

ARKANSAS WIC PROGRAM VENDOR HANDBOOK & PARTICIPATION AGREEMENT

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

Program Description and Vendor Handbook Purpose

The Special Supplemental Nutrition Program for Women, Infants and Children, commonly known as WIC, is a federal program provided through a grant by the Food and Nutrition Service (FNS) of the United States Department of Agriculture (USDA) and operated by the Arkansas Department of Health (ADH). The program was authorized by Congress in Section 17 of the Child Nutrition Act of 1966.

Pregnant, breastfeeding and postpartum women, infants and children under age five are eligible if they live in Arkansas, are income eligible and have a condition or living situation which places them nutritionally at risk. Income eligibility guidelines are based on 185% of the federal poverty guidelines and are revised yearly.

The Arkansas WIC Program provides nutrition education and support, supplemental foods, health and social service referrals and breastfeeding support during critical times of growth and development to improve health and achieve positive health outcomes.

The Arkansas WIC Program offers WIC Program services including certification, nutrition education, and food benefits issuance throughout all 75 Arkansas counties. Categorically eligible applicants can apply for WIC Program benefits at any LHU/WIC Clinic.

Numerous studies have shown that pregnant women who participate in WIC have longer pregnancies leading to fewer premature births; have fewer low and very low birth-weight babies; experience fewer fetal and infant deaths; seek prenatal care earlier in pregnancy and consume more of such key nutrients as iron, protein, calcium, and Vitamins A and C.

This purpose of the Vendor Handbook is to inform owners, managers and vendor staff about the nutritional aspect of the WIC Program and about the important procedures regarding participation as a vendor. Use this handbook to help train staff about the WIC Program Procedures.

Definitions

Above 50-percent Vendor – A vendor with total annual sales of WIC foods more than 50% of the vendor's total annual sales of foods eligible for purchase with Supplemental Nutrition Assistance Program benefits.

Acknowledgment File (ACK) - The WIC acknowledgment file indicates the file disposition to the file sender. A file may be rejected for transmission errors or claim file errors or accepted for processing. Individual claim detail records may be rejected and the claim amounts for claim files and individual claim detail records accepted for processing may be adjusted.

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

Approved Product List (APL) – Electronic files identifying WIC food items authorized by the Arkansas WIC Program for purchase with WIC benefits.

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.

Auto Reconciliation File (ARF) - The ARF tells the vendor what they will be paid for based on the claim file submitted. The ARF contains the amount of the claim paid, the amount not paid, and/or the reason for any non-payment.

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 the eWIC card.

Balance Inquiry - Non-financial transaction that permits the participant to obtain the current status of WIC benefits. Balance inquiries can be made at the Local Health Unit or at the authorized WIC vendor.

Beginning Balance Inquiry – This receipt will print at the beginning of the transaction and will list the description of the food items available to be purchased, as well as a list of the quantity that may be purchased on the card at the time the receipt is printed. This must be given to the WIC participant.

Benefits Utilization Receipt – A redemption of foods that must be available to the eWIC card holder before the finalization of the WIC transaction. The eWIC cardholder must approve (yes/enter) or disapprove (no/cancel) the transaction. The cashier cannot accept the WIC transaction for the eWIC cardholder.

Note: The redemption of foods may also be shown on a POS screen.

Cash Value Benefit (CVB) - A food benefit with a designated monetary amount to purchase only fresh or frozen fruits and vegetables using the eWIC card.

Cessation of Operations – A store is closed for more than 90 days with notification and 30 days without notification to the WIC Program.

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 benefits/CVBs.

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 attempts to purchase WIC benefits/CVBs with an eWIC Card 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.

Electronic Benefit Transfer (EBT) – An electronic system that replaces paper checks with a card for food benefit issuance and redemption at authorized WIC vendor

Electronic Cash Register (ECR) - A type of cash register used by stores with an integrated system to accept eWIC transactions.

Ending Balance Receipt – This receipt will print at the end of the WIC transaction and will list the description and quantity of the food items left on the card that are still available to be purchased. This receipt must be given to the participant.

eWIC Card – A payment that has an integrated microcomputer chip embedded on the card (Smart Card) and is loaded with WIC authorized food according to the participant food package.

eWIC Cardholder - An authorized person (i.e., participant, parent, legal guardian, caretaker, proxy) in possession of a eWIC benefit card. This benefit card allows the WIC cardholder to purchase approved food items prescribed to one or more participants assigned to a family's account.

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. See Vendor Handbook Section III. for specific requirements.

Hot-Card (HC) – A card that has been invalidated for any reason including loss, theft, or administrative action by the WIC program.

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 or the same such inducements offered to any non-WIC customers. 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 eWIC card.

Discounts provided as a result of the use of loyalty or membership cards

Inventory Audit – A review of the vendor’s invoices and receipts for purchases of WIC-approved foods. May also include an on-site inventory of stock available at the vendor’s physical address (not off-site warehouses).

Local Health Unit (LHU) – The authorized clinic that provides WIC Program services to WIC participants in a specific area.

Mandatory training – Mandatory training may be imposed as part of a sanction. It may also be held during the vendor reauthorization process and at other times when there are significant program changes. At a minimum, the training must be attended by the vendor’s manager, co-manager or assistant manager; front end manager or lead cashier; cash office staff person or accountant; and if as a result of a sanction - 25% of the vendor’s front-end cashier staff. Training is delivered on-site, off-site, or remote location via web or teleconferencing as a result of a violation. Topics covered will at a minimum cover the violation for which the training is required, all other vendor violations and sanctions, basic eWIC redemption procedures, allowable foods and tagging of WIC approved items.

Maximum Allowable Reimbursement (MAR) - Is equal to the Not to Exceed (NTE) amount for the respective regular vendor’s peer group

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 outside of the current city/township, and/or a store that resumes business after cessation of operations for more than 90 days are all considered new vendors. A vendor that is reauthorized after completing a disqualification period is not considered a new vendor, but will be assigned a new vendor number with a notation in their file that they were previously disqualified and will be required to fulfill all requirements of a new vendor.

Not to Exceed (NTE) Amount – The dollar amounts vendors are subject to receive based on the peer groups.

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 EBT card 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 WIC EBT card 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 EBT card; threatening to harm or physically harm clinic or vendor staff; and dual participation.

Personal Identification Number (PIN) - A secret four-digit identification number selected by the eWIC cardholder to access their WIC benefits.

Point of Sale (POS) – An authorized vendor location where eWIC transactions are performed with an eWIC card and the cardholder present. The card is read electronically, and the cardholder's PIN, in place of a signature, is obtained to support authorization of the transaction.

POS Terminal – An electronic hardware device used at an authorized vendor and designated to accept eWIC card.

Primary Account Number (PAN) – A unique identify number used to reference a financial account.

Product Look Up (PLU) - A 4 or 5-digit code used mainly with fresh produce and bulk items (i.e., bananas = 4011).

Price Limitations - The maximum allowable reimbursement (MAR) amounts for each type of redeemed WIC transaction for each vendor peer group.

Proxy – A person designated by the participant or authorized representative to pick up and/or redeem food benefits when a participant or authorized representative cannot do so.

Shelf Price – Regular purchase price of WIC approved food items sold by the vendor.

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 sales 50% or less than the vendor’s total annual sales of foods eligible for purchase with Supplemental Nutrition Assistance Program benefits.

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) eWIC Cards for cash.

Transaction – A payment method that electronically pays authorized vendors for food items purchased by an eWIC cardholder. An eWIC benefit card is issued by the Arkansas WIC program to each eligible family account. The eWIC benefit card is used by the eWIC cardholder to purchase approved foods at authorized vendor locations.

Universal Product Code (UPC) – A specific type of barcode used to identify products sold by the WIC Vendor which can be scanned. Approved WIC food item codes are entered on the APL file.

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 may be operated by a sole proprietorship, partnership, cooperative association, corporation, Limited Liability Corporation (LLC), government commissary, or other business entity. Each store operated by that entity is a separate vendor. Each store must have a single, fixed location. The store may not be owned or operated by a non-profit organization.

Vendor Number – Unique four (4) digit number assigned to an authorized WIC vendor by the WIC State Office.

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

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

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

Vendor Application Process

Full service grocery stores that 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 Process for New Applicants Interested in Participating in WIC

Any vendor interested in participating in the WIC Program must apply for WIC vendor authorization and may not accept WIC Checks, eWIC Card, or CVBs until all application requirements are met and a WIC Vendor number has been issued. The requirements include the submission of a complete WIC Vendor application and any required supporting documentation. A vendor can obtain an application in several manners. The vendor may email the WIC State Office at adhwicvendor@arkansas.gov, call 501-661-2508, access the website <https://www.healthy.arkansas.gov/programs-services/topics/wic-vendor-management> or write the WIC State Office at 5800 West 10th Street, Little Rock, AR, 72204, anytime throughout the year. If a vendor submits an application that is incorrect or not complete the vendor will be contacted via telephone, email, or mail to review the application. The applicant must correct the application and provide supporting documentation if needed. If an application is not completed and returned within 60 calendar days from the receipt by the applicant will not be processed.

The vendor must also pass the pre-authorization on-site review, complete vendor training, and sign the vendor agreement binding the vendor applicant to follow all WIC rules and policies, and receipt of an authorization letter from the Arkansas WIC Program. WIC authorization does not transfer to a new owner when a change of ownership occurs, nor does authorization extend to new vendor locations opened or acquired by an existing vendor. Each vendor location operated by a business entity constitutes a separate vendor and must be authorized separately from other vendors operated by the business entity. Each vendor must have a single, fixed location.

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.

Selection Criteria and Other Provisions

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 an eWIC transaction at or below the standard deviation 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 result in a participant access issue. Vendors will be paid only up to the Maximum Allowable Reimbursement for their peer group. A vendor will be found in violation of selection criteria for price fixing if 75% or more of the WIC approved products carried by the vendor are set at the MAR. Also, for the following food categories, there must be variability in pricing according to brands (for example prices for national brands versus prices for wholesale brands) – juice, cheese, canned beans, and peanut butter. Vendors may not collude with other vendors to set prices on WIC approved items.
2. Minimum variety and quantity of WIC supplemental foods: The minimum stock requirements are listed in 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 staff. Expired, damaged, or spoiled 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. Full service grocery store: The applicant or WIC vendor must be a full service grocery store stocking, at a minimum, all of the following food groups: canned, fresh, and frozen fruits and vegetables, fresh and frozen meats and poultry (pre-packaged luncheon meats and deli meats do not qualify as meeting that requirement), canned fish, dairy products such as milk, eggs, and cheese, cereals, breadstuffs, canned and dry beans, pasta and infant foods and infant formula in order to qualify. Requirements for types, amounts, and varieties of the aforementioned items are listed in the Vendor Handbook. The WIC Program reserves the right to waive these criteria if there is an issue of participant access.
4. Business integrity: Lack of business integrity on the part of the owner(s), officer(s), or manager(s) of a vendor 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 transactions or Supplemental Nutrition Assistance Program (SNAP) benefits in any state, exchange

of WIC transactions 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 transactions prior to receiving authorization will also be considered lack of business integrity.

5. Supplemental Nutrition Assistance Program (SNAP):
 - a. SNAP authorization must be maintained throughout the contract period. If the vendor voluntarily withdraws from SNAP, their WIC Vendor Handbook and Participation Agreement will be terminated for cause the same date.
 - b. A vendor 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. Above-50-percent Vendors: The Arkansas WIC Program will not approve 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. The Vendor Participation Agreement of current vendors found to have WIC sales above

the 50-percent criterion at any time during the agreement period will be terminated for cause. At six months, and then on an annual basis, the WIC Program will review each vendor's monthly SNAP sales (as presented in the STARS system) and monthly WIC sales (as presented in the WIC Program's management information system or WIC Program's bank) to assess for potential above-50-percent status. Vendors identified as having monthly SNAP sales that exceed their monthly WIC sales at any time will be required to submit additional information in the form of sales tax records (certified copy of Arkansas Excise Tax Return – ET-1 Form) by the 15th of each month for the prior month to assist in verification of regular vendor status. This verification will continue monthly until the vendor's monthly SNAP sales have been documented for twelve consecutive months as having exceeded monthly WIC sales.

11. In-store promotions and equitable treatment of WIC participants: Vendors may not treat WIC customers differently from non-WIC customers by excluding them from in-store promotions, including disallowing the use of coupons or other vendor discounts in WIC transactions that are allowed in non-WIC transactions. Similarly, WIC-authorized vendors may not treat WIC customers differently by offering them incentive items, vendor discounts, coupons or other services or promotions that are not offered to non-WIC customers. Failure to provide the same courtesies to WIC participants, as outline above, is a violation of Federal WIC regulations, thereby constituting a vendor violation. There is no Arkansas state sales tax on manufacturer coupons used in a WIC FI transaction. Will monitor for compliance through redemption receipts reviews during routine monitoring visits and through compliance buys.
12. Corporate entities may have one mast Vendor Handbook and Participation Agreement for all their stores. Each store will be assigned a unique vendor number. Redemptions, violations and sanctions will be attributed to the individual stores.

Vendor 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 with the exception of the food instrument review section.

- Documentation of formula wholesalers/orders is reviewed
- Minimum stock is reviewed
- Expiration dates on food items are spot checked

The Food Delivery Section also provides the following:

- Vendor Handbook and Participation Agreement (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 unique 4-digit number
 - Window signs
 - WIC Approved Food Lists
 - WIC shelf tags
2. 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. Upon approval, vendor information is entered into the Management Information System (MIS).
 4. 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 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 to submit a new application.
 5. Vendor Handbook and Participation Agreements may be issued throughout the current agreement period with all agreements expiring on the same date.

6. 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.
7. Food Delivery Section staff reviews new vendors within six (6) months of authorization to verify possible above 50- percent status.

Vendor Reauthorization Process

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 Handbook and Participation Agreement
- 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 minimum stock violation or Federal violations at the time of the visit. Vendors with these 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. At least one member of the vendor's staff must participate in scheduled, interactive reauthorization training. Several training locations and dates will be offered.
7. 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.
8. 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, WIC acronym and logo use, and training requirement. 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.

Vendor Education and 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 training will include but not be limited to WIC transaction and redemption procedures, vendor agreement provisions including violations and sanctions, minimum stock requirements, and customer relations.
4. For new vendors, an educational monitoring visit is scheduled approximately 30 days after authorization. FDLs will check for minimum stock, review check redemption receipts, 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

Authorized WIC Foods and Least Expensive Brand

Infant Fruits and Vegetables

1. Participants may purchase only the brand names and varieties listed in Approved Food List.
2. Containers must be 4 oz. glass jars or 4 oz. plastic tubs (packaged in a 2-pack). One plastic 2-pack equals two 4 oz. jars.

Infant Meats

1. Participants may purchase only the brand names and varieties listed in the Approved Food List according to the balance inquiry.
2. Containers must be 2.5 oz. glass jars.

Not allowed: Multi-packs.

Infant Cereal

1. Participants may purchase only the brand names and varieties listed in the Approved Food List according to the balance inquiry.
2. Containers must be 8 oz. box.

Not allowed: Cereal with fruit/fruit flakes, high protein, mixed or individual servings.

Formula

Participants may only get infant formula based on the Arkansas WIC Program approved contract. The varieties may be powdered, concentrate or ready to use (RTU) according to the participant food prescription.

1. October 1, 2015 – September 30, 2018 – Contract Formulas
Similac Advance Stage 1 and Similac Soy Isomil
2. No substitutions of any kind, even if it is for another WIC approved formula.

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

The least expensive brand available at time of purchase.

1. Vitamin D or A/D fortified
2. Fat Free, Skim or non-fat
3. Low Fat, Light or 1%
4. Reduced Fat or 2%
5. Milk (Whole) [Word “WHOLE” does not appear on label]
6. Evaporated
7. Skim Evaporated
8. Non-fat Dry (25.6 oz. box only)
9. Acidophilus
10. Lactose Free Milk (store brand, Dairy Ease or Lactaid) (Whole or Vitamin D, Reduced Fat or 2%, Low Fat or 1% or Fat Free)

Not Allowed: “Deluxe”, “Plus”, organic, flavored, sweetened- condensed, non-dairy, goat’s milk, Copy Cow or Vitamite

Soy-Based Beverage (Half Gallon Containers)

1. 8th Continent Soy Original
2. 8th Continent Soy Vanilla
3. Great Value Original
4. Silk Original

Cheese *Only 16 oz. of cheese least expensive brand available at time of purchase within the variety selected.*

1. Regular or low-fat cheese
2. Varieties: American, Cheddar, Colby, Colby-Jack (Colby- Monterey Jack) or Mozzarella

Not Allowed: Cheese foods, cheese products, whips or spreads, shredded, grated, smoked, cubed, crumbled, imported, deli sliced or individually wrapped

Yogurt

Yogurt in 32 oz. containers (whole fat or low-fat/nonfat), brands on Approved Food List.

Not allowed: Organic, Greek style, fruit on the bottom, yogurts with added granola, candy, etc.

Whole Grains

1. Whole grains - products such as whole grain breads, brown rice, whole grain tortillas, selected oatmeals and whole wheat pasta.
2. Whole Grain Bread – 16 oz. loaf of brands listed on Approved Food List.
3. Whole Grain Tortillas – 16 oz. package of brands listed on Approved Food List.
4. Whole Grain Oatmeal – 16 oz. package of oatmeal brands 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.
5. 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.
6. Whole Wheat Pasta – 16 oz. package of whole wheat pasta (spaghetti or macaroni-any shape) of brands listed on Approved Food List.

Cereal

1. 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 (cold and hot) as long as they are approved products and do not exceed the number of ounces listed on their benefits.
2. Oatmeal: Currently, Quaker Instant Oatmeal is the only approved oatmeal in the cereal category. Other brands of oatmeal are listed in the whole grain category, but they DO NOT qualify as an oatmeal for the cereal benefit.

Fresh Fruits and Vegetables

1. Participants may purchase any variety of fresh fruits and vegetables except as noted below. This includes all potatoes, mixed salads, mixed vegetables or mixed fruits, as well as 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. Participants may choose to purchase fruits or vegetables that have been reduced for quick sale.

Not allowed: Nuts, fruit/nut mixtures, fruit baskets, party trays with items other than vegetables or fruit, items from a salad bar, herbs, dried fruit or vegetables, 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 vegetable mixtures. Organic varieties are allowed.
2. Any package type (bag or box) in any size is allowed.
3. Frozen vegetables containing salt or other preservatives are allowed as well as salt-free varieties.

Not allowed: French fries, tater tots, vegetables with sauces, butter, oil, 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. Organic varieties are allowed.
2. Any package type (bag, box or tub) in any size is allowed.
3. Preservatives are allowed.

Not allowed: Any ingredient other than fruit, including added sugar. Preservatives are allowed.

Eggs *Least expensive brand available at time of purchase*

1. One dozen containers only.
2. Small, large or medium white grade A or AA.

Not allowed: Cage Free, Brown, Fertile, Free Range, Organic, Omega-3 or with added vitamins or minerals (such as Egglard's Best).

Peanut Butter

1. 16-18 oz. jar.
2. Brands: JIF, Peter Pan, Skippy and store brands only.
3. Variety may be creamy, chunky, crunchy or extra crunchy. Regular, natural and reduced/low-fat varieties are allowed if available in a 16-18 oz. jar.

Not allowed: Varieties labeled with “Plus” - such as “with calcium” or Omega-3, whipped or peanut butter combinations (honey, jelly, etc.). Peanut Butter Spreads are not allowed.

Fish

Three types of canned fish are allowed on the Arkansas WIC Program – chunk light tuna in water, pink salmon and sardines (any flavor). Participant may choose any combination of fish types and can sizes not to exceed the number of ounces per WIC benefit.

Brands: chunk light tuna in water (any brand); pink salmon (any brand); sardines (Beachcliff, Crown Prince, La Pareferida, Polar, Port Clyde or Portside brands in any flavor). Product may contain bones and skin and must be in a can.

Not allowed: Albacore or smoked-flavor tuna, breast of tuna, tuna spread, tuna in oil or low salt/low fat tuna, tuna with any fillers, or flavored tuna; blueback salmon, red salmon, chum, salmon, 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

Any brand, any variety of dried, plain, unseasoned mature beans, peas or lentils in a 16 oz. (1 lb.) package.

Not allowed: Mixed beans, flavored beans, or organic beans

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 varieties (lima beans, pinto beans, chick peas, etc.) listed on the Approved Food List. Other varieties, even if they are less expensive or have similar contents, are not allowed.
4. Low Salt and Low or Reduced Sodium are considered the same variety. They are considered a different variety than the regular beans for the purpose of determining the least expensive brand and for tagging. For example, Brand A regular pinto bean is .69. There is no Brand A low salt or low sodium pinto bean. There is a low

sodium pinto bean in Brand B but it is .92. The vendor may sell and tag both of these items since they are considered different varieties of pinto beans.

Not Allowed: Baked beans, chili beans, mixed beans, organic beans, beans with any added flavoring, fat, oil or meat.

Juice

1. Juice must be 100% pure juice in the specific variety, type and size container authorized for the participant.
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:

<u>Any Brand</u>	<u>Specific Brands</u>
Orange, Grapefruit & Pineapple	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 benefits 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 benefits indicates two (2) units of juice, the participant may purchase any combination of container types.

Not allowed: For any type juice (frozen concentrate or single strength): cocktails, fruit or juice drinks, ades, fruit/vegetable blends, or blended juices other than noted in the Approved Food List.

These are NOT Arkansas WIC approved for the purchases:

Aloe	Fenugreek	Parsley
Anise	Ginger	Rosemary
Basil	Hierba Buena	Sage
Bay leaves	Horseradish	Savory
Caraway	Jamaican hibiscus	Sugar cane
Chervil	Lemon grass	Tarragon
Chives	Marjoram	Thyme
Cilantro	Mint	Vanilla bean
Dill	Oregano	Yucca root

Minimum Stock Requirements

Infant Formula

Effective October 1, 2015 – August 31, 2018 (*This will continue through September 31, 2018*)

Similac Advance Stage 1, 12.4 oz. powdered 30 cans

Similac Soy Isomil, 12.4 oz. powdered 15 cans

WIC also issues benefits for Similac Advance Stage 1 and Similac Soy Isomil concentrate and Ready to Feed (RTF), but there is no minimum stock requirement on those items.

Not Allowed: Any other brands or size cans other than those listed above.

October 1, 2018 – August 31, 2021

Gerber Good Start Gentle, 12.7 oz. powdered 15 cans

AND

Gerber Good Start Soy, 12.9 oz. powdered 11 cans

or

Gerber Good Start Soothe, 12.4 oz. powdered 11 cans

WIC also issues benefits for Gerber concentrate and Ready to Feed (RTF), but there is no minimum stock requirement on those items.

Infant Cereal – 6 boxes

Beechnut and Gerber brands. 8 oz. rice and oatmeal only.

Not Allowed: Added DHA, fruit or fruit flakes, high protein, mixed or individual servings.

Infant Foods- 48 4 oz. containers (in 4 oz. glass jars or plastic 8 oz. 2-packs) and 3 varieties of vegetables and 3 varieties of fruit (or fruit/vegetable mixtures)

Infant vegetables and fruits, single varieties or mixtures. Only brands and varieties listed on the WIC Approved Food List.

Infant Meat-16 jars, 2.5 oz. meat (with gravy) and 2 varieties

Infant meat (with gravy); only brands and varieties listed on the WIC Approved Food List.

Not Allowed: Meat sticks

Eggs – 6 dozen

Medium and/or large, white, Grade A or AA; all brands; *least expensive brand available at time of purchase.*

Not Allowed: Eggland's Best, cage free, organic, or brown eggs.

Canned Beans/Peas – 16 cans and 3 varieties; least expensive brand available at time of purchase

14-16 oz. cans; only varieties listed on WIC Approved Food List; no salt or low-sodium varieties allowed.

Not Allowed: Baked, chili, mixed or beans with added flavoring, fat, oil or meat.

Dry Beans/Peas/Lentils – 6 lb. packages and 3 varieties

Plain, unseasoned dry beans, peas or lentils; all brands.

Not Allowed: Mixed or flavored beans.

Peanut Butter – 6 jars

16-18 oz. jars; creamy, crunchy, extra crunchy, reduced fat, natural; brands listed on the WIC Approved Food List

Not Allowed: "Plus", peanut butter combinations, organic or Omega3 added, whipped.

Fish – 10 cans any combination of light chunk tuna in water, pink salmon, and sardines can/package size not to exceed 20 oz.

1. Tuna – chunk light tuna in water
2. Pink Salmon
3. Sardines – all flavors; brands limited to Beach Cliff, Crown Prince, La Preferida, Polar, Port Clyde.

Not Allowed: Tuna: Albacore, smoked or flavored tuna, breast of tuna, tuna spread, tuna in oil, low salt/low fat tuna, tuna in pouches, individual serving cans (3-pack 3 oz. pop-top cans), or tuna with fillers such as soy. Pink Salmon: blueback salmon, red salmon, chum salmon, smoked or flavored.

Cereal – 36 boxes/bags of approved cereal and 4 varieties of cold cereal and 1 variety of hot cereal. 12 boxes/bags must be whole grain cereal of sizes that can total 36 oz.

Only brands and varieties listed on the WIC Approved Food List.

The following cereals meet the whole grain cereal requirement: **GM** Cheerios-Plain and Multigrain; Chex Corn and Wheat; Dora the Explorer; Kix Berry, Honey and Plain; **Kellogg's** Frosted Mini Wheats Big Bite, Bite Size and Little Bites; **Malt-O-Meal** Mini Spooners (all varieties); **Post** Bran Flakes; Grape Nuts; , Honey Bunches of Oat Vanilla Clusters; **Quaker** Life Plain; Quaker Oatmeal Squares Hint of Brown Sugar and Cinnamon; **B & G Foods** Cream of Wheat Whole Grain, 2 ½ Minute: **Quaker** Instant Oatmeal-Original (individual packets).

Whole Grains – 4 loaves of bread and 4 packages of any combination of the 4 other whole grain products

1. Bread – 16 oz. only; brands and varieties listed on the WIC Approved Food List.
2. Brown Rice-14-16 oz. bag or box; any brand; regular cook, instant and boil-in-bag.
3. Whole Wheat Pasta- 16 oz. only; brands and varieties listed on the WIC Approved Food List.
4. Tortillas- 16 oz. only; brands and varieties listed on the WIC Approved Food List.
5. Oatmeal-16 oz. only; brands listed on the WIC Approved Food List

Milk *Least expensive brand available at time of purchase.*

1. Whole milk - 3 gallons and 3 half-gallons
2. 1% and/or skim milk - 6 gallons and 4 half-gallons

Not Allowed: “Deluxe”, “Plus”, organic, flavored, sweetened-condensed, non-dairy, goat’s milk, Copy Cow or Vitamite

Cheese - 8 lbs. total; 3 varieties; *Least expensive brand available at time of purchase.*

14-16 oz. packages only; any brand; varieties are American, Cheddar (all flavors), Colby, Colby-Jack, and mozzarella; regular and low-fat allowed; must be pre-packaged by manufacturer.

Not Allowed: Cheese food, cheese product, whips, spreads, cubed, shredded, string, smoked, blended, imported, deli style slices, cheese sliced/packaged on the vendor’s premises.

Juice - 8 containers and 2 varieties in each container size; *least expensive brand available at time of purchase.*

Only brands and varieties listed on the WIC Approved Food List for each container size.

1. 11-12 oz. frozen juice – 8 containers and 2 varieties
2. 46-48 oz. can or bottle – 8 containers and 2 varieties
3. 64 oz. carton or bottle – 8 containers and 2 varieties (shelf-stable or refrigerated)

Not Allowed: Cocktails, fruit or juice drink, ades or blended juices other than those listed on the WIC Approved Food List, added fiber or other nutrients other than calcium fortified.

Fresh Vegetables - 4 varieties and 10 lbs. each variety

Any variety of fresh vegetable. Salad or vegetable mixtures, vegetables sold by the piece or in bags or containers. Whole, peeled, or cut.

Not Allowed: Dried; items from a salad bar, party trays; fruit baskets, nuts; vegetable/nut mixtures; decorated pumpkins; gourds; herbs; spices; salad dressings; salad kits or salad mixtures containing salad dressing, croutons, etc.

Fresh Fruits - 4 varieties and 10 lbs. each variety

Any variety of fresh fruit. Fruit mixtures; fruit sold by the piece or in bags or containers; whole, peeled, or cut. Packed fresh in its own juice.

Not Allowed: Dried; items from a salad bar, party trays; fruit baskets, nuts; fruit/nut mixtures; packed in syrup or with sugar.

Frozen Vegetables - 3 varieties AND 2 cases (12 units) each variety

Any variety of frozen vegetable. Salad or vegetable mixtures, vegetables sold by the piece or in bags or containers. Whole, peeled, or cut. Salt or preservatives allowed.

Not Allowed: French fries, tater tots; sauces, seasonings, oil, flavoring or breading; vegetable mixes with pasta, rice or any other non-vegetable ingredient.

Frozen Fruits - 3 varieties AND 2 cases (12 units) each variety

Any variety of frozen fruit. Single fruits, fruit mixtures, in bags or containers, whole or cut. Packed in its own juice. Preservatives allowed.

Not Allowed: In syrup or with sugar; any other added ingredients such as milk, yogurt, chocolate, etc.

Full Service Grocery Store Requirements

To meet the WIC Program definition of a full service grocery, store in Arkansas, a retail store must stock the following types and quantities of products in each food group. For canned, fresh and frozen fruits and vegetables a “case” is considered to be a minimum of twelve (12) units (cans or packages).

- 1. Fresh Vegetables:** Minimum of ten (10) pounds each of at least four (4) varieties of vegetables listed. Choices may include broccoli, Brussel sprouts, cabbage, carrots, cauliflower, celery, corn on the cob, collard greens, eggplant, green beans, lettuce, okra, onions, peppers, squash, tomatoes, tomatillos, turnips, zucchini, yams/ potatoes, and bagged salad.
- 2. Fresh Fruits:** Minimum of ten (10) pounds each of at least four (4) of the following: apples, avocados, bananas, blueberries, cherries, citrus fruits, mangos, nectarines, pears, peaches, pineapples, plums, grapes, strawberries, and melons.
- 3. Frozen Vegetables:** Minimum of two (2) cases of each vegetable, minimum of three (3) varieties of the following: mixed vegetables, Brussel sprouts, corn, corn on the cob, collard greens, peas, broccoli, carrots, cauliflower, black-eyed peas, onions, potatoes, green beans, and spinach.
- 4. Frozen Fruits:** Minimum of two (2) cases of each fruit, minimum of three (3) varieties of the following: strawberries, peaches, blueberries, cherries, mixed fruit, blackberries, raspberries, pineapple, mango and mixed berries.
- 5. Fresh and Frozen Meats and Poultry:** 50% of the following requirements for meats must be fresh, not frozen. Minimum of thirty (30) pounds per variety of meat and poultry. Beef, pork and poultry must all be stocked with at least a minimum of three (3) types of cuts (i.e. chops, steaks, hamburger, roasts, bacon, sausage, whole chicken, leg quarters, thighs, wings, etc.). Kosher or halal stores may stock 30 pounds of lamb/mutton in lieu of pork or increase number of pounds of beef and chicken they carry. Deli style meats, prepackaged luncheon meats or meats cut in the deli do not apply towards this requirement.
- 6. Canned Fruits:** Minimum of two (2) cases of each fruit, minimum of three (3) varieties of the following: cherries, peaches, pears, pineapple, mango, mixed fruit and fruit cocktail.
- 7. Canned Vegetables:** Minimum of two (2) cases of each vegetable, minimum of three (3) varieties of the following: mixed vegetables, peas, green beans, corn, beets, carrots, collard greens, spinach, tomatoes or other beans.
- 8. Canned Fish:** Minimum of twenty-four (24) cans in any combination of mackerel, salmon, sardines and tuna.
- 9. Breadstuffs:** Minimum of twenty (20) loaves of bread and/or packages of rolls or buns in at least two (2) varieties and/or brands.
- 10.** Quantities of dairy products, cheese, cereals, juices, infant formula, and other WIC approved foods must meet minimums requirements as outlined in the Minimum Requirements Section.

Discounts

Transaction Discounts: Coupons, Loyalty Cards, Buy One Get One

WIC participants are entitled to all of the transaction discounts that other customers benefit from. Following are the most common types of discounts and how they are to be handled in a WIC transaction.

- **Manufacturers' Cents Off Coupon** – the value of the coupon is applied to the WIC transaction. (example: WIC participant has a coupon for 45¢ off 64 oz. bottle of juice. Coupon is applied and transaction is reduced by 45¢)
- **Buy One, Get One Free (BOGO)** - applies to WIC approved or non-WIC approved items. The free item should NOT be counted against the WIC transaction. The free item goes to the WIC participant. (example: The offer is buy one box of cereal and get one free (same price or lower). With 36 oz. in cereal benefits on one check, the WIC participant could purchase 2 18 oz. boxes of WIC approved cereal (with WIC benefits) and get 2 18 oz. boxes of WIC approved or non-WIC approved cereal free.)
- **Buy One, Get One at a Reduced Price** - reduced amount is applied to the WIC transaction. (example: The vendor sells one WIC food item at full price and sells either a second identical WIC food item or a different food item at a reduced price. This discount type applies when the second, reduced price item is a WIC food item and the participant has two of the items on the WIC transaction. In this case, the participant should receive the second item at the discounted price.
- **Free Ounces Added to Food Item by Manufacturer** (e.g. 20% More Free)-apply ONLY the ounces of the original/standard size to the WIC transaction. (example: a 16 oz. box of cereal included 4 oz. free for a total of 20 oz.; only 16 oz. would be credited to the WIC transaction. The participant would still have 20 oz. remaining from a benefit of 36 oz. of cereal to purchase other cereal.)
- **Transaction Discount** – stores offers \$\$ or % off when transaction is for a specific amount. The \$\$ or % discount is applied to the WIC transaction. (example: The store promotion is “if your purchase is \$50 or more, you receive a 10% discount”.)
- **Store Loyalty/Rewards Cards** – WIC participants may, but are not required to, use store loyalty cards. Do not use a dummy card or another customer’s card on a WIC transaction. The loyalty card benefit is applied to the WIC transaction.
- **Cash Back** – is not allowed in a WIC transaction.

Taxability of Manufacturer and Retailer Coupons

Manufacturer coupons: Manufacturer coupons are considered part of the gross receipts received by retailers for purchases. Per GR18 and 28, the State of Arkansas does not tax

the gross receipts of a transaction paid for in full by WIC benefits (food instruments). Therefore, there is no tax applied to manufacturer coupons applied to WIC purchases.

Retailer coupons: The amount of any coupon that is issued by the retailer and is not reimbursed by a third party is not part of gross receipts/proceeds and is not taxable.

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 benefits/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 benefits/CVBs or for selling firearms, ammunition, explosives, or controlled substances in exchange for WIC benefits/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 \$15,041 for each violation and shall not exceed \$60,161 for a single investigation.
2. First instance of a vendor buying or selling WIC benefits/CVBs for cash (trafficking) or first instance of selling firearms, ammunition, explosives, or controlled substances in exchange for WIC benefits/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 benefits/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 benefits/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. Claim may be made for full purchase price of the WIC benefits/CVBs.

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 benefits/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 benefits/CVBs and/or charges for food in excess of that listed on the WIC benefits/CVBs.
Sanction: One (1) year disqualification for three documented incidents within a period of three (3) years. Claim may be made for full purchase price of the WIC benefits/CVBs.
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

Violations resulting in disqualification, the vendor participation agreement will be terminated. Vendors who are disqualified may not reapply for authorization until the disqualification period has ended.

Mandatory training sanction- At a minimum, the training must be attended by the vendor's manager, co-manager or assistant manager; front end manager or lead cashier; cash office staff person or accountant; and 25% of the vendor's front-end cashier staff.

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 alters any information written or printed by manufactures supporting documentation (such as cash register receipts) in an attempt to receive payment for the WIC Benefits/CVBs.
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, an Administrative fine of \$100 is assessed for each subsequent incident and a claim for the purchase amount of any WIC Benefits/CVB paid. If a pattern of three (3) or more incidents is documented, the vendor will be disqualified for a period of three (3) months.

13. Vendor fails to provide all food on the WIC benefits when the foods are available in the store even if the total price exceeds the maximum allowable reimbursement amount for the WIC benefit/CVBs 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 Benefits/CVB. If a pattern of three (3) or more incidents is documented, the vendor will be disqualified for a period of three (3) months.
14. Vendor requires WIC participants to show identification other than the Arkansas eWIC card with PIN# to use WIC Benefits/CVBs.
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, an Administrative fine of \$100 is assessed for each subsequent incident.
15. Vendor charges participant, authorized representative, or proxy for any portion of the eWIC transaction. (Note: Participants are allowed to pay amount, including tax, over monetary value of CVB(s) on CVB transactions.
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 will be assessed for each subsequent violation.
16. 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. After a pattern of three (3) incidents is documented, the vendor will be disqualified for a period of six (6) months.
17. Vendor requires WIC participants to use a WIC only checkout.
Sanction: A warning letter is issued to the vendor for the first reported/documentated incident. For each documented incident after the first warning letter is received by the vendor, an Administrative fine of \$100 is assessed for each subsequent incident.
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: Each 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. After a pattern or three (3) or more violations occur, the vendor will be disqualified for six (6) months after the third (3rd) incident.
19. Vendor stocks and/or sale inadequate stock, (i.e. expired, stale, spoiled or moldy WIC foods as part of minimum stock requirements).
Sanction: A warning letter is issued to the vendor for the first documented incident. After a pattern of three (3) documented incidents, the vendor will be disqualified for a period of six (6) months.

20. Vendor fails to maintain minimum stock 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 (2nd) violation after a 30-day period from the receipt of the warning letter, vendor must participate in mandatory training. For the next (3rd) violation after a 15-day period from the 2nd violation, the vendor will be assessed a \$100 fine. The next (4th) violation after a 15-day period from the 3rd violation the vendor will be disqualified for a period of six (6) months. 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.
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 three (3) documented incidents. After a pattern of three (3) incidents or more violations within a twelve-month period, the documented incident will result in a six (6) month disqualification.
22. Vendor advertises a non-WIC food item as a WIC authorized food item or other improper use of the WIC logo or acronym.
Sanction: A warning letter is issued to the vendor for the first three (3) documented incidents. After a pattern of three (3) or more violations within a twelve-month period, the documented incidents will result in an Administrative Fine of \$100.00 on the fourth (4th) violation. The fifth (5th) violation within a twelve-month period of time will result in a six (6) month disqualification. Vendors that have no Sanction 28 violations in a 12-month period will at that point, start the process over again with any new incident.
23. Vendor fails to maintain correct placement of Arkansas WIC Program approved tags on Arkansas WIC approved items.
Sanction: A warning letter is issued to the vendor for the first two (2) documented incidents. Upon receiving the third documented incident, the store will have to participate in a mandatory tagging training. After a pattern of more than three (3) violations within a twelve-month period, the documented incidents will result in a (6) month disqualification. 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.
24. Vendors fails to allow an in-store sales promotion, and/or not honoring any and all manufacturer's coupons or promotional specials to WIC clients but offered to other customers and not reducing the corresponding amount from the food benefit price.
Sanction: A warning letter is issued to the vendor for the first three (3) documented incidents. After a pattern of three (3) or more violations within a twelve-month period, the documented incidents will result in a six (6) month disqualification.
25. Vendor fails to pay a claim for exceeding the maximum allowable reimbursement (MAR) amount, for WIC benefits/CVBs 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, the vendor will be disqualified for six (6) months.

26. Vendor fails to attend mandatory vendor training, (i.e. cashier training, tagging training, annual training).

Sanction: A warning letter is issued to the vendor for not attending a mandatory training for the first reported incident. After a second incident within a twelve-month period of time, the vendor agreement will be terminated and the vendor will be disqualified for six (6) months.

27. Vendor provides false information to WIC representative during an on-site visit, or failure to submit or providing false information on WIC vendor survey's, tax documents, and other documentation requested by the State WIC Office.

Sanction: A warning letter is issued to the vendor for the first documented incident. After a second incident within a twelve-month period of time, the vendor agreement will be terminated and the vendor will be disqualified for six (6) months.

28. Vendor requires WIC participants to purchase a single brand (i.e. store brand) when other WIC approved brands are available and when LEB (least expensive brand) categories don't apply.

Sanction: A warning letter is issued to the vendor for the first reported/documented incident. For each documented incident after the first warning letter is received by the vendor, an Administrative fine of \$100 is assessed for each subsequent incident.

29. Vendor offers incentive items or service to a WIC participant that is not offered to non-WIC customers.

Sanction: A warning letter is issued to the vendor for the first reported/documented incident. For each documented incident after the first warning letter is received by the vendor, an Administrative fine of \$100 is assessed for each subsequent incident.

30. Vendor requires WIC participants to make other cash, SNAP, credit or debit purchases or a minimum purchase in order to use their WIC benefits.

Sanction: A warning letter is issued to the vendor for the first reported/documented incident. For each documented incident after the first warning letter is received by the vendor, an Administrative fine of \$100 is assessed for each subsequent incident.

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

- o A disqualification from another State’s WIC Program for a federal mandatory sanction
 - o 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 (other than the opportunity to justify or correct a vendor overcharge or other error, as stipulated in Section II, #16 of this agreement)
 - 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:

“This disqualification from WIC may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program (SNAP). 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. 10th Street, Suite 300, 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. 10th Street, Suite 300, 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 for which the vendor may request an administrative review, the effective date of the adverse action will be 15 calendar days from the date of the vendor's notification, or if the vendor requests a review, 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

Transactions

For a period of time both Checks and the eWIC card will be used during the transition period to the eWIC Card. On the eWIC Card the food items are represented in an account using a categorization tied to UPCs and an available dollar amount. The participant benefits are aggregated into one household account (single card). This will allow for one card to be used to access the benefits of all participants in the household versus one card per participant. The eWIC issuance for supplemental foods and CVBs are issued to the WIC participants by the Local Health Unit (LHU) WIC staff.

eWIC Vendor Transactions

A transaction which occurs when a WIC participant shops at an authorized WIC vendor. The participant proceeds to any open lane and informs the cashier they will be purchasing some/all foods with WIC.

- Participants cannot be required to separate their WIC food items from other food items and cannot be required to pay for their WIC foods in a separate transaction.
- When a participant inserts the eWIC card into the PIN pad a beginning balance receipt will print for the participant. The cashier must give the receipt to the participant.
- All items are scanned in the POS and then cashier hits the key to tender WIC.
- The cashier gives the WIC participant the utilization receipt to identify the foods that will be removed/deducted from the participant's card/benefits.
- The cashier completes the transaction when WIC is tendered first and food quantities are debited off the card based on the allotment of each category authorized for the participant. Any remaining foods need to be tendered with another form or payment for the transaction to be completed.
- The cashier will give the participant the store receipt (showing all items that were purchased) and the Ending Balance receipt.

Example of eWIC Receipts

Beginning Balance Receipt – This receipt will print at the beginning of the transaction and will list the description of the food items available to be purchased, as well as a list of the quantity that may be purchased on the card at the time the receipt is printed. This must be given to the WIC participant.

Benefits Utilization Receipt – A redemption of foods that must be available to the eWIC card holder before the finalization of the WIC transaction. The eWIC cardholder must approve (yes/enter) or disapprove (no/cancel) the transaction. The cashier cannot approve the transaction for the cardholder. The cardholder must accept for themselves.

Ending Balance Receipt - The Ending Balance Receipt will print at the end of the WIC transaction and will list the description and quantity of the food items left on the card that are still available to be purchased. This receipt must be given to the participant.

Note: The redemption of foods may also be shown on a POS screen.

STORE NAME
AdvancedStore@ACS
 Store #100, MARKETECHNICS Way
 Little Rock, AR 72204
 Comments please call (770) 623-7000

Store: 1

Cashier: Foreman

11/23/18 16:34:52

 WIC Benefit Balance Before Purchase
 Start Date 11/1/18

1	JarBag	Peanut Butter/Legumes-All
36	Ounce	Cereal-All Authorized
2	Unit	Whole Grains 14-16oz-All

Authorized

2	Unit	Cheese 16oz -All Authorized
2	Dozen	Eggs-All Authorized
4	Gallon	Lowfat/Nonfat Milk-All
8.00	\$\$\$\$\$	Fruits and Vegetables
1	Bottle	Juice 64oz-All Authorized
7	Cans	Similac Advanced Stage 1 pwd

Benefits Expire Midnight on 11/30/2018

WIC Op: 1	11/23/18	04:36:53 PM
Trx: 22	Term:6	Store: 1

STORE NAME
AdvancedStore@ACS
 Store #100, MARKETECHNICS Way
 Comments please call (770) 623-7000

Store: 1

Cashier: Foreman

11/23/18 16:36:52

 Utilization Receipt

These items will be paid by WIC

Qty	UOM	Description
16	Ounce	KIX Cereal
1	Pound	Sara Lee Whole Wheat Bread
1	Pound	Store Brand American Cheese-16oz
1	Dozen	Large Eggs
1	Gallon	Store Brand Lowfat Milk
1.64	\$\$\$\$\$	Banana
1.32	\$\$\$\$\$	Romaine
2	Cans	Similac Adv Stage 1 12.4oz pwd

WIC Op: 1	11/23/18	04:36:53 PM
Trx: 23	Term:6	Store: 1

STORE NAME
AdvancedStore@ACS
 Store #100, MARKETECHNICS Way
 Comments please call (770) 623-7000

Store: 1

Cashier: Foreman

11/23/18 16:36:52

 WIC Items for Redemption

11/23/18 04:36:52 PM
 PAN: xxxxxxxxxxxx7599
 Vendor ID: 5013
 Tran ID: 23

16	Ounce	KIX Cereal
16	Ounce	Sara Lee Whole Wheat Bread
1	Pound	Store Brand American Cheese-16oz
1	Dozen	Large Eggs
1	Gallon	Store Brand Lowfat Milk
1.64	\$\$\$\$\$	Banana
1.32	\$\$\$\$\$	Romaine
2	Cans	Similac Adv Stage 1 12.4oz pwd

 WIC Benefit Balance After Purchase
 Start Date 11/01/2018

1	JarBag	Peanut Butter/Legumes-All
20	Ounce	Cereal-All Authorized
1	Unit	Whole Grains 14-16oz-All Authorized
1	Unit	Cheese 16oz -All Authorized
1	Dozen	Eggs-All Authorized
3	Gallon	Lowfat/Nonfat Milk-All
5.04	\$\$\$\$\$	Fruits and Vegetables
1	Bottle	Juice 64oz-All Authorized
5	Cans	Similac Advanced Stage 1 pwd

Benefits Expire Midnight on 11/30/2018

WIC Op: 1	11/23/18	04:36:53 PM
Trx: 23	Term:6	Store: 1

Reconciliation

Reconciliation occurs when the WIC EBT settlement host initiates the payment process for each authorized vendor. It uses the vendor’s ARF to create an Automated ACH credit for that day.

Claim File Submission

Claim files must be submitted to the WIC Programs Settlement System. Regular business practices should be established for submitting claim files to the WIC Program, preferably within 24 hours of the transaction date.

Vendors are required to access the WIC Program's settlement system within a continuous 48-hour period of time for the purpose of downloading the current APL, HCL, ARF and/or ACK, and error files (if applicable). Failure to do so may result in vendor financial liability if an eWIC card that is on the HCL is used to for redemption of benefits or if a WIC participant is allowed to purchase a UPC/PLU that is no longer effective on the APL

WIC Foods Not Scanning

A WIC item may not scan if it is not approved, the participant does not have the benefits to pay for the item, or it is approved, but not has been added to the system as a WIC item.

1. Check the WIC Approved Food List to determine if the item is approved.
2. Check the participant beginning balance receipt to see if the card has the benefits for the remaining purchase.
3. If the first two steps have been done, notify your vendor manager who may need to contact the vendor POS team and/or the complete the UPC form to add the UPC.

Submit a new Universal Product Code (UPC)

To verify if a UPC is already authorized by the Arkansas WIC Program, visit the AR [APL File](#). If the UPC is not listed, complete the Arkansas WIC UPC Approval Request Form. The form can be found at https://www.healthy.arkansas.gov/images/uploads/pdf/UPC_Request_Form_Revision_7_11_2018.pdf

The Arkansas WIC Program offers vendors the opportunity to add products to the Authorized Product List (APL) year round.

- Email completed form to ADHWICVendor@Arkansas.gov and enter "Request to add UPC" on the subject line. Attach pictures of the actual product label that show the manufacturer, product name, package size, UPC Bar Code, ingredients and the nutrition facts.
- Mail forms and pictures to: **APL Manager**
Arkansas WIC Program
5800 West 10th Street, Suite 300
Little Rock, AR 72204

If you have questions you may call the AR WIC State Office at 501-661-2508.

Payment Disputes

Vendors will be paid for all valid WIC transactions conducted and submitted to the WIC Program. An authorized vendor may dispute a claim or transaction payment that has been reduced. The vendor should refer to the Auto-Reconciliation Report to verify what will be paid. If what was submitted is different than what was paid, the report identifies the errors and indicates why a claim/transaction/item payment was reduced.

Late Submission

A dispute for the reduction of a Claim File for late submission must be received within 90 days of notification of payment reduction. Notification of reduction is found in the electronic ARF that vendors receive when claim processing notification is made. The vendor must provide an explanation of the event that prevented the untimely submission of the claim file and/or system change that caused the claim file to be late. If the late claim submission was the result of the State rejected error file, the vendor must include this information in its written explanation specifying the original claim file name was reduced.

Adjustments to Payment of WIC Appeals

Per 7CFR 246.12 (k) (5) with justification and documentation of the transactions/claims submitted for appeal at one time exceeds \$500 must obtain the approval of the FNS Regional Office before payment.

Arkansas WIC benefits/CVBs Redeemed by Vendors Not Authorized by the Arkansas WIC Program

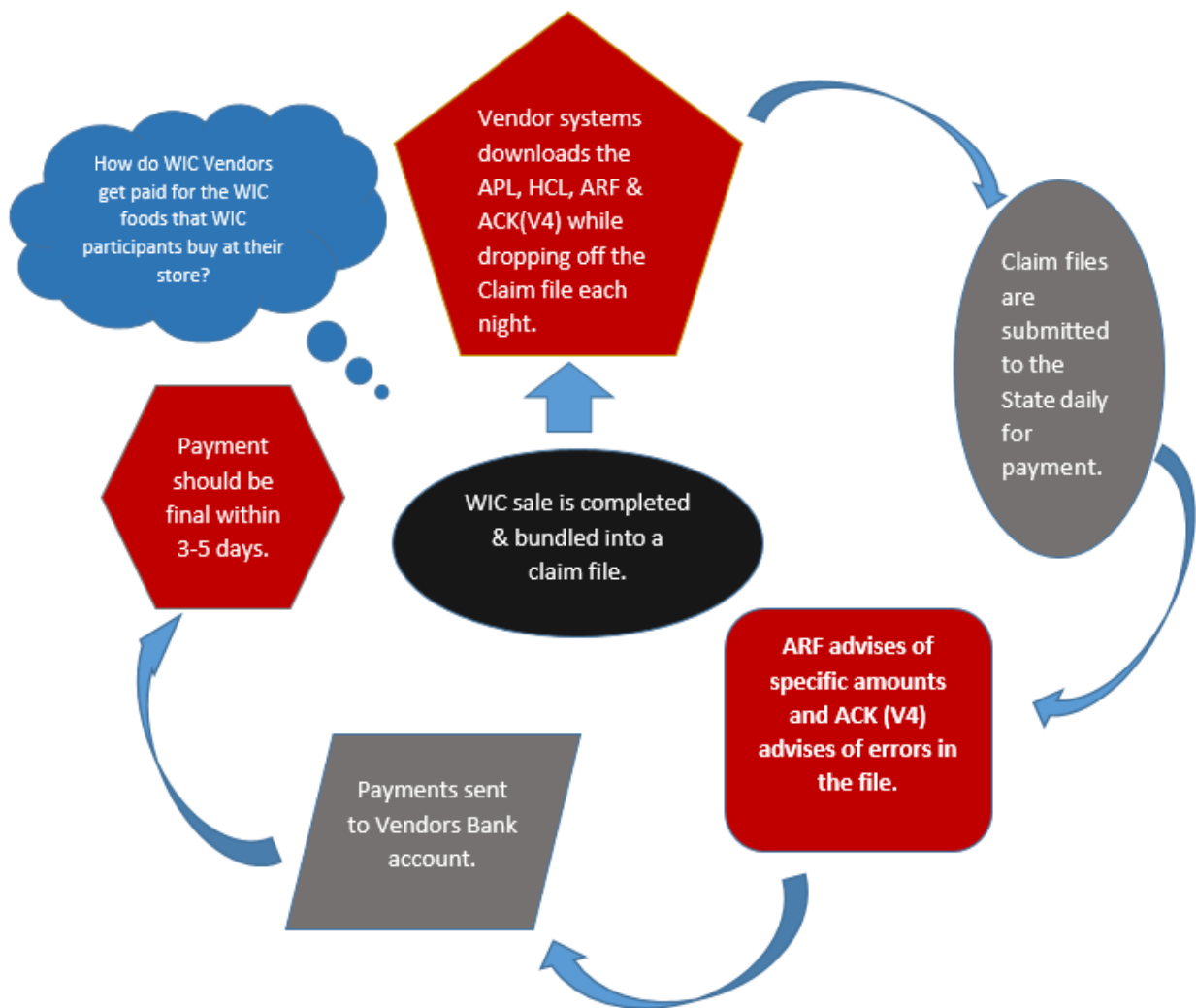
The Arkansas WIC Program will not pay vendors that it has not authorized, for redeemed Arkansas WIC benefits even if the vendor is authorized by another state agency WIC Program.

EBT System Claims Process

After the WIC sale is completed in the vendor's lane, the sale is automatically stored ("bundled") in a claim file by the vendor's cash register system and automatically submitted to the State for payment electronically. The claim file is submitted by the vendor's cash register system, to the State's claims server.

At the same time that the vendor's claim is submitted to the State, the vendor's system also downloads the current authorized product list, the hot-card list for eWIC cards reported as lost or stolen, and the auto-reconciliation file ("ARF"), which tells the vendor what they will be paid for the claim submitted the day before.

The State's server forwards payment directly to the vendor's bank account. The vendor's system connects to the State, the State downloads an ARF and/or ACK that advises the vendor of the specific amount of the claim paid, if there was any part of the claim not paid, and/or the reason for any non-payment. How often a vendor is paid depends on how often a vendor submits a claim – but typically one claim is submitted per day. Final payment to the vendor is typically completed within 3-5 days.



Best Practices for Cashiers

- Treat WIC participants, Authorized Representative (AR) and/or proxies for WIC participants with the same benefits and courtesies as your other customers.
- Make sure you always have a copy of the Arkansas WIC Approved Food List at your register.
- If a WIC participant, AR and/or 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 and/or Proxy to purchase the least expensive brand, inform her/him which brand currently is the least expensive. Some participants 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 Participant to use an eWIC card 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.
- Expect to be respected – immediately report to your supervisor any verbal or physical abuse by anyone who is making a WIC 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.

WIC Checks and Cash Value Benefits

A. 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. Vendor may not ask for driver's license or other identifying/contact information etc.
- 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, process loyalty card discounts, and apply any other 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 at the time of purchase. The vendor may not attempt to contact a WIC participant, authorized representative, and/or proxy, directly or indirectly, in order to obtain a missing

signature or other information pertaining to a WIC transaction. **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 CVB transaction by entering in the full face value of the CVB(s) in **blue or black ink**, have the WIC participant, AR or proxy on the signature line on the front of the CVB in the lower right-hand corner and accept any tender from the AR/proxy. Note: For CVB transactions where the AR/proxy pays the excess, you may give a receipt.
 - i. The CVB is valid only if the WIC participant, AR, or proxy signs the CVB at the time of purchase. The vendor may not attempt to contact a WIC participant, authorized representative, and/or proxy, directly or indirectly, in order to obtain a missing signature or other information pertaining to a WIC transaction. **Vendors may not obtain the signature at a later date.**
 - j. Verify the signature on the check with one of the name(s) listed for AR or proxy on the WIC ID Folder.
- Read the pre-printed information on the CVB carefully. Cash Value Benefits (CVBs) are to be used for the purchase of fresh or frozen vegetables and fruits only. The exception is for Infant CVBs (\$4), which may only be used to purchase **fresh** fruits or vegetables.
 - 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 due bills).
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 except when the participant pays for amount over face value of the CVB.

B. 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 and for price fixing.
 - 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 10 days of termination of the agreement. Replacement stamps and ink pads can be obtained from the WIC Program state office, Food Delivery Section.

C. 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, Food Delivery Section 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, Food Delivery Section 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.
 - c. Encoding Error – vendor returns check or CVB to their bank so the bank can correct the electronic amount of sale that was submitted to the WIC Program's bank. Amount submitted and amount written on the check must be the same.

2. Returned Over the Max – ACH Applied - DO NOT REDEPOSIT:

- The WIC Program’s bank will reject any WIC Check that lists a purchase amount above the 110% 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.
- The rejected WIC Checks or CVBs will be stamped “Returned Over the Max – ACH Applied” and returned to the vendor’s bank.
- 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.
- This applies to all vendors.

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

- Unauthorized vendor number
- Altered (including use of correction fluid)
- Purchase date prior to “First Day to Use” printed on check
- Purchase date after “Last Day to Use” printed on check
- Stale - deposited or redeposited more than 60 days after the “First Day to Use”
- Second presentment
- Redeemed prior to Vendor authorization
- No signature in signature block (if signature is on back of check/CVB, send it to the WIC Program state office for review)

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, Food Delivery Section at (501) 661-2508.

Tagging WIC Approved Items

All vendors are required to mark the appropriate approved food items with shelf tags issued by the Arkansas WIC Program (see Vendor Handbook and Participation Agreement). The following are best practices and guidance on how to ensure that your store complies with this requirement.

For the purpose of determining compliance with shelf tag placement requirements, we are using the following descriptions for the eight “section” designations:

1. Juice - Frozen, shelf stable and refrigerated juice
2. Dairy – Milk, soy beverages (refrigerated), cheese, eggs, yogurt
3. Protein – Peanut butter, sardines, tuna, salmon
4. Beans – Canned and dry beans
5. Cereal – Cold and hot breakfast cereals, oatmeal (those in whole wheat category)
6. Whole Grains – Bread, tortillas, brown rice, pasta
7. Infant Foods – Infant cereal and infant fruits, vegetables and meats
8. Formula – All AR WIC approved contract infant formula

For food categories that require the purchase of the “least expensive brand at time of purchase” tag **ONLY** the least expensive approved brand available in each variety in each container size. These food categories are: milk (refrigerated, dry, canned; regular, lactose-free, and acidophilus), cheese, eggs, canned beans, and juice. In the Arkansas Approved Food list, these categories list this requirement in bold print at the beginning of each section if it applies.

For juice, the container size, not type (canned, frozen, shelf stable bottle, or refrigerated carton or bottle), should be taken in consideration when determining least expensive. For example, if you sell a 46 oz. plastic bottle of tomato juice for \$2.15 and a 46 oz. can for \$1.87, the least expensive to tag/sell is the can. Sometimes the least expensive juice may be in a different location of the store – e.g. a 64 oz. carton of refrigerated orange juice for \$2.25 vs. a 64 oz. shelf stable bottle of orange juice for \$4.99. Frozen juice prices should not be compared to the prices of 46 oz. containers for the purpose of determining least expensive brand.

Program Integrity

A. 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 as soon as possible after the alleged incident. Report the name or WIC Check or CVB number to assist in identification. Examples of participant abuse include:

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

B. 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 will assist vendors in this effort by providing training conducted by WIC Program 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, inventory audits, 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. The complaint form is located on the Arkansas Department of Health's WIC Vendor Management website
https://www.healthy.arkansas.gov/images/uploads/pdf/WIC_Complaint_Form_English.pdf
https://www.healthy.arkansas.gov/images/uploads/pdf/WIC_Complaint_Form_Spanish.pdf.

WIC Program Vendor Participation and Agreement

Vendor Name: _____

Stamp/Unique Vendor Number: _____

This WIC Vendor Agreement, hereinafter referred to as the “Agreement,” is entered into for the Arkansas Special Supplemental Nutrition Program for Women, Infants and Children (WIC) between the State of Arkansas, Arkansas Department of Health, Center for Health Advancement, WIC Branch, hereinafter referred to as the “State Agency,” and the above-named vendor, hereinafter referred to as the “Vendor.” If this Agreement is for a newly applying vendor the Agreement will begin on the date signed by the State Agency. If this Agreement is for the reauthorization of a current vendor, the Agreement will begin on July 16, 2018 or the date signed by the State Agency, whichever is later. This Agreement will expire on July 15, 2021, unless it is terminated by either party pursuant to either this Agreement or applicable federal law, regulation, and/or state law.

This Agreement does not constitute a license or a property interest. If the Vendor wishes to continue to be a WIC authorized Vendor beyond the period of this Agreement, it must reapply for authorization. If the Vendor is subsequently disqualified, the State Agency will terminate this Agreement and, effective immediately, the Vendor may not accept WIC electronic benefits (EBT), food instruments (FIs) or cash-value vouchers (CVBs), and may not reapply for authorization until the disqualification period has ended. In all cases, the Vendor’s new application will be subject to the State Agency’s current Vendor Selection Criteria and any Vendor Limiting Criteria in effect at the time of reapplication.

Part A. VENDOR Agrees to:

General Terms. Vendor shall –

1. Comply with all of the following throughout the authorization period: the terms of this Agreement; all applicable federal and state statutes and regulations governing the WIC Program, including, but not limited to, 42 U.S.C. § 1786, 7 CFR Part 246; the Arkansas WIC Vendor Handbook and Participation Agreement inclusive of the Vendor Selection Criteria and the Sanction Schedule, including any changes thereto; the WIC Program Food List, including when EBT is implemented the Authorized Product List (APL), and any changes made during the Agreement period; and all other memos, policies, procedures, formal instructions, and terms of participation issued related to vendors by the USDA or the State Agency;
2. Understand that the State Agency may reassess Vendor at any time during the Agreement period using the current Vendor Selection Criteria. The State Agency will terminate this Agreement if the Vendor fails to meet the current Vendor Selection Criteria;

3. Understand that the State Agency will, as part of the redemption process, make price adjustments to the purchase price of WIC transactions submitted by the Vendor for redemption to ensure compliance with all price limitations and maximum allowable reimbursement levels (MARLs) applicable to Vendor;

Nondiscrimination. Vendor shall –

4. Comply with the nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Parts 15, 15a and 15b of Title 7 of the Code of Federal Regulations, Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, and U.S. Department of Agriculture (USDA), Food and Nutrition Service (FNS) instructions to ensure that no otherwise qualified person be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination in any manner on the basis of race, color, national origin, sex, disability or age;

General Business Operations. Vendor shall –

5. Demonstrate business integrity as described in the Vendor Handbook and Participation Agreement;
6. Transact and redeem FIs, CVBs and WIC EBT benefits properly using the processes described in the Vendor Handbook and Participation Agreement;
7. When operating in an area where WIC EBT has been implemented:
 - a. Have the program participant accept/approve the WIC transaction. Store personnel must NOT accept or approve this transaction for the program participant;
 - b. Ensure the certified in-lane EBT redemption process allows a reasonable degree of security for protecting the Personal Identification Numbers (PIN) used by WIC recipients. Only the program participant may enter the PIN to initiate the transaction. The Vendor must not enter the PIN for the program participant;
 - c. Provide program participant with a three-part receipt of each transaction – Beginning Balance Receipt, WIC Foods Purchased Receipt/Utilization Receipt, and Ending Balance Receipt;
 - d. Release the food benefits to the program participant any time the WIC EBT Card is decremented even if the system fails to build a claim file;
8. Provide only the WIC-approved foods listed on the FI and CVB or electronically authorized on the EBT card;
9. Allow the purchase of all WIC-approved foods up to the full amount specified on any valid EBT card, FI, or CVB presented by a WIC participant or proxy;
10. Allow a WIC participant or proxy to use another form of payment (e.g. cash, Supplemental Nutrition Assistance Program (SNAP) benefits, credit or debit card, etc.) to pay the difference if the purchase price exceeds the dollar value on a CVB or cash-value benefit. Vendor must allow WIC participants or proxies to choose from the tender types accepted from all other customers;
11. Provide WIC-approved foods that are fresh and have not exceeded their “sell by,” “best if used by,” or other date limiting the sale or use of the food item;

12. Submit accurate prices to the State Agency as identified by the State Agency; Vendor shall submit the current, non-sale prices of WIC-approved foods, as described in the Arkansas WIC Vendor Handbook and Participation Agreement;
13. Derive 50 percent or less of annual food sales, as “food sales” is defined by Federal WIC Program regulations, from FI and EBT redemptions;
14. Provide to WIC participants or proxies only the authorized infant formula specified on the participant’s FI or EBT card, which the vendor shall obtain only from Infant Formula Manufacturers identified on <https://www.healthy.arkansas.gov/programs-services/topics/wic-vendor-management>.
15. Maintain regular, established hours of operation and accept WIC EBT or FIs and CVBs a per established hours of operation. Daily hours of operation must be consistent from week to week;
16. Use a cash register that generates receipts that include the date, total price, and the price of each item, along with a description of each food item received by the WIC participant or proxy, at each check-out lane;
17. When operating in an area where EBT has been implemented:
 - a. Use an EBT-Capable cash register system as identified by Arkansas WIC Program;
 - b. Maintain a State Agency certified in-store WIC EBT Electronic Cash Register (ECR) system in a manner necessary to ensure system availability for WIC redemption processing during all hours the store is open;
 - c. Maintain and operate its WIC EBT system in compliance with the Food and Nutrition Service (FNS) WIC Operating Rules for EBT (Operating Rules). In the event these Operating Rules are amended, the Vendor agrees to make changes to maintain compliance. The Operating Rules are at:
<http://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance>
<https://www.fns.usda.gov/wic/wic-operating-rules-and-technical-implementation-guide>
 - d. Maintain a State agency-certified WIC EBT system on an on-going basis that ensures system compliance with WIC policies and procedures, transacts Cash Value, and ensures the accuracy of data;
 - e. Request State agency re-certification of the Vendor’s in-store ECR system if Vendor alters/revises the system in any manner that impacts the EBT redemption/claims processing system after initial certification. In the event an in-store WIC EBT ECR system is reconfigured or modified by the Vendor and/or other parties in such a way that the WIC in-store system no longer exhibits the required system accuracy, integrity, or performance required and under which requirements the WIC in-store system was certified, the State Agency will not accept a claim file from the system. The Vendor is liable for the costs of all recertification events needed to return the WIC in-store system for all outlets covered by this Agreement to full compliance with the State agency’s system requirements. Failure to seek re-certification when the Vendor’s system is altered

- or revised will subject the Vendor to the financial liabilities described in Part B of this Agreement and/or disqualification as an authorized Vendor;
- f. Ensure that WIC EBT claim submissions adhere to the International Federation for Produce Standards (IFPS) for Product Look-up Codes (PLU). Any fruit/vegetable PLU reserved for store use must map back to an IFPS International Standard PLU for the same produce in the WIC EBT Product List;
 - g. Return any WIC EBT card found in the store and unclaimed for 24 hours to the State agency;
18. Maintain at all times the required minimum stock of WIC-approved foods in the customer area of the store for purchase by WIC participants or proxies. “Minimum stock” as used in this Agreement shall mean the amount and kinds of food items specified by the State Agency in the Vendor Handbook, and available on the Program website. A vendor with infant formula theft concerns may keep infant formula in a secure area to meet the minimum stock requirement. A notice of the location and prices of infant formula must be posted in the area where shoppers would expect to find infant formula;
19. Display the prices and WIC tags of WIC-approved foods on the foods or on the shelves/display area in immediate proximity to the foods;
20. Maintain the establishment in a clean, orderly and safe condition, with no current sanctions for violations of local health code ordinances, and comply with applicable Federal, State and local health protection laws and ordinances;
21. Offer WIC participants, parents or caretakers of WIC infant and child participants, and proxies, the same courtesies offered to other customers;

Prohibited Practices. Vendor shall –

22. NOT provide alcohol, alcoholic beverages, tobacco products, unauthorized food items, nonfood items, or any other non-WIC items in exchange for WIC electronic benefits, FIs, or CVBs;
23. NOT provide in whole or in part cash or credit on an account (including rain checks), or other items of value in exchange for WIC electronic benefits, FIs or CVBs;
24. NOT charge a WIC participant or proxy prices that are higher than prices charged to other customers;
25. NOT charge a WIC participant or proxy more than the current shelf price for WIC-approved food;
26. NOT charge a WIC participant or proxy for foods not received by the WIC participant or proxy;
27. NOT provide coupons or certificates redeemable for cash, alcoholic beverages, tobacco products, or non-WIC items that are contingent upon a WIC EBT transaction or the redemption of a WIC FI or CVB;

28. NOT charge or collect sales tax on WIC purchases;
29. NOT claim reimbursement for the sale of WIC-approved foods in an amount that exceeds Vendor's documented inventory of those foods for the same period of time;
30. NOT receive or redeem a WIC FI or CVB and not accept an EBT transaction for food purchased or received at an address other than the physical address that appears in Vendor's application;
31. NOT deposit a WIC FI or CVB into a bank account other than Vendor's bank account;
32. NOT charge, contact, question, or seek restitution from WIC participants, parents or caretakers of WIC infant and child participants, or proxies, for WIC-approved foods obtained with WIC electronic benefits, FIs, or CVBs regardless of whether the FIs, CVBs, or WIC EBT transactions were fully paid, not paid or only partially paid by the WIC Program;
33. NOT allow substitutions, provide cash, credit, refunds, or exchanges for WIC-approved foods obtained with FIs, CVBs, or WIC electronic benefits, except for exchanges of an identical WIC approved food item when the original item is defective, spoiled, or has exceeded its "sell by", "best if used by" or other date limiting the sale or use of the food item. "Identical WIC-approved food item" means the exact brand and size as the original item obtained and returned by the WIC participant or proxy;
34. NOT accept FIs or CVBs before the first day to use or after the last day to use, as stated on the FI or CVB nor accept WIC EBT transactions outside the benefit time periods as authorized by the EBT card;
35. NOT redeem an FI or CVB or accept a WIC transaction on an EBT card that is issued to any owner, co-owner or management personnel of the Vendor or any relative thereof. Vendor is exempt from this requirement if the State Agency determines there is no other WIC-authorized vendor in good standing within a 10-mile radius of the vendor;

Files, Signs, and Recordkeeping. Vendor shall –

36. Keep on file in the store, as noted in this Agreement, a copy of the Vendor Handbook and Participant Agreement, and any memos, updates and amendments received from the State Agency;
37. Display a sign, furnished by the State Agency, on or near the main entrance in an area visible to WIC participants or proxies;
38. Have the current WIC Program Food List readily accessible to all cashiers (available at https://www.healthy.arkansas.gov/images/uploads/pdf/WIC_Approved_Foods_List_English.pdf and https://www.healthy.arkansas.gov/images/uploads/pdf/WIC_Approved_Foods_List_Spanish.pdf);

39. Provide, by due dates established by the State Agency, all information requested by the State Agency or its designee during the Agreement period;
40. Maintain, during and after any WIC authorization, for a period of four (4) full federal fiscal years after the date the record was created and provide to the State Agency upon request, paper or electronic records used for State or Federal tax reporting purposes and other WIC Program records including: inventory records showing all WIC purchases, wholesale and retail, in the form of invoices that identify the quantity and prices of specific WIC-approved foods, books of accounts, shelf price records, records of total food sales revenue, based on the definition of SNAP-eligible food items (available at <http://www.fns.usda.gov/snap/eligible-food-items>), which must be verifiable or documented, all WIC transactions, and other pertinent documents;
41. Make these documents available at a reasonable place and time for inspection and audit, upon the request of the State Agency or its designee, the USDA, or the Comptroller General of the United States, including all FIs, CVBs, and EBT transaction records in the Vendor's possession and all required inventory and accounting records;
42. Allow authorized personnel to monitor the Vendor for compliance with WIC, this agreement, and/or Federal or State rules, regulations or policy governing the WIC Program;
43. Allow authorized personnel to conduct announced and unannounced audits of Vendor's inventory and records;

WIC Vendor Stamp, WIC Acronym, and Logo. Vendor shall –

44. Ensure that the WIC vendor stamp is used only for the purpose and in the manner authorized by the terms of this Agreement, State and Federal WIC Program rules as stated in regulations, applicable laws and policies, and the Vendor Handbook;
45. Keep the WIC vendor stamp in a secure place and report loss of WIC vendor stamp to the State Agency within 2 days of loss;
46. Ensure that the WIC vendor stamp is not duplicated, and that a duplicated stamp is not used by the Vendor;
47. Return the WIC vendor stamp to the State Agency within 10 days following a change of ownership, store closure, cessation of operations, termination or expiration of this Agreement, or disqualification from the WIC Program; and return WIC vendor stamp to the State Agency within 10 days of request after WIC EBT is operational;
48. Understand that the federal WIC logo (Registration Number 1,641,644) and the WIC acronym (Registration Number 1,630,468) are registered service marks of the United States Department of Agriculture and their use is restricted;
49. Agree to use the acronym "WIC" only to identify the Vendor as an authorized WIC Vendor (in the store or in advertisements), to identify WIC-approved foods (in the store or in advertisements), and on tender type signs or the section of an advertisement that alerts customers of the types of payment accepted by the store;

50. Understand and agree that the WIC logo and acronym are not permitted to be attached or affixed to any products in the store; the Vendor is responsible for alerting suppliers, distributors, and manufacturers that they may not affix the WIC logo or acronym to products;
51. Understand and agree that Vendor may not include the acronym “WIC” in the name under which Vendor is registered in the WIC Program or in the name under which Vendor does business;
52. Understand and agree that Vendor may not include the WIC logo, or close facsimiles of the WIC logo, as determined by the State Agency, in total or in part, either on any signs that are not furnished by the State Agency, or in advertisements;

Duty to Notify. Vendor shall –

53. Notify the State Agency in writing at least fifteen (15) days prior to or immediately upon knowledge of (whichever occurs first): the loss or relinquishment of Supplemental Nutrition Assistance Program (SNAP) retailer authorization; cessation of Vendor operations; a change in Vendor ownership, management, corporate officers, or majority stakeholders, merger, acquisition or change in form of business, legal standing, or authority to do business in Arkansas; a change of location; a change in store name (including d/b/a); or, a change in mailing address, e-mail address, or telephone number;
54. Agree and understand that this Agreement shall become null and void on the date of the loss or relinquishment of SNAP retailer authorization, cessation of Vendor operations, a change in Vendor ownership, or a change in store location of two or more miles walking distance from the previous store location;
55. Immediately cease WIC business upon the occurrence of any events described in paragraph 54, above, and promptly deposit all FIs and CVBs in Vendor’s possession and/or submit all EBT transactions;
56. Use the Vendor/Participant Complaint Form, which is available online at https://www.healthy.arkansas.gov/images/uploads/pdf/WIC_Complaint_Form_English.pdf or https://www.healthy.arkansas.gov/images/uploads/pdf/WIC_Complaint_Form_Spanish.pdf, to immediately notify the State Agency of any instance in which a WIC participant or proxy fails to comply with WIC requirements;

Training. Vendor shall –

57. Ensure at least one representative participates in annual training on WIC Program requirements, and any other training sessions, as required;
58. Participate in interactive training at least once every three years. The State Agency will have sole discretion to designate the date, time, and location of all interactive training, except that the State Agency will provide Vendor with at least one alternative date on which to attend such training;

59. Ensure that employees who process WIC transactions, and other relevant staff, are trained in WIC Program requirements, including WIC EBT and FI and CVB processing procedures;

Responsibility. Vendor shall –

60. Be fully responsible for violations of this Agreement committed by its owners, officers, managers, employees, agents, representatives or other individuals who directly or indirectly participate in Vendor's operations;
61. Implement a corrective action plan, if imposed by the State Agency, within the timeframe designated by the State Agency. Corrective action plans shall not be used in lieu of State or federal sanctions;
62. Maintain the confidentiality of any information gathered about a participant or their family through actions as a result of their participation in the WIC program;

Electronic Benefit Transactions (EBT), Food Instruments (FIs), Cash-Value Vouchers (CVBs), Deposits and Claims. Vendor shall –

63. Accept FIs and CVBs only from WIC participants, parents or caretakers of infant and child WIC participants, or proxies, as indicated with a name and signature on the WIC identification folder;
64. Ensure that the cashier enters the purchase price and date of use in ink for the WIC-approved foods actually purchased before an FI or CVB is signed and that the signature of the WIC participant or proxy is obtained and verified in the presence of the cashier;
65. Deposit FIs and CVBs for payment within thirty (30) days from the valid period stated on the FI or CVB;
66. Pay any claim assessed by the State Agency within thirty (30) days of written request from the State Agency;
67. Be fully responsible for any fees associated with processing a WIC transaction including any adjustment or rejection of any FI or CVB deposited by the Vendor or electronic benefit transacted by the vendor;
68. Pay a State Agency claim or submit any justification or correct any overcharges or other errors - to the State Agency within thirty (30) days of written request from the State Agency;
69. Address any disputed redemptions through as outlined in the Vendor Handbook Section;
70. Accept financial liability for any WIC transaction submitted for payment after 60 days from the date of the transaction;

71. Accept financial liability for EBT benefit redemptions resulting from Hot Card transactions if the Vendor and any of its outlets covered by this Vendor Agreement have not connected to the State Agency's WIC EBT System within a contiguous 48-hour period of time and updated the Invalid PAN Hot Card List file information at each of the Vendor's retail outlets covered by this Vendor Agreement;

Specific to EBT Claims. Vendor shall-

72. Connect the Vendor's in-store system to the State agency's WIC EBT System at least once every 48 hours to download the Approved Product List (APL), the current Invalid Primary Account Number (PAN) Hot Card List file, Error file, and Auto-Reconciliation (settlement) file;

Part B. STATE AGENCY Agrees to:

1. When EBT is implemented, make available the WIC Authorized Product "UPC/PLU" List file, the Hot Card List (WIC Invalid PAN) file, and Auto Reconciliation or Error files for previously submitted WIC EBT Claim files;
2. Provide the Vendor with instructions in the Vendor Handbook and Agreement for processing WIC transactions and provide the Vendor with assistance in understanding such instructions, as requested;
3. Make payment to the Vendor for actual retail costs not to exceed the Maximum Allowable CVBs accepted and redeemed in compliance with the conditions of this Vendor Handbook and Agreement, and applicable federal law, regulations, and policy;
4. Reject and adjust FIs deposited that are above the MARL established for the FI type and applicable vendor peer group;
5. Adjust WIC EBT payments made based on subsequent Maximum Allowable Reimbursement Level (MARL) calculations;
6. Delay payment, deny payment, or establish a claim when the State Agency determines the Vendor has committed a violation that affects the payment to the Vendor;
7. Sanction the vendor for vendor overcharges or other errors as provided in the Vendor Handbook section of the Vendor Handbook and Agreement.
8. Provide the vendor with an opportunity to justify or correct a vendor overcharge or other error as addressed in the Vendor Handbook and Participation Agreement;
9. Establish a claim in the amount of the full purchase price of each WIC FI, CVB or WIC EBT transaction that contains an overcharge or other error that has not been justified or corrected by the Vendor;
10. Offset any unpaid claim against any current or subsequent amounts to be paid to the Vendor;

11. Sanction the Vendor for failure to comply with Program requirements in accordance with Sanction Section of this Vendor Handbook and Participation Agreement;
12. Establish vendor peer groups as established in the Vendor Handbook and Participation Agreement;
13. Assign vendors to appropriate peer groups as established in the Vendor Handbook;
14. Inform all vendors of its peer group assignment;
15. Monitor Vendor for compliance with program requirements;
16. Audit Vendor records, as required;
17. Arrange for requested administrative reviews, as established in the Vendor Handbook;
18. Provide to authorized vendors a WIC vendor stamp for use in redeeming FIs and CVBs;
19. Provide to authorized vendors a sign, sticker or other notice of authorization as a WIC Vendor for the vendor to display in an area readily visible to WIC participants and proxies;
20. Provide annual training for the Vendor, to include one interactive training session at least every three years;
21. Revise the Vendor Handbook to reflect any changes in federal or state statutes, regulations, policy or procedure or as otherwise needed;
22. Notify Vendor of changes to Federal or State statutes, regulations, policies, or procedures governing the Program within a reasonable time before the changes are implemented;
23. Provide Vendor with at least 15 days' advance written notice of the expiration of the Agreement Vendor, and
24. Comply with the nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Parts 15, 15a and 15b of Title 7 of the Code of Federal Regulations, Age Discrimination Act of 1975 and section 504 of the Rehabilitation Act of 1973, and U.S. Department of Agriculture (USDA), Food and Nutrition Service (FNS) instructions, to ensure that no otherwise qualified person be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination in any manner on the basis of race, color, national origin, sex, age, or disability.

Part C. Vendor Acknowledges:

1. **Competitive Pricing:** State agency will complete and Vendor acknowledges that it is subject to a competitive pricing analysis of all WIC vendors that may result in recoupment from the Vendors in future subsequent claim redemptions;
2. **Sanctions:** Sanctions are actions which will be taken by the State Agency when the Vendor fails to comply with applicable federal law, regulations, and/or State law. Sanctions include disqualifications, civil money penalties (CMPs), and fines. A complete sanction schedule is found in the Vendor Handbook Section of the Vendor Handbook and Participation Agreement. A disqualification from the WIC Program may result in disqualification as a retailer in SNAP. Such disqualification from SNAP as a result of WIC disqualification is not subject to administrative or judicial review under SNAP. Any unaddressed violations will carry forward from one authorization period to another. When the State Agency disqualifies a Vendor, the State Agency must also terminate the Vendor Agreement.
 - a. The State agency must notify the Vendor in writing when an investigation reveals an initial incidence of a violation for which a pattern of incidences must be established in order to impose a sanction, before another such incidence is documented, unless the State Agency determines, in its discretion, on a case-by-case basis, that notifying Vendor would compromise an investigation. Notification will not be provided for a pattern of claiming reimbursement for the sale of an amount of a specific supplemental food item that exceeds documented inventory.
 - b. A vendor who commits fraud or abuse in the Program is liable to prosecution under applicable Federal, State, or local laws. Vendors that 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.
 - c. Vendors may be subject to actions in addition to the sanctions in this section, such as: claims; penalties set forth in the above; mandatory training; and/or Vendor implementation of State Agency approved corrective action;

Specific to Reimbursements for EBT System Costs –

1. If a vendor who accepted State Agency reimbursement for the installation of a commercial EBT ECR system is terminated from the WIC Program for fraud, abuse, or violation of WIC policies or is closed within 12 months of the EBT certification date, the vendor must return a pro rata share of the total reimbursement to the State Agency (pro rata straight line unused portion of the 12 months since the ECR system was installed);
2. Vendor will reimburse the State Agency pro-rata for WIC EBT system costs, if applicable, for any outlet covered by this Agreement that is disqualified, terminated, or closed by the vendor;

Vendor will reimburse the State Agency pro-rata for WIC EBT system costs, if applicable, for any outlet covered by this Agreement that is disqualified, terminated, or closed by the vendor;

EBT Ongoing Maintenance and Operational Costs –

The State agency shall not pay for ongoing maintenance, processing fees or operational costs for vendor systems and equipment used to support WIC EBT after the State agency has implemented WIC EBT statewide, unless the equipment is used solely for the WIC Program or the State agency determines the vendor using multi-function equipment is necessary for participant access. Costs shared by a WIC State agency will be proportional to the usage for the WIC Program;

3. **Administrative Review Procedures:** A vendor that is aggrieved by one of the adverse actions listed in 7 C.F.R. § 246.18(a)(1)(i) or (ii) may file with the Arkansas WIC Program a formal request for administrative review (appeal) in accordance with instructions contained in the notice of adverse action. All appeals shall be conducted in accordance with the Arkansas Administrative Process and 7 C.F.R. § 246.18, including the “full administrative review” procedures set forth in 7 C.F.R. § 246.18(b). The actions listed in 7 C.F.R. § 246.18(a)(1)(iii) shall not be subject to administrative review or appeal;
4. **General Conditions:**
 - a. The State Agency will terminate this Agreement if it identifies a conflict of interest, as defined by applicable State laws, regulations and policies (as determined by the State agency) between Vendor and the State Agency or local WIC agencies, or if it determines that Vendor has provided false information in connection with its application for authorization;
 - b. The State Agency may terminate this Agreement if any of the provisions herein are violated;
 - c. The Vendor may voluntarily terminate this Agreement for cause upon fifteen (15) days’ written notice to the State Agency;
 - d. The State Agency reserves the right to amend this Agreement upon thirty (30) days’ written notice to Vendor; if such changes are not agreeable to the Vendor, the Vendor may choose to voluntarily terminate this Agreement, and
 - e. Neither party has any obligation to renew this Agreement.

Part D. Signatures: This Agreement, the rules and regulations referenced therein, together with the Vendor Handbook, contain all terms and conditions agreed upon by the parties. The Vendor agrees that the person with the legal authority to obligate the Vendor has read, understands, and will comply with the terms of this Agreement.

The undersigned represents that she/he is an owner or has other legal authority to obligate Vendor. In all instances, the State Agency will advise the Vendor of the effective dates of the Agreement. The vendor shall process WIC transactions only during the period of authorization within the effective dates of the Vendor Agreement. For initial applicants, this Agreement is effective after it has been signed by both parties, training is completed, an on-site preauthorization visit has been conducted in the Vendor's physical location, and the WIC vendor stamp has been provided and/or the vendor's EBT POS system has been certified.

For vendors making reapplication, this Agreement is effective on _____ or the date signed by the State Agency, whichever is later.

Print Name and Title of Person
with legal authority to obligate Vendor

SIGNATURE FOR VENDOR

Date Signed

WIC Vendor Number (if renewal application)

The undersigned has authority to sign this Agreement on behalf of the Arkansas WIC Program:

Authorizing Authority - Vendor Section
SIGNATURE
(Print Name)

STATE AGENCY OFFICIAL'S

Date Signed