



Memorandum

#19-084

TO: WIC Local Agency Directors

FROM: Amanda Hovis, Director
Nutrition Education / Clinic Services Unit
Texas WIC Program

DATE: October 31, 2019

SUBJECT: Tracking Drop Shipments

There have been challenges with tracking drop shipped formula. In accordance with Policy No. FD: 09.0, the drop shipment process must provide a method for reconciling formula paid to vendors to a valid participant issuance to ensure an adequate audit trail.

Endorser's Electronic Signature

The endorser's electronic signature is required when the drop shipped formula is picked up. It confirms receipt of the formula and prompts Medicaid reimbursement and rebate for the drop shipped order.

After the drop shipped formula has been "received" and "issued" in TXIN:

- Confirm that the electronic signature is captured in TXIN after the endorser has electronically signed the Drop Ship Issuance form.
- Confirm that the formula quantity has transferred from the "available quantity" column to "redeemed" column in the Family Benefit Issuance section on the Family screen. The "available quantity" should be "0".

After several attempts, if the endorser's electronic signature is not captured:

- Manually complete the attached Drop Ship Issuance form and obtain the endorser's signature. Scan the signed form into the "Notes" section on the "Orders" page (Family screen) and give the form to the endorser.
- Include a note in the "Notes" section on the "Orders" page stating that the "signature was not captured in TXIN".

Tracking Drop Shipments

Complete the following steps to expedite proper payment to vendors and to ensure an adequate audit trail for drop shipped formula.

If the endorser does not pick up the drop shipped formula during the original scheduled issuance month:

- **Keep the formula** if the desired quantity for the following month is **equal to** the drop shipped quantity.

Example: If the drop shipped quantity is 7 cans and the client will need 7 cans of that formula for the following month, keep the formula.

- Contact the client to arrange for formula to be picked up within the **first 5 working days** of the following month. The formula must be issued to the **same client**.
- Create a new order if there is no order for the following month.
- Contact the vendor and inform them that the formula will be kept for the next month and not to deliver additional formula.
- Include the following in the "Notes" section on the "Orders" page:
 - "The formula will be kept for <name of month>."
 - "The vendor will not deliver additional formula."
 - Document the 5-digit EBT Order Number for the unredeemed order. For example, if using January's (unredeemed) order for February, include January's EBT Order Number in the Notes section for February's drop ship order.
- Cancel the unredeemed order.
- **Return the formula** if the desired quantity for the following month is **NOT equal to** the drop shipped quantity.


Example: If the drop shipped quantity is 7 cans and the client will need 6 cans or less or 8 or more cans for the following month, return the formula.

- Create an order if there is no order for the following month.
- Cancel the unredeemed order.
- Contact the vendor and include a note in the "Notes" section on the "Orders" page that the formula was not picked up and will be returned.
- Include the actual date that the formula was returned to the vendor.
- **Return the formula** to the vendor if the endorser did not pick up the formula within the first 5 working days of the following month. Do not save the formula for a different client.

If you have any questions regarding the drop shipment process, contact Tammye Farmer-Holloman, WIC Food/Formula Specialist, at the state WIC office at (512) 341-4578 or email her at: Tammye.FarmerHolloman@hhsc.state.tx.us

AH/tefh

Attachment: Drop Ship Issuance Form dated 10/19

Drop Ship Issuance		
	Pick Up Date:	
	PAN Number:	50771710_____

Drop Ship Formula:

No.	Name and Type of Formula	Expiry Date	Qty

Comment:

Client/Endorser Signature