



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER
WIC80480

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF
ROBERTA WAGNER 304-558-0067

VENDOR

Financial Services Management Corp.  
 9005 W. 128th Street  
 Overland Park, KS 66213

SHIP TO

HEALTH AND HUMAN RESOURCES  
 BPH - NUTRITION SERVICES  
 350 CAPITOL STREET, ROOM 519  
 CHARLESTON, WV  
 25301-3717 304-558-0030

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
11/08/2006				

BID OPENING DATE: 12/11/2006 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	YR		964-04		
BANKING AND AUDITING SERVICES						
<p>CONTRACT TO PROVIDE BANKING AND AUDITING SERVICES FOR THE CLEARING OF WIC AND FARMER'S MARKET NUTRITION PROGRAM FOOD INSTRUMENTS BETWEEN WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES, BUREAU FOR PUBLIC HEALTH, OFFICE OF NUTRITION SERVICES, WIC PROGRAM AND THE DEPARTMENT OF AGRICULTURE, MARKETING AND DEVELOPMENT DIVISION FOR THE PERIOD OF AUGUST 1, 2007 TO JULY 31, 2008 AS PER THE ATTACHED SPECIFICATIONS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>[Signature]</i>	763-569-2920	12/6/2006
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
VP Operations	41-1861324	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**GENERAL TERMS & CONDITIONS  
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division.
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125.00 registration fee.
5. All services performed or goods delivered under State Purchase Orders/Contracts are to be continued for the term of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this contract is automatically null and void, and is terminated without further order.
14. **HIPAA Business Associate Addendum -** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.

---

**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as EQUAL to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in cases of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications.

**SIGNED BID TO:**

Department of Administration  
Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

**RECEIVED**

2006 DEC -8 P 12:19

PURCHASING DIVISION  
STATE OF WEST VIRGINIA



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
 WIC80480

PAGE  
 2

ADDRESS CORRESPONDENCE TO ATTENTION OF  
 ROBERTA WAGNER  
 304-558-0067

RFQ COPY  
 TYPE NAME/ADDRESS HERE

V  
E  
N  
D  
O  
R

S  
H  
I  
P  
T  
O

HEALTH AND HUMAN RESOURCES  
 BPH - NUTRITION SERVICES

350 CAPITOL STREET, ROOM 519  
 CHARLESTON, WV  
 25301-3717 304-558-0030

DATE PRINTED 11/08/2006	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
BID OPENING DATE: 12/11/2006		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p> <p>INQUIRIES:            WRITTEN QUESTIONS SHALL BE ACCEPTED THROUGH CLOSE OF BUSINESS ON FRIDAY, NOVEMBER 17, 2006. QUESTIONS MAY BE SENT VIA USPS, FAX, COURIER OR E-MAIL. IN ORDER TO ASSURE NO VENDOR RECEIVES AN UNFAIR ADVANTAGE, NO SUBSTANTIVE QUESTIONS WILL BE ANSWERED ORALLY. IF POSSIBLE, E-MAIL QUESTIONS ARE PREFERRED. ADDRESS INQUIRIES TO:</p> <p>ROBERTA WAGNER            DEPARTMENT OF ADMINISTRATION            PURCHASING DIVISION            2019 WASHINGTON STREET, EAST            CHARLESTON, WV 25311            FAX: 304-558-4115            E-MAIL: RWAGNER@WVADMIN.GOV</p> <p>*****            PLEASE NOTE: BID BOND REQUIRED WITH BID.            *****</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE: *[Handwritten Signature]* TELEPHONE: 763-569-2920 DATE: 12/6/2006  
 TITLE: VP Operations FEIN: 41-1861324 ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
 WIC80480

PAGE  
 3

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
 ROBERTA WAGNER  
 304-558-0067

RFQ COPY

TYPE NAME/ADDRESS HERE

V  
E  
N  
D  
O  
R

S  
H  
I  
P  
T  
O

HEALTH AND HUMAN RESOURCES  
 BPH - NUTRITION SERVICES

350 CAPITOL STREET, ROOM 519  
 CHARLESTON, WV  
 25301-3717 304-558-0030

DATE PRINTED 11/08/2006	TERMS OF SALE 12/11/2006	SHIP VIA	F.O.B.	FREIGHT TERMS
BID OPENING DATE:		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UQP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>VENDOR PREFERENCE CERTIFICATE</p> <p>CERTIFICATION AND APPLICATION* IS HEREBY MADE FOR PREFERENCE IN ACCORDANCE WITH WEST VIRGINIA CODE, 5A-3-37 (DOES NOT APPLY TO CONSTRUCTION CONTRACTS).</p> <p>A. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:</p> <p>( ) BIDDER IS AN INDIVIDUAL RESIDENT VENDOR AND HAS RESIDED CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR</p> <p>( ) BIDDER IS A PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR AND HAS MAINTAINED ITS HEAD-QUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR 80% OF THE OWNERSHIP INTEREST OF BIDDER IS HELD BY ANOTHER INDIVIDUAL, PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR WHO HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR</p> <p>( ) BIDDER IS A CORPORATION NONRESIDENT VENDOR WHICH HAS AN AFFILIATE OR SUBSIDIARY WHICH EMPLOYS A MINIMUM OF ONE HUNDRED STATE RESIDENTS AND WHICH HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA CONTINUOUSLY FOR THE FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION.</p> <p>B. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE 763-569-2920	DATE 12/6/2006
TITLE VP Operations	FEIN 41-1861324	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
 WIC80480

PAGE  
 4

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
 ROBERTA WAGNER  
 304-558-0067

RFQ COPY

TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

HEALTH AND HUMAN RESOURCES  
 BPH - NUTRITION SERVICES

350 CAPITOL STREET, ROOM 519  
 CHARLESTON, WV  
 25301-3717 304-558-0030

DATE PRINTED 11/08/2006	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
BID OPENING DATE: 12/11/2006		BID OPENING TIME: 01:30PM		

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>REASON CHECKED:</p> <p>( ) BIDDER IS A RESIDENT VENDOR WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES WORKING ON THE PROJECT BEING BID ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID;</p> <p>OR</p> <p>( ) BIDDER IS A NONRESIDENT VENDOR EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS OR IS A NONRESIDENT VENDOR WITH AN AFFILIATE OR SUBSIDIARY WHICH MAINTAINS ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES OR BIDDERS' AFFILIATE'S OR SUBSIDIARY'S EMPLOYEES ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID.</p> <p>BIDDER UNDERSTANDS IF THE SECRETARY OF TAX &amp; REVENUE DETERMINES THAT A BIDDER RECEIVING PREFERENCE HAS FAILED TO CONTINUE TO MEET THE REQUIREMENTS FOR SUCH PREFERENCE, THE SECRETARY MAY ORDER THE DIRECTOR OF PURCHASING TO: (A) RESCIND THE CONTRACT OR PURCHASE ORDER ISSUED; OR (B) ASSESS A PENALTY AGAINST SUCH BIDDER IN AN AMOUNT NOT TO EXCEED 5% OF THE BID AMOUNT AND THAT SUCH PENALTY WILL BE PAID TO THE CONTRACTING AGENCY OR DEDUCTED FROM ANY UNPAID BALANCE ON THE CONTRACT OR PURCHASE ORDER.</p> <p>BY SUBMISSION OF THIS CERTIFICATE, BIDDER AGREES TO DISCLOSE ANY REASONABLY REQUESTED INFORMATION TO THE PURCHASING DIVISION AND AUTHORIZES THE DEPARTMENT OF TAX AND REVENUE TO DISCLOSE TO THE DIRECTOR OF</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>M. Kohn</i>	TELEPHONE 763-569-2920	DATE 12/06/2006
TITLE VP Operations	FEIN 41-1861324	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER:  
**WIC80480**

PAGE:  
**5**

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
**ROBERTA WAGNER  
 304-558-0067**

RFQ COPY  
 TYPE NAME/ADDRESS HERE

V  
E  
N  
D  
O  
R

S  
H  
I  
P  
T  
O

HEALTH AND HUMAN RESOURCES  
 BPH - NUTRITION SERVICES

350 CAPITOL STREET, ROOM 519  
 CHARLESTON, WV  
 25301-3717 304-558-0030

DATE PRINTED 11/08/2006	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
BID OPENING DATE: 12/11/2006		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>PURCHASING APPROPRIATE INFORMATION VERIFYING THAT BIDDER HAS PAID THE REQUIRED BUSINESS TAXES, PROVIDED THAT SUCH INFORMATION DOES NOT CONTAIN THE AMOUNTS OF TAXES PAID NOR ANY OTHER INFORMATION DEEMED BY THE TAX COMMISSIONER TO BE CONFIDENTIAL.</p> <p>UNDER PENALTY OF LAW FOR FALSE SWEARING (WEST VIRGINIA CODE 61-5-3), BIDDER HEREBY CERTIFIES THAT THIS CERTIFICATE IS TRUE AND ACCURATE IN ALL RESPECTS; AND THAT IF A CONTRACT IS ISSUED TO BIDDER AND IF ANYTHING CONTAINED WITHIN THIS CERTIFICATE CHANGES DURING THE TERM OF THE CONTRACT, BIDDER WILL NOTIFY THE PURCHASING DIVISION IN WRITING IMMEDIATELY.</p> <p>BIDDER: <u>FSMC</u></p> <p>DATE: <u>12/6/2006</u></p> <p>SIGNED: <u>[Signature]</u></p> <p>TITLE: <u>VP Operations</u></p> <p>* CHECK ANY COMBINATION OF PREFERENCE CONSIDERATION(S) IN EITHER "A" OR "B", OR BOTH "A" AND "B" WHICH YOU ARE ENTITLED TO RECEIVE. YOU MAY REQUEST UP TO THE MAXIMUM 5% PREFERENCE FOR BOTH "A" AND "B". (REV. 12/00)</p> <p>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:          DEPARTMENT OF ADMINISTRATION</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <u>[Signature]</u>	TELEPHONE 743-569-2920	DATE 12/6/2006
TITLE VP Operations	FEIN 41-1861324	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER:  
 WIC80480

PAGE:  
 6

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
 ROBERTA WAGNER  
 304-558-0067

RFQ COPY  
 TYPE NAME/ADDRESS HERE

V  
E  
N  
D  
O  
R

S  
H  
I  
P  
T  
O

HEALTH AND HUMAN RESOURCES  
 BPH - NUTRITION SERVICES  
 350 CAPITOL STREET, ROOM 519  
 CHARLESTON, WV  
 25301-3717 304-558-0030

DATE PRINTED 11/08/2006	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
BID OPENING DATE: 12/11/2006	BID OPENING TIME			01:30PM

LINE	QUANTITY	UQP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130  NOTE: A CONVENIENCE COPY WOULD BE APPRECIATED.  THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:  SEALED BID  BUYER:-----ROBERTA WAGNER/ FILE 22----- RFQ. NO.:-----WIC80480----- BID OPENING DATE:-----12/11/2006----- BID OPENING TIME:-----1:30 PM-----  PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:  ----- CONTACT PERSON (PLEASE PRINT CLEARLY): -----						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE: *[Handwritten Signature]* TELEPHONE: 763-909-2920 DATE: 12/16/2006  
 TITLE: VP Operations FEIN: 41-1861324  
 ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
 WIC80480

PAGE  
 7

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
 ROBERTA WAGNER  
 304-558-0067

RFQ COPY  
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

HEALTH AND HUMAN RESOURCES  
 BPH - NUTRITION SERVICES  
 350 CAPITOL STREET, ROOM 519  
 CHARLESTON, WV  
 25301-3717 304-558-0030

DATE PRINTED 11/08/2006	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
BID OPENING DATE: 12/11/2006		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
***** THIS IS THE END OF RFQ WIC80480 ***** TOTAL:						\$ 130,774.00

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE *[Signature]* TELEPHONE 3763-569-2920 DATE 12/6/06  
 TITLE VP operators FEIN 41-1861304 ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

## **Banking and Auditing Services for WIC and Farmers Market Nutrition Program**

---

### **Purpose:**

To obtain an experienced WIC Banking contractor to provide banking and auditing services for the clearing of Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and Farmers Market Nutrition Program food instruments (FI). The federal programs require the State WIC Program (hereinafter referred to as WIC) acquire services from a banking institution (hereinafter referred to as Vendor), to act as a clearinghouse for the food instruments issued to participants. The services required include maintenance of an account(s) against which the food instruments are processed as well as other related services.

On July 31, 2007, the current banking contract will phase out with current food instrument draft stock and the new Vendor will start with new food instrument stock. The changeover must be completed by October 31, 2007 without loss of information, downtime, or service to participants.

**Location:** Agency is located at 350 Capitol St., Room 519, Charleston, WV 25301

### **SPECIFICATIONS**

#### **Section A - General Requirements:**

Successful vendor shall provide banking and auditing services for the clearing of the WIC and Farmers Market Nutrition Program food instruments which meet WIC's requirements and all current State and Federal requirements. (See Attachment A for Federal Register reference for WIC Food Instrument requirements and Attachment B for Background Information)

1. The Vendor shall provide services that meet WIC's requirements and will do the following:
  - a) **Data File Transmittal:** The Vendor must provide a secure FTP (File Transfer Protocol) site to transfer data and electronic reports to and from the bank and State WIC Office.
  - b) **Security Design and Safeguard Features:** Include design features that safeguard against fraud, abuse and waste.
  - c) **Right to Privacy of Participants:** Protect the right of privacy of WIC participants.
  - d) **Use of Tested State-of-the Art Techniques:** Use tried and State-of-the-Art techniques as opposed to untested technology that may or may not be successful.
  - e) **Internet based FI image retrieval and search system** to provide the WIC Program with the ability to view and search on-demand various data fields or gather information and report on FI data, various programmatic information and associated Vendor information. Searches should be available for a minimum Vendor Number, Vendor Class, FI's (range and a list of numbers), Draft Status, Rejection Reason, Draft Type, Food Code, WIC ID, Local Agency/Site, Exception Handling, 1st date to spend, Paid Date (single or range), WIC Condition, % of Max Range, Amount Range, Calculate Average by Draft type of draft types or Vendor class selected. The search result should be downloadable to a spreadsheet. On-Line images should be able to be retrieved from the search result. Vendor will also provide the WIC Program a monthly CD/DVDs of all draft images both front and back.

## Banking and Auditing Services for WIC and Farmers Market Nutrition Program

---

- f) The Vendor shall have three years experience in providing banking and auditing and clearinghouse services for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and Farmers Market Nutrition Program food instruments. Vendor must provide an organizational chart for this project and identify key personnel assigned to this project with resumes as to qualifications and experience, including their licenses, credentials, and experience in banking and auditing service tasks.

The Agency reserves the right to reject any staff proposed or latter assigned to the project, and require the successful Vendor to remove them from the project.

2. Project staff meetings shall be scheduled as often as needed to resolve special project problems by the WIC Project Manager throughout the life of the project. At a minimum, Vendor's Project Manager and Operations Manager shall attend project meetings. These meetings shall be called at the discretion of the WIC Project Manager or the State. Attendance is mandatory. Meetings will be held at the WIC offices in Charleston, West Virginia.
3. Vendor must state that on August 1, 2007 all required contractual services will be available and operational to the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and Farmers Market Nutrition Program.
4. Invoices for items ordered, delivered and accepted shall be submitted by the Vendor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number.
5. **Daily transfers of funds** will occur in the following manner:
  - a) For same day wire payment, a FAX/Email invoice (for both WIC and FM) of daily FI clearance activity will be submitted to DHHR\Cash Management by 10:00 A.M. EST daily. FAX/Email invoices received after 10:00 A.M. EST will be considered next day business. This deadline **cannot and will not** be moved. **Nor will the checking account be pre-funded.** Email invoices must have electronic signature, contain all FI clearance activity and be sent to at least three Cash Management staff members and to the Agency to ensure receipt and processing of invoice.

If payment to the bank is not made same day due to the fault of the State, the Vendor will be able to charge the State interest on the outstanding funds only. This interest charge will be paid with State funds only. Below is a list of days (but not limited to) in which we can plan on the account being overdrawn. These days are State employee holidays in which the banking system is still operating.

May	-	2 <sup>nd</sup> Tuesday when General Election is held.
June 20	-	West Virginia Day
October	-	Columbus Day if banks are open.
November	-	2 <sup>nd</sup> Tuesday when General Election is held. Friday after Thanksgiving.

- b) The daily invoice must include the number of FI's clearing the bank on that day along with the total respective amount. This will be a gross amount.

## Banking and Auditing Services for WIC and Farmers Market Nutrition Program

---

Next, gross rejected draft numbers and amounts will be listed by day and applied as a credit to the gross daily clearance. **ONLY THE NET FI ACTIVITY AMOUNT WILL BE TRANSFERRED.**

Farmers Market Nutrition Program activity must be identified separately on a separate daily invoice and meet the 10:00 A.M. EST deadline.

### Section B - Scope of Work:

#### TASK 1

The Vendor must perform the proper manual and automated edit activities to make it possible to identify food instruments to be rejected for the following reasons. Rejection codes are identified below. Vendor will have to provide a rubber stamp for each rejection code- (See Draft Rejection Stamp Messages, Attachment C). FI may have more than one rejection reason.

- 1) Post and Stale dates. Bank process date used as the redeemed date for all date calculations.  
REJECTION CODE: D, message - EARLY REDEMPTION;  
REJECTION CODE: E, message - STALE DATE
- 2) Over "not to exceed" value of FI. This is a maximum price for drafts types by Vendor class. Currently no drafts can be over \$500.  
REJECTION CODE: C, message - EXCEEDS DRAFT MAXIMUM
- 3) Over reasonable dollar amount for food items listed on FI  
REJECTION CODE: B, message - EXCEEDS CURRENT PRICE EDITS
- 4) Voided as lost, stolen, or damaged FI  
REJECTION CODE: A, message - STOP PAYMENT
- 5) FI previously rejected and cannot be redeposited. Only FI=s previously rejected for missing or illegible stamps may be redeposited.  
REJECTION CODE: Z, message - PREVIOUSLY REJECTED
- 6) Alterations including pencil entries, chemical alterations (e.g. 'white out'), etc.  
REJECTION CODE: I, message - PRICE CHANGED INCORRECTLY  
J, message - ALTERED DRAFT  
L, message - PENCIL ENTRY
- 7) Data missing, illegible or counterfeit Vendor number stamp  
REJECTION CODE: K, message - UNREADABLE VENDOR STAMP  
F, message - MISSING VENDOR STAMP

Prior to rejecting a draft for "Missing Vendor Stamp" data missing, illegible or counterfeit Vendor number stamp, Vendor will review the back side of the draft to see if the proper Vendor can be determined from the back. If it can be determined, the staff will input the missing Vendor Stamp number and process the draft through all other edits.

## Banking and Auditing Services for WIC and Farmers Market Nutrition Program

---

- 8) Missing signatures  
REJECTION CODE: G, message - SIGNATURE MISSING
- 9) Encoded ID number of redeeming Vendor is not authorized number. The encoded ID number is the four digit Vendor number that is stamped on the drafts by the Vendor.  
REJECTION CODE: H, message - UNAUTHORIZED VENDOR
- 10) Previously Paid.  
REJECTION CODE: Y, message - PREVIOUSLY PAID. THE DRAFT SERIAL NUMBER HAS BEEN PAID
- 11) Counterfeit Stamp - Any stamp that does not contain the words WV WIC and a four-digit Vendor number.  
REJECTION CODE: M, message - COUNTERFEIT STAMP
- 12) Encoding Error - Bank of first deposit encoded the MICR amount incorrectly  
REJECTION CODE: N, message - ENCODING ERROR

To perform the above services, WIC will furnish the Vendor a FI master file tape or data transmittal and Vendor file, daily (issued) and a food cost file in data transmission format agreed to by both parties. The food cost file is a file that is sent quarterly or when new prices are desired to go into effect. It consists of a record for each draft type with a maximum price for each Vendor class for that draft type. The draft type is provided with the daily issuance records. The Vendor class will be provided on the Vendor transmission file. WIC will supply the Vendor with an authorized Vendor listing data transmission once a month or on-demand as needed. The Vendor shall transmit to WIC on a daily basis, a copy of the FI master file showing accepted and unaccepted items of automated food instruments and Automated Clearing House (ACH) transfers. Should the Vendor err in negotiating an item(s) (e.g. accept a FI for payment that should have been rejected according to the stipulated edits), the Vendor shall absorb the costs of its error(s), unless the error was caused by erroneous data provided by WIC to the Vendor, in which case WIC will absorb all reasonable costs incurred in correcting the error.

### **TASK 2**

Vendor will lookup the vendor number using the endorsement on the back of the draft presented that has a missing or illegible vendor stamp. If number can be determined, the draft will be paid as long as it does not fail any other edits.

### **TASK 3**

Vendor will key Draft type and First Date to Use from the front of any WIC FIs presented that does not have issuance data on file. The two data elements captured will be used to determine if the FI should be paid or rejected.

### **TASK 4**

All WIC FIs are to be visually checked to see if stock serial (red) and PC generated serial (black) draft numbers 'do not' match. If this occurs, drafts are not to be rejected back to the Vendor but brought to WIC's attention.

FIs that are rejected for MICR errors must follow the same visual edit as detailed in the above. These drafts should be processed with data provided from the issuance file using

**Banking and Auditing Services for WIC and Farmers Market Nutrition Program**

---

black numbers (system assigned) not red (preprinted) numbers.

**TASK 5**

Replacement of rejected vouchers will be automated to allow reimbursement using the same check number previously used when they were originally rejected. A different paid record type will be used to differentiate between normal paid items and voucher replacement paid items. Reimbursements to Vendors by ACH transfers are to be handled by banking Vendor. If multiple reimbursements are due to various stores within a chain/corporate office, the reimbursements are not to be consolidated and sent to one corporate bank account. Only FI's rejected by the bank and replaced by the State WIC Office are to be processed by ACH transfer.

ACH transactions for replacement FI's will be generated at least weekly. The bank will process the replacement FI's by ACH transfer and mail to the Vendor a detail listing of rejected vouchers indicating if they were paid or not paid and the date paid. The same statements should be provided to the Agency in the daily report transmittal file along with the ACH Summary Reports.

**TASK 6**

The Vendor shall return all rejected FI's to Vendors through the banking system. These FI's are to be clearly identified as to each reason for rejection and appropriate alternative action. (See Draft Rejection Stamp Messages, Attachment C).

The Vendor shall provide electronic wire transfer services for transferring funds to the funding account and for any rejected food instruments which shall be returned to the food Vendor's bank of original deposit. This service must comply with all the requirements to the Federal Cash Management Act.

West Virginia State Treasurer's Office will wire required funding to the bank pre-sentment account daily.

**TASK 7**

The Vendor shall transmit via data transmittal to WIC daily (as per Section A, General Requirements, 1-a), and follow with a hard copy (may also be done with FTP secure site) of all processed items showing serial number, amount paid, date paid, and Vendor ID number. The data transmittal shall also include data for all rejected drafts including rejection reasons.

**TASK 8**

The Vendor shall supply to WIC the Food Instruments (FI's) for WIC and Farmer's Market Nutrition Program (FMNP) printed on appropriate ledger weight paper, designed to WIC's specifications. The Vendor must provide laser printed labels for each box to include the beginning and ending FI number contained therein with the box number. Both of these will be encoded with a scannable bar code. Sample copies of both the participant FI and shipping label are included as Attachments D & E. Quality of FI stock cannot be changed without prior written approval of the State.

FI stock measures three and one-half inches (3 ½") in height and eight and one-half inches (8 ½") in length which includes the attached check stub. Weight of check stock should be at least ledger weight. Sample of WIC and FMNP FI's are attached. These samples include a Vendor stamp.

## **Banking and Auditing Services for WIC and Farmers Market Nutrition Program**

---

WIC FI stock will be requested in approximate lots of 1,000,000.  
 FMNP FI stock will be requested in approximate lots 50,000.  
 SFMNP FI stock will be requested in approximate lots of 200,000.

### **TASK 9**

The Vendor must purchase and print all FIs stock at the request of the State. The Vendor will be notified of the exact time and date for the delivery to the State storage area. A FI packing slip will be sent to the State which will include the beginning and ending FI numbers and box numbers of all FI's shipped.

Invoices for printing and shipping of drafts are passed through to the Office of Nutritional Services. Therefore, Vendor shall attach a copy of their supplier's invoices to their monthly invoice for banking services.

### **TASK 10**

The Vendor must data enter and verify (keying and key verifying) the four (4) digit WIC and three (3) digit FMNP Vendor stamp code to redemption and rejection records.

### **TASK 11**

When MICR-line errors occur, if the original redeemed FI was the one in error, the redemption record MUST be sent with redemption record of what the FI should have been with a redemption code indicating MICR error.

### **TASK 12**

The State must have the capability to send correction transactions to the Vendor to perform such things as unvoiding FI's that were erroneously sent to the Vendor as voids.

### **Task 13**

All Farmers Market Nutrition Program (FMNP) Food Instruments (FI) will be preprinted (not client specific) with a \$2.00 redemption value. They will be a different color than the normal WIC FI and passed out at the WIC clinics. FMNP FI's must clear through a different bank account than WIC FI's. Monthly charges for the FMNP account must be identified separately from the WIC account on the monthly invoice.

There will also be a second FMNP FI for the Senior Farmers Market Nutrition Program. This FI will be a different color than the WIC FMNP FI and must have a separate bank account. Monthly charges for the Senior Farmer Market Nutrition Program account must be identified separately from the WIC and WIC FMNP account on the monthly invoice

The only edit for FMNP drafts will be for missing Vendor stamp and signature. These rejects will be returned to the Vendor through the banking system.

### **TASK 14**

During close-out of each Federal FY (October - February), the Vendor will provide activity reports to WIC splitting the daily clearing WIC activity of all FI's between the two Federal FY's. This report can be provided monthly.

### **TASK 15**

The State requires the zero balance bank account be maintained for the daily FI clearing activity.

## **Banking and Auditing Services for WIC and Farmers Market Nutrition Program**

---

### **TASK 16**

The Vendor will be required to bid by the following record retention schedule for all cleared FI's:

Actual drafts - 90 days from end of month redeemed  
 Either DVD /CD-ROM or On-line access (front and back) - 3 years  
 (If CD-ROM technology is used, Vendor must supply State with DVDs/CDs)

### **TASK 17**

The Vendor will provide a secure on-line method for WIC staff to review and print draft images of redeemed and rejected drafts. These images should be available within 7 days of redemption or rejection of the draft. DVD/CD-ROMs should be provided of these images on a monthly basis. This is for WIC and FMNP drafts.

### **TASK 18**

The Vendor will provide an on-line secure method for WIC staff to look up draft status for a specific draft or drafts that meet multiple search criteria. The search criteria should include at a minimum the following. Vendor Number, Vendor Class, FI's (range and a list of numbers), Draft Status, Rejection Reason, Draft Type, Food Code, WIC ID, Local Agency/Site, Exception Handling, 1st date to spend, Paid Date (single or range), WIC Condition, % of Max Range, Amount Range, Calculate Average by Draft type of draft types or Vendor class selected. The search result should be downloadable to a spreadsheet. On-Line images should be able to be retrieved from the search result table. This On-Line site should also give a daily summary of all drafts processed by day.

### **TASK 19**

A secure FTP site will be setup for WIC to transmit and retrieve banking files. WIC will transmit issuance data to this site daily, Vendor file (monthly or more frequently if needed), and maximum draft type amount file (quarterly or more frequently if needed). The Vendor will place the redemption/rejection paid file (daily), the reports file (daily), and a monthly report summary file on this site for WIC staff to retrieve.

### **Terms and Conditions:**

**Conflict of Interest:** Vendor affirms that it, its officers or members or employees presently have no interest and shall not acquire any interest, direct or indirect which would conflict or compromise in any manner or degree with the performance or its services hereunder. The Vendor further covenants that in the performance of the contract, the Vendor shall periodically inquire of its officers, members and employees concerning such interests. Any such interests discovered shall be promptly presented in detail to the Agency.

**Prohibition Against Gratuities:** Vendor warrants that it has not employed any company or person other than a bona fide employee working solely for the vendor or a company regularly employed as its marketing agent to solicit or secure the contract and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of the contract.

For breach or violation of this warranty, the State shall have the right to annul this contract without liability at its discretion, and/or to pursue any other remedies available under this contract or by law.

**Banking and Auditing Services for WIC and Farmers Market Nutrition Program**

---

**Certifications Related to Lobbying:** Vendor certifies that no federal appropriated funds have been paid or will be paid, by or on behalf of the company or an employee thereof, to any person for purposes of influencing or attempting to influence an officer or employee of any Federal entity, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Vendor shall complete and submit a disclosure form to report the lobbying.

Vendor agrees that this language of certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this contract was made and entered into.

**Vendor Relationship:** The relationship of the Vendor to the State shall be that of an independent Vendor and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this contract. The Vendor as an independent Vendor is solely liable for the acts and omissions of its employees and agents.

Vendor shall be responsible for selecting, supervising and compensating any and all individuals employed pursuant to the terms of this RFQ and resulting contract. Neither the Vendor nor any employees or Vendors of the Vendor shall be deemed to be employees of the State for any purposes whatsoever.

The Vendor shall not assign, convey, transfer or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association or entity without expressed written consent of the Agency.

**Indemnification:** The Vendor agrees to indemnify, defend and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person or firm performing or supplying services, materials or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statutes or regulations; (3) Any failure of the Vendor, its officers, employees or subcontractors to observe State and Federal laws, including but not limited to labor and wage laws.

**Transition of Services:** Upon expiration, termination, or cancellation of the contract, the vendor shall assist the State Agency to insure an orderly transfer of responsibility and/or continuity of those services required under the terms of the contract to the Agency or an organization designated by the State Agency, if requested in writing.

**Banking and Auditing Services for WIC and Farmers Market Nutrition Program**

---

**Governing Law:** This contract shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable laws (Federal, State or Local Government) regulations.

**Compliance with Laws and Regulations:** The Vendor shall procure all necessary permits and licenses to comply with all applicable laws, Federal, State or municipal, along with all regulations, and ordinances of any regulating body.

The Vendor shall pay any applicable sales, use, or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract, the transaction, or the equipment, or services delivered pursuant here to shall be borne by the Vendor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract.

**Subcontracts/Joint Ventures:** The Vendor is solely responsible for all work performed under the contract and shall assume prime Vendor responsibility for all services offered and products to be delivered under the terms of this contract. The State will consider the Vendor to be the sole point of contact with regard to all contractual matters. The Vendor may, with the prior written consent of the State, enter into written subcontracts for performance of work under this contract; however, the Vendor is totally responsible for payment of all subcontractors.

**Term of Contract & Renewals:** This contract will be effective (date set upon award) and shall extend for the period of one (1) year, at which time the contract may, upon mutual consent, be renewed. Such renewals are for a period of up to one (1) year, with a maximum of two (2) one year renewals, or until such reasonable time thereafter as is necessary to obtain a new contract. The "reasonable time" period shall not exceed twelve (12) months. During the "reasonable time" period the Vendor may terminate the contract for any reason upon giving the Agency ninety (90) days written notice. Notice by Vendor of intent to terminate will not relieve Vendor of the obligation to continue to provide services pursuant to the terms of the contract.

Any change in Federal or State law, or court actions which constitute binding precedent in West Virginia, and which significantly alters the Vendor's required activities or any change in the availability of funds, shall be viewed as binding and shall warrant good faith renegotiation of the compensation paid to the Vendor by the Agency and of such other provisions of the contract that are affected. If such renegotiation proves unsuccessful, the contract may be terminated by the State upon written notice to the Vendor at least thirty (30) days prior to termination of this contract.

**Non-Appropriation of Funds:** If the Agency is not allotted funds in any succeeding fiscal year for the continued use of the service covered by this contract by the West Virginia Legislature, the Agency may terminate the contract at the end of the affected current fiscal period without further charge or penalty. The Agency shall give the vendor written notice of such non-allocation of funds as soon as possible after the Agency receives notice. No penalty shall accrue to the Agency in the event this provision is exercised.

**Contract Termination:** The State may terminate any contract resulting from this RFQ immediately at any time the Vendor fails to carry out its responsibilities or to make substantial progress under the terms of this RFQ and resulting contract. The State shall provide the Vendor with advance notice of performance conditions which are endangering the contract's continuation.

**Changes:** If changes to the original contract become necessary, a formal contract change order will be negotiated by the State, the Agency and the Vendor, to address changes to the terms and

## **Banking and Auditing Services for WIC and Farmers Market Nutrition Program**

---

conditions, costs of work included under the contract. An approved contract change order is defined as one approved by the Purchasing Division and approved as to form by the West Virginia Attorney General's Office, encumbered and placed in the U.S. Mail prior to the effective date of such amendment. An approved contract change order is required whenever the change affects the payment provision and/or the scope of the work. Such changes may be necessitated by new and amended Federal and State regulations and requirements.

**Invoices, Progress Payments, & Retainage:** The Vendor shall submit invoices, in arrears, to the Agency at the address on the face of the purchase order labeled "Invoice To" pursuant to the terms of the contract. Invoices may not be submitted more than once monthly and State law forbids payment of invoices prior to receipt of services.

**Record Retention (Access & Confidentiality):** Vendor shall comply with all applicable Federal and State of West Virginia rules and regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by Vendor. The Vendor shall maintain such records a minimum of five (5) years and make available all records to Agency personnel at Vendor's location during normal business hours upon written request by Agency within 10 days after receipt of the request.

### **Special Terms and Conditions**

**Bid and Performance Bonds:** A Bid bond is required in the amount of \$50,000. Vendor is required to furnish a Performance Bond in the amount of 100% of the Vendor bid submitted. This Performance Bond is required prior to issuing a purchase order.

**Insurance Requirements:** The Vendor as an independent Vendor is solely liable for the acts and omissions of its employees and agents. The successful Vendor shall maintain and furnish proof of coverage of liability insurance for loss, damage, or injury (including death) of third parties arising from acts on the part of the Vendor, its agents and employees in the following amounts:

1. For bodily injury (including death): Minimum \$500,000 for person, \$1,000,000 per occurrence.
  2. For property damage: Minimum of \$1,000,000 per occurrence.
- Proof of insurance shall be provided by the Vendor at the time the contract is awarded.

**License Requirements:** Vendor must obtain all necessary licenses to perform all aspects of this contract

**No Debt Affidavit:** West Virginia State Code §5A-3-10a(3)(d) requires that all Vendors submit an affidavit regarding any debt owed to the State of West Virginia. This affidavit should be submitted with the Vendors Quotation.

## **Banking and Auditing Services for WIC and Farmers Market Nutrition Program**

---

### **FORMAT OF BID RESPONSE**

#### **Vendor's Bid Response Format:**

Vendor shall provide a bid response that demonstrates their experience and ability/capability to provide the specified services.

- A) Vendor must provide a written response to Specification, Section A - General Requirements 1 through 5 that demonstrates the vendor's ability and capability of performing. (Please respond in the order of the requirements.)
- B) Vendor must provide a written statement that all general requirements and tasks shall be performed.
- C) Vendor must submit firm pricing for a period of three (3) years – See Bid Sheet.

#### **Evaluation Process:**

**Method of Evaluation:** The lowest responsible vendor meeting the requirements of this request for quotation will receive the award.

#### **List of Services to be performed and Estimated Volumes**

- A. Monthly WIC drafts submitted to bank - 150,000
- B. Annual FM drafts submitted to bank - 50,000
- C. Monthly drafts rejected for payment - 500
- D. Monthly anticipated ACH transfers - 100
- E. Monthly request for copies from CDROM - 25
- F. Monthly compliance drafts to be paid and pulled for return - 15
- G. Monthly Stamp from Endorsement - 800
- H. Monthly Data Entry for No Issuance Drafts - 100
- I. Monthly Compliance Drafts - 10

#### **Inquiries:**

All inquiries of specification clarification must be addressed to:

Roberta Wagner, Senior Buyer  
 Purchasing Division  
 2019 Washington Street, East  
 P.O. Box 50130  
 Charleston, WV 25305-0130

Fax: (304) 558-4115  
 E-mail: [rwagner@wvadmin.gov](mailto:rwagner@wvadmin.gov)

**West Virginia WIC Banking & Auditing Services Bid Sheet #WIC80480**

**Bid Sheet**

All prices proposed are inclusive of all vendor supplied forms, postage, supplies, equipment, etc., as required to meet the specifications.

Prices submitted are to be firm to July 31, 2010

Description of Service	Pricing of Service	Unit of Measure	Estimated Volume/Yr	Estimated Annual Total
1 Price per draft for drafts presented, edited and paid				
a. CD ROM/Imaging	.061	/Draft	1,825,000	114,325.00
b. On-Line	.061	/Draft	1,825,000	111,325.00
2 a. Data entry costs for capture of WIC vendor number- 4 digit number.	included in per draft fee	/Key Stroke	1800,000	—
b. Data entry costs for capture of FMNP vendor number - 3 key strokes required.	included in per draft fee	/Key Stroke	25,000	—
3 Price per draft for drafts rejected.	.85	/Draft	6,000	5100.00
4 Stamp from endorsement service.	.24	/Draft	9,600	2304.00
5 Data Entry for No Issuance Drafts.	.01	/Draft	1,200	12.00
6 Price per draft for drafts paid and pulled for return to state:				
a. Compliance drafts.	1.00	/Draft	120	120.00
b. Price per copy of original drafts which has been rejected.	1.00	/Draft	25	25.00
7 Stop Payment for selected drafts	1.00	/Draft	2	2.00
8 Cost for updating vendor files (submission of supplemental vendor transmissions).	Included in per draft fee	/Occurrence	12	0
9 a. Price per CD ROM (front and back) storage (10,000 per CD estimate).	0	/Copy	27	0
b. Price for on-line/Internet (front and back) storage and access.	included in per draft fee	/Copy	1,825,000	0
10 Daily Balance Reporting	included in per draft fee	/Account/ Month	252	0
11 Daily wire transfer by 10:00 AM EST	3.00	/Wire	252	756.00
12 Cost per draft for printing and shipping drafts to state				
a. WIC	.00993	/Draft	1,000,000	9930.00
b. WIC FMNP		/Draft	50,000	
c. SR RMNP		/Draft	200,000	
These costs will be pass through costs as incurred by the vendor. However, the cost of initial printing (1,000,000 WIC drafts) will be used as a part of the cost evaluation. FM drafts will be a separate printing. Printing and shipping invoices must be attached to the vendor's monthly invoice for reimbursement.				
13 Rate of interest charged for a one day delay in payment.		%	\$130,000	0
14 Cost per incident of ACH repayment (per store).	1.00	/incident	1200	1200.00
Estimated Annual Grand Total				130,774.00

Vendor Name: FSMC

Signature: 

**Banking and Auditing Services for WIC - Attachment A**

---

**USDA REQUIREMENTS FOR FOOD INSTRUMENTS 246.12.f.2.ii-vii**

Each food instrument shall clearly bear on its face the following:

1. The first date from which the food instrument may be used by the participant.
2. The last date by which the participant may use the food instrument. This date may otherwise be printed as being at least 30 days after the date in (1) above.
3. An expiration date by which the food Vendor is required to submit the food instrument for payment. This date shall be not more than 70 days from the date in (1) previously state.
4. A unique and sequential serial number.
5. The State Agency may use a maximum purchase price which is higher than the price of the food for which it will be used but low enough to be a reasonable protection against potential losses of funds.
6. A space for the purchase price to be entered.
7. A signature space.

**Banking and Auditing Services for WIC - Attachment B**

---

**Background Information:**

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) is a federally funded nutrition program of the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS), administered by the Office of Nutrition Services in the State Bureau for Public Health. It provides access to a food prescription for pregnant, postpartum and breast-feeding mothers, infants and children up to 5 years of age who are certified by a health professional to be both nutritionally and/or medically at-risk and with a household income of 185% of the poverty level or less. The services include enrollment, nutrition education, health screening and issuance of appropriate food instruments which are redeemable at approximately 400 participating retail outlets (grocery stores, pharmacies and military commissaries) around the State for only the items listed on the food instrument in the quantities and during the time specified. The program currently serves approximately 50,000 low-income persons monthly.

The current food delivery system is a microcomputer based distributed computer system in which Local Agencies generate on demand food instrument (hereinafter referred to as the food instrument or FI). Data is locally entered and uploaded to the State Mainframe nightly. Federal regulations require State Agencies to be accountable for issuance and redemption of the food instruments and also mandate that participants receive WIC foods at no cost to themselves.

West Virginia WIC has Federal Funds to run the Farmer's Market Nutrition Program (FMNP). This program is projected to serve 5,000 participants. Drafts for this program would be similar but not identical to the WIC drafts and would be processed through the Banking System as well.

Approximately 50,000 two-dollar coupons are issued to eligible participants, translating to an economic boost of \$100,000 to authorized farmers. Nationally, FMNP is sponsored by the U.S. Department of Agriculture.

USDA is also sponsoring the seniors farmers' market nutrition program (SFMNP). Drafts for this program would be similar but not identical to the WIC FMNP drafts and would be processed through the Banking System as well. At this time, we do not have hard numbers as to the extent of that funding. However, we project this could be 200,000 (or more) two-dollar coupons to eligible participants, translating to an economic boost of \$400,000 to authorized farmers.

Agency contact person during the performance of the contract will be Denise Ferris, RD, LD, Dr. PH, Director, Office of Nutrition Services, Bureau for Public Health.

## DRAFT OF REJECTION STAMP MESSAGES

<b>ALTERED DRAFT</b> Void -- Do not Redeposit Not Payable via Banking System	<b>COUNTERFEIT STAMP</b> Void -- Do not Redeposit Not Payable via Banking System
<b>EARLY REDEMPTION</b> Void -- Not Payable via Banking System Not Payable via Submission	<b>ENCODING ERROR</b> Correct and Redeposit
<b>STALE DATE</b> Void -- Not Payable via Banking System Not Payable via Submission	<b>PENCIL ENTRY</b> Void -- Do not Redeposit Not Payable via Banking System
<b>EXCEEDS CURRENT PRICE EDIT</b> Void -- Do not Redeposit Not Payable via Banking System	<b>SIGNATURE MISSING</b> Void -- Do not Redeposit Not Payable via Banking System
<b>UNAUTHORIZED VENDOR</b> Void -- Do not Redeposit Not Payable via Banking System	<b>STOP PAYMENT</b> Void -- Do not Redeposit Not Payable via Banking System
<b>EXCEEDS DRAFT MAXIMUM</b> Void -- Do not Redeposit Not Payable via Banking System	<b>PREVIOUSLY REJECTED</b> Void -- Do not Redeposit Not Payable via Banking System
<b>PREVIOUSLY PAID</b> Void -- Inappropriate Deposit Draft Has Received Payment	<b>MISSING VENDOR STAMP</b> Stamp Clearly and Redeposit Caution: Deposit Time Limit in Effect
<b>UNREADABLE VENDOR STAMP</b> Stamp Clearly and Redeposit Caution: Deposit Time Limit in Effect	<b>PRICE CHANGED INCORRECTLY</b> Void -- Do not Redeposit Not Payable via Banking System

SAMPLE OF FOOD INSTRUMENTS

DO NOT ACCEPT THIS DRAFT UNLESS YOU ARE AN AUTHORIZED WEST VIRGINIA WIC PROGRAM VENDOR

Draft Number	Last	First	M.I.	AGENCY	WIC ID	PR AND DRAFT TYPE
WEST VIRGINIA WIC PROGRAM			2004108			
ALL FOOD MUST BE WEST VIRGINIA WIC APPROVED			84-1886 611 ACCT # 250818			
Redeem for these items and Quantities only:			VOID			
CITY DESCRIPTION (NO SUBSTITUTIONS ALLOWED)			NON NEGOTIABLE			
IMPROPER USE OF THIS DRAFT SUBJECT TO FEDERAL STATE PROSECUTION			PARTICIPANT'S SIGNATURE			
PAYABLE THROUGH SOUTHERN NATIONAL, MARIETTA, GA			Vendor Stamp:			
			W.V. 0317			

2004108

<p>WEST VIRGINIA WIC FARMERS' MARKET NUTRITION PROGRAM ROOM 519, 350 CAPITOL STREET CHARLESTON, WV 25301-3717 (304) 558-0030</p> <p>use only at authorized WV FARMER Markets</p> <p>First date to spend: <b>July 1, 2006</b> Last date to spend: <b>October 31, 2006</b> SOME MARKETS MAY CLOSE EARLIER</p> <p>May be used for unprocessed fresh fruits and vegetables only</p> <p>IMPROPER USE OF THIS DRAFT SUBJECT TO FEDERAL STATE PROSECUTION PAYABLE TO SOUTHERN NATIONAL, MARIETTA, GA</p>	<p>84-1886 611 ACCT # 2508316</p> <p>205003</p> <p>NOT TO EXCEED \$2.00 NO CHANGE ISSUED</p> <p>4414 WV FARM</p> <p>FARMER STAMP HERE</p> <p>WV FARM</p>
---	--

# 205003# 005119884# 2508315#

**SAMPLE OF SHIPPING LABEL**

<b>FROM</b>			
<b>TO</b>	<b>WV DHHR- MATERIAL MANAGEMENT</b> <b>WV WIC FORMS</b> <b>900 BULLITT STREET</b> <b>CHARLESTON, WV 25301</b>		
<b>For</b>			
CUSTOMER ORDER NUMBER <b>123</b>	OUR ORDER NUMBER <b>100008</b>	JOB NUMBER <b>G123987</b>	
DESCRIPTION <b>WV WIC Voucher</b>			
FORM NUMBER <b>WIC</b>	NUMBER OF PARTS <b>1</b>	QUANTITY / CARTON <b>4000</b>	
BEGINNING NO. <b>2004100</b>	ENDING NO. <b>2008100</b>	CARTON NUMBER <b>G123987-15</b>	
<b>MISSING NUMBERS IN THIS CARTON</b>			
<b>FROM</b>	<b>TO</b>	<b>FROM</b>	<b>TO</b>

# AFFIDAVIT

Please type  
in  
WIC 80480

**West Virginia Code §5A-3-10a states:**

No contract or renewal of any contract may be awarded by the state or any of its vendor or prospective vendor when the vendor or prospective vendor or a related prospective vendor is a debtor and the debt owned is an amount greater than an aggregate

**DEFINITIONS:**

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**EXCEPTION:**

The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

**LICENSING:**

Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

**CONFIDENTIALITY:**

The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules. Vendors should visit [www.state.wv.us/admin/purchase/privacy](http://www.state.wv.us/admin/purchase/privacy) for the Notice of Agency Confidentiality Policies.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), it is hereby certified that the vendor acknowledges the information in this said affidavit and are in compliance with the requirements as stated.

Vendor's Name: Financial Services management Corp. (FSMC)

Authorized Signature: [Signature] Date: 12/6/06

**BID BOND**

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
Hartford, Connecticut 06183**

Bond No Bid Bond

KNOW ALL MEN BY THESE PRESENTS,

That we, MoneyGram International, Inc.  
1550 Utica Avenue South, Suite 100, MS8020 Minneapolis, MN 55416 as Principal, hereinafter called  
the Principal, and TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, of Hartford, Connecticut, a  
corporation duly organized under the laws of the State of Connecticut, as Surety, hereinafter called the Surety, are held  
and firmly bound unto  
State of West Virginia  
Dept of Admin, Purch Div, 2019 Washington St. East PO Box 50130 Charleston, WV 25305-0130

as Oblige, hereinafter called the Oblige, in the sum of Fifty Thousand Dollars and 00/100 Dollars  
( \$50,000 ), for the payment of which sum well and truly to be made, the said Principal and the said  
Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these  
presents

WHEREAS, the Principal has submitted a bid for  
Contract to Provide Banking and Auditing Serv for the Clearing of WIC & Farmer's Market Nutrition Program Food  
Instruments Between WV Dept of Health and Human Resources, Bureau for Public Health, Office of Nutrition  
Services, WIC Program and Dept of Agriculture, Marketing and Dev Div for period from August 1, 2007 to July 31,  
2008

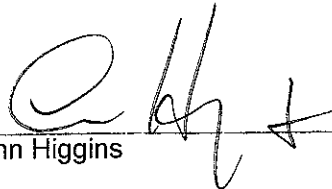
NOW, THEREFORE, if the Oblige shall accept the bid of the Principal and the Principal shall enter into a Contract with  
the Oblige in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or  
Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt  
payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter  
such Contract and give such bond or bonds, if the Principal shall pay to the Oblige the difference not to exceed the  
penalty hereof between the amount specified in said bid and such larger amount for which the Oblige may in good faith  
contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise  
to remain in full force and effect.


Signed and sealed this 30th day of November, 2006

\_\_\_\_\_  
(Witness)

MoneyGram International, Inc. \_\_\_\_\_  
(Principal) (Seal)

\_\_\_\_\_  
(Title)

  
Ann Higgins (Witness)

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
By   
Michèle Grogan (Attorney-in-Fact)

Printed in cooperation with the American Institute of Architects (AIA) by Travelers Casualty and Surety  
Company of America. The language in this document conforms exactly to the language used in AIA  
Document A310, February 1970 edition.



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 215609

Certificate No. 000472668

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the 'Companies'), and that the Companies do hereby make constitute and appoint Cheryl Cherryhomes, Michele Grogan, and Ann Higgins

of the City of Minneapolis, State of Minnesota, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 1st day of May 2006

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature of George W. Thompson]
George W. Thompson, Senior Vice President

On this the 1st day of May 2006, before me personally appeared George W. Thompson who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America and United States Fidelity and Guaranty Company, and that he, as such being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer

In Witness Whereof, I hereunto set my hand and official seal. My Commission expires the 30th day of June, 2006



[Signature of Marie C. Tetreault]
Marie C. Tetreault, Notary Public

ACKNOWLEDGMENT BY SURETY

STATE OF Minnesota  
County of Hennepin } ss.

On this 30th day of November, 2008, before me personally appeared Michele Grogan, known to, me to be the Attorney-in-Fact of Travelers Casualty and Surety Company of America

\_\_\_\_\_, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid County, the day and year in this certificate first above written.

(Seal)



*Patricia A Brehm*

Notary Public in the State of Minnesota  
County of Hennepin





## **Executive Summary**

The West Virginia WIC Program will be transitioning to a new banking contract. After careful review of the RFQ and aligning our services with the stated requirements, we have a vision of how selecting FSMC as your provider of services for this contract will benefit the Program. FSMC's vision statement for the West Virginia WIC Program is:

**Provide the requirements in the RFQ and to offer other optional services that will reduce time and effort for WIC staff. Provide efficient payment services for retailers. Continue to grow our technology and payment processing offerings so that the Program will have options to meet the ever changing WIC environment.**

FSMC provided WIC services with West Virginia WIC Program from 1999 to 2005. Over that six year relationship, FSMC provided outstanding service to the Program and obtained an intimate knowledge of how West Virginia WIC wanted to have checks processed. We have taken that knowledge and compared it to the requirements in the RFQ. Our analysis showed that the Program has requested to retain the deliverables of your past system and are requesting new enhancements to solve the current business challenges of the WIC environment. The differences we identified are:

- A robust data query system that provides access to banking data and check images
- Funding has become same day instead of a day delay
- Rejection reasons for counterfeit stamp and encoding error have been added
- Peer group pricing has been established
- Keying of data from the face of the check for missing issuance
- Visual edit to confirm matching stock serial and PC generated check numbers
- Update records for MICR errors

FSMC can provide all of the services required in the RFQ as well as the additional requirements listed above.

FSMC is excited to be provided the opportunity to bid on this RFQ. We look forward to winning this contract and renewing our relationship with West Virginia WIC staff.

This response is organized according to section format of bid response on page 18 of the RFQ. Under each heading we have added, for ease of evaluation, the text from the RFQ that pertains to each section. Our response is generally divided into **Summary** and **Detail** subsections. The goal of these subsections is to provide the necessary response for each evaluator whether they want to see



quickly (**Summary**) that we meet the requirements or delve deeper in to a detailed narrative (**Detail**).

The following is background information on FSMC and our parent company MoneyGram International.

**Summary:**

<b>Who is FSMC, Inc.</b>
<ul style="list-style-type: none"><li>➔ Company founded in 1982 – 24 years</li><li>➔ First WIC contract won in 1989 – 17 years</li><li>➔ Wholly owned subsidiary of MoneyGram International</li><li>➔ 50 WIC, FMNP &amp; SFMNP contracts</li><li>➔ Process over 4.7 million WIC/FMNP.SFMNP checks per month</li></ul>
<b>Who is MoneyGram International</b>
<ul style="list-style-type: none"><li>➔ S&amp;P Mid Cap 400 Company</li><li>➔ Provides global money transfers, money orders and payment processing</li><li>➔ Transfer services available in over 70,000 locations around the globe</li><li>➔ CIO winner for the past two years</li><li>➔ Item transaction processing focused</li></ul>

**Detail:**



FSMC is a subsidiary of MoneyGram International, Inc. (MoneyGram). FSMC was organized in 1982 and has been in business since that time (24 years). In 1989, FSMC won our first WIC contract. FSMC grew this new business line into an effective and efficient product offering that services for 49 WIC, FMNP and SFMNP Programs. FSMC has been in the WIC check processing business longer than any other WIC check processor. We currently process over 4.7 million WIC/FMNP/SFMNP checks per month. In 1997, FSMC was acquired by Travelers Express Company, and as a wholly owned subsidiary, the new corporation FSMC, Inc. was formed in 1997, and continues to this day. Travelers Express was previously owned by Viad, Inc, and on July 1, 2004 became a separate publicly held company, traded on the New York Stock exchange under the symbol MGI. The name of the new company became MoneyGram International, Inc.



MoneyGram is a leading global payment services company and S&P MidCap 400 company. The company's major products and services include global money transfers, money orders and payment processing solutions for financial institutions and retail customers. MoneyGram's money transfer services are available in more than 70,000 locations in more than 160 countries.



FSMC benefits from process integration with MoneyGram's other product offerings and our parent's company financial strength to bring the latest technologies to WIC, FMNP and SFMNP processing. In July 2006, MoneyGram was announced as a CIO 100 award winner for 2006, the second year in a row that the company has qualified for this elite honor. For 19 years, CIO magazine has selected 100 organizations around the world to honor for their operational and strategic excellence in information technology (IT). The focus of this year's award program was IT innovation and how it enhances an organization's competitive capability. MoneyGram and FSMC will bring to this contract solid IT practices along with a commitment for forward thinking towards the future.

MoneyGram's mission is "to help people and businesses by providing affordable, reliable and convenient payment services." The guiding mission for MoneyGram International and FSMC supports our desire to provide the best value and service to the WIC and FMNP/SFMNP, through proven reliable system interface and responsive support by experienced staff. MoneyGram's total corporate focus is based in the financial institution and item transaction processing market segment.

**Our focus is not divided over other types of market segments but uniquely and keenly attuned to providing the niche services that WIC, FMNP and SFMNP check processing demands.**



## **Section A – General Requirements**

Successful vendor shall provide banking and auditing services for the clearing of the WIC and Farmers Market Nutrition Program food instruments which meet WIC's requirements and all current State and Federal requirements.

**Response:**

FSMC can provide and currently does provide banking and auditing services for 50 WIC, Farmers' Market and Senior Market Nutrition Programs. Due to the fact that we have provided processing services to West Virginia, we have already demonstrated that FSMC did meet WIC's requirements and all current State and Federal requirements. The details of how we propose to meet WIC's current requirements and all current State and Federal requirements is demonstrated through our response to this RFQ.

### **1. Services To Be Provided**

The vendor shall provide services that meet WIC's requirements and will do the following:

**Response:**

Upon review of FSMC's response, the State will understand that FSMC completely meets the requirements set forth in this RFQ.

#### **a) Data File Transmittal**

Data File Transmittal: The Vendor must provide a secure FTP (File Transfer Protocol) site to transfer data and electronic reports to and from the bank and State WIC Office.

**Response:**

**Summary:**

The following provides information about the secure File Transfer Protocol (SFTP) site that FSMC proposes the State use to transfer files between FSMC and the State.

Type of File Transfer Process	Security Features
Internet Based SFTP Site	<ul style="list-style-type: none"> <li>✱ PIX firewall between Internet and our internal networks and a dynamically configured Cisco switch.</li> <li>✱ SSL digital certificates on all websites,</li> <li>✱ The use of anti-virus software at several</li> </ul>



	<p>levels within our infrastructure.</p> <ul style="list-style-type: none"> <li>✿ The requirement that critical internet applications require user id and password authentication for access.</li> <li>✿ Periodic security assessment of our Internet infrastructure security by independent parties.</li> </ul>
--	--

The following provides the type of files, originator responsible for file generation, the frequency of the creation and transmission of the file and the purpose of the file for this RFQ that will be transmitted through the SFTP site.

File Type	Originator	Frequency	Purpose
Issuance – WIC, FMNP & SFMNP	State MIS System	Daily	Provide information that validates that the check has been properly issued and data to perform date and over maximum edits.
Maximum Draft Type - WIC	State MIS System	Quarterly or more frequently if needed	Provide maximum pricing for each check type for each peer group.
Vendor – WIC, FMNP & SFMNP	State MIS System	Monthly or more frequently if needed	Provide valid vendor number, vendor bank account information (WIC only), and peer group for maximum edits (WIC only).
Redemption File – WIC, FMNP & SFMNP	FSMC	Daily	Provide to the Program a record of the disposition (paid/rejected/ACH) of each check processed for that day's activity.
Various Reports	FSMC	Daily/Monthly	Provide check data in meaningful formats to help the State manage the WIC and FMNP programs.

**Detail:**

FSMC's proposes to use a secured FTP (SFTP) site. This site has been in constant operation for over five years. The SFTP site is the electronic clearing



house for all files that pass between our UPPS system and the State's MIS system. FSMC sweeps The SFTP site every 15 minutes, removing files sent by the state and then completes updates three times per day. Files received after 4:00 p.m. CST will be updated prior to the next day's processing.

The site is easy to use and the State is in control of when to archive files from the site that were sent by FSMC. The following is a report from our SFTP site. This is actually a screen shot from the front page of the Word reports file. Note that each underlined file is a hyperlink that takes the user directly to the report listed.

Hyper-link	Title	Rpt Date	# Pages	Report ID	Program
<u>WICRPT0 Page 2 2</u>	CLOSEOUT POSING SUMMARY	4/28/06	1	008027323010	WICRPT0
<u>WICRPT2 Page 3 94</u>	CLOSEOUT ALL ITEMS	4/28/06	92	008027323020	WICRPT2
<u>WICRPT3 Page 95 97</u>	CLOSEOUT RETURNED ITEMS	4/28/06	3	008027323030	WICRPT3
<u>WICRPT5 Page 98 98</u>	CLOSEOUT COMPLIANCE BUY	4/28/06	1	008027323050	WICRPT5
<u>WICRPT6 Page 99 99</u>	CLOSEOUT VENDOR FULL	4/28/06	1	008027323060	WICRPT6
<u>WICRPT8 Page 100 100</u>	CLOSEOUT MISNUMBERED	4/28/06	1	008027323080	WICRPT8
<u>WICRPT10 Page 101 101</u>	CLOSEOUT VENDOR AUDIT	4/28/06	1	008027323100	WICRPT10
<u>WICRPT14 Page 102 103</u>	CLOSEOUT PAID EXCEPTIONS	4/28/06	2	008027323140	WICRPT14
<u>WICRPT17 Page 104 124</u>	CLOSEOUT ENDORSEMENT FOR	4/28/06	21	008027323170	WICRPT17
<u>WICRPT25 Page 125 125</u>	CLOSEOUT ACH REIMB RECAP	4/28/06	1	008027323250	WICRPT25
<u>WICRPT26 Page 126 126</u>	CLOSEOUT ACH REIMBURSE	4/28/06	1	008027323260	WICRPT26
<u>WICRPT29 Page 127 127</u>	CLOSEOUT ACH REISS REIMB	4/28/06	1	008027323290	WICRPT29
<u>WICRPT0 Page 128 144</u>	M/E C.O. POSING SUMMARY	4/28/06	17	008027324010	WICRPT0
<u>WICRPT3 Page 145 184</u>	M/E C.O. RETURNED ITEMS	4/28/06	40	008027324030	WICRPT3
<u>WICRPT5 Page 185 186</u>	M/E C.O. COMPLIANCE BUY	4/28/06	2	008027324050	WICRPT5
<u>WICRPT8 Page 187 187</u>	M/E C.O. MISNUMBERED	4/28/06	1	008027324080	WICRPT8
<u>WICRPT11 Page 188 200</u>	M/E C.O. PAID PREV REI	4/28/06	13	008027324110	WICRPT11
<u>WICRPT14 Page 201 223</u>	M/E C.O. PAID EXCEPTIONS	4/28/06	23	008027324140	WICRPT14
<u>WICRPT17 Page 224 588</u>	M/E C.O. ENDORSEMENT FOR	4/28/06	365	008027324170	WICRPT17
<u>WICRPT19 Page 589 610</u>	M/E C.O. TOTALS BY VENDR	4/28/06	22	008027324190	WICRPT19
<u>WICRPT25 Page 611 611</u>	M/E C.O. ACH REIMB RECAP	4/28/06	1	008027324250	WICRPT25
<u>WICRPT31 Page 612 775</u>	M/E C.O. QIRLY VEND SUM	4/28/06	164	008027324310	WICRPT31
<u>WICRPT32 Page 776 881</u>	M/E C.O. QIRLY VEND RISK	4/28/06	106	008027324320	WICRPT32
<u>WICRPT33 Page 882 884</u>	M/E C.O. REPORT 33	4/28/06	3	008027324330	WICRPT33
<u>VDM001 Page 885 974</u>	WIC VENDOR FILE LOAD	5/01/06	90	008027320021	VDM001
<u>VDM001 Page 975 979</u>	VENDOR PRENOTE REPORT	5/01/06	5	008027320023	VDM001
<u>WICISS Page 980 980</u>	WIC ISSUE ERRORS REPORT	5/01/06	1	008027320062	WICISS
<u>WICISS Page 981 981</u>	WIC ISSUE NON-FAIAL RPT	5/01/06	1	008027320063	WICISS



## b) Security Design and Safeguard Features

Security Design and Safeguard Features: Include design features that safeguard against fraud, abuse and waste.

### Response:

Security design and safeguard features are found in the following areas at FSMC:

- ✿ Computer Systems
- ✿ Facility Security
- ✿ Segregation of Duties

The following provides MoneyGram International Information Security policy.



## MoneyGram/FSMC Information Security

### Goal

It is the goal of the IT Security team to protect the MoneyGram organization, subsidiaries and customers from unauthorized access to confidential information.

### Our Promise

MoneyGram is committed to provide our customers with a secure computing environment by protecting unauthorized disclosure, modification or deletion of information through the use of hardware and software technology. It is our promise to stay current with technologies as they influence the security concerns of our customers, the MoneyGram organization and its subsidiaries.

We accomplish this secure computing environment through a complex integration of hardware and software. This includes:

- ✿ PIX firewall between the Internet and our internal networks and a dynamically configured Cisco switch.
- ✿ Two-factor authentication required for remote access to internal networks, including one-time password and VPN technology.



- ✿ SSL digital certificates on all websites, used to encrypt data between a customer's web browser and our data servers and also to verify our corporate identity on the internet.
- ✿ The use of anti-virus software at several levels within our infrastructure.
- ✿ The requirement that critical internet applications require user id and password authentication for access.
- ✿ The use of encryption for file transfers between MoneyGram and our customers where appropriate.
- ✿ Periodic security assessment of our Internet infrastructure security by independent parties.

The following provides facility security policy and processes:

#### The FSMC Security

- All employees are required to wear a lanyard (access/I.D. photo card) at all times within facilities
- All visitors are to sign a log indicating their arrival time, business contact, and departure time. Visitors must be escorted at all times by a WIC Service Team employee until they leave the building. Some vendors require building keys and access cards. These selected vendors check out keys at the front desk and are required to give their drivers license in lieu of our property.
- All perimeter doors have either card readers or door contacts and door prop alarms are wired to the security system. Audible alarms (door contacts, door prop) will alarm when emergency exit doors are opened. All equipment is connected to security system for quick response. An alarm is triggered and a security officer responds
- Surveillance cameras are located throughout the building and the closed circuit monitoring is conducted from the front desks
- Key control procedures: All keys are signed for and tracked on the security system. Master key system allows the ability to immediately change a lock when a key has been lost and not returned by a terminated employee.
- Firewalls are two-hour rated surrounding computer floor areas, one hour rated for all other areas. Double paned windows.
- Shred-it Bins are located throughout all locations for disposal of sensitive documents. Documents are picked up weekly and shredded. (Does not include paid checks)

#### PROCEDURES:

- Crisis Management Team is responsible for the action plan and implementation of crisis situations. Ensure employees and visitors are safe and that the company's assets are protected.
- Fire extinguisher classes are held once a year. Fire evacuation drills are conducted (1) a year.
- Front desk personnel are trained to handle bomb threats, medical emergencies and security situations.

#### GUARD SERVICE:

- Front desk personnel and/or guard service is available 24x7 and holidays at all locations.
- Guards fill out a Security Activity Report indicating all activity during their shift. This is reviewed daily. The Guard tour system is activated throughout the building. The Tour system verifies all equipment and secured areas have been checked. The tour system reports are reviewed weekly.
- Emergency phone numbers and emergency procedures are prepared and maintained in guard book.
- Weekly meetings take place with the service management to review guard service performance.

#### EQUIPMENT:

- C-cure 800 Security System monitors the WIC Service Team location. The system monitors building alarms, card transactions, photos and has many report capabilities. C-cure has a server in Minneapolis and a backup server in Colorado to ensure security is maintained at all times. Outside auditors perform yearly audits on the Security/Facilities Department.



- Monthly building inspections are conducted on extinguishers, building systems and smoke detectors.
- UPS and generators are automatically activated in the event of a power outage at each building.
- Building systems include: Fire alarm system, pre-action sprinkler system, smoke alarms, FM200, water detection, UPS, generators, tamper switch, communication failures, card reader failures and Liebert unit controls.

The following provides FSMC's segregation of duties to eliminate fraud.

The operation processing departments have documented internal controls to verify that procedures are followed relating to segregation of duties. The Support Reps, Supervisor, and Manager all participate in validation of these controls which are completed at various frequencies. Listed below are some of the measures taken to prevent fraud activity:

- ✿ Lead or Supervisor will verify the reconciliation to review for accuracy and suspect activity.
- ✿ Items which FSMC identifies as small dollar differences are reviewed by a supervisor to validate the purpose. (These items have no impact to the state)
- ✿ Adjustments to the accounts are completed by individuals who did not perform the reconciliation.
- ✿ Monthly reconciliation between the bank account and the daily paid files is completed by the FSMC Specialists as they do not complete the daily reconciliation. Issues identified are brought to the supervisor's attention.
- ✿ Monthly billing is completed by the FSMC Specialist as they do not complete the daily reconciliation.
- ✿ Dual verification of returns occurs daily.

### c) Right to Privacy of Participants

Right to Privacy of Participants: Protect the right of privacy of WIC participants.

#### Response:

FSMC's procedures ensure protection of the privacy of WIC participants through system security, check storage and check destruction processes. All WIC and FM checks are stored at the FSMC facility located at 6601 Shingle Creek Parkway, Brooklyn Center, MN. This is the same location where the checks are processed. After the required retention period, Weyerhaeuser, a bonded recycling provider, will destroy the checks.

Weyerhaeuser, located in New Brighton, MN, will pickup the checks. An FSMC employee will have placed the checks ready for destruction in a storage system provided by Weyerhaeuser. Once this is completed, an FSMC employee will log



the check paid date on the destruction form and retain this information for one year.

All checks are placed in an enclosed semi trailer and removed in a secure, enclosed portion of the recycling plant. A Weyerhaeuser employee will validate that all checks are removed from the storage containers and the semi trailer is swept out. After the checks are destroyed by incineration, Weyerhaeuser will provide a Certificate of Destruction that will be filed with the destruction log at FSMC.

An example of the Certificate of Destruction follows:

<b>Certificate of Destruction</b>
This is to certify that Weyerhaeuser has destroyed through incineration, materials provided by:
FSMC
# tons processed on DATE HERE
Issued By: <u>Sue Maxfield</u>
On this ___ day of __, 2006.

FSMC's system solution incorporates state-of-the-art security technology using industry standard methods, including data encryption to maintain data integrity. In conjunction with our system security measures, primary and backup data centers are all highly secure physical facilities.

Following is a detailed description of our proven security procedures.

- ☛ **LAN**—Novell NetWare administration is used as the OS for WIC Service Team servers. All users are assigned a unique Novell user-id and password. Password changes are forced on a cyclical basis. Authorized Centralized LAN administrators perform the administration on these servers. Bindview reports are available to analyze what Novell rights have been granted to any user.
- ☛ **Internet**—Customers drop files at our secured FTP site for daily processing. We pick up daily transmissions from this site and feed them into the UPPS system through a batch process. Authorized system administrators coordinate all new transmissions, determining the directory that will be allocated and restricted to each customer.
- ☛ **Application Security**—The UPPS system has an application security table that is administered by authorized system administrators. This application table allows the ability for read/update of data, by user.

#### d) Use of Tested State-of-the Art Techniques

Use of Tested State-of-the Art Techniques: Use tried and State-of-the-Art techniques as opposed to untested technology that may or may not be successful.



**Response:**

**Summary:**

System Name	Developed	Language /Database Used	Methodologies used in development	Hardware Platform
Unique Payment Processing System (UPPS)	Developed within FSMC programming department	PROGENI/1Spec® Oracle® 10g	<ul style="list-style-type: none"><li>■ CASE tools</li><li>■ Structured programming practices</li><li>■ "Normalized" database</li></ul>	Database - RS6000 Workstations - MS PC

**Detail:**

The technology and methodologies that FSMC used for development of our base processing system is tested state-of-the-art techniques. As demonstration of our state-of-the-art processes, the following will familiarize the State with our base processing system.

FSMC found that there was no "Off the shelf" software that provided the flexibility and ease of maintenance that was required for providing services in the WIC banking market. Therefore FSMC created the Unique Payment Processing System (UPPS) in house. 1-Spec from PROGENI® was selected as the developmental language. It is an application generator (4GL) that supports many different hardware platforms, and works with many different databases. Oracle® 10g is the database engine for UPPS that provides a robust environment so that large volumes of data can be processed in a timely fashion. Our current database houses 750 million rows.

The hardware platform is client/server. This decision allowed FSMC to build a powerful system that could exceed the speed of mainframes at a small fraction of the cost. Our data entry and reconciliation applications run on MS Windows servers but the database resides on multiple RS6000s. Within six months we will be running our RS6000s in a clustered "failsafe" mode. Our goal is that if one of the RS6000s has a failure another box in the cluster will take over the load of the down box and no users will be affected. Our current configuration supports 50 desktop PCs but is able to expand and handle more than double that amount.

Standards were implemented that insured development would use industry standard architecture. The use of CASE tools, structured programming, and "Normalized" databases helped bring the UPPS project to a successful



implementation, and provides FSMC with the ability to tailor programs to the specific needs of our clients in a timely fashion.

### e) Internet Image Retrieval and Search System

Internet based FI image retrieval and search system to provide the WIC Program with the ability to view and search on-demand various data field or gather information and report on FI data, various programmatic information and associated Vendor information. Searched should be available for a minimum Vendor Number, Vendor Class, FIs (range and a list of numbers), Draft Status, Rejection Reason, Draft Type, Food Code, WIC ID, Local Agency/Site, Exception Handling, 1<sup>st</sup> date to spend, Paid Date (single or range), WIC Condition, % of Max Range, Amount Range, Calculate Average by Draft type of draft types or Vendor class selected. The search result should be downloadable to a spreadsheet. On-Line images should be able to be retrieved from the search result. Vendor will also provide the WIC Program a monthly CD/DVD of all draft images both front and back.

#### Response:

#### Summary:

##### Function Description

- ✿ Internet Based
- ✿ 7 Year Data and Image Archive
- ✿ 8 Standard Search Functions
- ✿ 6 Standard Configurable Search Functions
- ✿ Financial Data in Summary and Detail by Configurable Fiscal Year
- ✿ Ability to Download Check Images
- ✿ Ability to Download Results in a comma delimited format to be used into Excel
- ✿ Ability to Print a WIC Check Image– both front and back
- ✿ Expanded Search Qualifiers (<, >, =)
- ✿ Specific Information Detailing ACH Transactions

#### Detail:

FSMC's check image system (WebCheck) is internet compatible and accessible. We offer a superior system that provides image storage for seven (7) years on line image and data archive, enhanced search and user capabilities and provides



multiple users access to the system at one time. Technologies have become more robust in the functionality that they provide. FSMC has taken advantage of these technological advances and enhanced our WebCheck product. WebCheck has a new look and feel as well as expanded functionality. Our new functionality includes:

- ✿ Configurable search functions – WebChecks has six configurable search fields that can be used by the State to enhance data gathering.
- ✿ Qualifier drop downs - Each search option has an additional drop down box that allows the user to qualify the search parameters. Qualifier options for numeric fields are equals, range, greater than, greater than or equal to, less than, and less than or equal to. Qualifier options for alpha fields are equals, begin with, ends with or contains.
- ✿ Subset of Search Results – On the Search Results screen, a user can use the check boxes under “Data” or “Image” to select a subset of the search results to either down load into Excel or to Adobe.
- ✿ Financial data in summary and detail – Through the administration function of the software, a Program can set up the fiscal year to see monthly and year to date totals. For example, FMNP could designate the months that checks can be redeemed and WebChecks would provide monthly and year to date information. WebChecks also provides the ability to drill down to daily details of any month.
- ✿ Paid Code function – This function allows the user to look up paid items that have had special processing. For example compliance buys and endorsement look ups.
- ✿ Financial information on ACH transactions – WebChecks provides summary and detail information about ACH payments.
- ✿ The ability, on an administrator level, to determine which users can see what data. For example, if the State staff did not want field staff to be able to see compliance buy data that data will not be available for that user.

## System Information

The WebCheck software is proprietary and was specifically developed for FSMC. The only requirement for use is internet access, web browser Internet Explorer, and Adobe 5.0. The on line allows the user any Adobe feature, including the zoom, copy, fax, and print features. Printing provides for the front and back to be



printed on the same page. All checks, receipts, voids and query data are 100% RAID stored; that means the State's information is accessed real time and improves usability as you will not have waiting time to view your image or retrieve data.

FSMC image solutions are built on the IDA platform. Dual hot sites in Dallas, TX and Irvine, CA dramatically reduce the risk of catastrophe at a single location. Combined with mirrored servers, their infrastructure will deliver the highest degree of system access and availability to maintain business continuity. We guarantee 99.9% access and availability.

The front and back of each paid and returned check original, WIC and FMNP is imaged and available on-line 3 days after presentment. WebChecks provides the ability to search over the 7 year archive. The following is an example of how our system prints a check image.

***Sample Check Image:***

The participant name, ID number and signature have been removed for privacy reasons.



THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND AND A MICROPRINT SIGNATURE LINE. BACK HAS AN ARTIFICIAL WATERMARK. HOLD AT ANGLE TO VIEW

**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**  
for WOMEN, INFANTS & CHILDREN (WIC)

18268539

An Affiliate of Security State Bank  
Howard Lake, MN 55349

75-1248  
919

Account #  
806207

200

CHECK NO. 18268539

FIRST DAY TO USE 07/11/06

CLINIC ID PARTICIPANT ID PAYEE NAME 889A-3

AMOUNT FOOD (NO SUBSTITUTIONS)

1 GAL MILK

1 LB (OR LESS) WIC CHEESE

1 DOZ LARGE EGGS

1 JUICE (12 OZ. CONC. OR 46 OZ. FL.)

XXXXXXXX

08/11/06

ORIGINAL SIGNER FOR PRICE CORRECTION ONLY

PAY the RI authorized WIC vendor stamped here

W.I.C. 9426  
STOP & SHOP  
CUMBERLAND  
PROPERTY OF STATE OF RI  
PENALTY FOR DUPLICATION

ACTUAL PURCHASE PRICE  
14.12

VENDOR MUST DEPOSIT WITHIN 30 DAYS OF LAST DAY TO USE

PROPER USE OF THIS CHECK IS SUBJECT TO STATE AND FEDERAL PROSECUTION

Signature Area

18 268 539 09 19 1 248 2 806 20 7 000000 14 12

09 19 1 248 2 000000 14 12

OPENS 155 REG# 7 TRANS# 124509  
-Jul-12-06 01:50 WIC \$ 14.12  
FOR DEPOSIT ONLY  
Bank of America #51026020  
6700064627  
70 HERDON ROAD  
CUMBERLAND RI 02864

For Returned Items  
National City Bank  
#0421042494  
Cincinnati, Ohio  
#Consolidated Returns  
#0472-259

1 3 2 4 0 3 1 4

BANK OF AMERICA NA NA  
#11994384 E2656 E7 REL  
07/14/06

0700064627

0600071989

910-00071989

09 19 1 248 2 000000 14 12

09 19 1 248 2 000000 14 12

WIC 9426 STOP & SHOP CUMBERLAND PROPERTY OF STATE OF RI PENALTY FOR DUPLICATION

Our system provides a standard set of search criteria and a set of customizable search criteria. The standard search criteria are:

- Account Number— This allows refinement of the search to a specific account (WIC, FMNP, SFMNP).
- Vendor Number – An individual vendor number can be entered or a range of numbers.
- Check Number – A single check number or a range of check numbers can be entered.



- ✿ Paid Date – A single date or a range can be entered.
- ✿ Paid Code – This criterion allows the user to search for different types of paid checks such as compliance buys and endorsement edit. This is where the State would search for Exception Handling.
- ✿ Rejection Code – This criterion allows the user to search by rejection reason.
- ✿ Redeemed percentage to Maximum – This allows a percentage or a range of percentages to be entered and return the results of which checks were redeemed with that percentage to the maximum allowable.
- ✿ Draft Type – This criterion allows the user to search by check type or voucher code. This search criterion is provided in the issuance file. The field name that provides this data is Voucher Code.

The customizable search criteria are specific to each State. The criteria can be provided in the issuance file or be retrieved from FSMC data entry. Examples of customizable search criteria are:

- ✿ Vendor Class – This search criterion would be taken from the vendor file provided by the State. This would allow the user to search by peer group and determine trends.
- ✿ Local Agency/Site - This search criterion would be provided in the issuance file. This would allow the user to search and see what checks were redeemed and rejected by issuing Agency.
- ✿ WIC Condition - This search criterion is provided in the issuance file. This would allow the user to search by State determined eligibility categories.
- ✿ WIC ID - This search criterion is provided in the issuance file. This would allow the user to search for checks redeemed by participant.
- ✿ Food Code - This search criterion is provided in the issuance file. This would allow the user to search for checks redeemed by Food Code.

FSMC would like to discuss with the Program how they use the search criteria, "Calculate Average by Draft type of draft types or Vendor class". We have worked with several states regarding cost containment. The calculation that is required in the image retrieval system specifications is what we currently provide to our customers via a monthly report that is electronically provided. This monthly report is then used by WIC programs to determine maximum prices. We are willing to modify our WebChecks application to accommodate this



specification however we would like to discuss how this data is used and on what scale (individual vendor, some vendors, all vendors) the searches are done. This will be on our meeting schedule for discussion.

Search criteria can be selected one criterion at a time or multiple criteria (Vendor number, Check Type and Percent Redeemed to Maximum) can be selected. The following is a screen shot of our search screen.

Account Number: Equals [dropdown] [text box]

Agency: Equals [dropdown] [text box]

Paid Date: Range [dropdown] [text box] [text box]

Check Type: Equals [dropdown] [text box]

Check Number: Equals [dropdown] [text box]

Issued Date: Equals [dropdown] [text box]

Vendor Number: Equals [dropdown] [text box]

Participant ID: Equals [dropdown] [text box]

Check Amount: Equals [dropdown] [text box]

Peer Group: Equals [dropdown] [text box]

Paid Code: Equals [dropdown] [text box]

Tracer #: Equals [dropdown] [text box]

Reject Code: Equals [dropdown] [text box]

WIC ID: Equals [dropdown] [text box]

Submit Query Clear

Once the user has selected the search criteria, WebChecks returns the search results in a grid format. The grid displays individual information for each check. The information provided is Paid Date, Check Number, Vendor Number, Amount, Maximum Amount, Paid Code and Rejection Code. The screen shot below shows the search results.



Clicking once on a column header sorts these results based on that field in ascending order. An additional click on the column header sorts the results based on that field in descending order. Clicking on the check picture on the far left of each row will retrieve the image of the check. The Data and Img check boxes allow the user to select a subset of search results to either download into Excel or Adobe.

The search fields, search results, and images are presented in three frames within a single web page. Each frame can be sized to the user's needs. The screen shot above demonstrates how each frame can be manually sized to suit the user's needs. The query screen has been reduced in size and the search results screen has been expanded.

On user workstations having Microsoft Excel installed, users will have the ability to download the currently-viewed search result set into an Excel worksheet.

FSMC has provided the user with the ability to set up a fiscal year. This means that if the user wanted to see WIC account totals by federal fiscal year (October 1 to September 30) their Check Processing Summary screen would display months from October to September. There is a year to date total for this screen. WIC fiscal managers would be able to see at a glance what funds had been spent within the Federal fiscal year. This functionality could also be used for FMNP or SFMNP by the months that redemption was allowed.




Monthly Report - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Search Favorites

Address: https://10.20.111.140/wic/search/MonthlyReport.aspx

Archive Summary Admin Change Password Log Out

**MoneyGram** 

Group: WIC

**Check Processing Summary (Year 2006)**

Month	Paid Check Count	Amount Paid	Rejected Check Count	Amount Rejected	ACH Payment
<u>April</u>	1250	25000.56	80	1280.50	250
<u>May</u>	1560	34589.00	56	2400.00	230
<u>June</u>	2100	53006.40	35	3405.78	289
<u>July</u>	1876	28900.30	35	1256.70	357
<u>August</u>	560	12156.80	25	895.30	205
<b>YTD</b>	<b>7346</b>	<b>153653.06</b>	<b>231</b>	<b>9238.28</b>	<b>1331</b>

Done Internet

The above screen shot is from the Check Processing Summary page. The summary data is displayed by month, paid check count, amount paid, rejected check count, amount rejected and ACH payment. Totals for each month within the range specified are listed with a year to date total. By clicking on the name of a specific month, a daily breakdown for that month is displayed as shown below.



Main Search Page - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address <https://10.20.111.140/wic/search/MonthlyReport.aspx>

MoneyGram

Group: WIC

Archive Summary Admin Change Password Log Out

Check Processing Summary (Year 2006)

Month	Paid Check Count	Amount Paid	Rejected Check Count	Amount Rejected	ACH Payment
<a href="#">April</a>	1250	25000.56	80	1280.50	250
<a href="#">May</a>	1560	34589.00	56	2400.00	230

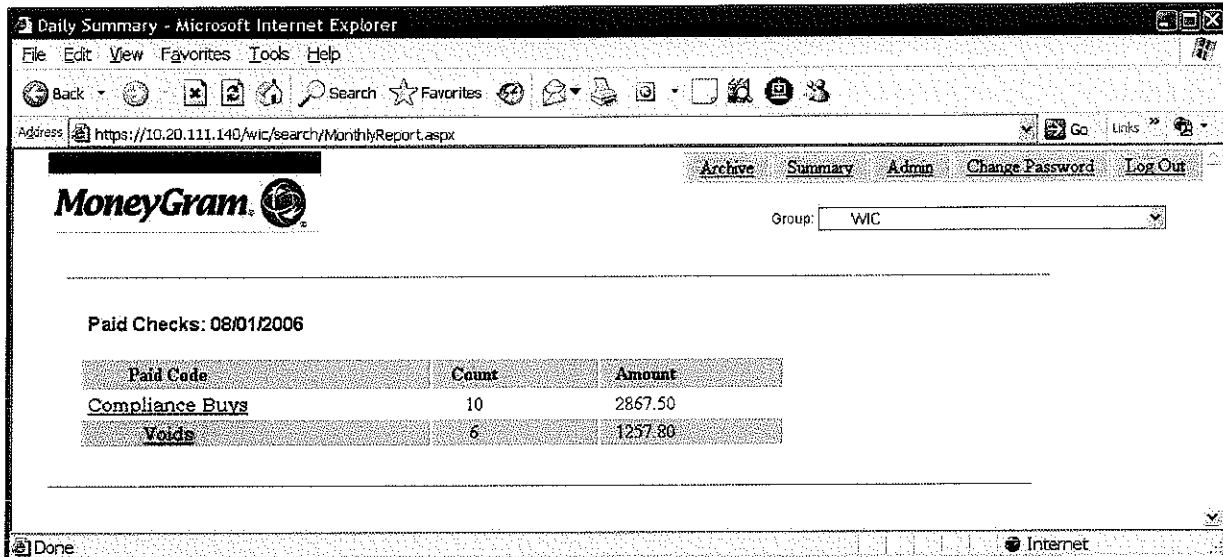
Daily Summary for August 2006

Month	Paid Check Count	Amount Paid	Rejected Check Count	Amount Rejected	ACH Payment
<a href="#">08/01</a>	200	2346.80	8	156.00	50
<a href="#">08/02</a>	100	3500.60	3	123.50	43
<a href="#">08/03</a>	120	3578.90	4	245.40	21
<a href="#">08/04</a>	100	1234.90	3	186.40	56
<a href="#">08/07</a>	40	1495.60	3	184.00	35
<b>Total</b>	<b>560</b>	<b>12156.30</b>	<b>25</b>	<b>895.30</b>	<b>205</b>

As with WebChecks other screens, blue underlined data fields are hyperlinks to drill down farther into detailed data ultimately resulting in individual check information. The daily detail can be retrieved by clicking on the date in the month column. The search results will be displayed as previously shown in the 'Search Results' screen shot.

FSMC uses a system of "paid codes". If the check has had to have any exception handling but is still paid, then a specific code is attached to that check record. For example if a check was a compliance buy, the system would apply a paid code of P03. If the check had been reported as a void on an issuance record from the State but passed all edits and was paid a paid code of P12 would be assigned. So if the user wishes to view the monthly count for compliance buys or voids, they would go to the paid check count column on the Check Processing Summary or on the Daily Summary and click on the item count hyperlink for the month/day in question. The following summary would be displayed:





Clicking on a specific category name displays a breakdown for that category at the individual check level. The search results will be displayed as previously shown in the 'Search Results' screen shot.

#### f) WIC Experience

The Vendor shall have three years experience in providing banking and auditing and clearinghouse services for the Special Supplemental Nutrition Program for Women, Infants and Children, (WIC) and Farmers Market Nutrition Program food instruments.

**Response:**

**Summary:**

Number Of Years Providing WIC Services	Number of WIC Contracts	Number of FMNP/SFMNP Contracts	Monthly Total WIC/FMNP/SFMNP Check Processing Volume
17	26	24	4,747,489

**Detail:**

FSMC has provided WIC banking services since 1989. To demonstrate our ability to provide the services required by the RFQ we will provide the monthly volumes by contract that we provide WIC/FMNP/SFMNP check processing and we will discuss the types of services that we provide to each customer. Please note that we have been in the WIC banking industry longer than any of our competitors and we have provided continuous services to the WIC community for over 17 years.



FSMC has the largest customer base of all of service providers that provide WIC/FMNP/SFMNP check processing. The chart below identifies FSMC's Active WIC Contracts, and provides approximate monthly volumes:

State	Monthly Volumes
Arizona WIC Program	340,000
Arkansas WIC Program	130,000
Chickasaw WIC Program	6,000
Colorado WIC Program	150,000
Guam WIC Program	25,000
Hawaii WIC Program	75,000
Idaho WIC Program	80,000
Iowa WIC Program	190,000
ITCA WIC Program	19,000
ITCN WIC Program	1,200
Louisiana WIC Program	250,000
Maryland WIC Program	300,000
Montana WIC Program	55,000
Muscogee WIC Program	4,000
Navajo Nation WIC Program	50,000
Nebraska WIC Program	100,000
Nevada WIC Program (checks & EBT)	80,000
New Jersey WIC Program	575,000
North Carolina WIC Program	600,000
Oklahoma WIC Program	215,000
Omaha Tribe WIC Program	1,000
Otoe—Missouria WIC Program	2,400
Rhode Island WIC Program	80,000
Utah WIC Program	165,000
WCD WIC Program	7,000
Wisconsin WIC Program	300,000
Total	4,250,600
Grand total with FMNP/SFMNP	<b>4,747,489</b>

The chart below lists FSMC's Active FMNP/SFMNP Contracts with seasonal volumes.



State	Seasonal Volumes WIC FM	Seasonal Volumes Sr. FM
Alabama FM and SFMNP	72,025	249,343
Arizona FM	32,058	
Arkansas FM	62,123	
Chickasaw FM and SFMNP	21,743	60,897
Iowa FM and SFMNP	269,049	243,144
Kansas SFMNP		62,682
Kentucky SFMNP		75,000
Maryland FM and SFMNP	139,322	37,316
Montana FM	17,403	
Nebraska SFMNP		69,915
New Jersey FM and SFMNP	170,462	128,327
North Carolina FM	58,348	
Oregon FM and SFMNP	229,954	340,233
Rhode Island FM and SFMNP		27,592
Wisconsin FM and SFMNP	98,000	98,007
Seasonal Totals	1,170,487	1,313,958

## Services Provided

### Services Snapshot

Type of Service
Provision Of Preprinted And Laser Stock, And Direct To Site Distribution
Provision Of WIC Vendor And Farmer Stamps
Maintenance Of The WIC And/Or FMNP Bank Accounts
Bank Item Processing And Posting To The Bank Accounts
Review Of All Checks For The Conditions Specified By Each State Or Agency
Return And Credit Checks That Do Not Meet The Established Requirements
Data Capture Of Information Related To Each Transaction Established by State Requirements
Receipt Of Issuance, Type And Farmer/Vendor Files From States For Use In Making The Payment Decisions
File Provision Of All Transactions
File Exchange Via Secured Ftp Site
On-line Image Access and Archive
On-Line Access To Financial Data For 60 Days
Statements And Reports
ACH Payments For Reduced Price And As Requested By Agency
ACH Settlement For EBT



Services provided to each customer in detail:

### **Alabama FMNP and SFMNP**

FSMC provides FMNP and SFMNP check processing for the State of Alabama. These programs have a combined participation of 87,005, with a combined check volume of 321,378. FSMC prints check stock in a booklet form for easy distribution and for the convenience of the client. We capture the farmer number, check number and dollar amount from each check presented for payment. We provide check edits determined by the Program. We provide data entry of participant name, check number, WIC Status and distribution point from the signature logs. We provide electronic files of issuance and paid information to the Program. A complete suite of clinic and farmer redemption reports allows effective program management. All processed checks are available online for check image viewing. We have been providing service for Alabama since 2005

### **Arkansas WIC and FMNP**

FSMC provides WIC and FMNP processing for the State of Arkansas. We have been providing check processing services since 1995. The Arkansas WIC Program has 87,215 in participation. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks. In 2006, we worked with the WIC Program on the Cost Containment Project required by Federal Regulations. In 2006 FSMC Programmed for the state to use a Check type file with 36 peer groups which expanded their use of vendor peer groups to provide the ability to monitor predominately WIC grocery stores. We also provided ACH payment processing for checks that rejected for over the maximum. An ACH payment is sent to the vendor for a lower adjusted dollar amount.

### **Arizona WIC, FMNP**

FSMC provides WIC, and FMNP processing for the State of Arizona. We have been a contractor with the Arizona program since 1991. The Arizona WIC Program has a participation of 152,288. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, ACH processing of checks rejected for over the maximum amounts, electronic paid files and reports, and internet access to processed checks. In 2005 we added the capture of Redemption date through data entry. In 2006, we worked with the WIC Program on the Cost Containment Project required by Federal Regulations. We assisted the state by updating an existing ACH report by adding an additional sort column of Check Type. This enhancement assisted their vendors in adjusting their shelf prices to reduce the number of returned items for Over the max.



### **Chickasaw WIC, FMNP and SFMNP**

FSMC provides WIC, FMNP and SFMNP processing for the Chickasaw Indian Nation. We have been a contractor with the Chickasaw program since 1999. The Chickasaw WIC Program has a participation of 3,457. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks.

### **Colorado WIC**

FSMC provides WIC processing for the State of Colorado. We have been a contractor with the Colorado program since 1998. The Colorado WIC Program has a participation of 85,838. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, ACH processing of checks rejected for over the maximum amounts, electronic paid files and reports, and internet access to processed checks. In 2006, we worked with the WIC Program to move from vendor specific to non-vendor specific, with complete end-to-end processing.

### **Guam WIC**

FSMC provides WIC processing for the Guam WIC Program. We have been a contractor with the Guam program since 1994. The Guam WIC Program has a participation of 5,914. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and image CD's of their processed checks. Due to the location of Guam we receive their checks in the new Substitute Check format due to Check21 legislation.

### **Hawaii WIC**

FSMC provides WIC processing for the State of Hawaii. We have been a contractor with the Hawaii program since 1999. The Hawaii WIC Program has a participation of 31,644. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, State initiated ACH, electronic paid files and reports, and internet access to processed checks.

### **Idaho WIC**

FSMC provides WIC processing for the State of Idaho. We have been a contractor with the Idaho program since 1996. The Idaho WIC Program has a participation of 38,433. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files, reports, and image CD's of their processed checks. In 2006



we worked with the WIC program to move from vendor specific to non-vendor specific with future capabilities to handle ACH.

### **Iowa WIC, FMNP and SFMNP**

FSMC provides WIC, FMNP and SFMNP processing for the State of Iowa. We have been a contractor with the Iowa WIC program since 1999. The Iowa WIC Program has a participation of 66,148. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks. In 2005 Iowa moved to a new WIC MIS system called IWIN. FSMC changed file formats to add multiple max's within their issue file, capabilities to handle future ACH, and conducted end-to-end testing to assure complete system-to-system communication.

### **Inter Tribal Council of Arizona WIC**

FSMC provides WIC processing for the ITCA Indian Nation. We have been a contractor with the ITCA program since 1999. The ITCA WIC Program has a participation of 10,151. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks. In 2005 – 2006 FSMC worked with the Program while they moved to a new WIC MIS system. We changed file formats and conducted end-to-end testing to assure complete system-to-system communication.

### **Inter Tribal Council of Nevada WIC**

FSMC provides WIC processing for the ITCN Indian Nation. We have been a contractor with the ITCN WIC program since 1994. The ITCN WIC Program has a participation of 946. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files, reports, and image CD's of their processed checks.

### **Kansas SFMNP**

FSMC provides SFMNP check processing for the Kansas Department on Aging. This program has a participation of 6,500. FSMC prints check stock in a booklet form for easy distribution and for the convenience of the client. The check stock is shipped directly to distribution points. We capture the farmer number, check number and dollar amount from each check presented for payment. We provide check edits determined by the Program. We provide electronic files of issuance and paid information to the Program. A complete suite of clinic and farmer redemption reports allows effective program management. All processed checks



are available online for check image viewing. We have been providing this service since 2004.

### **Kentucky SFMNP**

FSMC provides SFMNP check processing for the State of Kentucky. The program has a participation of 7,690. FSMC prints check stock in a booklet form for easy distribution and for the convenience of the client. The check stock is shipped directly to distribution points. We capture the farmer number, check number and dollar amount from each check presented for payment. We provide check edits determined by the Program. We provide data entry of participant name, birth date, check number and distribution point from the signature logs. We provide electronic files of issuance and paid information to the Program. A complete suite of clinic and farmer redemption reports allows effective program management. All processed checks are available online for check image viewing. We have been providing this service since 2006.

### **Louisiana WIC**

FSMC provides WIC processing for the State of Louisiana. We have been a contractor with the Louisiana program since 1996. The Louisiana WIC Program has a participation of 122,606. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks. In 2005 Louisiana moved to a new WIC MIS system called Phame. FSMC changed file formats to add multiple max's within their issue file, functionality to handle future ACH, and conducted end-to-end testing to assure complete system-to-system communication. FSMC also aided the state during the devastation of Hurricane Katrina in 2005. We assisted the state to modify their edits for several months until vendors and the state were back up and fully functional.

### **Maryland WIC, FMNP and SFMNP**

FSMC provides WIC, FMNP and SFMNP processing for the State of Maryland. We have been a contractor with the Maryland WIC program since 1999. The Maryland WIC Program has a participation of 114,812. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, State initiated ACH payments to vendors, electronic paid files and reports, and internet access to processed checks. In 2006 we assisted the state with the Cost Containment Regulations by expanding their vendor peer groups from 18 to 36 to provide the ability to monitor predominately WIC grocery stores.



### **Montana WIC and FMNP**

FSMC provides WIC and FMNP processing for the State of Montana. We have been providing check processing services since 1999. The Montana WIC Program has 20,166 in participation. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks. In 2005 we assisted the program with their move from an 8 digit serial number to a 10 digit serial number. This was accomplished by providing new file layouts, and doing a complete end-to-end testing of items. This change also prepared the state for their conversion to laser printed documents, which they converted to in 2006.

### **Muscogee WIC**

FSMC provides WIC processing for the Muscogee Indian Nation. We have been a contractor with the Muscogee WIC program since 1999. The Muscogee WIC Program has a participation of 2,139. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks.

### **Navajo Nation WIC**

FSMC provides WIC processing for the Navajo Indian Nation. We have been a contractor with the Navajo WIC program since 2001. The Navajo WIC Program has a participation of 13,041. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks.

### **Nebraska WIC and SFMNP**

FSMC provides WIC and SFMNP processing for the State of Nebraska. We have been providing check processing services since 1997. The Nebraska WIC Program has 41,046 in participation. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks. In 2004 we worked with the WIC Program to move from vendor specific to non-vendor specific.

### **Nevada WIC**

FSMC provides WIC processing for the State of Nevada. We have been a contractor with the Nevada WIC program since 1992. The Nevada WIC Program has a participation of 50,418. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements,



electronic paid files and reports, ACH payments for EBT transactions and image CD's of their processed checks.

### **New Jersey WIC, FMNP and SFMNP**

FSMC provides WIC, FMNP and SFMNP processing for the State of New Jersey. We have been a contractor with the New Jersey WIC program since 1999. The New Jersey WIC Program has a participation of 148,673. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, ACH payments to vendors, check stock and delivery, electronic paid files and reports, and internet access to processed checks.

### **North Carolina WIC and FMNP**

FSMC provides WIC and FMNP processing for the State of North Carolina. We have been providing check processing services since 2003. The North Carolina WIC Program has 231,329 in participation. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, ACH vendor payments, electronic paid files and reports, and internet access to processed checks. In 2006, we worked with the Program on Cost Containment system changes to meet Federal Regulations. We provided new reports that provided the Program with redemption data to determine state averages to be used as a base for maximum prices for predominately WIC vendors.

### **Oklahoma WIC**

FSMC provides WIC processing for the State of Oklahoma. We have been a contractor with the Oklahoma WIC program since 1999. The Oklahoma WIC Program has a participation of 93,042. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks.

### **Omaha Tribe WIC**

FSMC provides WIC processing for the Omaha Indian Nation. We have been a contractor with the Omaha WIC program since 2005. The Omaha WIC Program has a participation of 240. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks.



### **Oregon FMNP and SFMNP**

FSMC provides FMNP and SFMNP check processing for the State of Oregon. These programs have a combined participation of 32,600. FSMC prints check stock in a booklet form for easy distribution and for the convenience of the client. We capture the farmer number, check number and dollar amount from each check presented for payment. We provide check edits determined by the Program. We provide electronic files of issuance and paid information to the Program. A complete suite of clinic and farmer redemption reports allows effective program management. All processed checks are available online for check image viewing. We have been providing this service since 2005.

### **Otoe – Missouriia**

FSMC provides WIC processing for the Otoe-Missouria Indian Nation. We have been a contractor with the Otoe-Missouria WIC program since 2001. The Otoe-Missouria WIC Program has a participation of 766. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and image CD's of their processed checks.

### **Rhode Island WIC, FMNP and SFMNP**

FSMC provides WIC, FMNP and SFMNP processing for the State of Rhode Island. We have been a contractor with the Rhode Island WIC program since 1998. The Rhode Island WIC Program has a participation of 23,624. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, ACH vendor payments, electronic paid files, reports, and image CD's of their processed checks. Between June of 2004 and finishing in June of 2006, FSMC assisted the state moving to a new WIC MIS System as well as providing ACH services.

### **Utah WIC**

FSMC provides WIC processing for the State of Utah. We have been a contractor with the Utah WIC program since 1999. The Utah WIC Program has a participation of 65,429. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks. In 2006 FSMC assisted Utah with adding multiple maximums to their issue file, along with providing the capability of future ACH processing.

### **WCD**

FSMC provides WIC processing for the WCD Indian Nation. We have been a contractor with the WCD WIC program since 2005. The WCD WIC Program has



a participation of 3,233. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks.

**Wisconsin WIC, FMNP and SFMNP**

FSMC provides WIC, FMNP and SFMNP processing for the State of Wisconsin. We have been a contractor with the Wisconsin WIC program since 1991. The Wisconsin WIC Program has a participation of 111,207. We provide account maintenance, monthly bank statements, check processing according to Program determined requirements, electronic paid files and reports, and internet access to processed checks. In 2005 we assisted the program going to a new WIC MIS system called Rosie. 2006 will bring the ACH enhancement to the state.

**f) Project Organizational Chart**

Vendor must provide an organizational chart for this project and identify key personnel assigned to this project with resumes as to qualifications and experience, including their licenses, credentials, and experience in banking and auditing service tasks.

**Response:**

**Summary:**

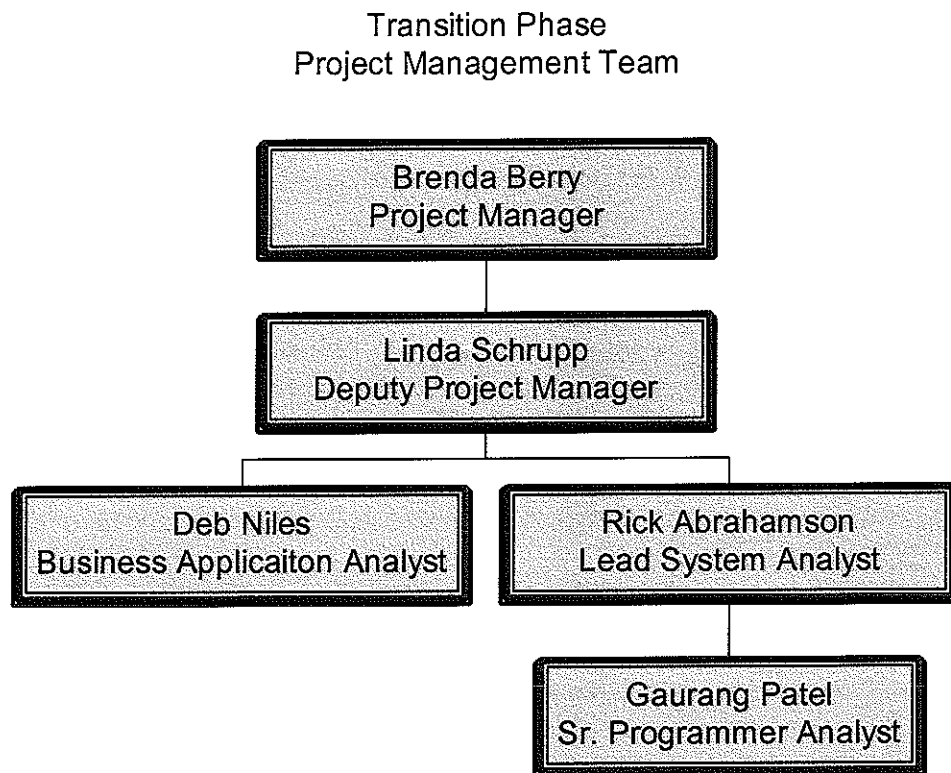
<b>Transition Phase</b>	Project Manager - Brenda Berry
	Deputy Project Manager - Linda Schrupp
	Business Application Analyst - Deb Niles
	Lead System Analyst - Rick Abrahamson
	Gaurang Patel - Sr. Programmer/Analyst
<b>Operational Phase</b>	Director of Operations - Linda Schrupp
	WIC Account Executive - Brenda Berry
	Business Application Analyst - Deb Niles
	Lead System Analyst - Rick Abrahamson
	Sr. Programmer/Analyst - Gaurang Patel
	WIC Resource Center Representative - John Kruk

**Detail:**

FSMC has developed a project organization approach that will apply the required resources to the different phases of the West Virginia WIC banking project. We



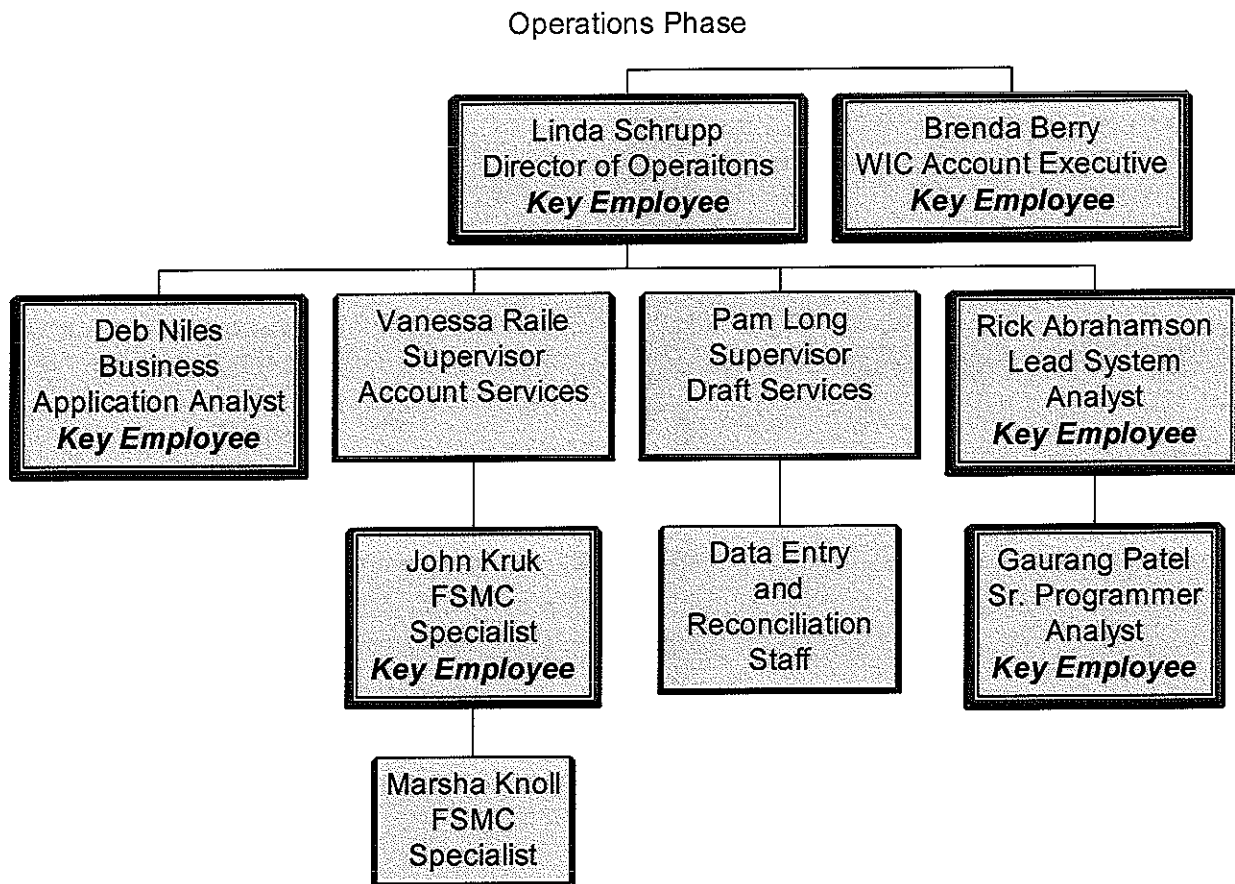
have identified two phases to our project organization. The first phase is the Transition Phase. The Transition Phase is where FSMC staff and the Program staff meet to refine requirements, timelines and share information about each organization to reach the goal of providing a seamless interchange of meaningful electronic data and establishing check processing standards. This phase is generally limited in time and is necessary to complete before the project can move in to Operations Phase. Our Transition Project Team is composed of our Project Manager, Brenda Berry, Deputy Project Manager, Linda Schrupp, Business Application Analyst, Deb Niles, Lead System Analyst Rick Abrahamson and Gaurang Patel as the Sr. Programmer/Analyst. Since this team is temporary in its lifespan, the team is organized along traditional project management functional lines. The Transition Team will be responsible for managing the gathering and implementation of deliverables that this RFQ requires. The following organizational chart provides the reporting structure for the Transition Project Team.



The second phase is the Operations Phase. The Operations Phase of the project is the long term day-to-day operations of processing WIC and FMNP/SFMNP checks and providing data to the Program. The permanent team in this phase is organized according to FSMC organizational structure. In this



phase, Linda Schrupp is the Director of Operations, Brenda Berry is the WIC Account Executive, Deb Niles is the Business Application Analyst, Rick Abrahamson is the Lead System Analyst, Gaurang Patel is the Sr. Programmer/Analyst and John Kruk is the WIC Resource Center representative with Marsha Knoll serving as his back up. In the Operations Phase, all of the Transition Team members are present but some of the staff fulfills different roles. There is additional staff added to the Operational Phase, WIC Resource Center staff, Item Processing staff and Draft Services staff. The following organizational chart provides the reporting structure for the Operations Team.



The Transition Team shifts roles from the Transition Phase and moves into the Operations Phase. The knowledge gained in the Transition Phase is not lost but is carried into the Operations Phase. The main contact for the Program for day to day questions and problem resolution will be Marsha Knoll. As a WIC Resource Center Representative she will log all calls into a tracking system and follow all problems through to resolution calling upon resources as needed. The main contact for contract issues will be Brenda Berry.



**Summary:**

This table identifies the name, position, WIC and related experience, back up staff for each position in each phase and the percentage of time allocated to this project. The percentage of time does change for each person moving from the Transition Phase to the Operations Phase.

Name	Position	WIC Related Experience	Back up Personnel Transition/Operations	Percentage of Time Transition/Operations
Brenda Berry	Project Manager/WIC Account Executive	7 years WIC banking 13 years WIC experience	Linda Schrupp/Linda Schrupp	45%/10%
Linda Schrupp	Deputy Project Manager/Director of Operations	5 years WIC banking experience 22 years Item Processing experience	Brenda Berry/Vanessa Raile, Pam Long	50%/10%
Deb Niles	Business Application Analyst	5 years WIC banking experience 15 Years banking operations experience	Linda Schrupp/Brenda Berry	40%/5%
Rick Abrahamson	Lead System Analyst	12 years WIC banking experience 31 years of IT experience in the banking industry	Gaurang Patel	15%/5%
Gaurang Patel	Sr. Programmer/Analyst	4 years WIC banking experience 15 years of IT experience	Rick Abrahamson	10%/5%
John Kruk	FSMC Specialist	1.5 years WIC banking experience 4 years banking operations experience	Marsha Knoll	0/10%

**Detail:**

**Introduction**

FSMC's project personnel for the Transition Phase have a demonstrated track record in managing every aspect of WIC banking services, from implementation to on-going operations support to program conversions. Our proposed staff has 31 years of experience in WIC banking and 105 years of industry specific (banking, IT or WIC) experience. This knowledge base will enhance the State's ability to achieve WIC program goals. Our project team organization provides a single point of contact (Brenda Berry for the Transition Phase) and clearly establishes responsibility for delivery of services.



FSMC's operations personnel for the Operations Phase have extended experience in providing check processing and data entry/check editing. FSMC's Operation (OPS) Team is built on Outstanding people who are operational experts who display our company's core competencies; our Process is always continuing to improve to provide innovated solutions; and our Service is responsive, proactive and meets or exceeds our customer needs. The cash letter processing is completed "in house" enabling us to have the ability to provide timely and accurate funding totals along with reconciling items to the charge received from the presenting bank. This team completes the day one processing described in section "d. Processing Negotiable Food Instruments", and is responsible for processing just over two million checks per day. Day two processing is completed by the Draft Services Department which consists of 26 employees with a minimum of 104 years of service. The department has two shifts that complete the data entry and visual edit process. Each team member has received one-on-one training, utilizes procedures and scripts which outlines the required edits of the Program. Over the years, FSMC has analyzed the workflow of the WIC processing, and has made significant changes in how we capture data entry fields along with completing visual edits. These changes along with having our internal Item Processing department have resulted in achieving our services levels of providing on time files, reports and returns 100% for the past 4 years.

### **Staffing**

Brenda Berry will be the Project Manager during the Transition Phase of the project, devoting 45 % of her time to that phase. In the Operations Phase she will be the WIC Account Executive devoting 10% of her time. Brenda has 13 years of WIC experience with 7 of those years focusing on WIC Banking. Brenda's back up during the Transition and Operations Phases will be Linda Schrupp.

Linda Schrupp will be the Deputy Project Manager devoting 50% of her time during the Transition Phase. As the project moves to the Operations Phase, she will be the Operations Manager with 10% of her time going towards that phase. Linda has 22 years experience in bank item processing with 5 years specifically in WIC. Linda's back up during the Transition Phase will be Brenda Berry and in the Operations Phase her backup will be Vanessa Raile in the Account Services area and Pam Long for the Draft Services area.

Deb Niles will be the Business Application Analyst in both Phases. She will be providing 40% of her time to the Transition Phase and 5% of her time in the Operations Phase. The percentage of time devoted in the Operations Phase could change if the Program has specific programming needs for special



projects. Deb has 15 years banking operations experience, 5 of those years are specifically in WIC banking. Deb's back up during the Transition Phase will be Linda Schrupp and in the Operations Phase Brenda Berry.

Rick Abrahamson will be the Lead System Analyst in both Phases. He will be providing 15% of his time to the Transition Phase and 5% of his time in the Operations Phase. The percentage of time devoted in the Operations Phase could change if the Program has specific programming needs for special projects. Rick has 31 years banking IT experience, 12 of those years are specifically in WIC banking IT. Rick's backup in the Transition and Operations phase is Gaurang Patel.

Gaurang Patel will be the Sr. Programmer/Analyst in both Phases. He will be providing 10% of his time to the Transition Phase and 5% of his time in the Operations Phase. The percentage of time devoted in the Operations Phase could change if the Program has specific programming needs for special projects. Gaurang has 4 years experience in WIC banking IT. Gaurang's backup in the Transition and Operations phase is Rick Abrahamson.

John Kruk will be the FSMC Specialist for the Operations Phase. He will be devoting 10% of his time to the Project. Our WIC Resource Center has two full time devoted staff. John Kruk's backup for the Operations Phase is Marsha Knoll.

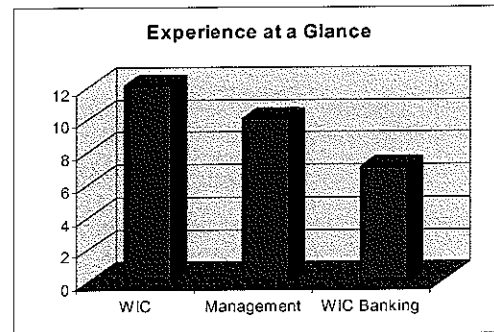
FSMC WIC accounts are managed by Mark Heesen, who brings 20 years experience to our team. Mark came to Creative in March of 1997. He has been managing our WIC programs since July of 2001. Mark will be responsible for working with the Program to create check proofs, refine ordering procedures and receive any calls about check stock issues.

## **Resumes**

The following pages contain the resumes for FSMC key staff.



**Brenda Berry**  
**Project Manager**  
**WIC Account Executive**



**Career Summary**

Brenda Berry has been in the WIC market for over twelve years. She has worked with many different WIC/FMNP Programs across the nation. She has performed multiple roles during her career in the WIC market. This includes managing system maintenance requests, trouble shooting problems, handling customer relations with both WIC and IT staff. She has managed multiple operations centers with approximately 100 employees that processed more than 4 million WIC/FMNP food instruments (FIs) a month, print and ship monthly WIC reports and FIs and provide help desk functions for WIC contracts. She has successfully implemented thirteen new WIC item processing contracts.

**FSMC – March 2006 to present - WIC Account Executive**

The following are the projects that Brenda participated in as the WIC Account Executive while employed with FSMC:

- Alabama FM and SFMNP– March 2006 to Present
- Arizona WIC Program – March 2006 to Present
- Arizona FM and SFMNP – March 2006 to Present
- Arkansas– March 2006 to Present
- Arkansas FM– March 2006 to Present
- Chickasaw WIC Program– March 2006 to Present
- Chickasaw FM and SFMNP– March 2006 to Present
- Colorado WIC Program– March 2006 to Present
- Guam WIC Program– March 2006 to Present
- Hawaii WIC Program– March 2006 to Present
- Idaho WIC Program– March 2006 to Present
- Iowa WIC Program– March 2006 to Present
- Iowa FM and SFMNP – March 2006 to Present
- ITCA WIC Program– March 2006 to Present
- ITCN WIC Program– March 2006 to Present
- Kansas SFMNP– March 2006 to Present
- Kentucky SFMNP– March 2006 to Present
- Louisiana WIC Program– March 2006 to Present



- Maine WIC Program– March 2006 to October 2006
- Maine FM– March 2006 to October 2006
- Maryland WIC Program– March 2006 to Present
- Maryland FM and SFMNP – March 2006 to Present
- Montana WIC Program– March 2006 to Present
- Montana FM– March 2006 to Present
- Muscogee WIC Program– March 2006 to Present
- Navajo Nation WIC Program– March 2006 to Present
- Nebraska WIC Program– March 2006 to Present
- Nebraska SFMNP– March 2006 to Present
- Nevada WIC Program (checks & EBT)
- New Jersey WIC Program– March 2006 to Present
- New Jersey FM and SFMNP – March 2006 to Present
- North Carolina– March 2006 to Present
- North Carolina FM– March 2006 to Present
- Oklahoma WIC Program– March 2006 to Present
- Omaha Tribe– March 2006 to Present
- Oregon FM and SFMNP– March 2006 to Present
- Otoe—Missouria– March 2006 to Present
- Rhode Island WIC Program– March 2006 to Present
- Rhode Island FM and SFMNP– March 2006 to Present
- Utah WIC Program– March 2006 to Present
- WCD– March 2006 to Present
- Wisconsin WIC Program– March 2006 to Present
- Wisconsin FM and SFMNP– March 2006 to Present

Project Role Description:

Brenda manages the executive customer relationship with the WIC banking clients. In this capacity, she acts as a second conduit for communication with the client. In this part of her job, Brenda has introduced the Customer Feedback Survey. This survey examines each service provided to the banking client and provides an avenue to assure that clients receive every opportunity to express needed changes in the current process to meet new regulations or policies, challenges that are on the horizon and any action that FSMC operations staff need to take to answer these upcoming challenges.

Brenda manages the Request for Proposal (RFP) response team. The RFP response team consists of five FSMC staff that work on each response. She assures that all requirements are met and that pricing is competitive. Once the contract is won, Brenda is the executive contact for contract negotiations.



Brenda is responsible for new product development for WIC banking. She meets with clients to determine needs and brings these needs back to the Operations staff for review and action plans that can be taken back to the client or to the WIC market on a whole.

### **Starling Systems – March 2005 to February 2006 - National Sales Director**

The following are the projects that Brenda participated in as the National Sales Director while employed with Starling Systems:

- Mountain Plains State Consortium
- Idaho Department of Health – WIC Program
- New Jersey Department of Health – WIC Program
- National WIC Association Convention (NWA)
- Farmers Market Nutrition Program Association Convention (FMNP)
- EBT Next Generation Convention

#### Project Role Description:

Brenda managed and led a team of eleven people to create a complex and comprehensive response to a WIC system IT RFP. The RFP requirements specified a new level of IT industry standards not seen before in WIC system RFPs. Brenda identified the new requirements and brought to senior management recommendations of what Starling systems need to do to meet or exceed the RFP requirements. Because of Brenda's analysis of the RFP requirements, the company reacted and was able to improve the product that was offered to the Consortium.

For the Idaho and New Jersey WIC Programs, Brenda organized and facilitated a demonstration of Starling Systems WIC application. She prepared Power Point presentations and marketing materials.

Brenda led a team to present a focused marketing effort at the NWA convention. She premarketed Starling Systems presence at NWA as well as announced system demonstrations in a newsletter that was sent to all WIC Directors. Starling Systems demonstrated their system in private secessions to eight different WIC Programs over a two day span. She and a design group created a new booth with impactful art work. She managed a "Customer Appreciation" night that had over fifty customers in attendance.



At the FMNP and the EBT Next Generation conferences, Brenda acted as company representative to network with clients, potential customers and outside vendors.

**Starling Systems – March 2005 to February 2006 - Sr. Account Manager/Account Relationship Executive**

The following are the projects that Brenda has participated in as the Sr. Account Manager capacity while employed with Starling Systems:

- New Hampshire Department of Health and Human Services – September 2005 to February 2006
- Inter Tribal Council of Arizona WIC Program – July 2005 to February 2006
- Kansas Department of Health and Environment - February 2002 to February 2006

Project Role Description:

Brenda managed a team of Account Managers that dealt daily with the needs of WIC Programs while new MIS systems were being installed by Starling Systems and when these systems went into daily production. Brenda acted as the executive contact with the WIC Programs for operations concerns and contract negotiations.

**Covansys, Inc (formally PDA Software) – October 1994 to June 2004 – Account Relationship Executive**

The following are the projects that Brenda has participated in as the Account Relationship Executive capacity while employed with Covansys:

- Alabama Farmers' Market Authority FMNP – January 2003 to June 2004
- Mississippi Farmers' Market Authority FMNP – February 2002 to June 2004
- Tennessee WIC Program – October 2001 to June 2004
- Kansas Department of Health and Environment – September 2002 to Present
- Missouri Bureau for Nutrition Services & WIC – October 2000 to June 2004
- New Mexico Department of Health WIC – June 1999 to June 2004
- North Carolina Division of Public Health Women's & Children's Section – November 1999 to September 2002



- Illinois Bureau of Family Nutrition WIC – February 1999 to June 2004
- Ohio Bureau of Nutrition Services WIC – October 1998 to June 2004
- South Carolina Division of Maternal and Child Health WIC – August 1994 to June 2004
- Indiana State Department of Health WIC – September 1997 to June 2004
- Connecticut WIC Program – September 1997 to June 2004
- Washington Department of Health WIC – September 1997 to June 2004
- Georgia Department of Human Resources WIC – September 1997 to June 2004
- Minnesota WIC Department - September 1997 to September 1999

Project Role Description:

In November of 2005, Brenda transitioned onto the New Hampshire and Inter Tribal Council of Arizona WIC Automation Projects when the projects started the roll out phase. She is responsible for the setting customer expectations, working with inter and external customers to solve challenges facing projects and guiding a team of Account Managers to manage the details of each project. Brenda started working with the Kansas WIC Program in January of 2005. She provides senior level management over the operations contract.

While at Covansys, Brenda was the Director of WIC Banking Services which covered many different roles. She was responsible for P & L activities for a division that generated annual revenues of \$5 million. She was responsible for budget creation and pipeline creation and maintenance. Her experience included leading meetings for the start up of new contracts, be the primary contact for coordination of the technical efforts and be responsible for developing good customer and outside vendor relationships. She had direct and close working relationships with the Federal Reserve Bank Branch in Atlanta and Kansas City. She worked directly with partner banks to set up new accounts and oversee the operational relationship. Brenda has worked with State staff to change policy, transition from one WIC systems contractor to a new contractor, move from non-negotiable vouchers to checks and implement price control maximum prices via peer group pricing.

**Covansys, Inc (formally PDA Software) – October 1994 to June 2004 - Director of Operational Services**

The following are the projects that Brenda has participated in as the Director of Operational Services capacity while employed with Covansys:



- Alabama Farmers' Market Authority FMNP – January 2003 to June 2004
- Mississippi Farmers' Market Authority FMNP – February 2002 to June 2004
- Tennessee WIC Program – October 2001 to June 2004
- Kansas Department of Health and Environment – September 2002 to June 2004
- Missouri Bureau for Nutrition Services & WIC – October 2000 to June 2004
- New Mexico Department of Health WIC – June 1999 to June 2004
- North Carolina Division of Public Health Women's & Children's Section – November 1999 to September 2002
- Illinois Bureau of Family Nutrition WIC – February 1999 to June 2004
- Ohio Bureau of Nutrition Services WIC – October 1998 to June 2004
- South Carolina Division of Maternal and Child Health WIC – August 1994 to June 2004
- Indiana State Department of Health WIC – September 1997 to June 2004
- Connecticut WIC Program – September 1997 to June 2004
- Washington Department of Health WIC – September 1997 to June 2004
- Georgia Department of Human Resources WIC – September 1997 to June 2004
- Minnesota WIC Department - September 1997 to September 1999

Project Role Description:

Brenda had oversight on three operational centers located in Lenexa, KS, Greenwood Indiana and Marietta, Georgia. Each of these centers had site operations managers with staff that across the centers totaled 100. She created and guided a division that was service orientated to provide shipping, sorting, printing, data entry, help desk and hardware maintenance for 15 different states for an effective price point. She was responsible for the divisions P&L, staffing, communications with internal and external customers and quality assurance.

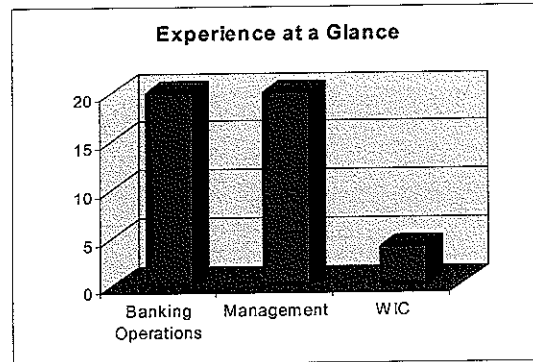
**Education**

BS, Industrial Relations, Rockhurst University, Kansas City, Missouri, 1990

**2005** – Microsoft Solutions Framework Essentials



**Linda Schrupp**  
**Deputy Project Manager**  
**Director of Operations FSMC**



**Career Summary**

Linda Schrupp is the Director of Operation for FSMC, with over 20 years experience in bank operations and general management experience. She has extensive knowledge in various operational areas including Remittance Processing, Image Processing, Item Processing, Money Order Research, Game Financial and the various operational areas of FSMC. For the past 4 years, Linda has demonstrated her ability to manage the functional areas that support the WIC Processing which includes the daily visual edit, data entry, reconciliation and the WIC Resource Center. She coordinates the implementation of new WIC accounts and provides the necessary resources needed to guarantee a smooth transition. Working closely with internal and external customers, Linda consistently implements processing improvements to decrease costs, improve quality while increasing customer satisfaction. Linda has built a reputation of consistently meeting or exceeding the established service levels.

**Career History**

- 2001 to Present- Director of Operations for FSMC**
- 1999 to 2001- Director of Operations for Game Financial**
- 1989 to 2001- Sr. Manager of Money Order Research, Image Processing, and Remittance Processing.**
- 1983 to 1989- Assistance Supervisor of Item Processing.**

**WIC Project History**

**Project Business owner for FSMC when states converted to new WIC-MIS systems:**

- 2005 - Iowa WIC, FMNP and SFMNP
- 2005 - Inter Tribal Council of Arizona WIC
- 2005 - Louisiana WIC



### **Project Business owner for new account set-ups**

- 2005 - Alabama FMNP and SFMNP
- 2005 - Omaha Tribe WIC
- 2005 - Oregon FMNP and SFMNP
- 2005 - WCD
- 2006 - Kentucky SFNMP
- 2003- North Carolina

### **Project Business owner for FSMC when a state moved from vendor specific to non-vendor specific**

- 2004 - Nebraska WIC and SFMNP
- 2006 - Colorado WIC
- 2006 - Idaho WIC
- 2006 - Rhode Island WIC, FMNP and SFMNP

### **Project Business owner for FSMC for states regarding Peer Groups and Cost Containment issues:**

- 2006 - Arkansas WIC and FMNP
- 2005 and 2006 Arizona WIC and FMNP
- 2006 - Maryland WIC, FMNP and SFMNP
- 2005 - Montana WIC and FMNP
- 2006 - New Jersey WIC, FMNP and SFMNP
- 2006 - North Carolina WIC and FMNP
- 2006 - Utah WIC
- 2005 - Wisconsin WIC, FMNP and SFMNP

### **Project Business Owner Non-WIC FSMC Project Owner**

- 2003 - 2004 – Disk ARP
- 2004 - 2005 – Billing
- 2004 – Image Platform move
- 2005 – Lorillard

### **Project Role Description:**

As the Business Owner, Linda owns the project by ensuring that deliverables and timelines are clearly defined and understood by key stakeholders as well as throughout the organization. The business owner is accountable for approval of detailed business requirements, testing, implementation and business readiness. Linda is also accountable for the success and financial return of the project.



**Other Responsibilities Include:**

Linda is responsible for the overall management of the FSMC Operational Units including Account Services and Draft Services. Acts as liaison with sales and customer service on all new business identifying impacts to operations both from a servicing and unit cost standpoint. Accountable for attaining all processing and service level standards. Linda is ultimately responsible for the overall budget and achievement of all unit cost goals.

Linda is responsible for budget management; planning, forecasting and expense containment. This includes development of unit cost goals and measurements. Ensure that proper operating controls are in place to minimize risk and exposure (processing checkpoints, internal controls, key performance standards and service levels). Work with sales to understand the requirements and service levels required to support new/existing customers.

Manage vendors, outsourcers (when applicable) and bank relationships from a service level standpoint. This includes negotiating improved service levels, and reporting while ensuring compliance to our customer service level agreements both internally and externally.

Challenge methods used in current operations to re-think workflow and processes for cost reduction, efficiencies, and improved service levels. Drive the "workout/ boundary less" concepts. Implement best practices. Ensure that all operating controls are in place to minimize risk and exposure. Look for automation/technology opportunities to position FSMC to support growth cost effectively.

Participation on projects impacting operations. Partners with other operations areas and ITSG in new releases, systems and customer enhancements that result from new business and the priority process.

Staff development and career pathing.

**Career Highlights:**

2002- Current

Relocation of the FSMC Operations from the Lake Lillian office to the Brooklyn Center Operations building.

Projects to transition all customers to the same processing platform.

Project to improve WEB Check system.



Project to improve the billing process.

Ongoing system and procedure process improvements.

Sales support for RFP responses and contract compliance.

1999-2001

Managed multiple casino check cashing locations. Implemented policy changes to reduce risk. Developed a foundation strategy for hiring, training, developing, and risk control.

1993-1999

Directly involvement in many innovative workflow, procedure and system enhancements to streamline processes and reduce operating costs. Examples:

- Removed unused information from a balancing report resulted in an annual savings of \$119,000
- Process improvements, such as filing procedures and elimination of non-beneficial review steps, improved service levels and resulted in an annual savings of \$150,000.
- Pioneered flex scheduling and working from home which improved employee moral, production and customer service levels.

Money Order Projects

- Acquisitions of two money order companies.
- Money Order Replacement enhancements.
- Outsourcing of non-business functions.
- Image Processing
- Implementation of new technology to improve services and quality.

1989-1992:

Part of a team involved in centralizing multiple regional offices to our main head quarters. This required hiring, training and developing a third shift staff of 55 employees consisting of both full and part time employees. Team was responsible for a "lock box" type environment which involved processing high volume money order reporting copies. During this time, I was also involved in the projects relating to a new money order system.

1983-1989:

Held various positions within the Item Processing department. Received hands on experience in processing cash letters, running high speed reader sorters, keying rejected items, and reconciliation. Direct responsibility for writing



procedures, training, workflow improvements and achieving daily deadlines.  
Involved in performance management projections.

Education and Certifications:

High School- Park Center Brooklyn Center, MN

North Hennepin Community College- Bank Operations, Management

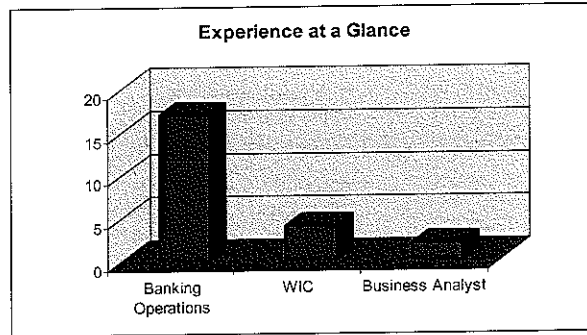
Employers Association- Change Management and Middle Management  
Leadership

Bankers Association- Collection Regulations

Various Management Classes



# Deb Niles Business Application Analyst



## Career Summary

Deb Niles is the Business Application Analyst for FSMC Operations with over 17 years experience in various operation and leadership positions. She has been with MoneyGram International since 1989 and with FSMC since April of 2002. During her years with FSMC, she has gained extensive knowledge of the FSMC WIC Processing systems, reports and functions. She has worked with many of the WIC/FMNP Programs assisting them with research, image access, CD's, and more recently projects pertaining to new report and increase in peer group requirements. As the Business Application Analyst she works as a direct liaison between the FSMC Operations and the Systems development teams. She is considered the expert when it comes to the daily functions and works on projects to continually enhance our systems.

## Career History

- FSMC – April 2002 to present – Business Application Analyst
- Travelers Express, Inc. (MoneyGram)-May 2001 - April 2002 Bank and GL Supervisor
- Travelers Express, Inc. (MoneyGram)- February 1998 to May 2001 Image Processing Supervisor
- Travelers Express, Inc. (MoneyGram) October 1996 to February 1998 Customer Research Work Director.

## WIC Project History

**Managing the project for FSMC when states converted to new WIC-MIS systems:**

- 2005 - Iowa WIC, FMNP and SFMNP
- 2005 - Inter Tribal Council of Arizona WIC
- 2005 - Louisiana WIC

## **Managed the new account set-ups**

- 2005 - Alabama FMNP and SFMNP
- 2005 - Omaha Tribe WIC
- 2005 - Oregon FMNP and SFMNP
- 2005 - WCD
- 2006 - Kentucky SFNMP



**Managed the projects for FSMC when a state moved from vendor specific to non-vendor specific**

- 2004 - Nebraska WIC and SFMNP
- 2006 - Colorado WIC
- 2006 - Idaho WIC
- 2006 - Rhode Island WIC, FMNP and SFMNP

**Managed the projects for FSMC for states regarding Peer Groups and Cost Containment issues:**

- 2006 - Arkansas WIC and FMNP
- 2005 and 2006 Arizona WIC and FMNP
- 2006 - Maryland WIC, FMNP and SFMNP
- 2005 - Montana WIC and FMNP
- 2006 - New Jersey WIC, FMNP and SFMNP
- 2006 - North Carolina WIC and FMNP
- 2006 - Utah WIC
- 2005 - Wisconsin WIC, FMNP and SFMNP

**Participated in Non-WIC FSMC Projects**

- 2003 - 2004 – Disk ARP
- 2004 - 2005 – Billing
- 2004 – Image Platform move
- 2005 – Lorillard

**Project Role Descriptions**

Deb supports system projects by assisting in defining business requirements, developing process flows, test plans and conducting testing/validation of any fixes or new releases. Coordinates and develops user documentation and training materials ensuring that any new process/functionality is fully understood by the users.

**Other Responsibilities Include:**

Deb works closely with FSMC Management, ITSG, Sales and the Project Management team in analyzing and creating system change requests for the UPPS/WIC and Image systems. Deb ensures change requests meet the strategic focus for the product line prior to submission.

Deb is the first point of contact for any FSMC system issues/production interruptions. Responsibilities include being the liaison between FSMC



operations and ITSG personnel to resolve production and customer service system issues with in the UPPS and KFI applications.

Perform system administration within the UPPS system such as, but not limited to, security access, tables and setup. Support audits of the system information to ensure data integrity through change requests and change validations.

Image System Administrator for all products. This includes customer security administration, setup and training. On-call for image system issues. Monitors and escalates service level issues to the vendor and management.

Participate in evaluating workflow to improve efficiencies and reduce operating costs. This process includes providing a workflow of the current process, identify redundancies and provide recommendations to the leadership team. Partner with PMO team as the segment leader or Business Matter Expert on projects related to FSMC system applications. Ensure that acceptance testing; training, documentation and post implementation activities are completed so the project is viewed by all as fully successful. Ensures effective implementation and installation of systems utilizing standard change management processes. Review FSMC ITR and non-AHD requests prior to submitting for approval to ensure need and that the request fits with the strategic focus.

## **Education**

BS, College of St. Catherine's, St. Paul, Minnesota, 1991

## **Seminars and Conventions**

### **2006-**

- 24<sup>th</sup> Annual Treasury Conference, St. Paul, MN
- Managing Effective Meetings,
- Managing Your Emotions at Work

### **2005-**

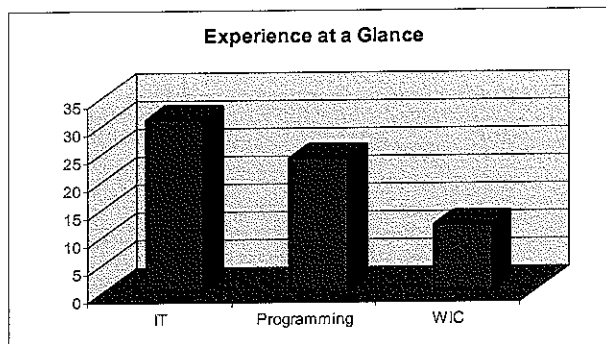
- Preventing Workplace Harassment and Discrimination
- Project Management

### **2004-**

- Writing your Self-Appraisal and IDP
- Value Session: Teamwork
- Process Improvement
- Can your Team survive? Swamped



## **Rick Abrahamson** **Lead System Analyst**



### **Career Summary**

Rick Abrahamson is the lead programmer for WIC. Rick has 31 years in the IT industry and 24 years focusing on programming and system design. He was the project manager for the development of our UPPS system in 1994 and has over 12 years WIC development experience. Rick was responsible for the conversion of the FOA/National City process to our UPPS system. In 2006, Rick was a critical employee who was the lead over the peer group and WIC pricing system changes.

### **Career History**

<b>Technical Lead</b>	<b>October 1997 – Present</b>
<b>Senior Software Developer</b>	<b>January 1990 – October 1997</b>
<b>Software Developer</b>	<b>June 1982 – January 1990</b>
<b>Computer Operations Manager</b>	<b>August 1979 – June 1982</b>
<b>Computer Operations</b>	<b>July 1975 – August 1979</b>

### **WIC Project History**

- 2006: Implemented WIC cost containments for North Carolina
- 2005: Expanded peer group maximums from 18 to 99.
- 2004: Provided image access by paid or returned status.  
Began support for alphanumeric food package codes.
- 2003: Converted North Carolina - one of our largest WIC customers
- 2002: Converted last state from old "Mooney" system to UPPS. That state was Louisiana, which had many reports written for them, due to no IT support from the state.
- 2001: Incorporated support for ACH WIC prenotes  
Instituted capability to key from Image system, utilizing OCR.
- 1999: Converted major competitor's clients' base (12) in nine months.  
Began sending reimbursement credits to WIC vendors via ACH



- 1998: Developed a process of "batch keying". It reduced manual keying of items by realizing that items were coming into the system in batches, by vendors. Created a process allowing service personnel to assign a vendor number to a range of items.

### **Project Role Description:**

Evaluate system requirements for enhancements and maintenance of existing or proposed systems. Participate in the development and implementation of enhancement projects for existing applications and/or proposed computer applications that satisfy business needs. Create functional design documents and write technical specifications from business requirements. Code and unit test application programs. Prepare program and system documentation. Prepare and execute system test plans. Create and monitor project plans for small to medium projects. Provide production application support; problem resolution from research through implementation. Monitor the performance of production systems and recommend and develop means to improve system performance.

**Project Requirements Analysis.** In conjunction with system users, investigate and identify systems enhancements, and/or new applications required to meet business needs.

**System Design.** Convert user requirements into effective/efficient system solutions using standard programming principles. Create functional design documents and write detailed technical specifications for the development of the application. Estimates the cost and duration of the activities needed to develop the solution.

**Systems Development.** Lead the development and implementation of applications that meet design specifications. Performs and/or oversees the design, coding, debugging and documentation of computer application programs.

**Quality Control.** Performs and/or oversees code walk through. In conjunction with the Systems Testing & Configuration Management department, performs/or oversees extensive system testing to ensure that the systems delivered to the users work efficiently and that they are developed following the Systems Development Methodology.

**Documentation.** Prepares and/or oversees the preparation of documentation necessary to illustrate how the systems work.

**Support.** Serve as resource in support of production systems. This includes providing evening and/or weekend support on a rotational basis.

### **Career Highlights**

Major technical accomplishment occurred in 1998. FSMC's primary competitor (First Bank of America) declared that they would no longer process WIC states. FSMC was awarded the right to convert their customers. This right came with two provisions: (1) The individual WIC states did not have to make any software



revisions and (2) The entire conversion had to be completed in 9 months. FSMC accomplished this task, and most of the customers converted are still customers.

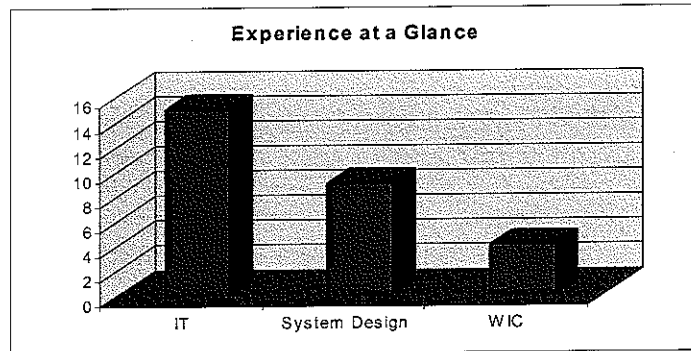
Rick was a member of the team that developed and then maintained the code for FSMC. As a senior member of the team, Rick was responsible for design, coding, testing and implementation. During the development phase, the team wrote over one million lines of new code.

### **Education**

1976- Brown Instituted on Computer Programming



**Gaurang Patel**  
**Sr. Programmer**  
**Analyst**



**Career Summary**

Gaurang has over 15 years experience in Information Technology with 9 years of experience in design, development, testing and implementation of software applications in Client/Server, Object Oriented and Web Based environments using GUI based tools, such as COBOL, PROGENI 4GL, Visual Basic, VC++, ActiveX, COM/DCOM, ASP, IIS and MTS.

With Gaurang experience in the Banking, Financial, manufacturing and Government industries, he has not only developed his IT skills but has developed very good functional knowledge of business.

**Career History**

<b>Money Gram International</b> <b>St. Louis Park, MN</b> <b>Trident Software Corp.</b> <b>Oak Park, IL</b> <b>Softek Computer Services</b>	<b>March 2002 –Present</b> <b>January 2001 – Feb 2002</b> <b>April 1987 – December 2000</b> <b>May 1997 to December 2000</b>
<b>Client: MIL (Mafatlal Industries Ltd.)</b>	<b>Project: Stock allotment and transfer System.</b> <b>Project: Signature scanning and maintenance System</b>
<b>Client: Government of India</b>	<b>April 1996 to March 1997</b> <b>Project: Maintains the survey number and plot number record for revenue/taxes for the land.</b>
<b>Bank of India</b>	<b>January 1988 to Dec 2000</b>

**WIC Project History**

Gaurang is primarily involved in the setup of new WIC accounts plus the ACH setup of the WIC clients. This includes creating new file layouts for the WIC client and complete life cycle testing prior to the go-live date.



Migrated and developed new modules for system from DOS / mainframe platform to Windows NT platform. Converted the application from FoxPro 2.6 database and CLIPPER programs to Windows NT and Oracle database.

Created reports using IRGENT of Progeni 4GL according to needs of clients.

Reports include check issued error, reports by promotion, by category and region etc.

Created and maintained data flow diagram in **Visio 2000**, and maintained **project dash board** for the progress.

Wrote test plans and test script. Completed unit testing and worked with users for User acceptance testing.

**Environment: Progeni 1Spec, MF COBOL with Net Express, Oracle 10.G/9.0, Visual FoxPro 6.0, Clipper 5.0, API, Win NT, Novell NetWare, WIN 2000, WS FTP Pro.**

#### Project Role Description:

Meet with users to determine their needs. Translate needs into a system requirements document and estimate the cost and duration of the activities needed to develop the solution.

Technical Design. Convert user requirements into effective/efficient system solutions using standard programming principles. Prepare documentation necessary to illustrate how the system will work. Prepare detailed specifications for the development of the system.

System Development. Develop computer application programs that meet design specifications and unit test to insure accuracy.

Quality Control. Insure the systems delivered to the users are developed following the Systems Development Methodology. In conjunction with the Systems Testing & Configuration Management resources, perform program code walk through and extensive systems testing.

Project Management: Schedule and plan technical systems development tasks. Prepare status reports and provide technical work direction to the project team members.

Provide technical work direction, training and mentoring to ITSG team members.

Serve as contact person in support of production systems. Provide evening and weekend on-call support as required.

#### Career Highlights

At MIL (Mafatlat Industries Ltd.), Gaurang designed and defined all business, accounting and taxation rules, created intuitive data input processes and user friendly input windows, and produced meaningful reports that were effective in a distinctly non-financial environment. All the functionality of accounts and taxation were included like General Ledger, AR, AP, Trial Balance, P&L accounting and



Balance. Taxation modules maintained their tax profiles and prepared the necessary statements for filing state and federal tax returns. Separate taxation modules were created later for sales tax, value added tax, and excise tax.

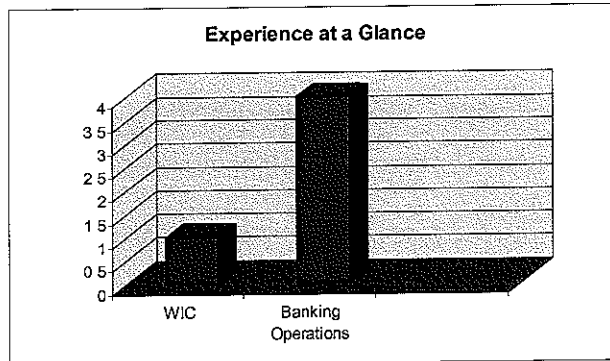
Again for MIL, Gaurang worked on a project to develop an application used to manage the company's stock issuance. He was involved in the full systems development life cycle. He designed and developed software components to handle master data creation, stock allotment, certificate printing, interest warrant, generation of all statutory and management reports, and transfers stock trading.

### **Education**

- Gujarat University, Bachelor of Science, Physics, 1978
- Gujarat University, Rollwala Computer center, Post graduate Certificate in Computer Programming, 1985



## John Kruk FSMC Specialist II



### Career Summary

John Kruk has been with FSMC MoneyGram since April of 2002 and with the WIC Resource Center since March of 2005. Since joining the WIC Resource Center, John has developed many good working relationships with the WIC/FMNP Programs. John also completes the FSMC billing and accounts receivable entries. Prior to working with the WIC Resource Center, John worked with the non-WIC product for FSMC. He handled the customer requests for photocopies, research, and special project requests. John also assisted with positive pay and check reconciliation research. John's previous work experience is in sales and education.

### FSMC – March 2005 to present – FSMC Specialist II

John manages WIC customer accounts by assisting with forms management, report requirements, account set up changes, programming and system changes, monitoring fees, review contracts for services and other account management functions. He provides assistance to the sales executives as needed. John assists WIC customers with technical support and problem resolution. He answers questions and provides resolution regarding WIC adjustments, reports and reconciliation. He completes necessary research. John also assists customers with the FSMC on-line website and inventory management.

The following are the projects that John participated in as FSMC Specialist II while employed with FSMC:

#### Conversion to new WIC-MIS systems

- 2005 - Iowa WIC, FMNP and SFMNP
- 2005 - Inter Tribal Council of Arizona WIC
- 2005 - Louisiana WIC



### **New Account Set-ups**

- 2005 - Alabama FMNP and SFMNP
- 2005 - Omaha Tribe WIC
- 2005 - Oregon FMNP and SFMNP
- 2005 - WCD
- 2006 - Kentucky SFMNP

### **State moved from vendor specific to non-vendor specific**

- 2006 - Colorado WIC
- 2006 - Idaho WIC
- 2006 - Rhode Island WIC, FMNP and SFMNP

### **Sates Involved in Peer Groups and Cost Containment issues:**

- 2006 - Arkansas WIC and FMNP
- 2005 and 2006 Arizona WIC and FMNP
- 2006 - Maryland WIC, FMNP and SFMNP
- 2005 - Montana WIC and FMNP
- 2006 - New Jersey WIC, FMNP and SFMNP
- 2006 - North Carolina WIC and FMNP
- 2006 - Utah WIC
- 2005 - Wisconsin WIC, FMNP and SFMNP

### **FSMC – April 2002 to March 2005 – Support Rep I**

John completed various research requirements for customers including positive pay, providing statements, billing, and monthend projects.

The following are the projects that John participated in as Support Rep I while employed with FSMC:

#### **Participated in Non-WIC FSMC Project**

- 2004 - 2005 – Billing

### **Education**

BS, Business & Education, St. Cloud State University, St. Cloud, Minnesota



## f) Agency Right of Staff Rejection

The Agency reserves the right to reject any staff proposed or later assigned to the project, and require the successful Vendor to remove them from the project.

### Response:

FSMC understands that the Agency has the right to reject any staff proposed or staff that is assigned to this project at a later date. FSMC requests that the Agency allow a reasonable amount of time to find a replacement for the rejected staff to allow for a smooth transition.

## 2. Project Staff Meetings

Project staff meetings shall be scheduled as often as needed to resolve special project problems by the WIC Project Manager throughout the life of the project. At a minimum, Vendor's Project Manager and Operations Manager shall attend project meetings. These meetings shall be called at the discretion of the WIC Project Manager or the State. Attendance is mandatory. Meeting will be held at the WIC office in Charleston, West Virginia.

### Response:

FSMC acknowledges that project staff meetings are important through out the life of the contract. FSMC understands that the Program may call a project staff meeting at any time throughout the life of the contract and that the Project Manager and the Operations Manager from FSMC will be in attendance at the WIC office in Charleston, West Virginia. The following is the process that FSMC proposes for project staff meeting at the start up of the contract.

After the initial on site meeting, Brenda Berry, Project Manager/WIC Account Executive, will be the coordinator of the status teleconference calls. The status calls will review progress made since the last meeting, review of open items that still need resolution, and overall review of the schedule to assure timely delivery of services. FSMC will provide a toll free conference call number for the calls. The day and time for each teleconference call will be determined at the end of the previous call. Meeting minutes will be added to the monthly project status reports. The teleconference calls will end when both parties agree that the project has been completed and it is time to move from start up into continuous operations mode. Personnel needed at the conference calls:



### **Program Staff**

WIC Banking Project Manager

Vendor Manager

Finance/Funding Staff

WIC IT representative

### **FSMC Staff**

Brenda Berry

Linda Schrupp

Deb Niles

Rick Abramson (optional)

### **3. Contractual Service Readiness**

Vendor must state that on August 1, 2007 all required contractual services will be available and operational to the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and Farmers Market Nutrition Program.

#### **Response:**

FSMC will have all contracted services in place and be ready to perform the services by August 1, 2007. FSMC has successfully converted 50 WIC and FMNP banking contracts from other vendors or from internal State processing centers. In each conversion, we have deepened our knowledge of the challenges and pitfalls that can occur and have applied a "lessons learned" process that has made our process streamlined. Therefore, FSMC is confident that we possess the talent, skills and knowledge to facilitate a smooth transfer of banking services from your previous vendor.

The transition schedule captures the transition milestones that must be met to ensure a successful conversion is achieved by the start date of August 1, 2007. The first meeting shown in the schedule below will be held on site with the State and attended by Brenda Berry on site and the rest of the FSMC team via phone. This schedule will be discussed at our first meeting. The RFQ did not provide contract award dates. Therefore we have assumed an award date of January 1, 2007. When the contract is awarded, the dates in the schedule will change.



Date	Milestones and Deliverables	Responsible Party
January 2	Contract Award	State
January 4	Initial conference call : <ul style="list-style-type: none"> <li>✿ Set up two day meetings</li> <li>✿ Review Schedule</li> </ul>	State and Brenda Berry
January 16 and 17	2 day on-site meetings: <ul style="list-style-type: none"> <li>✿ Contact Establishment</li> <li>✿ Review technical specifications</li> <li>✿ Discuss SFTP site file transfers</li> <li>✿ Funding Process – wiring instructions</li> <li>✿ Reconciliation Process</li> <li>✿ Report Verification – Finalize in these meetings</li> <li>✿ End to End testing discussion</li> <li>✿ Review Check Proof</li> </ul>	State and FSMC team
January 22	Bank Account Set Up and provide routing and account number to Creative Business for Check Stock Order	Deb Niles
January 25	Approval of Final Check Proof	State and Brenda Berry
January 29	Order Check Stock  Conference call to communicate status	Brenda Berry and Creative Business  State and FSMC team
February 1 to February 27	FSMC system configuration	Deb Niles and Programming staff
February 12	Conference call to communicate status	State and FSMC



		team
February 26	Conference call to communicate status	State and FSMC team
March 5 to 9	System Testing – See Testing Schedule Below	State and Deb Niles
March 12	Conference call – Discuss results of system testing	State and FSMC team
April 1	System Ready for Check Processing	FSMC team
April 17	Training on the On-Line Check Image Retrieval system	Linda Schrupp
July 23	Ship check order to State	Creative Business
July 27	State ship checks to clinics	State
August 1	Receive issuance files	State
August TBD	First checks received First funding transfer	FSMC team
August TBD + 1	Daily reports and files are sent to SFTP site for State retrieval	Deb Niles
August 10	Monthly bank reconciliations	Deb Niles

The following is a narrative of how FSMC does testing and a testing schedule.

**Summary:**

Quality Obtained Through	Methodology
<ul style="list-style-type: none"> <li>✿ Use of Best Practices</li> <li>✿ Defined and Standardized Methodology</li> <li>✿ Commitment to Team Approach</li> <li>✿ Commitment to Process Improvement</li> </ul>	Standardized Processes - <ul style="list-style-type: none"> <li>✿ Test Approach</li> <li>✿ Test Plans</li> <li>✿ Test Cases / Conditions</li> <li>✿ Test Execution</li> <li>✿ Defect Management</li> </ul>



	<ul style="list-style-type: none"> <li>✱ Environment Setup</li> <li>✱ Signoff</li> </ul>
--	--

**Detail:**

The mission of FSMC's IT Quality Assurance (QA) team is an intricate part of the Product Development Life Cycle. QA is a critical process within FSMC software that ensures the delivery of reliable cost effective quality products and services for the WIC market. FSMC IT QA helps ensure our products' functionality, performance, and reliability meets our internal and external customers' requirements. Our testing methodology is used not only when starting up a new contract but is implemented in all system changes that might occur throughout the contract term. Quality is obtained through:

- ✱ Consistent and innovative use of best practices
- ✱ Defined and standardized methodology
- ✱ Commitment to team environment
- ✱ Commitment to process improvement

**Approach**

The approach to QA and Quality Control (QC) is a defined, standardized, repeatable, and phased methodology that uses the following:

- ✱ FSMC's Integrated Project Methodology (IPM) for software and product development
- ✱ FSMC QA Guidelines
- ✱ Early QA involvement in the Product Development Life Cycle
- ✱ QA test execution preparation based on Business/Customer approved requirements

Standardized processes for:

- ✱ Test Approach
- ✱ Test Plans
- ✱ Test Cases / Conditions
- ✱ Test Execution
- ✱ Defect Management
- ✱ Environment Setup
- ✱ Signoff

A fully functional QA lab which mimics the production environment including:



- ✱ Defined duplicated test area
- ✱ Use of test folder on the FTP site
- ✱ In put test files from customers
- ✱ Duplication of production data for load testing and parallel testing
- ✱ Actual WIC checks for process testing

### Test Approach

The approach for complete testing between the State and FSMC is to validate:

- ✱ MICR line correctness
- ✱ Processing of checks that pass all edits
- ✱ Processing of checks that fail all of the edits
- ✱ Processing of checks that are compliance buys
- ✱ Processing of State provided issuance, type and vendor files
- ✱ Correct capture of required data
- ✱ Creation of redemption files and report files for State review

### Test Plan

The following is the test plan of what test conditions and actions are needed to be performed. The testing process takes one week to perform.

Test Plan	Responsible Party
Receipt of issuance price file and vendor files to verify file formats.	State
<p>Checks received that fall into the test scenarios listed below:</p> <ul style="list-style-type: none"> <li>✱ Submission of a check for payment that is stale dated</li> <li>✱ Submission of a check for payment that is post dated</li> <li>✱ Submission of a check with is over \$500.00.</li> <li>✱ Submission of a check whose value is greater than the maximum value amount of the check</li> <li>✱ Submission of a check for payment that is voided.</li> <li>✱ Submission of a check for payment that is stale dated</li> <li>✱ Submission of a check for payment that was previously rejected for any of the above rejection reasons.</li> <li>✱ Submission of a check for payment that is altered.</li> </ul>	State



Test Plan	Responsible Party
<ul style="list-style-type: none"> <li>✱ Submission of a check for payment that has a pencil entry.</li> <li>✱ Submission of a check for payment when the price has been changed incorrectly</li> <li>✱ Submission of a check with a missing WIC Vendor Number - with no endorsement information</li> <li>✱ Submission of a check with an unreadable WIC Vendor Number</li> <li>✱ Submission of a check with a missing WIC Vendor Number - with endorsement information</li> <li>✱ Submission of a check with a vendor number that is not on the State vendor file.</li> <li>✱ Submission of a check with a counterfeit WIC Vendor stamp.</li> <li>✱ Submission of a check without a signature.</li> <li>✱ Submission of a check that has already been paid</li> <li>✱ Submission of a compliance buy.</li> </ul>	
Checks ran on sorter to verify MICR line	FSMC – Item Processing Staff
Image file created of checks	FSMC – Item Processing Staff
Data enter vendor number and perform manual edits into Client test system.	FSMC – Data Entry Staff
Research and correct any items and finish daily processing.	FSMC – Reconciliation Staff FSMC – IT Staff
FSMC UPPS system generates reports and redemption file and compares to the States expected results.	FSMC – Business Analyst and Project



Test Plan	Responsible Party
Verify reports prior to transmission.	Manager
Files and reports to the FTP site for the client	FSMC – IT Staff
State verification that test results are correct	State WIC and IT

### Test Cases / Conditions

Test cases and conditions are based on the gathered business/customer requirements documented from the RFQ and customer meetings. These test conditions are then broken down into specific steps and documented in the test plan.

### Test Execution

Test execution will be performed in a test environment that simulates actual production environment. The designated Business Application Analyst/QA will oversee the testing. She will coordinate with the State the needed inputs and provide the State with the needed outputs for sign off.

### Defect Management

If any defects are found, the defect is documented. The documentation is given to the lead Programmer to repair. Once the defect is corrected, the process/program is retested until a satisfactory result occurs.

### Environment Setup

The test environment indicated below is maintained with the exact information of the production environment. This allows our testing team the ability to provide actual results in the test site as what would be seen in the production world. Though items are processed through the sorter, to create the necessary image files, this environment does not require end to end testing.

The test environment consists of:

- ✿ Actual WIC checks
- ✿ IBM 3890 Sorter- creation of image file
- ✿ Unique Payment Processing System Quality Area
- ✿ Data entry station
- ✿ Key From Image Test Server
- ✿ FTP site with test folders set up



## **Signoff**

The Business Analyst provides internal signoff of all test results before the results are presented to the customer. Then the customer reviews all reports and files and provides final approval of all program changes.

## **4. Invoices**

Invoices for items ordered, delivered and accepted shall be submitted by the Vendor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number.

### **Response:**

FSMC will send a monthly invoice for services performed and check stock (if provided in that month). The invoice will be submitted directly to the prescribed payment address found on the purchase order/contract. Our invoice will have the contract number and/or purchase order number for state identification.

## **5. Daily Transfer of Funds**

Daily transfers of funds will occur in the following manner:

### **a) Daily Funding Process**

For same day wire payment, a FAX/Email invoice (for both WIC and FM) of daily FI clearance activity will be submitted to DHHR/Cash Management by 10:00 am EST daily. FAX/Email invoices received after 10:00 AM EST will be considered next day business. This deadline cannot and will not be moved. Nor will the checking account be pre-funded. Email invoices must have electronic signature, contain all FI clearance activity and be sent to at least three Cash Management staff members and to the Agency to ensure receipt and processing of invoice.

If payment to the bank is not made same day due to the fault of the State, the Vendor will be able to charge the State interest on the outstanding funds only. This interest charge will be paid with State funds only. Below is a list of days (but not limited to) in which we can plan on the account being overdrawn. These days are State employee holidays in which the banking system is still operating.

- May - 2<sup>nd</sup> Tuesday when General Election is held.
- June 20 - West Virginia Day
- October - Columbus day if banks are open
- November - 2<sup>nd</sup> Tuesday when General Election is held  
Friday after Thanksgiving



Bank Name	Funding Process	On-Line Access to Account Balances
Security State Bank	<ul style="list-style-type: none"> <li>• FSMC provides \$125,000 in funding account for day delay funding</li> <li>• Three presentment accounts are established for WIC, FMNP, and SFMNP</li> <li>• Daily receipt of account activity. One for each program (WIC, FMNP, SFMNP)</li> <li>• Daily wire to funding account to cover net presentment total.</li> <li>• Sweep of monies from funding account to</li> </ul>	FSMC provides on-line access to account balances.

**Response:**

**Summary:**



	presentment accounts to provide a zero balance.	
--	---	--

**Detail:**

When FSMC previously worked with the State, we jointly establish a funding mechanism that met all State requirements. To do this we established a separate funding account into which FSMC has deposited \$125,000. This account funds the daily presentment accounts for WIC, Farmers' Market (FMNP) and Seniors' Farmers' Market (SFMNP) providing a zero balance amount for each of the three presentment accounts. On the following day a fax or email is submitted to the State, meeting the 10:00 EST deadline, advising the State of the total clearing debits, returns, adjustments, and net paid. The net paid represents the amount of the wire requested, and matches the paid totals and detail provided in the report file. We are proposing that this type of funding arrangement is used again so that the 10:00 ET deadline is met. This will be discussed at the Kick off meeting.

A sample of the funding request is provided below.

<b>FUNDING REQUEST</b>				
	WIC		FM	
	#of Items	\$Total	#of Items	\$Total
Clearings/Debits:	_____	_____	_____	_____
Returns	_____	_____	_____	_____
Adjustments	_____	_____	_____	_____
	Total: \$ _____		Total: \$ _____	
Net Wire To:	Total \$ _____			
Signature:	_____			



When the FM programs are operable, separate totals will be provided.

Interest is charged to the program only on scheduled holidays, and in the event totals and back up are provided on time, but the state fails to fund the account. To the best of our knowledge, the later did not occur.

The daily invoice includes the number and dollar amount of FI's clearing the bank on that process date, the number and dollar amount of returns, and number and dollar amount of any other adjustments. The net dollar amount is provided as the wire request. The report file provided in the SFTP site includes the Posting Summary that provides back up for the totals. The All Listing Report provides detail for all of the processed items.

FSMC has an established relationship with Security State Bank of Howard Lake. Security State Bank is the holder of all of FSMC WIC customer's accounts. An account would be established for the Program. A MICR spec sheet would be provided to the Program to assure correct placement of routing and account numbers on the MICR line of laser generated checks.

All WIC bank accounts have the same security, access and insurance provisions as commercial accounts. The account balances will reside in a secure controlled disbursement account held at Security State Bank. Security State Bank is FDIC insured. The FDIC is the oversight regulatory entity over banks and insures deposits up to \$100,000 and helps maintain a stable and sound banking system.

To aid the Program in viewing account balances, FSMC has an on-line system that allows Program designated staff to view each account and see activity on the account. Volume and amount of daily returns along with miscellaneous debits and credits can be viewed. An image link is available to view the front and back of the searched item. The following is a sample screen shot of the account information that is available for the Program to use.



MTD(09-06-2006) - Microsoft Internet Explorer provided by TravelersExpress MoneyGram

File Edit View Favorites Tools Help

Address: https://online.temgweb.com/fsmc/acweb/fsmc/pna2k091/fsmc/Users/DNILEDD1/AccountProfileSummary/MTD(09-06-2006).rcj;1

**MoneyGram** **FSMC On-Line**

My Reports First Prev Next Last Goto Page 1 of 1 100% Printable Copy Download Data

**MoneyGram** **FSMC** **Account Profile Summary** Report Date 9/7/06 8:48:26 AM  
Entered Date 09/06/2006

3-804906: Accounts for September  
VIRGINIA WIC  
52

SECURITY STATE BANK OF HOWARD LAKE 3

Date	DEPOSITS		MISC CREDITS		ITEM DEBITS		MISC DEBITS		Ledger Balance	Collected Balance	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount			
Account	804906	VIRGINIA WIC									
09/01/2006	1	13,865.53	1	89.17	151	13,784.70	0	0.00	0.00	0.00	
09/05/2006	0	0.00	0	0.00	0	0.00	0	0.00	0.00	0.00	
09/08/2006	1	96.07	0	0.00	3	96.07	0	0.00	0.00	0.00	
MTD	2	13,761.60	1	99.17	154	13,860.77	0	0.00			
YTD	167	43,984,395.99	444	279,260.60	2,354,009	44,257,225.58	30	6,431.01		0.00	
									<b>MTD Average Collected Balance</b>	0.00	
MTD	2	13,761.60	1	99.17	154	13,860.77	0	0.00			
YTD	167	43,984,395.99	444	279,260.60	2,354,009	44,257,225.58	30	6,431.01		0.00	
<b>Profile Totals :</b>		<b>VIRGINIA WIC</b>								<b>MTD Average Collected Balance</b>	0.00

The status for a single check can also be provided. An image link is available to view the front and back of the searched check. The following is a sample screen shot of the Item Detail screen.



View Item - Microsoft Internet Explorer provided by TravelersExpress MoneyGram

Address: <https://online.tengweb.com/fsmc/fsmc?ex=subn&SerialNumber=Search&bankNumber=38&accountNumber=804906&checkNumber=3770396552>

MoneyGram  
FSMC

Search Run Reports Help

DNILE001 - Deb Files  
[Change Password](#)  
[Change User Information](#)  
[Logout](#)

**FSMC On-Line**  
Customer Service Phone Number: 1.800.445.5992

**Item Detail**

**Item Detail**

History Period Searched: 2005-09-07 - 2006-09-07  
 Bank: H (SECURITY STATE BANK OF HOWARD LAKE)  
 Account: 804906 (VIRGINIA WIC)  
 Promotion: VIRGINIA WIC  
 Serial: 3770396552  
 Vendor Number: 9590  
 Vendor Name: FOOD LION #1156  
 Food Type: 8003849  
 Return Reason: MISSING VENDOR #  
 Return Date: 2006-07-25  
 Item Status: Paid  
 Item Status message: This item has cleared  
 Item Amount: \$ 38.97 (USD)  
 Cleared Tracer Number: B - 39738455  
 Reprocessed/Issued: 2006-06-28  
 Cleared: 2006-09-06

No Confirmation Information Available  
[View Image](#)

## b) Daily Invoice

The daily invoice must include the number of FI's clearing the bank on that day along with the total respective amount. This will be a gross amount. Next, gross rejected draft numbers and amounts will be listed by day and applied as a credit to the gross daily clearance. ONLY THE NET FI ACTIVITY AMOUNT WILL BE TRANSFERRED.

Farmers Market Nutrition Program activity must be identified separately or a separate daily invoice and meet the 10:00 AM EST deadline.

### Response:

The FSMC daily invoice will include:

- ✿ the number of checks clearing the bank
- ✿ total dollar amount of clearings
- ✿ the number of checks returned
- ✿ total dollar amount returned
- ✿ the number of checks adjusted
- ✿ total dollar amount of adjusted checks



The total dollar amount of clearings will be reduced by the total dollar amount of checks returned. The adjustments will be either be added or subtracted according to their debit or credit status. The "Net to Wire" will have the net amount that the State will send for that day's activity.

The following is an example of the daily funding report.

<b>FUNDING REQUEST</b>				
	WIC		FM	
	#of Items	\$Total	#of Items	\$Total
Clearings/Debits:	_____	_____	_____	_____
Returns	_____	_____	_____	_____
Adjustments	_____	_____	_____	_____
	Total: \$	_____	Total: \$	_____
Net Wire To:	Total \$ _____			
Signature:	_____			

During the FM season, separate totals and reports are provided.



## **B. Performance of General Requirements and Tasks**

Vendor must provide a written statement that all general requirements and tasks shall be performed.

### **Response:**

FSMC will perform all general requirements and tasks by July 31, 2007. We have provided narrative detail on each task. The narrative can be found in Attachment A.



### C. Bid Sheet

	Description of Services	Pricing of Service	Unit of Measure	Estimated Volume/Yr	Estimated Annual Total
1	Price per draft for drafts presented, edited and paid				
	a CD ROM/Imaging	0 061	/Draft	1,825,000	111,325 00
	b On-Line	0 061	/Draft	1,825,000	111,325 00
2	a Data entry costs for capture of WIC vendor number – 4 digit number	Included in per draft fee	/Key Stroke	1,800,000	0 00
	b Data entry costs for capture of FMNP vendor number – 3 key strokes required	Included in per draft fee	/Key Stroke	25,000	0 00
3	Price per draft for drafts rejected	0 85	/Draft	6,000	5,100 00
4	Stamp from endorsement service	0 24	/Draft	9,600	2,304.00
5	Data Entry for No Issuance Drafts	0 01	/Draft	1,200	12 00
6	Price per draft for drafts paid and pulled for return to state:				
	a. Compliance drafts	1 00	/Draft	120	120 00
	b Price per copy of original drafts which has been rejected	1 00	/Draft	25	25 00
7	Stop Payment for selected drafts	1.00	/Draft	2	2 00
8	Cost for updating vendor files (submission of supplemental vendor transmissions	Included in per draft fee	/Occurrence	12	0.00
9	a Price per CD ROM (front and back) storage (10,000	0.00	/Copy	27	0 00



	per CD estimate)				
	b Price for on-line/Internet (front and back) storage and access	Included in per draft fee	/Copy	1,825,000	0 00
10	Daily Balancing Report	Included in per draft fee	/Account/Month	252	0 00
11	Daily wire transfer by 10:00 AM EST	3 00	/Wire	252	756 00
12	Cost per draft for printing and shipping drafts to state				
	a WIC	0 00993	/Draft	1,000,000	9,930 00
	b WIC FMNP		/Draft	50,000	
	c SR FMNP		/Draft	200,000	
<p>These costs will be pass through costs as incurred by the vendor. However, the cost of initial printing (1,000) will be used as a part of the cost evolution. FM drafts will be a separate printing. Printing and shipping invoice must be attached to the vendor's monthly invoice for reimbursement.</p>					
13	Rate of interest charged for a one day delay in payment		0%	\$130,000	0 00
14	Cost per incident of ACH repayment (per store)	1 00	/incident	1,200	1,200 00
Estimated Annual Grand Total					\$130,774 00



## **Attachment A**

### **Task 1**

The Vendor must perform the proper manual and automated edit activities to make it possible to identify food instruments to be rejected for the following reason.

#### **Response:**

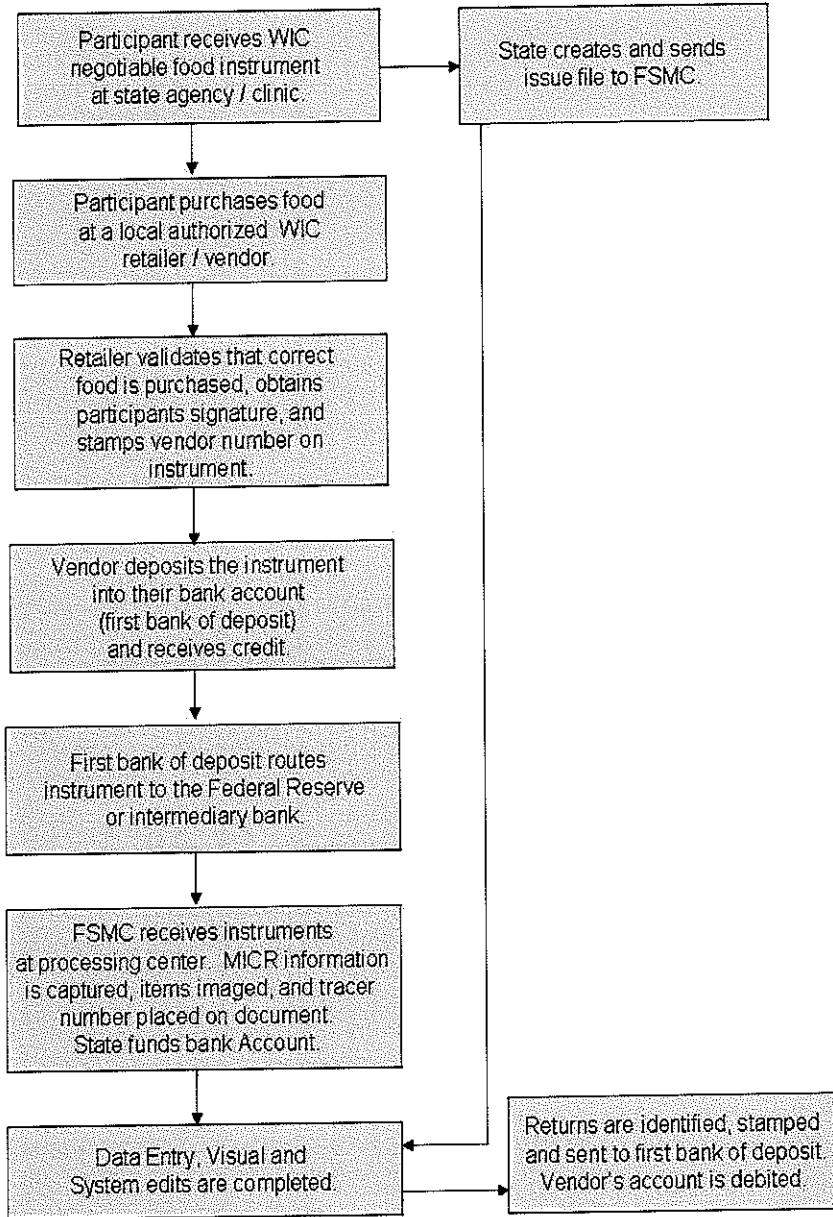
To provide the State with a complete understanding as to how FSMC will be processing their WIC checks the following narrative is provided.

#### **Summary:**

The chart below illustrates the path of WIC checks from the retailer through the banking system. Once the check moves through the banking system, FSMC personnel validates it against the State's vendor and issuance files to ensure accurate payment to the retailer.

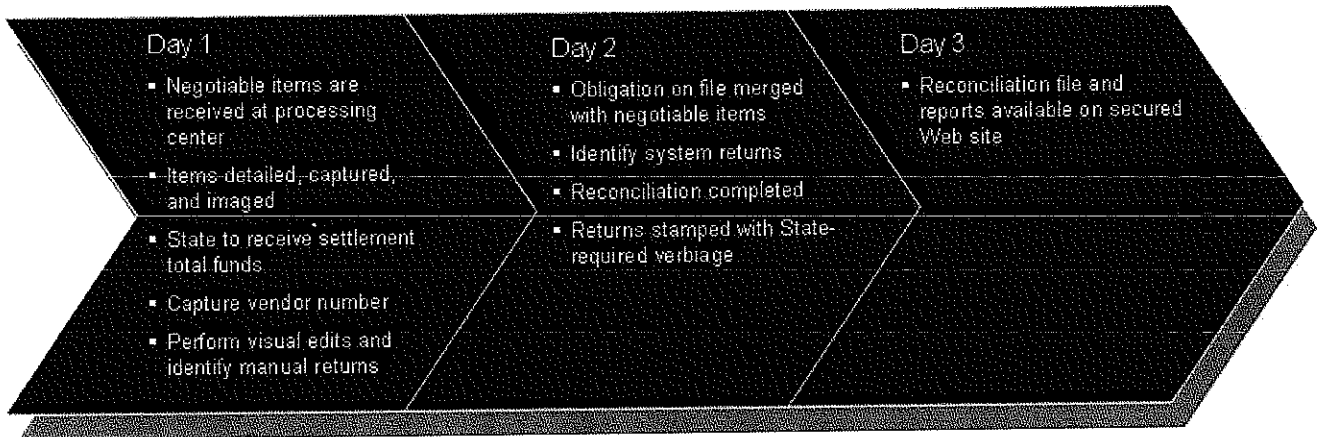


## Exhibit 4.1 WIC Negotiable Instrument Flow Chart



## Detail:

Each check has a MICR line that includes the routing and transit number, account number, serial number and dollar amount. As the checks are presented through the banking channels this information is captured and checks are sent to FSMC for processing and settlement. The graphic below provides an overview of our end-to-end processing of all instruments.



## First 24 hours

On day one, original checks or substitute documents are sent directly to FSMC from the presenting banks for settlement. These presentments are called cash letters, and we process approximately four million WIC checks per month. The Item Processing Department, which has a staff of 74 employees, captures the MICR line information and reconciles to the charges by 9:30 am CST. Checks are received in bundles of 250 or less and include a detail listing called a source of receipt. Each bundle is prepared by placing a valid and reject batch slip, containing a batch number, in front of the checks. Rubber bands are removed and damaged checks are quickly repaired. Once this preparation is complete, the checks are processed through a high speed reader sorter.

The sorter will read the batch slip MICR line, sending the valid batch slip to the valid pocket and the reject batch slip to the reject pocket. The sorter will capture the information presented on the checks MICR line, which includes the routing number, account number, check serial number and the dollar amount encoded by the first bank of deposit. Along with capturing the MICR information the sorter films the check and places a sequence number on the back of each item. When the sorter can not read all the needed information from the MICR line or if it fails one of the control table edits, the check will reject. Reject causes include checks with poor MICR, damaged checks, checks placed in carriers or striped by one of the endorsement banks, and checks that fail one of our sorter edits. Reject checks are sent to a high/low reject reader sorter for high speed reject re-entry



and for image capture. The sorter will capture approximately 60% of the rejects, and the remaining rejects are manually keyed from the image. Once this process is completed the rejects are merged with the valid checks and reconciled to the source of receipt total. A file is created that includes the MICR information, which is required for the next processing step. It is during this first phase that the check serial number and the processed date (the date the checks are received by FSMC for processing) are determined. Once this phase is complete, the state will receive their funding information from the captured detail. At this time, only high level edits are performed, such as account level over the dollar limit, and funding adjustments may be required the next processing day.

Once the MICR information is captured, checks are then imaged on DP500 image scanners and the MICR line information (routing number, account number, serial number and dollar amount) is captured for the second and final time. A comparison of the imaged checks to the MICR file created in the first phase is performed and each discrepancy is reviewed and corrections made by a data entry operator. For example, if during the first MICR capture phase the serial number is read as 1234 and during the second capture the serial number is read as 1235, the item is reviewed and the correct serial number is used.

When the MICR information is captured and the scanning complete, an OCR program will attempt to read the vendor/farmer market number and the date of use from the imaged item. This requires specific programming to indicate the vendor stamp font and location of the detail on the check. The scanning and OCR process is done in phases and images are exported to a specially created system that we call KFI (Key from Image). The exporting of this information begins the afternoon of day one.

As checks are exported to the KFI system, the FSMC Data Entry operators begin to manually capture the vendor/ farmer number and date of use, not captured during the OCR program, as well as reviewing each check for specific manual edits. Checks which fail to meet the states manual review edits or the vendor number is not available will be flagged for research and possible return.

The following is a screen shot of our KFI data entry screen where vendor numbers are keyed from the image of the check.



Data Entry - AM - 20031104  
 Edit Edit


Due Date (month) 10/29  
 Vendor # 2390  
 Return Code

Correct Previous Record Edit

0 of 10 records completed

WIC CHECK IMAGE

RF INITIAL DATE TO USE 11/19/2003

PAY TO THE ORDER OF:  
 2390 

AMOUNT \$200.00 NOT PAYABLE WITHOUT VENDOR ID STAMP

NOT SIGN UNTIL TIME OF PURCHASE

The Draft Services area has Data Entry Operators who work a variety of hours starting at 5:00 p.m. CST. Batches of 300 checks are assigned to each Data Entry Operator at a time. The operator is responsible for reviewing the edit requirements of the state and ensures that the checks meet the state criteria. As some of these edits can have various interpretations, the Draft Services area has a Support Rep II and a Data Entry Sr. Support Representative who are available to answer questions or escalate issues of concern to the FSMC WIC Resource Center. If the check fails to meet the expected results or is questionable, the Data Entry operator will flag it for return or further research by the FSMC Support Representative. Each Data Entry operator is responsible for maintaining a minimum production standard of 100% (3700 documents keyed and edited per hour). Quality issues are detected either through the Reconciliation phase or through a random spot check of the original checks. Each issue is addressed with the Data Entry operator and is part of the employees' performance review.

Images of all checks captured are available for viewing by serial number and amount the day after processing.

### 25—48 Hours (Day 2)

Once all the checks are captured with the vendor number and serial number, exceptions are identified against the edits and history information stored in our Unique Payment Processing System (UPPS).

An unprocessed report is created that will list each check that requires special handling. The exception checks are sorted out by our high-speed reader sorters or they are manually pulled by our Support Representatives. Once the checks are retrieved they are researched, corrected or prepared for return.



Examples of some of the research performed include:

- Endorsement edit for checks missing a vendor number or whose vendor number is unreadable. The correct vendor number is determined by reviewing the vendor endorsement information on the back of the check and using the vendor information provided by the State. The vendor number is manually entered during the reconciliation process to reduce the amount of returns.
- Duplicate clearings, meaning two checks have been paid that have the same serial number. The serial numbers captured today are compared to checks maintained within our UPPS history. The history period is set for 60 days. Duplicate checks captured after the history period will not be flagged as a duplicate as this information was purged. The check will be flagged as a "no issuance".
- When no issuance information is on file, checks are reviewed to assure the correct serial number was captured.
- Not to exceed amounts. Information from the issue file and the captured vendor identifies checks that are over the maximum allowed. Checks are researched to assure all information was captured correctly prior to returning.

It is during this phase that all the checks are reconciled and files created for the State, which includes the reject reason code. Various quality measures are performed during this critical phase. The Senior Support Representative or the Draft Services Supervisor will approve the reconciliation prior to the files being sent to the State. Returns are balanced by type and placed in a designated area. For additional validation and control, a Support Representative, who did not balance the day's work, will stamp the returns with the valid return code and complete a second verification of volumes and type of return. The returned checks are imaged with the return reason stamped on the front, and sent back through banking channels to the vendors' depository bank.

The status code (paid or rejected) and vendor number of the check will be attached to the image to provide detailed search options on our WebCheck product. The checks returned are currently on the WebCheck web site twice, once as they originally cleared (no return stamp) and then a second time with a return code and visible return stamp on the check image. If the return is allowed to be represented, the check will be displayed on the WebCheck site three times. The second presentment will have the return stamp on the face of the check.



### Hour 49 (Day 3 Process)

At this point a daily redemption file can be created or the information saved for a monthly redemption file. These files provide a record for each paid or returned check. The redemption file layout will include the status as paid or returned, along with the appropriate return code. The file is placed in the FTP site for pick up by the State the following morning along with the file of reports created for that processing day. Reports provide summary data and detail for checks in the redemption file, and are available the morning of day three.

Rejection codes are identified below. Vendor will have to provide a rubber stamp for each rejection code – (See Draft Rejection Stamp Message, Attachment C) FI may have more than one rejection reason.

1.) Post and Stale dates. Bank process date used as the redeemed date for all date calculations

REJECTION CODE: D, message - EARLY REDEMPTION

REJECTION CODE: E, message – STALE DATE

2.) Over “not to exceed” value of FI. This is a maximum price for draft types by Vendor class. Currently no drafts can be over \$500.00

REJECTION CODE: C, message – EXCEEDS DRAFT MAXIMUM

3) Over reasonable dollar amount for food items listed on FI

REJECTION CODE: B, message – EXCEEDS CURRENT PRICE EDITS

4) Voided as lost, stolen or damaged FI

REJECTION CODE: A, message – STOP PAYMENT

5) FI previously rejected and cannot be redeposited. Only FIs previously rejected for missing or illegible stamps may be redeposited.

REJECTION CODE: Z, message – PREVIOUSLY REJECTED

6) Alterations including pencil entries, chemical alterations (e.g. ‘white out’), etc.

REJECTION CODE: I, message – PRICE CHARGED INCORRECTLY

B, message – ALTERED DRAFT

B, message – PENCIL ENTRY

7) Data missing, illegible or counterfeit Vendor number stamp

REJECTION CODE: K, message – UNREADABLE VENDOR STAMP

F, message – MISSING VENDOR STAMP

Prior to rejecting a draft for “Missing Vendor Stamp” data missing, illegible or counterfeit Vendor number stamp, Vendor will review the back side of the draft to see if the proper Vendor can be determined from the back. If it can be



determined, the staff will input the missing Vendor Stamp number and process the draft through all other edits.

8) Missing signatures

REJECTION CODE: G, message – SIGNATURE MISSING

9) Encoded ID number of redeeming Vendor is not authorized number. The encoded ID number is the four digit Vendor number that is stamped on the drafts by the Vendor.

REJECTION CODE: H, message – UNAUTHORIZED VENDOR

10) Previously Paid

REJECTION CODE: Y, message – PREVIOUSLY PAID. THE DRAFT SERIAL NUMBER HAS BEEN PAID

11) Counterfeit Stamp – Any stamp that does not contain the words WV WIC and a four digit Vendor number

REJECTION CODE: M, message – COUNTERFEIT STAMP

12) Encoding Error – Bank of first deposit encoded the MICR amount incorrectly

REJECTION CODE: N, message – ENCODING ERROR

**Response:**

The following chart provides information on each individual edit that FSMC would perform for West Virginia WIC. The chart designates if the edit is Data Entry performed, System performed or a combination. The types of inputs that are necessary to perform each edit and if a check can be redeposited after initial rejection.

Edit	Type of Edit	Needed Input	Redeposit Allowed
Post and State Date	System Performed	<ul style="list-style-type: none"> <li>• Issuance file that contains the first date and last date to use</li> <li>• Sorter captured check serial number</li> <li>• Bank process date</li> </ul>	No
Over "not to exceed" value of FI	System Performed	<ul style="list-style-type: none"> <li>• Issuance File for draft type</li> <li>• Sorter captured check serial number</li> <li>• Vendor file for peer group</li> </ul>	No



Edit	Type of Edit	Needed Input	Redeposit Allowed
		<ul style="list-style-type: none"> <li>Draft Type file for dollar maximums by peer group and draft type</li> </ul>	
Void Checks	System Performed	<ul style="list-style-type: none"> <li>Issuance file that contains the void check code</li> <li>Sorter captured check serial number</li> </ul>	No
Previously Rejected	System Performed	<ul style="list-style-type: none"> <li>Sorter captured check serial number</li> <li>Rejected check history on UPPS system</li> </ul>	No
Alteration	Data Entry Performed	Visual review by Data Entry Operator for incorrectly changed price, altered check or a pencil entry	No
Vendor Stamp Present and Valid	System Performed	<ul style="list-style-type: none"> <li>Image of Check</li> <li>Captured through OCR or data entered vendor number</li> <li>Vendor file provided by the State</li> </ul>	Invalid Vendor - No
	Data Entry Performed	Visual review of check image.	Missing Vendor Number – Yes Unreadable Vendor Number – Yes Counterfeit Stamp - No
Missing/Unreadable Vendor Stamp Process	Data Entry Performed	<ul style="list-style-type: none"> <li>Visual review of check image to determine if vendor stamp is present</li> </ul>	NA



Edit	Type of Edit	Needed Input	Redeposit Allowed
		<ul style="list-style-type: none"> <li>If vendor stamp is missing or unreadable, data entry looks at an image of the back of the check to determine the name of the vendor.</li> <li>Operator then goes to a system provided vendor list to determine the vendor number. The number is entered into the system.</li> </ul>	
Missing Signature	Data Entry Performed	<ul style="list-style-type: none"> <li>Visual review of check image to determine if signature is present</li> </ul>	No
Previously Paid	System Performed	<ul style="list-style-type: none"> <li>Sorter captured check serial number</li> <li>Paid check history on UPPS system</li> </ul>	No
Encoding Error	Data Entry Performed	<ul style="list-style-type: none"> <li>Visual check to assure that the hand written amount matches the encoded amount.</li> </ul>	NA
ACH Payment – State Initiated	System Performed	<ul style="list-style-type: none"> <li>Issuance record with ACH payment code.</li> </ul>	NA
Missing Issuance	System Performed	<ul style="list-style-type: none"> <li>Check number from MICR line</li> <li>Issuance record from State MIS system</li> </ul>	NA
Compliance	System Performed	<ul style="list-style-type: none"> <li>Issuance record with the compliance flag</li> </ul>	NA



The following table shows the exact rejection stamp wording for each rejection reason listed above.

Rejection Reason	Stamp Wording
Post Date	EARLY REDEMPTION Void – Not Payable via Banking System Not payable via Submission
Stale Date	STALE DATE Void – Not Payable via Banking System Not payable via Submission
Over “not to exceed” value of FI	EXCEEDS CURRENT PRICE EDIT Void – Not Payable via Banking System
Over Draft Maximum	EXCEEDS DRAFT MAXIMUM Void – Not Payable via Banking System
Void Check	STOP PAYMENT Void – Do not Redeposit Not Payable via Banking System
Previously Rejected	PREVIOUSLY REJECTED Void – Do not Redeposit Not Payable via Banking System
Altered	ALTERED DRAFT Void – Do not Redeposit Not Payable via Banking System  PENCIL ENTRY Void – Do not Redeposit Not Payable via Banking System  PRICE CHANGED INCORRECTLY Void – Do not Redeposit Not Payable via Banking System
Vendor Stamp Present and Valid	MISSING VENDOR STAMP Stamp Clearly and Redeposit Caution: Deposit Time Limit in Effect  UNREADABLE VENDOR STAMP Stamp Clearly and Redeposit Caution: Deposit Time Limit in Effect  UNAUTHORIZED VENDOR



	Void – Do not Redeposit Not Payable via Banking System  COUNTERFEIT STAMP Void – Do not Redeposit Not Payable via Banking System
Missing Signature	SIGNATURE MISSING Void – Do not Redeposit Not Payable via Banking System
Previously Paid	PREVIOUSLY PAID Void – Inappropriate Deposit Draft Has Received Payment
Encoding Error	ENCODING ERROR Correct and Redeposit

To perform the above services, WIC will furnish the Vendor a FI master file tape or data transmittal and Vendor file, daily (issued) and a food cost file in data transmission format agreed to by both parties. The food cost file is a file that is sent quarterly or when new prices are desired to go into effect. It consists of a record for each draft type with a maximum price for each Vendor class for that draft type. The draft type is provided with the daily issuance records. The Vendor class will be provided on the Vendor transmission file. WIC will supply the Vendor with an authorized Vendor listing data transmission once a month or on-demand as needed. The Vendor shall transmit to WIC on a daily basis, a copy of the FI master file showing accepted and unaccepted items of automated food instruments and Automated Clearing House (ACH) transfers.

**Response:**

FSMC will work with the Program to determine file layouts for the FI master file (issuance file), Vendor file and Food Cost file. For the Vendor and Food Cost file, our system requires a complete replacement file. The Program provided Issuance file will be an update file of checks issued that day in WIC clinics, or corrections to prior submitted FI's – in the example of voided items – see Task 12. All three files will be used in various check edits and additional data from the Issuance file will be passed to our internet data query and check image system.

FSMC will work with the Program to determine the file layout for the daily FI master file (Redemption file). The Redemption file will provide a listing of all checks presented for payment for a given day and if those checks were paid or rejected. The Redemption file will provide "paid" codes that will designate if a check was paid via normal channels, ACH, endorsement look up or a compliance buy. The Redemption file will provide "rejection" codes so that the Program will know why a check was rejected.



Should the Vendor err in negotiating an item(s) (e.g. accept a FI for payment that should have been rejected according to the stipulated edits), the Vendor shall absorb the costs of its error(s), unless the error was caused by erroneous data provided by WIC to the Vendor, in which case WIC will absorb all reasonable costs incurred in correcting the error.

**Response:**

FSMC understands and will comply.

**Task 2**

Vendor will lookup the vendor number using the endorsement on the back of the draft presented that has a missing or illegible vendor stamp. If number can be determined, the draft will be paid as long as it does not fail any other edits.

**Response:**

FSMC currently performs this process for other WIC customers, and utilizes a system generated alphabetic list for research. The State is notified of all checks where this process is used. Totals are reported on the Posting Summary, and a detailed report sorted by vendor is provided for reference. So that the State can have an automated tool to use to identify vendors that have excessive number of checks that require endorsement edit look up, we provide the ability to use our on-line Web Checks system to identify and review checks paid through the edit endorsement process. The internet based Web Checks system identifies all endorsement look up checks by using paid codes "P10 – Force Post Vendor Number Endorsement" and Unreadable Vendors P17 – Force Post Vendor Number Endorsement – unreadable as a search criteria

**Task 3**

Vendor will key Draft type and First date to Use from the front of any WIC FIs presented that does not have issuance data on file. The two data elements captured will be used to determine if the FI should be paid or rejected.

**Response:**

For a check with a missing issuance record, FSMC would create an issuance record utilizing the information from the WIC food instrument. The vendor number, first use date and draft type would be keyed and the system edits performed for post and stale date, invalid vendor number and over maximum dollar amount.



## **Task 4**

All WIC FIs are to be visually checked to see if stock serial (red) and PC generated serial (black) draft numbers “do not” match. If this occurs, drafts are not to be rejected back to the Vendor but brought to WIC’s attention.

FIs that are rejected for MICR errors must follow the same visual edit as detailed in the above. These drafts should be processed with data provided from the issuance file using black numbers (system assigned) no red (preprinted) numbers,

### **Response:**

FSMC will automate the process comparing the stock serial (red) and PC generated serial (black) draft numbers. Through Optical Character Recognition (OCR) each check number, both red and black, will be optically read. Then these two numbers will be compared for an exact match. If the numbers do not match, FSMC staff will notify the WIC Program of the serial numbers that are mismatched.

FSMC understands that all edits that rely on the State provided issuance record for data need to use the black numbers as the identifying check number for proper validation.

FSMC does not reject (return) items due to MICR encoding differences. When an encoding issue is discovered we correct the dollar amount and complete a bank adjustment or depending on the dollar amount will internally write off the difference. The State will have the correct amount reflected on the paid file.

## **Task 5**

Replacement of rejected vouchers will be automated to allow reimbursement using the same check number previously used when they were originally rejected. A different paid record type will be used to differentiate between normal paid items and voucher replacement paid items. Reimbursement to Vendors by ACH transfers are to be handled by banking Vendor. If multiple reimbursements are due to various stores within a chain/corporate office, the reimbursements are not to be consolidated and sent to one corporate bank account. Only FI’s rejected by the bank replaced by the State WIC Office are to be processed by ACH transfer.

ACH transactions for replacement FI’s will be generated at least weekly. The bank will process the replacement FI’s by ACH transfer and mail to the vendor a detail listing of rejected vouchers indicating if they were paid or not paid and the date paid. The same statements should be provided to the Agency in the daily report transmittal file along with the ACH Summary Reports.

### **Response:**



FSMC understands that West Virginia WIC wants an ACH process to be used for replacement of rejected checks that have been submitted by the vendor for review. We currently provide that service. We call it the State Initiated Payment (SIP). However, FSMC provides several ACH options that the State could use. The following section will familiarize the State with the types of ACH services that FSMC offers. We can provide the services required in this RFP and offer additional services that the State might wish to take advantage of.

We understand that it is the State's responsibility to obtain a signed ACH agreement from each vendor to allow either ACH credit or debit activity. The State would also be responsible for collecting and maintaining each vendor's bank routing and account number and provide this information to FSMC.

FSMC and West Virginia WIC agree to comply with any and all applicable state and federal laws or regulations and all National Automated Clearing House Rules. FSMC and West Virginia WIC further agree that neither party will initiate or transmit any entry that violates the laws of the United States, including, but not limited to, any law or economic and trade sanction administered or enforced by the Office of Foreign Asset Control (OFAC).

**Summary:**

Types Of ACH Applications	Purpose of Each Application
Payment Reduction Transaction (PRT)	To provide an automated electronic debit from a vendor account to lower the amount paid to a vendor for checks that were over the maximum amount allowed less any service charges, which saves the State the rejection and ACH fees. Reduces the time needed to revalidate and reprocess the re-approved check with an override stamp and keeps the vendor from paying check return charges.
State Initiated Payment (SIP)	To provide an electronic means of payment to a vendor. Reduces the time needed to revalidate, reprocess and create a replacement check or to stamp the re-approved check with an override stamp and have the vendor redeposit the check.
Processing Initiated Payment (PIP)	To provide an automated electronic payment of a lower amount to vendors for checks that were rejected for over the maximum amount allowed. Reduces the time needed to revalidate and reprocess the reapproved check with an override stamp and have



	the vendor redeposit the check.
EBT Initiated Payment (EIP)	To provide an automated electronic payment for EBT reimbursements. Provides the Program with easy access to a Financial Institution that can be used as a financial conduit for vendor payment.

**Detail:**

Automated Clearing House (ACH) is an industry standardized electronic payment process that uses files transmitted from financial institution to financial institution to either deposit or remove funds from a specified bank account. FSMC has pioneered the use of the ACH process in the WIC market. The following States currently use ACH processing with FSMC:

- ✿ Arizona
- ✿ Arkansas
- ✿ Colorado
- ✿ Hawaii
- ✿ Maryland
- ✿ Nevada
- ✿ New Jersey
- ✿ North Carolina
- ✿ Rhode Island
- ✿ Wisconsin – Starting in December 2006

We have refined the use of ACH transactions to four types of WIC specific applications. Payment Reduction Transaction (PRT), State Initiated Payment (SIP), Processing Initiated Payment (PIP) and EBT Initiated Payment (EIP)

The first application is Payment Reduction Transaction (PRT). PRT is created when a check has been identified by the UPPS system as being over the State determined maximum. Instead of rejecting the check, the UPPS system would determine the net difference between the presented amount and the allowed amount and any applicable service charges. An ACH debit is created for that vendor for net amount, and sent in a weekly ACH transaction file. The PRT reduces time in the State office in the revalidation of checks sent in from the vendor to dispute this rejection. It saves the State a rejection fee by not returning the original check and allows FSMC to charge the vendor a service charge for



ACH generation fees. It also saves the vendor returned check fees from their bank. This method is exceptionally effective with the new Cost Containment regulations created by the USDA that has increased rejections for the over the maximum edit.

The second is State Initiated Payment (SIP). The SIP is created by the Program through their WIC MIS system. Special codes are sent in the issuance files to designate that the record is not to be used for validation of an issued check but to be used in the ACH payment to a vendor or the State could provide ACH payment information to FSMC via a spread sheet. This process eliminates the need for use of the override stamp and the State paying a processing fee on a re-deposited check.

The third application is Processing Initiated Payment (PIP). The PIP ACH is created in processing when a check is rejected for over the maximum amount allowed. The check is rejected and returned back to the vendor. An ACH payment is created for that vendor for a reduced amount, determined by the Program, and sent in a weekly ACH transaction file. The PIP reduces time in the State office in the revalidation of checks sent in from the vendor to dispute this rejection. This method is effective with the new Cost Containment regulations created by the USDA that has increased rejections for the over the maximum edit.

The fourth type of ACH application is vendor payment due to Electronic Benefit Transfer (EBT) or EBT Initiated Payment (EIP). Nevada sends FSMC a file of vendor payments created via EBT. FSMC creates the ACH payment and provides reporting to the Nevada WIC Program.

In all four of these applications, FSMC has developed a complete set of reports that are sent electronically to the Program and mailed to the vendors. The following is a summary of the reports provided to both the Program and the vendor.



## ACH Reports –

### Vendor ACH Reimbursement Recap

The *Vendor ACH Reimbursement Recap* report is used by the State office to assist in evaluating returns. Items returned for Not to Exceed amounts are usually returned to the vendors' bank who originally deposited the item. Some larger retailers, who have multiple locations, wish to receive the ACH payment to one account versus multiple depository accounts. When this occurs, a Corporate (Corp) Code is used to tie each account number to the correct corporation. The report provides a recap of the transactions.

CLOSEOUT - VENDOR ACH REIMBURSEMENT RECAP  
AS OF REPORT DATE  
ALL ITEMS

REPORT DATE 9/30/05 PAGE 1  
RUN DATE 10/03/05 WICRPT25  
TIME PREPARED 10:05:23:10 RPT: 3250

CORP CODE	VENDOR NUMBER	VENDOR NAME	NUMBER CHECKS	REQUESTED AMOUNT	ACH PAYMENT	AMOUNT REDUCED
3	007612	FRESH PRIDE #236-CAMERILIA	1	21.92	19.94	1.98
3	007641	FRESH PRIDE #328	1	18.96	16.75	2.21
3	TOTALS		2	40.88	36.69	4.19
5	007006	GIANT FOOD #771	2	35.97	34.47	1.50
5	007024	GIANT FOOD #792	3	98.77	97.18	1.59
5	007025	GIANT FOOD #796	3	86.92	80.43	6.49
5	007037	GIANT FOOD #238	1	9.59	8.78	.81
5	007040	GIANT FOOD #753	1	44.90	41.90	3.00
5	007046	GIANT FOOD #749	2	51.72	46.26	5.46
5	007047	GIANT FOOD #759	1	20.53	19.94	.59
5	007048	GIANT FOOD #760	2	53.10	48.80	4.30
5	007049	GIANT FOOD #228	1	21.52	19.31	2.21
5	007050	GIANT FOOD #765	1	12.97	8.78	4.19
5	007131	GIANT FOOD #754	2	59.95	57.45	2.50
5	007133	GIANT FOOD #781	2	81.13	80.43	.70
5	007134	GIANT FOOD #764	1	35.96	34.47	1.49
5	007173	GIANT FOOD #766	2	35.97	34.47	1.50
5	007174	GIANT FOOD #242	2	36.73	31.76	4.97
5	007329	GIANT FOOD #741	1	12.28	3.19	9.09
5	007360	GIANT FOOD #745	1	25.17	14.33	10.84
5	007400	GIANT FOOD #227	2	45.52	43.25	2.27
5	009349	GIANT FOOD #794	3	116.90	114.90	2.00
5	009861	GIANT FOOD #261	2	45.04	43.25	1.79
5	009862	GIANT FOOD #740	1	19.44	11.83	7.61
5	009864	GIANT FOOD #757	1	20.44	14.33	6.11
5	TOTALS		37	970.52	889.51	81.01
-----						
TOTALS						
	ALL		227	6,316.57	5,452.22	864.35

\*\*\* END OF REPORT \*\*\*



## Vendor ACH Reimbursements

The *Vendor ACH Reimbursements* report is used by the state and their vendors to assist in the ACH reconciliation process. The report provides the check number of the returned items, and the state and/or vendor can validate the ACH reimbursement indicated on the report against the returned checks.

CLOSEOUT - VENDOR ACH REIMBURSEMENTS										REPORT DATE	9/30/05	PAGE	1			
AS OF REPORT DATE										RUN DATE	10/03/05	WICRPT26				
ALL ITEMS										TIME PREPARED	10:05:25:00	RPT:	3260			
CHECK NUMBER	CORP CODE	VENDOR NUMBER	PROC DATE	ACH DATE	REQUEST AMOUNT	ACH PAYMENT	REDUCED AMOUNT	CHECK NUMBER	CORP CODE	VENDOR NUMBER	PROC DATE	ACH DATE	REQUEST AMOUNT	PAYMENT AMOUNT	REDUCED AMOUNT	
4450171602	00003	007612	09-28	09-30	21.92	19.94	1.98	1890252989	00020	007200	09-28	09-30	16.25	14.33	1.92	
4090036441	00003	007641	09-26	09-30	18.96	16.75	2.21	2370037121	00020	008660	09-27	09-30	9.17	8.78	.39	
FRESH PRIDE #236-CAMELIIA			2	40 88	36.69		4.19	3250160246	00020	008660	09-29	09-30	102.30	42.00	60.30	
								2390086319	00020	008676	09-23	09-30	38.97	34.47	4.50	
								2390086320	00020	008676	09-23	09-30	38.97	34.47	4.50	
1970366185	00005	007006	09-23	09-30	11.99	11.49	.50	2370038927	00020	008677	09-28	09-30	38.97	34.47	4.50	
1970366186	00005	007006	09-23	09-30	23.98	22.98	1.00	2370038928	00020	008677	09-28	09-30	51.96	45.96	6.00	
2090323257	00005	007024	09-26	09-30	35.07	34.47	.60	3250161971	00020	008677	09-28	09-30	38.97	11.97	27.00	
2090323259	00005	007024	09-26	09-30	46.76	45.96	.80	3130111233	00020	009069	09-23	09-30	38.97	34.47	4.50	
2170128583	00005	007024	09-27	09-30	16.94	16.75	.19	3130111234	00020	009069	09-23	09-30	38.97	34.47	4.50	
2150295369	00005	007025	09-26	09-30	26.97	22.98	3.99	3130111235	00020	009069	09-23	09-30	51.96	45.96	6.00	
2150301328	00005	007025	09-27	09-30	23.98	22.98	1.00	3230071711	00020	009496	09-27	09-30	51.96	50.97	.99	
2150301329	00005	007025	09-27	09-30	35.97	34.47	1.50	3130107179	00020	009498	09-27	09-30	38.97	34.47	4.50	
2150290504	00005	007037	09-28	09-30	9.59	8.78	.81	3130107180	00020	009498	09-27	09-30	38.97	34.47	4.50	
2070286541	00005	007040	09-27	09-30	44.90	41.90	3.00	4470268641	00020	009670	09-27	09-30	25.98	22.98	3.00	
2090320699	00005	007046	09-26	09-30	26.32	23.13	3.19	4470268642	00020	009670	09-27	09-30	25.98	22.98	3.00	
2090330247	00005	007046	09-27	09-30	25.40	23.13	2.27	4470268643	00020	009670	09-27	09-30	25.98	22.98	3.00	
2150302137	00005	007047	09-28	09-30	20.53	19.94	.59	3630278584	00020	009676	09-23	09-30	18.70	16.75	1.95	
4910279370	00005	007048	09-26	09-30	17.13	14.33	2.80	KROGER #239					18	692.00	546.95	145.05
*****																
TOTALS					227	6.316 57	5 452.22	864.35								
** END OF REPORT **																



## Vendor ACH Reimbursement Statement Summary

Items flagged for ACH payments are placed in an ACH Warehouse and reimbursements to the Corporate or vendor are made electronically once a week. The vendors will receive the returned items, clearly stamped not to redeposit. The report is generated weekly, and mailed to the vendor or the vendor's corporate office. The vendor will reconcile the returned items to the recap report. The vendor will contact the state with any discrepancies between the actual return and the ACH payment. The state can use the provided ACH Reports or contact the WIC Resource Center for assistance.

SECURITY STATE BANK OF HOWARD LAKE      CLOSEOUT - VENDOR ACH REIMBURSEMENT STATEMENT      REPORT DATE 9/30/05      PAGE 1  
 INSTITUTION NR. 3      AS OF REPORT DATE      RUN DATE 10/03/05      WICRPT28  
 STATE: VA ACCOUNT: 804906      W I C ITEMS      TIME PREPARED 10:05:28:49 RPT: 3280

CHECK NUMBER	CORP VENDOR CODE NUMBER	REQUEST AMOUNT	ACH PAYMENT	ORIGINAL REJECT REASON	REASON FOR PAYMENT DECISION
1970366185	5 007006	11.99	11.49	UNREASONABLE DOLLAR	
1970366186	5 007006	23.98	22.98	UNREASONABLE DOLLAR	
VENDOR TOTAL		2	35.97	34.47	
VENDOR NAME		GIANT FOOD #771			
2090323257	5 007024	35.07	34.47	UNREASONABLE DOLLAR	
2090323259	5 007024	46.76	45.96	UNREASONABLE DOLLAR	
2170128583	5 007024	16.94	16.75	UNREASONABLE DOLLAR	
VENDOR TOTAL		3	98.77	97.18	
VENDOR NAME		GIANT FOOD #792			
2150295369	5 007025	26.97	22.98	UNREASONABLE DOLLAR	
2150301328	5 007025	23.98	22.98	UNREASONABLE DOLLAR	
2150301329	5 007025	35.97	34.47	UNREASONABLE DOLLAR	
VENDOR TOTAL		3	86.92	80.43	
VENDOR RECAP		TRANSACTION RECAP		ACH DEPOSIT RECAP	
GIANT OF MARYLAND 6300 SHERIFF RD, DEPT 551 LANDOVER MD 20785		PAID IN FULL: 00 PARTIAL PAYMENT: 37 889 51 NON-PAYMENT: 00 TOTAL CHECKS: 37 889 51		BANK: LA SALLE BANK N A R/T: 071000505 ACCOUNT: 5800248899 ACH CREDIT 889 51 EFFECTIVE 09/30/05	

Any questions regarding this statement should be directed to the Virginia WIC Program at 1-804-864-7814.

Please Note: Your ACH payment should already be received by your bank. If not, please verify the bank information above, and notify the State Agency if any changes need to be made. The ACH payment will be reissued upon receipt of updated bank information.

## ACH Reissued Items

The report summarizes the reissued ACH items. The ACH Reissued Items report and the bank statement are the only two places these items are reported. Issues may arise, such as incorrect banking information provided, that will result in an ACH payment returned to FSMC unapplied to a Corporate or vendors account. The items will have already been reported as paid on the redemption file when the initial ACH payment was sent. Once the State corrects the banking information, the ACH's of combined returned items is resent to the Corporate / vendor bank. When the ACH was returned to FSMC, credit was applied to the account, and will appear on the bank statement as an ACH return credit. When



reissued, the item is debited and both transactions are documented on the bank statement as ACH reissued as a debit.

SECURITY STATE BANK OF HOWARD LAKE  
 INSTITUTION NR. 3  
 STATE: VA ACCOUNT: 804906

CLOSEOUT - ACH REISSUED ITEMS  
 AS OF REPORT DATE  
 ALL ITEMS

REPORT DATE 9/30/05 PAGE 1  
 RUN DATE 10/03/05 WICRPI29  
 TIME PREPARED 10:05:30:97 RPT: 3290

VENDOR/ CORP NUM	VENDOR NAME	ACH PAYMENT	NUMBER OF ITEMS	ORIGINAL ACH DATE
*****				
TOTAL REISSUED		.00		
*** END OF REPORT ***				

### Returns to ACH Warehouse

The *Returns to ACH Warehouse* report provides the state with a list of the pending ACH items. The report is used to verify information and allows the state to change the ACH reimbursement amount prior to the next ACH Cycle.

SECURITY STATE BANK OF HOWARD LAKE  
 INSTITUTION NR. 3  
 STATE: VA ACCOUNT: 804906

CLOSEOUT - RETURNS TO ACH WAREHOUSE  
 AS OF REPORT DATE

REPORT DATE 9/30/05 PAGE 1  
 RUN DATE 10/03/05 WICRPI29  
 TIME PREPARED 10:05:32:52 RPT: 3370

CHECK NUMBER	MAXIMUM AMOUNT	REQUEST AMOUNT	ACH PAYMENT	REDUCED AMOUNT	CHECK TYPE	CORP ID	VENDOR NUMBER	VENDOR NAME	PEER GRP	ORIGINAL RETURN REASON	ERROR/WARNING
1820145772	8.78	11.82	8.78	2.74	8003868	127	9400	SHOPPERS FOOD WHS	3	41/B UNREASONABLE DOL	
1850082333	22.98	23.38	22.98	.40	8003852	5	7062	GIANT FOOD #778	3	41/B UNREASONABLE DOL	
1850082334	34.47	35.07	34.47	.60	8003852	5	7062	GIANT FOOD #778	3	41/B UNREASONABLE DOL	
1850082335	34.47	35.07	34.47	.60	8003852	5	7062	GIANT FOOD #778	3	41/B UNREASONABLE DOL	
2070291111	34.47	35.07	34.47	.60	8003852	5	9349	GIANT FOOD #794	3	41/B UNREASONABLE DOL	
2070291112	34.47	35.07	34.47	.60	8003852	5	9349	GIANT FOOD #794	3	41/B UNREASONABLE DOL	
2150300305	19.94	20.13	19.94	.19	8003876	5	7042	GIANT FOOD #780	3	41/B UNREASONABLE DOL	
2190093349	34.47	35.97	34.47	1.50	8003852	5	9349	GIANT FOOD #794	3	41/B UNREASONABLE DOL	
2190093350	34.47	35.97	34.47	1.50	8003852	5	9349	GIANT FOOD #794	3	41/B UNREASONABLE DOL	
2190093351	45.96	47.96	45.96	2.00	8003853	5	9349	GIANT FOOD #794	3	41/B UNREASONABLE DOL	
		NUMBER	REQUESTED	REIMBURSED							
UNPROCESSED		0	.00	.00							
NON-PAYMENTS		0	.00	.00							
PAYMENTS TO ACH		23	747.25	658.72							
TOTAL ACH		23	747.25	658.72							

### Task 6

The Vendor shall return all rejected FI's to Vendors through the banking system. These FI's are to be clearly identified as to each reason for rejection and appropriate alternative action. (See Draft Rejection Stamp Message Attachment C).

#### Response:

Please review "Task 1" for a complete explanation as to how FSMC returns checks and what rejection stamps will be used.



The Vendor shall provide electronic wire transfer services for transferring funds to the funding account and for any rejected food instruments which shall be returned to the food vendor's bank of original deposit. This service must comply with all requirements to the Federal Cash Management Act.

West Virginia State Treasurer's Office will wire required funding to the bank pre-settlement account daily.

**Response:**

Please review section "5. Daily Transfer of Funds" for our proposed solution funding the West Virginia account.

**Task 7**

The Vendor shall transmit via data transmittal to WIC daily (as per Section A. General Requirements, 1-a) and follow with a hard copy (may also be done with FTP secure site) of all processed items showing serial number, amount paid, date paid, and Vendor ID number. The data transmittal shall also include data for all rejected drafts including rejection reasons.

**Response:**

Please review section "a) Data File Transmittal for a detailed response to daily transfer of files. The following provides a description of our "All Items" report and an example of that report.

**All Item List (02) - WICRPT2**

Provides a listing of all paid and returned checks for the month, with check number, paid date, dollar amount, farmer or vendor number (if provided in issuance record), first use date, and status code as paid or returned, by reason. This is the same data as provided in the redemption file. It is a large report, and provides a complete audit trail of processing.



CHECK NUMBER	VENDOR NUMBER	PAID AMOUNT	MAXIMUM AMOUNT	FIRST DATE	CHECK TYPE	CODE	PAID DATE	CHECK NUMBER	VENDOR NUMBER	PAID AMOUNT	MAXIMUM AMOUNT	FIRST DATE	CHECK TYPE	CODE	PAID DATE
4103	2004	8.72	16.50	04-09			04-28	192793	6408	14.52	39.78	04-08			04-28
5873	6626	5.33	8.80	04-10			04-28	192795	6408	6.48	13.20	04-08			04-28
5874	6626	5.33	8.80	04-10			04-28	192930	6408	67.25	93.45	04-08			04-28
5979	6175	25.48	48.58	04-18			04-28	192931	6408	6.27	9.87	04-08			04-28
5982	6175	8.41	15.72	04-18			04-28	200432	6340	8.32	14.85	04-03			04-28
5987	6175	19.70	44.18	04-18			04-28	200433	6340	4.94	8.80	04-03			04-28
22754	426	9.92	19.25	04-10			04-28	200602	6653	18.93	41.32	04-06			04-28
22762	6030	16.74	44.73	04-10			04-28	200604	6653	4.58	8.80	04-06			04-28
22764	6030	4.98	8.80	04-10			04-28	208966	891	16.39	26.93	04-17			04-28
22779	6030	57.15	93.45	04-10			04-28	214364	1	14.34	28.05	04-10			04-28
23058	426	6.57	13.20	04-14			04-28	214365	1	7.83	13.20	04-10			04-28
23149	426	4.86	14.85	04-13			04-28	214375	1	46.85	93.45	04-10			04-28
23205	426	4.67	8.80	04-09			04-28	214376	1	46.85	93.45	04-10			04-28
23239	426	15.31	41.32	04-10			04-28	237717	6420	7.36	14.28	04-04			04-28
23246	426	54.65	93.45	04-10			04-28	251836	7953	15.05	41.32	04-02			04-28
23375	9100	5.18	8.80	04-19			04-28	251837	7953	8.36	14.85	04-02			04-28
23428	503	21.36	45.72	04-03			04-28	260534	261	11.77	19.25	04-03			04-28
52438	891	9.36	14.85	04-17			04-28	260535	261	10.68	17.60	04-03			04-28
52439	891	7.48	13.20	04-17			04-28	279645	130	57.15	93.45	04-16			04-28
52502	891	20.46	43.05	04-17			04-28	324312	2464	28.29	49.13	04-08			04-28
52514	891	3.29	4.40	04-17			04-28	324416	7204	12.47	23.65	04-05			04-28
52686	891	8.78	14.85	04-17			04-28	324456	7937	49.15	93.45	04-05			04-28
52861	891	62.95	93.45	04-17			04-28	324462	7937	11.22	23.65	04-05			04-28
52915	891	16.96	28.05	04-17			04-28	324463	7937	4.44	8.80	04-05			04-28
53087	891	18.92	48.58	04-17			04-28	324523	7937	23.09	41.32	04-05			04-28
53095	891	6.24	8.80	04-17			04-28	324656	7937	9.38	22.62	04-05			04-28
76579	6001	8.17	17.60	04-15			04-28	324657	7937	1.33	4.40	04-05			04-28
76584	6001	67.15	93.45	04-15			04-28	324713	6866	7.02	13.20	04-05			04-28
83492		5.15	0.00	04-13	R-M/VEND		04-28	339353	6740	8.08	17.60	04-10			04-28
83573	7699	21.53	45.72	04-20			04-28	357684	6814	51.96	74.76	04-16			04-28
83603	1	22.71	48.58	04-24			04-28	357685	6814	2.99	6.58	04-16			04-28
100256	6464	7.88	14.85	04-08			04-28	357821	6683	5.32	14.85	04-19			04-28
119664	6281	6.23	10.45	04-07	P-FORCE		04-28	358564	6817	5.83	10.45	04-17			04-28
119665	6281	5.48	8.80	04-07	P-FORCE		04-28	358565	6817	4.88	8.80	04-17			04-28
119932	7230	4.77	8.80	04-03			04-28	361232	6154	18.98	44.18	04-09			04-28
120082	954	19.06	44.18	04-11			04-28	361233	6154	6.14	14.85	04-09			04-28
120234	954	7.92	14.85	04-11			04-28	361579	6718	14.54	41.32	04-04			04-28
125933	1742	10.24	17.60	04-13			04-28	361581	6718	5.01	8.80	04-04			04-28
125990	7680	7.45	14.85	04-10			04-28	361664	426	19.71	45.72	04-13			04-28
180423	9190	22.90	48.58	04-04			04-28	361674	426	52.60	74.76	04-08			04-28
180529	6865	11.29	19.23	04-04			04-28	366731	1947	21.85	39.78	04-01			04-28
180601	9830	9.24	14.85	04-04			04-28	366734	1947	20.54	44.18	04-01			04-28
180602	9830	5.94	8.80	04-04			04-28	375976	6408	18.70	44.18	04-08			04-28

## Task 8

The Vendor shall supply to WIC the Food Instruments (FI's) for WIC and Farmer's Market Nutrition Program (FMNP) printed on appropriate ledger weight paper, designed to WIC's specifications. The Vendor must provide laser printed labels for each box to include the beginning and ending FI number contained therein with the box number. Both of these will be encoded with a scannable bar code. Sample Copies of both the participant FI and shipping label are included as Attachment D & E. Quality of FI stock cannot be changed without prior written approval of the State.

FI stock measures three and one-half inches (3 1/2") in height and eight and one-half inches (8 1/2") in length which includes the attached check stub. Wight of check stock should be at least ledger weight. Sample of WIC and FMNP Fi's are attached. These samples include a Vendor stamp.

WIC FI stock will be requested in approximate lots of 1,000,000.

FMNP FI stock will be requested in approximate lots of 50,000

SFMNP FI stock will be requested in approximate lots of 200,000

Response:



FSMC understands and will deliver to the specifications and requirements listed above. The following provides the Program with information about the subcontractor that FSMC will be using to provide check stock for WIC, FMNP and SFMNP.

**Summary:**

Name and Address	Scope Description	Number of Years Providing WIC Check Stock	Number of WIC Checks Produced since 2001
Creative Division of Royal Business Forms 600 12 Oaks Center Dr., Suite 215, Wayzata, MN 55391	Printing, Distribution, Inventory and Warehousing of WIC and FMNP/SFMNP check sock.	11	100 Million checks

**Detail:**



FSMC will use Creative Division of Royal Business Forms (Creative) to provide the printing, distribution, inventory and warehousing of WIC, FMNP and Sr. FMNP stock for the Program. Creative is located at 600 12 Oaks Center Dr., Suite 215, Wayzata, MN 55391. Creative was founded as Creative Business Forms (CBF) by its President, John Schommer, in 1985 as an independent printing distributor. Over the years Royal Business Forms (RBF) had been CBF primary supplier for financial documents. CBF and Royal Business Forms both recognize the need not only to anticipate customer's ever changing needs but to bring customers a new and unique flow of ideas which help accomplish customer's objectives. As of January 1, 2006 CBF joined RBF to operate as The Creative Division of Royal Business Forms (Creative). This union provides a larger customer support team to take care of the needs of the many WIC and financial document programs. In the 2006 fiscal year, Creative and RBF expect revenues of approximately 18 million dollars. This type of volume allows Creative to remain viable in a very competitive marketplace. Creative/RBF employs 103 trained staff that provides the services of printing, shipping, customer service and check design.

Creative's relationship with FSMC dates back to 1986 when Creative started producing rebate checks for FSMC's customers. What began as a singular



program to print rebate checks has grown into a specialized line of MICR document product offerings that includes the WIC market. In 1995 Creative entered the WIC market. Creative handles checks for numerous state WIC, FMNP or SFMNP programs. We provide services to Iowa, Hawaii, Louisiana, Maryland, Nebraska, New Jersey, North Carolina, Rhode Island, Wisconsin, The territory of Guam, and several Native American Tribes. Over the past five years, Creative has produced in excess of 100 million checks for WIC, FMNP, and SFMNP FSMC customers.

Creative manages check inventories, handles periodic releases whether it be a quarterly release for Hawaii or as often as daily for New Jersey. They handle many ancillary products such as rubber stamps, ID folders, WIC certification forms, check registers, plastic sleeves for the checks, etc. Creative handles these products from the initial concept through the implementation of the product along with managing the inventory and providing regular shipments of the products. Creative interacts directly with the various State Programs and WIC Local Agencies for forms ordering and problem resolution.

Creative is a strong contributor in working with FSMC to develop our WIC product offerings. To service the varying needs of numerous WIC programs effectively, Creative has developed special controls for tracking the distribution and numeric sequence of checks sent to each WIC Local Agency. They perform MICR tests, provide printed or laser check stock, manage inventory, handle periodic shipments to as many as 98 (ninety eight) individual WIC Local Agencies within each state.

The Creative WIC account manager is Mark Heesen who has 20 years of forms experience. Mark came to Creative in March of 1997. He has been managing our WIC programs since July of 2001.

## **Task 9**

The Vendor must purchase and print all FIs stock at the request of the State. The Vendor will be notified of the exact time and date for the delivery to the State storage area. A FI packing slip will be sent to the State which will include the beginning and ending FI numbers and box numbers of all FIs shipped.

Invoices for printing and shipping of drafts are passed through to the Office of Nutritional Services. Therefore, vendor shall attach a copy of their supplier's invoices to their monthly invoice for banking services.

### **Response:**

FSMC understands and will deliver on the above requirements.



## **Task 10**

The Vendor must data enter and verify (keying and key verifying) the four (4) digit WIC and three (3) digit FMNP Vendor stamp code to redemption and rejections records.

### **Response:**

FSMC will comply with the requirement outlined; however our current process has proven to be extremely accurate with only the data entry capture taking place once. FSMC utilizes automated OCR software along with a manual data entry process to capture the vendor number for both WIC and FMNP. Though errors can occur, we currently have an accuracy percentage of 99.99%. Moving to a dual verification will increase the processing time and cost to the Program. The high accuracy percentage is obtained by re-verify the vendor number only on the items which are identified as possible returns.

## **Task 11**

When MICR –line errors occur, if the original redeemed FI was the one in error, the redemption record **MUST** be sent with redemption record of what the FI should have been with a redemption code indicating MICR error.

### **Response:**

When it is determined after researching duplicate items that a serial misread occurred on the first clearing, FSMC will notify the state of the accurate information through a redemption file. Additional requirements will need to be discussed to document file layout information.

## **Task 12**

The State must have the capability to send correction transactions to the vendor to perform such things as unvoiding FI's that were erroneously sent to the vendor as voids.

### **Response:**

FSMC uses the check serial number as the unique key to each issuance record sent to us. If the State sends us an updated issuance record with a check serial number that is already present in our system. The new issuance record will overlay the old record. This process allows the State to send correction transactions in their regular issuance file.



## **Task 13**

All Farmers Nutrition Program (FMNP) Food Instruments (FI) will be preprinted (not client specific) with a \$2.00 redemption value. They will be a different color than the normal WIC FI and passed out at the WIC clinics. FMNP FI's must clear through a different bank account than WIC FIs. Monthly charges for the FMNP account must be identified separately from the WIC account on the on monthly invoice.

There will also be a second FMNP FI for the Senior Farmers Market Nutrition Program. This FI will be a different color than the WIC FMNP FI and must have a separate bank account. Monthly charges for the Senior Farmers Market Nutrition Program account must be identified separately from the WIC and WIC FMNP account on the monthly invoice.

The only edit for FMNP drafts will be for missing Vendor stamp and signature. These rejects will be returned to the Vendor through the banking system.

### **Response:**

FSMC supports 24 FMNP and SFMNP programs. We understand that FMNP and SFMNP are separate programs with different regulations and funding budgets. To allow for a clear audit trail for each program, FSMC will:

- ✿ Provide separate bank accounts for WIC, FMNP and SFMNP
- ✿ Provide separate bank statements
- ✿ Provide separate redemption files
- ✿ Provide separate reports, but in a combined file
- ✿ Provide separate invoices

FSMC understand that the two edits for FMNP and SFMNP checks will be missing vendor stamp and missing signature.

## **Task 14**

During close-out of each Federal FY (October-February), the Vendor will provide activity reports to WIC splitting the daily clearing WIC activity of all FIs between the two Federal FYs. This report can be provided monthly.

### **Response:**

FSMC already has a report in place to provide redemption by issuance month. The following is a description of our Posting Summary and an example of the report.



## Posting Summary (01) - WICRPT0

Report provides the posted, returned and net paid totals along with adjustments. Provides totals by return and paid reason. The monthly report provides total posted, returned and net paid for each day and monthly total. A separate report is provided for WIC and Farmer Market. This report is currently provided daily and monthly.

SECURITY STATE BANK OF HOWARD LAKE  
 INSTITUTION NR. 3  
 STATE: WV ACCOUNT: 802732

CLOSEOUT - POSTING SUMMARY  
 AS OF REPORT DATE  
 ALL ITEMS

REPORT DATE 4/28/06 PAGE 1  
 RUN DATE 5/01/06 WICRPT0  
 TIME PREPARED 10:39:58:14 RPT: 3010

R E V E R S E D				D E B I T S			A D J U S T E D				D E B I T S			
CHECK NUMBER	VENDOR NUMBER	REV AMOUNT	MAXIMUM AMOUNT	FIRST PAID DATE	PAID DATE	TRACE NUMBER	CHECK NUMBER	ORIGINL AMOUNT	ADJUST AMOUNT	NEW AMOUNT	VENDOR NUMBER	FIRST PAID DATE	PAID DATE	TRACE NUMBER
							1335798	47.02	37.65	9.37	6298	04-01	04-28	3508084
							1591622	16.16	6.00	10.16	6629	04-25	04-28	3571740
							1658051	9.37	3.63	5.74	6298	04-04	04-28	3508085

### S U M M A R Y T O T A L S

	COUNT	AMOUNT		CODE	RETURN REASON	COUNT	AMOUNT	%
POSTED	9,624	193,688.24		F 01	MISSING VENDOR #	14	145.37	36.8
RETURNED	38	784.65	0.48	K 03	UNREADABLE VENDOR#	1	63.45	2.6
REVERSED DB	0	.00		G 22	MISSING 1ST SIGNATURE/VOI	2	28.42	5.3
ACH REISSUE	0	.00		J 31	ALTERED / VOID	1	10.46	2.6
ADJUSTMENTS	(3)	47.28		B 41	UNREASONABLE DOLLAR/VOID	17	434.56	44.7
NET PAID	9,586	192,856.31		M 50	2ND PRES/VOID DO NOT REDE	3	102.39	7.9
						38	784.65	

### N E T P A I D B R E A K D O W N

BY ISSUE MON	PAID COUNT	PAID AMOUNT	RETURN COUNT	RETURN AMOUNT	BY PAID REASON	COUNT	AMOUNT
02	4	87.01	1	10.46	ADJUSTMENTS	3	25.27
03	412	6,671.24	1	2.95	COMPLIANCE BUY	1	22.34
04	9,159	185,841.20	36	771.24	FORCE AUTHORIZED STAMP	16	245.82
05	7	193.72	0	.00	FORCE VENDOR # END MISSIN	63	1,291.73
06	3	40.80	0	.00	PREVIOUSLY RETURNED	12	170.69
NOT ISSUED	1	22.34	0	.00	REDEEMED AT MAXIMUM	2	13.14
					FORCE VENDOR # END UNREAD	2	36.59
	9,586	192,856.31	38	784.65	REGULAR PAID	9,487	191,050.73
						9,586	192,856.31

\*\*\* END OF REPORT \*\*\*

## Task 15

The State required the zero balance bank account be maintained for the daily FI clearing activity.

### Response:

Please review section "a) Daily Funding Process" for a complete description of our proposed funding process that provides zero balance bank accounts for WIC.

## Task 16

The Vendor will be required to bid by the following record retention schedule for all cleared FIs:

Actual drafts – 90 days from end of month redeemed



Either DVD/CD-ROM or on-line access (front and back) – 3 years  
(if CD-ROM technology is used, Vendor must supply State with DVDs/CDs)

**Response:**

FSMC will hold physical checks for 90 days after the end of the month redeemed. We will provide a seven year on-line archive of check images.

**Task 17**

The Vendor will provide a secure on-line method for WIC staff to review and print draft images of redeemed and rejected drafts. These images should be available within 7 days of redemption or rejection of the draft. DVD/CD-ROMs should be provided of these images on a monthly basis. This is for WIC and FMNP drafts.

**Response:**

See section “e) Internet Image Retrieval and Search System” for a complete narrative about our solution to this requirement.

**Task 18**

The Vendor will provide an on-line secure method for WIC staff to look up draft status for a specific draft or drafts that meet multiple search criteria. Searched should include at a minimum the following. Vendor Number, Vendor Class, FIs (range and a list of numbers), Draft Status, Rejection Reason, Draft Type, Food Code, WIC ID, Local Agency/Site, Exception Handling, 1<sup>st</sup> date to spend, Paid Date (single or range), WIC Condition, % of Max Range, Amount Range, Calculate Average by Draft type of draft types or Vendor class selected. The search result should be downloadable to a spreadsheet. On-Line images should be able to be retrieved from the search result table. This On-Line site should also give a daily summary of all drafts processed by day.

**Response:**

See section “e) Internet Image Retrieval and Search System” for a complete narrative about our solution to this requirement.

**Task 19**

A secure FTP site will be setup for WIC to transmit and retrieve banking files. WIC will transmit issuance data to this site daily, Vendor file (monthly or more frequently if needed), and a maximum draft type amount file (quarterly or more frequently if needed). The Vendor will place the redemption/rejection paid file (daily), the reports file (daily) and a monthly report summary file on this site for WIC staff to retrieve.



**Response:**

See section "a) Data File Transmittal" for a complete narrative about our solution to this requirement.

