eWIC Vendor Integration Funding Project

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Welcome!

- MN WIC Vendor Snapshot

- Rationale for Vendor Integration Grants

- Planning for Grant Activities

- Grant Criteria

- Application and Scoring Process

- Outcomes

- Successes and Lessons Learned

- ## 1,012 MN WIC Authorized Vendors
  - ### 868 Retail Food Vendors
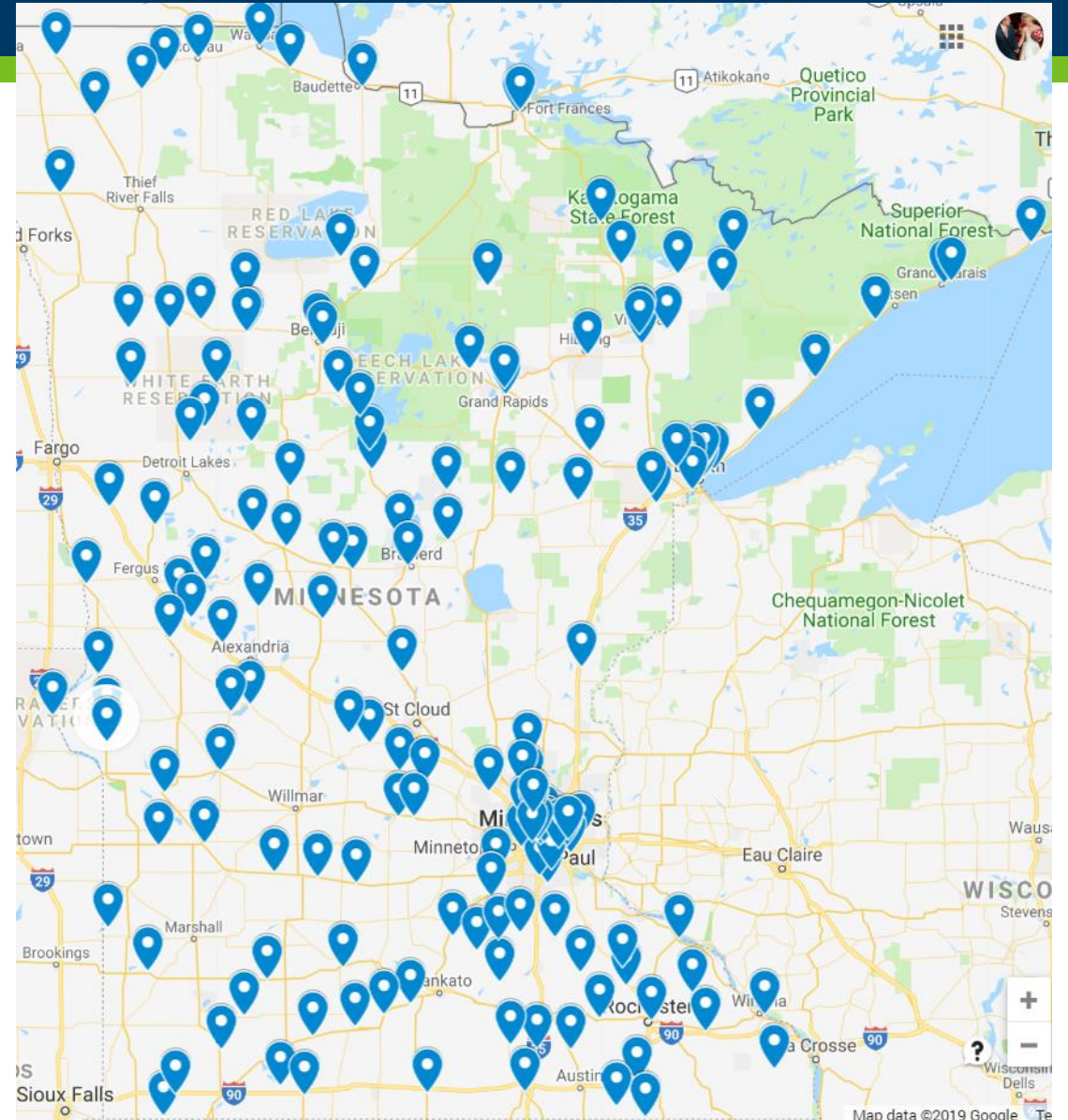   - #### Needed for Access: ~258
  - ### 144 Pharmacies

481 Integrated Chain Retailers

255 Integrated Independent Retailers

276 Stand-Beside stores

- 173 Stores

- $1,268,584.64 awarded

- Average Grant:
  $7,332.86 per store

9/11/2019

Why did MN WIC want to promote Integrated POS systems?

- Improved check-out experience

- Retain WIC vendors that are needed for participant access

- Reduce number of WIC-Only terminals

- Reliability

- Reduce errors related to scanning/price-entry

- Promote compliance at high risk stores:
  - Reduce likelihood of overcharges
  - Give increased visibility to items purchased with CVB

What is the cost of a new integrated system? Upgrades?

How many vendors have a POS system that needs upgrades?

How many vendors would need/choose stand-beside terminals?

What information should be provided in the IAPD?

How do we set fair criteria around the vendor grant process?

How do we get the payments to the vendors?

What kind of oversight will be necessary?

- Cost of New POS
  - from mainstream providers
  - from "low cost" companies

- Estimating needs of Vendors
  - Upgrades only
  - Brand new POS system

- Indirect Costs (policies may vary by state)

IAPDU Funding Request

Number of vendors	Estimated cost per vendor	Estimated total cost
191	$ 2,500	$ 477,500
109	$ 8,000	$ 872,000
	GRAND TOTAL	$1,349,500

- Requested dollar amount to enable all stores
  - Store types
  - Funding Levels
- Rationale for promoting integrated POS systems
- General scoring criteria and grant process
- Plans to ensure compliance
- Draft of Application

- Hardware

- Software

- One-time labor for installation/training

- Third Party Processor interfaces

- Not Eligible:
  - Travel costs
  - On-going fees
  - Non-certified systems

- Current WIC Vendor

- Not capable of accepting eWIC

- Proposed system must already be certified with FIS-CDP

Determine Eligible Amount:

- Needed for participant access, 1 Register – up to $10,000

- Needed for participant access, 2+ Registers – up to $15,000

- Not needed for participant access, 1 Register – up to $3,000

- Not needed for participant access, 2 Registers – up to $5,000

- Not needed for participant access, 3+ Registers – up to $15,000

Compliance History

- No violations within the past 3 years – don't subtract anything

- Minor violations with in the last 3 years, reduce the eligible amount by 10%

- OR, serious violations for which they were not disqualified in the last 3 years, reduce the eligible amount by 30%

Determine Funding Level

- If requested amount < eligible amount: award requested amount

- If requested amount > eligible amount: award maximum eligible amount.

Definitions – Participant Access Criteria

If the store is in the Minneapolis-St. Paul metro (Anoka, Dakota, Hennepin, or Ramsey counties),

AND there is not another store within one walkable mile,

AND there is no bus stop within a half mile,

… the applicant is needed for participant access.

If the store is in a county other than Anoka, Dakota, Hennepin, or Ramsey AND there is not another store within five walkable miles

…the applicant is needed for access.

Definitions: Minor and Serious Violations

Minor Violations (-10%)

- Failing to meet minimum stock on one monitoring visit

- Failing to meet pricing guidelines on one monitoring visit

Serious Violations (-30%)

- Overcharged

- Charged for foods not received

- Failed to record a price at the time of purchase

- Unauthorized food violation

- Failed Audit which does not result in disqualification

Criteria Not Included Scoring

- Redemptions

- Square Footage

- SNAP authorization

- Suspicion of Fraud

- Violations for which they had already received sanctions

To comply with the terms of the grant, grantees had to:

- Submit quote

- Submit proof of payment/installation

- Pass Level 3 Certification and visual confirmation by WIC representative

- Continue as a WIC vendor for two years after their region's go-live date.

- Website > eWIC planning
- WIC Matters Vendor Newsletter
- Targeted Emails/mailings
- POS Providers

m DEPARTMENT OF HEALTH

MINNESOTA **WIC**

WIC Matters Newsletter for Vendors
APRIL 2018 VOLUME 18 ISSUE 2

Apply for Vendor Integration Funds - Don't miss your chance!

If your store does not yet have an Integrated Cash Register System, **the WIC Program may be able to help you pay for one!** The US Department of Agriculture provided us with extra funding to help stores obtain or upgrade to an Integrated Cash Register System. The funding may be used on hardware, software, or labor necessary to install the system. Once we transition to eWIC, we would like as many WIC vendors as possible to use Integrated Cash Register Systems instead of Stand-Beside Systems.

We encourage your store to apply for one of these grants. Click this link to download the application:
http://www.health.state.mn.us/divs/people/vendor/ewic/funds.pdf

What's an Integrated Cash Register System?

- The store will accept eWIC cards with their normal equipment; eWIC is integrated into the store's cash register system.
- These systems handle all payment types, including eWIC cards, SNAP EBT cards, cash, check, and debit and credit cards.
- These transactions are much faster and smoother for store cashiers and WIC customers.
- Integrated cash register systems cost less than you might think:
  - Systems good for smaller stores: $2,000 to $5,000

- Application
- Scoring Criteria
- Delegation of Legal Authority
- Sample Notice of Grant Award Letter
- Roll-out Schedule
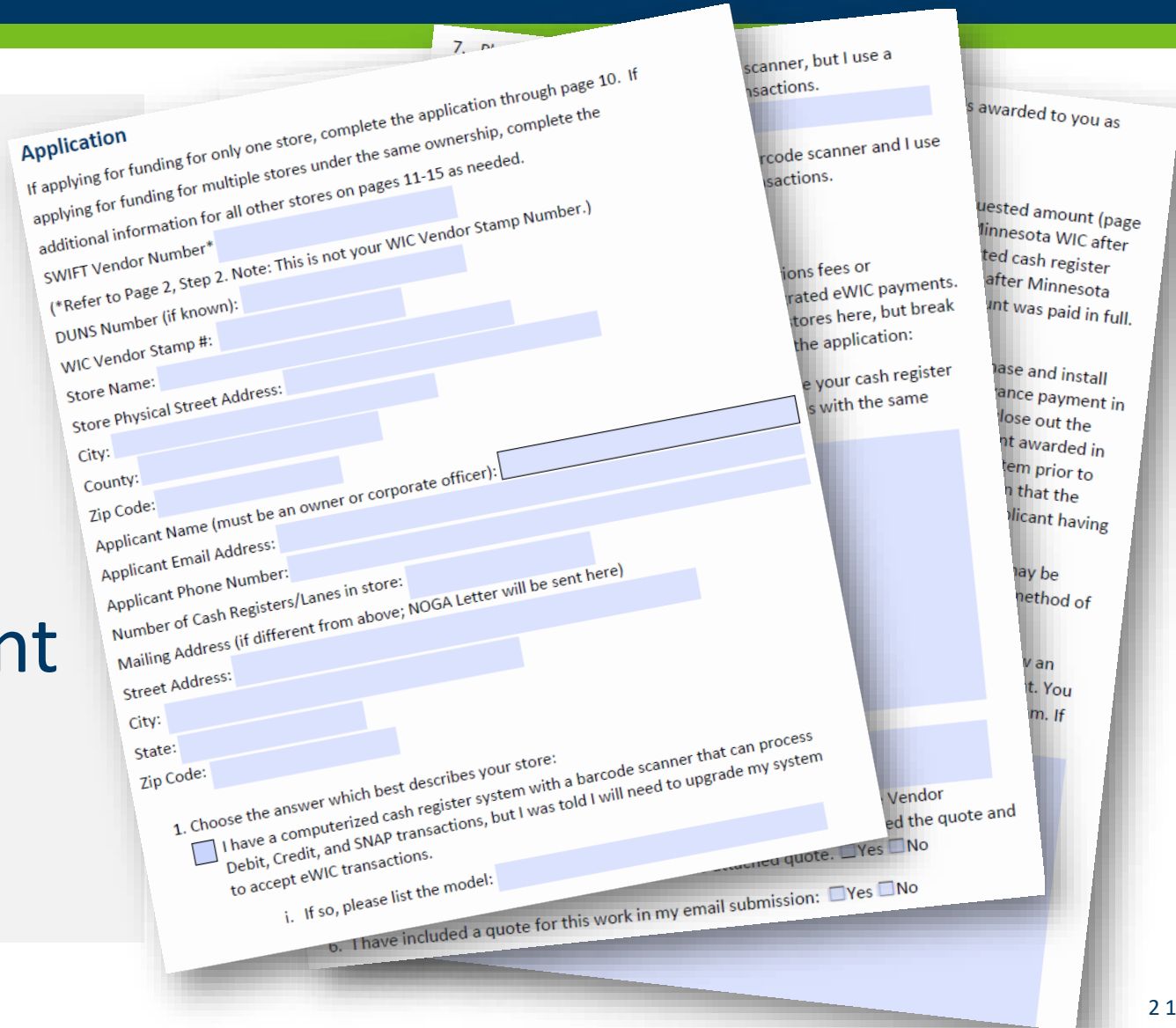
- Submitted IAPDU October 2017

- Received grant funds from FNS December 2017

- Cross-Agency collaboration on criteria and process January – May 2018
  - WIC/Child and Family Health
  - Financial Management
  - Legal
  - Grants Management

- Published Application February 2018

- Settled on "Notice of Grant Award" (NOGA) process May 2018

- Published revised application and documents May 2018

- Awarded first grant May 2018

- Closed application period 2/15/19

- Final close-out documents due 8/30/19

Grant Application process for Vendors

- Submit application and quote to MN WIC

- MN WIC review/scores application

- MN WIC enters applicant into tracking/scoring spreadsheet

- MN WIC completes NOGA letter

- MN WIC sends fully executed NOGA to vendor

- Vendor completes upgrades

- Vendor submits proof of payment for close-out

Hurdles with Vendor Application Process

- Denials
  - Submitted application for non-certified system
  - Past Deadline

- Terminations
  - Some withdrew from the grant
  - A few vendors violated terms of grant

- Amendments
  - Added new funding level
  - Quotes not always accurate, grantee requested increase

What went well

- Rolling application period – to a degree
- Good representation through out the state
- Having one person to coordinate process
- Posting scoring criteria online
- Offering advance payments

- NOGA process

- Communicating through POS providers

- Pricing brackets – adequate for our target demographic

- Scoring Criteria

- Establishment of relationships with POS providers

Every vendor needs some amount of work to become integrated.

- POS Software Updates

- Certified Hardware/PIN Pads

- Change TPP or add eWIC Processing to existing contract

- Configuration

- Training

If you offer funding, some vendors will not want to pay for any upgrade costs out-of-pocket.

POS Providers that are not already conducting business in your state may not be the best fit for this project.

- Lack of familiarity with vendors
- Slower implementation
- Service level may not meet expectations
- Increased costs due to travel

Some vendors just won't want to upgrade.

- They don't want to learn new technology
- POS system needs to be integrated for fuel sales
- The grant funds may not be enough to incentivize upgrading.
  - Ongoing transaction Fees
  - Increased TPP costs
  - Technology/Communication/Infrastructure Costs
- Stand-besides are appropriate for some stores.

Companies selling non-certified POS systems and non-certified TPPs will want to participate in the grant activities.

POS Providers may not be prepared for the increased workload generated by integration funding activities.

The integration work isn't done until there are successful production transactions.

- Establish your internal work flow/payment process early on

- Define your grant application period for vendors and provide a solid deadline.

- Consider an annual sales cap

- Ensure that your criteria is scalable for large independent stores (5+ registers)

- Determine what ongoing fees are reasonable to fund

- Consider criteria for allowing/not allowing amendments
- Clearly state objectives/expectations to POS providers
- Put a contract in place with POS providers
  - Stick to timeline
  - Regular status updates
  - Get POS operation/produce mapping instructions
  - Ensure Production Tests are completed
  - Adequate Training Provided (Voids, Mapping, etc)

- Ensure POS is operational before closing out grant
  - Require successful production transactions
  - Visual Confirmation @ L3 Cert
- Include requirements around vendors providing the item file to be loaded/staged in advance of configuration
  - Prevent use as a WIC-Only terminal
  - Prevent delays in operational status
  - Prevent user error

Thank you from Cooper's Foods

"Thank you very much for the grant. Not only has it helped us serve our WIC customers better, but it has helped all our customers and staff to have the improved POS systems in our stores. " – Cooper's Foods, locations in St. Paul and Chaska, MN

… "The commitment your agency is making to improving and maintaining healthy communities is deeply inspiring to us. It is also because of your generous support in the amount of $15,000, that we can move towards providing a more reliable and accurate checkout process…" – Vinai Market, Brooklyn Park, MN

Thank you from Knutson's Grocery

"We have been using our new POS system for about a month and we LOVE it! We are actually in the correct century with the new system!! We were operating before like we were in the 1900's!!

Just wanted to thank you again for selecting us for the grant to pay for our new system. It is greatly appreciated..." – Knutson Grocery, Roosevelt, MN

Special Thanks to:
FNS
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