

# **e-WIC Glossary**

These are common terms in the e-WIC, Electronic Funds Transfer and Electronic Benefits Transfer (EBT) industries. This is not an all-inclusive list and, in some cases, the definition has been modified as it applies to the WIC program.

**Automated Clearing House (ACH)** - Automated Clearing House (ACH) is a secure payment transfer system that connects all U.S. financial institutions. The ACH network acts as the central clearing facility for all Electronic Fund Transfer (EFT) transactions that occur nationwide, representing a crucial link in the national banking system. Unlike wire transfers which are immediate, ACH transfers are done in batch mode, which could take up to 72 hours for funds to actually be transferred.

**Acquiring Processor (also referred to as Third Party Processor, or TPP)** - This processor provides transaction processing, billing, reporting and settlement and operational services to acquiring retailers.

**Authorization** - The process of verifying the card account has sufficient balance to support the transaction. A corollary of this is that the underlying account balance is decremented after each authorization (approval).

**Automated Response Unit (ARU)** - A designated system for answering telephone calls and providing information to callers via recorded messages, or transferring calls to a customer service center. An automated telephone answering system can provide voice answers to questions using data from the WIC information system and/or the e-WIC system: for example, it can be used to remind clients of appointments, respond to balance inquiries, etc. The technology is easily adaptable to multi-language use. Also known as Interactive Voice Response (IVR).

**Card Reader** – a card swipe device that attaches to WIC clinic staff computers in order to read the magnetic stripe on a WIC EBT card and enter the cardholder’s EBT account number into the WIC MIS. The device enables quicker account identification and service for the participant.

**Card Verification Value Codes (CVV)** - CVV is an authentication procedure to further efforts towards reducing fraud for Internet and other “Card-Not-Present” transactions. The CVV is a three- or four-digit code printed on the back of the card which provides a cryptographic check of the information embossed on the front of the card. The cardholder is required to provide the CVV number when executing internet or telephone transactions. This feature is not employed in e-WIC programs.

**Cash Value Voucher/Benefit (CVV/B)** - Cash-value voucher (called benefit in EBT) is a fixed dollar amount check, voucher, electronic benefit (accessed via e-WIC card) or other document which is used by a WIC participant to obtain authorized fruits and vegetables.

**Category/Subcategory Table** – An FNS-defined table that contains the category and subcategory codes used for identifying foods. The category/subcategory is a convenient way to electronically identify generic types of food items and link them to specific vendor supplied UPC codes. For example, 18 ounces of JIF Peanut Butter would be Category 06 (Legumes), Subcategory 002 (Peanut Butter) and size 18 ounces.

**Certification** – In EBT, refers to the process of testing the authorized vendor’s point of sale device or electronic cash register system to determine compliance with federal requirements to conduct specified EBT transactions. There are three levels of certification: Level 1, 2, and 3. Level 3 Certification involves the completion of selected in-store EBT transactions in the production environment to confirm end-to-end EBT transaction processing from the store, through any third-party processor of electronic transactions, to the EBT processor. These certifications are typically conducted by state WIC staff and its contractors in advance of the Pilot Test phase and Statewide Rollout.

**Chargeback** - A transaction that is billed back to the merchant after the sale has been settled. Chargebacks are initiated on behalf of the cardholder. Typical cardholder disputes involve product delivery failure or product/service dissatisfaction.

**Check Digit** - A digit in the primary account number (PAN) or code that verifies the authenticity of the embossed account number.

**Compliance Monitoring** – Term used to describe the investigation of WIC vendors to ensure that they adhere to WIC regulations. Compliance monitoring may include compliance buys, routine monitoring visits, and vendor record reviews.

**Cost-Per-Case-Month (CPCM)** – The Cost-Per-Case-Month is a standardized measure of the number of active cardholders that provides the basis for the EBT processor’s charges to the state for EBT services.

**Customer Service Representative** - Customer Service Representatives are responsible for taking telephone calls and providing information and services to clients as needed. In EBT, this is a service usually provided by the EBT processor through its Interactive Voice Response (IVR) and separate Help Desks for the cardholders and authorized vendors.

**e-WIC system** - The specific electronic system, modules, components, that a State agency chooses to support e-WIC account management, card management, transaction processing, and settlement. The e-WIC system may be on-line line (magnetic stripe) or off-line (smart card).

**Electronic Cash Register (ECR) System** - A system used in retail stores to perform transactions. A typical ECR is composed of various component parts and is networked to a central server maintained at the store or in another location for the chain. The system electronically scans items for purchase, obtains the UPC code and price for the item, adds the item to the cash register receipt, and totals the entire purchase to arrive at a purchase total.

**FNS** - Food and Nutrition Service, a division of the United States Department of Agriculture (USDA/FNS).

**Food Benefit Prescription** - The specific set of foods prescribed by a nutritionist for an individual WIC participant for a specified period of time.

**Food Instrument** - The printed paper vouchers or food checks that document the specified WIC foods and the amounts of these foods for a specified period of time that have been prescribed for a WIC participant and that can be redeemed at an authorized WIC vendor.

**Food Package** - The set of foods recommended for specific categories of WIC participants and/or risk factors. Food packages may be adjusted for individual participants because of special nutritional needs, incomplete benefit periods, etc.

**Hot Card** - A card (either on-line or offline) which has been made inactive because it was reported lost, stolen, or for other reasons.

**ICC** – Integrated Circuit Chip on which data is maintained in an offline (Smart-card) e-WIC system.

**Integrated System** - A retail cash register system in which the technology to read and accept e-WIC cards is a built-in part of the over-all system. Essentially, it is a multi-tender system that is the opposite of a “stand-beside” system (see below).

**Issuer** - The State Agency, or a vendor on behalf of a State Agency, which issues cards to participants. Card issuers retain full authority over the use of the card.

**Issuer Identification Number (IIN)** - The first eight digits of the card number which identify the card issuer (formerly BIN-Bank Identification Number).

**IVR (Interactive Voice Response)** - Phone technology that allows a computer to detect voice and touch tones through normal phone call. The IVR system can respond with prerecorded or dynamically generated audio to further direct callers on how to proceed. IVR systems can be used to control almost any function where the interface can be broken down into a series of simple menu choices. (previously, Automated Response Unit –ARU).

**Local Agency** - A public or private, nonprofit health or human service agency which provides WIC services, either directly or through contract, in accordance with applicable USDA/FNS and State regulations.

**Magnetic Stripe Card** - A card, usually with human readable characters and/or imprinted characters on the front and a machine readable magnetic stripe on the back. The magnetic stripe usually contains identification and security information. Sometimes also contains other very limited information. “Mag. Stripe cards” require that the card device have real-time access to a host system.

**MIS** – The WIC Management Information Systems. In NJ, this MIS is known as NJ WoW (WIC on the Web).

**NACHA** (National Automated Clearing House Association) - NACHA is a not-for-profit association that represents more than 11,000 financial institutions through direct memberships and a network of regional payments associations, and 650 organizations through its industry councils. NACHA develops operating rules and business practices for the Automated Clearing House (ACH) Network and for electronic payments in the areas of Internet commerce, electronic bill and invoice presentment and payment (EBPP, EIPP), e-checks, financial electronic data interchange (EDI), international payments, and electronic benefits services (EBS).

**NSA** - Nutrition Services and Administration. The annual grant states receive from FNS to operate the WIC program. (exclusive of actual food costs).

**NTE** – Not-to-Exceed-Amount, the maximum amount the State will reimburse a vendor for a particular food item.

**Offline** - A technology used for e-WIC, in conjunction with Smart Cards, in which participants' WIC food prescriptions are stored directly on the EBT card in the memory of an integrated silicon chip. All transaction processing occurs at the merchant/retailer location: the participant's WIC prescription is obtained directly from the client's card during transaction processing, and information regarding the transaction is stored onsite on a server within the vendor location. The remaining balance on the participant's e-WIC card is updated on the chip at the vendor location following the completion of the transaction. On a daily basis, a batch file containing the details of the WIC transactions performed at the vendor for the day is transmitted to the e-WIC host system for payment processing. No telecommunications setup is necessary for in-lane transactions; however, telecommunications are required for regular batch processing to upload transaction data and download approved UPC data and hot card information. This is the opposite of an online system (see below).

**Online** - A transaction processing system in which a card reader point of sale device is in direct communication with a central host provided by the EBT processor, and in which authorization is provided by the central host at the time the transaction is processed. This is the opposite of an "offline" system (see above).

**Peer Group** - A vendor peer group is a subset of approved vendors of similar characteristics (size, location, or client population).

**Personal Identification Number (PIN)** - A code or password, unique to or associated with, a specific user, and entered into a data-processing device for purposes of verifying the identity of a person requesting a transaction or access.

**PLU** - Price Look Up code. PLU's are normally used by cash register personnel in looking up the price for fresh fruits and vegetables.

**Point Of Sale (POS)** - A location where e-WIC transactions are performed with the e-WIC card and cardholder present, such as a retail store. The card is read electronically, and the cardholder's PIN, in place of a signature, is obtained to support authorization of the transaction.

**POS Terminal** - An electronic hardware device used at the retail point of sale and designated to accept cards, that, when activated by a cardholder through use of an e-WIC card, is capable of initiating a request for authorization of a purchase or balance inquiry from an e-WIC card or account.

**Primary Account Number (PAN)** - A unique identifying number used to reference a financial account, most commonly, the sixteen digit card number.

**Proxy** - Any person designated by a certified participant, or by a parent or care taker of an infant or child participant, to obtain and transact food instruments or to obtain supplemental foods on behalf of a participant. (Parents or caretakers applying on behalf of child or infant participants are not proxies). Proxies must be designated consistent with the State agency's procedures established according to the WIC Program regulations. In e-WIC, a proxy may have an e-WIC card linked to the participant's food prescription account or the proxy may be given permission to use the participant's card.

**Rebate** - A discounted amount of the purchase price of a WIC infant formula item that is returned to the State Agency on each item for which there is a rebate contract in place with a given manufacturer. The State Agency bills the manufacturer either for the estimated or actual amount of rebated products purchased (usually monthly), depending on the capabilities of the WIC information system and/or the e-WIC system.

**Reversal** - Nullification of an authorized transaction (sale) that has not been settled. A reversal will immediately "undo" an authorization and restore the balance to the cardholder's account.

**Settlement** - The process of moving money from processors and acquirers to merchants and issuers. Basically, it's when all parties, including the merchant, get paid for the sale and processing the transaction. In NJ, this also involves review and approval of the daily processing invoice presented by the EBT processor.

**Smart Card/ Integrated Circuit Chip Card** - A card into which one or more integrated circuits is inserted. A smart card with an integrated circuit chip is able to perform data processing such as calculations or data storage and retrieval on-board the card.

**SNAP (Supplemental Nutrition Assistance Program)** - Formerly "Food Stamps", this is a federal government-sponsored program which assists low-income people and families in purchasing food. SNAP participants are also income eligible for WIC.

**Stand-beside System** - A retailer register system that is essentially the opposite of an "Integrated system (see above). The equipment to accept the e-WIC card is separate from the register system and normally "stands-beside" that equipment.

**Temporary Assistance for Needy Families (TANF)** - Formerly "AFDC," this program provides temporary financial assistance (cash) to qualifying families with dependent children. TANF participants are also income eligible for WIC.

**TPP** – See Acquiring Processor above.

**Universal Product Code (UPC code)** - The code used to identify retail items, including WIC approved items. It is represented by a bar code, which can be scanned to obtain the UPC.

**URL** – The Universal Resource Locator which the global address of documents and other resources on the world wide web.

**USDA** – United States Department of Agriculture is the US Agency that provides leadership on food, agriculture, natural resources, and related issues based on sound public policy, the best available science, and efficient management. Also known as USDA/FNS.

**Vendor** - A retailer authorized by the WIC program to sell WIC foods and redeem WIC food benefits.

**Virtual Terminal** - The use of software or an internet web page to simulate terminal functionality on a computer. The method and process effectively replaces a POS terminal or separate piece of hardware; the transactions entered via a PC are processed in exactly the same way as if they were processed by a separate POS terminal.

**WIC** – The Special Supplemental Nutrition Program for Women, Infants and Children which provides nutrition screening and education, referrals to preventative health care programs and breastfeeding support, and access to selected foods to supplement the diets of low income, pregnant, lactating and post-partum women, infants, and children up to five years of age who are at nutritional risk.