

EBT Management Evaluation Questions - FINAL

1-17-02 VERSION

Review Area: Contract Management / Procurement

Obtain an organizational chart that shows the positions and individuals responsible for the State agency's EBT system.
Identify all EBT system contracts/service agreements in effect at the State agency.
What are the State's procedures for EBT system modifications, redesigns, and meeting future needs? Does the State agency use FNS Handbook 901 and the WIC Functional Requirements Document (FRED) in its planning process?
How many "open" EBT problem issues are there?
What is the State's system for reporting EBT problems? For tracking assignment, resolution and closure of an EBT problem?
Examine the EBT problem tracking system – how long has each issue been "open"?
Is each EBT problem issue assigned to a specific person for resolution?
Is there recent or reasonable action being taken on each EBT problem? How are they prioritized?
How long is the average time for closure on EBT problem issues?
What is the time period of the State's current EBT contract(s)?
Are there additional optional years on the EBT contract(s)?
How far in advance does the State expect to begin the process for the next EBT RFP or contract? (Defining new requirements, proposing to switch some functions to in-house, adding or dropping partners, seeking new equipment provider). How does this estimate for advance timing compare to the length of time for the procurement process last time? Has Federal review time been built in Is it far enough in advance of contract expiration to assure that the State won't be forced to sign a rush extension or unfavorable contract to avoid loss of service?
Are any EBT system components under warranty, either hardware or software? Is warranty service adequate when requested?
How does the State ensure that the EBT system complies with all applicable laws and standards regarding handicap and language accessibility?
Was the current rebate contract negotiated under EBT?

Review Area: Training

Who provides the retailer training (contractor or State or retailer staff or store corporate or a combination)?
When and how are participants, workers, and retailers trained on the use of the EBT/ESD card? Does the State's EBT training plan specifically address the training requirements for State agency and local agencies' staffs, the WIC clients, and the retailers?
What types of on-going training are being provided for State, clinic, help-desk and/or retailer staff?
Have all EBT training materials been approved by FNS and/or the responsible State agency?
Check to see if the local agency has an EBT user's manual. Has the user's manual been updated to

reflect recent program/regulatory changes? When were clinic EBT user manuals or training materials last updated?
Are all people responsible for completing EBT processes trained in the proper procedures?
How is routine EBT training conducted for new participants getting their first card?
What EBT materials are used in routine participant training?
What EBT materials are given to the participant to take with them?
How is EBT system training provided to new hires at the clinic?
How does the State determine when EBT refresher training is needed in clinics?
What EBT training materials or system manuals are provided to clinic users?
Who is responsible for keeping EBT training materials current when a modification is made to the EBT system?
What EBT materials are provided for in-lane support?
When were EBT in-lane materials last updated? By whom?
Have transaction reports, participant comments or retailer comments indicated that EBT training issues remain? How is the State addressing these?
Is training provided to backup EBT staff? When? Who is the backup staff? Are there any individuals at the SA who alone understand or manage a critical function?
Are PIN selection by the client/assignment by the State agency, and EBT card activation the final steps in client training?
May a client request and receive one-on-one training, regarding the EBT system, at any time?
Based on State monitoring of excessive card replacements for individual clients, is there a requirement that these clients receive special or additional training?
<p>If the EBT card is a multi-program/use card:</p> <ul style="list-style-type: none"> • Which entity is responsible for training the clients? • Does the training clearly explain the different points-of-contact to the clients? • Must the client receive separate training from each program using the card? • Does the training clearly explain that there may be times when all program benefits cannot be accessed on the same day? • Is there a continuous communication with the other entities, using the same card, regarding training issues? • Have the various entities produced common training materials?
Does the EBT training clearly explain the reasons for a card replacement fee and the process by which the fee is collected?
Does the State agency have some methodology for gauging the effectiveness of all training associated with the WIC EBT system?
<p>For those retailers using State-provided POS equipment that is used to process only non-commercial EBT transactions:</p> <ul style="list-style-type: none"> • Does the training material clearly explain the differing points-of-contact to the retailer? • Must they receive individual training sessions for each different program utilizing the POS equipment?
May the retailer using State-provided POS equipment, request refresher training at any time?
What training has the State provided to retailers or corporations to ensure that WIC is notified of planned changes in store cash registers or other equipment that may affect the WIC POS arrangement for EBT?

Are clients required to attend training in order to receive their EBT card?
Does a trainer activate the EBT card or is it self-activated by the client?
Get copies of reports for the EBT card issuance/training schedule for the past three months. Using reports to detail the number of clients trained. Determine the amount of clients trained.

Review Area: System Security & Administration

Briefly describe the process for assigning passwords to the EBT system? (Get copies of procedures)
How are individual EBT access levels determined? (Results from job title, office, supervisor determines?)
Who is responsible for assigning EBT system passwords (State/local agency or EBT vendor)? (Get copy of password request form).
What is the time frame for assigning a new user an EBT password?
Are users trained on EBT system and password security? (Get a copy of training module).
Who provides EBT security access training (State/local agency or EBT vendor)?
How often do EBT passwords need to be changed?
Who is responsible for reassigning expired EBT system passwords (State/local agency or EBT vendor)?
Is software used to identify EBT system usage by each password? What software is used? If software is used to monitor password usage, how is the information or report used?
Are inactive password holders contacted to see if they are still valid EBT system users? How? When? By whom?
When employees leave the State/local agency, are procedures in place to terminate their access to all systems? (If yes, get copies of procedures)
Briefly describe the process for canceling EBT system passwords for terminated employees and invalid system users.
What controls are in place to keep an EBT system user in your State from accessing another State's data from the same EBT vendor and vice versa?
How are security violations identified?
How are security violations investigated and resolved? By whom?
Get a list of employees terminated from the agency within the last six months. Determine that their EBT passwords have been canceled. Determine the length of time from termination to password cancellation.
Get a list of password requests that identify EBT system access. Review the password profiles on the system to see if they are the same as the initial password request.
Get a list of EBT security violations from the last six months. Review how the violations were investigated and resolved
If software is used to monitor EBT password usage, get a copy of a report . Determine if non-users are still valid.

Has the State included an EBT component as part of its biennial systems security review? If so, provide a copy of the EBT portion(s) of the security review to FNS.
Does the security review evaluate controls in the following areas: <ul style="list-style-type: none"> • EBT administrative/management controls at the State? • EBT administrative/management controls at the local? • Physical access to system hardware (admin terminals) at the State and local locations? • Physical access to EBT card stock at the clinic? • Access controls to the contractor system(s)? • Access controls to benefit issuance functions? • Environmental controls at the State and local locations to protect physical assets and data?
Does the State have a computer security plan? Does it have an EBT component? (Obtain a copy).
Is the security plan reviewed annually and updated as needed? Who does this?
Does the State require security training for all State and county employees on a periodic basis? Who is responsible for this? When?
Does the State receive EBT access violation reports (e.g., invalid logon id/password, attempt to access files without proper authority) from the contractor? If so, how often? What do you do with them? Who receives the reports? Have there been any unusual access patterns or attempts to access data by unauthorized personnel?
Does the State receive authorized user lists from the contractor on a periodic basis listing the State EBT system users and user privileges? If so, who receives them and how often? What is done with them?
Do you receive summaries of EBT security reviews done at the contractor's site? If so, who did the review(s) and what was the scope of the review(s)? This is usually an annual audit by an independent third party. We usually do not receive copy of these audits, but can request copy of the findings
What other means are available to assure you that the EBT contractor's system is secure?
Are the following areas included in the EBT system documentation? <ul style="list-style-type: none"> ___ Overall system flowcharts and narrative description ___ Individual program specifications ___ File layouts ___ Report formats and narrative descriptions ___ A record of modifications/revisions
Has EBT documentation been updated to include known changes/modifications?
How does the State agency ensure that EBT data is being transmitted in a timely and accurate manner?
Does the State agency monitor and track local agencies or clinics with both critical and non-critical EBT data entry errors? Who does this? When? How? What is done if problems are found?
How does the State agency ensure that critical EBT facilities are physically secure (e.g., locks, limited janitorial access)?

<p>How are EBT data files and computer programs protected?</p> <p><input type="checkbox"/> Assigned security officer</p> <p><input type="checkbox"/> Password access to ADP system</p> <p><input type="checkbox"/> Separation of security functions</p> <p><input type="checkbox"/> Separate area for tapes, disks s, etc.</p> <p><input type="checkbox"/> Other (specify)</p>
<p>How is client confidentiality ensured by the EBT system?</p>
<p>Have the EBT system access procedures been audited within the last year? Who? When?</p>
<p>What back-up procedures does the State agency/processor have for the EBT system?</p> <p><input type="checkbox"/> Off-site storage in a secure location</p> <p><input type="checkbox"/> Ongoing update of back-up files</p> <p><input type="checkbox"/> Agreement with another processing center for emergency services</p> <p><input type="checkbox"/> Periodic testing of back-up procedures</p> <p><input type="checkbox"/> Other (specify)</p>
<p>Does the State agency match all EBT benefit issuance to a valid certification record? What is done if problems are identified? (This should be done prior to the interface record being written by the eligibility system. Not a specific EBT function.)</p>
<p>Does the State agency perform a bank tape reconciliation in which the bank tape is compared against EBT financial reports (Summary of Expenditures) to ensure that these reports balance? What is done with problems?</p>
<p>Are any EBT system maintenance functions performed by the State? Describe. (This would only apply to the interface file unless the State is the processor.)</p>
<p>Describe the process for UPC code maintenance. Who maintains UPC codes? Is more than one person trained and able to perform these duties in order to provide backup? How often is it done? How are old UPCs deleted? Who authorizes the deletion?</p>
<p>Is an audit trail of all clinic EBT card operations maintained either on paper or electronically? For how long? By whom and how often is it reviewed?</p>
<p>How does the State verify that clinic computers are kept clean (i.e. virus scanning) and secure?</p>
<p>Has a system risk analysis been completed on the EBT operating environment at the SA? At clinics? By whom? When? What risks were identified and what steps are being taken?</p>
<p>Are all EBT functions that are managed at the State office documented? How?</p>
<p>Who is responsible for version control on the EBT software? Is version control monitored on APIs and other software that is not owned or maintained by the processor?</p>
<p>Is there anyone who has the authority or ability to introduce changes to the EBT system operating software, or databases or anything, without the State's knowledge? What does the SA do to detect such activity? (We are looking for intruder detection)</p>

Describe what role, if any, the State or Health Department IT staff has in EBT operations, maintenance or support. What contact or oversight does WIC have over these roles?
Does the SA or LA have computer access to host EBT computer data or tracking tools? (Such as client or card transaction history, problem or issue tracking, UPC database, on-line issuance functions). What functions? Which are read-only? Who has access? Who determines who can see or have such access to which functions?
Does EBT equipment become part of the WIC inventory system? When?
Is State-owned EBT equipment in stores tagged and inventoried? When and by whom?
Where are EBT inventory records maintained? Show me. Are they current? (Records should correspond to answers given about the last time equipment was replaced).
How is EBT purchase data transmitted to formula rebate contract company? How often?
Does the system create and maintain an EBT transaction file, log and log history at processor?
Do locals have copies of EBT software (e.g., PIN encryption software)?
If so, what EBT software do they have? For each kind of software, list: where is it kept, who has access, and under what conditions can they access it? (is this access to the physical CD or disk or to the app on a PC?) Does access to software (all types) require a user-specific PIN? Is there an audit trail (for each kind of software) of access or use? If so, who receives reports and what is done with them? Are there any instances of unusual access or use? Is software inventoried and checked periodically (including backup copies)? Have any copies been lost or misplaced? Is software (each type on hand) difficult to copy or modify?
Is hardware periodically tested to make sure it still works as per specifications?

Review Area: Card Management

Describe the EBT card issuance process (from card stock inventory to prepersonalization to personalization, issuance and benefit activation).
Review the process for ordering, shipping and storing EBT cards from provider to State to local to clinic (including satellites). Determine the controls in place to prevent fraud and theft.
Explain participant EBT card security procedures (PIN selection, activation, changes, and deactivation).
Review EBT card stock access controls at local agencies and clinics: <ul style="list-style-type: none"> • Is the card stock blank or preprinted? Is the chip or PAN inventoried? • Is card stock kept in a locked room at the locals or clinics? • Who has access to card stockroom? How is this controlled? • Who determines when new stock is needed? • What are the procedures for receiving/replacing card stock? • How do the locals/clinics inventory card stock? • How much blank stock is regularly maintained? At State/local/clinic? • Does an independent party check inventory counts? Who? How often?
Where are damaged or malfunctioning EBT cards examined to determine cause of malfunction? What is the rate of diagnostics? By occurrence, what has been the nature of the problems? Are cards recycled?
What is the procedure for EBT card destruction/recycling once a participant is no longer active on the

program?
Is EBT embossing/plotter equipment kept in secure areas?
Note any EBT card stock, hardware/software problems.
What happens to returned EBT cards?
Are there different policies regarding replacing the actual plastic versus replacing the benefits on a lost or stolen EBT card? Explain.
Perform a physical count of the current EBT card stock inventory.
Get copies of EBT card order requests for the past six months. Get copies of number of cards (initial and/or replacements) issued in the past six-month. Comparing the number of cards issued to the number of cards ordered, determine if the current inventory is adequate. Assess if ordering frequency and amounts need to be modified.
What is the frequency of orders for blank EBT card stock? Is there a set order or is a specific amount of card requested each time? Who processes the card order (State agency or EBT vendor)?
When a blank EBT card shipment is received, is there any validation of the number of cards in the book and the correct serial numbers? (are these serial numbers of chip numbers or PANs or what?)
How are any discrepancies in an EBT card shipment handled? How they corrected?
Is there return or mailing instructions printed on the EBT card so that a found card can be returned? <ul style="list-style-type: none"> • Who is it returned to? • How is the returned card handled/processed? • Who actually receives it? Mailroom? Secretary? • How is accountability assured? Is it logged in? • How are returned cards stored? Recycled? Destroyed?
Where are damaged or malfunctioning cards examined to determine cause of malfunction? What is the rate of diagnostics? By occurrence.

Review Area: Partnerships and Cost Allocation

Are any processes, costs, or contracts for EBT shared with any other program or agency? With whom? For what purposes (data-sharing, benefit delivery, service delivery)?
Is the EBT card shared? Are benefits or data from more than one program carried on the card? (is the card a mag stripe, hybrid, or chip?) Who shares what part of the card?
What client data is shared through the card or other EBT function?
Are MOUs or information sharing agreements in place with all partners? (See documents – do they contain the regulatory information sharing limitations)?
Can more than one partner issue the EBT card?
Do all partners on the EBT card have compatible card replacement policies (if more than one can issue a card)?
Can all issuing partners put a block on the EBT card if reported lost or stolen?
Can all partners perform EBT card diagnostics?
Do arrangements or agreements between partners include system security at all EBT card handling offices or locations?
What training has each partnering program received on any EBT functions or policies, which affect each other?
If there are any partners in EBT, show cost allocation plan, and FNS approval of it. When was it

approved?
When was the last time that the EBT cost allocation methodology was reviewed to see if it still reflected fairly the cost shares to be paid by each partner?
For each cost allocation methodology used throughout the budget, examine actual expenditure line items and verify documentation for the allocation. For example, staff time, travel costs, and office space may be allocated by time studies. Processing fees, help desk and customer service costs may be allocated by case-count or transaction count. Pick one line item for each cost allocation methodology used, and see the documentation that supports the share charged to WIC. It should be both an allowable allocation method, and be validated reasonably recently. The purpose is to validate the <i>methodology</i> used to allocate costs, not the expenses themselves.
What methods are in place for ensuring that costs of EBT equipment or services used by WIC and other programs are equitably allocated among the funding sources?

Review Area: Budget & Funds Management

How often are EBT benefits added to the card (monthly, bi-monthly, tri-monthly)?
What are the fees, if any, being charged by the processor and TPP for EBT/ESD processing?
Review transaction and reconciliation reports to ensure all requirements are being met and funds are being transferred correctly.
Summarize the documents and procedures used to record, analyze, and routinely report the costs associated with this project. <ul style="list-style-type: none"> • Discuss financial documents/procedures with relevant State staff. • Review written cost reporting/tracking procedures.
Determine if controls in State EBT payment system are adequate. Examine the system for processing vouchers and obligating funds.
Review documentation of EBT system development costs (if any) for the last fiscal year. Was prior approval requested and received from the Regional Office? Were costs within the approved amount? Compare projected operational costs with actual costs.
Does the State agency periodically review EBT system billing costs? How are system costs billed (e.g., for an in-house system, what charges are billed to WIC and what services are included in the indirect cost rate)?
What entity provides actual on-site service to equipment in stores? In clinics? At the State? In other locations?
What is the cost basis for EBT equipment service? Salaried State employee? Per call contract price? Time period contract with unlimited service?
If EBT service is based on a fixed price contract has the State determined, based on the number of service calls, what the cost per service contact has been? Even with a fixed cost contract, these types of services should have been bid on a cost per call basis or an average cost per call. This would make a better comparison---bid vs. actual. How are overages handled?

Review Area: Certification / Authorization / Issuance

Who is responsible for initial card issuance? (State, local agency, EBT vendor) Subsequent issuances?

Get copies of State agency operational procedures for EBT card issuance.
What is the process for expedited EBT issuance for special nutritional risk applicants?
Does the system provide for immediate access to EBT benefits?
How often are participants required to come to the clinic for EBT related appointments?
Does the system provide an accompanying notice of EBT benefits available/shopping list? How/when is this provided?
How many months of EBT benefits can be loaded onto the card at one time? If multiple months, how are these staged to become active at the appropriate time?
Is the procedure for EBT benefit issuance and benefit redemption uniform throughout the State?
Does the EBT system allow the clinic to change the standard number of months issued at one time for reasons such as: allowing one month of benefits till ID, proof of residency or proof of income is provided; or to match up family members?
If a food package must be changed mid-month, after some items have already been purchased (such as a formula change), describe the process for changing the balances on the EBT card. Are remaining food items replaced with equivalent amounts?
How long does it take from participant certification to EBT card issuance? (If locally, observe on-site. If centrally, observe central process and card distribution). Are EBT/ESD cards being issued in a timely manner?
Does the EBT card serve as the State's in-state VOC card? What data is on the card that fulfills this purpose?
How many family members can be on one EBT card?
What is done when there are more family members than can fit on one EBT card? (If a second card is issued with family members benefits on it, how is that PAN linked to the first card?)
Are benefit balances remaining on the EBT card at the end of the month automatically deleted? Describe when and how this is done.
Get copies of reports that detail the number of initial EBT cards issued for the past three months. Get copies of reports that detail the number of clients trained and number of cards activated in the past three months. Determine the percentage of cards activated to the number of cards issued.
What impact has EBT card issuance had upon the State and Local agency business rules and process flow?
If possible, during the review observe initial card issuance and/or client training.
What is the process for card activation?
When does the EBT vendor make benefits available? (Before or after card activation)
From the time client receives card, when will they be able to access benefits?
May the participant select remote issuance sites? How many?
Get copies of the transactions attempted on invalid cards report, lost/stolen/damaged card report, and replacement card report for the past six months. Determine the number of cards reported lost/stolen/damaged per month. Determine the number of cards replaced per month. Determine the percentage of cards replaced to the number of cards issued. Determine the percentage of households getting replacement cards.
How are lost/stolen EBT cards handled? How soon are replacement cards issued?
Is there a screening process clients must go through prior to being issued a replacement EBT card? Describe.
Are all clients required to complete a Replacement Request Form for EBT cards?

Is there a time limit for the household to report lost/stolen or damaged EBT cards?
When an EBT card is reported lost/stolen or damaged, at what point is a hold put on the account?
How long does it take to issue a replacement EBT card from the time a request for replacement is made?
Do you validate that the current EBT card has been frozen prior to issuing a replacement?
Are balance inquiries completed prior to issuing the replacement EBT card?
Does anyone inquiry the case transaction history to see when and where the EBT card was last used?
If more than one person has a household's EBT card, does the report of card loss freeze the entire account or can the other card(s) be used?
Are records maintained of the date and time households report lost/stolen or damaged EBT cards? (Get Copy)
Are PINs reset every time a replacement card is issued?
Do clients show proof of identification in order to get a replacement EBT card?
When clients are issued replacement EBT cards, are they retrained on PIN security and card protection?
Is supervisory approval required for issuing replacement EBT cards?
Are case files documented with Request for Replacement EBT Card Forms and other replacement information?
Is there any limit to the number of replacement EBT cards that a household can be issued (per day/per month/per year)?
How many staff are responsible for issuing replacement EBT cards?
Do staff that issue replacement EBT cards also have access to the automated eligibility system?
How are card replacement fees collected at the clinic? How are they reported and accounted for? Can the State agency check computer records of card replacements against cash, LA bank deposits or other financial records?
What reports or tools does the SA use to monitor card risk management, such as a report that would show when one clinic has an unusually high card replacement rate?
Does the EBT system have the ability to provide the WIC participant, a printed transaction history, which includes a reasonable number of transactions over a reasonable time period? The receipt may be printed at a balance inquiry terminal, or at a clinic site.
In an off-line EBT system, does the system have the ability to withdraw and/or adjust benefits from the card remotely, the next time the card is put into an inquiry terminal or POS card reader (staged debits and credits)?

Review Area: Nutrition Services

Has EBT data been used to look at food package utilization and to target nutrition counseling appropriately?
Does the EBT system produce food package utilization reports on demand? How are these used? By whom?
Do you use EBT data to track food package utilization trends? How? Is it used in your nutrition education plan?
How has EBT affected your ability to make food package changes to meet participant needs?
Has EBT affected clinic flow or staff assignments to allow more time to be spent on nutrition services?

How?
Has EBT allowed more flexibility in food package tailoring? If yes, describe how?
How have nutrition counseling techniques been adapted to reflect the family food package on the card, rather than the participant specific food instruments?
Have you received feedback from participants that the EBT card has helped them purchase the correct authorized foods more accurately? Please provide details. Have you received similar feedback from retailers? Describe.
Have participants reported better ability to use the food, and waste less, since they are able to buy only the quantities they need at each visit to retailers? What have they said?
Have clinics included EBT related feedback in nutrition counseling? How?

Review Area: Retailer Operations

A. SA QUESTIONS

Obtain retailer statistics: current number of EBT contractor-equipped stores, current number of EBT contractor-driven POS devices, breakdown of third party processor (TPP)-equipped store information, TPP / # of stores.
Has the State been satisfied with the EBT contractor's performance in the area of retailer management to date?
In EBT, is the maximum price for an item set using traditional price surveys, or actual item price data returned by the system?
Can other entities, besides grocers, request that UPCs be added?
Who approves and enters new UPCs?
Are there differences in EBT equipment at different retailer types or sizes?
How does the EBT system permit vendor access within two weeks of authorization?
How does the EBT system have the ability to add newly authorized retailers by State office?
How does the EBT system permit the State to remotely disable or suspend operation at a retail location due to failure to settle, suspicion of tampering with equipment, or other violations of a retailer agreement?
How does the EBT system ensure access by authorized retailers and 3rd party processors only? Does it maintain authorization database to mirror State authorizations and disqualifications?
Can the State certify 3rd-party processors for EBT? How is this done?
How does the EBT system provide compliance exception reports to State vendor manager?
What kind of EBT-specific retailer monitoring/investigations are conducted, if any (e.g. detecting if a UPC for an allowable food is scanned and detected from the card, but cash or a substitute product is given to the participant)?
Review incident reports and response times to ensure EBT equipment and supplies are repaired or replaced within 24 hours.
What impact has EBT card issuance had upon the participants and retailers?
Review and determine participant EBT ease-of-use concerns.
Does the EBT system include max-price restrictions?
How does a grocer request that the State add a UPC to the EBT system? Describe the process from the request to when the new UPC works when scanned.
Are retailers trained to do any troubleshooting or routine EBT maintenance themselves? Has it been successful/acceptable to all parties?

What are grocers supposed to do when a product that they believe is WIC eligible refuses to scan or be accepted by the EBT system?
How many reports of foods failing to scan in the EBT system have there been in the last two months? How are these resolved?
How often are retailers required to settle EBT accounts? What happens if they don't?
Did the State provide store EBT equipment?
How often does the State reassess EBT transaction volume or caseload using each store to re-validate the equipment level?
How does the SA assure that store-provided EBT equipment meets standards for secure and reliable transaction processing and identical customer experience in any lane?
Does the SA set standards or requirements for additional EBT equipment?
Have there been any issues with store service calls to the wrong entity on store-owned EBT equipment?
Has store-owned EBT equipment caused any technical problems for state-owned equipment?
Has the State begun to replace aging POS equipment in the EBT system? Is this on a planned cycle or as they die?
What vendor high-risk indicators are supported by EBT? Improbable transaction patterns (transactions happening impossibly fast in one lane, transactions for round dollar amounts), unusual amount of shopping in an area shifting to one store, high volume of manual transactions in one store. Other?
Does the State have a system for allowing manual transactions in the EBT system? Describe the circumstances in which it is allowed, and how it works
How will the State know if caseload growth or shifts necessitate a change in EBT equipment levels at a store?
Describe the process for equipping and pre-noting a newly authorized store for EBT.
Under what circumstances could a store make a claim for reimbursement outside the regular electronic payment process?
What is the State's policy on reimbursing stores if a participant leaves with groceries, but the system failed to capture the EBT transaction accurately? (E.g. card removed too soon, system voided the transaction).
What is the State's EBT policy on re-equipping or re-configuring a store that changes its ECR or lane configuration? Does the State pay? How many times?
Have any stores made EBT equipment changes without notifying WIC, resulting in "down" time?
How have retailer agreements been updated to cover EBT equipment responsibility or liability? Maintenance? Physical security of equipment? Other EBT-related operations?
Does the EBT system allow the participant access and redemption of benefits at authorized vendors in a manner that ensures WIC participants are treated as other customers?
Does the participant have a limit to the number of shopping trips within a valid period in the EBT system?
Does the EBT system allow participants to print food balances?

B. RETAILER ON-SITE QUESTIONS

Observe the EBT redemption process at the retailer and explain in full.
Summarize retailer access problems/complaints (if any) with the EBT system.

What impact has EBT card issuance had upon the participants and retailers?
Summarize retailer ease of use problems/complaints (if any) with the EBT system.
Discuss any issues that have been raised concerning retailer training on EBT.
Does the EBT system include max-price restrictions?
What happens in the lane when max price is exceeded for an item in the EBT system?
Is the WIC product UPC captured by an integrated scan with the store system? Or by a second scan done exclusively for WIC EBT? Or by some other method?
In an EBT system, is there ever a time when the price for an item is entered or captured from any source other than from the store's price file based on UPC? Under what circumstances would this occur?
How does a grocer request that the State add a UPC to the EBT system? Describe the process from the request to when the new UPC works when scanned.
Are retailers trained to do any EBT troubleshooting or routine maintenance themselves? Has it been successful/acceptable to all parties?
What are grocers supposed to do when a product that they believe is WIC eligible refuses to scan or be accepted by the EBT system?
How many reports of foods failing to scan by the EBT system have there been in the last two months? How are these resolved?
How often are retailers required to settle the EBT account? What happens if they don't?
Have retailers noted any change in shopping patterns since EBT was introduced?
Did the State provide store EBT equipment?
Are there any stores who have chosen to self-equip for EBT, beyond the level of equipment provided by the State?
How and by whom is EBT equipment installation and maintenance handled in stores on equipment not provided by the State?
Have there been any issues with store service calls to the wrong entity on store-owned equipment?
Has the State begun to replace aging POS EBT equipment? Is this on a planned cycle or as they die?
Has State-owned EBT equipment caused any technical problems for store-owned equipment?
Does the State system allow manual transactions in the EBT system? Describe the circumstances in which it is allowed, and how it works.
Under what circumstances could a store make a claim for reimbursement outside the regular electronic payment process?
What is the State's policy on reimbursing stores if a participant leaves with groceries, but the EBT system failed to capture the transaction accurately? (E.g. card removed too soon, system voided the transaction).

Review Area: Non-Retailer Integrity & Accountability

Have there been any incidents of EBT over-issuance? Double issuance? Disappearing benefits not due to EBT card damage?
How have such incidents been detected? Resolved? Future preventative measures put in place?
What aspects of the State's own routine local agency reviews have been modified to reflect EBT operations? Show us a report.
Examine checks for acceptable dates, account numbers, refund upper limits, etc. Also, check for

maximum dollar per item, per prescription, and per account.
How is separation of duties maintained at the clinics with the EBT system?

Review Area: Help Desk / Customer Service 1-800

Who is responsible for the client and retailer Help Desk for EBT? Level 1, 2, and 3 services? Explain fully. What are escalation procedures?
Does the State monitor customer service provided by the EBT contractor to recipients and retailers? If yes, how?
Has the State received any complaints concerning the customer service provided by the EBT contractor?
Does the State monitor EBT customer service call volumes?
What is the average number of EBT help desk calls coming in per day? By clients? By retailers?
What is peak EBT help desk call volume? When are the peak periods?
Has the EBT contractor experienced any problems with ARU up time or reliability? What was the nature of those problems?
Does any EBT stakeholder group (vendors, clinic staff, participants) routinely call the SA instead of the designated help line? Who? Why? What does this indicate and what is the State doing?
Does the State survey EBT stakeholders on help-line responsiveness? What have the results been?
Is all staff that takes EBT related calls outside the help line also required to document them? Where are these records kept? How is resolution of problems reported this way assured?

Review Area: Reporting

What types of EBT reports are generated for the State agency? Local agency? Retailer?
Through discussions with staff, assess the adequacy and usefulness of the EBT input and output reports.
Using a list of all EBT system reports supplied to local agencies, determine if the local agency is receiving all reports. For each report, evaluate its usability: <ul style="list-style-type: none"> a. Is the report easy to use? Would a different format be better? b. Is the information timely enough to be of use? c. Is manual manipulation of data on the report required to provide commonly used results? d. Is necessary information provided by the report? e. Is the report used? If not, why? f. Is the report provided to those individuals with the greatest need for the data?
If an EBT report requires return of information to the State agency, does the local agency work the report and submit the information in a timely manner? <ul style="list-style-type: none"> a. Identify any existing reports that would be more useful if reformatted. b. Identify any new reports needed by the local agency.
Is food package utilization information captured by the EBT system? (Which foods did participants not use?) Is the report available at the SA or LA? How is that information used?
Does the EBT system produce: card stock inventory report, card stock usage trend analysis, and card replacement tracking?

What rebate reports does the system produce based on EBT purchasing data? How are these used?
Does the SA track average food package cost per person? How has it changed since EBT? What reports are used to track? What are participants buying differently or not buying?
Does the EBT system provide financial reports showing price paid per item and per total transaction, and reports showing items purchased by individuals for clinic use and in nutrition education?
Does the EBT contractor quickly produce ad hoc reports or new permanent reports?
Does the EBT contractor charge extra for the ad hoc reports or the new permanent reports?
Does the EBT contractor credit the State for discontinued reports?
Which entity maintains the archived EBT transaction database? (Reviewers' note: This is a database that can be maintained by the State or contractor, containing a detailed record of all transactions, that can be sorted or filtered to look for trends and possible fraudulent transactions – similar to the ALERT system in the Food Stamp Program. It is recommended, though not required at this time, in WIC.)
Is data from the archived EBT transaction database available on-line? (Reviewers' note: If maintained by the contractor, it should be available to the State on-line to search or use the data at any time for retailer management.)
How many months of EBT data are stored and available in the archived transaction database?
What is the process for troubleshooting the EBT archived transaction database when problems occur (not routine use of it)?
There are four types of reports that the EBT system should be producing: financial, system operations, and program. Are they produced?
There should be EBT reports addressing the UPC database: users, maintenance, access, etc. Are they produced?
Are there EBT reports on the value and quantity of rebate items redeemed by brand and vendor for rebate accounting purposes?

Review Area: Disaster Recovery

Does the State have a written disaster recovery plan that includes EBT? How often is it tested? Updated?
Does the SA have any manual issuance emergency plan in its EBT system? Under what circumstances would it be invoked?
Have local agency workers been trained to know how to respond initially to a disaster? Must they be able to reach the State before they can do anything?
What is the State's plan for disaster EBT operations? How quickly can benefits be staged to a different store for pickup (only if vendor-specific) How will participants be notified if their cards wouldn't work at certain stores (only if vendor-specific) How will new equipment be deployed to an alternate clinic site? How quickly? Is this in the contract? How will participants be alerted of an alternate clinic site? What will happen if the disaster is at the processor's site? What will happen if the disaster is at the State office (only applicable to central database operations)? If central database is inoperable, can locals issue benefits according to past issuance data?
What is the EBT processor's disaster recovery plan?
What has been the frequency of EBT downtime? Have backup contingencies been implemented?

Review Area: System Performance

Obtain copies of EBT system performance reports for the last three months. These reports should summarize: system up time, system reliability (i.e., number of erroneous transactions @ 10,000 transactions), number of reversals.
How often does the State receive EBT system performance reports from the processor? If reports are only on request, what other means does the State have to ensure adequate performance?
Have there been any EBT system outages? How does the State monitor system up-time and response time for both contractor and TPP systems?
Obtain copies of EBT reports the State receives summarizing source/cause of processing errors.
Obtain copies of any reports the State receives regarding EBT third party processor POS systems performance.

Review Area: Reconciliation / Settlement

When does EBT reconciliation take place (turnaround time from store to State agency)?
Review EBT transaction and reconciliation reports to ensure all requirements are being met and funds being transferred correctly.
Get copies of any available procedures for transmitting issuance data between the State agency and EBT vendor.
How is the issuance file created in the WIC eligibility system? How is the accuracy of this file verified? **If report – GET COPY**
When does the State transmit the regular monthly (on-going) benefits to the EBT vendor?
When are daily issuance files transmitted (settlement)? (Determine what is considered end of day cut-off).
Are daily issuance files available for recipient to receive EBT benefits on the next day? If no, why is there a delay in availability?
How is the issuance file transmitted to the EBT vendor?
What safeguards are in place if there are disruptions during the file transmission in the EBT system?
When disrupted, is the whole file re-transmitted or the remaining file from the point of disruption in the EBT system?
How quickly is the State notified of disruptions in file transmissions in the EBT system?
Have there been any EBT transmission disruptions in the past? If yes, how many and how often?
Have you ever (considered) sanctioned the EBT vendor for data disruptions?
What type of confirmation does the State receive from the EBT vendor to indicate that the whole issuance file has been received without error? **GET** (Reviewers' note: The State should receive electronic confirmation from the EBT processor, immediately after settlement, that the number of records the State sent, and the number the processor received match. This is taken from the header information in the State's settlement, and compared to a counter in the receiving program at the processor. Programs typically reject the whole batch and make the system re-send if they do not match.)
How quickly does this confirmation come from the time EBT file transmission (settlement) has been completed? (Reviewers' note: It should be automatic and within seconds after the transmission is complete.)
Have there been any delays in receiving the EBT vendor's confirmation of file receipt? If yes, how often and how long has the delay(s) been?
Has the State or EBT vendor developed procedures to reconcile the vendor's confirmation to the issuance file? **GET COPIES**

<p>Does the State reconcile the EBT vendor's confirmation with the total number of records and total value of records to ensure that the EBT vendor has accurately received the file? (Transmittal file header/trailer audit check)</p> <p>(Reviewers' note: This should be automatically done as part of the interface program transmission. The transmission's header and trailer information should include type of data, where it is being transmitted from, number of records being sent, date, time, etc.)</p>
<p>What is the error resolution process, if the EBT vendor's confirmation does not reconcile to the State's file transmission? Is the file rejected and a retransmission requested?</p>
<p>Has the State sanctioned (or considered sanctioning) the EBT vendor if the problem could not be resolved timely or continues to occur over a period?</p>
<p>When is reconciliation completed for issuance files transmitted to the EBT vendor on Friday or holiday evenings?</p>
<p>When does the EBT vendor post the issuance file received from the State?</p>
<p>Are there ever any delays by the EBT vendor in posting the issuance file? Is it always posted timely (any exceptions for holidays)?</p>
<p>If yes to delays in posting - How many delays have there been? (Determine frequency of problem).</p>
<p>Are EBT benefits always available to recipients on time? If no, how long is the delay until benefits are available? What is the frequency of this problem?</p>
<p>Has the EBT contractor/processor or bank ever contacted the State vendor because of insufficient funds to cover daily payments to retailers? If yes, how was the situation resolved?</p>
<p>What is the EBT data source for completing the actual issuance, persons and households data on the FNS 798? Would this data ever need to be revised from initial reporting to FNS? If yes, why would a revision be required? If yes, what actions are taken to resolve data discrepancies?</p>
<p>Are the following reconciliations being performed in an EBT system? By whom? How are these being documented:</p> <ul style="list-style-type: none"> ▪ benefits posted to household accounts on MIS system versus benefits posted on the processor's issuance file ▪ credits to retailers versus debits to clients ▪ individual household account balances versus daily account activity ▪ individual retailer transactions per POS and in total versus retailer daily deposits, ▪ total funds entered into, exiting from, and remaining in the system each day.
<p>Is the State aware of any problems that have occurred with EBT reconciliation? If yes, have they been resolved? How?</p>
<p>Observe the State's daily EBT reconciliation activities.</p>
<p>How does a mid-month food package change (usually a debit and credit to the card balances) appear in the EBT reconciliation process?</p>
<p>In an EBT system, do local agencies issue any benefits directly, such as special formula, rather than through a retailer? How is this accounted for in reconciliation of issuance?</p>
<p>Describe the clinic settlement process in an EBT system. Also: Is it attended or unattended? Has it influenced the clinics hours or appointment availability? How does the clinic know if settlement was successful? Can the clinic settle anytime if necessary? How long does settlement take? Does settlement take longer in different sized clinics?</p>
<p>Who, specifically, conducts the State reconciliation steps in the EBT system? Who monitors or reviews the processor's reconciliation steps?</p>
<p>Describe the funds flow for how retailers are paid in the EBT system.</p>

Does the State's EBT contractor/processor have authorization to draw directly from the Letter of Credit to pay retailers?
How is that access monitored?
How are rebate funds managed in the EBT system so that they are spent first, as required?
How long does it take for a retailer to be paid after EBT settlement?
Does the EBT system total all credits accumulated by each retailer?
Does the EBT system provide balance information to retailers or 3rd party processors from individual POS terminals, as needed?
Does the EBT system reconcile retailer's credits against deposit information entered into the ACH network?
Review audit reports for the EBT system.
For the EBT system, follow a process similar to "1-to-1" reconciliation for a check system. Select a random sample of program participants who have received benefits in a recent period. Verify that the issuance is supported by a valid certification. Verify that the balance on the card was sufficient to cover the transaction; that the balance on the card was reduced by the same amount as the transaction; that the retailer's settlement included the same transaction value as was debited from the card; and that the retailer was credited for the transaction.