
Subject: WIC Check Reimbursement

Effective Date: October 1, 2014

Revised from: October 1, 2011

Policy: The Kansas WIC program utilizes the Federal Reserve Banking system for vendor payment processing. The State Agency (SA) also contracts for WIC banking services, which include comprehensive controls and edits for each WIC check presented for payment.

Reference: 246.12(f)(2)(iv)

Procedure:

1. WIC checks are deposited as all other non-WIC checks. WIC checks must be deposited by the "Vendor Must Deposit by:" date on the check. Once the check has been deposited, the bank of first deposit credits the account according to normal bank procedures.
2. All WIC checks are routed through the Federal Reserve Banking system.
3. The contracted WIC banking processor visually and electronically edits the checks. These edits include but are not limited to: missing client signatures, inappropriate use and deposit dates, missing vendor stamp, missing purchase amount, and alterations made to the check.
4. Payment of WIC checks that successfully pass the edit procedures will be processed through the banking system and result in the transfer of funds to the bank of first deposit.
5. Checks failing established edits are stamped on the face of the check with the reason(s) for failure. These checks are returned through the banking system to the bank of first deposit and ultimately to the vendor. These are considered rejected checks.

Reasons for rejected checks include:

- a. The check was used prior to the "Do not use before" date.
 - b. The check was used after the "Do not use after" date.
 - c. The computer printed authorized signatory's name has been altered.
 - d. The food descriptions and/or food quantities have been altered.
 - e. The maximum dollar amount indicated on the Fruit and Vegetable Check (FVC) has been altered.
 - f. The client's authorized signature is missing.
 - g. The vendor's WIC approved stamp is missing.
 - h. The check was deposited after the "Vendor Must Deposit by" date.
 - i. The actual purchase amount on the check is above the state allowed maximum price for the listed food items.
6. If a WIC check is deposited without the authorized vendor stamp, the check will be returned with the following imprint: Missing/Illegible Vendor Stamp - Correct and Re-Deposit. The check may then be stamped and re-deposited by the vendor. No other rejected checks may be re-deposited. The vendor must contact the SA to resolve all non-payment issues.

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7. If a WIC check is rejected for over the allowed amount the check will be returned (stamped rejected) to the vendor and one of the following will occur:
 - If the vendor has signed up to receive Automated Clearing House (ACH) payments the check will be stamped “Exceeds Dollar Limit – Paid via ACH.” The vendor’s bank account will be electronically credited for the maximum amount for that check type for the vendor’s peer group. The vendor will incur returned check fees, if applicable, from their bank.
 - If the vendor has not signed up to receive ACH payments the check will be stamped “Over the allowed Amount – Do not redeposit” and returned (rejected) to the vendor. The vendor must follow the steps detailed in (9) below in order to receive reimbursement.

8. In order for a vendor to implement the Automated Clearing House (ACH) process an ACH Authorization Form must be completed. The ACH Authorization Form is included in the Vendor Application Packet completed by vendors that apply to be authorized to participate in the Kansas WIC program. The form can be found in the [Vendor Application Packet](#). The ACH process will be as follows:
 - Once a week, the WIC Banking contractor will accumulate all rejected checks that qualify for an ACH credit and combine them into a single ACH credit for each distinct vendor.
 - Vendors will have access to a weekly statement via WICbanking.com. The detail will show all checks rejected for over the maximum allowed amount and the corresponding ACH credits.
 - An ACH credit will be generated for each vendor.
 - Credits will be routed to the vendor’s bank account for the corresponding amount.
 - The credit will be for the maximum amount allowed for each check type for the vendor’s peer group.

9. If the vendor believes that a check was rejected in error and payment is due, the vendor must contact the SA in writing by completing the [Request for Reimbursement form](#) for a review of the rejected check. This form is only to be filled out in cases of extenuating circumstances. Simple processing errors or omissions are not considered extenuating.
 - If the vendor receives a rejected check that is stamped “Exceeds Dollar Limit – Paid Via ACH” and they want to appeal for additional payment then the ACH appeal section of the Request for Reimbursement form must be completed and submitted to the SA for review.

The USDA Regional Office must approve payments totaling over \$500.00 that is more than 30 days past the “Vendor must Deposit by;” date.

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If it is determined that a check is to be reimbursed, a replacement check will be issued by the SA and sent to the vendor for deposit. Replacement checks will be processed through the federal banking system.

10. If a check payment has not been received within one week after deposit of the check, this fact should be reported to the SA. The vendor should be prepared to provide the following information:
 - a. The vendor name and WIC vendor number.
 - b. The check number.
 - c. The date the check was deposited in the bank of first deposit.
 - d. The amount of the check.

The SA will research and respond to the inquiry as soon as possible.

11. Retain all deposit slips and bank statements as advised by your tax consultant.