

## I. VENDOR AND FARMER MANAGEMENT

State Agency: Arkansas for FY 14

Vendor and farmer management includes all those activities associated with selecting, authorizing, training, monitoring, and investigating the State agency's vendor and farmer population for the purpose of reducing fraud and abuse in the WIC Program food delivery system.

**A. Vendor Selection and Authorization – 7 CFR 246.4(a)(14)(i), (ii), and (iii):** identify the types of food delivery systems used in the State's jurisdiction, describe, if used, the State agency's limiting criteria, describe the State agency's selection criteria, attach a sample vendor agreement. Describe, if applicable, the supervision and instruction the State agency provides to local agencies to which vendor agreement signing has been delegated.

**B. Vendor Training – 7 CFR 246.4(a)(14)(xi):** describe State and local agency procedures for training WIC Program vendors and farmers and for documenting all relevant training.

**C. High-Risk Vendor Identification Systems – 7 CFR 246.12(j)(3):** describe the policies and procedures for identifying and monitoring high-risk vendors through the use of vendor peer groups, food instrument and cash-value voucher redemption screening, analysis of overcharging and other violations, the use of price lists, tracking complaints, or other means. *This section may be submitted separately because it is no longer a State Plan requirement but must still be approved by FNS.*

**D. Routine Monitoring – 7 CFR 246.4(a)(14)(iv):** describe the criteria used to select vendors for routine monitoring as well as the methods and scope of on-site routine monitoring activities. Include any relevant information about the State agency's plans for improvement in the coming year.

**E. Compliance Investigations – 7 CFR 246.4(a)(14)(iv):** describe the investigative practices and procedures used to conduct both compliance buys and inventory audits for the purpose of detecting, tracking, and documenting vendor noncompliance with program requirements.

**F. Vendor Sanction System – 7 CFR 246.4(a)(14)(iii):** attach a copy of the State agency's sanction schedule (this should be included in the vendor agreement). Describe, if applicable, any option exercised under § 246.12(l)(1)(i) regarding trafficking convictions.

**G. Administrative Review of State Agency Actions – 7 CFR 246.4(a)(14)(iii):** describe the procedures for conducting both full and abbreviated administrative reviews.

**H. Coordination with the Supplemental Nutrition Assistance Program (SNAP) – 7 CFR 246.4(a)(14)(ii), (a)(14)(iv), and 246.12(h)(3)(xxv):** describe the methods and procedures used to coordinate the monitoring and sharing of information on vendors who participate in both the WIC Program and SNAP.

**I. Staff Training on Vendor Management – 7 CFR 246.4(a)(14)(ii), (a)(14)(iii), (a)(14)(iv), and (a)(14)(xi):** describe the distribution of responsibilities and activities of those individuals at both the State and local levels who are involved in vendor management activities. If applicable, describe the supervision and instruction the State agency provides to local agencies to which vendor management activities have been delegated.

**J. Farmer Authorization – 7 CFR 246.4(a)(14)(iii), (a)(14)(xi), and 246.12(v):** if the State agency authorizes farmers to accept cash-value vouchers (CVVs), describe the authorization process.

**K. Farmer Agreements – 7 CFR 246.4(a)(14)(iii), (a)(14)(xi), and 246.12(v):** if the State agency authorizes farmers to accept cash-value vouchers (CVVs), describe the State agency's agreement with the farmers and attach a sample farmer agreement.

**L. Farmer Training – 7 CFR 246.4(a)(14)(iii), (a)(14)(xi), and 246.12(v):** if the State agency authorizes farmers to accept cash-value vouchers (CVVs), describe the training provided to the authorized farmers.

**M. Farmer Monitoring – 7 CFR 246.4(a)(14)(iii), (a)(14)(xi), and 246.12(v):** if the State agency authorizes farmers to accept cash-value vouchers (CVVs), describe the criteria used for selecting farmers for routine monitoring as well as the method(s) and scope of on-site monitoring of the farmers.

**N. Farmer Sanctions, Claims, and Appeals – 7 CFR 246.4(a)(14)(iii), (a)(14)(xi), and 246.12(v):** if the State agency authorizes farmers to accept cash-value vouchers (CVVs), describe the farmer sanctions, claims, and appeals and attach a copy of the farmer sanction schedule (which should be included in the farmer agreement as well).

**I. VENDOR MANAGEMENT**

**A. Vendor Selection and Authorization**

**1. Number and Distribution of Authorized Vendors**

**a. The State agency uses limiting criteria to limit the number of vendors it authorizes:**

- Yes  No

**b. If yes, check the type of criteria used:**

- Vendor/participant ratio  
 Vendors/local agency or clinic ratio  
 Vendors/local service area or county ratio  
 Vendors/geographic area (e.g., number per mile, city block, zip code)  
 Vendor/State agency staff ratio  
 Other (specify):

**ADDITIONAL DETAIL: Vendor Management Appendix and/or Procedure Manual (cite):**

**2. Vendor Application Periods**

**a. The State agency considers applications:**

- On an on-going basis  
 Annually  
 Every two years  
 Every three years  
 Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: VM Appendix I. Internal Food Delivery Management Policy (IFDMP), Section I, A, 1 (exception for reauthorization period) and/or Procedure Manual (cite):**

**3. Vendor Selection and Authorization**

**a. The vendor selection criteria used to select vendors for program authorization include:**

- A competitive price criterion based on:  
 Vendor applicant price lists  
 WIC redemption data  
 A State agency standard drawn from a price survey  
 A standard drawn from another source  
 Other (specify): \_\_\_\_\_  
 A minimum variety and quantity of supplemental foods criterion that is:  
 Statewide  
 Peer group specific  
 Other (specify): \_\_\_\_\_

- A business integrity criterion that includes:
  - No history, during the past six years, among the vendor's owners, officers, or managers of criminal convictions or civil judgments for activities listed in 7 CFR 246.12(g)(3)(iii)
  - No history of other business-related criminal convictions or civil judgments
  - Lack of previous WIC sanctions
  - Lack of a current SNAP disqualification or civil money penalty for hardship
  - Other (specify): Outstanding debt to the State of Arkansas including non-payment of State Sales Tax; accepting WIC Checks/CVBs prior to authorization as a WIC vendor
- A requirement to obtain infant formula only from sources included in the State agency's list of State licensed infant formula wholesalers, distributors, and retailers and manufacturers registered with the U.S. Food and Drug Administration
- Stock a full range of foods in addition to WIC supplemental foods
- A location necessary to ensure adequate participant access
- Redemption of a minimum number/volume of food instruments and cash-value vouchers
- Satisfactory compliance with previous vendor agreement
- Certification by an approved State or local health department
- Proof of authorization as a SNAP retailer, including SNAP authorization number
- Hours of operation which meet State agency criteria (specify): \_\_\_\_\_
- Other criteria (specify): Store that has been sold by a previous owner(s) in an attempt to circumvent a WIC sanction; disqualification from another WIC program; misuse of WIC acronym or logo; monthly WIC redemptions less than \$400 per month for 3 month period
- Not applicable (explain): \_\_\_\_\_

**b. Explain how the State agency uses the competitive price criteria identified in item 3a to select vendors for authorization.**

The applicant's shelf prices (all) will be compared to the peer group competitive prices for similar vendors (geographically, store type and retail format). If the prices are at or below the competitive prices, the applicant can proceed with the process. If not, the applicant is given one opportunity to adjust the price(s) to meet the competitive price(s). if they do not, the application is denied.

**(1) The State agency exempts from competitive price criteria pharmacies that provide only exempt infant formula or WIC-eligible medical foods to participants?**

Yes       No

**(2) The State agency has exempted non-profit WIC vendors (other than health or human services agencies that provide food under contract with the State agency) from competitive price criteria.**

Yes       No

**c. The State agency authorizes vendors that derive more than 50 percent of their annual food sales from WIC transactions (i.e., above-50-percent vendors):**

Yes       No

**If “Yes,” please respond to the following:**

**If “No,” please proceed to item 3d.**

**(1) How many above-50-percent vendors are currently authorized (include all above-50-percent vendors and not just WIC-only vendors)? \_\_\_\_\_**

**(2) Does the State agency allow above-50-percent vendors to provide incentive items?**

Yes       No

**If yes, describe the approval process or attach a copy of the relevant application form.**

**Description (or list the Appendix citation here): \_\_\_\_\_**

**(3) Does the State agency provide above-50-percent vendors with a list of pre-approved incentive items?**

Yes; please provide list       No

\_\_\_\_\_

**(4) Does the State agency provide above-50-percent vendors with a list of prohibited incentive items?**

Yes; please provide list       No

\_\_\_\_\_

**d. The State agency ensures vendors (regular or above-50-percent) do not treat WIC participants differently by offering them incentive items that are not**

**offered to non-WIC customers. (7 CFR 246.12(h)(3)(iii) and WIC Policy Memorandum 2012-3, Vendor Incentive Items)**

- Yes; please explain: See VM Appendix II. Vendor Participation Agreement and Handbook, Section I, 8. i and IV, #24  
 No; please explain: \_\_\_\_\_

**e. On-site preauthorization visits are conducted to verify information received during the application process:**

**by SA**

**by LA**

For vendors at initial authorization

For all vendors at authorization/reauthorization

**f. The State agency routinely verifies with the appropriate FNS office information provided by vendor applicants regarding the status of their SNAP retailer authorization.**

- Yes, please indicate how often: Annually       No

**ADDITIONAL DETAIL: VM Appendix I. IFDMP, Section I, B and C and Section IV, C; VM Appendix II. Vendor Participation Agreement and Handbook, Section I, 8, i and Section IV, #24 and/or Procedure Manual (cite):**

**4. Vendor Peer Groups**

*If the State agency does not have a vendor peer group system, proceed to item 4e.*

**a. Vendors are assigned to peer groups for selection/authorization:**

- Yes       No

**b. Vendors are assigned to peer groups for reimbursement purposes:**

- Yes       No

**c. Peer groups are based on the following (check all that apply):**

- WIC sales volume  
 Gross food sales volume  
 Number of cash registers  
 Square footage of store  
 Type of store  
 Location of store  
 Local agency service areas

- City, county or regional divisions
- Urban/suburban/rural
- Zip codes
- Unique economic location (e.g., rural island, single metro area)
- Other (specify):
- Other (specify): Retail format – discount/limited brand stores

d. **Using the chart on the next page, describe the peer groupings (e.g., supermarkets, medium and small grocery stores, convenience stores, etc.) that the State agency plans to use during the upcoming fiscal year. For State agencies with more than four peer groupings, please attach a chart containing this Peer Group Description and list the Appendix citation here: VM Appendix IV. Description of Peer Group System**

e. **The State agency has received an exemption from the vendor peer group system requirement:**

Date of exemption: \_\_\_\_\_  No

**(1) If “yes,” the State agency’s exemption was based on documentation that showed that (*check the applicable box*):**

- The State agency had no above-50-percent vendors; or
- Above-50-percent vendors accounted for less than five percent of the total WIC redemptions.
- Other (specify): \_\_\_\_\_

**(2) Based on the latest available data for the current fiscal year (which covers the period from 10-1-12 to 6-30-13 ), the State agency:**

- Does not have any above-50-percent vendors;
- Paid above-50-percent vendors \_\_\_\_\_ percent of the total annual WIC redemptions to date.

**(3) If the State agency does not use a vendor peer group system, describe the State agency’s alternative system for comparing the prices of new vendor applicants and currently authorized vendors and selecting for authorization or reauthorization vendors that offer the program the most competitive prices. N/A**

**I. VENDOR MANAGEMENT**

**A. Vendor Selection and Authorization**

**DESCRIPTION OF VENDOR PEER GROUP SYSTEM**

Vendor Peer Groups					Comparable Vendors Peer Group Number (6)
Peer Group No. (1)	Description (e.g., supermarkets, chain stores, pharmacies) (2)	Number of Vendors in Peer Group			
		Regular Vendors (3)	Above-50% Vendors (4)	Total (5)	
1	See VM Appendix IV				
2					
3					
4					

***Instructions:***

Column 1 – Assign a sequential number to each peer group.

Column 2 – Describe the vendors in the peer group.

Column 3 – Insert the number of authorized vendors that are regular vendors.

Column 4 – If the State agency authorizes above-50-percent vendors, insert the number of above-50-percent vendors currently authorized.

Column 5 – Insert the total number of authorized vendors. This number should be the sum of columns 3 and 4, since the State agency must identify each vendor as being either a regular vendor or an above-50-percent vendor.

Column 6 – For each peer group that contains above-50-percent vendors, insert the number of the peer group that contains comparable regular vendors. The comparable vendor peer group is the peer group that the State agency uses to derive the competitive price criteria and maximum reimbursement levels that it applies to the above-50-percent vendors. If above-50-percent vendors are placed in a peer group with regular vendors, then the number in column 1 should be the same as that in column 6. If above-50-percent vendors are in separate peer groups, then the number in column 1 will be different from that in column 6.

**I. VENDOR MANAGEMENT**

**A. Vendor Selection and Authorization**

**ADDITIONAL DETAIL: VM Appendix I. IFDMP and/or Procedure Manual (cite):**

**f. Describe the process the State agency uses to assess the effectiveness of its peer group system and competitive price criteria to enhance system performance (7CFR 246.12(g)(4)(ii)(c)).**

Peer group designations are reviewed annually. Peer group assignments are reviewed 3 times per year (at the time of the price surveys).

**The State agency makes this assessment—**

- Annually**
- Biennially**
- Every three years**
- Other (please specify): \_\_\_\_\_**

**5. Semiannual Shelf Price Collection**

**a. The State agency has received an exemption from the shelf price collection requirement under 7 CFR §246.12(g)(4)(ii)(B):**

- Yes; date FNS exemption granted: \_\_\_\_\_
- No

**6. Vendor Agreements**

**a. The following reflect the State agency's vendor agreement practices:**

- All vendors have a written agreement with the State agency
- A standard vendor agreement is used statewide
- Vendor agreements are subject to the State's procurement procedures
- Vendor agreements/handbooks are subject to the State's Administrative Procedures Act
- A nonstandard vendor agreement is used for:
  - Military commissaries
  - Pharmacies that only provide exempt infant formula and/or WIC-eligible medical foods
  - All pharmacies
  - Home food delivery contractors
  - Mobile stores
  - Other (specify): \_\_\_\_\_
- Vendors are authorized for a period of \_\_\_\_\_ years
- Vendors are authorized/reauthorized under renewable agreements, provided no vendor violations occurred during the previous vendor agreement period
- All vendors are provided at least 15 days advance written notice of the expiration of the vendor agreement

Other (specify): Vendors are authorized for a period not to exceed 3 years. All vendor agreements have the same expiration date.

**b. In addition to the requirements in 7 CFR 246.12(h)(3)-(h)(6), the vendor agreement includes:**

- Periodic submission of vendor price lists. If so, specify frequency: 3 times per year
- Maintenance of records in addition to the required inventory records. If so, specify types of records: \_\_\_\_\_
- Submission of food instruments and cash-value vouchers within a shorter timeframe than required by program regulations. If so, specify timeframe: \_\_\_\_\_
- Redemption of a minimum number/volume of food instruments and cash-value vouchers
- Minimum hours of operation
- Other (specify): \_\_\_\_\_

**c. The State agency delegates the signing of vendor agreements to its local agencies:**

- Yes       No

**If yes, provide a description of the supervision and instruction provided to local agencies to ensure the uniformity and quality of this activity. \_\_\_\_\_**

**Please attach a copy of the Vendor Agreement or provide the appropriate Procedure Manual reference below.**

**ADDITIONAL DETAIL: VM Appendix II. and III. Vendor Participation Agreement and Handbook, Sept. 1, 2012 – Aug. 31, 2015 & Minimum Stock Requirements; VM Appendix I. IFDMP, Appendix E and/or Procedure Manual (cite):**

# I. VENDOR MANAGEMENT

## B. Vendor Training

### 1. Vendor Training - General

**a. Annual vendor training covers the following content (check all that apply):**

- Purpose of the WIC Program
- Supplemental foods authorized by the State 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, and retailers, and manufacturers registered with the U.S. Food and Drug Administration
- Procedures for obtaining prior State agency approval to provide incentive items to WIC participants
- Procedures for transacting and redeeming food instruments and cash-value vouchers
- Vendor sanction system
- Vendor complaint process
- Claims procedures
- Changes in program requirements since the last training
- Recordkeeping requirements
- Replacement food instruments and cash-value vouchers
- Participant complaints
- Vendor requests for technical assistance
- Reauthorization
- Reporting changes of ownership, location, or cessation of operations
- Procedures for appeal/administrative review
- Training employees
- WIC/SNAP sanction reciprocity and information sharing
- Other (specify): Correct placement of WIC shelf tags; allowable use of WIC acronym/logo

**b. Vendors or vendor representatives receive training on the following occasions and/or through the following materials (check all that apply):**

- On-site (in-store) meetings/conferences
- Off-site meetings/conferences
- During routine monitoring visits (e.g., educational buys)
- When specialized technical assistance is requested
- Written materials (e.g., newsletters)
- Audiotapes or videotapes
- Teleconference or videoconference
- Vendor hotline
- State or local agency website
- Other (specify): \_\_\_\_\_

**I. VENDOR MANAGEMENT**

**B. Vendor Training**

**c. Vendors or vendor representatives receive *interactive* training as follows (check all applicable responses):**

- At or before initial authorization
- At least once every three years
- Annually or more frequently than once every three years

**d. The following method(s) are used to evaluate the effectiveness of vendor training (check all that apply):**

- Evaluation forms provided with training materials
- Pre-tests and/or post-tests regarding vendor policies, procedures, and practices
- Statistical indicators, such as a reduction in food instrument errors
- Educational buys
- Record reviews
- Informal feedback from vendors and/or participants
- Vendor advisory councils
- Not applicable
- Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: VM Appendix I. IFDMP, Section III; VM Appendix II. Vendor Participation Agreement and Handbook, Section II, #18 and #19, and Section III, #1 and #8 and/or Procedure Manual (cite):**

**2. Delegation of Vendor Training**

**a. The State agency delegates its vendor training to:**

- Its local agencies
- A contractor; specify: \_\_\_\_\_
- A vendor association/representative; specify: \_\_\_\_\_
- Another State agency; specify: \_\_\_\_\_
- Not applicable – Vendors are allowed to conduct the training for new stores, but currently only 1 of our chains (HARPS) does so.

**b. Indicate the frequency with which the State agency performed the following activities during the past fiscal year:**

<u>Times/FY</u>	<u>Activity</u>
_____	Provided comprehensive training materials to delegated trainers
_____	Provided instruction on vendor training techniques to delegated trainers
_____	Monitored performance of delegated trainers to ensure the uniformity and quality of vendor training
<input checked="" type="checkbox"/>	Not applicable

**I. VENDOR MANAGEMENT**

**B. Vendor Training**

Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: VM Appendix I. IFDMP, Section I, C, 2 and/or Procedure Manual (cite):**

**3. Documents for and Documentation of Vendor Training**

**a. The State agency or the entity to which it delegates vendor training documents the content of and vendor participation in annual vendor training:**

Yes       No

**b. Vendors or vendor representatives are required to sign an acknowledgement of training when they have received the following types of training (check all that apply):**

<input checked="" type="checkbox"/> Interactive training	<input type="checkbox"/> Annual training
<input type="checkbox"/> Educational buys	<input checked="" type="checkbox"/> Monitoring visits
<input checked="" type="checkbox"/> Remedial training	<input type="checkbox"/> Other (specify): _____

**c. The State agency produces a Vendor Handbook:**

Yes       No

**If yes, provide in Vendor Management Appendix or cite Procedure Manual Reference.**

**d. The State agency provides online or web based training:**

Yes       No

If yes, provide the link to the training: \_\_\_\_\_

**ADDITIONAL DETAIL: VM Appendix I. IFDMP, Section III; VM Appendix II. Vendor Participation Agreement and Handbook, Section II, #18 and #19, and Section III, #1 and #8; VM Appendix VI. Cashier and Bookkeeper Guide and/or Procedure Manual (cite):**

**I. VENDOR MANAGEMENT**

**C. High-Risk Identification Systems**

**1. Vendor Complaints**

**a. The State Agency has a formal system for receiving complaints about vendors:**

- No; please explain: \_\_\_\_\_
- Yes, complaints are received through the following:
  - A toll-free number handled by State agency staff
  - A standard complaint form which the complainant sends to:
    - State agency
    - Local agency or clinic
  - Other (specify): AR WIC Program e-mail – wic.program@arkansas.gov

**ADDITIONAL DETAIL: VM Appendix I. IFDMP, Section V and/or Procedure Manual (cite):**

**2. Identifying High-Risk Vendors**

**a. What criteria does the State agency use to identify high-risk vendors:**

- Low-variance
- High-mean value
- New vendor
- Complaints against vendors
- Other (specify): History of violations, check errors, minimum stock violations, high % of WIC sales

**b. Which high-risk indicators has the State agency found to be most effective?**

- Low-variance
- High-mean value
- New vendor
- Complaints against vendors
- Other (specify): History of previous violations.

**c. Identify the frequency for generating high-risk vendor reports:**

- |                                       |   |
|---------------------------------------|---|
| <input type="checkbox"/> Monthly      | <input checked="" type="checkbox"/> Annually                          |
| <input type="checkbox"/> Quarterly    | <input type="checkbox"/> No set schedule                              |
| <input type="checkbox"/> Semiannually | <input checked="" type="checkbox"/> Other (specify): <u>As needed</u> |

**I. VENDOR MANAGEMENT**

**C. High-Risk Identification Systems**

**d. Check below the type of food instruments and cash-value vouchers used in the high-risk vendor analysis:**

- A full monthly food package for a:
  - Woman                       Infant                       Child
  - Other (specify): \_\_\_\_\_
- Standard food instrument type with multiple food items (e.g., milk, cheese, and cereal)
- Standard food instrument type with a single food item
- Constructed food instrument (State agencies with nonstandard food instruments)
- Cash-value vouchers
- Other (specify): \_\_\_\_\_

**e. To perform the high-risk vendor analysis, the State agency's system aggregates a vendor's redemptions over the following time period:**

- 1 month     2 months     3 months     4 months     5 months     6 months
- Other (specify): 12 months

**f. Vendor redemption patterns are generally compared to:**

- Applicable peer group patterns
- All vendors' patterns Statewide
- Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: VM Appendix I. IFDMP, Section VII and/or Procedure Manual (cite):**

# I. VENDOR MANAGEMENT

## D. Routine Monitoring

### 1. Routine Monitoring Visits

#### a. Routine monitoring visits are conducted by:

- State agency staff
- Local agency staff
- Other (specify): \_\_\_\_\_

#### b. Identify the activities performed during a routine monitoring visit:

- Check the vendor's inventory of supplemental foods and/or inventory records to determine if the vendor meets the State agency's requirements for the minimum variety and quantity of supplemental foods
- Check the vendor's inventory of non-supplemental foods and/or inventory records to provide information on whether the vendor is an above-50%-percent vendor
- Determine whether the vendor accepts forms of payment other than WIC food instruments and cash-value vouchers, such as cash, personal checks, and credit cards, to provide information on whether the vendor is an above-50%-vendor
- Check the vendor's receipts of infant formula to ensure that the infant formula is obtained only from the State agency's list of infant formula manufacturers registered with the Food and Drug Administration, and infant formula wholesalers, distributors, and retailers licensed under State law
- If the vendor is an above-50%-percent vendor, check its stock of incentive items to ensure that such items have been approved by the State agency
- Obtain the vendor's shelf prices and/or validate the vendor's price list
- Review food instruments and cash-value vouchers in the vendor's possession for vendor violations
- Compare food instruments in vendor's possession with shelf prices to test for vendor overcharges
- Observe food instrument and cash-value voucher transactions
- Conduct an educational buy
- Interview manager and/or employees
- Review employee training procedures
- Conduct annual vendor training or provide vendor with annual training materials
- Examine the sanitary conditions of the store
- Other (specify): Check for expired foods, correct identification of allowable foods, proper signage including price tags, Vendor Participation Agreement available on site

#### c. Generally, routine monitoring visits are conducted:

- Annually
- Twice a year
- As needed
- Other (specify): Three times per year

**I. VENDOR MANAGEMENT**

**D. Routine Monitoring**

**d. The following procedures are used in determining whether a vendor is selected for a routine monitoring visit (check all that apply):**

- |  |   |
|--|---|
| <input type="checkbox"/> Random selection            | <input checked="" type="checkbox"/> Periodic/scheduled review |
| <input type="checkbox"/> Periodic/scheduled training | <input type="checkbox"/> Complaints                           |
| <input type="checkbox"/> Other (specify): _____      |   |

**e. What percent of vendors received monitoring visits during the past fiscal year?**

- Less than 5 percent; explain reason: \_\_\_\_\_
- 5 percent
- More than 5 percent

**ADDITIONAL DETAIL: VM Appendix I IFDMP, Section IV; VM Appendix II. Vendor Participation Agreement and Handbook, Section II #23 & #26 & III, #14 and/or Procedure Manual (cite):**



**I. VENDOR MANAGEMENT**

**E. Compliance Investigations**

Investigative procedures and training are reevaluated if compliance investigations of high-risk vendors result in the detection of no vendor violations.

Other (specify): \_\_\_\_\_

**e. How many vendors were authorized as of October 1 of the past fiscal year?**

416

**How many compliance investigations of vendors were completed during the past fiscal year?**

87

**How many vendors who received compliance investigations were high-risk during the past fiscal year?**

21

**Did the State agency give priority to high-risk vendors (up to the five percent minimum) in conducting compliance investigations during the past fiscal year?**

Yes  No ; explain reason: \_\_\_\_\_

**How many of all vendors were high-risk during the past fiscal year?**

57

**(The State agency is required by § 246.12(j)(4)(i) to conduct compliance investigations of at least 5 percent of its vendors authorized as of October 1 of each fiscal year, including all high risk vendors up to the 5 percent maximum.)**

**ADDITIONAL DETAIL: VM Appendix I. IFDMP, Sections IV and VII; VM Appendix II. Vendor Participation Agreement and Handbook, Section V (Handbook) and/or Procedure Manual (cite):**

**2. Compliance Buys**

**a. The State agency conducts the following types of compliance buys:**

Trafficking buys (exchanging food instruments or cash-value vouchers for cash)

Safe buys (transacting food instruments or cash-value vouchers for all food items listed to see if the vendor will overcharge)

Short buys (transacting food instruments or cash-value vouchers for fewer food items than those listed to see if the vendor will charge for food items not received)

Major substitution buys (exchanging food instruments or cash-value vouchers for non-food items or unauthorized food items that are not similar to those listed)

Minor substitution buys (exchanging food instruments or cash-value vouchers for unauthorized food items that are similar to those listed)

Other (specify): Observation of redemption process.

**I. VENDOR MANAGEMENT**

**E. Compliance Investigations**

**b. Compliance buys are usually conducted by:**

- WIC State agency staff
- WIC local agency staff
- State investigators
- Investigators retained on a contract basis (e.g., Pinkerton, Wells Fargo)
- Interns, neighborhood residents, or program participants employed by WIC
- Another WIC State agency
- Other (specify): \_\_\_\_\_

**c. Who is responsible for ensuring the proper execution of and follow-up on compliance buys:**

- WIC State agency vendor manager
- WIC local agency manager
- State investigators
- Contractor
- Another WIC State agency
- Other (specify): WIC State Agency Vendor Compliance and Educational Specialist

**d. If no vendor violations are detected, how many compliance buys does the State agency conduct before closing a compliance investigation:**

- Two
- Other (specify): 2 consecutive clean buys

**e. If the State agency conducts a standard number of compliance buys per compliance investigation, what is the basis for the prescribed number of buys:**

- State law or regulation
- State agency policy or procedure
- Level of evidence necessary to impose vendor sanctions
- Legal counsel's advice
- Other (specify): As many as needed to verify compliance.

**f. The vendor is provided written notification of a violation requiring a pattern of violations in order to sanction the vendor, prior to documenting another violation of the same kind, unless the State agency determines that such notice would compromise the investigation:**

- Yes
- No

**g. More than one compliance buy visit is needed to detect a pattern of violations:**

- Yes; specify how many: 3
- No

**I. VENDOR MANAGEMENT**

**E. Compliance Investigations**

**ADDITIONAL DETAIL: Vendor Management Appendix I. IFDMP, Section VII and/or Procedure Manual (cite):**

**3. Estimate the cost for conducting compliance buys, excluding expenses related to the vendor appeals/administrative review process:**

\$120.00 Cost per compliance buy

Unknown

Not applicable

**ADDITIONAL DETAIL: Estimated cost. and/or Procedure Manual (cite):**

**4. Inventory Audits (If inventory audits are not performed, go to Question 5)**

**a. The following factors are used to determine which vendors selected for compliance investigations will receive inventory audits rather than/or in addition to compliance buys:**

Vendor has highest risk based on State agency's high-risk identification criteria

Suspicion of vendor exchanging cash for food instruments or cash-value vouchers (trafficking)

Inconclusive compliance buy results

Complaints

Other (specify): Failure to produce formula invoices; high ratio of WIC to SNAP sales – to verify not in above 50% status; low inventory compared to redemptions.

**b. The State agency conducts the following types of inventory audits:**

On-site inventory audits

State agency inventory audits (vendor sends records to State agency)

Local agency inventory audits (vendor sends records to local agency)

Other (specify): \_\_\_\_\_

**c. Inventory audits are conducted by (check all that apply):**

WIC State agency staff

WIC local agency staff

State investigators

Investigators retained on a contract basis (e.g., Pinkerton's, Wells Fargo)

Other (specify): \_\_\_\_\_

**I. VENDOR MANAGEMENT**

**E. Compliance Investigations**

**ADDITIONAL DETAIL: VM Appendix I. IFDMP, Section IV; VM Appendix II. Vendor Participation Agreement and Handbook, Section III, #14 and/or Procedure Manual (cite):**

**5. Compliance Buy/Inventory Audit Tracking System(s)**

**a. The State agency has a means of recording and tracking staff person hours devoted to investigation activities:**

- Yes; please describe: \_\_\_\_\_
- No
- Not applicable

**b. The State agency has an automated system for tracking investigations that monitors the progress and status of each compliance investigation:**

- Yes; please describe: MIS (SPIRIT)
- No
- Not applicable

**ADDITIONAL DETAIL: VM Appendix I. IFPD, Section VII, #7 and/or Procedure Manual (cite):**

**I. VENDOR MANAGEMENT**

**F. Vendor Sanction System**

**Please attach and/or reference the location of the State agency's vendor sanction schedule.**

**ADDITIONAL DETAIL: VM Appendix V. Violations and Sanction Schedule FFY14 and/or Procedure Manual (cite):**

**I. VENDOR MANAGEMENT**

**G. Administrative Review of State Agency Actions**

**1. Types of Administrative Reviews**

**The State agency conducts the following types of administrative reviews of vendor appeals for the adverse actions listed below. (Check all that apply):**

<b>Informal Desk Reviews</b>	<b>Abbreviated Admin. Reviews</b>	<b>Full Admin. Reviews</b>	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Denial due to competitive price or minimum stocking selection criterion
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Denial due to business integrity or current SNAP DQ or CMP
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Denial based on limiting criteria
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Denial due to State agency selection criteria
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Denial due to application outside timeframe
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Application of above-50-percent criteria
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DQ for WIC violations
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DQ for SNAP CMP
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Other WIC sanctions, e.g., fine or CMP
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Denial based on circumvention of sanction
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Application of peer group criteria
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Termination due to ownership change
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Termination due to location change
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Termination due to ceasing operations
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Termination for other causes
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DQ for trafficking/illegal sales conviction
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DQ/CMP due to another State agency's mandatory sanction
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	CMP based on SNAP DQ
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Denial based on no SNAP authorization

**ADDITIONAL DETAIL: VM Appendix I. IFDMP, Section X; VM Appendix II. Vendor Participation Agreement and Handbook, Section V and/or Procedure Manual (cite):**

**2. Administrative Review Procedures**

**a. The State has a law or regulation governing WIC administrative reviews:**

Yes; please indicate: \_\_\_\_\_  No

**I. VENDOR MANAGEMENT**

**G. Administrative Review of State Agency Actions**

**If the State does have such a law or regulation, this includes:**

- State Administrative Procedures Act
- State law pertaining to WIC only
- State health department law
- State health department regulation
- State WIC regulation
- Other (specify): \_\_\_\_\_

**b. At which level do administrative reviews of WIC vendor appeals take place:**

- WIC local agency
- WIC State agency
- State health department
- Other (specify): \_\_\_\_\_

**c. Administrative reviews are conducted by:**

- Hearing officers
- Administrative law judges
- Other (specify): \_\_\_\_\_

**d. The following procedures are followed for administrative reviews:**

<b>Abbreviated Admin. Review</b>	<b>Full Admin. Review</b>	
--	-----------------------------------	--

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Opportunity for vendor to examine evidence prior to review  |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Opportunity for vendor to reschedule review date  |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Opportunity for vendor to present its case  |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Opportunity for vendor to be represented by counsel   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Opportunity for vendor to present witnesses   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Opportunity for vendor to cross-examine witnesses   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Presence of a court reporter or stenographer  |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | An impartial decision-maker, whose decision is based solely on whether the State agency correctly applied Federal and State statutes, regulations, policies, procedures |
| <input type="checkbox"/>            | <input type="checkbox"/>            | A written decision within 90 days from request for review   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Other (specify): <u>Written decision with 90 days of review.</u>  |

**e. Check the party(ies) below who may present the State agency case during a full administrative review:**

- WIC staff person assigned to case

**I. VENDOR MANAGEMENT**

**G. Administrative Review of State Agency Actions**

- WIC State agency vendor manager
- WIC State agency director
- Legal counsel (State Attorney General or General Counsel's office)
- Legal counsel (paid by WIC Program funds)
- Other (specify): Arkansas Dept. of Health Legal Counsel

**Please attach and/or reference the location of the State agency's administrative review procedures. VM Appendix I. IFDMP, Section X; VM Appendix II. Vendor Participation Agreement and Handbook, Section V and/or Procedure Manual (cite):**

**ADDITIONAL DETAIL: Vendor Management Appendix and/or Procedure Manual (cite):**

**I. VENDOR MANAGEMENT**

**H. Coordination with SNAP**

**1. WIC/SNAP Information Sharing**

- a. An information sharing agreement between the WIC State agency and SNAP is in effect, as per FNS Instruction 906-1 or other FNS guidance, and is maintained at the State agency:**

Yes                       No

**If yes, an updated list of authorized vendors is sent to the appropriate FNS office:**

- Once a year  
 Regularly, at intervals of less than one year (specify): \_\_\_\_\_  
 Periodically, as changes occur  
 Upon request  
 Other (specify): List of authorized vendors is posted on the ADH website.

- b. State agency compliance investigators coordinate their activities with their SNAP counterparts:**

Yes                       No

- c. State statute, regulations, or procedures restrict the disclosure WIC vendor and SNAP retailer information to those permitted under 7 CFR 246.26(e) and (f):**

Yes (specify): Internal Food Delivery Policy  
 No

**ADDITIONAL DETAIL: VM Appendix I. IFDMP, Sections VI and IX and/or Procedure Manual (cite):**

**I. VENDOR MANAGEMENT**

**I. Staff Training**

**1. Check below the routine formal training available to State and local level staff in vendor management practices:**

State	Local	Other (contractor)	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vendor selection and authorization
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vendor training
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Routine monitoring
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Compliance investigations
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Inventory audits
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Corrective actions and sanctions
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Criminal investigations
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vendor appeals/administrative reviews
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Federal and/or State WIC regulations
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Prevention of vendor fraud and abuse
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WIC/SNAP information sharing
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	High-risk vendor identification
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vendor management information system
<input type="checkbox"/>			Not applicable
<input type="checkbox"/>			Other (specify): _____
			_____

**2. State agency staff meets with vendor representatives as part of a vendor advisory council:**

Monthly  
 Quarterly  
 Other frequency: As needed  
 No vendor advisory council

**ADDITIONAL DETAIL: VM Appendix I. IFDMP, Section III & XIII and/or Procedure Manual (cite):**

**I. VENDOR MANAGEMENT**

**J. Farmer Authorization**

**STATE AGENCY DOES NOT AUTHORIZE FARMERS TO ACCEPT CVVs;  
SECTIONS J - N DO NOT APPLY**

**1. The State agency authorizes farmers to accept CVVs based on:**

- Authorization by the WIC Farmers' Market Nutrition Program (FMNP)
- Selection criteria established separately from FMNP

**2. If the State agency does not authorize farmers based on FMNP authorization, the selection criteria include (describe):**

\_\_\_\_\_

**3. The State agency considers applications:**

- On an on-going basis
- Annually
- Every two years
- Every three years
- Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):                      and/or FMNP State Plan (cite):**

## **I. VENDOR MANAGEMENT**

### **K. Farmer Agreements**

**1. Agreement periods are for:**

- One year
- Two years
- Three years
- Other (specify): \_\_\_\_\_

**2. Agreements are:**

- A modified version of the vendor agreement
- Combined with the FMNP agreement
- Unique to the authorization of farmers to transact CVVs

**3. The following reflect the State agency's vendor agreement practices:**

- All farmers have a written agreement with the State agency
- A standard farmer agreement is used statewide
- Agreements are subject to the State's procurement procedures
- Agreements/handbooks are subject to the State's Administrative Procedures Act
- Farmers are authorized/reauthorized under renewable agreements, provided no vendor violations occurred during the previous vendor agreement period
- All farmers are provided at least 15 days advance written notice of the expiration of the vendor agreement
- All farmers are provided a schedule of sanctions, either in or attached to the farmer agreement, or as a citation to State regulations
- Other (specify): \_\_\_\_\_

**4. Agreement provisions include:**

- Assure that the CVV is redeemed only for eligible fruits and vegetables as defined by the State agency
- Provide eligible fruits and vegetables at the current price or less than the current price charged to other customers
- Accept the CVV within the dates of their validity and submit such vouchers for payment within the allowable time period established by the State agency
- Redeem the CVV in accordance with a procedure established by the State agency

**I. VENDOR MANAGEMENT**

**K. Farmer Agreements**

- Accept training on CVV procedures and provide training to any employees with CVV responsibilities on such procedures
- Agree to be monitored for compliance with program requirements, including both overt and covert monitoring
- Be accountable for actions of employees in the provision of authorized foods and related activities
- Pay the State agency for any CVV transacted in violation of this agreement
- Offer WIC participants, parent or caretakers of child participants or proxies the same courtesies as other customers
- Neither the State agency nor the farmer has an obligation to renew the agreement.
- Other (specify): \_\_\_\_\_

**5. The farmer agreement reflects that the farmer must not:**

- Collect sales tax on CVV purchases
- Seek restitution from WIC participants, parent or caretakers of child participants or proxies for CVVs not paid or partially paid by the State agency
- Issue cash change for purchases that are in an amount less than the value of the CVV
- Other (specify): \_\_\_\_\_

**Please attach a copy of the Farmer Agreement or provide the appropriate Procedure Manual reference below.**

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):                      and/or FMNP State Plan (cite):**

**I. VENDOR MANAGEMENT**

**L. Farmer Training**

**1. Farmer training includes:**

- Eligible fruits and vegetables
- Procedures for transacting and redeeming CVVs
- Agreement provisions
- Sanctions and Appeals
- Other (specify): \_\_\_\_\_

**2. Interactive farmer training (e.g., face-to-face, video conference, web cam) is conducted:**

- At or before initial authorization
- At least every three years following initial authorization
- Other (specify): \_\_\_\_\_

**3. Non-interactive farmer training (e.g., via hard copy mail, email, online) is conducted:**

- Annually following authorization
- Changes in procedures
- Other (specify): \_\_\_\_\_

**4. The State agency delegates training to:**

- Local agency (specify): \_\_\_\_\_
- Contractor (specify): \_\_\_\_\_
- Vendor representative (specify): \_\_\_\_\_
- Other (specify): \_\_\_\_\_

**5. If the State agency delegates training, briefly describe the State agency's supervision of such training: \_\_\_\_\_**

**6. The State agency produces a Farmer Training Handbook:**

- Yes       No

**If yes, provide in Vendor Management Appendix or cite Procedure Manual Reference.**

**I. VENDOR MANAGEMENT**

**L. Farmer Training**

**7. The State agency provides online or web based training:**

- Yes       No

If yes, provide the link to the training: \_\_\_\_\_

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):                      and/or FMNP State Plan (cite):**

**1. Farmers are included in the:**

- FMNP sample of farmers for monitoring  
 WIC sample of vendors for monitoring

**2. Monitoring includes:**

- covert methods, such as compliance buys  
 overt methods, such as routine monitoring

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):                      and/or FMNP State Plan (cite):  
and/or FMNP State Plan (cite):**

**I. VENDOR MANAGEMENT**

**N. Farmer Sanctions, Claims, and Appeals**

**1. Farmer violations may result in:**

- Disqualification
- Denial of payment or demand for refund due to improperly redeemed CVVs (Claims)
- Prosecution under Federal, State, or local law regarding fraud or other illegal activity
- Monetary sanctions such as civil money penalties and fines

**2. Farmers may administratively appeal:**

- Disqualification
- Denial of application
- Other sanction (specify): \_\_\_\_\_

**3. Farmers may not administratively appeal:**

- Expiration of an agreement
- Claims
- Other (specify): \_\_\_\_\_

**Please attach and/or reference the location of the State agency's administrative review procedures. \_\_\_\_\_**

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):                      and/or FMNP State Plan (cite):**

# **ARKANSAS DEPARTMENT OF HEALTH**



## **INTERNAL FOOD DELIVERY MANAGEMENT POLICY**

**For**

**The Special Supplemental Nutrition Program  
for Women, Infants, and Children (WIC)**

Effective for FFY14

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## I. VENDOR AUTHORIZATION

Full service grocery stores interested in becoming an authorized WIC Vendor must complete all stages of the authorization process. The selection criteria used by the Arkansas WIC Program is designed to ensure that vendor participation will adequately fulfill the needs of the WIC Program participants.

### A. Vendor Application

1. Applications will be accepted from full service grocery stores on an on-going basis with the following exception. When the WIC Program is in the process of reauthorizing existing vendors, the WIC Program reserves the right to not accept or process applications during the last sixty (60) days of the current agreement period. Completed applications are only valid for 30 days from the date of receipt by the Food Delivery Section.
2. Before being sent an application packet, the applicant must answer the following initial screening questions:
  - a. Is the applicant's store currently open to the public?
    1. If the store will not be in operation within 30 days, applicant is sent an application packet but advised not to submit the application until they are within 30 day of store opening.
  - b. Is the applicant's facility a full service grocery store and has the potential to maintain minimum stock of WIC foods including fresh vegetables and fruits?
    1. If the applicant does not appear to have the capacity (i.e. pharmacy only, bakery outlet, gas station/convenience store, etc.), assess if participant access is an issue. If no, no further assessment is necessary and the applicant will not be sent an application packet.
    2. If yes or if participant access is an issue, proceed with application process.
  - c. Does the applicant expect that more than 50 percent of its annual revenue from the sale of food items will be derived from WIC food instruments?
    1. If yes, no further assessment is necessary and the applicant will not be sent an application packet.
    2. If no, proceed with application process.
  - d. Is the store physically located in Arkansas? If no, check whether dual state/ITO authorization is permitted. If not permitted, the applicant will not be sent an application packet.
3. If the applicant meets the initial screening criteria, the Food Delivery Section staff sends application information to the applicant by mail and/or provides the web links where the application can complete the information on-line. Also, application information, including e-mail address needed to request link to the on-line application, will be posted on the Arkansas Department of Health website in the WIC Vendor Management section. Vendor application information includes:
  - Summary of application process for new vendors

## INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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- New vendor application
  - New vendor applicant questionnaire
  - Shelf price survey form
  - Sample of Vendor Participation Agreement and Handbook
  - Current WIC Approved Food List
4. The Food Delivery Section staff maintains a list of application packet request dates, the date packets were sent to applicants, status of application, and the date the applicant was notified of the outcome.
5. Upon receipt of a complete application (application with all required information, applicant questionnaire, shelf price survey), the information is reviewed using the vendor authorization checklist.
- Store information
  - Owners/partners/corporate information
  - Store demographics
  - Wholesaler information
  - Direct deposit authorization Signed\*
  - Voided check or financial letter with bank information if no checks are associated with the account is attached
  - Application signed and dated\*
  - Vendor applicant questionnaire
  - Shelf price survey (review for appropriate items and completeness)
  - Review of SNAP status (if authorized) in STARS
- \*for on-line applicants, the e-mail address will serve as the electronic signature
6. If the applicant appears to meet the criteria as determined from the vendor authorization checklist, the Food Delivery Section staff forwards application to the Information and Data Specialist.
7. The Information and Data Specialist reviews the application to determine vendor's peer group (see Appendix F for details on peer group system).
- a. Using the ZIP Code of the store's physical address, the applicant will be assigned to one of five geographic areas.
  - b. From the information provided, the applicant will be grouped in 1 of 3 "Store Type" categories in each geographic area.
  - c. The applicant is placed in the peer group which most closely reflects its profile within the geographic area/store type combination.
8. Using the peer group as determined in #7, the applicant's shelf prices are compared to determine if they meet the competitive price criteria. Prices for all categories of WIC approved foods will be compared and reviewed. A report of results is given to the FDSM within 3 days of receipt. If the applicant's shelf prices are within 110% of the peer group average as determined by the Information and Data Specialist, the application is forwarded back to the Food Delivery Section staff for authorization. If the applicant's shelf prices are not within 110% of the peer

## INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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group average, the Information and Data Specialist notifies the applicant and she/he is given one opportunity to adjust the prices.

### B. Selection Criteria

The vendor shall comply with selection criteria throughout the agreement period including any updated criteria. The WIC Program may reassess the vendor at any time during the agreement period using the selection criteria in effect at the time of the reassessment.

Vendors shall be terminated if during the period of the agreement, the selection criteria are not being met. Selection of vendors for the Arkansas WIC Program is based on but not limited to the following criteria:

1. Competitive prices and price limitations: Vendors with a WIC Check at or below 110% of the average price for the check type for their peer group meet this requirement. Vendors that do not meet the current competitive shelf price or redemption history criteria are informed and given one chance to lower their shelf prices to meet the competitive price selection criteria. Vendors that do not meet either the shelf price or redemption history criteria and do not lower their shelf prices to meet the criteria are denied authorization unless denying authorization of the vendor would create a hardship for participants. Vendors will be paid only up to the Maximum Allowable Reimbursement (112% of the average price for the check type for their peer group) for checks that are at or exceed that amount. The MAR is intended to cover very brief price spikes and should not be the level at which vendors set their prices.
2. Minimum variety and quantity of WIC supplemental foods: The minimum stock requirements are listed in Appendix A of the Vendor Handbook for each category and type of WIC approved food. This stock must be in the store at the time of the visit by WIC Program personnel. Expired or damaged food may not be used in the calculation of minimum stock. Waivers for exceptions to minimum stock requirements must be requested in writing with a justification for the request.
3. Business integrity: Lack of business integrity on the part of the owner(s), officer(s), or manager(s) of a store will result in denial of a vendor's authorization. The Arkansas WIC Program cannot authorize a vendor applicant if during the last six years the vendor applicant or any of the vendor applicant's current owners, officers, or managers has been convicted or had a civil judgment entered against them for any activity indicating a lack of business integrity. Activities indicating a lack of business integrity include, but are not limited to, trafficking in WIC Checks or CVBs or Supplemental Nutrition Assistance Program (SNAP) benefits in any state, exchange of WIC Checks or CVBs or SNAP benefits for alcohol, tobacco, firearms, ammunition, explosives, or controlled substances, 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. Failure to pay Arkansas state sales tax and redeeming WIC Checks/CVBs prior to receiving authorization will also be considered lack of business integrity.

## INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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4. Supplemental Nutrition Assistance Program (SNAP) disqualification: A vendor or vendor applicant that is currently disqualified from the SNAP or has been assessed a SNAP civil money penalty for hardship may not be authorized. If, at the time of authorization, the disqualification period that has been imposed or would have been imposed has not expired, the WIC Program cannot authorize the vendor.
5. Sale of store to circumvent a WIC sanction: A store that has been sold by a previous owner(s) in an attempt to circumvent a WIC sanction shall not be authorized. Circumstances could include, but are not limited to, selling a store to a relative by blood or marriage or to any individual or organization for less than its fair market value.
6. Purchase of infant formula: A vendor must purchase infant formula only from wholesalers, distributors, manufacturers, or retailers from the list provided by the Arkansas WIC Program. A list of the wholesalers, distributors, manufacturers, or retailers will be available on the WIC Program website or at vendor request.
7. Misuse of WIC acronym or logo: Vendors shall only use the WIC acronym and logo in materials provided by or as specified by the Arkansas WIC Program. No reproductions are permitted. The Arkansas WIC Program will not authorize a vendor that uses the “WIC” acronym or logo except as permitted by the WIC Program. The “WIC” acronym and logo are registered and trademarked by the U.S. Department of Agriculture (USDA). Authority to regulate the use of the acronym “WIC” and the WIC logo are provided in 42 U.S.C. 1051 et seq., and 7 CFR 246. A WIC vendor is not permitted, without specific Federal or State Agency authorization, to use either the acronym “WIC” or the WIC logo, including close facsimiles thereof, in total or in part, in either the official name in which the vendor is registered or the name under which it does business, if different, on product labels or packages, store signs, pamphlets, advertisements, brochures or any other proprietary materials.
8. Disqualification from another state WIC Program: A vendor’s store will not be authorized by the Arkansas WIC Program if the store is currently disqualified by another state’s WIC Program for a mandatory federal sanction.
9. Incentive items or service given to WIC participants: A WIC authorized vendor may not treat WIC customers differently by offering incentive items or services that are not offered to non-WIC customers. Doing so is a violation of federal regulations.
10. Above-50-percent Vendors: The Arkansas WIC Program will not approve new applicants whose expected WIC sales will be above 50-percent of their expected total food sales or current vendors seeking reauthorization whose actual WIC sales were above 50-percent of their total food sales at any time during the previous calendar year. WIC, SNAP and total food sales figures will be collected annually from current vendors. Current vendors found to have WIC sales above the 50-percent criterion during the agreement period will have three months from the date of notice of their above 50-percent status to adjust their sales to come into compliance or withdraw from the program.

## INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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11. Full Service Grocery Store: An applicant or authorized WIC vendor must maintain at a minimum, all of the following food groups: canned, fresh and frozen fruits and vegetables; fresh and frozen meats and poultry (luncheon meats and deli meats do not qualify); canned fish; dairy products; cereals; breadstuffs; dried beans; rice; juice; infant fruits, vegetables and cereal; and infant formula. (Current WIC Vendors that do not meet this criterion may continue on the program until the end of the current contract, but in order to be reauthorized, must meet this provision.)

### C. Authorization Process

1. If the application is complete and applicant has met all the selection criteria, the Food Delivery Section staff schedules and conducts an authorization visit.
  - The Food Delivery Section staff completes the store monitoring form (WIC-13) (see Appendix D) with the exception of the food instrument review section.
  - Documentation of formula wholesalers/orders is reviewed
  - Minimum stock is reviewed
2. Expiration dates on food items are spot checked. Mandatory interactive training for the vendor's staff must be conducted no more than 14 days before the authorization visit but no later than 3 days after the authorization visit. The authorization process is not complete until training has been completed. Staff training may be conducted by the store management, corporate office or the Food Delivery Section staff. All training must be documented through a signed trainee roster submitted to the Food Delivery Section.
3. If the applicant meets all of the above criteria, the Food Delivery Section staff sends an authorization letter to the new vendor. The Food Delivery Section staff also provides the following:
  - Vendor Participation Agreement and Handbook (signed) – depending on the vendor, the corporate office may receive the original letter and signature page with a copy sent to the store's address
  - Official WIC vendor stamps (2)
  - Window signs (2)
  - WIC Approved Food Lists
  - WIC shelf tags
  - Current peer group average price list
4. Upon approval, vendor information is entered into the Management Information System (MIS).
5. If an applicant does not meet one or more of the selection criteria or all of the required information is not submitted, the Food Delivery Section staff calls the applicant and the information is verified/requested. One opportunity is given to comply with competitive pricing and/or submit missing/corrected information within 5 working days. If the information is not provided or still does not meet the selection criteria, the vendor is notified of the denial and reasons for denial by letter. If the vendor does not meet requirements for minimum stock, expired food items, or sanitary conditions during the

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authorization visit or fails to complete mandatory training in the time specified, the applicant will not be authorized. Applicants that have been denied authorization may request an administrative review of the adverse action. All applicants that are denied authorization must wait a minimum of 90 days from receipt of the denial letter to submit a new application.

6. Vendor Participation Agreements may be issued throughout the current agreement period with all agreements expiring on the same date.
7. Dual State/ITO Vendors – If not prohibited by the state’s or Indian Tribal Organization’s (ITO) WIC policy or other state or tribal statute, a store located in a state/ITO bordering Arkansas may apply to become an Arkansas WIC vendor. The Arkansas WIC Program will consult with the state/ITO WIC Program’s vendor section where the applicant is located before any decision is made regarding authorization. WIC Programs of states/ITOs bordering Arkansas seeking to authorize vendors in Arkansas are asked to contact the Arkansas WIC Program FDSM.
8. Food Delivery Section staff reviews new vendors within six (6) months of authorization to verify possible above 50-percent status.

## II. VENDOR REAUTHORIZATION

1. Food Delivery Section staff sends reauthorization information to current vendors no less than 60 days prior to the end of the authorization period. Reauthorization information includes:
  - Cover letter
  - Vendor application\*
  - Vendor Participation Agreement and Handbook
  - Vendor price survey
  - Current Arkansas WIC Approved Food List

\*will send vendors web link to the on-line application. Vendors without web access will be sent a paper copy to complete.

2. Prior to reauthorization, the Information and Data Specialist conducts a review of all currently authorized vendors for competitive prices.
3. Vendor returns completed application packet to Food Delivery Section staff by the date specified in the letter.
4. Application is reviewed using the vendor authorization checklist (paper or MIS).
5. A reauthorization visit is made to the store by Food Delivery staff no more than 60 days prior to the reauthorization date. To proceed with the reauthorization, the vendor may not have any sanctionable violations at the time of the visit. Vendors with sanctionable violations will not be reauthorized until the violations have been addressed or depending on severity of the violations as they relate to the selection criteria, may result in denial of reauthorization.
6. If the vendor meets the selection criteria, the Food Delivery staff sends the vendor a letter and contract for signature. All information is updated in the MIS after the signature page is returned.
7. If the vendor does not meet one or more of the selection criteria, the vendor is called and information is rechecked. The vendor has 10 days (but no later than the ending date of the current contract) to comply with competitive pricing, minimum stock and WIC acronym and logo use. A follow-up store visit by Food Delivery Section staff may be necessary. If the information is accurate and the deficiency is not/cannot be rectified, the vendor is notified of the denial and reasons for denial by certified letter. Vendors that are denied reauthorization must wait 90 days from the receipt of the denial letter to reapply.

### **III. VENDOR TRAINING/VENDOR STAFF TRAINING**

1. Prior to or at the time that a vendor signs a new vendor agreement, a reauthorization, or a subsequent authorization after a break in the contract between the vendor and the WIC Program, each vendor shall participate in a training that is in an interactive format, allowing for a question and answer session. In any case, interactive training will be held at least once every three years. This may include telephone conferencing, video conferencing, classroom or store-level training, or training via Internet with an opportunity for a live question/answer session.
2. Each WIC vendor with a current agreement shall participate in an annual training which includes, but is not limited to store-level training, newsletters, videos, cashier/bookkeeper training manual, on-line training and interactive group training.
3. The WIC Food Delivery Section State Office staff, working in concert with the Food Delivery Liaisons (FDLs), will ensure that vendors receive their mandatory training or any training requested by the vendor. The training will include but not be limited to WIC Check and Cash Value Benefit (CVB) transaction and redemption procedures, vendor agreement provisions, minimum stock requirements, and customer relations.
4. FDLs will submit an attendance sheet of those who were trained. If the training is provided by the vendor's management or corporate office, an attendance sheet is to be submitted to the vendor's FDL. The Food Delivery Section staff will scan the attendance sheet in the vendor's MIS file.
5. FDLs will record the outcome of the training in the MIS and provide any follow-up if necessary. For new vendors, an educational monitoring visit is scheduled approximately 30 days after authorization. FDLs will check for minimum stock, review check redemptions, make general observations and answer any questions that the vendor may have. Food Delivery Section staff will provide oversight to ensure that all vendors receive both annual and mandatory training.
6. FDLs will receive training in presentation skills and updated training materials before each reauthorization training period. The Food Delivery Section State Office staff will monitor training uniformity and quality by observing practice training sessions or actual vendor training sessions periodically. All training materials will be developed by or reviewed by the Food Delivery Section State Office staff and submitted to the Food and Nutrition Service (FNS) regional office for approval.

## **IV. VENDOR MONITORING**

### **A. Routine Monitoring Visits**

1. Food Delivery Section staff will monitor all vendors, using the WIC-13, three (3) times annually (see Appendix D). Visits will be unannounced and may be conducted at any time the vendor is open for business.
2. All new vendors will have an announced educational visit approximately 30 days after their authorization date. This visit will include but not be limited to a review of minimum stock requirements, checking for expired foods, proper identification of WIC approved foods, WIC transaction procedures, sanctions/violations, staff training plans, and check redemption procedures. Technical assistance will be given if any state violations or other problems are noted. If any federal violations are noted, vendors will be sanctioned according to the violation/sanction schedule.
3. WIC Food Delivery Section regional staff will record the outcome of the monitoring and educational visits in the vendor's record in the MIS.
4. WIC Food Delivery Section Vendor Compliance and Educational Specialist will instruct the regional staff if follow-up is necessary based on the outcome of the review of the monitoring visit report. Follow-up visits and/or training will be conducted in accordance with the provisions of the violation/sanction schedule.

### **B. Inventory Audits**

1. The WIC Food Delivery Section will conduct inventory audits when needed to check for compliance with (but not limited to):
  - Formula purchased from approved sources
  - Above 50% vendor status
  - Maintaining sufficient inventory
2. Examples of triggers for initiation of inventory audits are:
  - Second incidence of failure to produce formula invoices in 12 month period
  - Vendor with WIC sales = or > 35% of SNAP eligible food
  - Three (3) minimum stock violations or three (3) complaints regarding minimum stock in 12 month period for vendors with redemptions above \$32000 per month

### **C. Review of SNAP Retailer Status**

The Information and Data Specialist will review the SNAP status of all authorized WIC vendors annually (if participating in SNAP).

## **V. VENDOR RELATED COMPLAINTS**

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1. Participants, authorized representatives and proxies may make a verbal complaint to staff at a local health unit or to a Food Delivery staff person. Participants may use the 1-800-235-0002 line if they wish. They may also make a written complaint and use the WIC-14 form if they so desire. Complaints may also be submitted to the [wic.program@arkansas.gov](mailto:wic.program@arkansas.gov) e-mail address.
2. The WIC Food Delivery Staff person must first determine if the complaint, whether it is from a participant or vendor, is valid. Many complaints, such as not being allowed to purchase cereal that is not WIC approved or a vendor not stocking foods that do not have a minimum stock requirement, are not valid complaints and will not be entered in the MIS system as complaints. WIC Food Delivery staff will provide information regarding relevant policy and procedures to complainants to address their concerns and assist to resolve the issue, when possible.
3. If a participant makes a valid complaint regarding an authorized WIC vendor:
  - a. The complaint is entered into MIS by the FDL or Food Delivery staff person receiving the complaint. If the complaint is made in writing (WIC-14), the form/document is scanned into the vendor's MIS record.
  - b. The FDL responsible for that vendor or the Food Delivery staff person works with the participant and the vendor to resolve the problem. Depending on the severity of the complaint, the WIC Food Delivery Section Manager (FDSM) should be alerted to the complaint.
  - c. Notes regarding the complaint should be copied to the WIC Food Delivery Section Manager (FDSM).
4. If a vendor makes a valid complaint regarding a WIC participant or authorized representative or proxy:
  - a. The complaint should be referred to the WIC FDSM.
  - b. The complaint is documented by the WIC FDSM. The documentation is then forwarded to the WIC Policy Section Head for further action.
  - c. The complaint is entered in the notes section of the vendor's MIS record.
5. If a vendor makes a valid complaint regarding local health unit staff or central office staff:
  - a. The complaint should be referred to the WIC FDSM.
  - b. If the WIC FDSM cannot resolve the complaint, it is then referred to the WIC Director.

## VI. VENDOR FILES AND RECORDS

Files and their contents (both paper and digital) are to be treated with the greatest degree of confidentiality and only accessed by WIC Food Delivery Section staff, WIC Policy Section Head (in the course of conducting an abuse or complaint investigation) and state/federal auditors.

1. Vendor files are to be placed in the Food Delivery Section's filing cabinets and locked when not monitored by Food Delivery Section staff to ensure security.
2. Vendor files will be filed in numeric sequence, using the four-digit stamp number assigned to the vendor at authorization.
3. Vendor files are closed if the store closes, ownership changes, or vendor is disqualified.
4. Vendor files that have been closed will be removed from the active vendor file and filed in the inactive file by vendor stamp number.
5. Order of document sections in individual vendor file:
  - Application/authorization
  - Vendor Monitoring Reports (WIC-13)
  - Compliance
  - Training
  - Sanctions/Invoices
  - Complaints
  - Correspondence and miscellaneous
6. Electronic vendor information maintained in the MIS system, IT shared drives, and desktop computers is treated with the same degree of confidentiality as paper files. Access to vendor information is limited to WIC Program State Food Delivery Section Staff, and to a more limited degree, Food Delivery Liaisons. Control of certain MIS functions is maintained through role mapping by the MIS system administrator. Shared drive folders with proprietary vendor information are password protected. ADH policy prohibits the sharing of computer passwords.
7. Vendor confidentiality – vendor information shall be treated in accordance with the provisions of 7CFR 246.26 (e) and (f). Only the vendor's name, address, telephone number, website, e-mail address, store type and authorization status may be released without restriction.

## VII. VENDOR COMPLIANCE / HIGH RISK VENDORS

1. High Risk Indicators that will be used are as follows:

<b>Indicator</b>	<b>Weight</b>	<b>Level</b>	<b>Timeframe</b>
WIC Sales are an Unusually High % of Total Sales	3	35%	10/1/12 – 9/30/13
New Vendor	5	All	10/1/12 – 9/30/13
Participant/Other Complaints	2	>5	10/1/12 – 9/30/13
Excessive # of Checks Returned Due to Errors	2	10%	10/1/12 – 9/30/13
Short on Authorized Food Items or No Inventory	3	Any Sanction 20 Violation	10/1/12 – 9/30/13
Past History of Violations and Disqualifications	3	Any Warning Letters, Sanctions or DQs	10/1/11 – 9/30/13

The MIS function will be used to record and analyze vendors’ records against the high risk criteria. Each indicator will be given a specific weight in the MIS and the total High Risk Score will determine the vendor’s rank. A score of 5 or higher will be considered high risk. The list of high risk vendors will be generated no later than October 15 each year.

2. The Vendor Compliance and Education Specialist will arrange, through specially assigned and trained WIC staff (or contracted individuals), compliance buys on the top five percent (5%) ranked, high-risk vendors from each peer group. Within the ranked vendors, those with the highest scores will be prioritized for compliance buys. A minimum of one (1) vendor from each peer group will be chosen to receive a compliance buy regardless of high risk rating.
3. The Arkansas WIC Program currently conducts buys where:
- a. WIC Checks/CVBs are transacted for allowable foods and in the quantities indicated to determine if there are overcharges (safe buys)
  - b. Minor substitutions buys where WIC Checks/CVBs are used to purchased unauthorized food items that are similar to approved items;
  - c. WIC Checks/CVBs are used to purchase allowable food and the redemption process is observed to determine compliance with redemption protocol

The Program reserves the right to conduct other types of buys to investigate vendor or participant fraud and abuse and to ensure compliance with the terms of the vendor agreement.

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4. Compliance buys will be conducted on the high-risk vendor until the Program either (a) deems the vendor to be in compliance with the rules and regulations of the program or (b) the vendor needs to be disqualified from the program. Vendor must have two good buys in a row at least 15 days apart to be deemed in compliance. The vendor investigation will be considered closed once two consecutive good buys are made or vendor is terminated or disqualified from the Program.
5. The Vendor Compliance and Education Specialist may also select vendors to receive compliance buys during the FFY if irregularities are found through food instrument reviews or monitoring visits; in order to investigate complaints; and to assess new vendor's compliance (those joining the program during the fiscal year).
6. Vendors who have their first violation will receive a written warning letter indicating the infraction(s). Additional violations will result in sanctions and/or fines as outlined in the Vendor Participation Agreement, Violations and Sanctions section. Unless otherwise stipulated in the Vendor Participation Agreement and Handbook, follow-up buys for violations will be made no sooner than 15 days after the vendor receives notification of the violation by certified mail.
7. The Vendor Compliance and Education Specialist will record the outcome of the compliance buys in the MIS and prepare letters to vendors indicating the outcome of the compliance buys. These letters will be reviewed and signed by the FDSM.

### **VIII. VENDOR VIOLATIONS AND SANCTIONS**

1. Any sanctionable vendor violations will be identified by compliance buy information, WIC Check or Cash Value Benefit (CVB) redemption reports, vendor communication, or WIC Food Delivery Section staff observation.
2. Except for federally mandated sanctions 1-4, the vendor will receive a written warning letter by certified mail notifying the vendor that such violations have occurred and the time frame allowed to correct the offense and/or prevent it from occurring.
  - The vendor will have 15 to 30 days (as specified in the letter) from the receipt of the certified letter to address the problem.
  - All violations will be documented in the MIS.
  - After the allotted time, the next violation will result in assignment of sanction points, mandatory training and/or fine/repayment as outlined in the Vendor Participation Agreement.
3. Should a vendor receive twelve (12) sanction points, from any combination of violations with at 36 month period, the vendor will be disqualified from the program for a period of six months.
4. Should a vendor receive twenty (20) sanction points, from any combination of violations, the vendor will be disqualified from the program for a period of one year.
5. If disqualified as a result of a mandatory federal sanction, the WIC Food Delivery Section State Office staff will notify the regional Food Delivery Liaison and the USDA SNAP. The vendor will have to reapply in order to be authorized after the disqualification period is over.
6. Vendors disqualified as a result of a state sanction will not start with a “clean record” once the disqualification period is fulfilled, but will retain any points that have not expired for a period up to three (3) years.
7. Food Delivery Section staff will record the result(s) of the Vendor Sanctions into the MIS.
8. The vendor sanction schedule that will be in effect for the September 1, 2012 – August 31, 2015 authorization period is listed in Appendix C.

## **IX. VENDOR DISQUALIFICATION, PARTICIPANT ACCESS AND CIVIL MONEY PENALTIES**

### **A. Vendor Disqualification**

1. A vendor is disqualified by the WIC Program because of sanctions received from not adhering to the agreement.
2. A vendor will not be disqualified until participant access has been reviewed (see Section IX., B. #2). If participant access is determined to be a problem, the program may issue a claim for a Civil Monetary Penalty (CMP) in lieu of the disqualification, if agreeable with the vendor. Upon payment of the CMP, the vendor may continue to operate, but must adhere to the Vendor Participation Agreement and Handbook.
3. If there is not a participant access issue, the Food Delivery Section staff will proceed with the disqualification of the vendor. The vendor will be issued a certified letter from the Food Delivery Section Manager (FDSM), giving the date of the impending disqualification. In addition, the vendor will be notified of the administrative review process, if it is an appealable offense. The date of disqualification shall be: the 16<sup>th</sup> day after receipt of the certified letter if no review is requested by the vendor; the date the vendor receives notice that their request for an administrative review has been denied (but no less than the 16<sup>th</sup> day after receipt of the impending disqualification letter); or the date of receipt of the certified letter from the administrative review officer that the vendor's appeal was denied.
4. Upon disqualification, the vendor will be required to return the official WIC vendor stamp(s) within ten (10) days. The vendor will be given 15 days to deposit WIC Checks/CVBs and resolve any banking issues.
5. When the USDA Supplemental Nutrition Assistance Program (SNAP) notifies the WIC Program of any SNAP disqualifications, the vendor is disqualified from the WIC program.
6. WIC FDSM will record the outcome of any Vendor Disqualifications in the MIS.
7. WIC FDSM will forward any WIC disqualifications resulting from violations of federal sanctions #1 - 10 to the SNAP.
8. Disqualified vendors, if approved on reapplication, will not start with a "clean record" once the disqualification period is fulfilled, but will retain any points that have not expired for a period up to three (3) years. If reauthorized, the vendor will be given a new vendor number.

### **B. Inadequate Participant Access**

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To ensure that disqualifying a vendor for contract or policy violations does not result in inadequate participant access to WIC foods, an exception due to inadequate participant access may be made. The issue is one of participant access, not participant convenience.

1. Prior to disqualifying a vendor from participation in the Arkansas WIC Program, the WIC Food Delivery Section State Office shall consider the adequacy of access by participants to authorized vendors in their local area.
2. Situations causing inadequate participant access may be the result of, but are not limited to:
  - The disqualification of an authorized vendor.
  - Change of ownership or location of an authorized vendor.
  - Disaster or other cause for the loss of, or access to, an authorized vendor.
  - No willing vendor in the area that meets the vendor selection criteria.
3. In urban areas, where public transportation is available, participant access may be considered inadequate if any of the following conditions apply:
  - A vendor density of less than one (1) per 500 participants.
  - Participants must travel more than two (2) miles to a vendor.
  - Other conditions exist which makes a vendor within two (2) miles difficult for participants to access.
4. In rural areas, participant access may be considered inadequate if any of the following conditions apply:
  - Participants must travel more than fifteen (15) road miles in one direction to a vendor.
  - Other conditions exist which makes a vendor within fifteen (15) road miles in one direction difficult for participants to access.
5. The WIC Food Delivery Section State Office may declare a situation of inadequate participant access to:
  - Accommodate special populations (e.g., migrant workers and their families).
  - Respond to sudden or unexpected population changes to meet the public health mission of the Arkansas Department of Health and the Arkansas WIC program.
6. If the Arkansas WIC Program, in its sole discretion, determines that disqualifying a vendor would result in inadequate participant access, the Program may impose a Civil Money Penalty (CMP) on the vendor in violation in lieu of disqualification except when prohibited by 7 CFR Part 246.12. See Section IX, C for policy regarding CMP.

### **C. Civil Money Penalties**

1. Vendors may request a CMP as an alternative to disqualification for six months or less, unless otherwise not allowed. Also, the WIC Program may, if it determines that the vendor is needed to meet participant access, offer a CMP in lieu of disqualification. Prior to a hearing on the matter, the vendor may choose either to accept the disqualification or to

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pay the CMP. Following a hearing, the hearing examiner on behalf of the WIC Program, may uphold a disqualification or allow a CMP ranging from the minimum of the pre-hearing amount as calculated, but may also include all the administrative costs of the WIC Program associated with preparing and conducting the hearing. If the vendor does not request a hearing, the request to pay a CMP must be made within 15 days of receipt of the WIC Program's written notification of disqualification. The CMP payment must be submitted to the state finance office prior to the disqualification effective date.

2. For violations resulting in a disqualification of one but not more than six months, the CMP shall be calculated as follows:
  - a. Determine the vendor's average monthly redemptions for the most current six-month period available and multiply by 0.10 (10%) and multiply the resulting amount by the number of months the vendor would have been disqualified.
  - b. The amount of the resulting CMP shall not exceed \$11,000 for any number of violations within a violation type nor more than \$49,000 as part of a single investigation.
3. One or more violations within a violation type during one compliance buy or one routine monitoring visit shall be considered one violation.
4. If more than one violation type rises to the level of a pattern, the CMP will be calculated based on the offense for which the most severe sanction would be required.
5. A vendor may not pay a CMP in lieu of a proposed disqualification period longer than six months unless the WIC Program determines that disqualification would result in inadequate participant access to other vendors. If a disqualification period longer than six months is waived due to inadequate participant access, the CMP shall be calculated in accordance with Section IX, C, 2, a., with the resultant amount being multiplied by the number of months the vendor would have been disqualified.
6. The determination by the WIC Program regarding inadequate participant access is not subject to administrative review.
7. When during the course of a single investigation, the WIC Program determines a vendor has committed multiple violations, the WIC Program shall, in the event of a determination of inadequate participant access, impose a CMP for violations within each violation type. The total amount of the CMPs imposed as a result of a single investigation shall not exceed \$49,000.
8. If the vendor receives a second disqualification for the following violations as defined in this policy and elects to pay a CMP, the CMP shall be doubled but shall not exceed \$49,000:
  - a. Sanctions 2-11
  - b. Accumulations of 12 points for Sanctions 12 – 24

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9. No CMP shall be accepted in lieu of a third and subsequent sanction(s) for violations listed in item I. of this section.
10. The WIC Program may agree to accept CMPs paid in installments as appropriate. If the vendor does not pay, pays only partially, or fails to pay a CMP assessed in lieu of disqualification in a timely manner, the WIC Program shall disqualify the vendor for the length of the disqualification corresponding to the violation for which the CMP was assessed.

## **X. ADMINISTRATIVE REVIEWS**

1. Vendors may request an administrative review of Arkansas WIC Program decisions, except as noted in number 4 below, regarding denial of authorization to participate, termination of an agreement for cause, disqualification or imposition of a fine or a civil money penalty.
2. Full administrative reviews will consist of a hearing before an impartial official. Full administrative reviews will be conducted for the following types of adverse actions:
  - Denial of authorization based on the following selection criteria:
    - Competitive prices
    - Minimum variety and quantities of Arkansas WIC Program approved foods
    - Sale of a store to circumvent a WIC Program sanction
  - Termination of an agreement for cause.
  - Disqualification, except for a disqualification based on a trafficking conviction, disqualification or civil money penalty from the Supplemental Nutrition Assistance Program or disqualification from another state's WIC Program for a mandatory federal sanction.
  - Imposition of a fine or civil money penalty in lieu of a disqualification.
  - Imposition of a civil money penalty for hardship.
3. Abbreviated administrative reviews are based on written documentation and other materials submitted to an impartial official by the Arkansas WIC Program and the vendor and/or the vendor's representative. Abbreviated reviews do not include a hearing. Abbreviated administrative reviews will be conducted for the following types of adverse actions:
  - Denial of authorization based on the following selection criteria:
    - Business integrity
    - Supplemental Nutrition Assistance Program disqualification
    - Supplemental Nutrition Assistance Program civil money penalty
    - Purchases of infant formula from source(s) other than those on the list provided by the WIC Program
    - Misuse of the WIC acronym or logo
    - Providing incentive items to WIC participants
    - Vendor limiting criteria
  - Denial of authorization because a vendor submitted its application outside the timeframes established by the Arkansas WIC Program.

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- Termination of an agreement because of a change in ownership, change of location, or cessation of operations.
- Disqualification based on:
  - A trafficking conviction
  - A disqualification from another State's WIC Program for a federal mandatory sanction
  - Civil money penalty from another State WIC Program in lieu of disqualification for a federal mandatory sanction

#### 4. The Arkansas WIC Program will not provide administrative reviews for the following actions: [WIC Regulations 7CFR 246.18(a)(1)(iii)]

- The validity or appropriateness of the WIC Program's vendor limiting or selection criteria
- The validity or appropriateness of the WIC Program's vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors or vendors comparable to above-50-percent vendors
- The validity or appropriateness of the WIC Program's participant access criteria and participant access determination
- WIC Program's determination to include or exclude an infant formula manufacturer, wholesaler, distributor or retailer from the list required, pursuant to 7CFR 246.12(g)(11).
- The validity or appropriateness of the WIC Program's prohibition of incentive items and the WIC Program's denial of an above-50-percent vendor's request to provide an incentive item to customers pursuant to 246.12(h)(8)
- The WIC Program'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, pursuant to 7CFR 246.12(I)(3).
- The WIC Program'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 7CFR 246.12(I)(1)(i)(B)
- The expiration of a vendor's agreement
- Disputes regarding WIC Check or CVB payments and vendor claims
- Disqualification of an authorized vendor as a result of disqualification from the Supplemental Nutrition Assistance Program (SNAP)

#### 5. Procedures for a full administrative review

- Notification: The Arkansas WIC Program will notify the vendor in writing of:
  - o The adverse action
  - o The reason for the adverse action
  - o The procedures to follow to request a full administrative review
  - o The effective date of the action
  - o The following statement if the reason for the adverse action is a federal mandatory sanction listed in Section IV of this agreement:

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“This disqualification from WIC may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program. Such disqualification is not subject to administrative or judicial review under the Supplemental Nutrition Assistance Program.”

- o Any request for an administrative review must be made within 15 days of receipt of the notification.
- A request for a full administrative review must be made in writing within 15 calendar days of the vendor’s receipt of notification of the impending adverse action via certified mail. The vendor must specifically state the basis for the request. The request must be sent to the Arkansas WIC Program, 5800 W. 10<sup>th</sup> Street, Suite 810, Little Rock, AR 72204.
- The date, time and place for a full administrative review will be set by the WIC Program and will allow the vendor sufficient time to prepare for the review. The review may be rescheduled one time at the request of the vendor.
- A vendor may have representation at the administrative review.
- A vendor will have access to evidence gathered by the WIC Program upon which the adverse action is based and may examine the evidence prior to the review.
- A vendor or his representative may cross-examine witnesses and/or present testimony at the administrative review.
- WIC Program investigators may be concealed from the view of the vendor and/or his representative.

### 6. Procedures for an abbreviated administrative review

- Notification: The Arkansas WIC Program will notify the vendor in writing of:
  - The adverse action
  - The reason for the adverse action
  - The procedures to follow to request an abbreviated administrative review
  - The effective date of the action
  - The following statement if the reason for the adverse action is a federal mandatory sanction listed in Section IV of this agreement:

“This disqualification from WIC may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program. Such disqualification is not subject to administrative or judicial review under the Supplemental Nutrition Assistance Program.”

- Any request for an administrative review must be made within 15 days of receipt of the notification.

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- A request for an abbreviated administrative review must be made in writing within 15 calendar days of the vendor's receipt of notification of the impending adverse action. The vendor must specifically state the basis for the request. The request must be sent to the Arkansas WIC Program, 5800 W. 10<sup>th</sup> Street, Suite 810, Little Rock, AR 72204.
- The name and title of the official and address to send the vendor's written grounds for appeal and the documentation supporting the appeal will be sent to the vendor within 15 days of the receipt of the request for an abbreviated administrative review.
- The date all materials must be submitted to the review official will be set by the WIC Program and the review official. The vendor may request one extension of this date.
- A vendor will have access to evidence gathered by the WIC Program upon which the adverse action is based and may examine the evidence prior to submitting the written materials for consideration by the review official.

### 7. The decision of the review official:

- The decision of the official of the full or abbreviated administrative review will be based solely on whether the WIC Program has correctly applied federal and state statutes, regulations, policies and procedures governing the WIC Program, according to evidence presented in the review.
- Written notification of the review decision, including the basis for the decision, will be sent to the vendor within 90 days from the vendor's request for the review. The decision of the review official will be final.

### 8. Effective dates of adverse actions:

- For denial of authorization or disqualification for a conviction for trafficking in WIC Checks or CVBs or selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs, the effective date for denial of authorization or disqualification will be no later than the date the vendor receives the notice of adverse action.
- For other WIC Program actions the vendor may appeal, the effective date of the adverse action will be 15 calendar days from the date of the vendor's notification, or if the vendor appeals, no later than the date the vendor receives notification of the administrative review decision.
- For disqualification from the WIC Program as a result of a Supplemental Nutrition Assistance Program disqualification, 15 calendar days from the date of vendor's notification of the WIC Program disqualification.

WIC Federal Regulations may be accessed on the Internet at: <http://ecfr.gpoaccess.gov/> under Title 7: Agriculture, Volume 4 – Food and Nutrition Service, Part 246

## **XI. VENDOR TERMINATIONS**

### **TERMINATION - because the vendor store closed, voluntarily withdrew, sale of store, etc.**

1. Either party to the Vendor Participation Agreement may terminate that agreement for cause.
2. The WIC Food Delivery Section staff will record the effective termination date in the MIS.
3. The WIC Food Delivery Section staff will record in the MIS if a law enforcement agency is notified to assist in the vendor's termination.
4. The WIC Program may not accept voluntary withdrawal of the vendor from the Program as an alternative to disqualification for the mandatory federal violations, but must enter the disqualification on the record. In addition, the WIC Program may not use nonrenewal of the vendor agreement as an alternative to disqualification.
5. The vendor must notify the Arkansas WIC Program in writing fifteen (15) days in advance of any plans to change the store name, cease operation, change ownership, or change location of the store. The Vendor Participation Agreement is terminated upon change of ownership, change in location (unless in same township), or cessation of operation for more than 90 days. No portion of the agreement may be assigned. The vendor must return the vendor stamp(s) to the Arkansas WIC Program within 10 days of termination.
6. Upon receipt of written notification that the vendor wishes to terminate the agreement, Food Delivery Section staff will issue a termination letter that includes confirmation of termination date, banking information, and request to return vendor stamps (if they have not already been returned). Terminated vendors will have 15 days from the date of termination to deposit WIC Checks/CVBs and resolve any banking issues.
7. If the vendor fails to notify the Arkansas WIC Program of a store closure/cessation of operation and cannot be contacted by phone or in person, the vendor will be automatically terminated if the WIC Food Delivery staff make 2 visits to the vendor's physical location within a 30-day period and the store is closed for business during posted hours of operation on both visits. The termination date will be the date of the second visit.

**XII. VENDORS REFERRED TO THE OFFICE OF INSPECTOR  
GENERAL (OIG) OR LAW ENFORCEMENT**

1. If the FDSM or designee determines that a compliance investigator's/WIC staff's safety is a concern, the Department of Health's Legal Department should be notified. If appropriate, the USDA Office of Inspector General (OIG) will also be notified.
2. If a vendor is suspected of or convicted of trafficking, selling the WIC Check or CVB, exchanging the WIC Check or CVB for firearms, alcohol, drugs, etc., the FDSM will notify the ADH Legal Department who in turn will contact the OIG. After the OIG notifies the ADH Legal Dept. or FDSM of their intended action in the case, the ADH Legal Dept. will determine if ADH will take further action including reporting to the Attorney General, the District Attorney, or local law enforcement.
3. The FDSM or designee will record the outcome of any vendors referred to OIG or a law enforcement agency in the MIS.

### **XIII. VENDOR ADVISORY COMMITTEE**

1. The primary purposes of the vendor advisory committee are: 1) to provide relevant information and advice to the AR WIC Program from the food delivery community that represents and serves Arkansas WIC authorized vendors; and 2) to serve as an additional conduit of information from the AR WIC Program to the food delivery community.
2. The vendor advisory committee shall consist of representatives from small, medium, and large vendors, wholesalers that supply Arkansas vendors, and the President of the Arkansas Grocers and Retail Merchants Association.
3. Travel reimbursement is offered according to State of Arkansas guidelines.
4. Meetings/teleconferencing are scheduled as needed.

#### **XIV. WIC CHECK AND CVB PROCESSING AND SECURITY**

1. **WIC Check and CVB Issuance** – WIC Checks for supplemental foods and CVBs for fresh and frozen fruits and vegetables are printed and issued to participants by LHU staff. WIC Checks for exempt/special formula are printed by the LHU, signed by the participant, stamped non-negotiable, and sent to the WIC Program State Office for processing.
2. **WIC Check and CVB Security** – WIC Check/CVB stock is shipped directly from the printing company to ADH Central Stores. The MICR toner cartridges used to print WIC Checks/CVBs are shipped directly from the manufacturer to the WIC State Office. They are then transported by WIC Food Delivery staff to a locked area in the ADH Central Stores. Access to the secure area where the boxes of check stock and MICR toner are kept is limited to WIC Food Delivery Section staff. As needed, staff brings boxes of check stock and MICR toner to the WIC State Office. Boxes of checks and toner are either picked up at the WIC State Office by a representative of the local health unit or shipped to the designated WIC clerk in the local health unit (check stock sent via commercial courier such as UPS or Federal Express and MICR toner by ADH courier). Documents are sent along with the shipments to track disbursement and receipt. At the local health unit level, the check stock and MICR toner, when not in use, are kept in a secure location.
3. **Vendor Reimbursement Protocol for WIC Checks and CVBs** – WIC vendors transact WIC Checks or CVBs for WIC approved foods as specified on the WIC Check or CVB. To be considered valid the vendor must ensure:
  - **First Day To Use:** The first date on which the WIC Check or CVB may be used by the participant. WIC Checks or CVBs accepted prior to this date will not be paid. Dates must be checked carefully during transaction.
  - **Last Day To Use:** The last date on which the WIC Check or CVB may be used. Payment will not be made on WIC Checks or CVBs accepted after this date.
  - **Purchase Date:** The date the WIC Check or CVB was actually accepted from the participant.
  - **Description:** The quantities, sizes, and specific foods that must be purchased with the WIC Check or the dollar amount of the CVB.
  - **Amount of Sale:** The purchase price of the WIC foods. The vendor records the amount of sale in blue or black ink on the WIC Check or CVB at the time of the transaction before the Authorized Representative/Proxy (AR/Proxy) signs. The vendor must accept payment for the actual selling price, but no more than the maximum allowable reimbursement (MAR) amount for WIC Checks. For CVBs,

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the vendor must accept payment from the WIC Program for the actual selling price, not to exceed the fixed amount printed on the CVB. It is the AR/Proxy's responsibility to pay any amount, including applicable taxes, on any amount over the fixed amount printed on the CVB.

The vendor cannot withhold any item from the food package to avoid exceeding the MAR or refuse to redeem a WIC Check that exceeds the MAR. The vendor cannot charge the WIC participant for any amount in excess of the MAR for the specific WIC Check.

- **Signature of Recipient:** The AR/Proxy presenting the WIC Check or CVB to the cashier signs the WIC Check or CVB in blue or black ink on the signature line on the front of the check in the lower right-hand corner after the transaction is completed. The cashier then checks the signature on the WIC Check or CVB with the signature(s) on the yellow WIC ID Folder to verify the identity of the person(s) authorized to use the WIC Check or CVB. If the signature does not match a signature on the ID folder, the WIC Check or CVB should be returned to the participant and the participant referred to the local WIC Clinic for further assistance.
- **Official Arkansas Vendor Stamp:** The vendor stamps the WIC Check or CVB, using the unique four (4) digit vendor number stamp prior to depositing into vendor's bank. WIC Checks or CVBs stamped with a previous owner's stamp will not be honored. Vendor stamps must be returned to the WIC Program office within 15 days of termination of the agreement.

4. **WIC Check and CVB Preparation and Submission for Payment** – Vendors must review all WIC Checks and CVBs to ensure they are completed correctly prior to submitting for payment. Properly completed WIC Checks and CVBs are to be submitted to the vendor's bank of deposit within 60 days from the "First Day to Use" date. The WIC Program must make payment to vendors within 60 days after valid WIC Checks and CVBs are submitted for redemption.
5. **Rejected WIC Checks** - WIC Checks and CVBs rejected for the following reasons can be corrected and redeposited by the vendor:
  - A. Missing Vendor Number – vendor stamps the check(s) with the official stamp provided by the Arkansas WIC Program and redeposits.
  - B. Unreadable Vendor Number – vendor clarifies by re-stamping or writing in ink the vendor number next to the original stamp and redeposits. Be sure the 4-digit vendor number is right side up and legible.

WIC Checks or CVB Returned Over the Max – ACH Applied – Vendors should not redeposit WIC Checks or CVBs returned for being over the NTE or fixed-price:

- A. The WIC Program's bank will reject any WIC Check that lists a purchase amount above the 112% of the peer group average, which is the Not to Exceed (NTE) amount. The WIC Program bank will also reject any CVB that lists a purchase amount above the fixed-price printed on the CVB.

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- B. The rejected WIC Checks or CVBs will be stamped “Returned Over the Max – ACH Applied” and returned to the vendor’s bank.
- C. The vendor does not need to resubmit the WIC Check or CVBs stamped “Returned Over the Max – ACH Applied”. At the end of the week, the vendor’s bank account will be credited up to the amount of the NTE for these WIC Checks or the fixed-price for the CVBs.
- D. This applies to all vendor types.

WIC Checks or CVBs rejected for the following reasons will not be paid:

- A. Unauthorized vendor number
- B. Altered (including use of correction fluid)
- C. Purchase date prior to “First Day to Use” printed on check
- D. Purchase date after “Last Day to Use” printed on check
- E. Stale - deposited or redeposited more than 60 days after the “First Day to Use”
- F. Second presentment
- G. Redeemed prior to vendor authorization
- H. Missing signature or signature not on signature line in lower right-hand corner of the WIC Check or CVB.

WIC Checks and CVBs in the possession of the vendor that were damaged upon receipt or prior to bank deposit may be sent to the WIC Program State Office for review and possible approval for direct deposit. Valid checks with errors that would prevent normal processing at the vendor’s bank (switched cash register endorsements, vendor stamp upside down, strike through on amount of purchase, check printing errors, etc.) detected prior to depositing in the vendor’s bank may also be sent in for review. WIC Checks/CVBs must be submitted for review no later than 60 days after the FDTU.

### 6. WIC Check and CVB Disposition –

- A. **WIC Checks and Cash Value Benefit (CVB) Redeemed by Vendors** - The Arkansas WIC Program has contracted Solutran, 3600 Holly Lane, Suite 60, Minneapolis, MN 55447 for processing of all WIC Checks and CVBs redeemed by vendors. The automated system reviews all WIC Checks and CVBs submitted for redemption to ensure compliance with price limitations and to detect overcharges or other errors. The review of WIC checks includes an edit designed to ensure compliance with the MAR and to assist in detecting vendor overcharges. The Food Delivery Section Manager will review on an as needed (no less than monthly) basis Solutran summary reports and screen shots of a random sample of WIC Checks and CVBs to ensure integrity of the system.

The system used by Solutran has in place edits that detect the following errors on redeemed WIC Checks and CVBs: purchase price missing, signature missing, vendor ID missing, vendor bank encoding error on purchase price, transactions before or after the specified time period and altered purchase price. The WIC Program must take follow-up measures on errors with 120 days of the redeemed date on WIC Checks and CVB and implement procedures to reduce the number of such errors.

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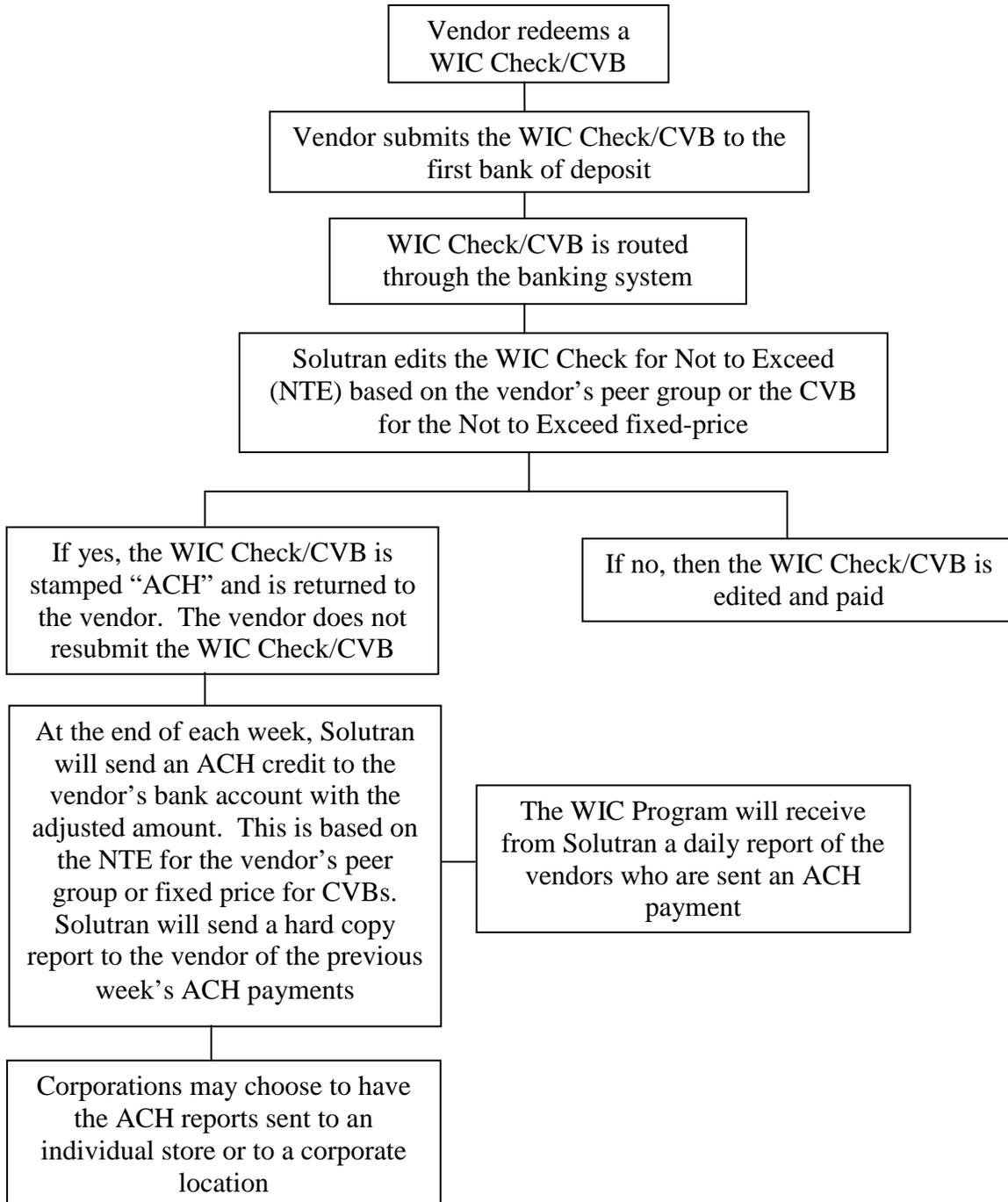
The WIC Program's bank will reject any WIC Check that lists a purchase amount above 112% of the peer group average, which is the Not to Exceed (NTE) amount. The rejected WIC Check will be returned to the vendor's bank. The vendor should work with their bank regarding returned item charges.

The vendor does not resubmit WIC Checks stamped "Returned Over the Max – ACH applied". At the end of the week, the vendor's bank account will be credited up to the amount of the NTE for all WIC Checks that exceeded the NTE. This process applies to all vendor types.

# INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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**Figure 1. AUTOMATED CLEARING HOUSE (ACH) PROCESS**



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- B. WIC Checks for Exempt/Special Formula Direct Delivery via Local Health Unit** – For participants receiving exempt/special formula at the LHU, checks are printed, each month at time of pick-up, by the LHU staff for formula issuance (except when issuing returned formula). The AR/Proxy signs the WIC Check(s) at the LHU, acknowledging receipt of the formula from the LHU staff. The WIC Check(s) is then stamped non-negotiable by the LHU staff. These checks are sent in daily to the WIC Program State Office via ADH courier. WIC Program State Office staff records the check numbers in a spreadsheet which is sent monthly to the ADH IT office for uploading into the MIS system. The WIC Checks for exempt/special formula are retained by the WIC Program State Office in numerical order of First Day to Use and stored in a secured manner. (Note: MIS enhancement to electronically record exempt/special formula issuance has been requested. Paper checks will no longer be issued for exempt/special formula once the enhancement is in production.)
- C. Voided WIC Checks and CVBs** – WIC Checks and CVBs voided by LHU staff due to printing errors, misaligned printing, etc. are first voided in the MIS. The check or CVB is then stamped “void” and retained by the LHU in numerical order of First Day to Use. Voided checks and CVBs are stored in a secured manner. Blank check stock that is damaged before printing or marked void by the printer (occurs when less than a full page of three checks is printed) is shredded by the LHU staff.
- D. Voided and Redeemed WIC Checks and CVBs** – WIC Checks and CVBs that are identified as being both voided and redeemed are automatically identified as such by the MIS. A monthly report is generated by Food Delivery Staff after the MIS End of Month process is completed. Staff then review bank records and work with the regional WIC Coordinators to document what occurred in each instance. Findings are entered into a spreadsheet and forwarded to the WIC Director. Any over issuance of benefits will result in the participant receiving an invoice for the amount due.
- 7. Adjustments to Payment of WIC Checks and Cash Value Benefit (CVB)** - The WIC Program may issue a claim for the full purchase price of the WIC Check or CVB that contains a vendor overcharge or other error. The claim will be sent to the vendor via certified mail. With justification and proper documentation, the WIC Program may pay vendors for WIC Checks and CVBs that have been submitted for redemption after the specified period for redemption. If the total value of a WIC Check or CVB submitted at one time exceeds \$500, the WIC Program must obtain FNS Regional Office approval before payment.
- 8. Employee Fraud and Abuse Related to Issuance of WIC Checks or CVBs** – Employee fraud and abuse means the intentional conduct of a State or Regional Office or LHU/WIC Clinic employee which violates Federal, State, or local law, program regulations, policies, or procedures, including, but not limited to, misappropriating or

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altering WIC Checks or CVBs, entering false or misleading information in participant folder, or creating participant folders for fictitious participants. An employee is subject to policies governing employee discipline. All instances of employee abuse must be reported to the WIC State Office, the Regional WIC Coordinator and the employee's supervisor. See general WIC Program policy for more detail.

9. **Arkansas WIC Checks/CVBs Redeemed by Vendors Not Authorized by the Arkansas WIC Program** – The Arkansas WIC Program will not pay a vendor that it has not authorized, for redeemed Arkansas WIC Checks/CVBs even if the vendor is authorized by another state or ITO WIC Program.

### **XV. DIRECT DELIVERY OF EXEMPT/SPECIAL FORMULA**

1. The Arkansas WIC Program Food Delivery System includes direct delivery of exempt/special formula. Formula is drop-shipped directly from the manufacturer to LHUs and WIC Clinics. The Program may also opt to purchase exempt/special formula from a USDA/FNS approved distribution company.
2. Designated staff in each LHU or WIC Clinic is responsible for ordering, maintaining inventory, and issuing exempt/special formula. Details regarding exempt/special formula inventory management are included in the Arkansas WIC Policy Manual.
3. FDLs are responsible for conducting periodic audits (at least three (3) times annually) of each LHU and WIC Clinic that maintains an exempt/special formula inventory. Audit results are reported to the administrator of the LHU/WIC Clinic, regional WIC Coordinators, and WIC Program State Office Food Delivery Section staff.
4. Regional WIC Coordinators, with the assistance of the Food Delivery Section staff, are responsible for relocating excess exempt/special formula to ensure that stock does not expire.
5. Formula inventories in LHU/WIC Clinics must be maintained in a locked, secure, environmentally safe area, i.e., well-ventilated, free from contaminants, pests or hazardous substances. Formula must be stored off the floor to ensure adequate ventilation.

## APPENDIX A: PROGRAM DEFINITIONS

**Above 50-percent Vendor** – A vendor with total annual sales of WIC foods with WIC Checks and CVBs more than 50% of the vendor's total annual sales of foods eligible for purchase with Supplemental Nutrition Assistance Program benefits (SNAP Eligible Foods, see Vendor Application-Appendix A).

**Approved Food List** – A list of those foods that meet the specifications established by Federal WIC Regulations and the Arkansas WIC Program.

**Authorized Representative or Proxy** - A person chosen by the participant/responsible adult who is allowed to purchase WIC food in the grocery store for the participant. The person's name and signature must appear on the yellow WIC ID Folder.

**Automated Clearing House (ACH)** – An electronic payment mechanism used by the Arkansas WIC Program's contract bank to accumulate and credit vendors' bank accounts with an appropriate amount up to the not-to-exceed amount on WIC Checks deposited. The ACH is used to adjust checks that have been erroneously deposited for amount above the NTE.

**Cash Value Benefit (CVB)** – a monetary benefit a participant can use to purchase authorized fresh or frozen fruits and vegetables. CVBs are issued in increments of 6, 8, 10, and 15 dollars. CVBs are negotiable bank drafts, printed on the same check stock as WIC Checks, but different regulations apply to their use and redemption.

**Cessation of Operations** – A store is closed for more than 90 days.

**Change of Ownership** –All, or substantially all (more than 50%), of the assets of the store are sold or transferred to a new owner or business entity.

**Change of Location** - Moving a store from one city or township to another.

**Claim** – A demand for reimbursement for WIC Check(s) or CVB(s) improperly redeemed and paid.

**Civil Money Penalty** – Punitive assessments imposed for mandatory vendor sanctions when the State Agency determines that disqualification of the vendor will result in inadequate participant access.

**Competitive Pricing** – The prices a vendor or vendor applicant charges for WIC supplemental foods compared to the prices charged by other vendor applicants and/or authorized vendors in the vendor's peer group, as determined by the Arkansas WIC Program.

**Compliance Buy** – A covert, on-site investigation in which a representative of the WIC Program Poses as a participant, parent or caretaker of an infant or child participant, or

## INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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proxy transacts one or more WIC Checks or CVBs, and does not reveal during the visit that he or she is a program representative.

**Dual State/ITO Vendors** – An authorized Arkansas WIC vendor that is also authorized by a bordering state or ITO's WIC Program.

**Fine** – A monetary penalty imposed by the WIC Program on a vendor for a violation of WIC Program rules.

**Full Service Grocery Store** – A retail store that stocks, at a minimum, all of the following food groups: canned, fresh and frozen fruits and vegetables; fresh and frozen meats and poultry (luncheon meats and deli meats do not qualify); canned fish; dairy products; cereals; breadstuffs; dried beans; infant fruits, vegetables and cereal; and infant formula.

**Incentives** – Providing any inducements to WIC participants, authorized representatives or proxies to shop in a store or recruit other customers including WIC participants to shop in the store. Incentives include but are not limited to:

- Providing cash, gifts, gift cards, gift certificates, coupons or any other type remuneration;
- Providing items including food or other products;
- Providing services including transportation to or from the store or delivery of WIC foods;
- Selling incentive items below cost;
- Lottery tickets, lotteries, prize and/or cash drawings, chances, or raffles of any type;
- Sales and specials on WIC approved food items unless the food was obtained by the vendor at no cost and does not result in charging the WIC Program for more food than listed on the WIC Check or CVB.

**Local WIC Clinic/Health Unit** – The authorized clinic that provides WIC Program services to WIC participants in a specific area.

**Maximum Allowable Reimbursement (MAR)** - Is equal to the Not To Exceed (NTE) amount for the respective regular vendor's peer group by type of WIC Check.

**New Vendor** – A vendor not previously authorized by the WIC Program. A store with a change in ownership, a store with a change in location, and/or a store that resumes business after cessation of operations for more than 90 days are all considered new vendors.

**Not to Exceed (NTE) Amount** – This is the highest reimbursement price for regular vendors for a WIC Check for a specific food package. A NTE is calculated for each WIC Check for each peer group and sent with a daily WIC Check issuance file to the Arkansas WIC Program contract bank.

**First Day to Use** – The date indicated in the upper right hand corner of the WIC Check. WIC Checks cannot be redeemed before this date. This date is sometimes called the "Issue Date".

## INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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**Overcharge** – Charging the WIC Program more than the lowest price available to other customers, more than sale or special prices, more than price lists or shelf prices posted in the store, or more than is permitted under the vendor agreement.

**Participant** – Pregnant women, breastfeeding women, postpartum women, infants and children who are receiving supplemental foods or WIC Checks or CVBs, under the WIC program, and the breastfed infants of participant breastfeeding women.

**Participant Violation** – 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 Arkansas WIC Program. Participant violations include intentionally making false or misleading statements or intentionally misrepresenting, concealing, or withholding facts to obtain benefits; exchanging CVBs, WIC Checks 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 WIC Check; threatening to harm or physically harm clinic or vendor staff; and dual participation.

**Price Limitations** - The maximum allowable reimbursement (MAR) amounts for each type of redeemed WIC Check for each vendor peer group and/or vendor type.

**Proxy** – Any person designated by a women participant, or by a parent or caretaker of an infant or child participant, to obtain and transact WIC Checks or CVBs or to obtain supplemental foods on behalf of a participant. The proxy must be designed consist with the Arkansas WIC Program procedures established according to federal regulations. Parents or caretakers apply on behalf of children and infant participants are not proxies.

**Shelf Price** – Regular purchase price of a WIC approved food.

**Reauthorization Process** – The reauthorization process begins when applications for renewal of authorization are sent to existing vendors. The reauthorization process may include revisions to the vendor agreement and/or handbook.

**Regular Vendor** – A vendor with total annual sales of WIC foods with WIC Checks and CVBs 50% or less than the vendor's total annual sales of foods eligible for purchase with Supplemental Nutrition Assistance Program benefits (SNAP Eligible Foods, see Vendor Application-Appendix A).

**Supplemental Nutrition Assistance Program (SNAP)** – Formerly the Food Stamp Program, SNAP is the USDA Food and Nutrition Service's food assistance program for eligible low-income people and families. SNAP provides food benefits and partners with nutrition education providers.

**Trafficking** – Exchanging (buying or selling) WIC Checks or CVBs for cash.

**Vendor** – A full service grocery store applying for authorization or authorized by the Arkansas WIC Program to provide WIC foods to WIC Program participants. The store

## INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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may be operated by a sole proprietorship, partnership, cooperative association, corporation, government commissary, or other business entity. Each store operated by a business entity is a separate vendor and must be authorized separately from other stores operated by the business entity. Each store must have a single, fixed location. The store may not be owned or operated by a non-profit organization. (See Vendor Application-Vendor Application Process, Appendix B)

**Vendor Type** – WIC Program vendors may be one of two types: “Regular Vendors” or “Above 50-percent Vendors”.

**Violation** – An infraction of program regulations, policies, or agreements.

**Last Day to Use** – A date indicated on the right-hand column of the WIC Check. WIC Checks cannot be redeemed after this date. The date is sometimes called “Void After” date.

**WIC** – The acronym for the Special Supplemental Nutrition Program for Women, Infants, and Children authorized by Section 17 of the Child Nutrition Act of 1966, as amended. (42 USC 1786).

**WIC Approved Foods** – Foods that meet specifications established by WIC Federal Regulations and the Arkansas WIC Program.

**WIC Program** – Administering unit for the Arkansas WIC Program, within the Arkansas Department of Health.

**WIC Check** – The negotiable bank draft that is used by participants in the Arkansas WIC Program to purchase the WIC foods, also known as a WIC Check. This WIC Check lists foods and food quantities for the participant.

**WIC Identification Folder (ID Folder)** – A yellow folder given to authorized WIC participants showing signature(s) of the person or persons who are authorized to redeem the WIC checks or CVBs.

## **APPENDIX B: PROCEDURES FOR CERTIFIED MAIL**

1. Prepare an Original Certified Log with all WIC Authorized Vendors from current WIC Vendor Listing (Numerical). Always include the name of the mail-out, date of letter, and numeric vendor number.
2. Prepare an original certified log for all corporate offices. Always include the name of the mail-out, date of letter, and numeric vendor number.
3. Keep on hand a complete set of certified cards for each set of certified logs. These cards should be checked (✓) 'certified' and stamped with the WIC return address stamp.
4. Keep on hand return address envelopes already stamped with the 'Slot 43' stamp.
5. Vendor labels should be peeled from the left to right side of the label sheet when putting them on envelopes to keep the vendor numbers in order.
6. When preparing certified mail to be sent out:
  - a. Make sure envelopes are pre-stamped with Slot 43.
  - b. Make two set of vendor address labels, one for the green card (PS-3811) and one for the envelopes. Before mailing, include on the green certified card a notation about the purpose of the mailing. For instance, if the mailing is vendor stamps, write 'Vendor Stamps' on the card.
  - c. Take the green certified mail receipt (PS-3800) and peel off the 16 digit number strip located on the top of the receipt. Place the strip at the bottom of the green card in the area marked "Article Number".
  - d. Attach the bar code sticker to front of envelope, leaving room for the postage.
  - e. Attach green card to back of envelope.
  - f. When entering the certified stamp number on the certified log, always record in numeric vendor order and write the vendor number on the log.
  - g. Fill in the receipt #, vendor name and address, vendor # on log sheet.
  - h. Make a copy of the completed log sheet for your records. Wrap the original copy of the log sheet for the 12 vendors recorded on the sheet around the envelopes with a rubber band.
  - i. Standard size certified mail should go to third floor mailroom (Freeway Medical).
  - j. Bulky/heavy certified mail should go ADH Mailroom (Central Office).
  - k. Make sure that the returned certified cards are routed to Food Delivery Section staff to record the receipt date for warning letters.
  - l. Undeliverable certified mail should be routed to Food Delivery Section staff.
  - m. Unclaimed certified mail should be routed to Food Delivery Section Manager.
  - n. After the Food Delivery Section staff records the dates, certified cards should be stapled to the appropriate letter and filed in the vendor's correspondence file.
7. Replenish the supply of complete envelopes and green cards (see #4 and #5).

## **APPENDIX C: VENDOR SANCTION SCHEDULE**

**Effective September 1, 2012 – August 31, 2015**

A vendor who commits fraud or abuse in the WIC Program is liable to prosecution under applicable federal, state and local laws. Those who have willfully misapplied, stolen or fraudulently obtained program funds will be subject to a fine of not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.

The following is the list of violations and sanctions that will be applied to vendors. In applying the sanctions listed, the WIC Program is under no obligation to determine a vendor's intent. The sanctions may be applied equally for error, ignorance or willful intent. The WIC Program will determine the impact of a potential vendor disqualification upon participant access to WIC Program benefits. A vendor may not withdraw from the WIC Program in order to avoid a sanction. Non-renewal of a vendor's agreement may not be used as an alternative to disqualification. Sanctions may include a claim for the value of WIC Checks and CVBs as well as administrative fines, disqualification and/or civil money penalties.

After disqualification for any length of time, a vendor must reapply and meet all WIC Program selection criteria before being readmitted to the Arkansas WIC Program. A vendor may not reapply during the disqualification period.

**NOTICE: Disqualification from WIC for violations 1 through 9 listed under Mandatory Federal Sanctions may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program (SNAP). Such disqualification may not be subject to administrative or judicial review under the Supplemental Nutrition Assistance Program.**

**Second sanction: The second sanction received by a vendor for any violation listed in 2 through 9 under Mandatory Federal Sanctions will result in doubling the sanction for the second violation. The second violation and sanction may be different from the previous violation and sanction. Civil money penalties may only be doubled up to the limit of \$11,000 per violation or \$49,000 per investigation.**

**Third or subsequent sanction: The third or subsequent sanction received by a vendor for any violation in 2 through 9 under Mandatory Federal Sanctions will result in doubling the third sanction and all subsequent sanctions. The third or subsequent violation and sanction may be different from any previous violation and sanction. A civil money penalty may not be imposed in lieu of disqualification for the third and subsequent sanctions.**

**Failure to pay Civil Money Penalty: Disqualification for the mandatory time period related to the violation.**

**Mandatory Federal Sanctions**

1. Vendor is convicted in court for the crime of trafficking in WIC Checks or CVBs or for selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.  
**Sanction: Permanent disqualification effective upon receipt of notification OR the WIC Program may impose a Civil Money Penalty in lieu of a disqualification for Violation 1 when it determines, in its sole discretion, and documents that a) the disqualification of the vendor would result in inadequate participant access; or b) the vendor had, at the time of the violation, an effective policy and program in effect to prevent trafficking and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation. Civil money penalties shall not exceed \$11,000 for each violation and shall not exceed \$49,000 for a single investigation.**
2. First instance of a vendor buying or selling WIC Checks or CVBs for cash (trafficking) or first instance of selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.  
**Sanction: Six (6) year disqualification with 15-day notice.**
3. Vendor has one incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC Checks or CVBs.  
**Sanction: Three (3) year disqualification with 15-day notice.**
4. Vendor claims reimbursement for the sale of an amount of a specific WIC food item that exceeds the store's documented inventory of that WIC food item for a specific period of time.  
**Sanction: Three (3) year disqualification based on one inventory audit of one month's inventory of two or more WIC foods or two or more months' inventory of one WIC food.**
5. Vendor engages in a pattern of overcharging the WIC Program.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**
6. Vendor receives, transacts and/or redeems WIC Checks or CVBs outside authorized channels, including an unauthorized vendor or an unauthorized person.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**
7. Vendor charges WIC Program for food not received by the participant and/or authorized representative.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**

## INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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8. Vendor provides credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**
9. Vendor provides unauthorized foods in exchange for WIC Checks or CVBs and/or charges for food in excess of that listed on the WIC Check or CVB.  
**Sanction: One (1) year disqualification for three documented incidents within a period of three (3) years.**
10. Vendor is disqualified from the Supplemental Nutrition Assistance Program (SNAP).  
**Sanction: Disqualification for the same length of time as the Supplemental Nutrition Assistance Program disqualification. The WIC disqualification may begin at a later date than the Supplemental Nutrition Assistance Program disqualification and is not subject to administrative or judicial review under the WIC Program.**

### Arkansas WIC Program Sanctions

*Sanction points for violations 12 – 23 will accumulate for a period of three (3) years. A total of twelve (12) sanction points, from any combination of violations, will result in disqualification for a period of six (6) months. A total of twenty (20) sanction points, from any combination of violations, will result in disqualification for a period of one (1) year.*

11. Vendor is disqualified from another state's WIC Program based on a mandatory federal sanction.  
**Sanction: Disqualification from the Arkansas WIC Program for the same amount of time as the other state's period of disqualification. The disqualification may begin at a later date than the sanction imposed by the other WIC State agency. The State agency must determine if disqualification of the vendor would result in inadequate participant access.**
12. Vendor fails to provide all food on the WIC Check when the foods are available in the store even if the total price exceeds the maximum allowable reimbursement amount for the WIC Check or refuses to allow the purchase of a WIC approved food.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in the assessment of the value of WIC Check/CVB and two (2) sanction points.**
13. Vendor fails to enter price before WIC Check or CVB is signed during a compliance buy.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in a claim for the value of each WIC Check or CVB, a fine of \$100, and two (2) sanction points.**

## INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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14. Vendor fails to verify signature on WIC Check or CVB by comparing signature to WIC identification folder during a compliance buy.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in two (2) sanction points.**
  
15. Vendor alters any information written or printed by WIC personnel on a WIC Check or CVB, or alters/manufactures supporting documentation (such as cash register receipts) in an attempt to receive payment for the WIC Check or CVB.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. A claim for the purchase amount of any WIC Check or CVB paid and six (6) sanction points for each incident after the first warning letter is received by the vendor.**
  
16. Vendor charges participant, authorized representative, or proxy for any portion of a WIC Check transaction. (Note: Participants are allowed to pay amount, including tax, over monetary value of CVB(s) on CVB transactions. See Section II, #13)  
**Sanction: A warning letter is issued to the vendor for the first documented incident. For each documented incident after the first warning letter is received by the vendor, a fine of \$100 and three (3) sanction points will be assessed for each subsequent violation.**
  
17. Vendor fails to provide WIC representative(s) access to the store during posted business hours for vendor education or monitoring, including access to sales, invoice, or inventory records during a routine store visit.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. Six (6) sanction points for each subsequent incident after receipt of initial warning letter.**
  
18. Vendor fails to maintain prices at or below the competitive price selection criteria standards or the WIC Program is unable to determine shelf prices because vendor has not posted them clearly.  
**Sanction: Initial violation will result in a warning letter giving the vendor the opportunity to make adjustments in prices or post prices within the timeframe specified in the letter. Each subsequent violation after a 30-day period will result in three (3) sanction points.**
  
19. Vendor fails to pay a claim for exceeding the maximum allowable reimbursement (MAR) amount, for a WIC Check or CVB improperly paid, or for any sanction imposed due to a federal or state violation.  
**Sanction: After the initial 30 days to pay the claim, the Vendor will be sent a warning letter and be given an additional 30 days to pay claim. If the payment is not received after the warning letter, twelve (12) sanction points will be assessed, resulting in a six (6) month disqualification.**

## INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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20. Vendor fails to maintain minimum stock as listed in Appendix A of the Vendor Participation Agreement and Handbook or as specified in a written waiver approved by the WIC Program, during a monitoring visit or compliance buy.  
**Sanction: For the first violation, a warning letter will be issued to the vendor. For the next (2<sup>nd</sup>) violation after a 30-day period from the receipt of the warning letter, two (2) sanction points will be assessed and vendor must participate in mandatory training. For the next (3<sup>rd</sup>) violation after a 15-day period from the 2<sup>nd</sup> violation, the vendor will be assessed three (3) sanction points and a \$100 fine. The next (4<sup>th</sup>) violation after a 15-day period from the 3<sup>rd</sup> violation, eight (8) sanction points will be assessed. An unannounced monitoring visit will be made after the specified period following each violation. Vendors that have no minimum stock violations in a 12-month period after a satisfactory monitoring visit will, at that point, start the process over again with any new incident. However, the sanction points earned will remain for a period of three (3) years.**
21. Vendor uses the WIC acronym or logo, including close facsimiles thereof, in total or in part, either in the official name in which the vendor is registered or the name under which it does business, if different, on incentive items, on product labels or packages, store signs, pamphlets, advertisements, brochures or any other proprietary materials.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. Two (2) sanction points will be assessed if the vendor fails to remove the acronym or logo within the timeframe specified in the initial warning letter.**
22. Vendor fails to submit a complete and accurate shelf price survey by the deadline established by the Arkansas WIC Program.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. Mandatory training is required for the second documented incident. One (1) sanction point will be assessed for all following incidents.**
23. Vendor fails to maintain correct placement of Arkansas WIC Program approved tags on Arkansas WIC approved items (8 or more missing tags in each of 2 or more food item sections).  
**Sanction: A warning letter is issued to the vendor for the first documented incident. Mandatory training is required for the second documented incident. One (1) sanction point will be assessed for the third and subsequent incidents. Vendors that have no Sanction 23 violations in a 12-month period will, at that point, start the process over again with any new incident. However, the sanction points earned will remain for a period of three (3) years.**
24. Vendor offers incentive item or service to a WIC participant, authorized representative or proxy that is not offered to non-WIC customers.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. Twelve sanction points (12) will be issued for the second documented incident.**

INTERNAL FOOD DELIVERY MANAGEMENT POLICY

**APPENDIX D:**

**Arkansas WIC Program  
WIC-13 Monitoring Visit Form  
Quarterly Monitoring Visit  
(insert month/year)**

Name of Vendor:	Vendor #	City:	Vendor Phone:
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**Cheese - Must Be Refrigerated – 8 pounds total**

American <input type="checkbox"/> Cheddar <input type="checkbox"/> Colby <input type="checkbox"/> Mozzarella <input type="checkbox"/>	8 oz. pkg.	Highest Price:
American <input type="checkbox"/> Cheddar <input type="checkbox"/> Colby <input type="checkbox"/> Mozzarella <input type="checkbox"/>	16 oz. pkg.	Highest Price:
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?

**Eggs – Must Be Refrigerated – Grade A or AA Medium/Large, White Eggs – 6 dozen**

Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Highest Price:
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/> No <input type="checkbox"/>	

**Milk Vitamin D or A/D Fortified - see numbers below for each milk container type**

Gallon	Whole <input type="checkbox"/> (3)                      2%, 1%, Skim <input type="checkbox"/> (6)	Highest Price:
Half-Gallon	Whole <input type="checkbox"/> (2)                      2%, 1%, Skim <input type="checkbox"/> (3)	Highest Price:
Quart (or equivalent pints)	Whole <input type="checkbox"/> (2) Pts: _____                      2%, 1%, Skim <input type="checkbox"/> (3) Pts: _____	Highest Price:
Half-Gallon Lactose Free Milk	Whole <input type="checkbox"/> 2%, 1%, Skim <input type="checkbox"/>	Highest Price:
Soy Beverage	½ Gallon <input type="checkbox"/> Quart <input type="checkbox"/>	Highest Price:
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?

**Juice - 100% Pure Juice - 8 containers of each type**

11-12 oz Frozen	Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/>	Highest Price:
46-48 oz Bottle or Can	Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/>	Highest Price:
64 oz Bottle or Carton	Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/>	Highest Price:
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?

**INTERNAL FOOD DELIVERY MANAGEMENT POLICY**

**Whole Grain Products – 4 loaves and 4 pkgs. of any combination of other 3 items**

Bread	Meets Minimum: Yes <input type="checkbox"/> No <input type="checkbox"/>			Highest Price:		
Tortillas or Brown Rice or Oatmeal	Meets Minimum: Yes <input type="checkbox"/> No <input type="checkbox"/>			Highest Price: T _____ BR _____ O _____		
Meets Minimum Stock Requirements?	Yes	No	Price Clearly Marked?	Yes	No	
Waiver Granted for this Category?	Yes	No	Expiration/Sell By Date Valid?	Yes	No	

**Cereal – 36 boxes total cold and hot**

Cold Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/>	Container Size:	Highest Price:				
Hot Variety: 1 <input type="checkbox"/>	Container Size:	Highest Price:				
12 boxes qualified as whole grain cereal? Yes <input type="checkbox"/> No <input type="checkbox"/>						
Meets Minimum Stock Requirements?	Yes	No	Price Clearly Marked?	Yes	No	
Waiver Granted for this Category?	Yes	No	Expiration/Sell By Date Valid?	Yes	No	

**Infant Cereal – 6 boxes**

Meets Minimum Stock Requirements?	Yes	No	Price Clearly Marked?	Yes	No	Highest Price:
Waiver Granted for this Category?	Yes	No	Expiration/Sell By Date Valid?	Yes	No	

**Infant Foods – 48 jars vegetables and fruits and 16 jars meat**

Vegetables: Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/>	#if less than min.	Highest Price:				
Fruits: Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/>		Highest Price:				
Meats: Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/>	#if less than min.	Highest Price:				
Meets Minimum Stock Requirements?	Yes	No	Price Clearly Marked?	Yes	No	
Waiver Granted for this Category?	Yes	No	Expiration/Sell By Date Valid?	Yes	No	

**Infant Formula – see numbers below for each formula type**

If Not on Shelf, a Sign Must Be Posted Indicating where the Formula is Located

<b>Name of Formula:</b> Gerber Good Start Gentle, pwd (15) Gerber Good Start Soy/Soothe, pwd (11) (circle one)	#if less than min. 1. _____ 2. _____	<b>Prices:</b> Gentle : _____ Soy : _____ Soothe : _____ Protect : _____				
Meets Minimum Stock Requirements?	Yes	No	Price Clearly Marked?	Yes	No	
Waiver Granted for this Category?	Yes	No	Expiration/Sell By Date Valid?	Yes	No	
Reviewed Invoices to Determine Where Infant Formula is Purchased?				Yes	No	

List where purchased: \_\_\_\_\_

**INTERNAL FOOD DELIVERY MANAGEMENT POLICY**

**Beans/Peas—Dry and Canned**

Canned Beans	16 cans	Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/>						Highest Price:
Dry Beans	6 packages	Yes <input type="checkbox"/> No <input type="checkbox"/>						Highest Price:
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/>	No <input type="checkbox"/>			
Waiver Granted for this Category?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/>	No <input type="checkbox"/>			

**Peanut Butter – 6 jars**

Meets Minimum Stock Requirements?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Highest Price:
Waiver Granted for this Category?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

**Fish – Chunk Light Tuna in Water, Pink Salmon, Sardine – 10 cans**

Meets Minimum Stock Requirements?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Highest Price:
Waiver Granted for this Category?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

**Fresh Fruits and Vegetables - \$45 dollars (may include frozen in value calculation)**

Variety Veg:	Price:	Variety Fruit:	Price:
Variety Veg:	Price:	Variety Fruit:	Price:
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Price Clearly Marked?
Expiration/Sell By Date Valid?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

**Circle:**

Y	N	Is the "Authorized WIC Vendor" Sign Posted?
Y	N	Vendor Possesses Current WIC Vendor Handbook and Agreement?
Y	N	Reviewed Violations and Sanctions? (This visit – # _____ )
Y	N	Food List at Register (Spot Check)?      Need Additional Food Lists? # _____
Y	N	Minimum Stock Available?
Y	N	Current Dates on Food (Spot Check)?
Y	N	Shelf Tags Indicate Approved Foods?      Need Additional Shelf Tags? # _____
Y	N	Reviewed WIC Check and CVB Redemption Procedures?
Y	N	Additional Training Needed? Specify:

# INTERNAL FOOD DELIVERY MANAGEMENT POLICY

## FOOD INSTRUMENT REVIEW – 5 RANDOM

## SHELF TAG AUDIT TOOL

FI Number _____ <input type="checkbox"/> Vendor Stamp Missing <input type="checkbox"/> Amount of Sale Not Recorded <input type="checkbox"/> Redeemed Outside Dates <input type="checkbox"/> Alterations on Food Instrument <input type="checkbox"/> Signature Not in Correct Space <input type="checkbox"/> Over 60 Days from First Day to Use <input type="checkbox"/> Cash Register Endorsement Does Not Match Amount of Sale
FI Number _____ <input type="checkbox"/> Vendor Stamp Missing <input type="checkbox"/> Amount of Sale Not Recorded <input type="checkbox"/> Redeemed Outside Dates <input type="checkbox"/> Alterations on Food Instrument <input type="checkbox"/> Signature Not in Correct Space <input type="checkbox"/> Over 60 Days from First Day to Use <input type="checkbox"/> Cash Register Endorsement Does Not Match Amount of Sale
FI Number _____ <input type="checkbox"/> Vendor Stamp Missing <input type="checkbox"/> Amount of Sale Not Recorded <input type="checkbox"/> Redeemed Outside Dates <input type="checkbox"/> Alterations on Food Instrument <input type="checkbox"/> Signature Not in Correct Space <input type="checkbox"/> Over 60 Days from First Day to Use <input type="checkbox"/> Cash Register Endorsement Does Not Match Amount of Sale
FI Number _____ <input type="checkbox"/> Vendor Stamp Missing <input type="checkbox"/> Amount of Sale Not Recorded <input type="checkbox"/> Redeemed Outside Dates <input type="checkbox"/> Alterations on Food Instrument <input type="checkbox"/> Signature Not in Correct Space <input type="checkbox"/> Over 60 Days from First Day to Use <input type="checkbox"/> Cash Register Endorsement Does Not Match Amount of Sale
FI Number _____ <input type="checkbox"/> Vendor Stamp Missing <input type="checkbox"/> Amount of Sale Not Recorded <input type="checkbox"/> Redeemed Outside Dates <input type="checkbox"/> Alterations on Food Instrument <input type="checkbox"/> Signature Not in Correct Space <input type="checkbox"/> Over 60 Days from First Day to Use <input type="checkbox"/> Cash Register Endorsement Does Not Match Amount of Sale

SECTION 1	Tags Missing
Frozen Juice	
Shelf Juice	
Refrigerated Juice	
<b>SECTION TOTAL</b>	
SECTION 2	
Soy Beverage	(R)____(SS)___
Milk-Refrigerated	
Milk-Evaporated	
Milk-Non- Fat PWD	
Cheese	
Eggs	
<b>SECTION TOTAL</b>	
SECTION 3	
Peanut Butter	
Fish	
<b>SECTION TOTAL</b>	
SECTION 4	
Canned Beans/Peas	
Dry Beans/Peas	
<b>SECTION TOTAL</b>	
SECTION 5	
Brown Rice	
Bread	
Tortillas	
<b>SECTION TOTAL</b>	
SECTION 6	
Cereal/Oatmeal	
SECTION 7	
Infant Fruits	
Infant Vegetables	
Infant Meat	
Infant Cereal	
<b>SECTION TOTAL</b>	
SECTION 8	
Formula	

INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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**WIC Quarterly Monitoring Visit  
Vendor Signature Page**

Name of Vendor:	Vendor Number:
City:	Vendor Phone:

Met minimum stock       Did not meet minimum stock: \_\_\_\_\_

Eight (8) or more shelf tags missing in section:

- Section 1: Juice – frozen, shelf, refrigerated
- Section 2: Milk- refrigerated, evaporated and powdered; soy beverage; eggs; cheese
- Section 3: Peanut butter; fish
- Section 4: Canned beans/peas; dry beans/peas
- Section 5: Bread; brown rice; tortillas
- Section 6: Cereal – cold and hot; oatmeal
- Section 7: Infant foods – cereal, fruits, vegetables, meats
- Section 8: Infant Formula

ADDITIONAL COMMENTS:

***YOUR SIGNATURE CONFIRMS THAT YOU RECEIVED AND UNDERSTAND THE INFORMATION AND TRAINING PROVIDED TO YOU BY THE WIC REPRESENTATIVE.***

Store Representative's Name and Title <b>(Printed)</b> :	Date:
Store Representative's Signature:	
WIC Representative's Name and Title <b>(Printed)</b> :	Date:
WIC Representative's Signature:	



**APPENDIX E: METHODOLOGIES FOR DERIVING COMPETITIVE PRICE SELECTION CRITERIA AND ESTABLISHING MAXIMUM ALLOWABLE REIMBURSEMENT LEVELS**

I. Competitive Price

Methodology used to derive competitive price selection criteria levels.

- A. Shelf prices of WIC approved supplemental foods are collected three (3) times per year for all vendors. Shelf prices of regular vendors are used to calculate the peer group average for each food category. Prices are collected for the full range of WIC approved foods. Vendors may be asked to provide shelf prices via a printed price survey, an electronic survey, or on-site collection of prices by Food Delivery Section staff. Prices will be collected for the highest priced WIC approved food/variety in each food category. In food categories where the least expensive brand applies, this may not be the product that is normally sold but may be sold if the vendor is out of the least expensive brand.
- B. The determination of whether an applicant or vendor meets the competitive price selection criteria for authorization is based on the applicant's or vendor's shelf prices (and vendor's redemption history for reauthorization). Vendors with shelf prices at or below 110% of the average for their peer group meet the competitive price criteria.
- C. If an existing regular vendor's shelf prices do not meet the 110% cut-off, the vendor's redemption history for the 3-month period prior to reauthorization is reviewed. If the vendor's redemption history by food instrument type is at or below 110% of the average redemption amount for other regular vendors in the vendor's peer group, the vendor meets the competitive price selection criteria. Existing vendors who do not meet the criteria are informed and given one chance to lower their shelf prices.
- D. Vendors are required to maintain competitive prices throughout the agreement period. Shelf price surveys (3) and redemption data will be used to monitor vendors during the agreement period.
- E. Applicants and vendors that do not meet either the shelf price or redemption history criteria do not meet the competitive price selection criteria and are denied authorization or reauthorization.

II. Maximum Allowable Reimbursement

Methodology for establishing the maximum allowable reimbursement levels for regular vendors.

## INTERNAL FOOD DELIVERY MANAGEMENT POLICY

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- A. A Not To Exceed (NTE) amount is calculated for each WIC Check type for each peer group in the MIS when the WIC Check is printed. The NTE is set at 112% of the regular vendor's shelf prices for each peer group to allow for fluctuations in wholesale prices.
  
- B. ADH IT sends the NTE/check type/peer group information to Solutran daily (M-F). The Arkansas WIC Program's check processor edits for NTE at time of presentment. If the check amount of sale is over the NTE, the vendor's claim is rejected. The claim is then processed for payment at the NTE on the Friday following the presentment.

**APPENDIX F: VENDOR PEER GROUP SYSTEM**

For FFY14, the Arkansas WIC Program will have 15 peer groups. The peer group criteria are applied in this order:

1. Geographic area (based on ADH regions and vendor ZIP codes)
2. Store type – Large chain/discount; Medium chain/commissary; and Independent
3. Other factors may also influence peer group assignment, including ownership type, square footage, retail system (cost plus & limited brands) and shelf prices

If a geographic area has fewer than 5 vendors of a specific Store Type, those vendors/applicants will be assigned to the nearest geographic area having vendors with a similar Store Type.

After initial authorization, vendor peer group assignments will be assessed at least once a year.

1	Large Chain/Discount (Northwest)
2	Medium Chain (Northwest)
3	Independent (Northwest)
4	Large Chain/Discount (Northeast)
5	Medium Chain (Northeast)
6	Independent (Northeast)
7	Large Chain/Discount (Central)
8	Medium Chain/Commissary (Central)
9	Independent (Central)
10	Large Chain/Discount (Southwest)
11	Medium Chain (Southwest)
12	Independent (Southwest)
13	Large Chain/Discount (Southeast)
14	Medium Chain (Southeast)
15	Independent (Southeast)

# ARKANSAS WIC PROGRAM



## Vendor Participation Agreement and Handbook

September 1, 2012 – August 31, 2015

# **ARKANSAS WIC PROGRAM**

## **VENDOR PARTICIPATION AGREEMENT**

### **ADH WIC Program Non-Discrimination Statement**

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

**ARKANSAS DEPARTMENT OF HEALTH  
WIC PROGRAM  
VENDOR PARTICIPATION AGREEMENT**

**VENDOR NAME** \_\_\_\_\_ **VENDOR NUMBER** \_\_\_\_\_

This agreement is between the Arkansas Department of Health (ADH) WIC Program and the vendor named above. The terms, WIC Program or Arkansas WIC Program, will be used throughout the agreement except in cases where the Divisions or Offices within ADH are referenced for specific functions. This agreement is for the purpose of authorizing retail food stores for participation in the United States Department of Agriculture (USDA) Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The agreement becomes effective on the date the vendor is notified of authorization and expires August 31, 2015, unless revised by the Arkansas WIC Program or terminated by either party.

This vendor agreement does not constitute a license or a property interest. If the vendor wishes to continue to be authorized beyond the period of the current agreement, the vendor must reapply for authorization. If a vendor is disqualified from the Arkansas WIC Program, this agreement is terminated. The vendor will have to reapply in order to be authorized after the disqualification period is over. In all cases, the vendor's new application will be subject to the WIC Program's vendor selection criteria in effect at the time of the reapplication.

The vendor must comply with this agreement, the Arkansas WIC Program Vendor Handbook, federal and state statutes, regulations, policies, and procedures governing the WIC Program, including any changes made during this agreement period. Should any provision of this agreement conflict with federal statutes, regulations, or policy, the federal statutes, regulations, and policy shall prevail.

**SECTION I. GENERAL CONDITIONS:**

1. This agreement, the Arkansas WIC Vendor Handbook, Arkansas WIC Approved Food List, and other correspondence, embody the whole agreement of the parties and shall supersede all previous communications, representations, or agreements, whether verbal or written, between the parties hereto.
2. Definitions of terms used in this agreement can be found in the Arkansas WIC Vendor Handbook and apply equally to this agreement and the handbook.
3. Either party may terminate this agreement for cause.
4. This agreement will immediately terminate if the Arkansas WIC Program determines that the vendor has provided false information in connection with its application for authorization. (see WIC Vendor Application Process, Appendix B)

5. The WIC Program and WIC authorized vendors will avoid all conflicts of interest. This agreement will be terminated if the WIC Program identifies any conflict of interest. This will include but is not limited to:
  - Vendors will not employ any ADH employee with any responsibility for the WIC Program at local, regional or state clinics and/or offices.
  - The ADH will not employ a vendor or a vendor's father, mother, sister, brother, spouse, child, grandparents, cousins, aunts, uncles and in-laws in a capacity with responsibility for the WIC Program at local, regional, or state clinics and/or offices.
  - Vendors, vendor applicants, or vendor representatives will not accept from nor offer any ADH employee with responsibility for the WIC Program any gifts, favors or privileges.
  - The ADH WIC Program will not accept from nor offer any authorized vendor, vendor applicant, or vendor representative any gifts, favors, or privileges.
6. The Arkansas WIC Program has no obligation to renew this agreement at expiration. Vendors whose agreements will not be renewed shall be notified in writing prior to the termination date of this agreement. The WIC Program may revise, amend, or replace this agreement prior to its termination date. The WIC Program will give vendors a minimum of 30 calendar days (from receipt by certified mail) to review, sign, and return any material revision to this agreement unless state or federal law, regulations, or policy require more immediate revision(s). Any agreements/amendments not returned by the specified due date shall nullify the agreement.
7. The WIC Program uses: statistical and financial analysis; random sampling; sales, inventory, and invoice records and/or audits; discrepancies in WIC Checks or Cash Value Benefits (CVBs) and/or documentation submitted appealing nonpayment; information from WIC participants or other sources; and visits to the vendor for the purpose of determining compliance with this agreement and WIC Program directives.
8. The vendor shall comply with selection criteria throughout the agreement period including any updated criteria. The WIC Program may reassess the vendor at any time during the agreement period using the selection criteria in effect at the time of the reassessment. Vendors shall be terminated if during the period of the agreement, the selection criteria are not being met. Selection of vendors for the Arkansas WIC Program is based on but not limited to the following criteria:
  - a. Competitive prices and price limitations: Vendors with a WIC Check at or below 110% of the average price for the check type for their peer group meet this requirement. Vendors that do not meet the current competitive shelf price or redemption history criteria are informed and given one chance to lower their shelf prices to meet the competitive price selection criteria. Vendors that do not meet either the shelf price or redemption history criteria and do not lower their shelf prices to meet the criteria are denied authorization unless denying authorization of the vendor would create a hardship for participants. Vendors will be paid only up to the Maximum Allowable Reimbursement (112% of the average price for the check type for their peer group) for

checks that are at or exceed that amount. The MAR is intended to cover very brief price spikes and should not be the level at which vendors set their prices.

- b. Minimum variety and quantity of WIC supplemental foods: The minimum stock requirements are listed in Appendix A of the Vendor Handbook for each category and type of WIC approved food. This stock must be in the store at the time of the visit by WIC Program personnel. Expired or damaged food may not be used in the calculation of minimum stock. Waivers for exceptions to minimum stock requirements must be requested in writing with a justification for the request.
- c. Business integrity: Lack of business integrity on the part of the owner(s), officer(s), or manager(s) of a store will result in denial of a vendor's authorization. The Arkansas WIC Program cannot authorize a vendor applicant if during the last six years the vendor applicant or any of the vendor applicant's current owners, officers, or managers has been convicted or had a civil judgment entered against them for any activity indicating a lack of business integrity. Activities indicating a lack of business integrity include, but are not limited to, trafficking in WIC Checks or CVBs or Supplemental Nutrition Assistance Program (SNAP) benefits in any state, exchange of WIC Checks or CVBs or SNAP benefits for alcohol, tobacco, firearms, ammunition, explosives, or controlled substances, 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. Failure to pay Arkansas state sales tax and redeeming WIC Checks/CVBs prior to receiving authorization will also be considered lack of business integrity.
- d. Supplemental Nutrition Assistance Program (SNAP) disqualification: A vendor or vendor applicant that is currently disqualified from the SNAP or has been assessed a SNAP civil money penalty for hardship may not be authorized. If, at the time of authorization, the disqualification period that has been imposed or would have been imposed has not expired, the WIC Program cannot authorize the vendor.
- e. Sale of store to circumvent a WIC sanction: A store that has been sold by a previous owner(s) in an attempt to circumvent a WIC sanction shall not be authorized. Circumstances could include, but are not limited to, selling a store to a relative by blood or marriage or to any individual or organization for less than its fair market value.
- f. Purchase of infant formula: A vendor must purchase infant formula only from wholesalers, distributors, manufacturers, or retailers from the list provided by the Arkansas WIC Program. A list of the wholesalers, distributors, manufacturers, or retailers will be available on the WIC Program website or at vendor request.
- g. Misuse of WIC acronym or logo: Vendors shall only use the WIC acronym and logo in materials provided by or as specified by the Arkansas WIC Program. No reproductions are permitted. The Arkansas WIC Program will not authorize a vendor that uses the "WIC" acronym or logo except as permitted by the WIC Program. The "WIC" acronym and logo are registered and trademarked by the U.S. Department of Agriculture (USDA).

Authority to regulate the use of the acronym “WIC” and the WIC logo are provided in 42 U.S.C. 1051 et seq., and 7 CFR 246. A WIC vendor is not permitted, without specific Federal or State Agency authorization, to use either the acronym “WIC” or the WIC logo, including close facsimiles thereof, in total or in part, in either the official name in which the vendor is registered or the name under which it does business, if different, on product labels or packages, store signs, pamphlets, advertisements, brochures or any other proprietary materials.

- h. Disqualification from another state WIC Program: A vendor’s store will not be authorized by the Arkansas WIC Program if the store is currently disqualified by another state’s WIC Program for a mandatory federal sanction.
- i. Incentive items or service given to WIC participants: A WIC authorized vendor may not treat WIC customers differently by offering incentive items or services that are not offered to non-WIC customers. Doing so is a violation of federal regulations.
- j. Above-50-percent Vendors: The Arkansas WIC Program will not approve new applicants whose expected WIC sales will be above 50-percent of their expected total food sales or current vendors seeking reauthorization whose actual WIC sales were above 50-percent of their total food sales at any time during the previous calendar year. WIC, SNAP and total food sales figures will be collected annually from current vendors. Current vendors found to have WIC sales above the 50-percent criterion during the agreement period will have three months from the date of notice of their above 50-percent status to adjust their sales to come into compliance or withdraw from the program.

In accordance with Federal law and U.S. Department of Agriculture (USDA) 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, DC 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.

## **SECTION II. THE VENDOR SHALL:**

1. Accept WIC Checks and/or CVBs only from authorized WIC participants, authorized representatives, and/or proxies whose name(s) and signature(s) appear on the front of the yellow WIC Participant Identification Folder (ID Folder). The vendor will compare the name(s) and signatures on each WIC Check/CVB with the ID Folder at each transaction. The signature on the WIC Check/CVB must be on the signature line on the front of the check in the lower right-hand corner and match the signature on the ID Folder of one of the persons authorized to sign WIC Checks or CVBs.
2. Provide all and only the types and quantities of food listed on the WIC Check or CVB to the WIC participant and/or Authorized Representative/proxy. No unauthorized food items, non-food items, cash, or credit (including rain checks) will be provided in exchange for WIC Checks or CVBs. The vendor will not provide refunds. The vendor must permit exchanges for authorized food items a WIC participant is exchanging only if the food item is defective, spoiled, or has exceeded its “sell by”, “best if used by”, or other date limiting the sale. In these cases, the food must be replaced with an identical authorized food item (the exact size and brand as the original authorized WIC food item). Exception: Recalled food items will be exchanged in accordance with manufacturer instructions.
3. Transact all WIC Checks and CVBs for authorized foods on the premises of the store authorized by this agreement. The vendor shall not accept and deposit WIC Checks or CVBs from another store or any individual not authorized to purchase the WIC approved foods for the participant(s) listed on the WIC Check or CVB.
4. Redeem WIC Checks and CVBs only if all food items listed on the WIC Check or CVB are available in the store.
5. Accept and process for payment by the Arkansas WIC Program only WIC Checks or CVBs issued by the Arkansas WIC Program. The Arkansas WIC Program will not pay checks issued by other states, territories or Indian Tribal Organizations (ITOs).
6. Offer WIC participants, authorized representatives, and/or proxies the same courtesies offered to other customers.
7. Accept WIC Checks and CVBs only on or between the “First Day to Use” (Issue Date) and “Last Day to Use” (Expiration Date) dates.
8. Review each WIC Check or CVB to make sure that the WIC participant, authorized representative, and/or proxy has selected the correct foods, sizes, quantities, and brands specified on the WIC Check or CVB and/or listed on the current Arkansas WIC Approved Food List. The vendor shall maintain a current food list at each register.
9. Treat each WIC Check as a separate transaction. Do not include foods from more than one WIC Check in one transaction.

10. Allow participants in one household to combine two or more Cash Value Benefits (CVBs) in the same transaction. The yellow WIC ID Folder lists all participants in the same household.
11. Enter the amount of sale for the WIC authorized foods in blue or black ink **before** the WIC Check or CVB is signed by the authorized representative or proxy.
12. Ensure that the authorized representative or proxy signs on the signature line in the lower right-hand corner on the front of the WIC Check/CVB in blue or black ink in the presence of the cashier at the time of the purchase and after the amount of sale has been entered. If the authorized representative or proxy is unable to write, a mark must be made and a witness must sign under the mark.
13. Not issue change to an authorized representative/proxy for purchases less than the total value of the CVB. If the total amount of the transaction for which the WIC participant uses CVB(s) exceeds the monetary value of the CVB(s), the authorized representative/proxy may use another form of tender to pay the excess amount due to the vendor, including any applicable taxes.
14. Not charge sales tax to the WIC Program or WIC participants, authorized representatives, and proxies on the sale of authorized WIC foods obtained with WIC Checks or Cash Value Benefits (CVBs). Vendors may collect any applicable state, county or local tax only on the amount of the purchase above the monetary value of the CVB when purchasing fresh or frozen fruits and vegetables. WIC participants, authorized representatives, and proxies are responsible for payment of all applicable taxes on amounts charged above the monetary limit of the CVB(s).
15. Comply with the procedures outlined in the Vendor Handbook for processing WIC Checks and CVBs.
16. Pay all claims assessed by the WIC Program, including claims assessed for exceeding the MAR amount applicable to the vendor. The WIC Program may deny or delay payment or establish a claim in the amount of the full purchase price of each WIC Check or CVB that contained an overcharge or other error. An opportunity to justify or correct the overcharge or other error will be given to the vendor. In addition to denying payment or assessing a claim, the WIC Program may sanction the vendor for overcharges or other errors in accordance with the Violations and Sanctions section of this agreement.
17. Not charge WIC participant, authorized representative, and/or alternate representative/proxy for authorized foods obtained with WIC Checks or CVBs, or seek restitution for WIC Checks or CVBs not paid, partially paid, or subject to claims by the WIC Program.
18. Participate annually in training provided by the Arkansas WIC Program or the vendor's WIC training office. Annual training may include but is not limited to off-site group training, on-site training, newsletters, program memos, instructional videos, on-line training courses, website posts and educational visits.

19. Be responsible for providing and documenting training of all employees (managers, cashiers, bookkeepers, etc.) on Arkansas WIC Program policies and procedures. Documentation of the training, indicating store location, must be submitted to the WIC Program.
20. Promptly accept and respond to all certified mail received from the WIC Program immediately upon presentation by the U.S. Postal Service.
21. Be held accountable for the actions of all vendor owners, officers, managers, agents and employees who commit violations of this agreement.
22. Have in place an effective policy and program to prevent trafficking. The exchange of WIC Checks or CVBs for cash is illegal.
23. Cooperate with monitoring by the WIC Program for compliance with the terms of this agreement.
24. Maintain all WIC related sales and/or inventory records and invoices of purchases for all WIC foods (refer to Arkansas WIC Program Approved Food List) used for federal tax reporting purposes and other records the WIC Program may require. The records must be maintained for the current business year and two prior years or for any period of time specified in an ongoing investigation. Upon request, the vendor must make available to representatives of the Arkansas WIC Program, the United States Department of Agriculture, and the Comptroller General of the United States, at any reasonable time and place for inspection and audit, all WIC Checks and CVBs in the vendor's possession and all WIC Program-related records.
25. Maintain records of the purchase, inventory and sale of all food items that qualify for the SNAP. One year from the initial date of this agreement, the vendor must be able to document the actual dollar amount of the sale of all foods that qualify for the SNAP, including WIC foods. Foods that qualify for the SNAP may be found in "Foods to Include in Total Food Sales Calculations", Appendix C or at: <http://www.fns.usda.gov/snap/retailers/eligible.htm>
26. Provide only correct, complete, and accurate information on the WIC Vendor Application.
27. Notify the Arkansas WIC Program in writing fifteen (15) days in advance of any plans to change the store name, cease operation, change ownership, change location of store or voluntarily withdraw. This agreement is terminated upon change of ownership, change in location (unless in same township), or cessation of operation for more than 30 days without notification and 90 days with notification to the WIC Program. No portion of this agreement may be assigned. The vendor will return the vendor stamps to the Arkansas WIC Program within 10 days of change in location, store closing or change of ownership.
28. Understand that in addition to nonpayment of redeemed WIC Checks, CVBs or claims, the WIC Program may also impose administrative fines, disqualification and civil money

penalties in lieu of disqualification for violations listed in the Violations and Sanctions portion of this agreement.

29. Not commit fraud or abuse of the WIC Program. A vendor who commits fraud or abuse of the WIC Program is liable to prosecution under applicable federal, state, or local laws.
30. Provide the WIC Program the benefit of all sale prices on each food item. This includes advertised prices, store specials, discounts from manufacturer or store coupons and the price available to holders of vendor-issued value/loyalty cards or any other special promotion available to non-WIC customers. Charges above these prices will be considered overcharges. Vendors may not require WIC participants, authorized representatives or proxies to have or use customer loyalty cards.
31. Understand that disqualification from the WIC Program will result in notification and possible reciprocal disqualification from the Supplemental Nutrition Assistance Program (SNAP). Such disqualification may not be subject to administrative or judicial review under the SNAP.
32. Understand that disqualification from SNAP may result in disqualification from the WIC Program. The disqualification will be for the same length of time as the SNAP disqualification, may begin at a later date than the SNAP disqualification, and is not subject to administrative or judicial review under the WIC Program.
33. Maintain the minimum stock requirements for WIC approved foods as listed in Appendix A of the WIC Vendor Participation Agreement and Handbook throughout the period of this agreement. Waivers of minimum stock requirements for fresh fruits and vegetables (purchased with CVBs) will not be granted. Waivers of minimum stock requirements for other WIC approved food must be requested in writing and approved by the WIC Program.
34. Clearly mark all WIC approved food items with an individual price or a price list affixed to the store shelf, freezer, refrigerator, etc. These prices must be clearly visible to the customer.
35. Mark all Arkansas WIC approved food items (except fresh and frozen vegetables and fruits) with red shelf tags supplied by the Arkansas WIC Program. For food categories that require purchase of the least expensive brand at time of purchase, the vendor shall mark only the appropriate products. No corporate or food company-produced tags allowed.
36. Not misuse the WIC acronym or logo. See Section I, 8g.  
NOTE: The phrase which follows may be used in newspaper or newspaper-related advertisements. It may be used one time per advertisement on the last line of the advertisement. The font may not exceed 14 point and may be in caps and in bold.

**This store is authorized by the Arkansas WIC Program.**

37. Allow the WIC Program access to all necessary sales, inventory, and/or invoice records to determine if a vendor receives more than 50% of their annual total food sales revenue from the sale of WIC foods obtained with WIC Checks. Vendors who fail to allow the WIC Program access to these records will be terminated.
38. Post hours of store operation and the “Arkansas WIC Authorized Vendor” sign(s) issued by the WIC Program in a visible location on or near the entrance(s) to the store.
39. Allow WIC representatives access to the store during posted business hours for purposes of vendor education and monitoring, including review of sales, collecting shelf prices, inventory and/or invoice records.
40. As requested, submit complete and accurate shelf prices surveys by the deadline provided by the WIC Program.

### **SECTION III. THE ARKANSAS WIC PROGRAM SHALL:**

1. Provide guidance to the vendor concerning WIC approved foods and applicable guidelines, instructions, and updates of any WIC Program changes.
2. Accept and review vendor applications to participate in the Arkansas WIC Program throughout the year. If the WIC Program is in the process of reauthorizing existing vendors, the review of applications of new vendors may be delayed to start with the new authorization period unless the WIC Program determines the new vendor applicant is in an area where there is inadequate participant access to supplemental foods.
3. Provide the vendor payment for WIC Checks and CVBs properly redeemed and submitted for payment according to the procedures contained in the Vendor Handbook.
4. Limit payments to vendors to the Maximum Allowable Reimbursement (MAR) based on the vendors' current peer group averages.
5. Notify local, state or federal authorities if it appears that fraud or theft has occurred in any WIC transaction.
6. Notify the USDA, Food and Nutrition Service, SNAP of all vendor sanctions, suspensions, and/or terminations.
7. Disqualify vendors from the WIC Program who are currently disqualified for cause from another Food and Nutrition Service Program (i.e., SNAP).
8. Provide training for vendors annually during the contract period, at the time of reauthorization and upon request of the vendor.
9. Collect shelf prices on WIC approved foods from all vendors at least three times annually and prior to authorization and reauthorization.
10. Inform vendors of their peer group assignment.
11. Post peer group averages on the Arkansas Department of Health WIC Program website <http://www.healthy.arkansas.gov/programsServices/WIC/Pages/default.aspx> and/or provide vendors with paper copies of the information.
12. Process for payment WIC Checks/ CVBs issued by the Arkansas WIC Program. The Arkansas WIC Program will not pay checks issued by other states, territories or Indian Tribal Organizations (ITOs).
13. Immediately terminate the vendor's agreement if it determines that the vendor has provided false information on the WIC Vendor Application.

14. Monitor WIC vendors for compliance with program rules and regulations. Methods of monitoring include, but are not limited to the following:
  - a. Review of redeemed WIC Checks and CVBs and analysis of WIC Check and CVB data to detect pricing abnormalities and billing irregularities.
  - b. Compliance purchases.
  - c. Announced or unannounced store visits by WIC Program representatives.
  - d. Review of records of WIC Check/CVB transactions, food sales, inventory records and vendor invoices of food purchases. Records of WIC Check/CVB transactions include but are not limited to data on WIC Checks/CVBs in the WIC computer system or WIC contract bank, WIC Checks/CVBs not yet deposited and/or original dated cash register receipts or calculator tapes.
  - e. Review of WIC Checks and CVBs sent to the WIC Program for appeal of non-payment.
  - f. Communication with the SNAP regarding the vendor's current status.
15. Monitor for compliance any vendor that consistently redeems WIC Checks at or near their maximum allowable reimbursement amount.
16. Assess claims against a vendor for amounts paid above the MAR amount, for overcharges, or for any WIC Checks or CVBs improperly paid.
17. Monitor all new vendors to determine if the vendor receives more than 50% of their food sales revenue from the sale of WIC approved food obtained with WIC Checks.
18. Annually reassess above-50-percent vendor status by collecting sales data, reassign to the appropriate peer group, establish competitive price and MAR levels, and/or terminate the vendor participation agreement if necessary.
19. For violations requiring a pattern, notify a vendor of any violations found during the course of an investigation and prior to continuing the investigation, if more than one incidence of this violation would result in a vendor sanction. If the WIC Program determines that notifying the vendor of the violation would compromise continuing the investigation, notification will not occur.
20. Give vendors notice of changes to federal or state statutes, regulations, policies, or procedures governing the WIC Program before changes are implemented.

## SECTION IV. VIOLATIONS AND SANCTIONS

A vendor who commits fraud or abuse in the WIC Program is liable to prosecution under applicable federal, state and local laws. Those who have willfully misapplied, stolen or fraudulently obtained program funds will be subject to a fine of not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.

The following is the list of violations and sanctions that will be applied to vendors. In applying the sanctions listed, the WIC Program is under no obligation to determine a vendor's intent. The sanctions may be applied equally for error, ignorance or willful intent. The WIC Program will determine the impact of a potential vendor disqualification upon participant access to WIC Program benefits. A vendor may not withdraw from the WIC Program in order to avoid a sanction. Non-renewal of a vendor's agreement may not be used as an alternative to disqualification. Sanctions may include a claim for the value of WIC Checks and CVBs as well as administrative fines, disqualification and/or civil money penalties.

After disqualification for any length of time, a vendor must reapply and meet all WIC Program selection criteria before being readmitted to the Arkansas WIC Program. A vendor may not reapply during the disqualification period.

**NOTICE: Disqualification from WIC for violations 1 through 9 listed under Mandatory Federal Sanctions may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program (SNAP). Such disqualification may not be subject to administrative or judicial review under the Supplemental Nutrition Assistance Program.**

**Second sanction: The second sanction received by a vendor for any violation listed in 2 through 9 under Mandatory Federal Sanctions will result in doubling the sanction for the second violation. The second violation and sanction may be different from the previous violation and sanction. Civil money penalties may only be doubled up to the limit of \$11,000 per violation or \$49,000 per investigation.**

**Third or subsequent sanction: The third or subsequent sanction received by a vendor for any violation in 2 through 9 under Mandatory Federal Sanctions will result in doubling the third sanction and all subsequent sanctions. The third or subsequent violation and sanction may be different from any previous violation and sanction. A civil money penalty may not be imposed in lieu of disqualification for the third and subsequent sanctions.**

**Failure to pay Civil Money Penalty: Disqualification for the mandatory time period related to the violation.**

### **Mandatory Federal Sanctions**

1. Vendor is convicted in court for the crime of trafficking in WIC Checks or CVBs or for selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.  
**Sanction: Permanent disqualification effective upon receipt of notification OR the WIC Program may impose a Civil Money Penalty in lieu of a disqualification for Violation 1 when it determines, in its sole discretion, and documents that a) the disqualification of the vendor would result in inadequate participant access; or b) the vendor had, at the time of the violation, an effective policy and program in effect to prevent trafficking and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation. Civil money penalties shall not exceed \$11,000 for each violation and shall not exceed \$49,000 for a single investigation.**
2. First instance of a vendor buying or selling WIC Checks or CVBs for cash (trafficking) or first instance of selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.  
**Sanction: Six (6) year disqualification with 15-day notice.**
3. Vendor has one incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC Checks or CVBs.  
**Sanction: Three (3) year disqualification with 15-day notice.**
4. Vendor claims reimbursement for the sale of an amount of a specific WIC food item that exceeds the store's documented inventory of that WIC food item for a specific period of time.  
**Sanction: Three (3) year disqualification based on one inventory audit of one month's inventory of two or more WIC foods or two or more months' inventory of one WIC food.**
5. Vendor engages in a pattern of overcharging the WIC Program.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**
6. Vendor receives, transacts and/or redeems WIC Checks or CVBs outside authorized channels, including an unauthorized vendor or an unauthorized person.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**
7. Vendor charges WIC Program for food not received by the participant and/or authorized representative.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**

8. Vendor provides credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**
9. Vendor provides unauthorized foods in exchange for WIC Checks or CVBs and/or charges for food in excess of that listed on the WIC Check or CVB.  
**Sanction: One (1) year disqualification for three documented incidents within a period of three (3) years.**
10. Vendor is disqualified from the Supplemental Nutrition Assistance Program (SNAP).  
**Sanction: Disqualification for the same length of time as the Supplemental Nutrition Assistance Program disqualification. The WIC disqualification may begin at a later date than the Supplemental Nutrition Assistance Program disqualification and is not subject to administrative or judicial review under the WIC Program.**

#### **Arkansas WIC Program Sanctions**

*Sanction points for violations 12 – 23 will accumulate for a period of three (3) years. A total of twelve (12) sanction points, from any combination of violations, will result in disqualification for a period of six (6) months. A total of twenty (20) sanction points, from any combination of violations, will result in disqualification for a period of one (1) year.*

11. Vendor is disqualified from another state's WIC Program based on a mandatory federal sanction.  
**Sanction: Disqualification from the Arkansas WIC Program for the same amount of time as the other state's period of disqualification. The disqualification may begin at a later date than the sanction imposed by the other WIC State agency. The State agency must determine if disqualification of the vendor would result in inadequate participant access.**
12. Vendor fails to provide all food on the WIC Check when the foods are available in the store even if the total price exceeds the maximum allowable reimbursement amount for the WIC Check or refuses to allow the purchase of a WIC approved food.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in the assessment of the value of WIC Check/CVB and two (2) sanction points.**
13. Vendor fails to enter price before WIC Check or CVB is signed during a compliance buy.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in a claim for the value of each WIC Check or CVB, a fine of \$100, and two (2) sanction points.**

14. Vendor fails to verify signature on WIC Check or CVB by comparing signature to WIC identification folder during a compliance buy.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in two (2) sanction points.**
  
15. Vendor alters any information written or printed by WIC personnel on a WIC Check or CVB, or alters/manufactures supporting documentation (such as cash register receipts) in an attempt to receive payment for the WIC Check or CVB.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. A claim for the purchase amount of any WIC Check or CVB paid and six (6) sanction points for each incident after the first warning letter is received by the vendor.**
  
16. Vendor charges participant, authorized representative, or proxy for any portion of a WIC Check transaction. (Note: Participants are allowed to pay amount, including tax, over monetary value of CVB(s) on CVB transactions. See Section II, #13)  
**Sanction: A warning letter is issued to the vendor for the first documented incident. For each documented incident after the first warning letter is received by the vendor, a fine of \$100 and three (3) sanction points will be assessed for each subsequent violation.**
  
17. Vendor fails to provide WIC representative(s) access to the store during posted business hours for vendor education or monitoring, including access to sales, invoice, or inventory records during a routine store visit.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. Six (6) sanction points for each subsequent incident after receipt of initial warning letter.**
  
18. Vendor fails to maintain prices at or below the competitive price selection criteria standards or the WIC Program is unable to determine shelf prices because vendor has not posted them clearly.  
**Sanction: Initial violation will result in a warning letter giving the vendor the opportunity to make adjustments in prices or post prices within the timeframe specified in the letter. Each subsequent violation after a 30-day period will result in three (3) sanction points.**
  
19. Vendor fails to pay a claim for exceeding the maximum allowable reimbursement (MAR) amount, for a WIC Check or CVB improperly paid, or for any sanction imposed due to a federal or state violation.  
**Sanction: After the initial 30 days to pay the claim, the Vendor will be sent a warning letter and be given an additional 30 days to pay claim. If the payment is not received after the warning letter, twelve (12) sanction points will be assessed, resulting in a six (6) month disqualification.**

20. Vendor fails to maintain minimum stock as listed in Appendix A of the Vendor Participation Agreement and Handbook or as specified in a written waiver approved by the WIC Program, during a monitoring visit or compliance buy.  
**Sanction: For the first violation, a warning letter will be issued to the vendor. For the next (2<sup>nd</sup>) violation after a 30-day period from the receipt of the warning letter, two (2) sanction points will be assessed and vendor must participate in mandatory training. For the next (3<sup>rd</sup>) violation after a 15-day period from the 2<sup>nd</sup> violation, the vendor will be assessed three (3) sanction points and a \$100 fine. The next (4<sup>th</sup>) violation after a 15-day period from the 3<sup>rd</sup> violation, eight (8) sanction points will be assessed. An unannounced monitoring visit will be made after the specified period following each violation. Vendors that have no minimum stock violations in a 12-month period after a satisfactory monitoring visit will, at that point, start the process over again with any new incident. However, the sanction points earned will remain for a period of three (3) years.**
21. Vendor uses the WIC acronym or logo, including close facsimiles thereof, in total or in part, either in the official name in which the vendor is registered or the name under which it does business, if different, on incentive items, on product labels or packages, store signs, pamphlets, advertisements, brochures or any other proprietary materials.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. Two (2) sanction points will be assessed if the vendor fails to remove the acronym or logo within the timeframe specified in the initial warning letter.**
22. Vendor fails to submit a complete and accurate shelf price survey by the deadline established by the Arkansas WIC Program.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. Mandatory training is required for the second documented incident. One (1) sanction point will be assessed for all following incidents.**
23. Vendor fails to maintain correct placement of Arkansas WIC Program approved tags on Arkansas WIC approved items (8 or more missing tags in each of 2 or more food item sections).  
**Sanction: A warning letter is issued to the vendor for the first documented incident. Mandatory training is required for the second documented incident. One (1) sanction point will be assessed for the third and subsequent incidents. Vendors that have no Sanction 23 violations in a 12-month period will, at that point, start the process over again with any new incident. However, the sanction points earned will remain for a period of three (3) years.**
24. Vendor offers incentive item or service to a WIC participant, authorized representative or proxy that is not offered to non-WIC customers.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. Twelve sanction points (12) will be issued for the second documented incident.**

## **SECTION V. ADMINISTRATIVE REVIEWS**

1. Vendors may request an administrative review of Arkansas WIC Program decisions, except as noted in number 4 below, regarding denial of authorization to participate, termination of an agreement for cause, disqualification or imposition of a fine or a civil money penalty.
2. Full administrative reviews will consist of a hearing before an impartial official. Full administrative reviews will be conducted for the following types of adverse actions:
  - Denial of authorization based on the following selection criteria:
    - Competitive prices
    - Minimum variety and quantities of Arkansas WIC Program approved foods
    - Sale of a store to circumvent a WIC Program sanction
  - Termination of an agreement for cause.
  - Disqualification, except for a disqualification based on a trafficking conviction, disqualification or civil money penalty from the Supplemental Nutrition Assistance Program (SNAP) or disqualification from another state's WIC Program for a mandatory federal sanction.
  - Imposition of a fine or civil money penalty in lieu of a disqualification.
  - Imposition of a civil money penalty for hardship.
3. Abbreviated administrative reviews are based on written documentation and other materials submitted to an impartial official by the Arkansas WIC Program and the vendor and/or the vendor's representative. Abbreviated reviews do not include a hearing. Abbreviated administrative reviews will be conducted for the following types of adverse actions:
  - Denial of authorization based on the following selection criteria:
    - Business integrity
    - Supplemental Nutrition Assistance Program disqualification
    - Supplemental Nutrition Assistance Program civil money penalty
    - Purchases of infant formula from source(s) other than those on the list provided by the WIC Program
    - Misuse of the WIC acronym or logo
    - Providing incentive items to WIC participants
    - New vendor expected to have more than 50% of its total annual food sales from WIC approved foods obtained with WIC Checks and/or CVBs
  - Denial of authorization because a vendor submitted its application outside the timeframes established by the Arkansas WIC Program.
  - Termination of an agreement because of a change in ownership, change of location, or cessation of operations.

- Disqualification based on:
    - A trafficking conviction
    - A disqualification from another State's WIC Program for a federal mandatory sanction
    - Civil money penalty from another State WIC Program in lieu of disqualification for a federal mandatory sanction
4. The Arkansas WIC Program **will not** provide administrative reviews for the following actions: [WIC Regulations 7CFR 246.18(a)(1)(iii)]
- The validity or appropriateness of the WIC Program's vendor limiting or selection criteria
  - The validity or appropriateness of the WIC Program's vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors or vendors comparable to above-50-percent vendors
  - The validity or appropriateness of the WIC Program's participant access criteria and participant access determination
  - WIC Program's determination to include or exclude an infant formula manufacturer, wholesaler, distributor or retailer from the list required, pursuant to 7CFR 246.12(g)(11).
  - The validity or appropriateness of the WIC Program's prohibition of incentive items and the WIC Program's denial of an above-50-percent vendor's request to provide an incentive item to customers pursuant to 246.12(h)(8)
  - The WIC Program'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, pursuant to 7CFR 246.12(I)(3).
  - The WIC Program'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 7CFR 246.12(I)(1)(i)(B)
  - The expiration of a vendor's agreement
  - Disputes regarding WIC Check or CVB payments and vendor claims
  - Disqualification of an authorized vendor as a result of disqualification from the Supplemental Nutrition Assistance Program (SNAP)
5. Procedures for a full administrative review
- Notification: The Arkansas WIC Program will notify the vendor in writing of:
    - The adverse action
    - The reason for the adverse action
    - The procedures to follow to request a full administrative review
    - The effective date of the action
    - The following statement if the reason for the adverse action is a federal mandatory sanction listed in Section IV of this agreement:

“This disqualification from WIC may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program. Such disqualification is not subject to administrative or judicial review under the Supplemental Nutrition Assistance Program.”

- o Any request for an administrative review must be made within 15 days of receipt of the notification.
- A request for a full administrative review must be made in writing within 15 calendar days of the vendor’s receipt of notification of the impending adverse action via certified mail. The vendor must specifically state the basis for the request. The request must be sent to the Arkansas WIC Program, 5800 W. 10<sup>th</sup> Street, Suite 810, Little Rock, AR 72204.
- The date, time and place for a full administrative review will be set by the WIC Program and will allow the vendor sufficient time to prepare for the review. The review may be rescheduled one time at the request of the vendor.
- A vendor may have representation at the administrative review.
- A vendor will have access to evidence gathered by the WIC Program upon which the adverse action is based and may examine the evidence prior to the review.
- A vendor or his representative may cross-examine witnesses and/or present testimony at the administrative review.
- WIC Program investigators may be concealed from the view of the vendor and/or his representative.

#### 6. Procedures for an abbreviated administrative review

- Notification: The Arkansas WIC Program will notify the vendor in writing of:
  - o The adverse action
  - o The reason for the adverse action
  - o The procedures to follow to request an abbreviated administrative review
  - o The effective date of the action
  - o The following statement if the reason for the adverse action is a federal mandatory sanction listed in Section IV of this agreement:

“This disqualification from WIC may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program. Such disqualification is not subject to administrative or judicial review under the Supplemental Nutrition Assistance Program.”

- o Any request for an administrative review must be made within 15 days of receipt of the notification.

- A request for an abbreviated administrative review must be made in writing within 15 calendar days of the vendor's receipt of notification of the impending adverse action. . The vendor must specifically state the basis for the request. The request must be sent to the Arkansas WIC Program, 5800 W. 10<sup>th</sup> Street, Suite 810, Little Rock, AR 72204
- The name and title of the official and address to send the vendor's written grounds for appeal and the documentation supporting the appeal will be sent to the vendor within 15 days of the receipt of the request for an abbreviated administrative review.
- The date all materials must be submitted to the review official will be set by the WIC Program and the review official. The vendor may request one extension of this date.
- A vendor will have access to evidence gathered by the WIC Program upon which the adverse action is based and may examine the evidence prior to submitting the written materials for consideration by the review official.

7. The decision of the review official:

- The decision of the official of the full or abbreviated administrative review will be based solely on whether the WIC Program has correctly applied federal and state statutes, regulations, policies and procedures governing the WIC Program, according to evidence presented in the review.
- Written notification of the review decision, including the basis for the decision, will be sent to the vendor within 90 days from the vendor's request for the review. The decision of the review official will be final.

8. Effective dates of adverse actions:

- For denial of authorization or disqualification for a conviction for trafficking in WIC Checks or CVBs or selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs, the effective date for denial of authorization or disqualification will be no later than the date the vendor receives the notice of adverse action.
- For other WIC Program actions the vendor may appeal, the effective date of the adverse action will be 15 calendar days from the date of the vendor's notification, or if the vendor appeals, no later than the date the vendor receives notification of the administrative review decision.
- For disqualification from the WIC Program as a result of a Supplemental Nutrition Assistance Program disqualification, 15 calendar days from the date of vendor's notification of the WIC Program disqualification.

WIC Federal Regulations are available on the Internet at: <http://ecfr.gpoaccess.gov/>  
under Title 7: Agriculture, Volume 4 – Food and Nutrition Service, Part 246

## SECTION VI. SIGNATURES

The undersigned hereby acknowledge:

They have read and understand the Arkansas WIC Program Vendor Participation Agreement and Vendor Handbook, which is a part of the Participation Agreement, and by signing it, the parties understand they are bound by the terms and conditions of the agreement and handbook.

\_\_\_\_\_  
Owner/Authorized Agent                      Date

\_\_\_\_\_  
WIC Program Representative              Date

\_\_\_\_\_  
Manager, Food Delivery Section

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name of Store

\_\_\_\_\_  
WIC Vendor Number

**ARKANSAS WIC PROGRAM**  
**VENDOR HANDBOOK**

## **ARKANSAS DEPARTMENT OF HEALTH WIC PROGRAM VENDOR HANDBOOK**

### **I. PROGRAM DESCRIPTION**

The purpose of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) is to provide supplemental foods and nutrition education. The WIC Program serves pregnant, breastfeeding, and postpartum women, infants and children to age five years who live in Arkansas, are at nutritional risk, and are income eligible. The WIC Program has been found to be cost effective for taxpayers by significantly reducing the medical costs of WIC participants.

### **II. WIC APPROVED FOODS**

#### **A. WIC FOOD LIST AND APPROVED FOOD ITEMS**

The U. S. Department of Agriculture specifies WIC food categories. These foods are listed on an “Arkansas WIC Program Approved Food List” that is distributed to WIC participants and to WIC Vendors. This Approved Food List is updated as needed. It is the most current guidance on approved foods and will supersede this handbook if there is a change. A food list must be placed at each checkout. The food list also notes foods that are “Not Allowed” and other restrictions under each food item category. Additional food lists are available from your WIC Regional Food Delivery Liaison or the WIC Program state office.

For determination of Arkansas WIC eligibility of a specific food item, the food list supersedes the vendor’s “flag list” in the cash register and on any shelf tags produced by the vendor. Participants must be allowed to purchase items that are listed on their WIC Check/CVB according to the terms and conditions of the food list. Problems with cash register flag lists and shelf tags produced by the vendor’s corporate office should be referred to the corporate office, not the WIC Program.

#### **B. EXCHANGES AND SUBSTITUTIONS**

Exchanges for authorized food items by a WIC participant are allowed only if the food item is defective, spoiled, or has exceeded the “sell by”, “best if used by”, or other date limiting the sale. In these cases, the food must be replaced with an identical authorized food item (the exact size and brand as the original authorized WIC food item). Exception: Recalled food items will be exchanged in accordance with manufacturer instructions.

A vendor may not substitute any item that is listed on a WIC Check/CVB, for example 2 half gallons for a gallon of milk. Rare exceptions may be authorized at the sole discretion of the WIC Program State office.

### **C. MINIMUM STOCK REQUIREMENTS (See Appendix A)**

Vendors must maintain minimum stock at all times for WIC approved foods as listed in Appendix A of the WIC Vendor Handbook throughout the period of this agreement. Expired or damaged food may not be used in the calculation of minimum stock. As much as possible, the stock should be on the shelf, available for purchase. Infant formula may be stored in and dispensed from a secure area. If not maintained on the shelf, the vendor must post a sign in the infant food section instructing customers where formula can be accessed.

Waivers of minimum stock requirements for fresh fruits and vegetables (purchased with CVBs) will not be granted. Waivers of minimum stock requirements for other WIC approved food must be requested in writing and approved by the WIC Program. Waivers are valid only for the remaining period of the agreement under which they are granted.

### **D. IDENTIFYING ARKANSAS WIC APPROVED FOOD ITEMS**

Vendors are responsible for correctly identifying the Arkansas WIC Approved foods in their stores by using shelf tags. Vendors may **only** use the tags issued by the Arkansas WIC Program. Currently those tags are red and are printed with a sun logo and “Arkansas WIC Approved” in white. Vendors **may not** use any other tags to identify Arkansas WIC Approved foods. Copies of the tags are not allowed. If you need tags, contact your WIC Regional Food Delivery Liaison or the WIC Program state office.

For food categories that are not limited to the purchase of the least expensive brand, all brands allowed on the food list must be tagged. For food categories that are limited to the purchase of the least expensive brand (milk, cheese, eggs, canned beans, juice), only the vendor’s least expensive brand in each variety should be tagged. This will assist WIC participants to select the correct items. If an item goes on sale and temporarily becomes the least expensive brand, the vendor does not have to retag the item, but must sell it if selected by the WIC participant. When a shelf section is reset, WIC tags should be replaced immediately.

### **III. WIC CHECKS AND CASH VALUE BENEFITS**

#### **A. WIC Checks and Cash Value Benefits**

1. **WIC Check** – computer generated by the WIC Program.
2. **Cash Value Benefit (CVB)** – computer generated by the WIC Program.

#### **B. The WIC Check and CVB Redemption Process**

At the time of redemption, vendors must adhere to the following procedures:

##### **1. Participant Identification Folder (ID Folder):**

- The yellow ID Folder must be presented at the time of the WIC Check/CVB transaction.
- The vendor must compare the name(s) and signatures on each WIC Check and CVB to the ID Folder at the end of each transaction.
- The name on the WIC Check or CVB must match the name of one of the persons listed on the ID Folder and the signature must match the signature of one of the persons authorized to sign WIC Checks and CVBs.
- No other identification is required.
- The ID numbers on the folder and WIC Check/CVB are NOT required to match. They may be, in fact, different numbers.

##### **2. WIC Check Transactions – Procedures for redemption:**

- a. The WIC Authorized Representative (AR) or Proxy will inform the cashier that she/he wishes to make a purchase using a WIC Check(s).
  - b. Ask for the WIC ID Folder and WIC Check(s) that will be used for this purchase.
  - c. Only accept a WIC Check(s) presented within the valid dates printed on the front.
  - d. Separate the items to be purchased with the WIC Check(s) from any other items the participant may be purchasing.
  - e. Make sure the types and quantities of foods listed on the WIC Check have been selected by the participant.
  - f. Total the WIC items and deduct any coupons and/or process loyalty card discounts.
  - g. Enter the amount of sale for the WIC items using **blue or black ink** in the Amount of Sale box on the WIC Check.
  - h. Ask the AR or Proxy to sign the WIC Check on the signature line on the front of the check in the lower right-hand corner.
  - i. Verify the signature on the check with one of the name(s) listed for AR or Proxy on the WIC ID Folder.
- Each WIC Check must be entered as a separate transaction.
  - The WIC AR or Proxy must purchase all of the items listed on the WIC Check. No substitutions. No rain checks or due bills.

- The WIC Check is valid only if the WIC participant, AR, or proxy signs on the signature line on the front of the check in the lower right-hand corner at the time of purchase. **Vendors may not obtain the signature at a later date.**
  - Do not accept a WIC Check that has been altered using correction fluid, written over, signed in advance of the purchase or copied.
3. **Cash Value Benefit Transactions – Procedures for redemption:**
- a. The WIC Authorized Representative (AR) or Proxy will inform the cashier that she/he wishes to make a purchase using a Cash Value Benefit (CVB).
  - b. Ask for the WIC ID Folder and CVB(s) that will be used for this purchase.
  - c. Only accept CVBs presented within the valid dates printed on the CVBs.
  - d. Separate CVB items (fresh or frozen fruits and vegetables) from any other food items she/he may be purchasing. **NOTE:** Unlike WIC Checks, CVBs from a single household may be combined in a single transaction.
  - e. Make sure the types of fresh or frozen fruits and vegetables as allowed on the Approved Food List have been selected by the participant.
  - f. Total the CVB items and deduct any coupons and/or process loyalty card discounts.
  - g. If the amount of purchase is **less than or equal to** the dollar value of the CVB(s), enter that amount in the “Amount of Sale” box. No change is given. If the amount of the purchase **exceeds** the face value of the CVBs presented, inform the AR/Proxy of the excess (including tax on the excess amount) and ask if he/she would like to pay the excess and with which type of tender. The AR/Proxy must also be given the opportunity to decrease the number of items purchased if she/he does not wish to pay the excess amount.
  - h. If the AR/Proxy agrees to pay the excess (including tax on the excess amount unless participant is paying with SNAP EBT), complete the transaction by entering in the full face value of the CVB(s) in **blue or black ink** and accept the tender from the AR/Proxy. **Note:** For CVB transactions where the AR/Proxy pays the excess, you may give a receipt.
  - i. Ask the AR or Proxy to sign the CVB on the signature line on the front of the check in the lower right-hand corner.
  - j. Verify the signature on the check with one of the name(s) listed for AR or Proxy on the WIC ID Folder.
- Cash Value Benefits (CVBs) are to be used for the purchase of fresh or frozen vegetables and fruits only.
  - CVBs have a cash value, but you may **not** give change back to the AR/Proxy if the purchase is less than the face value.
4. **Review WIC Check and CVB** - Review each WIC Check and CVB to make sure that the WIC participant has selected the correct foods, sizes, and specified brands as listed on the participant’s WIC Check and/or WIC Approved Food List.

5. **Recording Purchase Amount and Signature** – Record the amount of sale in blue or black ink **before** the authorized representative or proxy signs the WIC Check or CVB on the signature line on the front of the check in the lower right-hand corner.
6. **Rain Checks** –Do not redeem WIC Checks or CVBs unless all food items listed on the WIC Check are available. Do not issue credit in any form (rain checks or IOUs).
7. **Original Dated Cash Register Receipts or Calculator/Adding Machine Tape** – Retention of cash register receipts shall be at the discretion of the store/vendor, however, receipts shall not be given to participants.
8. **Special Offers** – Offer WIC participants, authorized representatives and proxies all specials, sale prices, trading stamps, loyalty cards, etc. offered by the store to all of its customers.

### C. WIC Check and CVB Review

WIC vendors redeem WIC Checks or CVBs for WIC approved foods as specified on the WIC Check or CVB. To be considered valid the vendor must ensure:

1. **First Day To Use:** The first date on which the WIC Check or CVB may be redeemed. WIC Checks or CVBs redeemed prior to this date will not be paid. Dates must be checked carefully during redemption.
2. **Last Day To Use:** The last date on which the WIC Check or CVB may be redeemed. Payment will not be made on WIC Checks or CVBs redeemed after this date.
3. **Purchase Date:** The date the WIC Check or CVB was actually redeemed.
4. **Description:** The quantities, sizes, and specific foods that must be purchased with the WIC Check or CVB.
5. **Amount of Sale:** The purchase price of the WIC foods. The vendor records the amount of sale in **blue or black ink** on the WIC Check or CVB at the time of the transaction **before** the authorized representative/proxy signs. The vendor must accept payment for the actual selling price, but no more than the maximum allowable reimbursement (MAR) amount for WIC Checks. For CVBs, the vendor must accept payment from the WIC Program for the actual selling price, not to exceed the fixed amount printed on the CVB. It is the authorized representative/proxy's responsibility to pay any amount, including applicable taxes, on any amount over the fixed amount printed on the CVB.
  - The vendor cannot withhold any item from the food package to avoid exceeding the MAR or refuse to redeem a WIC Check that exceeds the MAR.

- A vendor who redeems WIC Checks consistently at or near the maximum allowable reimbursement amount will be monitored as a potentially high-risk vendor.
  - The vendor cannot charge the WIC participant for any amount in excess of the MAR for the specific WIC Check.
6. **Signature of Participant/Authorized Representative/Proxy:** The person redeeming the WIC Check or CVB signs **in blue or black ink on the signature line on the front of the check in the lower right-hand corner after** the transaction is completed. The cashier then checks the signature on the WIC Check or CVB with the signature(s) on the yellow WIC ID Folder to verify the identity of the person(s) authorized to redeem the WIC Check or CVB. If the signature does not match a signature on the ID folder, return the WIC Check or CVB to the signee and refer them back to the local WIC Clinic.
  7. **Official Arkansas Vendor Stamp:** The vendor stamps the WIC Check or CVB, using the unique four (4) digit vendor number stamp prior to depositing into vendor's bank. WIC Checks or CVBs stamped with a previous owner's stamp will not be honored. Vendor stamps must be returned to the WIC Program office within 15 days of termination of the agreement. Replacement stamps and ink pads can be obtained from the WIC Program state office.

#### **D. WIC Check Preparation and Submission**

1. Review all WIC Checks and CVBs to ensure they are completed correctly prior to submitting for payment. This includes:
  - checking that the vendor stamp is on each WIC Check/CVB to be deposited;
  - checking that the amount of sale entered on CVBs does not exceed the face value (correct if necessary);
  - checking for amount of sale that is far above/below the amount expected for the check type – these may be cases of switched endorsements, e.g. a check for 10 cans of formula with an amount of sale of \$11.49 and an infant food check for \$114.90 (send in to the WIC Program state office for deposit);
  - checking that the signature and amount of sale have been entered in blue or black ink (for any entries other than in blue or black, send to the WIC Program state office for deposit).
2. Deposit properly completed WIC Checks and CVBs to the vendor's bank of deposit within 60 days from the "First Day to Use" date. Please deposit checks daily if at all possible.
3. The WIC Program must make payment to vendors within 60 days after valid WIC Checks and CVBs are submitted for redemption.

## **E. Rejected WIC Checks**

- 1. WIC Checks and CVBs rejected for the following reasons CAN BE CORRECTED AND REDEPOSITED by the Vendor. DO NOT send these to the WIC State office for approval:**
  - a. Missing Vendor Number – vendor stamps the check(s) with the official stamp provided by the Arkansas WIC Program and redeposits.
  - b. Unreadable Vendor Number – vendor clarifies by re-stamping or writing in ink the vendor number next to the original stamp and redeposits. Be sure the 4-digit vendor number is right side up and legible.
  
- 2. Returned Over the Max – ACH Applied - DO NOT REDEPOSIT:**
  - a. The WIC Program’s bank will reject any WIC Check that lists a purchase amount above the 112% of the peer group average, which is the Not to Exceed (NTE) amount. The WIC Program bank will also reject any CVB that lists a purchase amount above the fixed-price printed on the CVB.
  - b. The rejected WIC Checks or CVBs will be stamped “Returned Over the Max – ACH Applied” and returned to the vendor’s bank.
  - c. The vendor does not need to resubmit the WIC Check or CVBs stamped “Returned Over the Max – ACH Applied”. At the end of the week, the vendor’s bank account will be credited up to the amount of the NTE for these WIC Checks or the fixed-price for the CVBs.
  - d. This applies to all vendor types.
  
- 3. WIC Checks or CVBs rejected for the following reasons, WILL NOT BE PAID:**
  - a. Unauthorized vendor number
  - b. Altered (including use of correction fluid)
  - c. Purchase date prior to “First Day to Use” printed on check
  - d. Purchase date after “Last Day to Use” printed on check
  - e. Stale - deposited or redeposited more than 60 days after the “First Day to Use”
  - f. Second presentment
  - g. Redeemed prior to Vendor authorization
  - h. Missing signature or signature not on signature line in lower right-hand corner of the WIC Check or CVB.
  
- 4. Other**

If you feel a WIC Check or CVB has been rejected improperly or if you have any other questions regarding payment of a returned WIC Check or CVB, you may contact the Arkansas WIC Program at (501) 661-2508.

#### IV. VENDOR SHELF PRICE SURVEY

The WIC Program is required to periodically collect shelf prices for all authorized vendors. This information is used to ensure regional competitive pricing for WIC approved items sold by WIC vendors. A different average price list is prepared for each of the fourteen (14) vendor peer groups in the state. Peer groups are based on location in the state, size of the store and type of store. Each authorized WIC vendor is assigned to a peer group.

Peer group average prices are used to calculate the competitive prices vendors must maintain to meet vendor selection criteria as well as the maximum amount the WIC program will pay for each food item when there are occasional spikes in prices. More information about peer group average prices, competitive price levels and maximum prices is provide in the *Arkansas WIC Program Vendor Participation Agreement and Handbook* on page 2.

At the time of the shelf price survey, vendors are asked to provide shelf prices for the **most expensive WIC approved brand that the store carries** in each food category on the survey. It is extremely important that the price given is for the **most expensive**. The items listed by the vendor on the survey may not be the same brands most commonly sold to WIC customers, especially in categories such as milk or juice that require vendors to sell the least expensive brand available at the time of purchase. Providing the highest priced items on the survey ensures that the calculated average price allows vendors room to sell a more expensive brand if necessary (i.e. if the store is temporarily out of the brand that is most often the least expensive).

Shelf price surveys are collected at least three times each year. If there are significant price increases on certain categories of food items such as milk or formula, spot surveys may be conducted. If your store is experiencing significant price hikes on WIC approved foods, please contact the WIC state office with information on the product name, size container, new price and date that the increase is expected.

In 2012, the Arkansas WIC program will begin using a web-based shelf price survey. When surveys are conducted, vendors will be sent a weblink via e-mail to access the survey form.

## **V. PROGRAM INTEGRITY**

### **WIC Participant Abuse**

WIC participants, authorized representatives, and proxies who attempt to abuse the program should be reported to the WIC Regional Food Delivery Liaison or the Arkansas WIC Program state office. Report the name or WIC Check or CVB number to assist in identification. Examples of participant abuse include:

- a. Attempting to receive cash, nonfood items, cigarettes, or alcoholic beverages rather than the items specified on the WIC Check or CVB
- b. Attempting to cash WIC Checks or CVBs for non-WIC food items
- c. Attempting to exchange WIC approved infant formula for non WIC-approved items
- d. Being abusive toward store employees
- e. Altering WIC Checks or CVBs
- f. Unauthorized use of WIC Checks or CVBs
- g. Attempting to sell or give away food purchased with a WIC Check or CVB

### **WIC Vendor Abuse**

It is the vendor's responsibility to have an effective program in place to prevent program abuse by its employees. This includes a strategy for preventing trafficking of WIC Checks and CVBs and a plan for routine training and updating staff on WIC policies and procedures. The Arkansas WIC Program is happy to assist by providing training conducted by our staff and reference materials for use by the vendor's training staff.

Any program abuse discovered by a vendor must be reported immediately to the WIC Program state office. While the vendor may choose to take disciplinary action against the offending employee, it is not a substitute for reporting the abuse to the WIC Program.

The Arkansas WIC Program uses, but is not limited to, routine vendor monitoring visits, compliance buys, bank records, complaints, and public media sources to monitor for vendor abuse. All information gathered from these sources may be used to initiate a compliance investigation.

## VI. DEFINITIONS

Reviewing the following definitions will enable you to interpret and understand the information included in this handbook and vendor agreement:

**Above-50-percent Vendor** – A vendor with total annual sales of WIC foods with WIC Checks more than 50% of the vendor's total annual sales of foods eligible for purchase with Supplemental Nutrition Assistance Program benefits (SNAP Eligible Foods, see Appendix C).

**Approved Food List** – A list of those foods that meet the specifications established by Federal WIC Regulations and the Arkansas WIC Program.

**Proxy** - A person chosen by the participant/authorized representative who is allowed to purchase WIC food in the grocery store for the participant. The person(s)' name and signature must appear on the yellow ID Folder. Participants may name up to two proxies.

**Automated Clearing House (ACH)** – An electronic payment mechanism used by the Arkansas WIC Program's contract bank to accumulate and credit vendors' bank accounts with an appropriate amount up to the not-to-exceed amount on WIC Checks deposited. The ACH is used to adjust checks that have been erroneously deposited for amount above the NTE.

**Cash Value Benefit (CVB)** – A monetary benefit a participant can use to purchase authorized fresh or frozen fruits and vegetables. CVBs are issued in increments of 6, 10 and 15 dollars. CVBs are negotiable bank drafts, printed on the same check stock as WIC Checks, but different regulations apply to their use and redemption.

**Cessation of Operations** – A store is closed for more than 90 days.

**Change of Ownership** – All, or substantially all (more than 50%), of the assets of the store are sold or transferred to a new owner or business entity.

**Change of Location** - Moving a store from one city or township to another.

**Claim** – A demand for reimbursement for WIC Check(s) or CVB(s) improperly redeemed and paid.

**Civil Money Penalty** – Punitive assessments imposed for mandatory vendor sanctions when the State Agency determines that disqualification of the vendor will result in inadequate participant access.

**Competitive Pricing** – The prices a vendor or vendor applicant charges for WIC supplemental foods compared to the prices charged by other vendor applicants and/or authorized vendors in the vendor's peer group, as determined by the Arkansas WIC Program.

**Compliance Buy** – A covert, on-site investigation in which a representative of the WIC Program poses as a participant, parent or caretaker of an infant or child participant, or proxy transacts one or more WIC Checks or CVBs, and does not reveal during the visit that he or she is a program representative.

**Dual State/ITO Vendors** – An authorized Arkansas WIC vendor that is also authorized by a bordering state or ITO’s WIC Program.

**Fine** – A monetary penalty imposed by the WIC Program on a vendor for a violation of WIC Program rules.

**Full Service Grocery Store** – A retail store that stocks, at a minimum, all of the following food groups: canned, fresh and frozen fruits and vegetables; fresh and frozen meats and poultry (luncheon meats and deli meats do not qualify); canned fish; dairy products; cereals; breadstuffs; dried beans; infant fruits, vegetables and cereal; and infant formula.

**Incentives** – Providing any inducements to WIC participants or authorized representatives to shop in a store or recruit other customers including WIC participants to shop in the store. Incentives include but are not limited to:

- Providing cash, gifts, gift cards, gift certificates, coupons or any other type remuneration;
- Providing items including food or other products;
- Providing services including transportation to or from the store or delivery of WIC foods;
- Selling incentive items below cost;
- Lottery tickets, lotteries, prize and/or cash drawings, chances, or raffles of any type;
- Sales and specials on WIC approved food items unless the food was obtained by the vendor at no cost and does not result in charging the WIC Program for more food than listed on the WIC Check or CVB.

**Local WIC Clinic/Health Unit** – The authorized clinic that provides WIC Program services to WIC participants in a specific area.

**Maximum Allowable Reimbursement (MAR)** - Is equal to the Not To Exceed (NTE) amount for the respective regular vendor’s peer group by type of WIC Check.

**New Vendor** – A vendor not previously authorized by the WIC Program. A store with a change in ownership, a store with a change in location, and/or a store that resumes business after cessation of operations for more than 90 days are all considered new vendors.

**Not to Exceed (NTE) Amount** – This is the highest reimbursement price for regular vendors for a WIC Check for a specific food package. A NTE is calculated for each WIC Check for each peer group and sent with a daily WIC Check issuance file to the Arkansas WIC Program contract bank.

**First Day to Use** – The date indicated in the upper right hand corner of the WIC Check or CVB. WIC Checks or CVBs cannot be redeemed before this date. This date is sometimes called the “Issue Date”.

**Overcharge** – Charging the WIC Program more than the lowest price available to other customers, more than sale or special prices, more than price lists or shelf prices posted in the store, or more than is permitted under the vendor agreement.

**Participant** – Pregnant women, breastfeeding women, postpartum women, infants and children who are receiving supplemental foods or WIC Checks or CVBs, under the WIC program, and the breastfed infants of participant breastfeeding women.

**Participant Violation** – 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 Arkansas WIC Program. Participant violations include intentionally making false or misleading statements or intentionally misrepresenting, concealing, or withholding facts to obtain benefits; exchanging CVBs, WIC Checks 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 WIC Check; threatening to harm or physically harm clinic or vendor staff; and dual participation.

**Price limitations** - The maximum allowable reimbursement (MAR) amounts for each type of redeemed WIC Check for each vendor peer group and/or vendor type.

**Proxy** – Any person designated by a women participant, or by a parent or caretaker of an infant or child participant, to obtain and transact WIC Checks or CVBs or to obtain supplemental foods on behalf of a participant. The proxy must be designated consist with the Arkansas WIC Program procedures established according to federal regulations. Parents or caretakers applying on behalf of children and infant participants are not proxies.

**Shelf Price** – Regular purchase price of a WIC approved food.

**Reauthorization Process** – The reauthorization process begins when applications for renewal of authorization are sent to existing vendors. The reauthorization process may include revisions to the vendor agreement and/or handbook.

**Regular Vendor** – A vendor with total annual sales of WIC foods with WIC Checks 50% or less than the vendor’s total annual sales of foods eligible for purchase with Supplemental Nutrition Assistance Program benefits (SNAP Eligible Foods, see “Foods to Include in Total Food Sales Calculations” - Appendix C).

**Supplemental Nutrition Assistance Program (SNAP)** - Formerly the Food Stamp Program, SNAP is the USDA Food and Nutrition Service’s food assistance program for eligible low-income people and families. SNAP provides food benefits and partners with nutrition education providers.

**Trafficking** – Exchanging (buying or selling) WIC Checks or CVBs for cash.

**Vendor** – A store applying for authorization or authorized by the Arkansas WIC Program to provide WIC foods to WIC Program participants. The store may be operated by a sole

proprietorship, partnership, cooperative association, corporation, or other business entity. Each store operated by a business entity is a separate vendor and must be authorized separately from other stores operated by the business entity. Each store must have a single, fixed location.

**Violation** – An infraction of program regulations, policies, or agreements.

**Last Day to Use** – The date indicated on the front of the WIC Check or CVB. WIC Checks or CVBs cannot be redeemed after this date. The date is sometimes called “Void After” date.

**WIC** – The acronym for the Special Supplemental Nutrition Program for Women, Infants, and Children authorized by Section 17 of the Child Nutrition Act of 1966, as amended. (42 USC 1786).

**WIC Approved Foods** – Foods that meet specifications established by WIC Federal Regulations and the Arkansas WIC Program.

**WIC Program** – Administering unit for the Arkansas WIC Program, within the Arkansas Department of Health.

**WIC Check** – The negotiable bank draft that is used by participants in the Arkansas WIC Program to purchase the WIC foods. The WIC Check lists foods and food quantities prescribed for the participant.

**WIC Identification Folder (ID Folder)** – A yellow folder given to authorized WIC participants showing names and signature(s) of the person or persons who are authorized to redeem their WIC Checks or CVBs.

## APPENDIX B

### VENDOR APPLICATION PROCESS

The following is the application process for becoming an Arkansas WIC Vendor:

1. Applicant requests an application from the State WIC Office at [adhwicvendor@arkansas.gov](mailto:adhwicvendor@arkansas.gov) or call (501) 661-2508.
2. Applicants will be sent a weblink to complete the application form and shelf price survey on-line and an address to send the applicant questionnaire via e-mail. If the applicant does not have web access, paper copies will be sent.
3. The applicant reviews the terms and conditions for becoming an Arkansas WIC vendor. A sample copy of the Vendor Participation Agreement and Handbook is available at the Arkansas Department of Health website - <http://www.healthy.arkansas.gov/programsServices/WIC/Pages/default.aspx> or by request.
4. The applicant submits the application, questionnaire and shelf price survey for review.
5. The WIC Program reviews the information provided for completeness, accuracy and compliance with the established selection criteria listed in the Vendor Participation Agreement.
6. If the applicant meets the selection criteria, an on-site authorization visit is scheduled. During the visit, WIC Program staff will inspect the store, review minimum stock, check for compliance with other selection criteria and confirm other information provided in the application.
7. If approved, the WIC Program signs the Vendor Participation Agreement, assigns a four-(4) digit Vendor Identification Number, and trains store personnel on Arkansas WIC Program policies and procedures.
8. The vendor will also receive shelf tags for use on store shelves identifying WIC Approved Foods as well as an “Authorized WIC Vendor” sign(s). This sign must be posted in a prominent place on the front window or door of the store.
9. Two WIC vendor identification stamps will be provided upon authorization.

#### **IMPORTANT**

**If a change of location occurs or a store ceases operation for more than 90 days, the vendor must complete an application as a new vendor and follow the same process for authorization. WIC Vendor authorizations are not transferrable between stores or owners.**

**The applicant may not redeem WIC Checks or CVBs until the agreement is approved and signed by the WIC Program and a WIC Identification Number is assigned. This is true even if the applicant has purchased a store that was previously operating as an authorized WIC vendor. Accepting checks before authorization will be grounds for denial of the application.**

## APPENDIX C

### FOODS TO INCLUDE IN “TOTAL FOOD SALES” CALCULATIONS

A vendor may include in the food sales amount reported to the Arkansas WIC Program any item that may be purchased with Supplemental Nutrition Assistance Program (SNAP) benefits.

**“Food sales” includes sales of—**

- Foods for the household to eat, such as:
  - breads and cereals;
  - fruits and vegetables;
  - meats, fish, and poultry; and
  - dairy products
- Coffee, tea, cocoa, carbonated and non-carbonated drinks, ice, candy, condiments and spices, when sold along with the items above
- Snack foods (e.g., potato chips and cupcakes)
- Cold ready-to-eat foods intended for off-premises consumption only
- Specialty foods (such as diabetic and dietetic foods), enriched or fortified foods, infant formulas, and certain health food items. Examples include weight loss products (e.g., Slim Fast), Pedialite, Ensure, wheat germ, and brewer’s yeast. If the ordinary use of the item is as a food, rather than a medicine or therapeutic agent, it may be included in food sales.
- Vegetable oils, shortening, and food coloring
- Cooking wine, wine vinegar, flavorings, extracts

**“Food sales” does not include sales of—**

- Any non-food items, such as:
  - pet foods;
  - soaps, paper products; and
  - household supplies
- Beer, wine, liquor, and all other alcoholic beverages
- Cigarettes, cigars, and all other tobacco products
- Vitamins and medicines
- Foods that will be eaten in the store
- Hot foods and hot food products (e.g., soups, roasted chicken, coffee, steamed seafood)

APPENDIX A: MINIMUM STOCK REQUIREMENTS

CATEGORY & DESCRIPTION	MINIMUM STOCK	PACKAGE SIZE & WEIGHT	BRAND & VARIETY	NOT ALLOWED	NOTES
<b>Infant Formula</b>					
Infant Formula (1)	15 cans – Enfamil Premium Infant (after 10/1/12 – Good Start Gentle)	12.5 oz powdered 12.7 oz powdered	Enfamil Premium Infant Enfamil ProSobee Enfamil AR Enfamil Gentlease	Low iron formula or any brand not listed	Issue only exact brand, size, type & number of cans specified on WIC Check
(2)	<b><u>AND</u></b> 11 cans – Enfamil ProSobee (after 10/1/12 – Good Start Soy)	12.9 oz powdered 12.9 oz powdered	NOTE: October 1, 2012 the brands of formula will change from Enfamil to Good Start.		
	<b><u>OR</u></b> 11 cans - Enfamil AR (after 10/1/12 – NA)	12.9 oz powdered	Good Start Gentle Good Start Soy		
	<b><u>OR</u></b> 11 cans - Enfamil Gentlease (after 10/1/12 – Good Start Soothe)	12.4 oz powdered 12.4 oz powdered	Good Start Soothe Good Start Protect (no min. requirement for Protect)		
<b>Infant Cereal</b>					
Dry, plain, unflavored infant cereal	Six (6) - boxes	8 oz box	Beechnut and Gerber; rice, barley, oatmeal	Fruit or fruit flakes, high protein, mixed or individual servings	

APPENDIX A: MINIMUM STOCK REQUIREMENTS

CATEGORY & DESCRIPTION	MINIMUM STOCK	PACKAGE SIZE & WEIGHT	BRAND & VARIETY	NOT ALLOWED	NOTES
<b>Infant Foods</b>					
Infant vegetables and Infant fruits	Forty-eight (48) jars total with: three (3) varieties of vegetables; and three (3) varieties of fruit	4 oz jar	Only brands and varieties listed on WIC Approved Food List	No white potatoes	
Infant meat	<u>AND</u> Sixteen (16) jars total with two (2) varieties	2.5 oz jar			
<b>Eggs</b>					
Medium and/or Large, white, Grade A or AA eggs	Six (6) dozen	1 dozen carton	All brands	Eggland's Best, cage free, organic, or brown eggs	Least expensive brand available at time of purchase
<b>Beans/Peas</b>					
Plain, unseasoned dry beans, peas or lentils	Six (6) - 1 lb packages	1 lb bag	All brands	Mixed or flavored beans	Canned only - Least expensive brand within chosen variety available at time of purchase
Canned beans/peas	<u>AND</u> Sixteen (16) cans total with three (3) varieties	14 – 16 oz cans	Only varieties listed on WIC Approved Food List	Baked, chili, mixed, or beans with added flavoring, fat, oil or meat	
<b>Peanut Butter</b>					
Peanut butter	Six (6) 18 oz jars	18 oz jar	All brands, creamy, crunchy, extra crunchy, natural and reduced- fat	“Plus”, peanut butter combinations, organic, or Omega-3 added	

APPENDIX A: MINIMUM STOCK REQUIREMENTS

CATEGORY & DESCRIPTION	MINIMUM STOCK	PACKAGE SIZE & WEIGHT	BRAND & VARIETY	NOT ALLOWED	NOTES
<b>Milk</b>					
Vitamin D or A/D fortified milk	(1) Three (3) gallons whole milk <u>AND</u> Six (6) gallons any combination of 2%, 1%, Skim, Fat Free  (2) Two (2) half-gallon whole milk <u>AND</u> Three (3) half gallon any combination of 2%, 1%, Skim, Fat Free  (3) Two (2) quarts (or Four (4) pints) whole milk <u>AND</u> Three (3) quarts (or Six (6) pints) any combination of 2%, 1%, Skim, Fat Free	Milk – 1 gallon, 1/2 gallon & quart (2 pints=quart)	Any brand or as noted on WIC check. Variety(ies) will be noted on WIC Check as fat-free, skim, non-fat, low-fat, light, or 1% reduced fat, 2%, or whole.	“Deluxe,” “Plus,” organic, flavored, sweetened-condensed, non-dairy, goat's milk, Copy Cow or Vitamite	Least expensive brand available at time of purchase for size of container  Variety will be noted on WIC check

APPENDIX A: MINIMUM STOCK REQUIREMENTS

CATEGORY & DESCRIPTION	MINIMUM STOCK	PACKAGE SIZE & WEIGHT	BRAND & VARIETY	NOT ALLOWED	NOTES
<b>Cheese</b>					
Regular 100% cheese	Eight (8) lbs (minimum of three varieties)	14-16 oz packages 7-8 oz regular or low-fat packages	Any brand of: American Cheddar Colby Mozzarella	Cheese foods, cheese products, whips or spreads, shredded, grated, smoked, cubed, blended, or imported	See WIC Approved Food List notes for types and amounts which can be issued
<b>Cereal</b>					
Cold and hot cereal	Thirty-six (36) boxes/bags total with at least 4 varieties of cold and 1 hot. Of the 36 total, at least 12 boxes must be whole grain cereal of sizes that can total 36 oz (See below for cereals that qualify as whole grain)	All sizes are acceptable, bag or box	Only brands and varieties listed on WIC Approved Food List		
<p><b>GM</b> Cheerios Dulce de Leche, Plain and Multigrain; Chex Corn, Multi-Bran and Wheat; Dora the Explorer; Kix Berry, Honey and Plain; <b>Kellogg's</b> Frosted Mini Wheats Big Bite, Bite Size and Little Bites; Frosted Mini Wheats Touch of Fruit in the Middle Mixed Berry and Raspberry; <b>Malt-O-Meal</b> Mini Spooners (all varieties); <b>Post</b> Bran Flakes; Grape Nuts; Honey Bunches of Oats Vanilla Clusters; <b>Quaker</b> Life Plain; Oatmeal Squares-Hint of Brown Sugar and Cinnamon; <b>B &amp; G Foods</b> Cream of Wheat Whole Grain 2 ½ Minute, <b>Quaker</b> Instant Oatmeal – (original flavor-individual packets)</p>					

APPENDIX A: MINIMUM STOCK REQUIREMENTS

CATEGORY & DESCRIPTION	MINIMUM STOCK	PACKAGE SIZE & WEIGHT	BRAND & VARIETY	NOT ALLOWED	NOTES
<b>Whole Grains</b>					
Whole grain bread	Four (4) 16 oz loaves	16 oz loaf	Only brands and varieties listed on WIC Approved Food List in the Whole Grains Section		Brown rice may be instant, quick, boil-in-bag, or regular cooking
Brown rice	<b><u>AND</u></b>	14 - 16 oz bags or boxes			
Whole grain tortillas	Four (4) - packages of any combination of brown rice, whole grain tortillas or oatmeal (based on local demand)	16 oz package			
Oatmeal		16 oz container			
<b>Juice</b>					
100% juice	(1) Eight (8) - 11-12 oz frozen in at least two varieties <b><u>AND</u></b> (2) Eight (8) – 46 – 48 oz single strength pourable cans or bottles in at least two varieties <b><u>AND</u></b> (3) Eight (8) – 64 oz single strength pourable bottles or cartons in at least two varieties	11-12 oz – frozen concentrate  46-48 oz single strength pourable can or bottle  64 oz single strength pourable bottle or carton	Only brands and varieties listed on WIC Approved Food List	Cocktails, fruit or juice drink, ades or blended juices other than those listed on the WIC Approved Food List	Least expensive brand by flavor available at time of purchase

APPENDIX A: MINIMUM STOCK REQUIREMENTS

CATEGORY & DESCRIPTION	MINIMUM STOCK	PACKAGE SIZE & WEIGHT	BRAND & VARIETY	NOT ALLOWED	NOTES
<b>Fish</b>					
<p>Chunk light tuna in water</p> <p>Pink salmon</p> <p>Sardine</p>	<p>Ten (10) cans - any combination of chunk light tuna in water, pink salmon or sardines</p>	<p>Any brand and any combination of fish types and can sizes not to exceed number of ounces listed on WIC Check</p>	<p>All brands</p>	<p>Albacore or smoked-flavored tuna, breast of tuna, tuna spread, tuna in oil, or low salt/low fat tuna, blueback salmon, red salmon, chum, flavored tuna or salmon. No pouches - can only.</p>	
<b>Fresh Fruits and Vegetables</b>					
<p>Any variety of fresh vegetables and fruits. Salad mixtures, vegetables, or fruits in bags or containers. * No potatoes except sweet potatoes and yams</p>	<p>Two (2) varieties of fresh fruit</p> <p><b><u>AND</u></b></p> <p>Two (2) varieties of fresh vegetables; total value of fresh stock to equal at least \$45 (see note)</p>		<p>All brands</p>	<p>White potatoes; items from a salad bar; party trays; fruit baskets; nuts; fruit/nut mixtures; decorated pumpkins; gourds; dried; herbs; spices; salad dressings; salad kits or salad mixtures containing salad dressing, croutons, etc.</p>	<p>Frozen vegetables and fruits can be stocked and value included to meet the total \$45.</p>

APPENDIX A: MINIMUM STOCK REQUIREMENTS

CATEGORY & DESCRIPTION	MINIMUM STOCK	PACKAGE SIZE & WEIGHT	BRAND & VARIETY	NOT ALLOWED	NOTES
<b>Frozen Vegetables</b>					
Any brand plain vegetable, plain vegetable mixtures without white potatoes	No minimum	Any size. Any package type (bag or box).	All brands, with or without salt	White potatoes or potato mix (except sweet potatoes or yams); French fries; tater tots; hash browns; veg. with sauces, seasoning, flavoring or breading; veg. mixed with pasta, rice or any other non-vegetable ingredient	
<b>Frozen Fruits</b>					
Any brand plain fruit or plain fruit mixtures with no added sugar	No minimum	Any size, any package type (bag, box, or tub)	All brands	Ingredients other than fruit (including sugar)	

## VM APPENDIX IV. DESCRIPTION OF VENDOR PEER GROUP SYSTEM

Vendor Peer Groups					Comparable Vendors Peer Group Number (6)
Peer Group No. (1)	Description (e.g., supermarkets, chain stores, pharmacies) (2)	Number of Vendors in Peer Group			
		Regular Vendors (3)	Above- 50% Vendors (4)	Total (5)	
1	Large Chain/Discount (Northwest)	39	0		
2	Medium Chain (Northwest)	70	0		
3	Independent (Northwest)	28	0		
4	Large Chain/Discount (Northeast)	13	0		
5	Medium Chain (Northeast)	42	0		
6	Independent (Northeast)	18	0		
7	Large Chain/Discount (Central)	20	0		
8	Medium Chain/Commissary (Central)	47	0		
9	Independent (Central)	8	0		
10	Large Chain/Discount (Southwest)	20	0		
11	Medium Chain (Southwest)	26	0		

12	Independent (Southwest)	22	0		
13	Large Chain/Discount (Southeast)	13	0		
14	Medium Chain (Southeast)	33	0		
15	Independent (Southeast)	21	0		

*Instructions:*

Column 1 – Assign a sequential number to each peer group.

Column 2 – Describe the vendors in the peer group.

Column 3 – Insert the number of authorized vendors that are regular vendors.

Column 4 – If the State agency authorizes above-50-percent vendors, insert the number of above-50-percent vendors currently authorized.

Column 5 – Insert the total number of authorized vendors. This number should be the sum of columns 3 and 4, since the State agency must identify each vendor as being either a regular vendor or an above-50-percent vendor.

Column 6 – For each peer group that contains above-50-percent vendors, insert the number of the peer group that contains comparable regular vendors. The comparable vendor peer group is the peer group that the State agency uses to derive the competitive price criteria and maximum reimbursement levels that it applies to the above-50-percent vendors. If above-50-percent vendors are placed in a peer group with regular vendors, then the number in column 1 should be the same as that in column 6. If above-50-percent vendors are in separate peer groups, then the number in column 1 will be different from that in column 6.

## **VIOLATIONS AND SANCTIONS SCHEDULE - FY14**

A vendor who commits fraud or abuse in the WIC Program is liable to prosecution under applicable federal, state and local laws. Those who have willfully misapplied, stolen or fraudulently obtained program funds will be subject to a fine of not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.

The following is the list of violations and sanctions that will be applied to vendors. In applying the sanctions listed, the WIC Program is under no obligation to determine a vendor's intent. The sanctions may be applied equally for error, ignorance or willful intent. The WIC Program will determine the impact of a potential vendor disqualification upon participant access to WIC Program benefits. A vendor may not withdraw from the WIC Program in order to avoid a sanction. Non-renewal of a vendor's agreement may not be used as an alternative to disqualification. Sanctions may include a claim for the value of WIC Checks and CVBs as well as administrative fines, disqualification and/or civil money penalties.

After disqualification for any length of time, a vendor must reapply and meet all WIC Program selection criteria before being readmitted to the Arkansas WIC Program. A vendor may not reapply during the disqualification period.

**NOTICE: Disqualification from WIC for violations 1 through 9 listed under Mandatory Federal Sanctions may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program (SNAP). Such disqualification may not be subject to administrative or judicial review under the Supplemental Nutrition Assistance Program.**

**Second sanction: The second sanction received by a vendor for any violation listed in 2 through 9 under Mandatory Federal Sanctions will result in doubling the sanction for the second violation. The second violation and sanction may be different from the previous violation and sanction. Civil money penalties may only be doubled up to the limit of \$11,000 per violation or \$49,000 per investigation.**

**Third or subsequent sanction: The third or subsequent sanction received by a vendor for any violation in 2 through 9 under Mandatory Federal Sanctions will result in doubling the third sanction and all subsequent sanctions. The third or subsequent violation and sanction may be different from any previous violation and sanction. A civil money penalty may not be imposed in lieu of disqualification for the third and subsequent sanctions.**

**Failure to pay Civil Money Penalty: Disqualification for the mandatory time period related to the violation.**

## **Mandatory Federal Sanctions**

1. Vendor is convicted in court for the crime of trafficking in WIC Checks or CVBs or for selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.  
**Sanction: Permanent disqualification effective upon receipt of notification OR the WIC Program may impose a Civil Money Penalty in lieu of a disqualification for Violation 1 when it determines, in its sole discretion, and documents that a) the disqualification of the vendor would result in inadequate participant access; or b) the vendor had, at the time of the violation, an effective policy and program in effect to prevent trafficking and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation. Civil money penalties shall not exceed \$11,000 for each violation and shall not exceed \$49,000 for a single investigation.**
2. First instance of a vendor buying or selling WIC Checks or CVBs for cash (trafficking) or first instance of selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.  
**Sanction: Six (6) year disqualification with 15-day notice.**
3. Vendor has one incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC Checks or CVBs.  
**Sanction: Three (3) year disqualification with 15-day notice.**
4. Vendor claims reimbursement for the sale of an amount of a specific WIC food item that exceeds the store's documented inventory of that WIC food item for a specific period of time.  
**Sanction: Three (3) year disqualification based on one inventory audit of one month's inventory of two or more WIC foods or two or more months' inventory of one WIC food.**
5. Vendor engages in a pattern of overcharging the WIC Program.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**
6. Vendor receives, transacts and/or redeems WIC Checks or CVBs outside authorized channels, including an unauthorized vendor or an unauthorized person.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**
7. Vendor charges WIC Program for food not received by the participant and/or authorized representative.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**

8. Vendor provides credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.  
**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**
9. Vendor provides unauthorized foods in exchange for WIC Checks or CVBs and/or charges for food in excess of that listed on the WIC Check or CVB.  
**Sanction: One (1) year disqualification for three documented incidents within a period of three (3) years.**
10. Vendor is disqualified from the Supplemental Nutrition Assistance Program (SNAP).  
**Sanction: Disqualification for the same length of time as the Supplemental Nutrition Assistance Program disqualification. The WIC disqualification may begin at a later date than the Supplemental Nutrition Assistance Program disqualification and is not subject to administrative or judicial review under the WIC Program.**

#### **Arkansas WIC Program Sanctions**

*Sanction points for violations 12 – 23 will accumulate for a period of three (3) years. A total of twelve (12) sanction points, from any combination of violations, will result in disqualification for a period of six (6) months. A total of twenty (20) sanction points, from any combination of violations, will result in disqualification for a period of one (1) year.*

11. Vendor is disqualified from another state's WIC Program based on a mandatory federal sanction.  
**Sanction: Disqualification from the Arkansas WIC Program for the same amount of time as the other state's period of disqualification. The disqualification may begin at a later date than the sanction imposed by the other WIC State agency. The State agency must determine if disqualification of the vendor would result in inadequate participant access.**
12. Vendor fails to provide all food on the WIC Check when the foods are available in the store even if the total price exceeds the maximum allowable reimbursement amount for the WIC Check or refuses to allow the purchase of a WIC approved food.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in the assessment of the value of WIC Check/CVB and two (2) sanction points.**
13. Vendor fails to enter price before WIC Check or CVB is signed during a compliance buy.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in a claim for the value of each WIC Check or CVB, a fine of \$100, and two (2) sanction points.**

14. Vendor fails to verify signature on WIC Check or CVB by comparing signature to WIC identification folder during a compliance buy.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in two (2) sanction points.**
15. Vendor alters any information written or printed by WIC personnel on a WIC Check or CVB, or alters/manufactures supporting documentation (such as cash register receipts) in an attempt to receive payment for the WIC Check or CVB.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. A claim for the purchase amount of any WIC Check or CVB paid and six (6) sanction points for each incident after the first warning letter is received by the vendor.**
16. Vendor charges participant, authorized representative, or proxy for any portion of a WIC Check transaction. (Note: Participants are allowed to pay amount, including tax, over monetary value of CVB(s) on CVB transactions. See Section II, #13)  
**Sanction: A warning letter is issued to the vendor for the first documented incident. For each documented incident after the first warning letter is received by the vendor, a fine of \$100 and three (3) sanction points will be assessed for each subsequent violation.**
17. Vendor fails to provide WIC representative(s) access to the store during posted business hours for vendor education or monitoring, including access to sales, invoice, or inventory records during a routine store visit.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. Six (6) sanction points for each subsequent incident after receipt of initial warning letter.**
18. Vendor fails to maintain prices at or below the competitive price selection criteria standards or the WIC Program is unable to determine shelf prices because vendor has not posted them clearly.  
**Sanction: Initial violation will result in a warning letter giving the vendor the opportunity to make adjustments in prices or post prices within the timeframe specified in the letter. Each subsequent violation after a 30-day period will result in three (3) sanction points.**
19. Vendor fails to pay a claim for exceeding the maximum allowable reimbursement (MAR) amount, for a WIC Check or CVB improperly paid, or for any sanction imposed due to a federal or state violation.  
**Sanction: After the initial 30 days to pay the claim, the Vendor will be sent a warning letter and be given an additional 30 days to pay claim. If the payment is not received after the warning letter, twelve (12) sanction points will be assessed, resulting in a six (6) month disqualification.**

20. Vendor fails to maintain minimum stock as listed in Appendix A of the Vendor Participation Agreement and Handbook or as specified in a written waiver approved by the WIC Program, during a monitoring visit or compliance buy.

**Sanction: For the first violation, a warning letter will be issued to the vendor. For the next (2<sup>nd</sup>) violation after a 30-day period from the receipt of the warning letter, two (2) sanction points will be assessed and vendor must participate in mandatory training. For the next (3<sup>rd</sup>) violation after a 15-day period from the 2<sup>nd</sup> violation, the vendor will be assessed three (3) sanction points and a \$100 fine. The next (4<sup>th</sup>) violation after a 15-day period from the 3<sup>rd</sup> violation, eight (8) sanction points will be assessed. An unannounced monitoring visit will be made after the specified period following each violation. Vendors that have no minimum stock violations in a 12-month period after a satisfactory monitoring visit will, at that point, start the process over again with any new incident. However, the sanction points earned will remain for a period of three (3) years.**

21. Vendor uses the WIC acronym or logo, including close facsimiles thereof, in total or in part, either in the official name in which the vendor is registered or the name under which it does business, if different, on incentive items, on product labels or packages, store signs, pamphlets, advertisements, brochures or any other proprietary materials.

**Sanction: A warning letter is issued to the vendor for the first documented incident. Two (2) sanction points will be assessed if the vendor fails to remove the acronym or logo within the timeframe specified in the initial warning letter.**

22. Vendor fails to submit a complete and accurate shelf price survey by the deadline established by the Arkansas WIC Program.

**Sanction: A warning letter is issued to the vendor for the first documented incident. Mandatory training is required for the second documented incident. One (1) sanction point will be assessed for all following incidents.**

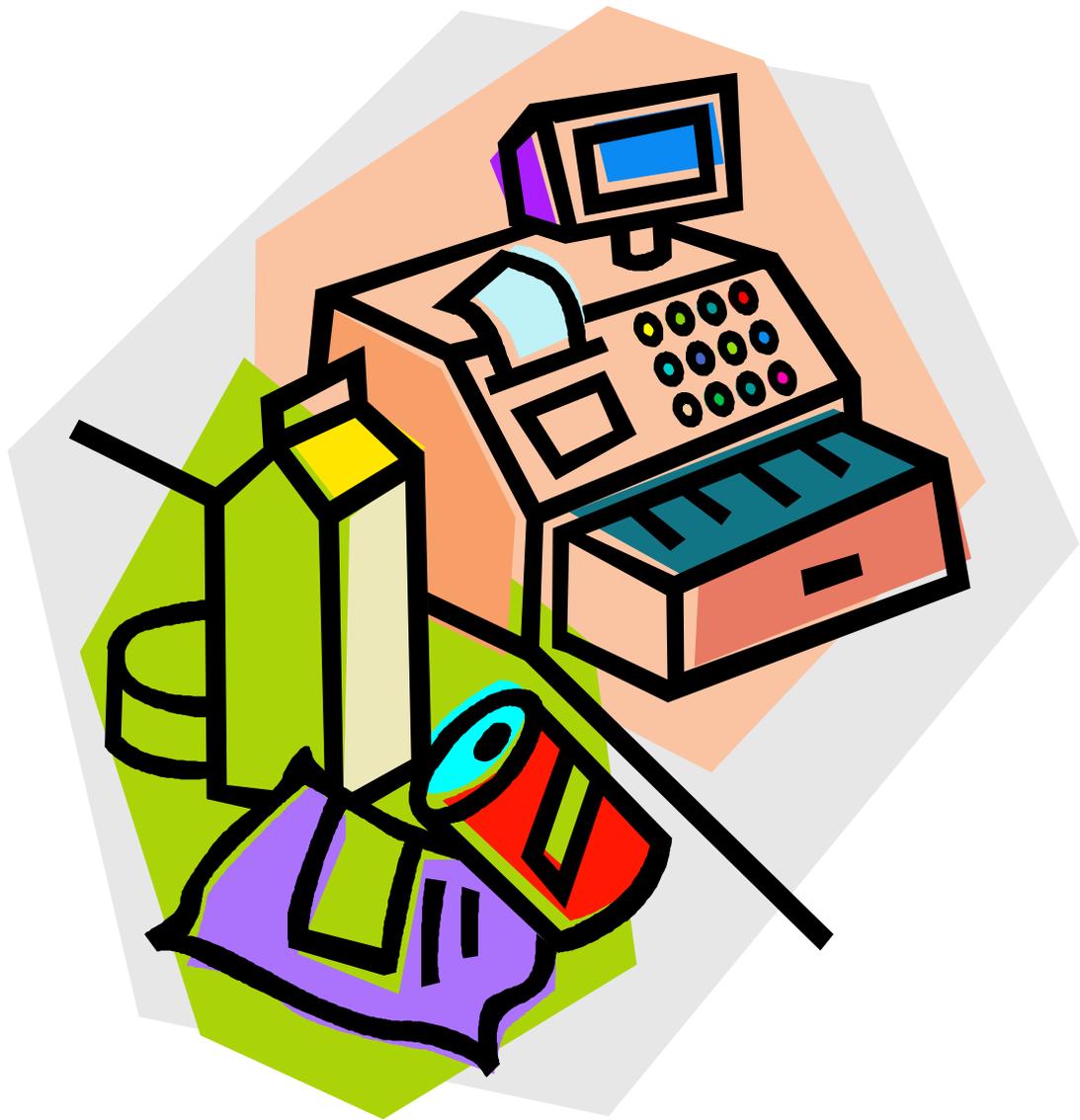
23. Vendor fails to maintain correct placement of Arkansas WIC Program approved tags on Arkansas WIC approved items (8 or more missing tags in each of 2 or more food item sections).

**Sanction: A warning letter is issued to the vendor for the first documented incident. Mandatory training is required for the second documented incident. One (1) sanction point will be assessed for the third and subsequent incidents. Vendors that have no Sanction 23 violations in a 12-month period will, at that point, start the process over again with any new incident. However, the sanction points earned will remain for a period of three (3) years.**

24. Vendor offers incentive item or service to a WIC participant, authorized representative or proxy that is not offered to non-WIC customers.

**Sanction: A warning letter is issued to the vendor for the first documented incident. Twelve sanction points (12) will be issued for the second documented incident.**

# Arkansas WIC Program Cashier and Bookkeeper Guide to Successful WIC Transactions



## Cashier and Bookkeeper Guide to Successful WIC Transactions

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## Cashier and Bookkeeper Guide to Successful WIC Transactions

### ADH WIC Program Non-Discrimination Statement

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## **Introduction**

### WHAT IS WIC?

The United States Department of Agriculture (USDA) Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides supplemental food, nutrition education, breastfeeding support, outreach information, and referrals, serving pregnant, breastfeeding and postpartum women as well as infants and children up to age five who are found to be at nutritional risk and are income and residency eligible.

### HOW DOES WIC WORK IN ARKANSAS?

The Arkansas Department of Health (ADH) administers the WIC Program in Arkansas. Individuals may apply for certification in the WIC program by contacting any Local Health Unit or WIC Clinic. If certified as income and residency eligible and at nutritional risk, the WIC participant will receive appropriate nutrition education, including breastfeeding support, education for pregnant and postpartum women, as well as WIC Checks and Cash Value Benefits for supplemental foods.

### HOW DO RETAIL FOOD STORES FIT INTO THE PICTURE?

The Arkansas WIC Program authorizes eligible retail stores to accept WIC Checks and Cash Value Benefits for the purchase of the prescribed supplemental foods for WIC participants. Retail stores (vendors) and ALL of their employees play a key role in assisting WIC participants to access the nutritious food they need. Employees also play a key role in ensuring that the regulatory and financial interests of the store and the WIC Program are protected.

Retail stores seeking to become authorized vendors for the Arkansas WIC Program must complete an application, meet selection criteria, provide price information and pass an on-site store visit. Authorized vendors sign and must abide by a written Vendor Participation Agreement that outlines all of the conditions and requirements for vendor participation in the Arkansas WIC Program.

## **WIC Vocabulary**

**WIC Checks** – are issued to WIC participants through the Local Health Unit of the Arkansas Department of Health. WIC Checks are printed on pink and blue variegated check stock with an overlay in black ink with the program logo and ARKANSAS WIC PROGRAM pre-printed at the top. Each check specifies the food items and quantities that are to be purchased for a specific participant during a specific period of time.

**Cash Value Benefit (CVB)** – are issued to WIC participants through the Local Health Unit of the Arkansas Department of Health. CVBs are printed on pink and blue variegated check stock with an overlay in black ink with the program logo and ARKANSAS WIC PROGRAM pre-printed at the top. Each CVB specifies that it is for the purchase of fresh or frozen fruits and vegetables only. CVBs have a cash value of 6, 10, or 15 dollars. The cash value is printed in the quantity column on the left side of the CVB.

**WIC Identification (ID) Folder** – is pre-printed with the program logo and is a multi-fold yellow folder. The folder contains all of the names of the WIC eligible participants in a single household. This may be one participant or several participants. The folder also lists the names and signatures of all individuals who are authorized to use WIC Checks or CVBs for purchase of WIC food items for the participants whose names are listed in the folder. For WIC Program use, the folder has a Household ID number. This number may not match the individual participant's WIC ID number that is printed on the WIC Check or CVB. DO NOT use the Household ID number on the folder to determine proof of identification.

**WIC Food Package** – is a standard group of supplemental food items prescribed by the WIC Program to meet the specific nutritional needs of a WIC participant on a monthly basis. Currently there are seven different food package categories prescribed in Arkansas. Some food packages items may be specifically prescribed if the participant has a food allergy or other special medical condition.

**Arkansas WIC Program Approved Food List** – is a list of foods approved for purchase with WIC Checks and CVBs. A copy of the list should be kept at every cashier station. The list is arranged by food type, with specific brands or varieties indicated. Some items are specified as “the least expensive brand available at the time of purchase.” The Approved Food List also lists items that are not allowed.

**Food Description** – the prescribed food items will be pre-printed on the WIC Check or CVB. This is the **exact product type and amount** that must be purchased. Substitutions of any kind are not allowed. Partial purchase or purchases in excess of the specified quantity are not allowed. Some items may specify a quantity range such as “Up To” or “Or Less” e.g. “36 oz. or Less of WIC Approved Cereal.” CVB's do not have to be redeemed at the full amount if the participant chooses to purchase less than the face value.

**First Day To Use** – is pre-printed on the front of the WIC Check and CVB. This is the first date that the WIC Check or CVB may be used. Do not redeem WIC Checks or CVBs before this date as they will not be reimbursed by the Arkansas WIC Program.

**Last Day To Use** – is pre-printed on the front of the WIC Check and CVB. This is the last date that the WIC Check or CVB may be used. Do not redeem WIC Checks or CVBs transacted after this date as they will not be reimbursed by the Arkansas WIC Program.

**Amount of Sale** – for the WIC Check, this is the actual price of the WIC food item purchase. For the CVB, this is the actual price of the purchase, up to the maximum value of the CVB. For the CVB, the cashier may have to enter amounts on multiple CVBs, depending on the amount of purchase and number of CVBs (see How to Process a Cash Value Benefit Transaction).

The cashier must write on the WIC Check or CVB, using black or blue ink, the exact purchase price in the box labeled “Amount of Sale”. The box is split in two with a vertical line. Please enter the whole dollar amount to the left of the line and the cents amount to the right of the line e.g. for \$56.49

56	49
----	----

**Signature of Participant, Authorized Representative or Proxy** – the WIC participant, authorized representative, or proxy must sign the WIC Check or CVB (on the signature line in the right front, lower corner) **AFTER** the cashier has filled in the amount of sale. The cashier must verify the signature on the WIC Check or CVB with one of the names listed for Authorized Representative or Proxy on the WIC ID Folder. No other form of ID is necessary or may be required by the vendor.

**Authorized WIC Vendor Stamp** – each authorized store is issued a 4-digit self-inking vendor stamp. The vendor stamp **must** clearly appear on the front right-hand side of the check just above the pre-printed words “Authorized WIC Vendor Stamp.”

**Vendor** – a store authorized by the Arkansas WIC Program to provide WIC foods to WIC program participants. Each store must have a single, fixed location.

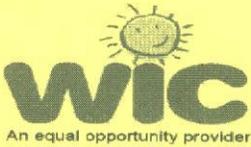
**Not to Exceed (NTE) Amount** - is the highest reimbursement price for regular vendors for a WIC Check for a specific food package. A NTE is calculated for each WIC Check for each vendor peer group and sent with a daily WIC Check issuance file to the Arkansas WIC Program contract bank.

**Maximum Allowable Reimbursement (MAR)** – is equal to the Not-to-Exceed (NTE) amount for the respective regular vendor’s peer group by type of WIC Check.

**Automated Clearing House (ACH)** – is an electronic payment mechanism used by the Arkansas WIC Program’s contract bank to accumulate and credit vendors’ bank accounts with an appropriate amount up to the Not-to-Exceed amount for WIC Checks and CVBs deposited.

## WIC Identification (ID) Folder

**Arkansas WIC Program**



**Participant Identification Folder**

Household ID: \_\_\_\_\_

The following person(s) is (are) enrolled in the WIC Program:

1. Name: \_\_\_\_\_ BD: \_\_\_\_\_  
Last, First

2. Name: \_\_\_\_\_ BD: \_\_\_\_\_  
Last, First

3. Name: \_\_\_\_\_ BD: \_\_\_\_\_  
Last, First

4. Name: \_\_\_\_\_ BD: \_\_\_\_\_  
Last, First

5. Name: \_\_\_\_\_ BD: \_\_\_\_\_  
Last, First

**Persons authorized to sign and pick up WIC Checks and CVBs:**

Authorized Representative: \_\_\_\_\_

Signature: \_\_\_\_\_

Proxy: \_\_\_\_\_

Signature: \_\_\_\_\_

Proxy: \_\_\_\_\_

Signature: \_\_\_\_\_

SAMPLE

The WIC ID Folder is issued by a Local Health Unit to a participant or multiple participants residing in the same household.

The names of up to ten (10) participants residing in the same household (five (5) on the front cover and five (5) inside) can be listed on the folder. The Household ID# is for WIC internal use only. Do not compare this number to the ID number on the WIC Check or CVB.

DO NOT accept a WIC ID Folder that has not been signed by the Authorized Representative (this is either an adult participant or person responsible for an infant or child) prior to the start of any WIC transaction. The Authorized Representative should have signed the folder at the local health unit at the time it was issued.

The Authorized Representative may list up to two proxies who can use WIC Checks or CVBs on behalf of the participant(s). The proxy's name and signature **MUST** be on the folder prior to the start of any WIC transaction.

The WIC ID Folder must be presented to the cashier at the beginning of **every** WIC transaction. Compare the signature/name on the folder with the signature/name written on the signature line on the WIC Check or CVB at the end of the transaction after the amount of sale has been entered on the WIC Check/CVB.

## Processing WIC Transactions

### HOW DO I PROCESS A WIC CHECK TRANSACTION?

1. The WIC Authorized Representative (AR) or Proxy will inform the cashier that she/he wishes to make a purchase using a WIC Check(s).
2. Ask for the WIC ID Folder and WIC Check(s) that will be used for this purchase.
3. Only accept a WIC Check(s) presented within the valid dates printed on the front.
4. Separate the items to be purchased with the WIC Check(s) from any other items the participant may be purchasing.
5. Make sure the types and quantities of foods listed on the WIC Check have been selected by the participant.
6. Total the WIC items and deduct any coupons and/or process loyalty card discounts.
7. Enter the amount of sale for the WIC items using **blue or black ink** in the Amount of Sale box on the WIC Check.
8. Ask the AR or Proxy to sign the WIC Check on the signature line on the front of the check in the lower right-hand corner.
9. Verify the signature on the check with one of the name(s) listed for AR or Proxy on the WIC ID Folder.

WIC ID NUMBER		NAME OF PARTICIPANT		FIRST DAY TO USE	LAST DAY TO USE	AMOUNT OF SALE
00670118		Roxie Brown		6/12/2012	7/11/2012	10968322
QTY	DESCRIPTION					
1	GALLON(S) 2%, 1% OR FAT-FREE MILK					
1	QUART(S) 2%, 1% OR FAT FREE MILK					
1	UNIT=(4 CANS 14-16 OZ BEAN/PEA) OR (1-LB BAG DRY BEAN/PEA)					
1	64 OUNCE CONTAINER(S) JUICE					
2	16OZ WHOLE GRAIN BREAD/OATMEAL/TORTILLAS OR 14-16 BROWN RICE					
XXX END OF ORDER XXX						
<b>SAMPLE</b>						
VENDOR MUST DEPOSIT WITHIN 60 DAYS FROM FIRST DAY TO USE DATE						
Signature of Participant or Authorized Representative						

ARKANSAS WIC PROGRAM  
 5800 W 10th Suite 810 Little Rock, AR 72204  
 Act# 804025  
 FSMC St. Louis Park, MN 55425  
 75-1248 919

WIC ID NUMBER: 00670118  
 NAME OF PARTICIPANT: Roxie Brown  
 FIRST DAY TO USE: 6/12/2012  
 LAST DAY TO USE: 7/11/2012  
 AMOUNT OF SALE: 10968322

QTY DESCRIPTION  
 1 GALLON(S) 2%, 1% OR FAT-FREE MILK  
 1 QUART(S) 2%, 1% OR FAT FREE MILK  
 1 UNIT=(4 CANS 14-16 OZ BEAN/PEA) OR (1-LB BAG DRY BEAN/PEA)  
 1 64 OUNCE CONTAINER(S) JUICE  
 2 16OZ WHOLE GRAIN BREAD/OATMEAL/TORTILLAS OR 14-16 BROWN RICE  
 XXX END OF ORDER XXX

AUTHORIZED WIC VENDOR STAMP  
 Signature of Participant or Authorized Representative

# 10968322 # : 09191248 2: 804025 #

#### Remember:

- Each WIC Check must be entered as a separate transaction.
- The WIC AR or Proxy must purchase all of the items listed on the WIC Check. No substitutions. No rain checks or due bills.
- The WIC Check is valid only if the WIC participant, AR, or proxy signs on the signature line on the front of the check in the lower right-hand corner at the time of purchase. **Vendors may not obtain the signature at a later date.**
- Do not accept a WIC Check that has been altered using correction fluid, written over, signed in advance of the purchase or copied.

**HOW DO I PROCESS A CASH VALUE BENEFIT (CVB) TRANSACTION?**

1. The WIC Authorized Representative (AR) or Proxy will inform the cashier that she/he wishes to make a purchase using a Cash Value Benefit (CVB).
2. Ask for the WIC ID Folder and CVB(s) that will be used for this purchase.
3. Only accept CVBs presented within the valid dates printed on the CVBs.
4. Separate CVB items (fresh or frozen fruits and vegetables) from any other food items she/he may be purchasing. **NOTE:** Unlike WIC Checks, CVBs from a single household may be combined in a single transaction.
5. Make sure the types of fresh or frozen fruits and vegetables as allowed on the Approved Food List have been selected by the participant.
6. Total the CVB items and deduct any coupons and/or process loyalty card discounts.
7.
  - a. If the amount of purchase is **less than or equal to** the dollar value of the CVB(s), enter that amount in the "Amount of Sale" box. No change is given.
  - b. If the amount of the purchase **exceeds** the face value of the CVBs presented, inform the AR/Proxy of the excess (including tax on the excess amount) and ask if he/she would like to pay the excess and with which type of tender. The AR/Proxy must also be given the opportunity to decrease the number of items purchased if she/he does not wish to pay the excess amount.
  - c. If the AR/Proxy agrees to pay the excess (including tax on the excess amount unless participant is paying with SNAP EBT), complete the transaction by entering in the full face value of the CVB(s) in **blue or black ink** and accept the tender from the AR/Proxy. **Note:** For CVB transactions where the AR/Proxy pays the excess, you may give a receipt.
8. Ask the AR or Proxy to sign the CVB on the signature line on the front of the check in the lower right-hand corner.
9. Verify the signature on the check with one of the name(s) listed for AR or Proxy on the WIC ID Folder.

**ARKANSAS WIC PROGRAM**  
 5800 W 10th Suite 810 Little Rock, AR 72204  
 Act# 804025  
 FSMC St. Louis Park, MN 55426  
 75-1248 919  
 10968323

WIC ID NUMBER 00670118	NAME OF PARTICIPANT Roxie Brown	FIRST DAY TO USE 6/12/2012	LAST DAY TO USE 7/11/2012	AMOUNT OF SALE
QTY	DESCRIPTION	PAYMENT WILL BE DENIED WITHOUT		
\$6.00	FOR FRESH/FROZEN FRUITS OR VEGETABLES XXX END OF ORDER XXX	AUTHORIZED WIC VENDOR STAMP		

VENDOR MUST DEPOSIT WITHIN 60 DAYS FROM FIRST DAY TO USE DATE

Signature of Participant or Authorized Representative

⑈ 10968323⑈ ⑆091912482⑆ 804025⑈

**Remember:**

- Cash Value Benefits (CVBs) are to be used for the purchase of fresh or frozen vegetables and fruits only. See the AR Approved Food List for all items that are not allowed such as white potatoes, nuts, and party trays.
- CVBs have a cash value, but you may **not** give change back to the AR/Proxy if the purchase is less than the face value.

**Points to Remember about the Cash Value Benefit (CVB):**

CVB transactions are different from traditional WIC Check transactions:

- CVBs from a single household may be combined in one transaction
- ARs/Proxies may purchase items whose total dollar value is less than the face value of the CVB(s)
- ARs/Proxies may purchase items whose total dollar value exceeds the face value of the CVB(s), but the participants must pay any dollar amount over the face value including tax on that amount, if applicable
- ARs/Proxies may pay the excess amount with any type of tender that the vendor accepts for regular food purchases – cash, check, debit card, credit card, or SNAP EBT
- Vendors may not charge tax on the amount of the transaction that is covered by the face value of the CVB(s)

**Examples of Possible CVB Transactions:**

1. Ms. Jones purchases a variety of fruits and vegetables. The purchase amount is \$7.83. She presents a CVB for \$10.00. The cashier completes the sale, writes “\$7.83” in the Amount of Sale box, has Ms. Jones sign the CVB, checks the signature with the WIC ID Folder, and returns the folder. No change or receipt is given.
2. Mr. Brown purchases items for his two children who each have a CVB with the face value of \$6.00 (total available for purchase is \$12.00). The purchase amount is \$11.54. The cashier completes the sale, writes “\$6.00” on the first CVB and “\$5.54” on the second CVB in the Amount of Sale box has Mr. Brown sign the CVBs, checks the signatures with the WIC ID Folder, and returns the folder. No change or receipt is given.
3. Mrs. Green’s fruit and vegetable purchase amount is \$11.37 (without the tax added). She presents a CVB for \$10.00. The cashier informs her that the transaction exceeds the value of the CVB and asks if she would like to reduce the amount of her purchase or pay the excess dollar value. If she chooses to reduce to or below the CVB face value, follow the procedures in Example 1. If she chooses to pay the excess, the cashier asks what type of tender and informs Mrs. Green what the amount of the excess will be, including the tax on that amount (unless she is paying with SNAP EBT which is not taxable). The cashier completes the transaction by writing “\$10.00” on the CVB in the Amount of Sale box, has Mrs. Green sign the CVB, checks the signature with the WIC ID Folder, and returns the folder, and lastly accepts the tender for the excess amount. The cashier may give her a receipt for the transaction.
4. Miss Grey is purchasing \$23 in produce. This amount is more fruits and vegetables than can be covered by her three CVBs that have face values of \$6.00, \$6.00, and \$10.00. Follow the same procedures as in Example 3 to reduce the value or pay the excess. If she chooses to pay the excess, write in the full value of each CVB, for example “\$6.00”, “\$6.00” and “\$10.00” in the Amount of Sale box. Miss Grey must sign all three CVBs.

## **Best Practices for Cashiers**

- Treat WIC participants, authorized representatives and/or proxy for WIC participants with the same courtesies as you would treat other customers.
- Establish a routine for WIC transactions. Do it the same way every time.
  - Ask the AR/Proxy for the WIC ID Folder and WIC Check or CVB.
  - Verify that the WIC Check or CVB presented is within the valid dates for use.
  - Look at the items to be purchased and compare them to the items listed on the WIC Check or CVB.
  - Enter the Amount of Sale in the box on the front of the WIC Check or CVB.
  - Ask the AR/Proxy to sign the WIC Check or CVB.
  - Verify the signature with the names written on the front of the WIC ID Folder.
  - Return the WIC ID Folder to the AR/Proxy.
- Make sure you always have a copy of the Arkansas WIC Approved Food List at your register.
- Keep an inexpensive calculator or pencil and pad at your register to assist with calculations for items such as cereal and fish which allow an “up to” amount and for CVB transactions.
- If a WIC AR/Proxy has selected the wrong food item, politely let them know which item or items qualify, using the Approved Food List as a guide. For items that require the AR/Proxy to purchase the least expensive brand, inform her/him which brand currently is the least expensive. Some ARs/Proxies who are not familiar with your store may need someone to help them locate the item. Never announce publicly that this is a WIC transaction as customers must be treated with confidentiality and courtesy.
- Refuse any attempt by a WIC AR/Proxy to use a WIC Check or CVB to receive cash, non-food items, cigarettes, or alcoholic beverages. Entering into such a transaction is against federal WIC Program regulations and can have very serious consequences for both the participant and the vendor. Immediately report to your supervisor any attempts by WIC participants to make these types of purchase.
- Don't accept WIC Checks or CVBs before the First Day to Use or after the Last Day to Use. Do not accept WIC Checks or CVBs that have been altered by using correction fluid or writing over the preprinted information. Local Health Units are not allowed to make these types of alterations. Report any such abuse to your supervisor. If possible, please note the number of the WIC Check or CVB or the WIC participant's name appearing on the WIC Check or CVB that was altered.

## Cashier and Bookkeeper Guide to Successful WIC Transactions

- Check infant formula purchases carefully to make sure the AR/Proxy has selected the correct:
  - Brand name such as Gerber or Similac
  - Type – specific product such as Gentle, Soothe or NeoSure
  - Form – powdered (PWD), concentrate (CONC), ready to feed (RTF)
  - Number of Cans – the number of cans to be purchased is listed in the Quantity (QTY) column on the WIC Check

Some types of formula have very similar labeling. Depending on the needs of the WIC participant, formula may be authorized in powdered, concentrate, or ready to feed (RTF) form. This will be specified on the WIC Check along with the brand name and the type of formula. **DO NOT** allow the purchase of any formula other than what is **exactly** specified on the WIC Check, even if the types of formula seem to be similar, there is similar packaging or the AR/Proxy brings a different kind to the lane. Low-iron formula is not allowed on the Arkansas WIC Program. Be sure to scan **EACH** can of formula.

- Expect to be respected – immediately report to your supervisor any verbal or physical abuse by anyone who is making a WIC purchase. If possible, try to determine the name of the participant or number on the check the AR/Proxy is attempting to use for the purchase.
- Keep on top of what's up with WIC – routinely ask your supervisor if there have been updates to the WIC program, especially the Approved Food List. Program changes are sent to each store in the form of "WIC Flash" memos and e-mails.

## Information for Bookkeepers

The vendor's bookkeepers/cash office staff plays an important role in successfully completing a WIC transaction. Here are the procedures for processing WIC Checks and CVBs once they leave the register.

1. Review WIC Checks and CVBs for completeness. The cashier should have entered the "Amount of Sale" and the AR/Proxy should have signed in **blue or black ink** on the signature line on the front for the check in the lower right hand corner - "Signature of Participant or Authorized Representative." If the participant signs the check on the back **AND** the front, the check is still valid. **Checks signed ONLY on the back will not be paid by the Arkansas WIC Program.**

Amount of Sale      Vendor Stamp

<b>ARKANSAS WIC PROGRAM</b>		5800 W 10th Suite 810 Little Rock, AR 72204	Act# 804025	FSMC St. Louis Park, MN 55416	75-1248 919	<b>10968322</b>
WIC ID NUMBER 00670118	NAME OF PARTICIPANT Roxie Brown	FIRST DAY TO USE 6/12/2012	LAST DAY TO USE 7/11/2012	AMOUNT OF SALE		
QTY	DESCRIPTION	PAYMENT WILL BE DENIED WITHOUT				
1	GALLON(S) 2%, 1% OR FAT-FREE MILK	<b>SAMPLE</b>				
1	QUART(S) 2%, 1% OR FAT FREE MILK					
1	UNIT=(4 CANS 14-16 OZ BEAN/PEA) OR (1-LB BAG DRY BEAN/PEA)					
1	64 OUNCE CONTAINER(S) JUICE					
2	16OZ WHOLE GRAIN BREAD/OATMEAL/TORTILLAS OR 14-16 BROWN RICE					
XXX END OF ORDER XXX		AUTHORIZED WIC VENDOR STAMP				
VENDOR MUST DEPOSIT WITHIN 60 DAYS FROM FIRST DAY TO USE DATE						
Signature of Participant or Authorized Representative						
MICR Line: @ 10968322 @ 0919 248 2 @ 804025 @						

MICR Line      Signature Block

2. The Amount of Sale may be corrected only ONCE by making a line through the incorrect price and clearly printing the correct price just below the pre-printed words "Payment will be denied without" on the right-hand side. The WIC Check or CVB can then be deposited in your bank. Checks or CVBs with more than one correction will not be processed by the WIC Program's bank. Checks or CVBs with more than one correction may be sent in to the WIC State Office for review. Please provide any supporting documentation you may have to assist with the review.
3. If the cashier has incorrectly entered an amount that is greater than the face value of the CVB, the cashier or cash office may correct the Amount of Sale once before depositing. The Amount of Purchase entered should not be greater than the face value. For example, for a \$6 CVB, if the cashier enters the full purchase price of \$7.39, draw a line through the \$7.39 and enter \$6.00 just below the pre-printed words "Payment will be denied without". DO NOT deposit CVBs with a purchase price entered that is greater than the face value. The CVB will be rejected by the WIC Program bank and paid as an ACH, thus delaying the payment to the vendor. If the Amount of Sale is less than the face value, the actual amount of sale must be entered.
4. CLEARLY stamp each WIC Check and CVB with the self-inking vendor stamp in the block provided on the right-hand side on the front of the WIC Check or CVB before depositing at your bank. WIC Checks or CVBs with the vendor

stamp upside down or stamped outside the block on the right-hand side of the check will not be accepted by the WIC Program's bank. Checks incorrectly stamped may be sent in to the WIC State Office for review. **The number one reason WIC Checks are returned by the WIC Program's bank is "Missing Vendor Stamp."**

5. If the MICR Line is not printed clearly on the check stock, do not deposit. Send the check to the WIC Program State Office for review.
6. Deposit WIC Checks and CVBs promptly. All WIC Checks and CVBs, either deposited **or** redeposited, must clear the WIC Program's bank within **60 days of the "First Day to Use" date** regardless of the transaction date. Checks/CVBs received by the WIC Program bank after the 60 day period will not be paid.
7. Rejected Checks and CVBs – following are the procedures to follow if you receive WIC Checks or CVBs back from your bank:
  - A. WIC Checks and CVBs rejected for the following reasons CAN BE CORRECTED AND REDEPOSITED by the Vendor:**
    - a. Missing Vendor Number – vendor stamps the check(s) with the official stamp provided by the Arkansas WIC Program and redeposit.
    - b. Unreadable Vendor Number – vendor clarifies by re-stamping or writing in ink the vendor number next to the original stamp and redeposit. Be sure the 4-digit vendor number is right side up and legible.
  - B. Returned Over the Max – ACH Applied - DO NOT REDEPOSIT:**
    - a. The WIC Program's bank will reject any WIC Check for a purchase amount above 112% of the peer group average, which is the Not to Exceed (NTE) amount or a CVB submitted for over the face value.
    - b. The rejected WIC Checks and CVBs will be stamped "Returned Over the Max – ACH Applied" and returned to the vendor's bank.
    - c. The vendor does **not** need to resubmit the WIC Check or CVB stamped "Returned Over the Max – ACH Applied". At the end of the week, the vendor's bank account will be credited up to the amount of the NTE for these WIC Checks and CVB.
    - d. This applies to all vendors.

**C. WIC Checks or CVBs rejected for the following reasons, WILL NOT BE PAID:**

- a. Unauthorized vendor number
  - b. Altered (including use of correction fluid and writing over pre-printed information)
  - c. Purchase date prior to "First Day to Use" printed on check
  - d. Purchase date after "Last Day to Use" printed on check
  - e. Stale - deposited or redeposited more than 60 days after the "First Day to Use"
  - f. Second presentment
  - g. Redeemed prior to vendor authorization
  - h. Missing signature or signature not on the signature line on the front of the check in the lower right-hand corner.
8. Vendors are no longer required to retain cash register receipts, but may do so if they wish. Cash register receipts may only be given to ARs/Proxies for **CVB transactions** for which they pay an excess amount.
9. If you believe that a check has been rejected in error, please contact the WIC Program office promptly by phone, e-mail or mail. Requests for review and adjustments must be made no later than 60 days after the "First Day to Use."

QUICK CHECK and CVB REFERENCE FOR BOOKKEEPERS		WHERE TO SUBMIT CHECKS
REJECTED REASON	HOW TO CORRECT THE PROBLEM	
No Vendor Stamp	Stamp the WIC Check or CVB with the WIC vendor Stamp	Redeposit the WIC Check or CVB into the bank.
Illegible Vendor Stamp	The vendor stamp must be legible for the WIC Check or CVB to be reimbursed. Re-stamp with the WIC vendor stamp.	
Refer to Maker	The WIC Program will reimburse the vendor for the items listed using the most recent pricing information or face value.	Send WIC Check or CVB to the Arkansas WIC Program for reimbursement.
Excessive Dollar Amounts; NTE Applied	The bank has reduced the payment amount on the WIC Check or CVB to an appropriate amount for the items listed.	The WIC Check or CVB will be paid and should not be re-deposited.
Counterfeit/Invalid Vendor Stamp	If a WIC Check or CVB is rejected for either of these reasons, please contact the Arkansas WIC Program vendor staff for assistance.	The WIC Program will not reimburse WIC Checks or CVBs that are rejected for these reasons.
No Signature on Signature Line on Lower Right-Hand Front of WIC Check or CVB	The WIC Check or CVB must be signed at the store after the actual purchase price has been entered. Vendor may not ask AR/Proxy to come back to sign at a later time.	
Altered Signature	WIC Checks or CVBs should not be accepted if the signature has been altered.	
Future Dated	WIC Checks or CVBs should not be accepted before the "First Day to Use" date.	
Expired	WIC Checks or CVBs should not be accepted after the "Last Day to Use" date and must be deposited within 60 days from the "First Day to Use" date.	
Altered Dated	WIC Checks or CVBs should not be accepted if the "First Day to Use" or "Last Day to Use" date has been altered.	

## **Shelf Price Surveys - Determining Peer Group Average Prices**

The WIC Program is required to periodically collect shelf prices for all authorized vendors. This information is used to ensure regional competitive pricing for WIC approved items sold by WIC vendors. A different average price list is prepared for each of the fourteen (14) vendor peer groups in the state. Peer groups are based on location in the state, size of the store and type of store. Each authorized WIC vendor is assigned to a peer group.

Peer group average prices are used to calculate the competitive prices vendors must maintain to meet vendor selection criteria as well as the maximum amount the WIC program will pay for each food item when there are occasional spikes in prices. More information about peer group average prices, competitive price levels and maximum prices is provide in the *Arkansas WIC Program Vendor Participation Agreement and Handbook* on pages 2 and 27.

At the time of the shelf price survey, vendors are asked to provide shelf prices for the **most expensive WIC approved brand that the store carries** in each food category on the survey. It is extremely important that the price given is for the **most expensive**. The items listed by the vendor on the survey may not be the same brands most commonly sold to WIC customers, especially in categories such as milk or juice that require vendors to sell the least expensive brand available at the time of purchase. Providing the highest priced items on the survey ensures that the calculated average price allows vendors room to sell a more expensive brand if necessary (i.e. if the store is temporarily out of the brand that is most often the least expensive).

Shelf price surveys are collected at least three times each year. If there are significant price increases on certain categories of food items such as milk or formula, spot surveys may be conducted. If your store is experiencing significant price hikes on WIC approved foods, please contact the WIC state office with information on the product name, size container, new price and date that the increase is expected.

In 2012, the Arkansas WIC program will begin using a web-based shelf price survey. More information and a link to the survey will be provided when it becomes available.

### **Tips for Completing a Shelf Price Survey**

- Read the instructions first. This will help avoid errors that will delay acceptance of the price survey. It is extremely important that the survey is completed accurately and that all requested information is provided.
- Make sure that any identifying information such as vendor number and peer group is provided. Each store is identified by a unique vendor number. It is the number on the stamp(s) issued to each store.

## Cashier and Bookkeeper Guide to Successful WIC Transactions

- Read through the survey to identify the food items. Make sure the Authorized Food List is used to complete the survey. Prices for unauthorized foods cannot be used.
- Some food items are available in a variety of sizes. If the size is not already specified on the survey, make sure this column is completed. This is used to calculate a price per ounce for some food categories.
- Complete **ALL** blank columns on the survey. Missing information delays acceptance of the survey.
- Check the survey before it is submitted for completeness and accuracy.
- Submit the survey **in the requested format** by the deadline given by the WIC state office. Late surveys delay preparation of the peer group average price list. A delay in the release of an updated peer group average price list can result in WIC Checks being rejected because they are over the maximum amount the WIC Program will pay.

## **Frequently Asked Questions**

***May I ask the person presenting the WIC Check/CVB and WIC ID Folder for a photo ID?*** No. The only identification allowed is the WIC ID Folder. At least one of the signatures on the WIC Check or CVB must match one of the names listed for Authorized Representative or Proxy on the WIC ID Folder. Do not accept WIC Checks or CVBs that have been signed before the amount of sale has been entered.

***If I know the person, can I go ahead and process the WIC transaction if they have forgotten to bring their WIC ID Folder with them?*** No. You must compare the signature on the WIC ID folder with the signature on the check/CVB every time.

***What do I do if I enter the wrong amount of sale?*** Each store will have its own policy on who can correct the number written in the "Amount of Sale" box. See bookkeepers' section of this guide for specific instructions on correcting the amount of sale.

***Does a participant have to buy everything that is printed on a WIC Check/CVB?*** Yes, on WIC Checks. ARs/Proxies are required to purchase every food item listed on the WIC Check and the quantity listed. If the AR/Proxy indicates that she/he does not want everything listed on the check, please refer them to their Local Health Unit or WIC Clinic. If the store does not have one of the items on the check available, the transaction cannot be completed. However, on a CVB for fresh/frozen fruits and vegetables, the AR/Proxy may choose to purchase less than, equal to, or greater than the face value printed on the CVB.

***Why does a participant have more than one check for the same dates e.g. three checks all with a First Day to Use date of 6/1/2012?*** To give participants more flexibility in when they make their food purchases, the month's allocation may be split in two or more checks. Also, WIC Checks for the purchase of formula are always printed on a separate check from other food items the participant may be receiving.

***Can a participant use more than one WIC Check/CVB at the same time?*** Yes, but each WIC Check must be handled as a separate transaction. CVBs for the same household may be combined on the same transaction to maximize the benefits used.

***If I recognize the child's name on the top of a WIC Check and I know the person who signed the check is not the parent or guardian, should I be concerned?*** No. Not as long as the signature on the check matches one of the names on the WIC ID Folder.

***Can a participant purchase other items at the same time as they are purchasing their WIC food items?*** Yes, but the WIC food package items must be treated as a completely separate transaction.

***What do I do if a participant tries to buy an unauthorized food?*** Do not allow unauthorized foods to be purchased with WIC Checks. Point out to the AR/Proxy the allowed foods listed on their check and/or the WIC Approved Food List. If you are still unsure if the WIC Program allows the food item, call the supervisor or store manager for assistance.

***What happens if a food item does not scan as WIC approved in the cash register system?*** ARs/Proxies MUST be allowed to purchase food as authorized under the conditions stated in the Approved Food List and printed on the checks presented. The vendor cannot disallow a food item or require the AR/Proxy to select another item because it does not scan as WIC approved. Vendors should notify their corporate offices concerning any possible discrepancies between WIC flagged items and the Approved Food List.

***Do I have to accept a WIC Check if it is damaged?*** If the check is damaged but all of the printing on the check, including the information entered at the time of purchase is legible, the vendor is allowed to decide whether or not to accept the check. Please send any damaged checks that you have accepted for payment to the WIC state office for approval.

***If I have any questions about WIC policies or procedures, what should I do?*** First, call the supervisor or store manager for assistance. Arkansas WIC Program staff, at regional and state levels, is also available to answer your questions. See *Annex C* for a list of current WIC staff and their contact information.

## Infant Foods



### Infant Fruits and Vegetables

1. Participants may purchase only the brand names and varieties listed in the Approved Food List.
2. Containers must be 4 oz glass jars. No multi-paks.

### Infant Meats

1. Participants may purchase only the brand names and varieties listed in the Approved Food List.
2. Containers must be 2.5 oz glass jars.
3. **Not allowed:** Multi-paks.

### Infant Cereal

1. Participants may purchase only the brand names and varieties listed in the Approved Food List.
2. Containers must be 8 oz box.
3. **Not allowed:** Cereal with fruit or fruit flakes, high protein, mixed or individual servings.

### Formula

1. Only brand, variety, and type listed on WIC Check. Carefully check variety as many labels are similar. Check will specify type: powdered, concentrate or ready to use (RTU).
2. No substitutions of any kind, even if it is for another WIC approved formula.
3. **Not allowed:** Low iron formula or any brand or type not listed on the WIC Check. No exchanges. Participants must contact the local health clinic if they wish to change or exchange formulas.

## Milk and Soy-Based Beverages

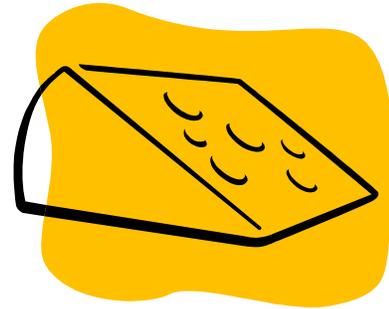


1. The specific variety(ies) (reduced fat, fat free, skim, 1%, 2%, whole) and size(s) (gallon, half-gallon, quart) authorized for the participant are printed on the WIC Check. No substitutions allowed.
2. The participant is required to purchase the least expensive brand at the time of purchase in one of the specified varieties and sizes on the WIC Check. For example, if “Brand A” is usually the least expensive 2% milk, but is not currently available, the participant may purchase the higher priced “Brand B” 2%. The participant does not have to choose another variety such as 1% milk just because it is less expensive than “Brand B” 2%. Which ever brand is chosen, the variety must be one that is indicated on the WIC Check.
3. The quantity of gallons, half-gallons, and quarts will be indicated on separate lines on the WIC Check in the quantity column.
4. For quarts ONLY – if the store does not stock quarts in a variety of milk that is printed on the check and the participant wishes to purchase, the store may substitute two (2) pints for each quart (must be one of the varieties printed on the check). For example, if the WIC Check indicates one (1) quart of “1%, 2%, or skim”, the participant may NOT get two (2) pints of whole milk, but they could get two (2) pints of 1%, 2%, or skim milk.
5. The participant does not have to purchase the same brand for gallons, half-gallons, and quarts. It must be the least expensive in that variety and size of container available at time of purchase. For example, the participant may purchase two (2) “Brand A” gallons of skim milk (least expensive skim gallon) and one (1) “Brand C” half-gallon of 2% (least expensive 2% half-gallon) and one (1) “Brand B” quart of 1% (least expensive 1% quart).
6. Two half-gallons may NOT be substituted for a gallon.
7. Non-fat Dry Milk – Only a 25.6 oz package of non-fat dry milk is allowed for purchase. The number of packages to be issued will be listed in the Quantity column (QTY) on the WIC Check.

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8. Evaporated Milk – The number of cans of evaporated or skim evaporated milk will be indicated on the WIC Check. **Not allowed:** Filled milk.
9. Soy-based Beverages - Participants may purchase only the varieties indicated on the WIC Check and brands listed in the Approved Food List. Quantity is listed in units – 1 unit = 1 half gallon OR 2 quarts. Participants may purchase any combination of half gallons and quarts, not to exceed the total amount authorized on the WIC Check.
10. **Not allowed:** “Deluxe”, “Plus”, organic, flavored, sweetened-condensed, non-dairy, goat’s milk, buttermilk, Copy Cow, or Vitamite.

Cheese



1. Cheese must be 100% cheese in one of the following four varieties: American, Cheddar, Colby or mozzarella.
2. Cheese must be the least expensive brand available at the time of purchase within the variety selected by the participant.
3. Cheese is listed on a WIC Check in units of 14-16 ounces. Total ounces purchased must not exceed the amount listed on the WIC Check.
4. If a participant chooses to purchase one (1) variety of cheese, she/he **must** select one (1) 14-16 oz package of block or sliced cheese **unless** a 14-16 oz is not available in that variety at the time of purchase. **IF** no 14-16 oz is available, she may purchase two (2) 7-8 oz packages of the same variety. **Also**, if the participant wishes to purchase two (2) varieties of cheese, she may select one (1) 7-8 oz package of one variety and one (1) 7-8 oz package of a second variety.

**Example:**

16 oz

Cheddar  
16 oz block

**OR**

8 oz

+

8 oz

Cheddar 8 oz block  
**and**  
Mozzarella 8 oz block

5. Participants may select either regular **or** low-fat types of cheese. “Low-fat” is no longer printed on the WIC Check.
6. Packages of individually wrapped slices are allowed **if** they are the least expensive package of 100% cheese in the variety selected.
7. Cheese from the store’s deli is allowed **only** if pre-packaged block or sliced cheese is not available in the variety selected by the participant.
8. **Not allowed:** Cheese foods, cheese products, whips or spreads, shredded, grated, cubed, crumbled, blended, smoked or imported.

# Grains



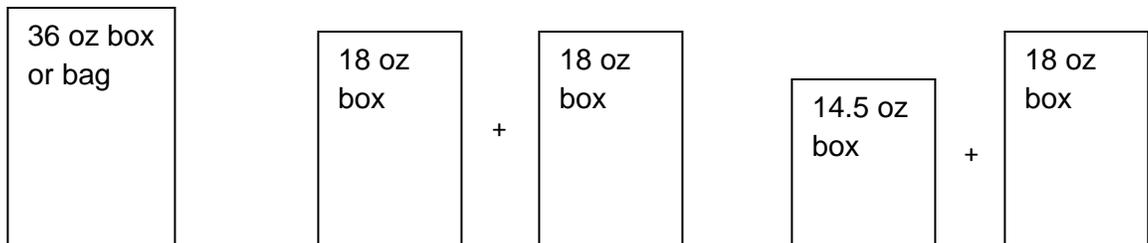
## Whole Grains

1. Whole grains - products such as whole grain breads, brown rice, whole grain tortillas and oatmeal. The approved cereals also now include a larger percentage that qualifies as whole grain.
  2. On WIC Checks, the whole grain products are listed on the same line separated by the word “or” – Whole grain bread **or** tortillas **or** oatmeal **or** brown rice.
  3. Each single product is a unit. Participants may choose which product(s) they wish to purchase from the whole grains category. For example, if one (1) unit is indicated in the quantity, they may choose:
    - 1 16 oz loaf of whole grain bread OR
    - 1 16 oz package of whole grain tortillas OR
    - 1 16 oz box of oatmeal OR
    - 1 14-16 oz box of brown rice
- If two (2) units are indicated, they may choose **any combination**, such as two (2) 14-16 oz boxes of brown rice **or** one (1) 16 oz package of tortillas **AND** one (1) 16 oz loaf of bread.
4. Whole Grain Bread – 16 oz loaf of brands listed on Approved Food List.
  5. Whole Grain Tortillas – 16 oz package of brands listed on Approved Food List.
  6. Whole Grain Oatmeal – 16 oz package of oatmeal **listed in the whole grain section** of the Approved Food List. Other brands of oatmeal are listed in the cereal section, but they **do not** qualify as a product in the whole grain category.
  7. Brown Rice – 14-16 oz package of any brand of brown rice. Brown rice may be instant, quick, boil-in-bag or regular cooking type.

## Cereal

1. The WIC Check will indicate the maximum number of ounces of cereal that can be purchased. The participant may choose a combination of boxes that **equal to or is less than** the number of ounces indicated on the WIC Check.
2. The standard monthly issuance amount for cereal is thirty-six (36) ounces. However, there may be a smaller number of ounces indicated on a WIC Check that is issued to a participant who is receiving less than a full month of benefits. Cashiers should check the quantity column carefully.
3. Only the brands and varieties of cereal listed on the Approved Food List may be purchased. Participants may choose any combination of size boxes or cereal varieties as long as they are approved products and do not **exceed** the number of ounces listed in the WIC Check. Here are some examples of possible combinations of different size packages for a WIC Check for 36 oz of cereal:

### Example: 36 ounces maximum



4. Other brands of oatmeal are listed in the whole grain section, but they **do not** qualify as a product in the cereal category.

# Fruits and Vegetables



## Fresh Fruits and Vegetables

1. Participants may purchase any variety of fresh fruits and vegetables except as noted below. Sweet potatoes, yams, mixed salads, mixed vegetables or mixed fruits are allowed, as are organic varieties.
2. Fruits and vegetables may be in any type container (loose, paper bag, plastic bag, plastic container, Styrofoam tray, etc.) and may be whole or cut/peeled.
3. **Not allowed: White potatoes - any variety.** Nuts, fruit/nut mixtures, fruit baskets, party trays with items other than vegetables or fruit, items from a salad bar, herbs (see Appendix D for details on herbs), spices, mixed salad kits that contain salad dressing, croutons or other non-vegetable ingredients, vegetable or fruit containers containing dip, decorated pumpkins or gourds.

## Frozen Vegetables

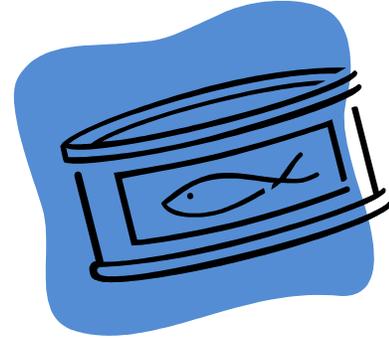
1. Participants may purchase any brand and variety of frozen vegetables, including plain vegetable mixtures without white potatoes. Participants may choose organic varieties if they wish.
2. Any package type (bag or box) in any size is allowed.
3. Frozen vegetables containing salt are allowed as well as salt-free varieties.
4. **Not allowed: White potatoes or potato mixtures,** French fries, tater tots, hash browns, vegetables with sauces, butter, seasonings, flavoring, breading, and vegetables mixed with pasta, rice or any other non-vegetable ingredient.

## Frozen Fruit

1. Participants may purchase any brand and variety of frozen fruit, plain or plain fruit mixtures. Participants may choose organic varieties if they wish.
2. Any package type (bag, box or tub) in any size is allowed.
3. **Not allowed:** Any ingredient other than fruit, including added sugar.

Participants may purchase both fresh and frozen fruits and vegetables with a single CVB.

## Protein



### Eggs

1. Least expensive brand available at time of purchase.
2. One dozen containers only.
3. Large or medium white grade A or AA.
4. **Not allowed:** Egglard's Best, Cage Free, Brown or Organic.

### Peanut Butter

1. Any brand of peanut butter in 16-18 oz jar.
2. Variety may be creamy, chunky, crunchy or extra crunchy. Organic, natural and reduced/low-fat varieties are allowed if available in a 16-18 oz jar.
3. **Not allowed:** Varieties labeled with "Plus" - such as "with calcium" or Omega-3, or peanut butter combinations.

### Fish

1. Three types of canned fish are allowed on Arkansas WIC Program – chunk light tuna in water, pink salmon and sardines (any flavor).
2. Number of ounces will be indicated on the WIC Check.
3. Any brand and any combination of fish types and can sizes not to exceed the number of ounces listed on the WIC Check may be purchased.
4. Cans only. Product may contain bones and skin.
5. **Not allowed:** Tuna – albacore, breast of tuna, tuna spread, flavored tuna including smoked, tuna in oil, or low salt/low fat tuna. Salmon – blueback salmon, red salmon, chum or flavored salmon.

## **Beans/Peas**

Dry **or** canned beans - a participant may purchase **either** one (1) 16 oz package of dried **or** four (4) 14 – 16 oz cans of canned beans/peas.

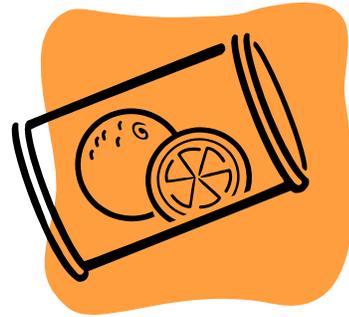
### **Dry Beans/Peas**

1. Any brand, any variety of dried, plain, unseasoned mature beans, peas or lentils in a 16 oz (1 lb) package.
2. **Not allowed:** Mixed beans, soup mixes or flavored.

### **Canned Beans/Peas**

1. Participants must purchase the least expensive brand available at time of purchase **within the chosen variety**. For example, the participant may choose “Brand A” black beans, if those are the least expensive black beans. They do not have to purchase pinto beans because they are cheaper than the black beans.
2. Participants may select any combination of bean and pea varieties to fill their purchase of four (4) cans. For example, two (2) pinto beans, one (1) lima beans and one (1) purple hull peas.
3. Participant **must** choose from the brands and varieties (lima beans, pinto beans, chick peas, etc.) listed on the Approved Food List. Other brands and varieties, even if they are less expensive or have similar contents, are **not allowed**.

# Juice



1. Juice must be 100% pure juice in the specific variety, type and size container authorized for the participant and printed on the WIC Check.
2. Juice must be the least expensive brand available at the time of purchase within the variety, type and container size selected by the participant.
3. For some varieties, participants may purchase only the brands listed on the Approved Food List:

Any Brand

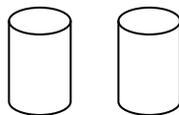
Orange, Grapefruit & Pineapple

Specific Brands

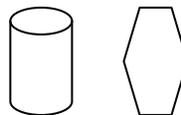
Apple, Tomato, Blended, Vegetable & Grape (purple and white)

4. Participants may purchase a particular type within a variety, such as country style, pulp-free, or low acid. In order to meet the least expensive criteria, the juice selected must only be the least expensive type. For example, the participant must purchase the least expensive frozen pulp-free orange juice, not the least expensive frozen orange juice.
5. Some participants are issued WIC Checks that allow them to choose to purchase frozen concentrate or 46-48 oz single strength cans or bottles. The participant can “mix and match” container types. If the WIC Check indicates two (2) units of juice, the participant may purchase **any** combination of container types.

**Example:**



two frozen concentrate



one frozen concentrate /  
one 46-48 oz can or bottle,  
single strength

6. **Not allowed:** For any type juice (frozen concentrate or single strength): cocktails, fruit or juice drinks, ades or blended juices other than noted in the Approved Food List. Calcium fortified allowed **only** if specified on WIC Check.

## **Appendix A: Scenarios for Training Cashiers**

### **Scenario #1: I Know It's Here Somewhere**

Tanya, who's been one of your reliable cashiers for years, looks up to see LaShona in her line. LaShona has been here dozens of times to use WIC Checks for her baby. Today she seems really stressed out. She has a WIC Check with her, but can't seem to find her yellow WIC ID Folder anywhere in her purse. Tanya knows LaShona – their sons play softball together. Tanya also knows that LaShona wouldn't do anything that she shouldn't do. What does Tanya do?

#### **Discussion Questions:**

- Is it necessary to see the WIC ID Folder every time a participant uses a WIC Check? Why or why not?
- Can cashiers decide which participants have to show their folders – for example, people they don't know or people who don't look like they would qualify for the WIC program?
- Can a participant bring the folder later in the day for the cashier/manager to look at?
- Should the cashier call the manager and have the manager call the Local Health Unit to see if they can go ahead and accept the check? Or should the cashier ask to see a driver's license?

### **Scenario #2: The Missing Meat**

Carissa is at the store to pick up her daughter's WIC supplemental foods. She has picked up all of her items – infant vegetables and fruits, infant cereal, infant meats, and juice. When she gets to the register, she is one jar short of the infant meat. A quick check of the shelf shows that she has picked up the last jar. What happens next?

#### **Discussion Questions:**

- Can Carissa come back later to pick up the one jar of infant meat when your shipment comes in and complete the transaction?
- Can Carissa get one more jar of vegetables to substitute for the infant baby meat? Why or why not?
- Can Carissa voluntarily agree to take less than the number of jars listed on her check?
- What should the cashier do at this point?

### **Scenario #3: Problem Pattie**

Today I had another run-in with “Problem” Pattie. She always complains about the type of milk she has to buy and refuses to get the cereal that is listed on her check. Today she brought up whole milk and Sugar Smacks along with the other foods listed on her check. When I told her that she would need to select one of the approved cereals on the food list and one of the milk types on her WIC Check, she started yelling and telling me that the store down the street always lets her get what she wants. She left everything on the belt and stormed out of the store, shouting profanities.

#### **Discussion Questions:**

- Does it really matter what type of milk or cereal a participant selects as long as it is not more expensive than the type indicated on the food list or WIC Check?
- What should a cashier do when a participant doesn't want something listed on their check?
- What should cashiers and managers do when a participant uses abusive language or threatening actions?
- What could happen if a store sells unauthorized items or does not sell all of the items on a WIC Check?

### **Scenario #4: Juice Jumble**

Maria gave her WIC Check to the cashier. One of the items listed on the WIC Check is two (2) units of 11-12 oz frozen or 46-48 oz can/bottle single strength juice. Maria brings to the register one (1) 64 oz bottle of V-8 juice and one (1) 12 oz can of frozen store brand orange juice. Has Maria selected the correct items?

#### **Discussion Questions:**

- Can a participant get one (1) 64 oz container of juice instead of two (2) 46-48 oz containers if the flavor the participant wants is not available in the 46-48 oz container?
- Isn't the participant who chooses two (2) bottles of 46-48 oz single strength juice getting more juice than the participant who selects two (2) 11-12 oz cans of frozen concentrate? Does the cashier need to add up the ounces of the containers to determine if the participant has selected the correct mix of containers?
- Can Maria get calcium fortified orange juice?

**Scenario #5: Got Milk?**

Wanda presents her WIC Check which indicates that she is to purchase two (2) gallons and one (1) quart of low-fat, skim, 1% or 2% milk. The store only has its store brand (which is the least expensive today) in gallons; the store brand is not bottled in quarts. She has picked up a quart container of another brand, which everyone knows is a more expensive brand of milk than the store brand. Larry, the cashier, tells Wanda that she can't get the quart because it is too expensive. He tells her that she can get 4 cans of evaporated milk – it's the same thing.

**Discussion Questions:**

- Are participants required to purchase different size containers of milk – gallon, half-gallon, and quart – of the same brand?
- Can a cashier or manager decide what brand of milk the participant selects?
- Can evaporated milk or powdered milk be substituted for any of the containers of fresh milk on the WIC Check?
- If the store doesn't carry any quarts, are there any substitutions allowed? If yes, what are the restrictions?

**Scenario #6: Shopping with Cash Value Benefits (CVBs)**

Randy is shopping for his two children's WIC approved food items. He's used WIC Checks before, but this is the first time he is using the Cash Value Benefits. Today he has two WIC Checks and two Cash Value Benefits. He brings to the register all of the milk, juice, cereal, bread and eggs that are listed on the WIC Checks as well as some bananas, pre-bagged salad, hash browns, and frozen corn.

**Discussion Questions:**

- Are there any items that Randy is going to have to put back/substitute? Which one(s)?
- How many transactions will the cashier need to process? Which ones?
- What happens if the purchase price of the items Randy wants to purchase with the CVBs is greater than their combined face value?
- Can you combine fresh and frozen fruits and vegetables in the same transaction? What if the pre-bagged salad contains a packet of croutons?

## **Answers to Scenarios**

### **Scenario 1**

1. Yes. The WIC ID Folder is the only identification required and ensures the WIC Check or CVB is being redeemed by the authorized representative or proxy.
2. No. Everyone must present the WIC ID Folder at the time of purchase.
3. No. The WIC ID Folder must be available at the time of the purchase in order to verify the signature. Failure to do so is a violation of Section II, #1, Vendor Participation Agreement.
4. No. Vendors may not ask for any form of ID other than the WIC ID Folder.

### **Scenario 2**

1. No. No rain checks or due bills.
2. No. The participant must purchase only the food types and amounts listed.
3. No. The participant must purchase the full quantity and types of food listed on the check. If the participant wants to adjust their food package, they must do so through the Local Health Unit.
4. The cashier should inform the participant that they do not have the required stock and cannot complete the transaction. The participant will need to go to another vendor or check back with the store later to see if adequate stock has arrived.

### **Scenario 3**

1. Yes, it does matter. Food items are prescribed to address specific nutritional needs of each participant.
2. Inform that participant that the store cannot vary the purchase from what is written on the WIC Check. If the participant wishes to make changes, they must do so at the Local Health Unit.
3. Get as much information as possible – name of person committing abuse, check number, WIC ID number etc. and report it immediately to the regional Food Delivery Liaison.
4. On the first violation, the vendor will receive a warning letter and the second and each subsequent violation, will receive two (2) sanction points.

### **Scenario 4**

1. No. The participant must purchase only the container size(s) indicated on the check.
2. No. The reconstituted amounts in these different containers are the same.
3. Yes, but only if “calcium fortified” is written on the WIC Check.

### **Scenario 5**

1. No. They are required to purchase the type indicated on the check in the least expensive in the container type, which may not be the same brand.
2. No. It just must be the least expensive at the time of purchase for the variety and the type of container.
3. No. Evaporated or powdered milk must be specifically indicated on the WIC Check.
4. Yes. If the store does not carry quarts, they may substitute two (2) pints for one (1) quart, but they must be in one of the varieties listed on the check.

**Scenario 6**

1. Yes. Hash browns. Any form of white potatoes is not allowed.
2. Three (3). Two WIC Check transactions and one (1) CVB transaction.
3. First, he is asked if he would like to put something back or if he would like to pay the excess. If he wants to pay the excess, the cashier asks him what type of tender he wishes to use. The cashier enters the full amount of the face value on each voucher and receives from Randy the amount of the excess, including tax on the excess amount with any of the following: cash, debit card, credit card, check, or SNAP EBT (no tax on SNAP EBT). If the participant pays for the excess, they may receive a receipt for the transaction.
4. Yes. Pre-bagged salad or cut-up fruit are allowable as long as the container has no other ingredients such as dip, croutons, sugar, etc.

## **Appendix B: Post-Training Sample Test**

1. Least expensive brand at time of purchase applies to which of the following types of food? (Circle all that apply)

Juice                  Peanut Butter                  Cheese                  Milk                  Eggs

2. If a WIC food item listed on the Arkansas WIC Approved Food List shows as “not in our system” when scanned, the participant cannot receive the food item.

True                  False

3. The cashier should record the Amount of Sale in blue or black ink on the WIC Check or CVB at time of the transaction before obtaining the participant’s signature.

True                  False

4. The WIC ID Folder (yellow) is not required each time a participant redeems a WIC Check or CVB.

True                  False

5. If your store is out of the least expensive brand gallon/half-gallon/quart of milk, the participant can receive the next least expensive brand of milk.

True                  False

6. If the cashier fails to get the participant’s signature on the WIC Check, the vendor should call the Local Health Unit.

True                  False

7. Abusive WIC participants, authorized representatives, and proxies should be reported to the WIC Program.

True                  False

8. All brands of formula listed on the WIC Check are WIC approved.

True                  False

9. A participant may purchase two (2) 7-8 oz packages of cheese, one Colby and one American, without special issuance instructions noted on the WIC Check.

True                  False

10. Four (4) half-gallon containers of milk can be given to the participant if the vendor is out of gallon containers even though the WIC check indicates two (2) gallons.

True                  False

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11. A pre-packaged container of cut-up fruit (with no dip or sugar added) is an allowable Cash Value Benefit purchase.

True            False

12. You may ask a WIC participant to go to a different register so a manager can help them with their purchase.

True            False

13. It is OK to substitute the formula written on the check, if the store is out, with another WIC approved formula that is available.

True            False

14. If a check has the participant's signature missing from the signature line on the front, lower right-hand corner of the check but is signed on the back, you can send it to the WIC State Office for processing.

True            False

15. If frozen concentrate, non-frozen pourable concentrate, and single strength juice are listed on the same line on the WIC Check, the participant may choose any combination of container types if receiving 2 or more units.

True            False

16. The vendor has 90 days from the Date of the Transaction to submit a check for payment or review.

True            False

17. If a participant wishes to purchase \$7.59 worth of vegetables with a \$6.00 Cash Value Benefit, they can, but they must pay the difference in cash.

True            False

18. A participant can now combine several WIC Checks in a single transaction as long as the checks are for individuals all living in the same household.

True            False

19. Vendors are not required to put their vendor stamp on Cash Value Benefit checks.

True            False

**Post-Training Sample Test Answers**

- |                              |           |
|------------------------------|-----------|
| 1. juice, cheese, milk, eggs | 11. True  |
| 2. False                     | 12. False |
| 3. True                      | 13. False |
| 4. False                     | 14. False |
| 5. True                      | 15. True  |
| 6. False                     | 16. False |
| 7. True                      | 17. False |
| 8. True                      | 18. False |
| 9. True                      | 19. False |
| 10. False                    |           |

## **Appendix C: Arkansas WIC Program Contact Information**

### **State Office**

Telephone: (501) 661-2508; fax (501) 661-2004  
Address: 5800 W. 10<sup>th</sup> Street, Suite 810, Little Rock, AR 72204  
Website: [www.healthyarkansas.com/wic](http://www.healthyarkansas.com/wic)

Pamela Woodard George, Manager, Food Delivery Section

[pamela.woodardgeorge@arkansas.gov](mailto:pamela.woodardgeorge@arkansas.gov)

**Contact for:** policy, vendor agreements, waivers, compliance with cost containment, administrative reviews, new vendor applications and authorizations

Albert (AJ) Brown, Health Program Specialist

[albert.brown@arkansas.gov](mailto:albert.brown@arkansas.gov)

**Contact for:** financial information, vendor payment/review/questions, banking/WIC Check and CVB issues, vendor EBT readiness

Doris Allen, Health Program Specialist

[doris.allen@arkansas.gov](mailto:doris.allen@arkansas.gov)

**Contact for:** vendor education, compliance, violations /sanctions, minimum stock information, WIC approved foods, vendor monitoring, vendor training materials

Sheba Anderson, Health Program Specialist

[sheba.anderson@arkansas.gov](mailto:sheba.anderson@arkansas.gov)

**Contact for:** shelf price survey, peer group management, claims/invoices, complaint resolution, vendor EBT readiness

Angie Mack, Administrative Assistant

[angelia.paynemack@arkansas.gov](mailto:angelia.paynemack@arkansas.gov)

**Contact for:** address and e-mail changes, mailings, WIC Flash distribution, vendor advisory committee, vendor supplies (food lists, shelf tags, replacement stamps/ink pads, etc.)

**Regional Staff**

**Contact your regional staff person for:** general questions and support, monitoring and educational visits, vendor training, shelf talkers/signs/food lists, minimum stock review, complaint resolution

*Northeast Region*

Linda Reeves, Food Delivery Liaison

E-Mail: [linda.reeves@arkansas.gov](mailto:linda.reeves@arkansas.gov)

Telephone: (501) 944-0789 cell; (870) 368-7790 office; fax (870) 368-7060

Address: 149 Haley Street, Melbourne, AR 72556

*North Central Region*

Vacant

*Northwest Region*

Brenda Davis, Food Delivery Liaison

E-Mail: [brenda.davis@arkansas.gov](mailto:brenda.davis@arkansas.gov)

Telephone: (479) 422-2041 cell; (479) 444-7700/ ext. 213; fax (479) 444-7189

Address: 27 West Township, Fayetteville, AR 72703

*Southwest Region*

Lori Arnette, Food Delivery Liaison

E-Mail: [lori.arnette@arkansas.gov](mailto:lori.arnette@arkansas.gov)

Telephone: (501) 944-0835 cell; (870) 887-2004 office; fax (870) 887-6407

Address: 1501 West First North, Prescott, AR 71857

*Southeast Region*

Christine Watts, Food Delivery Liaison

E-Mail: [paula.watts@arkansas.gov](mailto:paula.watts@arkansas.gov)

Telephone: (501) 944-0219 cell; (870) 734-1461 office; fax (870) 734-1466

Address: 306 West King Dr., Brinkley, AR 72021

*Central Region*

Vacant

Address: 5800 W. 10<sup>th</sup> Street, Slot #59, Little Rock, AR 72204

**Appendix D: Arkansas WIC Approved Food List – Herbs Not Allowed for Purchase with the Cash Value Benefit (CVB)**

These herbs are NOT Arkansas WIC approved for the CVB purchases:

Anise  
Basil  
Bay leaves  
Caraway  
Chervil  
Chives  
Cilantro  
Dill  
Epazote  
Fenugreek  
Ginger  
Hierbauena  
Horseradish  
Lemon grass  
Marjoram  
Mint  
Oregano  
Parsley  
Rosemary  
Sage  
Savory  
Tarragon  
Thyme  
Vanilla bean

**Appendix E: Arkansas WIC Approved Food List (valid until 10/1/14)**

Go to the following web page to download the current WIC Approved Food List (in English and Spanish)

<http://www.healthy.arkansas.gov/programsServices/WIC/Pages/VendorManagement.aspx>