scripts, etc will be written and aligned accordingly.

## Sub Grant Agreement

The State of Nevada has a pre-approved Sub Grant Award Agreement (see sample under Appendix D). The Sub Grant Agreement outlines the reimbursement process for expenditures that are specific to the Sub Grant. Further, the document provides parameters for:

- Use of funds
- Not-to-exceed amounts
- Record retention
- Disclosure of conflicts of interest
- Compliance with various regulations
- Certification of non-debarment
- Prohibition of lobbying
- Availability for inspection and audit.

The Sub Grant Award Agreement has been approved by the State's Attorney General, and provides the most efficient vehicle to execute any type of agreement between the Nevada WIC Program and the retailer.

Details specific to each retailer's integration will be prepared and submitted for approval by each potential Sub Grantee, and it will be clarified that software developed with federal funding is government domain. The Nevada WIC Program does not presume that a generic template for these items will fit all Retailers. The final approved Scope of Work, Work Plan, Project Milestones, Project Team, Specific Deliverables, details supporting the amount requested for reimbursement, and the reimbursement process, will all be incorporated in the Sub Grant Award Agreement by reference, and attached as an Appendix.

## Project Planning and Implementation Responsibilities

Project planning and implementation responsibilities include participation from all affected parties, primarily the Nevada WIC Program, J.P. Morgan, ERC/POS/VAR, TPP, and the Retailers, and will require the details obtained from the Letters of Interest and the Request for Retailers' Project Proposals. Please refer to the TPP Certification Process Flow in Appendix E.

## Risk Management Plan

The Nevada WIC Program's online EBT "back-up solution" is already in place to ensure Participants have timely and convenient access to benefits. Retailers are already operating with the stand-beside units, and will continue to do so if the integration project runs into a "no-go" point. EBT-only equipment is already in place, and the Nevada WIC Program, J.P. Morgan, and the retailer would continue with business as-is in that event.

## **Appendices**

**Appendix A: FNS Operating Rules**

**Appendix B: FNS Implementation Guidelines**

**Appendix C: J.P. Morgan Transaction Guidelines and  
Online Interface Document**

**Appendix D: State of Nevada Sub Grant Award  
Agreement**

**Appendix E: Sample Certification Scripts, etc**