Comparison of Offline and Online Technology
Retailer

System Component	Offline/Smart Card	Online
WIC EBT Cards	• Smart card • Food package and cash allowance stored on card • PIN stored on card • Limited to one card (cardholder) per household • Participant must be present at the clinic to receive a card and PIN • Due to the ICC, the cost is higher per card than a magnetic stripe card	• Magnetic stripe card • Food package and cash allowance stored at the WIC EBT system • PIN stored at the WIC EBT system • Able to have multiple cards (cardholders) per household • Participant may be issued a card at the clinic or may be mailed a card • Participant may select a PIN at the clinic or may select a PIN via an AVR • Minimal cost per card
Benefit Redemption	• Card and cardholder must be present for redemption • WIC authorized vendor must have a WIC-EBT ready smart card read/write device • Transaction occurs between the card and the card reader; communications with the host is not required for the transaction to occur • Only authorized WIC items will be approved for purchase • Only items authorized in a food package of a member of the cardholder's group will be approved • Only items approved for the current benefit period will be approved • Items purchased are deducted from the amounts stored on the card; fruit and vegetable purchase amounts are deducted from the allowance amounts stored on the card • NTE amounts can be calculated and adjusted in real time by the WIC authorized vendor ECR system with the state's APL (for example, Walmart performs a pre-edit), or the WIC authorized vendor can allow the state to adjust the daily WIC authorized vendor reimbursement amounts (called post-editing). The state WIC program provides to the WIC authorized vendor a detailed accounting of NTE adjustments.	• Card and cardholder must be present for redemption • WIC authorized vendor must have a WIC-EBT ready POS device • Client must swipe card prior to purchase to access benefits; communications with the host is required for the transaction to occur • Client must swipe card at end of purchase to approve the transaction • Only authorized WIC items will be approved for purchase • Only items authorized for a member of the group's food package will be approved • Only items approved for the current benefit period will be approved • Authorized WIC items are deducted from the benefits; fruit and vegetable purchase amounts are deducted from the CVB allowance amounts stored in the account • Not to exceed (NTE) exceptions are calculated real time and provided to the WIC authorized vendor as part of the approval message

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System Availability	• System must be available to issue cards • System must be available to issue or change benefits • System does not need to be available to redeem benefits • System must be available to accept claim files from the WIC authorized vendor and to send APL updates and the HCL to the WIC authorized vendor • Real-time account balance is held on the card; time lapse required to synch the host system. If a WIC authorized vendor's card read/write devices are non-functional, then WIC transactions cannot be processed. There is no paper back-up	• System must be available 24x7 for card and benefit issuance and redemption and to accept file transfers • If POS device is non-functional a manual entry is possible; if system is down, a voice authorization is possible. • If the system is down, a WIC authorized vendor may store the transaction and forward it a later time. This transaction is at the WIC authorized vendor's risk
Host Processing	• Host receives claim files from WIC authorized vendors in a batch mode; processing occurs when file is received • Host receives benefit files in real time as only what is loaded on the card is sent to the host; processing occurs when files are received	• Host receives transaction from WIC authorized vendors or TPPs in real time and processes upon receipt. Requires 24x7 availability and rapid response • Host receives benefit files in real time and may receive files in batch mode; processing occurs when files are received
Hot Cards and Card Inactivation	• Lost, stolen or damaged cards may be reported to the WIC clinic, help desk, or to a web-based customer site • The list (HCL) of lost, stolen or damaged cards is maintained by the host system • The HCL is sent to WIC authorized vendors each day • The smart card is compared against the HCL prior to a transaction • The smart card terminal provides a message to the WIC authorized vendor concerning the card's status • The HCL is not real-time. Cards may be reported as	• Lost, stolen or damaged cards may be reported to the WIC clinic, the help desk, or to a web-based customer site • The list (HCL) of lost, stolen or damaged cards is maintained by the host system • The card is compared against the HCL prior to a transaction • The POS terminal provides a message to the WIC authorized vendor concerning the card's status • The HCL is real-time. Once a card is reported as lost/stolen, transactions using the card will no longer be authorized.

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	lost/stolen up to 24 hours before the HCL is provided to WIC authorized vendors. WIC authorized vendors are not liable for authorized transactions due to this time lag. Participants may not recover benefits lost due to this time lag	
Security	• ICCs are created with unique access keys. PINs are stored on the ICC using proprietary algorithms and cannot be read directly from the ICC. • Encrypted keys are stored on the card, on the read/write devices at the clinic and at the smart card devices at the WIC authorized vendor. These keys authorize access and specific types of transactions. • Transaction files must be date and time stamped • Claim files must include a transaction signature to ensure validity • Claim files must be date and time stamped	• PIN and transaction data are encrypted prior to being sent to and from the host • PIN selection terminal at the clinic is validated by the host • POS terminal is validated by the host (EBT-only) or by the TPP • Transactions must be date and time stamped
Settlement	• Claim files are validated • NTE exceptions may be applied • Approved claim files trigger the generation of WIC authorized vendor reimbursement files • WIC authorized vendor reimbursements are settled to the WIC authorized vendor's financial institution within one to two business days	• Transactions are approved at the POS • Reimbursements are settled to the WIC authorized vendor's financial institution for transactions that occur prior to the processor's daily cut-off time
Reconciliation	• Claim files are reconciled with the settlement amount and returned to the WIC authorized vendor	• Reconciliation is performed between parties accepting and receiving a transaction • Transactions are reconciled with the settlement amount and returned to the WIC authorized vendor or TPP
Balance Inquiry	• Card, PIN and smart card reader/printer are required for an accurate (real time) balance • The help desk may provide an estimated balance; the host system will not be accurate unless all WIC authorized vendors have settled and all transactions are uploaded to the host • If web-based access is provided it will provide an estimated balance and only those transactions that have been uploaded to the host	• Card, PIN and POS terminal/printer can provide an accurate balance • Customer service can provide an accurate balance with appropriate identity verification • If web-based access is provided, it will provide an accurate balance and a record of all transactions that have been conducted with the host

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Audit Trail	• Audit trails are required for all transactions • Audit trails for benefit redemption transactions are stored on WIC authorized vendor ECR systems until uploaded to the host system	• Audit trails are required for all transactions
Hardware and Software	• WIC authorized vendor must have a WIC-EBT ready smart card read/write device • For a WIC authorized vendor to be EBT ready, the vendor must have the software and hardware in-lane that will accept and process WIC EBT transactions. • Requires an integrated ECR/POS configuration with scanning capability must be in place. The POS must also have the hardware to allow it to read the WIC EBT smart card. • POS can be fit with a chip reader about $100; there is no stand beside equipment so the ECR would have to be integrated with the WIC EBT system. • Walmart is reported to be the only store already equipped with smart card devices	• WIC authorized vendor must have a WIC-EBT ready POS device • For a WIC authorized vendor to be EBT ready, the vendor must have the software and hardware in-lane that will accept and process WIC EBT transactions. • Requires an integrated ECR system with UPC scanning capability and a POS terminal capable of accepting and processing WIC EBT transactions. • If a WIC vendor does not have an integrated ECR/POS with WIC EBT capability or elects not to process WIC EBT transactions through its system, it may be provided with one or more stand-beside terminals with a hand-held UPC scanner that operates independently of the vendor's ECR.