

## Reconciliation of Checks

- I. The Utah WIC Program VISION computer system utilizes an internet based structure with clinic-based issuance of food benefit checks. Reconciliation is accomplished through daily upload/download of check issuance information that is forwarded to the bank. The bank screens the check for the required redemption criteria and verifies that the check issuance record is present.
- II. The State agency must account for the disposition of all checks as either issued or voided, and as either redeemed or unredeemed. Checks must be identified as validly issued, lost, stolen, expired, duplicate, or not matching valid enrollment and issuance records. This process must be performed within 120 days of the first valid date for participant use of the checks and must be conducted in accordance with Food and Nutrition Service, USDA § 246.12 the financial management requirements of § 246.13.
- III. FNS will establish a claim against any State agency that has not accounted for the disposition of all redeemed checks and taken appropriate follow-up action on all redeemed checks that cannot be matched against valid enrollment and issuance records, including cases that may involve fraud, unless the State agency has demonstrated to the satisfaction of FNS that it has:
  - a. Made every reasonable effort to comply with this requirement;
  - b. Identified the reasons for its inability to account for the disposition of each redeemed check; and
  - c. Provided assurances that, to the extent considered necessary by FNS, it will take appropriate actions to improve its procedures.
- IV. Program funds may not be used to pay for retroactive benefits § 246.14 (a) (2).
- V. Redemptions.
  - a. The issuance record is forwarded to the bank who will match each check against the clinic issuance record when the check is presented for payment.
  - b. Checks forwarded by retailers are drawn against the WIC account, and information containing redemption transactions are produced and forwarded to the VISION system. This information is posted as redeemed transactions.
  - c. In the event that the issuance record does not match the redemption record, the State Agency is contacted regarding resolution of appropriate issuance records.

## VI. Monitoring Redeemed Checks.

- a. Three hundred redeemed checks are randomly reviewed once a month for all required parameters. Errors that are identified will be individually investigated and appropriate follow-up action will be taken with the vendor or bank as appropriate. Checks will be reviewed by the State Agency for the following:
  - i. Purchase price missing.
  - ii. The authorized signature is missing/does not match.
  - iii. Vendor ID stamp imprint missing or unreadable.
  - iv. Redemption outside valid date.
  - v. Altered price.
  - vi. Altered food items or quantities.
  - vii. Altered or missing issue dates.
  - viii. Missing or illegible redemption date stamp
- b. The State Agency ensures that the bank screens each check and rejects it for the following reasons:
  - i. Missing, illegible, invalid, or unauthorized vendor stamp.
  - ii. Authorized signature missing.
  - iii. Prior to the First Date to Use or greater than sixty (60) days from the Last Date to Use.
  - iv. Three standard deviations above the average estimated cost in accordance with the vendor peer group or exceeds the maximum account limit of \$120.00 for food instruments or the total fixed amount as designated for cash-value vouchers.
  - v. Altered First Date to Use, Last Date to Use, or dollar amount.
  - vi. Missing or illegible redemption date stamp.

## VII. Check Reconciliation.

- a. Information containing assignment, issuance, and void transactions are forwarded along with the redeemed checks from the bank into VISION. In this manner, one-to-one reconciliation is accomplished for every check.
- b. In the event a check has been issued but not redeemed by the vendor within sixty (60) days from the Issue Date, the check is designated by the system as expired and rejected by the bank if redemption is attempted. Any reconciliation may be verified through the system regarding the expired status.
- c. Checks voided as Lost that have been redeemed, will be sent to the clinic in order to determine if a participant violation has occurred. Checks voided as In Hand will be researched to determine clinic error. These check discrepancies will be monitored at the clinic's management evaluation visit.