

## **SECTION 7**

# **WIC VENDOR PAYMENTS**

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### WIC CHECK DEPOSIT PROCESS

The Vendor must provide training to cashiers and all employees who are involved with WIC transactions. Because the WIC bank will reject payment for WIC checks incorrectly completed, WIC recommends the Vendor review all redeemed WIC checks **prior to deposit**.

Prior to deposit, Vendor must enter their unique assigned WIC Vendor Number in the box titled “PAY TO THE ORDER OF WIC VENDOR NO’ on the WIC check. Vendor Numbers are exclusive to one store; each store in a chain has a different number. WIC checks redeemed at one store may only be identified with that store’s Vendor Number.

After deposit, the Vendor’s financial institution routes the WIC checks through the Federal Reserve System to WIC’s banking contractor. WIC checks received for payment by the banking contractor are reviewed according to standardized criteria. WIC checks that meet all criteria are accepted for payment and the funds are credited to the Vendor’s account through standard banking procedures.

To process a WIC check for payment, the Vendor should do the following:

HAWAII WIC PROGRAM 235 S. Beretania Street, Suite 701, Honolulu, HI 96813 586-8175 (Oahu), 1-888-820-6425 (Toll Free for Neighbor Islands)					To report fraud, call 800-424-9121 or visit <a href="http://www.usda.gov/oig/hotline.htm">www.usda.gov/oig/hotline.htm</a>		
NAME OF CLIENT				FIRST DAY TO USE	LAST DAY TO USE	CHECK NUMBER	
SAMPLE, C1				06/05/2014	07/05/2014	44362670	
CLIENT I.D.	AGENCY	CLINIC	FOOD PATTERN	FI TYPE	PAY TO THE ORDER OF WIC VENDOR NO.  <span style="font-size: 2em; font-family: cursive;">238</span>		YENDOR MUST DEPOSIT WITHIN SIXTY (60) DAYS OF FIRST DAY TO USE
13003925	10	01	88007001	003024SS			DATE OF USE
FOR PURCHASE OF APPROVED WIC FOODS ONLY (NO SUBSTITUTIONS ALLOWED)							
1	16-18 OZ	PEANUT BUTTER			<input checked="" type="checkbox"/>	\$	33.16
2	ITEMS	PINK SALMON, 7.5 OZ., CANNED					
1	DOZ	EGGS, MEDIUM OR LARGE WHITE ONLY					
2	GALLON	MILK- SKIM / 1% / 2%					
1	ITEMS	JUICE - WIC APPROVED (10 OZ TO 12 OZ)					
1	16 OZ	100% WHOLE WHEAT (WW) BREAD (16 OZ.) -OR- WW OR CORN TORTILLAS (16 OZ.) -OR- BROWN RICE (16 OZ.)					
XXX XXXXX XXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX							
NOT VALID WITHOUT WIC VENDOR AUTHORIZATION STAMP					WIC CUSTOMER SIGNATURE AT TIME OF PURCHASE  <i>G. Sample</i>		
⑈ 44362670 ⑈ ⑆ 091912482⑆ 805503⑈							

### 1. Validate the WIC check with the WIC Vendor Number.

- Carefully write in the authorized WIC Vendor Number in permanent black ink on each WIC check in the box marked “PAY TO THE ORDER OF WIC VENDOR NO.”
- Align the Vendor Number properly. Checks with blurred, upside-down, and/or illegible Vendor Numbers may be rejected by the bank.
- **WIC checks with missing or unreadable Vendor Numbers will be returned unpaid by the bank.** See procedure below on correcting and redepositing (within 60 days from the “FIRST DAY TO USE”).

**2. Deposit the WIC check on a timely basis.**

- The Vendor must deposit WIC checks within 60 days of the “FIRST DAY TO USE.”

**REJECTED WIC CHECKS**

WIC checks that do not meet all of the designated criteria are rejected for payment by the WIC’s banking contractor and are returned to the Vendor through standard banking procedures. The Vendor incurs the cost for processing a rejected WIC check by presenting the check for deposit a second time after being rejected and marked DO NOT REDEPOSIT. The Vendor will not be subject to a processing charge for any WIC checks rejected due to WIC’s or WIC’s bank error.

Payment rejection criteria are listed below:

1. The Vendor is not authorized to accept WIC checks;
2. The “DATE OF USE” is illegible, missing, or improperly corrected;
3. The “AMOUNT” is illegible, missing, or improperly corrected;
4. The WIC check dollar amount exceeds the reasonable dollar amount for that WIC check type (based on the average redemption value for that WIC check type for the assigned vendor peer group).
5. The WIC CVV dollar amount exceeds the printed dollar amount of a WIC CVV. Checks will be rejected if the amount is above the Maximum Allowable Reimbursement for that WIC FI;
6. The WIC check is stale dated (the bank processed after 60 calendar days from the “FIRST DAY TO USE”);
7. The WIC check was redeemed before or after the valid dates for use;
8. Vendor Number is illegible, missing, or improperly corrected;
  - a) Missing Vendor Number
  - b) Unreadable Vendor Number
  - c) Unauthorized Vendor Number
9. Missing participant’s signature;
10. Other (e.g., stop payment placed on the WIC check or the WIC check was previously voided).

**REIMBURSEMENT OF REJECTED WIC CHECKS**

When a WIC check is rejected for payment, a reject/return reason is indicated on the face of the returned WIC check. The table below shows how the different reject reasons affect reimbursement. All appeals require submitting a completed WIC Check Appeal Form V-006 to the WIC VMU.

<b>REJECT/RETURN STAMP</b>	<b>REJECT REASON</b>	<b>REIMBURSEMENT CRITERIA</b>
Return Unpaid NO VENDOR # Correct and Redeposit <b>OR</b> UNREADABLE VENDOR # Correct and Redeposit	Vendor forgot to enter the Vendor Number prior to deposit or entered an unreadable Vendor Number.	Payment will be made. <b>Carefully write in the number in permanent black ink</b> and redeposit the WIC check within 60 calendar days of the “FIRST DAY TO USE.” Vendor Number <b>MUST</b> be legible.

<b>REJECT/RETURN STAMP</b>	<b>REJECT REASON</b>	<b>REIMBURSEMENT CRITERIA</b>
<p>Returned Unpaid SIGNATURE MISSING Void - Do Not Redeposit</p>	<p>WIC check was not signed by the customer prior to deposit.</p>	<p>Payment will <b>NOT</b> be made. A WIC check deposited and then rejected for payment due to a missing signature will <u>not</u> be paid. Vendors must obtain the signature <u>before</u> depositing the WIC check for payment. <b>If missing signature and not deposited, submit original WIC check and a copy of the receipt with a completed WIC Check Appeal Form V-006 to receive payment. Vendor is not permitted to contact customer to return to store to sign the WIC check.</b></p>
<p>Returned Unpaid ILLEGIBLE/MISSING AMOUNT Void – Do Not Redeposit</p>	<p>Amount is missing, illegible, or cashier did not follow proper procedures when correcting amount.</p>	<p>Payment may be made. Cashiers must enter the dollar amount legibly. If a cashier is required to make a correction to the dollar amount, the cashier must follow proper procedures as outlined on page 5-5. Submit a completed WIC Check Appeal Form V-006.</p>
<p>Returned Unpaid PURCHASE DATE MISSING VOID – Do Not Redeposit</p>	<p>“DATE OF USE” is missing, illegible, or cashier did not follow proper procedures when correcting date.</p>	<p>Payment may be made. Cashiers must enter the “DATE OF USE” legibly. If a cashier is required to make a correction to the “DATE OF USE,” the cashier must follow proper procedures as outlined on page 5-4. Submit a completed WIC Check Appeal Form V-006.</p>
<p>Return Unpaid BANK ENCODING ERROR BOFD Correct and Redeposit</p>	<p>Vendors’ bank of deposit made an error on the amount entered on their deposit to the Federal Reserve Banking system.</p>	<p>Payment will be made. Vendor must inform their bank the item was presented incorrectly by the bank and the bank needs to present correctly. <b>If amount is incorrect, draw a single line through the incorrect amount, enter correct amount, draw a single line through the MICR line (unique font at the very bottom of check) and then re-present to the bank.</b></p>

<b>REJECT/RETURN STAMP</b>	<b>REJECT REASON</b>	<b>REIMBURSEMENT CRITERIA</b>
Returned Unpaid EARLY CASHING VOID – Do Not Redeposit	WIC check accepted prior to “FIRST DAY TO USE.”	Payment will <b>NOT</b> be made. WIC check rejected for payment due to early redemption will <u>not</u> be paid. Cashiers must verify the dates as valid <u>before</u> redeeming WIC checks.
Returned Unpaid STALE DATED VOID – Do Not Redeposit	Vendor failed to deposit WIC check within 60 calendar days of the “FIRST DAY TO USE.”	Payment will <b>NOT</b> be made. Vendor must submit the WIC check within sixty (60) calendar days of the “FIRST DAY TO USE” printed on the WIC check.
OVER PRICE MAXIMUM Do Not Redeposit	Price is greater than competitive pricing allowed.	Payment may be made. Vendor will be paid based on the Vendor redemption average for that WIC check type or prices reflected on the sales receipt and on the Vendor’s Price Survey or based on the amount of a WIC check. Submit a completed WIC Check Appeal Form V-006.
Returned Unpaid INVALID VENDOR # VOID – Do Not Redeposit	Vendor Number was not recognized by the bank as valid.	Payment may be made. Submit a completed WIC Check Appeal Form V-006.
STOP PAYMENT Do Not Redeposit	WIC check was reported as lost or stolen and was voided prior to being redeemed.	Payment may be made. Payment will be made only if WIC determines that the WIC check was redeemed prior to Vendor receiving proper notification. Submit a completed WIC Check Appeal Form V-006.
Returned Unpaid PREVIOUSLY REJECTED VOID – Do Not Redeposit	WIC check was previously rejected, voided by the bank, and resubmitted for processing.	Payment may be made. Vendor must submit rejected WIC checks stamped “Void – Do Not Redeposit” with a completed WIC Check Appeal Form V-006. WIC’s bank will not process previously rejected WIC checks stamped “Void - Do Not Redeposit.”
Returned Unpaid ALTERED VOID – Do Not Redeposit	Rejected due to alterations.	Payment may be made depending on review of check. Submit a completed WIC Check Appeal Form V-006.

## **CHECK APPEAL PROCESS**

Upon written request, WIC will provide authorized Vendors with the opportunity to appeal WIC checks initially rejected for payment. Rejected WIC checks may be reimbursed when acceptable evidence for reimbursement is provided by the Vendor. **Vendors should submit rejected WIC checks, copies of the register receipts and a completed WIC Check Appeal Form V-006 to:**

**WIC Vendor Management Unit  
235 South Beretania Street, Suite 701  
Honolulu, Hawaii 96813-2419**

**The completed WIC Check Appeal Form V-006 must include the rejected WIC check numbers and reason the rejected WIC checks should be paid.** Vendors should submit one WIC Check Appeal Form V-006 for multiple rejected WIC checks and include the necessary information for each WIC check being appealed.

The second level review is conducted by WIC. The appeal process will use the payment criteria established in this Manual to determine if the rejected WIC check qualifies for no, partial or full payment. However, bank charges for returned WIC checks will not be reimbursed. Vendors will be notified in writing of the decision made after the appeal process is completed.

### **Vendor Responsibilities**

The Vendor is responsible to:

1. Submit the rejected WIC checks, a copy of the register receipts and a Check Appeal Form V-006 to WIC within 90 calendar days of the "FIRST DAY TO USE." WIC checks submitted after 90 calendar days of the "FIRST DAY TO USE" will not be accepted for consideration.
2. Submit a written explanation of all extenuating circumstances related to the rejection of the WIC checks (i.e. new cashier, cashier not trained).
3. Notify WIC in writing if necessary to change the bank account for reimbursements.

### **WIC Responsibilities**

WIC VMU is responsible to review the appealed WIC check and determine payment level (no, partial or full).

1. Any WIC check submitted for review more than 90 calendar days after the "FIRST DAY TO USE", will not be considered. If the appeal is submitted within 90 calendar days of the "FIRST DAY TO USE," WIC will determine if any of the rejection criteria apply.
2. WIC will notify Vendors of WIC checks denied for payment by mail.