

Check Control Process

- I. Control over WIC checks is achieved through VISION keeping track of each check issued to participants and its final disposition, whether voided, redeemed or rejected. Solutran processes and reviews each check and makes the final decision whether it can be paid based on criteria set up in advance by the state. Reports available from Solutran's SOAR site, a daily email from Solutran, and reports available within the VISION system allow staff to monitor redemptions and rejections. Solutran's monthly bank statements allow for any reconciliation required. The following is a further description of how the above control occurs and some of the processes involved:
 - a. Solutran receives two daily files from the VISION system. The *Vendor File* is used by Solutran to determine which stores are authorized to receive payments for checks redeemed. The second file is the *FI Issuance File*; this file provides Solutran the check numbers that have been issued for the day along with maximum price limits for each check.
 - b. As part of Solutran's process, each check is reviewed to determine if it is a valid Utah WIC Check, whether it was redeemed by an authorized Utah WIC Vendor, Whether it was redeemed within the correct month, whether it contains a participant signature, and whether the total price is at or below the price limit applicable to the check. Solutran will accept or reject each check based on this criteria. Accepted checks are paid; rejected checks are summarized in a daily email sent to the State WIC Office for our information.
 - c. Data regarding the day's bank processing; the disposition and an image of each check is uploaded into Solutran's SOAR site, where it can be accessed by State WIC staff for queries and reports.
 - d. Solutran sends a daily file back to the VISION system, the *FI Redemption File*, which documents the ultimate disposition of each check it has processed. VISION stores data regarding each redemption; including vendor name, number, redeemed date, and redeemed amount. If the check was rejected, the reject date, rejected amount, and reject code are recorded in VISION.
 - e. Solutran notifies the vendor's bank (bank of first deposit) of checks that will not be paid, and the vendor's bank notifies the vendor.
 - f. For rejected checks that were above the maximum allowable amount, if the vendor wishes the State WIC Office to manually review the check for possible payment, the vendor has 60 days from the first date to use the check to submit the legal copy of the check along with a copy of the transaction receipt to the state. It is then reviewed to determine if it can be

paid and what amount is acceptable. It is then validated and returned to the vendor to redeposit.

- g. Utah WIC monitors that Solutran is properly processing checks by randomly selecting 300 redeemed checks per month and reviewing the checks for the same criteria that Solutran is supposed to use to accept or reject checks. WIC Office Specialists review the checks selected. Any errors found are documented on a spreadsheet and copies of the checks with errors are printed and scanned. Errors that are found could be related to bank processing or errors made at the vendor. The Vendor Coordinator follows up with the vendor or with Solutran when needed. Note: Only a few errors per month are found, approximately 1%, which are most commonly related to the bank of first deposit misreading MICR characters.
- h. VISION accumulates data on rejected checks. Upon a monthly review of VISION's reports, the Vendor Coordinator looks for a pattern of rejections with each vendor, if the rejection rate exceeds the threshold listed in the vendor agreement, she can issue warnings or sanctions against the vendor.
- i. Each month, the Budget Coordinator receives the bank statement from Solutran. She completes any required financial processes with the bank statement.
- j. Any participant violations or errors discovered through a daily query in SOAR, such as early cashing, over the maximum on a Cash Value Voucher. etc. are entered in VISION as a participant violation and local clinics are notified to resolve the violation and apply any required sanctions.