# Indiana WIC Program Vendor Manual

Effective October 1, 2012

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## INTRODUCTION

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) was established by federal law in 1972. It is designed to improve the nutritional status of eligible persons. The Program began in Indiana in 1974. WIC services are available statewide.

The United States Department of Agriculture (USDA) provides funds to the Indiana State Department of Health (ISDH) to administer the WIC Program. The ISDH contracts with qualified local agencies to provide WIC services in their communities.

WIC provides services to pregnant women, postpartum women, breastfeeding women, infants, and children up to age five. By helping provide proper nutrition at the beginning of life, WIC seeks to prevent serious health problems that can last a lifetime. WIC helps to provide children a better chance to grow up healthy, perform better in school, and lead more active and productive lives.

The WIC participants you will be serving have been evaluated by health professionals and have been found to have a special need for WIC foods. WIC foods are specifically prescribed for each WIC participant, so it is mandatory that no substitutes be allowed.

In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability.

To file a complaint of discrimination, write USDA, Director, Office of Adjudication, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call toll free (866) 632-9992 (Voice). Individuals who are hearing impaired or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339; or (800) 845-6136 (Spanish). USDA is an equal opportunity provider and employer.

## WIC FOOD DELIVERY SYSTEM

The WIC food delivery system begins when a participant visits a WIC clinic and receives WIC food checks based on the individual's nutritional needs. WIC participants may receive a one to three-month supply of WIC checks at a time. Most checks specify the types and amounts of foods that may be purchased and the dates each check may be used. The Cash Value Voucher (CVV) (also referred to as a check) is for a specific dollar amount for the purpose of purchasing fresh fruits or vegetables.

Each participating family is given a WIC ID folder that must be shown when redeeming checks in a store. The participant or proxy uses food checks to purchase prescribed foods from any authorized Indiana WIC vendor. Check and CVV redemption procedures are explained in the "Vendor Requirements" section.

The vendor stamps each check or CVV using the WIC Vendor ID Stamp provided by WIC and deposits the check or CVV in their bank. Valid and properly redeemed checks or CVVs are processed through the Federal Reserve Banking System and credited to the vendor's bank account.

This manual has been prepared to inform you of your responsibilities as a WIC vendor. For more information, contact the Indiana WIC Program at 1-800-522-0874. Comments and suggestions are welcome by calling or writing to:

WIC Program
Indiana State Department of Health
2 N. Meridian St., 8B
Indianapolis, IN 46204

## PROGRAM REQUIREMENTS FOR VENDORS

**1. Vendor must accept Indiana WIC checks or CVVs and follow redemption procedures:**

A. Ask to see the WIC ID folder. Each family with one or more family members on the WIC Program is given a WIC ID folder. The folder lists all individuals authorized to redeem checks or CVVs and must be shown to the cashier. Do not accept checks or CVVs without this folder. Self checkout lanes may not be used for WIC purchases.

B. Review the usage dates on the checks and CVVs and fill in the date used in the "Date Used" box. A vendor must accept checks or CVVs on or between the "First-Day-to-Use" date and the "Last-Day-to-Use" date on each check or CVV. Do not accept checks or CVVs presented outside of the usage dates.

C. Compare the foods listed on the check against the foods selected. Checks or CVVs may only be used to purchase the items specified on the check or CVV. Allow only approved foods by checking the current Indiana WIC Approved Food List. No other foods, non-food items, or cash in lieu of supplemental foods may be substituted for those specified on the check or CVV. Make sure the size and quantities do not exceed the amount of food listed on the check. When checks specify a certain size food, only that size is allowed.

D. Ring up the foods selected and enter the total with dark ink in the space provided for "actual $ amount". The amount must be entered at the time of purchase BEFORE the participant signs the check or CVV. If more than one check is used, the cost entered on each check or CVV must reflect only the cost of the foods purchased with that check or CVV to ensure payment. Cashiers should enter their initials or ID number on the check or CVV in the box provided.

E. AFTER the price is entered, the participant, parent, caretaker, or proxy must sign the check or CVV in the presence of the cashier. The signature must be in dark ink and in the space provided. Check or CVVs signed in the wrong place will be returned to the store unpaid.

F. Compare the signature with the ID folder. The signature must match one of the signatures on the WIC ID folder. The ID folder is the only ID needed to redeem checks or CVVs.

G. Provide a receipt to the customer after it has been marked "WIC"**.**

2. **The amount charged for approved foods purchased with WIC checks or CVVs cannot exceed the amount charged to non-WIC customers for the same foods.** The cost of foods purchased with WIC checks must reflect any specials, discounts, or other reduced prices given to non-WIC customers. The vendor must accept all "cents off" coupons and deduct their value before writing the purchase price on the check or CVV. No change may be given. The vendor must also allow WIC customers to take advantage of "buy one, get one free", free item with a purchase, specials that specify a larger size for a smaller size price, or any other offer available to non-WIC customers. The participant may receive more than the amounts specified on the check or CVV when using buy one get one free coupons or other special offers.

3. **The vendor may charge the WIC Program only for the cost of the WIC foods received at the time of redemption.** A rain check or credit cannot be given. The participant "loses" the food not received, and may not come in later for those foods. Never demand that a WIC participant purchase all the food listed on a WIC check or CVV or ask the participant to select more food than the participant wants. Participants may purchase less than the amounts shown on the check. State sales tax may not be charged on any WIC purchase. Vendors may not charge a fee to the person redeeming the WIC check or CVV. Vendors may not seek reimbursement of money or return of food from WIC participants for any rejected check or CVV.

4. **Vendors may not provide refunds or permit exchanges for foods purchased with WIC checks or CVVs except for exchanges for an identical authorized food item when the original food item is defective, spoiled, has exceeded its "sell by", "best if used by", or other date limiting the sale or use of the item.** An identical food item means the exact brand and size of the original food item purchased. However, if the same fruit or vegetable is not available when the spoiled item is returned, then an exchange may be made for another fruit or vegetable. Participants may only exchange WIC items with a receipt. It is the vendor's responsibility to implement store procedures to prevent the improper return of foods purchased with WIC checks or CVVs by marking "WIC" on the cash register receipt. Participants requesting exchanges and refunds should be referred to and reported to the local WIC office. Except for defective or recalled items, WIC formula should never be exchanged, even with a doctor's prescription.

5. **The vendor cannot limit the number of WIC checks or CVVs that a participant, parent, caretaker, or proxy uses at one time.** Participants are encouraged, but not required to spread redemption of their checks or CVVs throughout the usage dates.

6. **Altered WIC checks or CVVs must not be accepted.** The name of the participant, usage dates, quantity, units, and description of foods may never be altered.

   An altered check or CVV remains the property of the participant and should not be confiscated by the vendor. The participant should be referred to and reported to the local WIC agency. The WIC office will not alter a check or CVV but will re-issue if a mistake has been made. The WIC Program does not issue hand-written checks or CVVs.

7. **Correction of the price and date of purchase must follow the prescribed format.** Do not write over, erase, or white out a wrong entry. If an error is made when entering the cost of foods or date of purchase, then it may be corrected in the presence of the WIC participant by:

   A. Drawing a SINGLE line through the incorrect entry.
   B. Neatly entering the correct information to the left of the error.
   C. Having the participant initial the change.

   Alteration of the information printed on the check or CVV is not allowed. The "approved price correction" box is not for store use.

8. **Vendors must comply with nondiscrimination statutes.** In accordance with federal law and U.S. Department of Agriculture policy, this institution is prohibited from discrimination based on race, color, national origin, sex, age, or disability. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington D.C. 20250-9410, or call 800-795-3272 (voice) 202-7206382 (TTY). USDA is an equal opportunity provider and employer.

9. **Vendors cannot request additional identification from participants, parents, caretakers, or proxies during a WIC purchase.** No additional information such as address or phone number should be requested. If the ID folder is not signed, then the cashier should ask for a picture ID prior to accepting the check or CVV.

10. **WIC customers are entitled to the same service, courtesies, promotional offers, and same general treatment as non-WIC customers with the exception of return policies.** WIC customers are not to be given any form of preferential treatment. Vendors cannot make offers to WIC customers that are not offered to other customers.

11. **The WIC Vendor ID stamp can only be used by and for the vendor location for which it is issued to validate for deposit checks or CVVs redeemed at the vendor location.** Each WIC vendor is issued a WIC Vendor identification number ID stamp unique to that vendor location. Any other use is forbidden. If authorization to participate in the WIC Program ends for any reason, then the vendor ID stamp must be returned within 15 days to the local WIC agency.

12. **The vendor must contact the Local WIC Agency immediately to report a lost or stolen Vendor ID Stamp.** Lost or stolen stamps must be replaced with a different ID number. A vendor may not reproduce the ID stamp. Do not use a worn out or gummed up stamp. Clean your stamp or contact your local WIC agency for a new stamp.

13. **The store manager or authorized representative, such as head cashier, must attend training on WIC procedures offered by the local WIC office.** Training of store personnel will be offered twice a year by the local WIC office. All food vendors are required to attend training in September. An optional session in March will be offered for new cashiers and any others wishing to attend.

14. **The vendor is responsible for training its store personnel on program requirements and is accountable for actions of owners, officers, managers, agents, and employees who commit vendor violations.** WIC food tests are provided for cashier training at the annual WIC vendor training in September. Cashiers need to pass the food test during monitoring. .

15. **The vendor agrees to periodic monitoring.** Local, state, and federal officials responsible for WIC Program management will determine compliance with WIC requirements. Monitoring may include the following:

    A. Cashier food test.
    B. A review of paid food checks or CVVs and reports to determine irregularities.
    C. Store visits to verify required stock of WIC foods.
    D. Store visits to confirm prices entered on paid checks or CVVs and to review redeemed checks or CVVs on hand.
    E. Store visits to interview store personnel and review records such as, but not limited to, price lists of WIC foods, invoices, receipts, etc. related to the vendor's participation in the WIC program.
    F. A compliance investigation.
    G. Review of invoices or receipts showing source(s) of infant formula purchases.

16. **Food vendors must meet the minimum check redemption standard.** The standard is a minimum of 40 checks per month and a minimum of 1% of the county's checks, or 150 checks per month with no minimum percentage. New vendors will be given a conditional contract to determine if the minimum redemption standard is met. Pharmacies are exempt from this requirement.

17. **Vendors must have a fixed location and be open a minimum of eight hours per day, six days per week**. Home delivery of WIC purchases is not allowed. WIC transactions must take place only in the authorized store location.

18. **Food stores must maintain a minimum inventory of WIC approved foods and all stores must maintain WIC approved foods within their fresh dates**. There is NO stocking requirement for pharmacies. To assure that WIC participants can redeem their checks or CVVs for the proper types and quantities of foods, food vendors are required to have the following minimum stock in the store at all times:

    A. 100% Dairy Milk — 12 gallons total of whole, low fat, and skim milk in gallons.
    B. Cheese — 2 kinds and 3 lbs. of domestic pre-packaged, blocks or sliced cheese.
    C. Eggs — 3 dozen any size eggs in 1 dozen containers.

D. Dry beans, peas, or lentils — 2 kinds for a total of 3 lbs. in 1-lb. bags or 128 ounces of canned beans. .
E. Peanut Butter — 5 - 18-ounce jars.
F. Cereal — 6 kinds of dry and 1 kind of cooked, for a total of 20 boxes. Vendors must stock at least one whole grain cereal.
G. 100% Juice — 15 - 64-ounce containers and 3 kinds, and 5 cans of 11.5- or 12-ounce frozen juice and/or shelf stable concentrate and 2 kinds.
H. Formula:
   12 – 12.1 fluid oz. container Gerber Good Start Gentle concentrate
   20 – 12.7 ounce container Gerber Good Start Gentle powder
   5 – 12.4 ounce container Gerber Good Start Protect powder
   5 – 12.9 ounce container Gerber Good Start Soy powder
I. Infant Cereal — 8 boxes and 2 kinds of 8-ounce dry infant cereal without fruit.
J. Baby food - 48 - 4-ounce glass jars of Beech-Nut Stage 2 baby food (fruits or vegetables).
   16 - 2.5-ounce glass jars of Beech-Nut baby food meat.
K. Bread: 5 loaves of WIC approved whole grain bread in 16-ounce packages.
L. Fruits and vegetables: $30 worth of fresh fruits or vegetables, two varieties of each.

Stocking requirements are based on the "Indiana WIC Program Approved Food List" in effect at the time. This list is updated and provided to vendors each year. Vendors must comply with any changes in the food list and changes in stocking requirements. Not all WIC approved foods are listed under the minimum stocking requirement and not all approved foods must be stocked by the vendor.

19. **All infant formula must be purchased from a list of sources that is provided by the state WIC Program.**

20. **Contracted pharmacies must provide any prescribed formula and medical foods to WIC participants within two working days of notification.** Pharmacies may redeem WIC checks for formula only. All formulas and medical foods that could be used by WIC participants must be within their fresh dates.

21. **Vendors must clearly show the price of all WIC approved foods on the item, shelf, or sign.**

22. **Appropriate WIC vendor materials are provided at no charge.** Contact your local WIC agency when additional materials are needed.

    A. Approved Food List. The list notes allowed and not allowed foods. The list is updated October 1st of each year. A current food list must be at each cash register in use.
    B. Shelf Tags. Shelf tags are provided for foods specified on the current approved food list to help participants find the correct items. Current tags must be used on the shelf near the item. The WIC logo and the acronym "WIC" are registered with the U.S. Patent and Trademark Office. The Indiana WIC Program does not allow the acronym or logo on shelf tags that are not provided by the WIC Program. Manufacturer shelf tags with "WIC" on the tag are not allowed.
    C. Window Decal. A WIC provided window decal must be displayed at the store's entrance.

23. **Vendors are required to retain inventory records for a minimum of three years for state or federal purposes and other records as noted in the Vendor Agreement.** Vendors are responsible for providing acceptable documentation of their total food sales revenue annually upon request.

## PAYMENT PROCEDURES

After redeeming a check or CVV:

1. Stamp the check or CVV with your WIC ID stamp in the space provided. Use dark ink.
2. Endorse the check or CVV on the back as you would endorse a check for deposit.
3. Deposit the check or CVV in your regular bank account within 30 days of the check or CVV last-day-to-use date. The dollar amount of the check or CVV must be encoded with MICR ink in the bottom right corner.
4. Checks or CVVs will be edited by the WIC bank to ensure they are processed according to the redemption procedures described on page 3 of the Vendor Manual under "Program Requirements". Edits include excess dollar amount.
5. Rejected checks or CVVs are returned to the vendor to make corrections for a missing or illegible WIC ID stamp.

## REJECTED CHECKS OR CVVS AND REMEDY

Beginning October 1, 2012, CVVs rejected for excess dollar amount will not be eligible for correction and override. Improperly redeemed checks or CVVs will be rejected and returned through your bank without payment. Carefully train cashiers to follow redemption procedures and avoid extra handling, delayed payment, or nonpayment of checks or CVVs. Checks are rejected as required by the USDA to help maintain program integrity. Cashiers should enter their initials or identification number in the box marked "CASHIERS INITIALS". This helps identify cashiers who may need additional training. The following are nine reasons for check or CVV rejection and some remedies.

| Reason Check or CVV Rejected | Remedy |
|---|---|
| 1. Missing or illegible ID stamp. | Stamp the check or CVV with your WIC ID stamp and re-deposit within 30 days of the last-day-to-use date. *NOTE: This is the only type of check or CVV rejection that can be re-deposited without a local agency or state agency override approval stamp.* |
| 2. The check or CVV is redeemed prior to the first day to use date. | No remedy; this rejection will not be paid. |
| 3. The check or CVV is redeemed after the last-day-to-use-date. | No remedy; this rejection will not be paid. *Cashiers must be trained to review CVV usage dates before accepting checks or CVVs.* |
| 4. The check or CVV is altered. | *See number 6.* |

| Reason Check or CVV Rejected | Remedy |
|---|---|
| 5. The check or CVV is deposited beyond 30 days from the last-day-to-use-date. | *See number 6.* |
| 6. The check or CVV is re-deposited without the local agency override approval stamp. | If the circumstances for checks or CVVs rejected for reasons 4, 5, or 6 were beyond your control, you may submit them to your local agency for consideration of payment. Include a written and signed explanation of the circumstances and why the check should be paid. Justify the price claimed.<br><br>*Chronic requests for the same type of problem will not be considered for payment. Submission of a request does not guarantee payment. The state WIC Office will be the final authority on payment requests.* |
| 7. The check is deposited without a participant or proxy signature. | No remedy; this rejection will not be paid. |
| 8. Excess dollar amount for foods listed on the check.<br><br>CVV's rejected for excess dollar amount after October 1, 2012 are not eligible for correction and override. | Provide the rejected check or the legal copy and price justification to the local agency coordinator.<br><br>Acceptable price justification for stores with automated registers is the cash register journal report that recorded the foods actually purchased. The journal report must match the date, time and price imprinted on the back of the check.<br><br>Stores that are not automated may justify the price with a written price justification specifying what products and prices could have been sold to equal the total amount on the check.<br><br>The local WIC Coordinator will review the justification and will approve payment only for the correct foods actually purchased. Wrong items or excessive amounts of food will be deducted. The coordinator will use a special override approval stamp on the check and initial it. This stamp can only approve this kind of rejection. The "Approved Price Correction" box on the WIC check is for local agency use only. Vendors should never write in this space. If the original price was not correct, the new price must be encoded on the check in MICR ink on a MICR strip placed over the original price. The check must then be re-deposited within 30 days of the last -day-to-use-date. |
| 9. Invalid or unauthorized ID stamp. | No remedy; this rejection will not be paid. |

In Addition:

A. Vendors may not seek reimbursement of money or return of food from WIC participants for any rejected check.
B. Vendors may not recover bank charges from the Indiana WIC Program caused by improperly redeemed or improperly stamped checks.
C. The Indiana WIC Program cannot pay WIC checks from other states or pay checks redeemed at unauthorized stores.
D. Vendors should notify their bank that rejected checks must be returned to the store, immediately, for possible correction. Rejected checks that are re-deposited but not corrected in accordance with the above procedures will be rejected again and voided.
E. The WIC Program has the right to demand refunds for improperly redeemed checks or deny payment for improperly redeemed checks.
F. Have your cashiers initial or enter their ID number in the box provided on the check so that you can easily identify and retrain cashiers who make a mistake.
G. Limit the number of people who prepare bank deposits for your store and have them inspect each check for a signature, a vendor ID stamp, and alterations before depositing.
H. Rejected checks should be processed immediately by each store location. Rejected checks deposited for any reason beyond 30 days from the last-day-to-use date will not be paid.
I. Send at least one person who prepares bank deposits to vendor training in September. This will help ensure that they know WIC payment procedures and how to remedy rejected checks.

## WIC PARTICIPANTS

Participants are given a list of WIC approved foods, a list of authorized vendors in their area, and instructions on how to use checks. Customers with WIC-related problems should be referred to the local WIC office. WIC participants or proxies are in violation of program requirements and may be sanctioned if they:

1. Purchase foods other than those specified on the checks.
2. Use checks before the first-day-to-use or after the last-day-to-use date.
3. Alter checks.
4. Return or attempt to return items purchased with checks.
5. Physically or verbally abuse vendor personnel.
6. Fail to sign checks or sign checks prior to the price being entered.
7. Sell or attempt to sell WIC checks.
8. Sell or attempt to sell WIC provided foods.

Your cooperation in reporting violations is appreciated. Forms for written complaints about participant abuse are available at your local WIC office. Participant abuse may also be reported by calling your local WIC office.

## VENDOR SANCTION SCHEDULE

Vendors have a number of responsibilities pursuant to the vendor agreement. It is essential that responsibilities are met. Vendors who fail to meet WIC requirements may lose their authorization to participate in the Program. The following is in accordance with Indiana Code under 410 IAC 3.6-1 - 410 IAC 3.6-6; Women, Infants, and Children Program Rules, Penalties, and Sanctions for WIC Vendors.

| Violation | | Offense | Sanction | Term |
|---|---|---|---|---|
| 1. | Vendors convicted of trafficking/illegal sales (firearms, explosives, ammunitions, controlled substances). | 1st | Disqualification | Permanent |
| 2. | Trafficking in food instruments, selling firearms, ammunition, explosives, or controlled substances for food instruments. | 1st | Disqualification | 6 years |
| 3. | Sale of alcoholic beverages or tobacco products in exchange for WIC checks. | 1st | Disqualification | 3 years |
| 4. | Claiming reimbursement in excess of documented inventory. | Pattern of abuse | Disqualification | 3 years |
| 5. | Charging WIC participants more than non-WIC customers or charging more than shelf price, or charging more than is permitted under the Vendor Agreement, either intentionally or unintentionally. It is not an overcharge when a vendor submits a food instrument for approval and the WIC agency makes a price adjustment to the check. | Pattern of abuse | Disqualification | 3 years |
| 6. | Receiving, transacting, and/or redeeming checks outside authorized channels including unauthorized vendors or persons. | 1st | Disqualified | 3 years |
| | | | | |
| 7. | Charging for foods not received by the participant. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 8. | Providing credit or non-food items in exchange for WIC checks (other than alcohol, tobacco, firearms, ammunition, explosives, or controlled substances which are covered in sanctions 1 through 3. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 9. | Selling expired infant formula to participants. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 10. | Including sales tax or deposits as part of | 1st | Warning | |

| Violation | | Offense | Sanction | Term |
|---|---|---|---|---|
| | the cost of the foods listed on the food instrument or requiring participants to pay the tax or deposit. | 2nd | Fine or disqualified | See page 14 ** |
| 11. | Accepting returned items purchased with WIC checks for cash or credit with the exception in item 4 on page 4 of the Vendor Manual. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 12. | Providing change when redeeming food instruments. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 13. | Failure to maintain inventory records or other records required of vendors. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 14. | Denial of the purchase of up to the full amount of the foods on the food instrument. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 15. | Failure to attend annual September WIC training by a store representative. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 16. | Failure to provide authorized WIC Program access to the business premises, any redeemed WIC checks on hand, and other records pertaining to their WIC participation. | 1st | Disqualification | 1 year |
| | | | | |
| 17. | Submission of false information on price survey or during inspection of the vendor. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 18. | Threatening or verbally abusing WIC participants or program personnel. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 19. | Disqualification from other Food and Nutrition Service programs. | All | Disqualification | Disqualification same as FSP |
| 20. | Failure to reimburse the department within 30 days of written request for amounts paid by the department for improperly redeemed food instruments. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 21. | Requiring cash purchases in order to redeem food instruments. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |

| Violation | | Offense | Sanction | Term |
|---|---|---|---|---|
| 22. | Failure to compare the signature on the food instruments with the signature on the WIC identification folder. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 23. | Alteration of a check other than a legitimate price or use date correction | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 24. | Home delivery of WIC purchases. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 25. | Failure to honor a coupon or any other special offer available to the general public. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 26. | Failure to accept a valid WIC check when presented with a valid WIC ID folder | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 27. | Recovery or attempted recovery of funds or food from WIC participants in relation to a WIC check. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 28. | Failure to provide formula as required. | 1st | Warning | |
| | | 2nd | Fine or disqualified | See page 14 ** |
| 29. | Failure to allow the purchase of an authorized food or issuing rain checks. | 1st | Warning | |
| | | 2nd & 3rd | Fine or disqualified | See page 14 ** |
| 30. | Failure to remove any out-of-date WIC food from customer areas. See item H under Additional Sanction Information. * | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 31. | Failure to maintain the minimum stock of WIC foods on hand. * | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| | | 4th | Disqualification 1 year | |
| 32. | Failure of the WIC foods identification test by store personnel incorrectly identifying two or more foods during the test or any incorrect identification of WIC/non-WIC food by a scanning system.* | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |

| Violation | | Offense | Sanction | Term |
|---|---|---|---|---|
| 33. | Failure to maintain WIC food prices within 15 percent of other authorized WIC vendors of the same peer group ranking. . | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 34. | Failure to fill in the cost of foods received in ink on the check prior to obtaining a participant or proxy signature. | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 35. | Failure to accurately show the price of WIC foods on the food package, container, shelf, or on a sign. * | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 36. | Failure to offer WIC participants the same courtesies and services offered to the general public. | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 37. | Using a cash register without a current WIC approved food list at the cash register. * | 1st | Education | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 38. | Failure to supply a price survey to the department as required. | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 39. | Requiring participants to show ID other than the WIC ID folder except as described in item 9 on page 5 of the Vendor Manual. | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 40. | Requiring a participant to select a specific type or brand of WIC foods when the food instrument or list does not require purchase of that specific type or brand. | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 41. | The possession, attempted sale, or sale of food products from the Commodity Supplemental Food Program. | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 42. | Accepting a food instrument before the first-day-to-use or after the last-day-to-use date. | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 43. | Accepting an altered food instrument. | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 44. | Failure to provide a WIC participant with a cash register receipt for the foods purchased. | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |

| Violation | | Offense | Sanction | Term |
|---|---|---|---|---|
| 45. | Retaining WIC ID or any information that identifies a WIC participant or proxy or disclosing information regarding a WIC participant. | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |
| 46. | Issuing rain checks for specific WIC food types, brand, or quantities listed on the food instrument not available or not received by the participant at the time a food instrument is redeemed. | 1st | Warning | |
| | | 2nd & 3rd | | See page 14 *** & **** |

* Requires a follow-up visit in 60 days.

** For the second violation within a twenty-four (24) month period, a vendor may be sanctioned as follows:

(A) Up to the lesser of one thousand dollars ($1,000) or ten percent (10%) of the vendor's monthly average redemptions for:

(i) the greater of the twelve (12) months preceding the date of the sanction notice, or

(ii) a lesser number of months the vendor has been authorized.

(B) Disqualification from the WIC program for up to one (1) year.

*** For a vendor's second violation within a twenty-four (24) month period, a vendor shall either:

(A) receive a second warning letter; or

(B) be required to participate in a conference with the department and local agency about the violation, either in person or by telephone;

(C) both.

After the letter or conference, the vendor shall submit written documentation of the corrective action that will be taken.

**** For a vendor's third violation within a twenty-four (24) month period, a vendor may be fined three percent (3%) of the vendor's monthly average redemptions for the greater of the following:

(A) The twelve (12) months preceding the date of the imposition of the sanction.

(B) A lesser number of months the vendor has been authorized.

## ADDITIONAL SANCTION INFORMATION

A. WIC is required to disqualify a WIC vendor who has been disqualified from the Food Stamp Program (FSP). If the vendor is disqualified from WIC as a result of FSP disqualification, such disqualification is not subject to administrative or judicial review by the WIC state agency. WIC may also disqualify a WIC vendor who has received a Civil Money Penalty (CMP) from FSP in lieu of disqualification from that program.

B. For a vendor's third violation within a twenty-four (24) month period, for violations 30 and 32 through 46, a vendor may be fined three percent (3%) of the vendor's monthly average redemptions for the greater of the following:

   (A) The twelve (12) months preceding the date of the imposition of the sanction.
   (B) A lesser number of months the vendor has been authorized.

   For any subsequent violations within a twenty-four (24) month period, a vendor may be fined five percent (5%) of the vendor's monthly average redemptions for the greater of the following:

   (A) The twelve (12) months preceding the date of the sanction notice.
   (B) A lesser number of months the vendor has been authorized.

   Multiple violations found may result in a cumulative penalty assessment based upon this subsection.

C. Vendors who have been disqualified from WIC may also be disqualified from FSP. In accordance with current laws governing both WIC and FSP, such a FSP disqualification may not be subject to administrative or judicial review under FSP.

D. A vendor who has been disqualified from the WIC Program is eligible to reapply 30 days before the period of disqualification has ended. In all cases, the vendor's new application will be subject to the agency's vendor selection criteria in effect at the time of reapplication.

E. A violation that carries a warning sanction will not be considered for purposes of the progression of sanctioning after 24 months from the date of the occurrence except in the event of an appeal. If the state prevails in the appeal process, the 24-month period will be extended by the number of days the appeal process takes from beginning until final resolution. In addition, routine and follow-up monitoring activities will continue during the appeal process. Any additional violations will follow the progressive sanction schedule.

F. The WIC Program reserves the right to deny payment for part or all of a check(s) and/or demand a refund for a check(s) involving program abuse in addition to any other sanction which may be applied.

G. Commission of any violation not specifically listed on the sanction schedule, but which is contrary to any rule, regulation, policy, or procedure of the WIC Program, shall be dealt with in accordance with the severity of the violation. The sanction schedule will be used as a guideline for determining sanctions.

H. Local health departments will be notified when violation #30 is cited on the monitoring form.

I. USDA rules do not allow vendors to withdraw from the program as an alternative to disqualification.

J. The state agency does not have to provide the vendor with prior warning that violations were occurring before imposing a sanction listed in the Sanction Schedule.

K. Vendors have the right to appeal only those adverse actions allowed by CFR 246.18. A written request for appeal, setting forth with specificity the basis for appeal allowable under CFR 246.18, must be sent to the WIC Director, Indiana State Department of Health, 2 North Meridian St., Section 8B, Indianapolis, Indiana 46204 within 15 days of the vendor's knowledge of the adverse action.

**VENDOR RIGHTS/APPEAL PROCEDURE**

The WIC Program provides vendors certain rights, which include:

1. The right to voluntarily withdraw from the WIC Program except if it is to avoid disqualification resulting from violations of the Sanction Schedule or to avoid paying a civil money penalty.
2. The right to file a complaint against a WIC participant or other WIC vendor.
3. The right to receive advance notice of a suspension, termination, or non-approval.
4. The right to request a hearing on an adverse action allowable under CFR 246.18.
5. The right to be represented by counsel.

A written request for appeal must be sent to the WIC Director, Indiana State Department of Health, 2 North Meridian St., Section 8B, Indianapolis, Indiana 46204 within 15 days of your receipt of a notice of disqualification, suspension, or non-approval. Hearings will take place in Indianapolis before an Administrative Law Judge. Hearings will be conducted in an informal manner during which the vendor and the WIC Program are allowed to present. The Administrative Law Judge decision will be based on the oral and documentary evidence presented and the statutory and regulatory provisions governing the WIC Program.

## DEFINITIONS

**Brand:** Trademark name for a product.

**Cash value voucher (CVV)** means a fixed-dollar amount check, voucher, electronic benefit transfer (EBT) card or other document which is used by a participant to obtain authorized fruits and vegetables.

**Cheese food, product, substitute, spread, etc.:** Non-approved food item that is less than 100% cheese.

**Compliance buy** means a covert, on-site investigation in which a representative of the program poses as a participant, parent, or caretaker of an infant or child participant or proxy, and transacts one or more food instruments (FIs) or CVVs and does not reveal during the visit that he or she is a program representative.

**Education:** As defined for WIC vendor purposes, findings, complaints, or other issues relayed to the vendor on a monitoring form by letter or orally. At monitoring, education is acknowledged when the store representative signs the monitoring form at the end of a monitoring visit. A complaint or other issue, either about a vendor or participant, may be documented in a letter sent by a WIC agent specifying the complaint or relevant issue and outlining the correct WIC policy. Oral education may be given either in person or by phone and recorded in the vendor file for future reference.

**Employee fraud and abuse** means the intentional conduct of a state, local agency, or clinic employee which violates program regulations, policies, or procedures including, but not limited to, misappropriating or altering FIs or CVVs by entering false or misleading information in case records or creating case records for fictitious participants.

**First-day-to-use:** The first date on which a WIC check may be used.

**Food test** is a part of the monitoring visit. The person conducting the review selects food items that are used to test the cashiers or store representative's knowledge of WIC foods and their ability to use the WIC food list. Both approved and non-approved foods are used during this test. Two or more incorrect answers during the food test will result in a failed food test.

**Fruit drinks, juice drinks, ades, labels that contain the word beverage, etc.:** Anything not 100% juice or 100% dairy milk.

**Juice container:** Can, plastic, or glass.

**Last-day-to-use** is the last date on which a WIC check may be used.

**Low fat peanut butter/peanut spread:** Non-approved food item similar to peanut butter, but consisting of a soy and peanut blend. These products are usually labeled low fat.

**Monitoring visit** is a store visit performed by an authorized WIC agent conducted at least once every fiscal year. This visit includes, but may not be limited to, interviews with store personnel, verification of stock on hand (including quantities, use dates, and selection), general store cleanliness, cashier food test, and review of WIC checks and other pertinent records.

**Participant violation** means any intentional action of a participant, parent, or caretaker of an infant or child participant or proxy that violates federal or state statutes, regulations, policies, or procedures governing the program. Participant violations include intentionally making false or misleading statements or intentionally misrepresenting, concealing, or withholding facts to obtain benefits; exchanging CVVs, FIs, or supplemental foods for cash, credit, non-food items, or unauthorized food items including supplemental foods in excess of those listed on the participant's FI; threatening to harm or physically harming any clinic, farmer, or vendor staff; and dual participation.

**Proxy** means any person designated by a woman participant, or by a parent or caretaker of an infant or child participant, to obtain and transact FIs or CVVs or to obtain supplemental foods on behalf of a participant. The proxy must be designated consistent with the state agency's procedures established pursuant to Section 246.12(r)(1). Parents or caretakers applying on behalf of child and infant participants are not proxies.

**Stale date:** A check deposited more than 30 days after the last-day-to-use.

**Type, flavor, variety, and kind** are all words to describe a particular subgroup of a food item, i.e.: a juice subgroup could be described by different flavors or a baby cereal subgroup could be kinds, types, or varieties of different cereal grains (rice, oat, barley, mixed grain).

**Vendor** means a sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores authorized by the state agency to provide authorized supplemental foods to participants under a retail food delivery system. Each store operated by a business entity. Each store must have a single, fixed location except when the authorization of mobile stores is necessary to meet the special needs described in the state agency's State Plan in accordance with Section 246.4(a)(14)(xiv).

## SAMPLE INDIANA WIC I.D. FOLDER

ID#: 12084837

Agency / clinic code: 36 / 01

Signature (participant, parent or guardian): Marcia Fuentes

Proxy #1: JOHN Smith

Signature: John Smith

Proxy #2: [redacted]

Signature: [redacted]

Participant name(s): Marcia A. Fuentes

Remember to bring this ID folder when picking up checks and when shopping for food.
Only you or your proxies are allowed to receive or use checks.

INDIANA WIC

## SAMPLE WIC FOOD CHECK

Indiana State Department of Health
WIC Program

10190504 JOHN DOE 14/01 76269569
WIC I.D. NO. NAME OF PARTICIPANT AG / CL

PAY TO THE ORDER OF ANY AUTHORIZED INDIANA WIC VENDOR ONLY
FOR THESE ITEMS, SIZES, QUANTITIES ONLY

Payable Through
United Community Bank
Marietta, GA
64-1968
611

| QTY. | DESCRIPTION (NO SUBSTITUTIONS ALLOWED) |
|---|---|
| 002 | GALLON CONTAINER(S) WHOLE MILK |
| 001 | 18-OZ JAR PEANUT BUTTER |
| 001 | 64 OZ CONTAINER(S) JUICE |
| 001 | 16 OZ WHOLE WHEAT OR WHOLE GRAIN BREAD OR UP TO 16 OZ BROWN RICE OR 16 OZ SOFT WHOLE WHEAT OR CORN TORTILLAS |
| | XXX END OF ORDER XXXX |

WIC USE ONLY

FIRST DAY TO USE: OCT 1, 2012

APPROVED PRICE CORRECTION WIC USE ONLY

DATE USED

CASHIER INITIALS

LAST DAY TO USE: OCT 31, 2012

VENDOR MUST DEPOSIT WITHIN 30 DAYS OF LAST DAY TO USE

ACTUAL $ AMOUNT

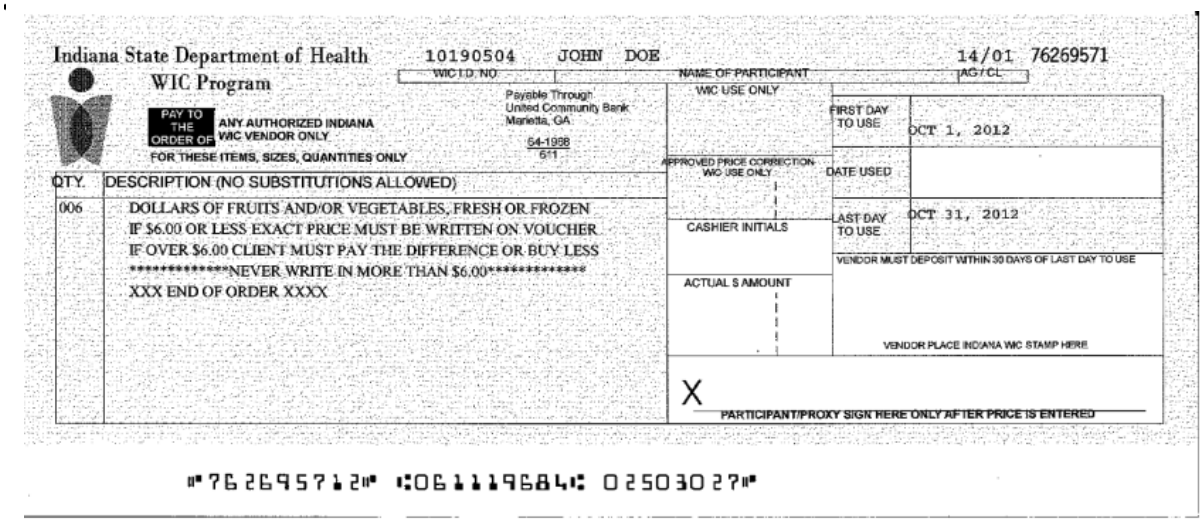
VENDOR PLACE INDIANA WIC STAMP HERE

X

PARTICIPANT/PROXY SIGN HERE ONLY AFTER PRICE IS ENTERED

⑈76269569⑈ ⑆061119684⑆ 02503027⑈

**Sample of a Cash Value Voucher Check**



Indiana State Department of Health
WIC Program

10190504 JOHN DOE 14/01 76269571
WIC I.D. NO. NAME OF PARTICIPANT AG/CL

PAY TO THE ORDER OF ANY AUTHORIZED INDIANA WIC VENDOR ONLY
FOR THESE ITEMS, SIZES, QUANTITIES ONLY

Payable Through
United Community Bank
Marietta, GA
54-1998
611

| QTY. | DESCRIPTION (NO SUBSTITUTIONS ALLOWED) |
|---|---|
| 006 | DOLLARS OF FRUITS AND/OR VEGETABLES, FRESH OR FROZEN<br>IF $6.00 OR LESS EXACT PRICE MUST BE WRITTEN ON VOUCHER<br>IF OVER $6.00 CLIENT MUST PAY THE DIFFERENCE OR BUY LESS<br>**********NEVER WRITE IN MORE THAN $6.00**********<br>XXX END OF ORDER XXXX |

WIC USE ONLY
APPROVED PRICE CORRECTION WIC USE ONLY
CASHIER INITIALS
ACTUAL $ AMOUNT

FIRST DAY TO USE: OCT 1, 2012
DATE USED
LAST DAY TO USE: OCT 31, 2012
VENDOR MUST DEPOSIT WITHIN 30 DAYS OF LAST DAY TO USE
VENDOR PLACE INDIANA WIC STAMP HERE

X
PARTICIPANT/PROXY SIGN HERE ONLY AFTER PRICE IS ENTERED

⑈76269571⑈ ⑆06111968⑆ 02503027⑈

Cash Value Voucher

- Will allow fresh or frozen fruits and veggies only – no canned.
  White potatoes are not allowed. Yams or sweet potatoes are the only potatoes allowed.
- Each cash value voucher will have a maximum dollar amount ($6, $10, or $15) in the description box.
- Cashiers must enter the price charged up to the maximum listed on the check. The price cannot exceed the dollar amount listed on the voucher. The price may be less than the maximum allowed.
- Participant may pay the difference or the amount of produce purchased may be reduced to equal the value of the CVV when the purchase price exceeds the cash value voucher.
- No cash back or gift cards are allowed. This includes any exchanges made.
- Organic fresh fruits and veggies are allowed. These are the only organic foods allowed.
- Redeemed only at grocery stores, not farmers markets.
- Produce that is spoiled must be exchanged for other fruits and vegetables. If a bag of apples is exchanged for another bag of apples that is priced less, no cash back is given. If the bag of apples exchanged is more in price, the grocery should treat the WIC customer the same as other customers. The participant would pay the difference or the store may elect to make the exchange even.
- Vendor deposits a CVV the same as a WIC check.
- Redemption rules are the same as for a WIC check:
  - Must have WIC ID.
  - Have valid date.
  - No alterations.
  - Must get the participant's signature.
  - Stamp with vendor stamp.

## VENDOR AUTHORIZATION AND APPLICATION

Stores interested in being authorized as a WIC vendor must submit an application to the state WIC office. Stores are selected for authorization based on selection criteria as required by the United States Department of Agriculture (USDA) under 7 CFR Part 246 of the Federal Register. WIC authorization is selective to aid in effectively managing the food delivery component of the Program. Submission of an application does not guarantee authorization to accept WIC checks.

The authorization process involves comparing the application to program requirements and may involve an on-site pre-authorization visit to verify prices, variety of formula, WIC food stock, other information on the application, and store operations. A pre-authorization visit must show the following:

1. Minimum stocking requirements are met.
2. Infant foods on the shelves are within their fresh dates.
3. WIC foods refrigerated in compliance with *410 IAC 7-24.*
4. All WIC food prices are marked on or near the foods.
5. Prices on application match shelf prices.
6. Satisfactory report from the health department.

Other authorization requirements:

1. Applicants must own the store when they apply.
2. Applicants must have satisfactory current and past compliance (if applicable) with WIC, other USDA Programs, and state and local health standards.
3. Previous owner of the store location who is related in any way to the current applicant must also have satisfactory past compliance with WIC and other USDA programs.
4. Minimum WIC food stock requirements must be met prior to approval. Prior to authorization, vendors must have in stock the minimum foods found in the program requirements set forth in this vendor manual. However, pharmacies have no stocking requirement and redeem checks for formula only.
5. None of the store's current owners, officers, or managers have been convicted of or had a civil judgment entered against them for the following conduct demonstrating a lack of business integrity:
    - Fraud
    - Antitrust violations
    - Embezzlement
    - Theft
    - Forgery
    - Bribery
    - Falsification or destruction of records
    - Making false statements
    - Receiving stolen property
    - Making false claims
    - Obstruction of justice
6. No conflict of interest exists between the vendor and any local WIC or state WIC agency official. Such a conflict arises when an employee of the local or state WIC agency; any member of his/her immediate family; his/her business partner; has a financial interest in the store applying for authorization.

7. The store shall not derive more than fifty (50) percent of its annual revenue from the sale of food items through WIC food instruments. Failure of a store to provide documentation requested by the WIC Program to verify this criterion shall result in denial of the application.

The following categories will be assigned points as part of the authorization process:

| Category | Points Awarded |
|---|---|
| 1. A store with WIC food pricing that is one percent (1%) to ten percent (10%) below the average price of vendors in the same WIC service area.<br><br>A store with prices more than ten percent (10%) below average. | 1<br><br>2 |
| 2. A store with a pharmacy if the WIC service area is without a WIC authorized pharmacy. | 1 |
| 3. A store that has at least fifty percent (50%) sales from food sales. | 1 |
| 4. Current authorized vendors if they have not:<br>(1) received a second education/warning letter; or<br>(2) been required to attend a conference in the last two (2) years under 410 IAC 3.6-5-2(c)(3). | 1 |
| 5. A store that has not accumulated enough points to be authorized, but is needed to avoid inadequate participant access under section 9 of this rule. | 1 |

If a store is not the best qualified or does not meet the selection criteria, that store will not be authorized. Approved vendors are required to attend vendor training and sign an agreement.

Existing vendors are required to submit a new application during each contracting season. The contracting season is established approximately six months prior to the expiration of the current agreement. New stores may also apply during this period and, if authorized, will be issued a conditional contract. All applications, both existing and new, received prior to the deadline established by the state WIC office will be considered for authorization. Authorization is based on the selection criteria and the need for additional vendors. Applications received outside the contracting season may be conditionally authorized if the state WIC office determines an additional need for a vendor in a WIC service area. If the minimum WIC redemption is met and all requirements are satisfactorily followed by a new vendor, the conditional agreement will be extended through the remainder of the agreement period.

Authorization is NONTRANSFERABLE. If a vendor changes ownership, location, format, or ceases operation, its authorization to participate in WIC ends and checks may no longer be accepted or redeemed.

A vendor is authorized for a specific time period and must reapply prior to the application deadline date to continue on the WIC program. The WIC program is not obligated to renew any vendor's authorization. Authorization to participate can be terminated by the vendor or the state WIC Program by giving at least 15 days written notice to the other party. Authorized vendors must notify the Indiana WIC Program at least 15 days in advance of change of ownership, location, format, or store closure.

INDIANA WIC

Indiana WIC • 2 North Meridian St. • Indianapolis, IN 46204
1.800.522.0874 • http://www.in.gov/isdh/programs/wic/index.htm
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Indiana State
Department of Health