IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

Food delivery/food instrument (FI)/cash-value voucher(CVV) accountability and control involves the production, issuance, redemption, and monitoring of automated and manual food instruments, and cash-value vouchers, through retail systems and the delivery of WIC Program foods by non-retail methods i.e., home delivery and direct distribution.

(Retail)

A. ***Food Delivery and Food Instrument Control Overview - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi), and (a)(14)(xii):*** describe the policies and procedures used in producing, monitoring and accounting for the production of food instruments and cash-value vouchers.

B. ***Food Instrument Pick-up and Transaction - 246.4(a)(11)(iii) and (a)(14)(vi):*** describe the State agency's procedures for issuing food instruments an cash-value vouchers to participants, including procedures for verification, prorating food packages, training and proxy policies.

C. ***Food Instrument Redemption and Disposition - 246.4(a)(14)(vi):*** describe the procedures used to reconcile food instruments and cash-value vouchers as either issued or voided, and as either redeemed or unredeemed, and redeemed food instruments and cash-value vouchers as either validly issued, lost or stolen, expired, duplicate, or not matching issuance records.

D. ***Manual Food Instruments and Cash-Value Vouchers - 246.4(a)(6), (a)(11)(iii), (a)(14)(i), (a)(14)(vi) and (a)(14)(ix):*** describe the procedures for issuing and accounting for manual food instruments and cash-value vouchers, including the procedures for documentation and disposition.

E. ***Special Food Instrument and Cash-value voucher Issuance Accommodations - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi), and (a)(21):*** describe alternatives to participant food instrument and cash-value voucher pick-up for issuance (e.g., mail or electronic issuance) and how integrity of program services and fiscal accountability are ensured.

F. ***Vendor Cost Containment System Certification – 246.12(g)(4)(vi):*** describe the competitive pricing and reimbursement methods that the State agency will implement to ensure that average payments per food instrument to above-50-percent vendors do not exceed average payments per food instrument to comparable regular vendors.

(Non-Retail)

G. ***Home Food Delivery Systems - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi), (a)(14)(vii) and (a)(14)(xii):*** describe how the State agency's home delivery system operates including the types of authorized home food delivery contractors, the frequency of deliveries, and the procedures for documenting deliveries.

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

H. Direct Distribution Food Delivery Systems - 246.4(a)(11)(iii), (a)(14)(i), and (a)(14)(vi), (a)(14)(vii), and (a)(14)(xii): describe the methodology and procedures used in the direct distribution of supplemental foods, including types of foods distributed, warehouse and distribution centers, and the verification process.

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

A. Food Delivery and Food Instrument/Cash-Value Voucher Control Overview

1. Food Instruments/Cash-Value Vouchers General

a. The State agency uses the following types of food instruments and cash-value vouchers (check all that apply):

X Automated - point of certification
☐ Manual - individual prescription
☐ Pre-printed manual - standard prescription
☐ Automated -central generation
☐ EBT
☐ Other (specify):

b. The State agency conducts food instrument and cash-value voucher inventories: (Place an S=[State agency] or L=[Local agency] under the appropriate column to designate primary responsibility):

	Automated	**Manual**
	Daily	Daily
	Weekly	Weekly
	Monthly	Monthly
	Yearly	Yearly
X	Other (specify): State agency sends blank stock on request; keeps copy and sends return receipt to LHU. LHU is required to keep blank check stock secure.	
		Other (specify):

c. The automated food instrument and cash-value voucher contains/allows for the following information (check all that apply):

☐ Not applicable
X☐ Participant WIC ID number
X☐ Countersignature for participant/proxy
☐ Local agency identifier
X Vendor/farmer endorsement

Provide a facsimile or FI and CVV in Appendix or cite Procedure Manual
Food Delivery Appendix I Sample WIC Check and CVB

d. The State **agency provides a toll-free number on the food instrument and cash-value voucher for participant/vendor/farmer inquiries:**

☐ Food Instrument ☐ Cash-value voucher X Neither

ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):

2. Food Instrument/Cash-Value Voucher Accountability

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

A. Food Delivery and FI/CVV Control Overview

a. Food instruments/Cash-Value Vouchers are delivered to local agencies by:

- ☐ State agency staff
- ☐ US Postal Service
- ☐ Contracted service (i.e., UPS, Purolator, etc.)
- ☐ Other (specify):
- ☐ Local agency staff
- X☐ On-demand printing

b. Food instruments and cash-value vouchers (blank stock and preprinted ready for issuance) are delivered to the local agency (check all that apply):

Blank
- ☐ Not applicable
- ☐ Weekly
- ☐ Twice a month
- ☐ Once a month
- ☐ Once every two months
- X Other (specify): As Requested

Preprinted
- ☐ Not applicable
- ☐ Weekly
- ☐ Twice a month
- ☐ Once a month
- ☐ Once every two months
- ☐ Other (specify):

c. The State agency uses the following procedures to ensure that local agency staff are not fraudulently using unclaimed food instruments or cash-value vouchers (check all that apply):

- ☐ Signatures on the documentation of receipt are compared for similarities in writing style implying one person signed for multiple participants
- ☐ Local agencies conduct an initial review to void food instruments or cash-value vouchers for participants known to have been terminated from the Program
- ☐ Inventories of food instruments/cash-value vouchers are not conducted by the same local agency staff responsible for issuing/voiding food instruments/cash-value vouchers
- X Other (specify): No unclaimed, printed on demand

ADDITIONAL DETAIL: Vendor Farmer Appendix I Internal Food Delivery Management

3. The State agency has established food delivery procedures in cases of natural disaster and emergencies for the following (check all that apply):

- ☐ Manual Issuance
- X☐ Mailing
- ☐ Direct distribution
- ☐ Automated issuance
- ☐ Home food delivery
- X Other (specify): Specific actions determined by disaster

ADDITIONAL DETAIL: Food Delivery Appendix
and/or Procedure Manual (citation): Arkansas WIC Program Policy Manual p.6

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

B. Food Instrument/Cash-Value Voucher Pick-up

1. Food Instrument/Cash-Value Voucher Pick-Up Policy and Procedures

a. Food instruments/cash-value vouchers are issued by (check all that apply):

	All Locals	Most Locals	Some Locals
Local agency director	☐	☐	☐
Local agency nutritionist	X	☐	☐
Local agency paraprofessional	☐	☐	☐
Clerical staff	X	☐	☐
Other (specify): RNs, LPNs, Home Economists	X	☐	☐

b. The State agency utilizes a participant identification card:

X Yes ☐ Yes, with photo ☐ No

If yes, issuance is controlled numerically and each card is accounted for:

☐ Yes X No

c. The State agency requires the following proof of receipt when issuing automated food instruments/cash-value vouchers:

☐ Participant/parent/caretaker/proxy signature block on register confirming receipt
☐ Carbon copy of food instrument/cash-value voucher
☐ Local agency staff initials
☐ Date of food instrument/cash-value voucher pick-up
☐ Stub with participant signature or initials
X Other (specify): Automated signature pads; MIS records date of issuance

d. The State agency has a policy to prorate food packages for the following:

X Late FI/CVV pick-up
☐ Mid-month certification
☐ Certification due to expire within 30 days
☐ Other (specify):

e. The State agency requires local agency staff to provide each new participant/parent/caretaker/proxy with training in (check all that apply):

X☐ Authorized vendors/farmers
X☐ FI transaction procedures
X☐ Use of proxy
☐ Other (specify):
X☐ Selecting WIC-approved foods
X☐ Signature on FI's/CVV's
X☐ Reporting problems/requesting assistance

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

B. Food Instrument/Cash-Value Voucher Pick-up

f. The State agency requires local agency staff to provide participants with a list of authorized vendors/farmers:

X Yes ☐ No

g. The State agency permits a participant to transact food instruments and cash-value vouchers with any authorized vendor or farmer in the State:

X Yes ☐ No

If "no," the State agency will eliminate its vendor-specific system on (date):

ADDITIONAL DETAIL: Food Delivery Appendix
and/or Procedure Manual (citation): AR WIC Policy Manual p 53 (pro-rating) p 28 (proxy) p 66-73 (issuance and redemption) form MCH: WIC-14 ID Folder

2. The State agency's proxy policy includes the following:

☐ Limits the number of participants a single proxy may sign for, except that a proxy may pick up FI's/CVV's for all homeless WIC participants in a facility
☐ Limits proxy to a specified number of FI/CVV pick-ups
☐ Limits proxy to a minimum age
☐ Limits proxy assignment to local WIC staff
X Other (specify): Allows two proxies per household; one proxy cannot be a proxy for more than two households

ADDITIONAL DETAIL: Food Delivery Appendix
and/or Procedure Manual (citation): Arkansas WIC Policy Manual p. 28

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

C. Food Instrument/Cash-Value Voucher Redemption/Disposition

1. Food Instrument/Cash-Value Disposition Procedures

a. The State agency system assures 100% disposition of all issued FI's and CVV's

X Yes ☐ No

If no, specify the circumstances that prevent 100% disposition:

b. The State agency monitors each local agency's:

☐ Number of manual FI's/CVV's utilized
☐ Number of unclaimed FI's/CVV's
X☐ Number of voided FI's/CVV's
X☐ Number of redeemed FI's/CVV's with no issuance record

c. Local agencies are supplied with a report on the final disposition of its FI's/CVV's:

☐ Yes (specify period): X☐ No

ADDITIONAL DETAIL: Vendor Farmer Appendix I Internal Food Delivery Management Policy

2. Unclaimed, Voided, Prorated FI's/CVV's

a. The State agency requires local agencies to return "unclaimed/not picked up" FI's/CVV's:

X Not applicable ☐ Daily ☐ Weekly ☐ Monthly
☐ Other (specify):

b. The State agency requires local agencies to return "voided" FI's/CVV's:

☐ Not applicable ☐ Daily ☐ Weekly ☐ Monthly
X Other (specify): LHUs required to keep in LHU in order by "first date to use'

Procedure Manual (citation): Food Delivery Appendix II Void WIC Checks

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

C. Food Instrument/Cash-Value Voucher Redemption/Disposition

3. Lost/Stolen Food Instruments/Cash-Value Vouchers

a. The State agency requires local agencies to report lost/stolen FI's/CVV's to (check all that apply):

X State agency
☐ State agency's banking institution
☐ Police department
☐ Other (specify):

b. Replacement/duplicate FI's/CVV's are issued when FI's/CVV's are reported <u>lost</u>:

X No
☐ Depends on the circumstances
☐ Yes (If FI's/CVV's are reissued, it is done):
- ☐ Immediately
- ☐ Following notification of State agency/bank agency
- ☐ After day waiting period (specify number of days)

c. Replacement/duplicate FI's/CVV's are issued when they are reported <u>stolen</u>:

☐ No
X Depends on the circumstances
☐ Yes (If FI's/CVV's are reissued, it is done):
- ☐ Immediately
- ☐ Following notification of State agency/bank agency
- ☐ After _____ day waiting period (specify # days)

d. The State agency or its banking institution takes the following action after it is notified by the local agency of lost/stolen FI's/CVV's (check all that apply):

☐ Stops payment on the lost/stolen FI's/CVV's
☐ Notifies vendor or farmer
X Other (specify): State agency maintains list of reported stolen checks and monitors redemption

Please provide a copy/citation for State agency's policy procedures that ensure that lost/stolen FI's/CVV's cannot be redeemed. Arkansas WIC Policy Manual p 67

e. The local agency documents in the participant's file that replacement FI's/CVV's were issued:

X Yes ☐ **No**

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

C. Food Instrument/Cash-Value Voucher Redemption/Disposition

f. The State agency monitors the level of reported lost/stolen FI's/CVV's by local agency:

☐ Yes X No

g. If it is established that lost/stolen FI's/CVV's are transacted by the participant who reported them lost/stolen, the following actions are taken:

X A claim for cash repayment is issued to participant
X Participant is disqualified
Participant receives a warning
Other (specify):

h. If lost/stolen FI's/CVV's are transacted by someone other than the participant, the following actions are taken:

☐ Reported to police for investigation
X State agency or local agency does an investigation
☐ Other (specify):

ADDITIONAL DETAIL: Food Delivery Appendix
and/or Procedure Manual (citation): Arkansas WIC Policy Manual 93

4. FI's/CVV's Redemption Screening (7 CFR 246.12(k)(1))

a. Describe <u>in detail</u> how the State agency sets maximum allowable reimbursement levels for use in screening food instruments for payment (including whether the State agency uses vendors' shelf prices to set maximum reimbursement levels and how reimbursement levels are linked to competitive price criteria). If the State agency sets maximum allowable amounts differently for above-50-percent vendors and regular vendors, please explain the different methods used.

Vendor Farmer Appendix I Internal Food Delivery Management Policy
Section I #12

(1) The State agency establishes maximum allowable reimbursement levels for:

(a) Each peer group	**Yes X**	**No ☐**
(b) Each food instrument or food category	**Yes X**	**No ☐**
(c) Other (please specify)	**Yes ☐**	**No ☐**

(2) The State agency establishes maximum allowable reimbursement using:

(a) Standard deviations	**Yes ☐**	**No ☐**
(b) A percentage above the average	**Yes X**	**No ☐**

redemption amount
If yes, specify the percentage and explain how the State agency determined that this percentage is appropriate. 12% The state determined that the competitive price selection criteria included a 10% increase over the peer group average to allow individual stores the ability to qualify for the program and still be competitive in their market area. The NTE includes a 2% buffer to address emergency shelf price increases, bring the total to 112%.

(c) Other (please specify) **Yes** ☐ **No** ☐

(3) The allowable reimbursement levels include a factor to reflect:

☐ Yes	☐ No	Wholesale price fluctuations
☐ Yes	☐ No	Inflation
X Yes	☐ No	Other (please specify: Rolling 3 month average

b. The State agency screens FI's/CVV's through a pre-edit (before payment) or post-edit (after payment) process to detect the following:

Not Applicable	Pre-Edit Screen	Post-Edit Screen	
☐	X☐	☐	Purchase price exceeds price limitations (FI only)
☐	X☐	☐	Purchase price missing
☐	X☐	☐	Altered purchase price
☐	X☐	☐	Vendor/farmer identification missing
☐	X☐	☐	Invalid/counterfeit vendor/farmer identification
☐	X☐	☐	Transacted before specified period
☐	X☐	☐	Transacted after specified period
☐	X☐	☐	Redeemed after specified period
☐	X☐	☐	Altered dates
☐	X☐	☐	Missing signature
☐	☐	☐	Mismatched signature
☐	☐	☐	Altered signature
☐	X☐	☐	Other (specify): Illegible vendor ID

c. When the payment amount on a food instrument exceeds the maximum allowable reimbursement amount, what action does the State agency take?

X☐ Reimburses the vendor for amounts up to the maximum allowable amount
☐ Rejects the food instrument, but allow the vendor to resubmit
☐ Rejects the food instrument without allowing the vendor to resubmit

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

C. Food Instrument/Cash-Value Voucher Redemption/Disposition

☐ **Other (*please specify*)**

d. Where pre-edit screens are used, the proportion of FI's/CVV's reviewed include:

X☐ All FI's/CVV's ☐ Percentage of FI's/CVV's (%)
☐ Other:

e. The edit system(s) that screens for price limitations and vendor overcharges rejects food instruments based on:

Pre-edit	**Post-edit**	
X☐	☐	Not To Exceed or Maximum Prices
☐	☐	Percentage above average (%)
☐	☐	Amount above average ($)
☐	☐	Other (specify):

f. The following actions are used to control against unauthorized stores redeeming FI's/CVV's:

X☐ Recover vendor/farmer stamp when vendor/farmer is no longer authorized
☐ Conduct compliance buy to verify if unauthorized store redeems FI's/CVV's
X☐ State agency or its banking institution checks vendor/farmer ID numbers on food instruments submitted for redemption against the authorized vendor/farmer list before paying vendors or farmers for FI's/CVV's submitted for redemption
☐ Inform all participants who might use the unauthorized store
☐ Other (specify):

ADDITIONAL DETAIL: Vendor Farmer Appendix I Internal Food Delivery Management Policy Section XIV

5. Price Lists

a. Price list information is routinely collected from vendors:

X☐ Yes ☐ No (Proceed to item #6)

b. Price list data are collected:

☐ Monthly
X☐ Quarterly
☐ Semiannually
☐ Other (specify):

c. Price data are collected by:

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

C. Food Instrument/Cash-Value Voucher Redemption/Disposition

☐ State agency staff
☐ Local agency staff
X☐ Reports are submitted by vendors
☐ Other (specify):

d. The data collected has food prices for (check all that apply):

X☐ All brands and sizes of supplemental foods
☐ Highest price supplemental food items within food categories
X☐ All authorized vendors
☐ A sample of authorized vendors (please describe the sampling method used)
☐ Other (specify):

e. The X☐ State agency/ ☐ local agency verifies price data provided by vendors:

X☐ During routine monitoring visits
☐ Does not verify on a routine basis
☐ If the vendor is identified as a high-risk vendor
☐ Other (explain):

f. The X ☐ State agency/☐ local agency analyzes price data:

☐ Manually on a routine or as needed basis
X☐ On an ADP system and uses it to:
- X☐ Generate estimated food instrument values
- ☐ Help inform WIC staff on vendor selection decisions
- X☐ Develop vendor peer groups
- X☐ Flag individual food instruments that appear to be overcharges
- ☐ Other (specify):

6. System to Detect Suspected Overcharges

a. Does the State agency screen for suspected overcharges:

X☐ Yes, vendor claims are issued for overcharges.
☐ No, the State agency makes price adjustments to food instruments submitted for redemption at amounts above edit limits
☐ No
☐ Other (specify):

b. The following best describes how the vendor is billed for overcharges:

☐ Based on the vendor's reported prices
X☐ Based on redemption values of other vendors in the vendor's peer group

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

C. Food Instrument/Cash-Value Voucher Redemption/Disposition

☐ Based on redemption values of all vendors
☐ Other (specify):

c. To receive payment or appeal a claim for a vendor overcharge, the vendor must:

☐ Provide an updated price list
☐ Provide written justification for the higher prices
X☐ Provide receipts
☐ Other (specify):

d. The following actions are taken when a vendor has chronic overcharging problems:

☐ Routine monitoring or remedial vendor training is conducted
☐ Vendor is designated as high-risk and scheduled for compliance investigation
☐ Vendor is provided with a written warning of potential sanction for overcharging
☐ Vendor is terminated for cause
☐ Vendor is sanctioned
X☐ Other (specify): One opportunity to lower shelf price

ADDITIONAL DETAIL: Vendor Farmer Appendix I Internal Food Delivery Management Policy Section XIV; Vendor Farmer Appendix II Vendor Agreement and Handbook Section I #8; Section III #4, 15

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

D. Manual Food Instruments/Cash-Value Vouchers

X DOES NOT APPLY (PROCEED TO NEXT SECTION)

1. Manual FI's/CVV's Policy

a. Manual FI's/CVV's **are utilized for the following reasons:**

- ☐ New participants
- ☐ Automated FI's/CVV's not available
- ☐ Mutilated automated FI's/CVV's
- ☐ Wrong food package on automated FI
- ☐ Wrong dollar amount on automated CVV
- ☐ Provide for the special needs of the homeless
- ☐ Food package tailoring
- ☐ Routine monitoring visits (i.e., educational buys) of vendors/farmers
- ☐ Compliance buys of vendors/farmers
- ☐ Special conditions, e.g., disasters
- ☐ Other (specify):

b. The State agency requires the following for completing the manual FI/CVV register:

- ☐ Participant/proxy signature
- ☐ Local agency staff initials
- ☐ Date of FI/VCC pick-up
- ☐ other (specify):

c. Manual FI's/VCC's have a "Not to Exceed Value" of:

- ☐ Same dollar amount for all manual food instruments $
- ☐ Variable dollar amount depending on type of prescription on manual FI
- ☐ Variable dollar amount depending on participant category on manual CVV
- ☐ No limit
- ☐ Other (specify):

ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):

2. Manual FI/CVV Documentation and Disposition

a. A report containing the serial numbers of manual FI's/CVV's issued by local agencies is sent to the State agency:

- ☐ Not applicable
- ☐ Weekly
- ☐ Monthly
- ☐ Other (specify):

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

D. Manual Food Instruments/Cash-Value Vouchers

b. Local agencies are required to provide documentation to substantiate a valid or invalid certification record for manual FI's/CVV's issued and redeemed but for which no participant record currently exists by utilizing:

☐ Turnaround documents to establish valid certification records
☐ Telephone calls to the State/local agency on irregularities
☐ Other (specify):

c. If the manual FI/CVV inventories do not achieve 100% reconciliation of all issued and unissued FI's/CVV's, the local agency (check all that apply):

☐ Reports the FI/CVV serial numbers to the State agency
☐ Provides the FI/CVV serial numbers to local vendors/farmers
☐ Other (specify):

(Provide a copy/citation of the State agency's prescribed procedures if the manual FI/CVV inventory cannot be reconciled).

ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

E. Special FI/CVV Issuance Accommodations

1. Alternative FI/CVV Issuance

a. The State agency has implemented the following FI/CVV issuance policy (check all that apply):

X☐ All participants are required to pick up FI's/CVV's at the clinic or local agency, except in unusual circumstances
X☐ Participants/proxies are required to show identification at FI/CVV pick up
☐ FI/CVV are routinely mailed to participants except (1) when the participant is scheduled for nutrition education or a certification appointment and (2) in areas where Food Stamps are not mailed, as these areas are known to have experienced high mail issuance losses
☐ Benefits are provided electronically to a location such as a grocery store under certain conditions; thus participants may not always pick up FI's/CVV's at the clinic
☐ Other (specify):

2. Mailing Policy/Procedures

a. When FI's/CVV's are mailed to participants, State agency provides local agencies with guidelines/procedures for mailing FI's/CVV's to individual participants:

X☐ Yes ☐ No

b. Policy requires participants to pick up FI's/CVV's whenever certification appointment is due or nutrition education is scheduled:

X☐ Yes ☐ No

c. The State agency has implemented the following policy regarding mailing FI's/CVV's (check all that apply):

X☐ FI's/CVV's are sent first class mail *(first class is considered ***regular*** mail)
☐ FI's/CVV's are sent registered mail
☐ FI's/CVV's are sent certified mail
☐ FI's/CVV's are sent restricted mail
☐ Return receipt is requested on FI's/CVV's sent certified mail
X☐ Envelope specifies, "Do not forward, return to sender" or "Do not forward, address correction requested"
☐ Other (specify):

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

E. Special FI/CVV Issuance Accommodations

d. The State agency approves mailing FI's/CVV's under the following conditions (check all that apply):

	State-Wide	LA with SA Approval	Case by Case
Participant hardship	X☐	☐	☐
Travel-related issues	X☐	☐	☐
Better clinic management	☐	☐	☐
Participant safety	☐	☐	☐
Participant convenience	☐	☐	☐
Cost effectiveness	☐	☐	☐
Other	☐	☐	☐

(if other, specify):work hours conflict; family emergencies, disability, hazardous weather conditions; problems with MIS (limited)

e. When mailing FI's/CVV's, documentation of FI/CVV issuance is:

☐ Signed by the participant at the following FI/CVV pick-up/visit
X☐ Noted "mailed" and initialed/dated by local agency staff
☐ Signed and dated by local agency staff after return receipt is received
☐ Other (specify):

ADDITIONAL DETAIL: Food Delivery Appendix
and/or Procedure Manual (citation) Arkansas WIC Policy Manual p. 70-71

3. Participants who receive FI's/CVV's by mail are sent:

X☐ One month of FI's/CVV's
☐ Two months of FI's/CVV's
☐ Three months of FI's/CVV's
☐ Other (specify):

ADDITIONAL DETAIL:
and/or Procedure Manual (citation): Arkansas WIC Policy Manual p. 70-71

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

F. Vendor Cost Containment Certification

If the State agency has authorized or plans to authorize any above-50% vendors, FNS must certify the vendor cost containment system. A State agency that has not yet received FNS certification must submit a request for certification that contains the following information.

☐ **DOES NOT APPLY (PROCEED TO SECTION G)**

1. Calculation of new competitive price levels

Describe how the State agency derived or will derive new competitive price levels for regular vendors, which exclude the prices of above-50-percent vendors. Vendor Farmer Appendix I Internal Food Delivery Policy Management Policy Section I #11

2. Allowable reimbursement levels for regular vendors and above-50-percent vendors Vendor Farmer Appendix I Internal Food Delivery Policy Management Policy Section I #12

a. Explain how the State agency will ensure that average payments to above-50-percent vendors do not exceed average payments to comparable regular vendors. Vendor Farmer Appendix I Internal Food Delivery Policy Management Policy Section I #11 D 2-3; # 11 E

b. The State agency plans to exempt above-50-percent vendors from the competitive price criteria and allowable reimbursement levels.

☐ Yes X No

If yes, how many vendors will be exempted? _____

Are these vendors needed to ensure participant access to supplemental foods?

☐ Yes X No

c. The State agency applies peer-group-specific maximum allowable reimbursement levels to food instruments during the food instrument redemption process.

X Yes ☐ No

If yes, describe the procedure or process used: See Vendor Farmer Appendix I Internal Food Delivery Management Policy

3. Describe the State agency's methodology for grouping above-50-percent vendors in its peer group system (i.e., separately or in peer groups with regular vendors) and the criteria the State agency uses to identify comparable vendors for each group of

above-50-percent vendors. Above 50% vendors are assigned to one peer group (peer Group 14)

4. The State agency plans to exempt *non-profit* above-50-percent vendors from competitive price criteria and allowable reimbursement levels.

☐ Yes X No

If yes, provide the following information **in detail**:

a. The reason the State agency has decided to exempt such vendors (i.e., the benefits to the program) and the number of non-profit vendors to be exempted;

b. The reason the non-profit above-50-percent vendors are needed to ensure participant access to supplemental foods;

c. How the prices of the non-profit vendors compare to those of other vendors in their geographic area that are subject to competitive price criteria and allowable reimbursement levels; and

d. How the State agency will establish the level of reimbursement for the non-profit above-50-percent vendors that it has exempted.

5. The State agency has fully implemented the competitive price criteria and allowable reimbursement methodologies described in items 1 and 2 above.

X☐ Yes ☐ No

If the State agency has not fully implemented the revised competitive price and allowable reimbursement methodologies, describe the current status of this effort and include the timetable for achieving full implementation.

6. The State agency plans to exempt *pharmacy* vendors from competitive price criteria and allowable reimbursement levels.

☐ Yes X☐ No

If yes, the State agency has confirmed that these pharmacies provide **only** exempt infant formula and/or WIC-eligible medical foods to program participants.

☐ Yes ☐ No

7. Complete the three tables on the following pages to demonstrate that the State agency's methodologies for establishing and implementing competitive price criteria and allowable

reimbursement levels will ensure that average payments per food instrument or food item to above-50% vendors will not exceed average payments to regular vendors.

8. **Attach a copy of the report(s) that the State agency will use to monitor average payments per food instrument to above-50% vendors and regular vendors. If the State agency does not have such a report, describe the State agency's plans to develop and implement a report(s) for monitoring purposes, including the report contents or fields.** The Arkansas MIS (SPIRIT) has the ability to generate reports reflecting the average payment per food instrument. Arkansas does not currently have any above 50% vendors authorized.

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL
F. Vendor Cost Containment Certification

Table 1. Data for WIC Vendor Cost Containment Certification – Overview

Please provide the following information on the regular vendors and the above-50-percent vendors authorized by the State agency as of June 30th. If data are not available through June 30th, the State agency should enter data for the period for which data are available, replacing "June" with the month to which the data are applicable.

1. How many authorized regular vendors did the State agency have as of June 30th?	**1. 417**
2. For all of these regular vendors combined, what was the total amount of WIC redemptions paid in June 30?	**2. $5,695,792.20**
3. How many above-50-percent vendors did the State agency have as of June 30th?	**3. 0**
a. Non-pharmacy above-50-percent vendors ▪ **Number of *WIC-only* stores** ▪ **Number of other types of above-50-percent vendors (excluding pharmacies)** **b. Above-50-percent pharmacy vendors** **c. Total above-50-percent vendors (sum of a and b)**	**a. N/A** ▪ ▪ **b.** **c.**
4. What was the total amount of redemptions paid to these above-50-percent vendors in June? **a. Non-pharmacy above-50-percent vendors** **b. Above-50-percent pharmacy vendors** **c. Total above-50-percent vendors**	**4. N/A** **a.** **b.** **c.**
5. How many peer groups of above-50-percent vendors (either separate peer groups or groups with regular vendors) has the State agency identified?	**5. 1**
6. How many above-50-percent vendors and regular vendors has the State agency authorized that do not meet competitive price criteria, but are needed to ensure participant access to supplemental foods?	**6. above 50% __0_** **regular vendors__0_**

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

F. Vendor Cost Containment Certification

(Note: If the State agency has completed the peer group table in the Vendor Management section of this Guidance, skip the following table.)

Table 2: Data for WIC Vendor Cost Containment Certification – Peer Group Structure

Please describe all vendor peer groups and identify the regular vendors that are comparable to each group of above-50-percent vendors. The information provided should refer to the peer group system as structured to comply with the new vendor cost containment requirements.

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

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL
F. Vendor Cost Containment Certification

Table 3: Data for WIC Vendor Cost Containment Certification – Average Payments to Vendors

Using the format below, provide the latest available redemption data for the ten (10) most frequently redeemed food instrument types. Then indicate how these amounts have changed or will change with the implementation of the revised competitive price criteria and allowable reimbursement amounts. Prepare a separate table for each group of above-50-percent vendors identified in Table 2.

Chart for: Above-50-Percent Vendors in Peer Group No._____

Food Instrument Type/Number and Description (1)	Number of Food Instruments Redeemed (2)	Average Redemption Price and Standard Deviation Per Food Instrument for (Insert Month & Year)				Difference in Average Redemption Prices Between Above-50% Vendors and Comparable Regular Vendors (5)	Average Redemption Price Per Food Instrument for (Insert Month &Year)	
		Above-50% Vendors (3)		Comparable Regular Vendors (4)			Above-50% Vendors (6)	Comparable Regular Vendors (7)
		Price	Std. Dev.	Price	Std. Dev.			
N/A								

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

F. Vendor Cost Containment Certification

***Instructions*:**

Begin by identifying the above-50-percent vendors to which the data in the chart refer. Insert the peer group number for the above-50-percent vendors and write it on the line at the top of the chart. All data in the chart should pertain only to the above-50-percent vendors in the peer group and the comparable regular vendors. Complete a separate table for each group of above-50-percent vendors and comparable regular vendors identified in the table 2.

Column 1 – Insert the food instrument (FI) type or number and list the foods included on the FI. Include no more than two infant formula food instrument types, but complete the chart using the next most frequently redeemed food instrument types.

Column 2 – For each type of FI identified in column 1, insert the number of food instruments redeemed (paid) in June (the calendar month). If the State agency implemented competitive price criteria and allowable reimbursement levels that comply with the new vendor cost containment requirements before June, then select the calendar month before the State agency applied the new competitive price criteria and allowable reimbursement levels.

Columns 3 & 4 – Insert the average food instrument redemption amount and the standard deviation for the above-50-percent vendors and for the regular vendors that the State agency has identified in Table 2 as comparable vendors. As an alternative to providing average payments to comparable regular vendors, the State agency may enter average payments to all regular vendors. If the State agency provides data for all regular vendors rather than average payment to comparable vendors, indicate this on the table or in the accompanying narrative.

Column 5 – Subtract the amount in column 4 from the amount in column 3 and enter the difference here. If the amount in column 3 is less than that in column 4, enter the difference as a negative dollar amount.

Column 6 – Insert the average food instrument redemption amount for above-50-percent vendors *after* the State agency has applied the revised competitive price criteria and allowable reimbursement levels. If the State agency has implemented new competitive price criteria and allowable reimbursement levels before submitting its request for certification to FNS, then the data in column 6 should be actual redemption data for the above-50-percent vendors and comparable regular vendors. Insert the calendar month(s) to which the data pertain. If the State agency does not have actual redemption data, then the State agency must estimate the new average redemption amounts.

Column 7 – Insert the average redemption amounts for the corresponding group of comparable vendors. If the State agency has not yet implemented its revised methodologies, insert the target date to which the estimated average redemption amounts would apply. In the narrative that accompanies this data, discuss in detail the rationale for the State agency's estimated average redemption amounts in columns 6 and 7. The average redemption amount for above-50-percent vendors may not exceed the average redemption amount for comparable vendors.

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

G. Home Food Delivery Systems

X ☐ DOES NOT APPLY (PROCEED TO NEXT SECTION)

1. Home Food Delivery Systems Overview

a. Home delivery vendors include (check all that apply):

☐ Dairies
☐ Private delivery service doing WIC business only
☐ Private delivery service
☐ Other (specify):

b. Participants who receive home food delivery:

☐ Are notified in writing of the types and quantities of foods
☐ Are issued FI's/CVV's that they sign and provide to the vendor when the food is delivered
☐ Indicate by authorized signature on a FI/CVV, receipt or signature document, the supplemental foods received
☐ Other (specify):

c. Supplemental foods may be delivered:

☐ Only to the participant of record
☐ To the participant of record or proxy of record
☐ To any adult at home during time of delivery
☐ To anyone at home at the time of delivery
☐ Other (specify):

ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):

2. Documentation

a. The forms verifying delivery are reconciled against vendor invoices:

☐ Weekly
☐ Monthly reconciliation of the signed FI's/CVV's or other signed receipts or signature documents from participant or proxies.
☐ Other (specify):

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

G. Home Food Delivery Systems

b. Signatures of participants, who sign the food receipt document/ FI's/CVV's**, are compared to the signature on file**.

☐ No ☐ Yes, sample ☐ Yes, 100%

ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

H. Direct Distribution Food Delivery Systems

☐ **DOES NOT APPLY (PROCEED TO NEXT SECTION)**

1. Direct Distribution Food Delivery - General

a. The State agency uses a direct distribution food delivery system to:

☐ Distribute all of its WIC Program foods
X Distribute only exempt infant formula and/or medical foods
☐ Distribute (specify):

b. The State agency uses:

X Warehouse not used
☐ One central warehouse, deliveries directly to local agencies
☐ One central warehouse from which foods are sent to one or more subsidiary warehouses before delivery to local agencies
X Other (specify): Direct ordered and shipped to LHU and stored on site

c. Warehouses are operated by:

☐ State agency ☐ Local agency
☐ Other state or public agency ☐ Under contract with a private business
X Other (specify): no warehouse; stored on site at LHU

d. Warehouses used for storage of WIC foods are also used to store other FNS program commodities:

☐ Yes X No

ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):

2. Food Distribution

a. Foods are distributed to participants:

☐ Grocery store fashion
☐ Pre-packaged
X Other (specify):given directly to the participant/guardian/proxy

b. Participants receiving food are required to sign:

☐ A register once for all foods received
☐ A register/form for each food item received

IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL

H. Direct Distribution Food Delivery Systems

X Other (specify): Electronic signature pad

c. Foods are distributed to participants:

X Monthly
☐ Other (specify):

d. Participants with limited access to facilities used for distribution have available to them:

	Services provided by:	
	Local Agency	**Other Sources**
Home delivery	☐	☐
Cost-free transportation	☐	☐
Other	X	☐
(if other, specify): proxy may pick up		

ADDITIONAL DETAIL: Vendor Farmer Appendix I Internal food Delivery Management Policy
and/or Procedure Manual (citation): AR WIC Policy Manual p 67-75 Formula Categories & Issuance

3. Warehouse Insurance and Inspectors N/A

a. Insurance for the warehouse covers (check all that apply):

☐ Theft ☐ Fire ☐ Infestation ☐ Spoilage
☐ Other (specify):

b. Warehouses are inspected by a public authority responsible for enforcing:

☐ Fire safety laws and regulations (specify date and grade of last inspection):
☐ Sanitation laws and regulations (specify date and grade of last inspection):
☐ Other (specify):

ADDITIONAL DETAIL: Food Delivery Appendix:
and/or Procedure Manual (citation):