

Chapter 11

Vendor Management

Table of Contents

The WIC program food delivery system authorizes retail grocers and pharmacies to provide foods for Program participants. This chapter covers vendor policies and procedures related to authorizing and maintaining WIC vendors, transacting food instruments and cash-value vouchers, replacing food instruments and cash-value vouchers, vendor monitoring, and sanctioning vendors, using a point-based vendor system.

Section 1.	Authorizing WIC Vendors	1
	▪ Selection Criteria	
	▪ Competitive Pricing And Price Limitations	
	▪ Maximum Allowable Prices	
	▪ Responsibilities Of Local WIC Agencies	
	▪ Responsibilities Of the State WIC Agency	
Section 2.	Maintaining Vendor Status	9
	▪ Required Paperwork	
	▪ Annual Vendor Training	
	▪ On-Site Monitoring	
	▪ Customer Service	
	▪ Complaints About Vendors	
	▪ Minimum Inventory	
	▪ Infant Formulas, Exempt Infant Formulas, And Medical Foods	
Section 3.	Store Changes	13
	▪ Ownership of Store	
	▪ Vendor Name	
	▪ Vendor Address	
	▪ Vendor Manager	
	▪ Vendor Ends WIC Agreement	
Section 4.	Transacting WIC Food Instruments And Cash-value Vouchers.....	15
	▪ At The Check-out Counter	
	▪ Prior to Bank Deposit	
	▪ At/After Bank Deposit	
	▪ Correction Of Errors By Vendors	
	▪ Payments Made Through Account Clearinghouse (ACH)	
Section 5.	Replacing Food Instruments And Cash-value Vouchers	19
	▪ Guidelines For Determining Replacement Options For Food Instruments And Cash-value Vouchers	
	▪ Replacement Of Food Instruments And Cash-value Vouchers By Local Agency Staff	
	▪ State/Federal Approval For Replacement	

Section 6.	Replacing/Returning Vendor Stamps	23
	▪ Replacing Vendor Stamps	
	▪ Returning Vendor Stamps To The Nutrition Services Branch	
Section 7.	Vendor Routine Monitoring	25
	▪ Monitoring Requirements	
	▪ Documentation Requirements	
Section 8.	Vendor Sanction System.....	27
	▪ Types Of Violations	
	▪ Vendor Disqualification	
	▪ Vendor Claims	
Section 9.	Appeals	29
	▪ Reasons For An Appeal	
	▪ Filing An Appeal	

Attachments

Attachment 1A.	Vendor Replacement Request Form
Attachment 1B.	Replaced Food Instrument or Cash-value Voucher Documentation Form (DHHS 2931)
Attachment 2.	Request for Vendor Stamp Replacement/Vendor Stamp Return Form
Attachment 3.	Vendor Management Complaint Intake Form
Attachment 4.	Participant Access Form
Attachment 5.	Participant Hardship Form
Attachment 6.	Vendor Sanction System Table
Attachment 7.	Vendor Stamp

Required Local Agency Written Policies And Procedures

- Local agencies should have a written policy addressing when they accept vendor applications. (Section 1, page 1)

Authorizing WIC Vendors

A vendor must be authorized before the vendor can accept WIC food instruments (FIs) or cash-value vouchers (CVVs). The vendor authorization process involves several steps and requires the vendor applicant, the Local WIC Agency, and the State WIC Agency to work together. Once authorized, the vendor must comply with the vendor selection criteria throughout the agreement period, including any changes to the criteria. The State WIC Agency may reassess the vendor at any time during the agreement period and will terminate the vendor agreement if the vendor fails to meet the current vendor selection criteria.

Local WIC Agencies must accept vendor applications at least one month every quarter. For instance, if a Local WIC Agency accepts vendor applications in March, it is not required to accept them again until June. Local WIC Agencies must have a written policy addressing when they accept vendor applications.

■ Selection Criteria

Vendor applicants must meet selection criteria established by the United States Department of Agriculture (USDA) and the North Carolina WIC Program to become an authorized vendor. A vendor applicant must meet the following selection criteria:

- ▶ Be an authorized Supplemental Nutrition Assistance Program (SNAP) vendor (free-standing pharmacies are exempt from this requirement). A vendor applicant shall not become authorized as a WIC vendor if the store is currently disqualified from SNAP or the store has been assessed a SNAP civil money penalty for hardship and the disqualification period that otherwise would have been imposed has not expired;
- ▶ Not use the acronym “WIC” or the WIC logo, including facsimiles thereof, in total or in part, in the official name in which the business is registered or in the name under which the store does business;
- ▶ Accurately complete the WIC Vendor Application, WIC Price List, WIC Vendor Agreement, Vendor Authorization Agreement for Direct Deposit (ACH Credits) form, and either a Above Fifty-Percent Vendor Self Declaration form (retail grocery stores) or Cost-Containment Exemption form (free-standing pharmacies only). A full Vendor Application, Agreement and other required vendor-related forms must be completed prior to reauthorization to ensure that all established selection criteria are met and documented.
- ▶ Maintain current shelf prices that do not exceed the maximum price for each food within the vendor applicant's peer group;
- ▶ Pass a monitoring review conducted by the Local WIC Agency to determine whether the store has the required minimum inventory of supplemental foods;
- ▶ Maintain inventory within valid expiration dates;
- ▶ Attend, or have a manager or other authorized store representative attend, WIC Vendor

Training. Ensure that the applicant's employees receive instruction in WIC Program policies, procedures and requirements;

- ▶ Mark the current shelf prices of all WIC supplemental foods clearly on the foods or have the prices posted on the shelf or display case at all times;
- ▶ Operate the store at a single, fixed location in North Carolina. The store must be located at the address indicated on the WIC vendor application and must be the site at which WIC supplemental foods are selected by the WIC customer;
- ▶ Be open throughout the year for business with the public at least six days a week, for at least 40 hours per week, between 8:00 a.m. and 11:00 p.m.;
- ▶ Purchase all infant formula, exempt infant formula, and WIC-eligible nutritionals directly from State-approved sources and provide to WIC customers infant formula, exempt infant formula, and WIC-eligible nutritionals purchased only from the State-approved sources;
- ▶ Not have any owners, officers, or managers who are employed by, or who have a spouse, child or parent employed by the State WIC Program or the Local WIC Program serving the county in which the vendor applicant conducts business. An applicant also shall not have an employee who handles, transacts, deposits, or stores WIC food instruments or cash-value vouchers who is employed by, or has a spouse, child, or parent who is employed by the State WIC Program or Local WIC Program serving the county in which the vendor applicant conducts business. Such situations present a conflict of interest;
- ▶ Not have any owners, officers, or managers who in the last six years have been convicted of or had a civil judgment entered against them for any activity indicating a lack of business integrity. Such activities include, but are not limited to: fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and obstruction of justice;
- ▶ Not currently be disqualified from participation in the WIC Program. Additionally, the vendor applicant must not have an owner, officer, or manager that currently has or previously had a financial interest in a WIC vendor that was assessed a claim by the WIC Program and the claim has not been paid in full;
- ▶ Not be expected to operate as a predominantly WIC vendor (PWV), as determined by the State WIC Program;
- ▶ Excluding chain stores and stores under a WIC corporate agreement that have a separate manager on site for each store, not have an owner who holds a financial interest in any of the following: (1) another store that is disqualified from SNAP, or has been assessed a civil money penalty ("CMP") in lieu of the disqualification and the time period during which the disqualification would have run has not expired; or (2) another store that is

disqualified from the WIC Program, or has been assessed a monetary or civil money penalty in lieu of the disqualification and the time period during which the disqualification would have run has not expired;

- ▶ Not submit false, erroneous, or misleading information in an application to become an authorized WIC vendor or in subsequent documents submitted to the State or Local WIC Agency.

NOTE: To maintain WIC vendor authorization, a vendor must redeem at least two thousand dollars (\$2,000) annually in WIC supplemental food sales at the store. A renewal applicant that has not redeemed at least two thousand dollars (\$2,000) annually in WIC supplemental food sales at the store cannot be reauthorized. Free-standing pharmacies are exempt from this requirement.

■ **Competitive Pricing And Price Limitation**

Federal regulations require State WIC Programs to establish competitive pricing and price limitations during vendor authorization. Competitive pricing considers the prices a vendor charges for supplemental foods compared to the prices charged by other authorized vendors for the same foods. Price limitations ensure that a vendor applicant maintains competitive prices as an authorized vendor. Competitive pricing and price limitations are selection criteria that must be met throughout the entire agreement period. Subsequent to authorization, a vendor must not increase their prices to levels which would make them ineligible for authorization.

The competitive pricing structure for the North Carolina WIC Program involves establishing peer groups among vendors in which to compare prices. There are five peer groups which are listed in the table below.

▶ **Definition of Peer Groups**

PEER GROUP NUMBER	Definition of Peer Groups		
	12-month Redemption	Registers	Store Class
I	\$2,000 - \$25,000	0-2	Not applicable
II	\$25,001 - \$75,000	3-5	Not applicable
III	\$75,001 - \$300,000	6 or more	Not applicable
IV	\$300,001 or more	Not applicable	Chain stores, stores under a WIC corporate agreement and military commissaries

PEER	Definition of Peer Groups		
V	Not applicable	Not applicable	Free-standing pharmacies

► **Determination of Peer Groups.** Peer groups will be determined using the following system:

- **Store classification.** This system supersedes redemption history and the number of registers for chain stores, stores under WIC Program corporate Vendor Agreement, military commissaries, and free-standing pharmacies. For example, a new major chain store is automatically assigned to peer group IV.
 - **Chain Store:** A store owned or operated by a corporation, partnership, cooperative association, or other business entity that has 20 or more stores owned or operated by the business entity.
 - **Free-standing Pharmacy:** A pharmacy that does not operate within another retail store. This includes free-standing pharmacies that are chain stores and free-standing pharmacies participating under a WIC corporate agreement. Pharmacies that operate within a retail store, such as a chain store, are not included in this category. Such pharmacies will be authorized as part of the retail store and will not be authorized independently.
- **Number of registers.** This system is used when a vendor applicant is not grouped by store classification and annual WIC Program redemption history is not available.
- **Most recent 12-month WIC Program redemption history.** Vendors for which annual redemption history is available will be placed in a peer group based on the vendor’s redemption data. This system supersedes the number of registers and excludes vendors assigned to a peer group based on store classification.

An individual vendor will be assigned a peer group by applying store classification, if applicable, or 12 month redemption history, if available, or number of registers.

■ **Maximum Allowable Price (MAP)**

A Maximum Allowable Price (MAP) is established for each supplemental food for each peer group, except exempt infant formulas and WIC-eligible nutritionals. The MAP is set at the 97th percentile of the current highest shelf price for most supplemental foods within a vendor peer group. The payment for any food instrument cannot exceed the MAP for the combination of foods on that food instrument. The MAPs are established using WIC Price List data twice per year and market basket price list data twice per year.

Formula prices depend on the type of formula. Contract standard milk and soy-based infant formulas use MAPs based on price list data. MAPs are posted on the State WIC Agency

website, <http://www.nutritionnc.com/wic/vendor.htm>. Exempt infant formulas and WIC-eligible nutritionals (medical foods) do not have MAPs, but instead, payments are based on current shelf price.

A list of infant formulas, exempt infant formulas, and WIC-eligible nutritionals (medical foods) allowed through the WIC Program can be found in Chapter 7, Attachment 1 and on the Nutrition Services Branch website, <http://www.nutritionnc.com/wic/vendor.htm>

■ Responsibilities Of Local WIC Agencies

- **Provide Orientation Training.** Each Local WIC Agency must provide training to vendor applicants in their local service area. This training may be done individually or in a group; however, a Verification of Attendance form must be completed. Local WIC Agency staff must:
 - Review information on the following topics. For additional information on these topics, refer to the Vendor Manual and to materials provided by the State WIC Agency for the annual vendor training.
 - Purpose of the WIC Program
 - The responsibility of vendors for the actions of their employees
 - Vendor selection criteria
 - WIC approved foods
 - Proper handling of complaints
 - Proper transaction procedures
 - Use of compliance purchases to collect evidence of improper vendor procedures
 - Proper treatment of WIC customers
 - Description of vendor sanction system
 - Description of vendor complaint process
 - Maintaining inventory records for 3 years or until all audits are complete
 - Security of the vendor stamp (including not duplicating it) and all food instruments and cash-value vouchers imprinted with it
 - Claims procedures
 - Supplemental foods authorized by the State WIC Agency
 - Minimum varieties and quantities of supplemental foods that must be stocked
 - Obtaining infant formula only from sources included in the State agency's list of State-licensed infant formula wholesalers distributors, retailers, and manufacturers registered with the U.S. Food and Drug Administration
 - Changes in program requirements since the last training
 - Replacement food instruments and cash-value vouchers
 - Vendor requests for technical assistance
 - Reauthorization
 - Reporting changes of ownership, location, or cessation of operations
 - Procedures for appeal/administrative review
 - WIC/SNAP sanction reciprocity and information sharing
 - Provide each potential vendor with a current WIC Vendor Manual. These manuals

may be ordered from the State WIC Agency or downloaded from <http://www.nutritionnc.com> .

- ▶ **Provide Application Forms.** For all vendor applicants that will not be operating under a corporate contract, local staff must also:
 - Provide them with a WIC Price List and Vendor Agreement and refer them to Vendor Manual for instructions to complete the forms. Refer to Chapter 1 for information on obtaining vendor forms from the Nutrition Services Branch.
 - Determine from the vendor when completed forms will be returned to the Local WIC Agency.
 - Provide a contact number for questions.
- ▶ **Review Completed Forms.** Once the completed application forms are returned by the vendor to the Local WIC Agency, staff must review them. Forms with any errors or problems should be returned to the vendor for correction, **prior** to submission to the State WIC Agency.
 - Agreements should be reviewed for completeness, consistency and accuracy. *For Example: The store name must be consistent throughout the paperwork.*
 - Applications should be reviewed for completeness, consistency and apparent accuracy. *For Example: If on page 1, ownership is marked as “individual” and page 3a is filled out with more than one owner, this inconsistency must be corrected.*
 - Price Lists should be reviewed for minimum variety and inventory requirements in addition to completeness, consistency and apparent accuracy. If a vendor applicant has prices above the MAP for its assigned peer group, the State WIC Agency notifies the vendor applicant in writing. The vendor applicant is then given an opportunity to submit a revised WIC Price List within 30 days. If any of the vendor applicant’s resubmitted prices exceed the MAP or the vendor does not resubmit prices within 30 days, the application is denied in writing. The applicant must wait 90 days from the date of the written denial to reapply for authorization.
- ▶ **Perform a Pre-Authorization Monitoring Visit.** For each vendor applicant, staff must complete a pre-authorization monitoring visit of the store to determine if the vendor applicant meets WIC vendor requirements. A vendor applicant must pass the monitoring review to become authorized.
 - Staff must use the Vendor Monitoring Form (DHHS 2925). For retail grocery vendor applicants, staff must complete sections II, III, IV (review only), V, and VII (MUST pass). For free-standing pharmacy vendor applicants, staff must complete sections II, III, IV (review only), and VII (MUST pass). Sections I and VI cannot be filled out since the vendor is not yet authorized to accept food instruments or cash-value vouchers.
 - The first pre-authorization monitoring visit is announced. Local WIC Agency staff must set up a time to conduct the visit with the vendor applicant. If the vendor

applicant fails the first monitoring visit, staff must:

- advise the vendor applicant of the mandatory 90-day waiting period if they fail a second monitoring, and
- re-monitor the vendor within two (2) weeks.

- The second pre-authorization monitoring visit is unannounced. If the vendor applicant fails a second time, staff must send all forms to the State WIC Agency (Attention: WIC Vendor Unit). The Vendor Unit will send a letter to the vendor applicant, with a copy to Local WIC Agency, stating that the store cannot reapply for a period of 90 days from the date of the second monitoring visit.

▸ **Submit Vendor Authorization Forms to the State WIC Agency**

- Send copies of all forms for each vendor **together in one packet** to the State WIC Agency (Attention: WIC Vendor Unit).
 - For the Vendor Agreement, send the white, yellow and green copies of page 1;
 - For all other vendor forms, send only the white copy. Directions for distributing the remaining copies are on the bottom of each form.
- For each vendor not operating under a corporate agreement include:
 - WIC Vendor Application (DHHS 3282)
 - WIC Price List (DHHS 2766) or WIC Price List for Free-Standing Pharmacies (DHHS 2766-P)
 - Free-standing pharmacies are only required to submit a WIC Price List for Free-Standing Pharmacies (DHHS 2766-P) at authorization and reauthorization. Free-standing pharmacies are required to complete a specialized price list containing exempt infant formula and WIC-eligible nutritionals (medical foods).
 - WIC Vendor Agreement (DHHS 2768) or WIC Vendor Agreement for Free-standing Pharmacies (DHHS 2768-P)
 - Pre-authorization Monitoring Report (DHHS 2925) – the pre-authorization monitoring visit must be performed **prior** to submitting forms to the State WIC Agency
 - Vendor Authorization Agreement for Direct Deposit (ACH Credits) (DHHS 2930)
 - Above Fifty-Percent Vendor Self Declaration (retail grocery applicants) or Cost Containment Exemption Form for Free-standing Pharmacy Vendors (pharmacy applicants)
 - Verification of Attendance form
- For each vendor applicant that operates under a corporate agreement, include:
 - WIC Vendor Application (DHHS 3282)
 - Pre-authorization Monitoring Report (DHHS 2925) –the pre-authorization monitoring visit must be performed **prior** to submitting forms to the State WIC Agency
 - Vendor Authorization Agreement for Direct Deposit (ACH Credits) (DHHS

2930)

- For vendor applicants that have a different bank for each store location.
- Above Fifty-Percent Vendor Self Declaration (retail grocery applicants) or Cost Containment Exemption form for Free-Standing Pharmacies (pharmacy applicants)
- Verification of Attendance form

■ Responsibilities Of The State WIC Agency

- **Provide Training.** Each year, the State WIC Agency provides vendor training to Local WIC Agencies. Part of this training includes training materials that Local WIC Agencies should use to train vendors.
- **Authorize Vendor Applicants.** The State WIC Agency determines whether to approve a vendor after it receives the appropriate information from the Local WIC Agency.
 - If a vendor applicant successfully meets the selection criteria to be a WIC vendor, completes the required forms, and passes the pre-authorization monitoring visit, then the State WIC Agency will assign the vendor, through the Local WIC Agency, a unique number and a stamp bearing that number. Only authorized vendors can accept food instruments or cash-value vouchers.
 - If the State WIC Agency denies the vendor applicant's application, the vendor can appeal the decision. Written communication from the State WIC Agency to the vendor will explain the appeal process. Refer to Section 9 and to Chapter 14 for more information on appeals.

Maintaining Vendor Status

As long as a vendor meets Program requirements, they may continue to be an authorized WIC vendor. Requirements for maintaining vendor status are further described in the WIC Vendor Manual (downloadable from <http://www.nutritionnc.com>).

■ Required Paperwork

Vendors must complete required forms.

- ▶ **WIC Vendor Agreement** (DHHS 2768). Each vendor must sign an agreement with the Local WIC Agency by the end of each agreement period of three (3) years, depending on when an applicant is approved by the WIC program. The WIC program is not required to pay for any food instruments or cash-value vouchers accepted by a vendor without a current WIC agreement.
- ▶ **WIC Vendor Agreement for Free-Standing Pharmacies** (DHHS 2768P). Each free-standing pharmacy vendor must sign an agreement with the Local WIC Agency, specifically for free-standing pharmacies, by the end of each agreement period of three (3) years, depending on when an applicant is approved by the WIC program. The WIC program is not required to pay for any food instruments or cash-value vouchers accepted by a vendor without a current WIC agreement.
- ▶ **WIC Vendor Information Update** (DHHS 779). Each vendor must submit an information update to the Local WIC Agency by September 30 of each year and any time there is a change in store information.
- ▶ **WIC Vendor Application** (DHHS 3282). Each vendor must submit a full vendor application in years that it is required by the Nutrition Services Branch of all vendors.
- ▶ **WIC Price List** (DHHS 2766). Each vendor must submit an updated price list to the Local WIC Agency twice a year; once in March and then again in September. Vendors must also provide updated price lists within one week of written request from the Local WIC Agency. Each list should note the highest price of each item on the day that the vendor signs it. A sample of vendors will be required to submit an abbreviated price list six additional times per year.
- ▶ **WIC Price List for Free-standing Pharmacies** (DHHS 2766P). Free-standing pharmacy vendors are only required to submit a price list at authorization and reauthorization. They are required to complete a specialized price list containing exempt infant formula and WIC-eligible medical foods. Each list should note the highest price of each item on the day that the vendor signs it.

■ Annual Vendor Training

Local WIC Agencies must offer at least two dates for annual training. Vendors must attend annual training and may request additional training sessions at any time. Local WIC Agencies must retain the “Verification of Attendance” form in each vendor’s file. Local WIC Agencies

must also maintain a file of each annual vendor training which includes:

- ▶ the dates of annual training.
- ▶ a copy of correspondence announcing the training.
- ▶ the training agenda. and
- ▶ a copy of the module used for the annual training

■ **On-Site Monitoring**

Vendors are required to allow Local WIC Agency staff to monitor their store. Refer to Section 7 for more information on vendor monitoring.

■ **Customer Service**

Vendors must offer WIC customers the same courtesies as offered to other customers. For instance, vendors:

- ▶ may not have a separate check-out line for WIC participants.
- ▶ must allow WIC participants to transact more than one food instrument or cash-value voucher at a time.
- ▶ must charge WIC participants no more than the MAP (maximum allowable price) for appropriate peer group on WIC-approved foods.
- ▶ may not charge a WIC participant more for a WIC food than a regular customer.
- ▶ must not require additional non-WIC purchases.
- ▶ may not require WIC participants to buy all the items listed on a food instrument.
- ▶ may not approach participants for payment of rejected food instruments or cash-value vouchers, regardless of the reason the food instrument or cash-value voucher was rejected. Therefore, vendors may not ask participants for their names, addresses, or telephone numbers.
- ▶ may not offer incentive items to WIC customers that are not offered to non-WIC customers.

■ **Complaints About Vendors**

Local WIC Agencies should report significant complaints about vendors to the Nutrition Services Branch as soon as possible. The complaints may come from a variety of sources including WIC participants, WIC staff, WIC vendors, and members of the general public. Depending on the nature of the complaint, the Nutrition Services Branch may target the vendors for investigation.

When submitting a complaint about a vendor to the Nutrition Services Branch, refer to Attachment 3 for a sample of a Vendor Complaint form.

■ **Infant Formulas, Exempt Infant Formulas, and Medical Foods**

Vendors must purchase and provide to WIC customers infant formula from state-approved suppliers. A list of approved suppliers may be obtained at your Local WIC Agency or found at www.nutritionnc.com/wic/vendor.htm. Vendors must retain valid receipts documenting at a minimum: supplier source, itemization of purchase and date of purchase. See the Terms of the WIC Vendor Agreement for a more detailed description of these requirements. The purchase of infant formula from a non-approved supplier or failure to provide valid receipts can lead to disqualification from the WIC Program.

■ **Minimum Inventory**

Vendors must maintain minimum inventory of WIC approved foods so individuals can obtain the prescribed foods listed on their food instruments and fruits and vegetables with their cash-value voucher. This minimum inventory requirement does not apply to free-standing pharmacies. A table of specific minimum inventory requirements for vendors is displayed below.

Minimum Inventory For WIC Vendors

Food Item	Type of Inventory	Quantity
Milk	Whole fluid: gallon	2 gallons
	Skim/low-fat fluid: gallon	4 gallons
Cheese	1 pound package	2 pounds
Cereals	2 types: whole grain (minimum size 12 ounces)	6 packages
Eggs	Grade A, large, white: one dozen size carton	2 dozen
Juices	Single strength: 48 ounce container	4 containers
	64 ounce container	4 containers
Dried Peas/Beans	1 pound package	2 packages
Peanut Butter	16 to 18 ounce container	2 containers
Infant cereal	8-ounce box	6 boxes
Infant formula	Milk-based concentrate: 13 oz. Soy-based concentrate: 13 oz.	34 cans 17 cans
	Milk-based powder: 11-14 oz. Soy-based powder: 11-14 oz.	10 cans 5 cans
Fruits	14-16 ounce can: 2 varieties	6 cans
Vegetables (excludes beans in the dried peas & beans category)	14-16 ounce can: 2 varieties	6 cans

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Store Changes

There are a variety of changes that vendors make which can affect their WIC authorization.

■ **Ownership**

A vendor must notify the Local WIC Agency or the State WIC Agency when s/he ceases operation or the store ownership changes. The vendor contract shall be null and void if the store ownership changes. The question of whether a change of ownership has occurred can sometimes be difficult to determine.

- ▶ An outright sale of a store constitutes a change of ownership, causing termination of the WIC contract.
- ▶ A simple change of corporate form without change of ownership or personnel and done for legitimate purposes, does not constitute a change of ownership. In these cases, the vendor should sign a new agreement with the agency, keep its vendor number, and continue to accept WIC food instruments and cash-value vouchers.
- ▶ There are gray areas in which there may be questions regarding a change of ownership. For example, when some partners of a partnership leave and/or new partners join the partnership. In such cases, where there appears to be a “partial” change of ownership, it would be reasonable to evaluate how much impact the change will have on personnel or management. A significant impact on personnel or management may affect the integrity of the store’s WIC operation. Because there can be many variations in this gray area, Local WIC Agencies must contact the NSB WIC Vendor Unit for guidance before making a determination.

■ **Vendor Name**

If a store’s name changes but the owner(s) remain the same, then the vendor must notify the local program of the change and complete a NC WIC Vendor Information Update form (T779). The Local WIC Agency must submit the white copy of this form to the NSB, Attention: WIC Vendor Unit.

■ **Vendor Address**

If a store changes location within three (3) miles, the vendor may keep their vendor stamp. The vendor must notify the local program of the change and complete a NC WIC Vendor Information Update form (T779). The Local WIC Agency must submit the white copy of this form to the NSB, Attention: WIC Vendor Unit. Local WIC Agency staff should discuss location changes of greater than 3 miles with staff in the NSB WIC Vendor Unit.

■ **Vendor Manager**

If a store manager changes, the vendor must notify the local program of the change and complete a NC WIC Vendor Information Update form (T779). The Local WIC Agency must submit the white copy of this form to the NSB, Attention: WIC Vendor Unit.

■ **Vendor Ends WIC Agreement**

Vendors may end their WIC agreement at any time with 30 days written notice. At the end of this 30 day period, the vendor must return their WIC stamp to the Local WIC Agency office. Once the Local WIC Agency receives the vendor stamp, staff must return it to the Nutrition Services Branch, Attention: WIC Vendor Unit. Refer to Section 6 for more information about returning stamps.

Vendors should inform their clients of the date after which they will no longer accept WIC food instruments or cash-value vouchers. Local WIC Agency staff should also post a notice in the WIC clinic area informing participants that the vendor is no longer WIC authorized.

Transacting WIC Food Instruments and Cash-value Vouchers

The food instrument or cash-value voucher transaction must take place at the vendor site. In other words, the participant, parent, guardian or proxy must select the WIC supplemental food at the vendor site.

Local WIC Agencies should stress the importance of having all store personnel follow proper WIC procedures. If vendor staff does not follow proper transaction procedures, the food instruments or cash-value vouchers may be rejected. In addition, the Local WIC Agency or Nutrition Services Branch may investigate the vendor.

■ **At The Check-out Counter**

Procedures for properly transacting food instruments and cash-value vouchers are as follows:

- ▶ Have the customer separate the WIC foods obtained with the food instrument and the fruits and vegetables obtained with the cash-value voucher from other items being purchased.
- ▶ Use only black or blue ink when completing a food instrument or cash-value voucher.
- ▶ Check the “Issue Date” and “Participant Must Use By” date to ensure the food instrument or cash-value voucher is being presented within the allowable transaction period of 30 days. Enter the current day/month/year in the “Date Transacted” box.
- ▶ Verify that the WIC customer obtains only the authorized WIC supplemental foods and quantities listed on the food instrument and only authorized fruits and vegetables with the cash-value voucher. The easiest way to do this with a food instrument is to check items in the order in which they are listed on the food instrument. If a WIC customer does not wish to obtain all of the items listed on the food instrument or the full dollar value of the cash-value voucher, total only the supplemental foods actually chosen.
- ▶ Enter in the “Pay Exactly” box on the food instrument or cash-value voucher only the total amount of the current shelf prices, or less than the current shelf prices, for the WIC supplemental foods actually provided. Sales tax may **not** be charged for any WIC food transaction.
 - For food instruments, the total amount must be within the maximum allowable price (MAP) for that instrument applicable to the vendor’s peer group. If the “Pay Exactly” amount exceeds the MAP for that food instrument, the State WIC Agency will make a direct deposit into the vendor’s bank account at the appropriate MAP.
 - For cash-value vouchers, the total amount cannot exceed the full dollar value printed on the voucher. However, a WIC customer may obtain more fruits and vegetables than the full dollar value of a cash-value voucher if the WIC customer pays the

difference. The balance is subject to sales tax. If the customer pays the balance with SNAP benefits, the balance is not taxed.

NOTE: In North Carolina, SNAP is called Food and Nutrition Services or FNS.

Example:

A WIC customer presents a cash-value voucher for \$10.00; the amount of the fruits and vegetables they want to purchase equals \$10.75. The cashier should write \$10.00 in the “Pay Exactly” box of the cash-value voucher and the WIC customer should pay the \$0.75, plus sales tax, if applicable on the \$0.75.

- ▶ WIC customers are allowed to use multiple cash-value vouchers in one transaction if the vendor’s cash register system can accommodate this type of transaction.
- ▶ For discount coupons, vendors are required to accept coupons from a WIC customer just as they would from any other customer. Although there are different types of coupons (manufacturer’s discount, “two-for-one,” etc.) that can be used, the WIC customer is not responsible for paying tax on the value of the coupon. Also, as with any WIC transaction, vendors should not return any change to the WIC customer.

Example:

A WIC customer has a \$.50 discount coupon for a WIC approved cereal. The cashier should ring up the WIC foods and enter that total less the \$.50 in the “Pay Exactly” box of the food instrument. Tax should not be charged nor change given to the WIC customer.

Value of WIC Item	Coupon Value	“Pay Exactly” Amount
\$9.80	.50¢	\$9.30

- ▶ The WIC customer must then sign the food instrument or cash-value voucher in the presence of the cashier.

■ **Prior to Bank Deposit**

Prior to depositing any food instrument or cash-value voucher in their bank, vendors should:

- ▶ Imprint the WIC vendor stamp in the “Pay the NC Authorized WIC Vendor Stamped Here” box on the front of the food instrument or cash-value voucher. Only the store’s WIC vendor stamp may be used. Use a black stamp pad and make sure the vendor number can be clearly read. The vendor stamp must be legible for the food instrument or cash-value voucher to be processed.

Section 4: TRANSACTING WIC FOOD INSTRUMENTS AND CASH-VALUE VOUCHERS

- ▶ Imprint the vendor's bank deposit stamp, or the vendor's name, address, and bank account number on the back of the food instrument or cash-value voucher.

■ At/After Bank Deposit.

- ▶ Vendors can only deposit into their bank WIC Program food instruments and cash-value vouchers transacted at the vendor's store. To be accepted for payment, food instruments and cash-value vouchers must be deposited at the vendor's bank within 60 days of the "Issue Date" (First Date to Spend) on the food instrument or cash-value voucher.
- ▶ Food instruments and cash-value vouchers will be rejected for the following reasons:
 - WIC vendor authorizing stamp is missing.
 - "Pay Exactly" amount has been altered without proper procedures followed for correction.
 - "Date Transacted" is missing.
 - "Date Transacted" is not during the 30-day period on or between the "Issue Date" (First Date to Spend) and the "Participant Must Use By" date (Last Date to Spend).
 - The vendor deposits the food instrument or cash-value voucher in the bank more than 60 days after the food instrument or cash-value voucher "Issue Date" (First Date to Spend).
 - "Pay Exactly" is over MAP for peer group or over the maximum value for a cash-value voucher. Food instruments returned for exceeding the Maximum Allowable Price (MAP) will be automatically paid at the MAP through an Automated Clearing House (ACH) system. Cash-value vouchers returned for exceeding the amount will be paid the maximum amount listed on the cash-value voucher, through the ACH system.

■ Corrections of Errors by Vendors

In select situations, a vendor can correct an error on a food instrument or cash-value voucher prior to or after deposit. Refer to Section 5 for more information on handling food instruments and cash-value vouchers with errors.

- ▶ Vendors can correct an error prior to deposit in either the "Pay Exactly" or "Date Transacted" block and then submit the corrected food instrument or cash-value voucher directly to the bank for redemption. To make these corrections, cross out the mistake with a single line (*correction fluid or tape must not be used*), initial the mistake, and clearly write the correct "Date Transacted" and/or "Pay Exactly" amount.

**Section 4: TRANSACTING WIC FOOD INSTRUMENTS AND CASH-VALUE
VOUCHERS**

- Vendors can stamp/restamp food instruments and cash-value vouchers returned to them by the bank because of a missing or illegible stamp and then submit the corrected food instruments and cash-value vouchers directly to the bank without contacting the Local WIC Agency.

■ Payments Made Through Account Clearinghouse (ACH)

Returned food instruments that exceed the required MAP will be paid through an Automated Clearing House (ACH) system. This is an automated deposit system that credits the vendor's account at the MAP for each food instrument rejected for that reason. The original food instruments or Image Replacement Documents (IRD) are still returned to the vendor. Vendors provide the bank account information using the Vendor Authorization for Direct Deposit (ACH credits) form. See "Forms, Instructions and Resources" section of this manual for a copy of a Vendor Authorization for Direct Deposit (ACH Credits) form. Statements are sent weekly to vendors with ACH deposits. These statements provide details of each transaction.

Returned cash-value vouchers that exceed the full dollar value of the cash-value voucher will also be paid through the ACH system at the full dollar value of the voucher. The original cash-value voucher or IRD is returned to the vendor.

NOTE: Vendors cannot ask WIC customers for payment of rejected food instruments or cash-value vouchers, regardless of the reason for nonpayment. Vendors, therefore, do not have the right to obtain information concerning any WIC customer's identity, including address or telephone number.

Replacing Food Instruments and Cash-value Vouchers

Local WIC Agencies must designate and train staff to review replacement requests submitted by their vendors. These requests occur when food instruments and cash-value vouchers are rejected because the food instrument or cash-value voucher is not transacted properly. Vendors may also request replacement before depositing the food instrument or cash-value voucher in the bank. If a vendor has a question about a specific food instrument or cash-value voucher, they should contact the Local WIC Agency with which they contract. Local WIC Agencies must consider food instruments and cash-value vouchers for vendors with whom they have an agreement, even if another Local WIC Agency originally issued the food instrument or cash-value voucher.

■ Guidelines For Determining Replacement Options For Food Instruments And Cash-value Vouchers*

Food Instrument or Cash-value Voucher Error		Can Vendor Correct?	Can Local WIC Agency Replace?
Date Transacted	Precedes "First Date to Spend" After "Last Date to Spend" Missing	No No No	No No No
"Pay Exactly" amount	Has been altered-discovered before deposit	Yes (1)	Yes
	Has been altered and returned from bank	Yes (2)	Yes (3)
	Exceeds the Maximum Allowable Price (MAP)	Yes (4)	No
	Exceeds value of cash-value voucher	Yes (5)	No
Vendor Stamp Imprint	Missing	Yes	No
Signature	Missing	No	No
Date vendor deposits food instrument or cash-value voucher in bank for the first time	Over 60 days but not exceeding 180 days from "First Date to Spend" (6)	No	Requires State WIC Agency Approval
	Over 180 days from "First Date to Spend"	No	No
Batches of food instruments or cash-value vouchers totaling more than \$500	Over 60 days from "First Date to Spend"	No	Requires USDA approval
Encoding	Electronic file from bank shows a figure different from the correct "Pay Exactly" amount	Yes (7)	Yes (8)
Food instrument or cash-value voucher is mutilated	Not Applicable	No	Yes

1. If error is corrected prior to deposit using the "Vendor Corrections" procedures outlined in Section 4.
2. If errors can be corrected using the "Vendor Corrections" procedures in Section 4 and re-deposited within 60 days from the "First Date to Spend." If not, vendor should contact Local WIC Agency.
3. If food instrument or cash-value voucher is returned from the bank stamped "Pay Exactly Altered" the Local WIC Agency can replace if the vendor provides a receipt to verify the "Pay Exactly" amount.
4. If food instrument is corrected using the "Vendor Corrections" procedures in Section 4 for no more than the MAP for vendor's peer group, **prior to deposit**.
5. If the cash-value voucher is corrected using the "Vendor Corrections" procedures in Section 4 for no more than the full dollar value of the cash-value voucher, **prior to deposit**.
6. Vendor must not have submitted food instruments or cash-value vouchers for replacement on two separate occasions within the preceding 12 months and the total value of the food instruments and cash-value vouchers does not exceed five hundred dollars (\$500.00).

Section 5: REPLACING FOOD INSTRUMENTS AND CASH-VALUE VOUCHERS

7. Vendor may work with their bank to correct the error in the electronic file encoding that was submitted originally and resubmit the food instruments or cash-value vouchers if within 60 days from the “First Date to Spend.” If more than 60 days from “First Date to Spend,” vendor should contact their Local WIC Agency.
8. Local WIC Agency may replace the food instrument or cash-value voucher if more than 60 days from the “First Date to Spend” and the corrected “Pay Exactly” amount of the food instrument or cash-value voucher does not exceed the applicable MAP for the food instrument or the full dollar value of the cash-value voucher after being rejected by the bank. If the corrected “Pay Exactly” amount exceeds the applicable MAP or full dollar value, it will be replaced at the MAP or full dollar value.

***Note:** Approval for replacements is contingent upon the date the food instruments/cash-value vouchers are submitted by the vendor to the Local WIC Agency and the availability of grant funding for the federal fiscal year.

■ **Replacement Of Food Instruments And Cash-value Vouchers By Local WIC Agency Staff**

Once Local WIC Agency staff determines they can replace a WIC food instrument or cash-value voucher, staff must:

- ▶ Record all FIs/ CVVs to be replaced on the *Vendor Replacement Request Form* (See Attachment 1A)
- ▶ Maintain a copy of the completed form and the original of each FI/ CVV eligible to be replaced in a folder in a central location.
- ▶ Mail or fax the *Vendor Replacement Request Form* along with copies of the FIs/ CVVs to be replaced and the register receipts from the vendor to the Nutrition Services Branch (NSB) for processing.
- ▶ All FIs/ CVVs that need to be replaced will be paid directly to the vendor by check or direct deposit in the amount approved for replacement in lieu of a replaced FI/ CVV. If paid by check, the check will be sent to the vendor directly from the NSB. Payments by direct deposit will be deposited into the vendor’s bank account.
- ▶ A copy of the completed *Vendor Replacement Request Form* will be mailed or faxed to the Local WIC Agency.
- ▶ Stamp or write “Replaced” over the “Pay Exactly” box on the original food instrument or cash-value voucher and keep it with other food instruments and cash-value vouchers invalidated for that day.
- ▶ Once the replacement request has been completed and the form has been returned to the Local WIC Agency, document all replacement requests and the decisions made on the *Replaced Food Instrument(FI)/Cash-value Voucher(CVV) Documentation* form (DHHS 2931), (See Attachment 1B). The *Replaced Food Instrument/Cash-value Voucher Documentation* form must be kept in the vendor’s file.

■ State / Federal Approval For Replacement**▸ Situations requiring State/Federal approval**

- A food instrument or cash-value voucher whose “First Date to Spend” is more than 60 days old when first deposited in the vendor's bank. This request can be approved or denied by NSB.

- A single batch of food instruments and cash-value vouchers more than 60 days from the “First Date to spend” and totaling more than \$500.00. This request requires approval from the USDA regional office in Atlanta.

NOTE: To avoid this situation, Local WIC Agencies should encourage vendors to send food instruments and cash-value vouchers to them as quickly as possible in batches less than \$500.

- **Procedures for requesting State/Federal approval to replace.** The Local WIC Agency must send the following information to the NSB, Attention: WIC Vendor Unit for each food instrument or cash-value voucher in question.

- “First Date to Spend”;
- Food instrument or cash-value voucher number; (*do not send the food instrument or cash-value voucher*);
- The “Pay Exactly” amount; and
- Written justification for the request to replace.

After receiving approval from the USDA, the WIC Vendor Unit will pay the vendor by check or direct deposit in the amount approved for payment.

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Replacing / Returning Vendor Stamps

Vendors may need a replacement vendor stamp if their stamp is lost, stolen, or misplaced or if it is worn-out or unusable. Since a vendor may not reproduce the stamp, the vendor must contact the local agency when a replacement stamp is needed.

Vendors who are no longer participating in WIC must return their vendor stamps to the local agency with which they signed the agreement. Local agency staff upon receipt of the returned vendor stamp must give the stamp to the vendor manager, supervisor or WIC Director immediately.

■ Replacing Vendor Stamps

Once a vendor requests a replacement stamp, the local agency must submit a “Request for Vendor Stamp Replacement” (refer to Attachment 2). This request must include the:

- ▶ vendor number,
- ▶ vendor name, and
- ▶ reason for replacement.

The Nutrition Services Branch will send a new stamp to the local agency. The local agency must give the new stamp to the vendor in return for the one being replaced. If the vendor locates a vendor stamp that was reported lost, stolen, or misplaced; the vendor must return that stamp to the local agency.

■ Returning Vendor Stamps To The Nutrition Services Branch (NSB)

Immediately upon receipt of a replacement vendor stamp(s), local agencies should send all vendor stamps being replaced to the NSB, Attention WIC Vendor Unit. Local agencies also should send any vendor stamp that is returned to them because the vendor is no longer participating in WIC to the WIC Vendor Unit. To return a stamp, local agency staff must complete a “Vendor Stamp Return” form (see Attachment 2). This communication must include the:

- ▶ date the agency received stamp from vendor,
- ▶ vendor name,
- ▶ current vendor number,
- ▶ previous vendor # (if applicable),
- ▶ store address, and
- ▶ reason for the return.

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Vendor Routine Monitoring

The State WIC Agency is required by federal WIC regulation to monitor its vendors for compliance with WIC Program requirements.

■ Routine Monitoring

Routine monitoring is overt, on-site monitoring during which program representatives identify themselves to vendor personnel. Routine monitoring is conducted by the Local WIC Agency staff. These monitoring visits are unannounced.

A routine monitoring visit includes, but is not limited to, the following:

- Review of infant formula invoices, receipts, copies of purchase orders, and any other proofs of purchase
- Price checks: Verify that the current shelf prices of all WIC supplemental foods are marked on the foods or are posted on the shelf or display case at all times
- Review of transacted food instruments and cash-value vouchers on hand in the store
- Treatment of WIC customers
- Food items obtained: Determine if the vendor permits WIC customers to get non-WIC food items with the WIC food instrument or cash-value voucher
- Inventory of WIC supplemental foods: Determine if the vendor has the required minimum inventory of North Carolina approved WIC supplemental foods in the store for purchase

■ Monitoring Requirements

- **Routine monitoring of all vendors.** Local WIC Agencies must monitor *each vendor* at least once every three federal fiscal years, as well as monitor at least one third (33.3%) of their vendors each federal fiscal year.

NOTE: A federal fiscal year begins on October 1st and ends on September 30th.

- **Routine monitoring of new vendors.** Once new vendors are authorized, Local WIC Agencies must monitor these vendors by the end of the federal fiscal year following the date of their authorization approval. *Example: Vendor is authorized November 2013; a routine monitoring must be performed by September 30, 2015.*

- **Follow-up monitoring when deficiencies are found.** Local WIC Agencies must perform a follow-up monitoring when deficiencies are identified during a monitoring visit. This follow-up monitoring must occur within twenty-one (21) days of the original

findings.

- ▶ **Monitoring at the request of the Nutrition Services Branch (NSB).** Local WIC Agencies must monitor a vendor within seven (7) days of a request to do so by the NSB WIC Vendor Unit.
- ▶ **Monitoring related to violations assessed and/or disqualifications.** In addition to routine monitoring, Local WIC Agencies must perform an additional monitoring of any vendor in the next federal fiscal year who:
 - has had two (2) or more violations assessed (same or different) in the previous federal fiscal year.
 - has been disqualified from the program within the last three (3) years and is now participating.

■ **Documentation Requirements**

Local WIC Agencies must document all monitoring visits on the Vendor Monitoring Report form (DHHS 2925). Refer to the Vendor Manual for a copy of this form. The monitoring report form and the vendor manual may be ordered from the NSB using the NSB Requisition form. The requisition form and the vendor manual also may be downloaded from <http://www.nutritionnc.com> .

Upon completion of the monitoring visit, Local WIC Agencies should leave the pink copy of the report with the vendor; send the white copy to the NSB, Attention: WIC Vendor Unit within two (2) workdays of the visit; and keep the yellow copy in the WIC vendor's file.

Vendor Sanction System

■ Types of Violations

The North Carolina WIC Program sanction system is predominantly a pattern-based sanction system that requires disqualification of a vendor from the WIC Program for Program violations.

- **Federal and State-Established Violations**

Program violations include both federal and state-established violations. The disqualification periods for federal violations range from one year to permanent disqualification. A vendor's disqualification for federal violations may also jeopardize the vendor's SNAP authorization. The disqualification periods for state violations range from sixty (60) days to one year. Each violation has a required disqualification period for a specified number of occurrences. For example, two occurrences of vendor overcharging within a 12-month period require a three-year disqualification. Three occurrences of failure to stock the required minimum inventory within a 12-month period require a 180-day disqualification. Please refer to the Vendor Sanction System (Attachment 6) for the number of occurrences and the required disqualification period for each violation. The State WIC Agency will provide the vendor written notification of an initial violation that requires a pattern of occurrences to impose a disqualification, unless the State WIC Agency determines that notifying the vendor would compromise an investigation. This notice requirement does not apply to inventory audits and to violations that require disqualification after a single occurrence.

■ Vendor Disqualification

Disqualified vendors must return their stamp to their Local WIC Agency and can no longer accept food instruments or cash-value vouchers. Refer to Section 6 for more information on returning stamps. A disqualified vendor cannot accept food instruments or cash-value vouchers.

Prior to disqualifying a vendor, the State WIC Agency must consider whether it would result in inadequate participant access. In rare cases, the State WIC Agency and the Local WIC Agency might decide that disqualifying a vendor would cause undue participant hardship. The participant access form (Attachment 4) must be completed for disqualifications based on undercover compliance buy investigations and inventory audits. The participant hardship form (Attachment 5) is used in disqualifications based on monitoring visits. In these situations, the State WIC Agency might elect to assess a civil money penalty rather than disqualify the vendor.

Vendors that have completed the disqualification period should contact their Local WIC Agencies if they wish to reapply. Reauthorization is not automatic and vendor training is subject to the schedules of the Local WIC Agencies.

■ **Vendor Claims**

When the State WIC Agency determines the vendor has committed a vendor violation that affects payment to the vendor, the State WIC Agency will deny payment or assess a claim. A claim may be assessed based on violations detected through inventory audits, compliance buy investigations or any other means the State WIC Agency deems necessary to determine Program compliance. Vendors must reimburse the State WIC Agency in full or agree to a repayment plan with the State WIC Agency within thirty days of written notification of a claim. If a vendor fails to reimburse the State WIC Agency in full or agree to a repayment plan within thirty days of written notification of a claim, the WIC Vendor Agreement will be terminated. Vendor claims are not subject to appeal other than the opportunity to justify or correct as permitted by 7 CFR 246.12 (k)(3). Additionally, a vendor applicant cannot be authorized if any of the vendor applicant's owners, officers or managers currently have or previously had a financial interest in a WIC vendor that was assessed a claim by the WIC Program and the claim has not been paid in full.

Appeals

Vendors can appeal adverse actions taken by the State WIC Agency. Refer to Chapter 14 for additional information on the appeal process.

■ Reasons For An Appeal

Vendors can appeal a decision and receive a full administrative review for any one of the following reasons:

- ▶ Denial of authorization based on the vendor selection criteria for competitive pricing or for minimum variety and quantity of authorized supplemental foods or on a determination that the vendor is attempting to circumvent a sanction.
- ▶ Termination of an agreement for cause.
- ▶ Disqualification.
- ▶ Imposition of a fine or a civil money penalty in lieu of disqualification.
- ▶ Denial of authorization based on the vendor selection criteria for business integrity or for a current Supplemental Nutrition Assistance Program (SNAP) disqualification or civil money penalty for hardship.
- ▶ The application of the State agency's vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors or comparable to above-50-percent vendors.
- ▶ Denial of authorization based on a state agency – established vendor selection criterion if the basis of the denial is a WIC vendor sanction or a SNAP withdrawal of authorization or disqualification.
- ▶ Denial of authorization based on the state agency's vendor limiting criteria.
- ▶ Denials of authorization because a vendor submitted its application outside the timeframes during which applications are being accepted and processed by the State WIC Program.
- ▶ Termination of an agreement because of a change in ownership or location or cessation of operations.
- ▶ Disqualification based on a trafficking conviction.
- ▶ Disqualification based on the imposition of a SNAP civil money penalty for hardship.
- ▶ Disqualification or a civil money penalty imposed in lieu of disqualification based on a mandatory sanction imposed by another WIC state agency.
- ▶ A civil money penalty imposed in lieu of disqualification based on a SNAP disqualification.

- ▶ Denial of an application based on a determination of whether a vendor applicant is currently authorized by SNAP.

Vendors cannot appeal the following:

- ▶ The validity or appropriateness of the State agency's vendor limiting criteria or vendor selection criteria for minimum variety and quantity of supplemental foods, business integrity, and current Supplemental Nutrition Assistance Program disqualification or civil money penalty for hardship.
- ▶ The validity or appropriateness of the State agency's selection criteria for competitive price, including, but not limited to, vendor peer group criteria and the criteria used to identify vendors that are Predominantly WIC Vendors (PWVs) or comparable to PWVs.
- ▶ The validity or appropriateness of the State WIC Agency's participant access criteria and the State WIC Agency's participant access determinations.
- ▶ The State WIC Agency's determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the list required.
- ▶ The validity or appropriateness of the State WIC Agency's prohibition of incentive items and the State WIC Agency's denial of a PWV's request to provide an incentive item to WIC customers.
- ▶ The State WIC Agency's determination whether to notify a vendor in writing when an investigation reveals an initial violation for which a pattern of violations must be established in order to impose a sanction.
- ▶ The State WIC Agency's determination whether a vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.
- ▶ Denial of authorization if the State WIC Agency's vendor authorization is subject to the procurement procedures applicable to the State WIC Agency.
- ▶ The expiration of a vendor's agreement.
- ▶ Disputes regarding food instrument or cash-value voucher payments and vendor claims (other than the opportunity to justify or correct a vendor overcharge or other error).
- ▶ Disqualification of a vendor as a result of disqualification from SNAP.

■ **Filing An Appeal**

If a vendor appeals, the appeal must be filed within 30 days of receiving a Notice of Intent to Disqualify. The communication from the State WIC Agency will inform the vendor of their right to appeal and the procedure to do so.

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REQUEST FOR VENDOR STAMP REPLACEMENT

TO: WIC Vendor Unit
Nutrition Services Branch

FROM: Name: _____

Local Agency: _____

Program Number: _____

DATE: _____

Replacement stamp is needed for: _____

(Vendor Name and Store #)

(Current Vendor Number)

Reason replacement is needed:

VENDOR STAMP RETURNS

TO: WIC Vendor Unit
Nutrition Services Branch

FROM: Name: _____

Local Agency: _____

Program Number: _____

DATE: _____

DATE AGENCY RECEIVED STAMP: _____

VENDOR NAME: _____

VENDOR #: _____

PREVIOUS VENDOR # (If Applicable): _____

VENDOR ADDRESS: _____

PLEASE CHECK BELOW THE REASON FOR THE STAMP BEING RETURNED.

- _____ REPLACEMENT STAMP
- _____ WIC MONITORING DISQUALIFICATION
- _____ WIC COMPLIANCE BUY DISQUALIFICATION
- _____ INVENTORY AUDIT
- _____ FOOD STAMP INVESTIGATION DISQUALIFICATION
- _____ STORE CLOSED THEIR BUSINESS
- _____ STORE SOLD
- _____ STORE OWNER DID NOT WISH TO PARTICIPATE IN THE PROGRAM

VENDOR MANAGEMENT COMPLAINT INTAKE FORM

Purpose: To report complaints about WIC vendor activity

Preparation: The Local Agency Staff must complete Sections I-III and fax to the Nutrition Services Vendor Unit at (919) 870-4818

Distribution: Retain copy on file in both Local and State WIC Agency

Disposition: This form may be destroyed in accordance with Standard II of The Records Disposition Schedule published by the NC Division of Archives and History and the NC Department of Health and Human Services

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VENDOR MANAGEMENT COMPLAINT INTAKE FORM

To: Vendor Unit
 Nutrition Services Branch, 1914 Mail Service Center, Raleigh, NC 27699-1914
 919-870-4818 (fax)

Complaint taken by:	Contact Name	Contact Phone Number
<input type="checkbox"/> Local WIC Agency	_____	_____
<input type="checkbox"/> State WIC Agency	_____	_____
Date Complaint Received:	_____	

Source of Complaint:	Contact Name	Contact Phone Number
<input type="checkbox"/> Vendor	_____	_____
Vendor Name / Vendor Number	_____	
<input type="checkbox"/> Participant	_____	_____
<input type="checkbox"/> Other	_____	_____

Complaint:	_____

State Agency Use Only

Actions Taken:	_____

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PARTICIPANT ACCESS

COUNTY:

DATE:

WIC DIRECTOR:

HEALTH DIRECTOR:

VENDOR:

LOCAL AGENCY CONTACT:

WIC VENDOR #:

PHONE #:

1. ARE ANY WIC VENDORS WITHIN ONE MILE OF THE HEALTH DEPARTMENT? IF SO, LIST AND DOCUMENT THE DISTANCE.

2. IF THIS VENDOR IS IN THE CITY LIMITS, WHAT VENDORS ARE WITHIN THREE (3) MILES OF THIS VENDOR? (THIS MAY INCLUDE VENDORS THAT CROSS COUNTY LINES) LIST AND DOCUMENT THE DISTANCE

3. IF THIS VENDOR IS OUTSIDE THE CITY LIMITS, WHAT VENDORS ARE WITHIN SEVEN (7) MILES OF THIS VENDOR? (THIS MAY INCLUDE VENDORS THAT CROSS COUNTY LINES) LIST AND DOCUMENT THE DISTANCE

4. ARE THERE ANY GEOGRAPHIC BARRIERS TO USING STORES LISTED IN QUESTION 'S #1,2,OR 3 OF THIS FORM? IF SO EXPLAIN.

REDEMPTION:	STATE USE ONLY
_____	TO _____ = \$ _____

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VENDOR SANCTION SYSTEM

FEDERAL MANDATORY VENDOR SANCTIONS

VIOLATIONS		DISQUALIFICATION PERIOD
A.	A vendor criminally convicted of trafficking in food instruments or cash-value vouchers or selling firearms, ammunition, explosives, or controlled substances (as defined in 21 USC 802) in exchange for food instruments or cash-value vouchers. A vendor is not entitled to receive any compensation for revenues lost as a result of such violation.	Permanent
B.	One occurrence of buying or selling food instruments or cash-value vouchers for cash (trafficking) or one occurrence of selling firearms, ammunition, explosives, or controlled substances (as defined in 21 USC 802) in exchange for food instruments or cash-value vouchers.	6 years
C.	One occurrence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for food instruments or cash-value vouchers.	3 years
D.	Claiming reimbursement for the sale of an amount of a specific supplemental food item which exceeds the store's documented inventory of that supplemental food item for six or more days within a 60-day period. The six or more days do not have to be consecutive days within the 60-day period. Failure or inability to provide records or providing false records required under 10A NCAC 43D.0708 (30) for an inventory audit shall be deemed a violation of 7 C.F.R.246.12 (I)(1)(iii)(B) and 10A NCAC 43D.0710 (a)(1).	3 years
E.	Two occurrences of vendor overcharging within a 12-month period.	3 years
F.	Two occurrences within a 12-month period of receiving, transacting or redeeming food instruments or cash-value vouchers outside of authorized channels, including the use of an unauthorized vendor or an unauthorized person.	3 years
G.	Two occurrences within a 12-month period of charging for supplemental food not received by the WIC customer.	3 years
H.	Two occurrences within a 12-month period of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances as defined in 21 USC 802, in exchange for food instruments or cash-value vouchers.	3 years
I.	Three occurrences within a 12-month period of providing unauthorized food items in exchange for food instruments or cash-value vouchers, including charging for supplemental foods provided in excess of those listed on the food instrument.	1 year
J.	2 nd sanction, excluding sanctions for trafficking convictions and SNAP disqualifications.	Double Sanctions
K.	3 rd sanction, excluding sanctions for trafficking convictions and SNAP disqualifications.	Double Sanctions and no CMP option
L.	Disqualification from SNAP	Same length of time as the SNAP disqualification and may begin at a later date than the SNAP disqualification

STATE VENDOR SANCTIONS

VIOLATIONS		DISQUALIFICATION PERIOD
A.	Two occurrences within a 12-month period of discrimination on the basis of WIC participation as referenced in 10A NCAC 43D.0708 (38).	1 year
B.	Three occurrences within a 12-month period of failure to properly transact a WIC food instrument or cash-value voucher by not completing the date and purchase price on the WIC food instrument or cash-value voucher before obtaining the WIC customer's signature, by not obtaining the WIC customer's signature in the presence of the cashier, or by accepting a WIC food instrument or cash-value voucher prior to the "Issue Date" or after the "Participant Must Use By" dates on the food instrument or cash-value voucher.	1 year
C.	Three occurrences within a 12-month period of requiring a cash purchase to transact a WIC food instrument or cash-value voucher.	1 year
D.	Three occurrences within a 12-month period of contacting a WIC customer in an attempt to recoup funds for a food instrument or cash-value voucher or contacting a WIC customer outside the store regarding the transaction or redemption of a WIC food instrument or cash-value voucher.	270 days
E.	Three occurrences within a 12-month period of failure to provide program-related records referenced in 10A NCAC 43D.0708 (30) when requested by WIC staff, except as provided in 10A NCAC 43D.0708 (30) and 10A NCAC 43D.0710 (a)(1) for failure or inability to provide records for an inventory audit.	180 days
F.	Three occurrences within a 12-month period of failure to provide the information referenced in 10A NCAC 43D.0708 (31) when requested by WIC staff.	180 days
G.	Three occurrences within a 12-month period of failure to stock the minimum inventory specified in 10A NCAC 43D.0708 (24).	180 days
H.	Three occurrences within a 12-month period of stocking WIC supplemental foods outside of the manufacturer's expiration date.	90 days
I.	Three occurrences within a 12-month period of failure to allow monitoring of a store by WIC staff.	90 days
J.	Five occurrences within a 12-month period of failure to submit a WIC Price List as required by 10A NCAC 43D.0708 (32).	90 days
K.	Three occurrences within a 12-month period of failure to mark the current shelf prices of all WIC supplemental foods on the foods or have the prices posted on the shelf or display case.	60 days
L.	Five occurrences within a 12-month period of requiring the purchase of a specific brand when more than one WIC supplemental food brand is available.	60 days

Sample Food Instrument and CVV with Vendor Stamp

Vendor stamp store number is located in the “pay the NC WIC authorized WIC vendor stamped here” box on the food instrument and CVV.

THIS DOCUMENT HAS HEAT SENSITIVE INK, MICROPRINT SIGNATURE LINE AND VISIBLE SECURITY WATERMARKS



STATE OF NORTH CAROLINA WIC PROGRAM
VALID ONLY FOR THE TYPES AND QUANTITIES OF WIC APPROVED FOODS AS LISTED BELOW:

- 1 Gallon Whole Milk
- 1 Containers Beans/Peas (1)-16 oz Bag Dry or (4) 15-16 oz Cans
- 1 Containers Juice 64 oz.
- 1 16 oz Whole Wheat Bread or Whole Grains
- 36 Ounces Breakfast Cereal
- 1 Dozen Grade "A" Large White Eggs

END OF LIST...VOID IF ALTERED

SOLUTRAN
Electronic Payment Solutions

CITIZENS ALLIANCE BANK
HOWARD LAKE BRANCH
CLARA CITY, MN 56222
ACCOUNT #: 801633

75-1248
919

Family Name/F-ID
CASSANDRA CASTRO
F09200008903

WFI Number
118230904

Program/Clinic	First Date To Spend	Last Date To Spend	Date Transacted
092/01	2/16/2016	3/15/2016	2-17-16

PAY THE NC AUTHORIZED WIC VENDOR STAMPED HERE

PAY EXACTLY

WIC 12211 • 25.69

Redeemable only by an authorized WIC vendor

VOID IF NOT DEPOSITED WITHIN 60 DAYS OF FIRST DATE TO SPEND

X *Cassandra Castro*
Signature of participant, parent, guardian, or proxy obtained at time of transaction

MP

⑈ 1 18 230904 ⑈ ⑆ 09 19 1 248 2⑆ 801633 ⑈

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