

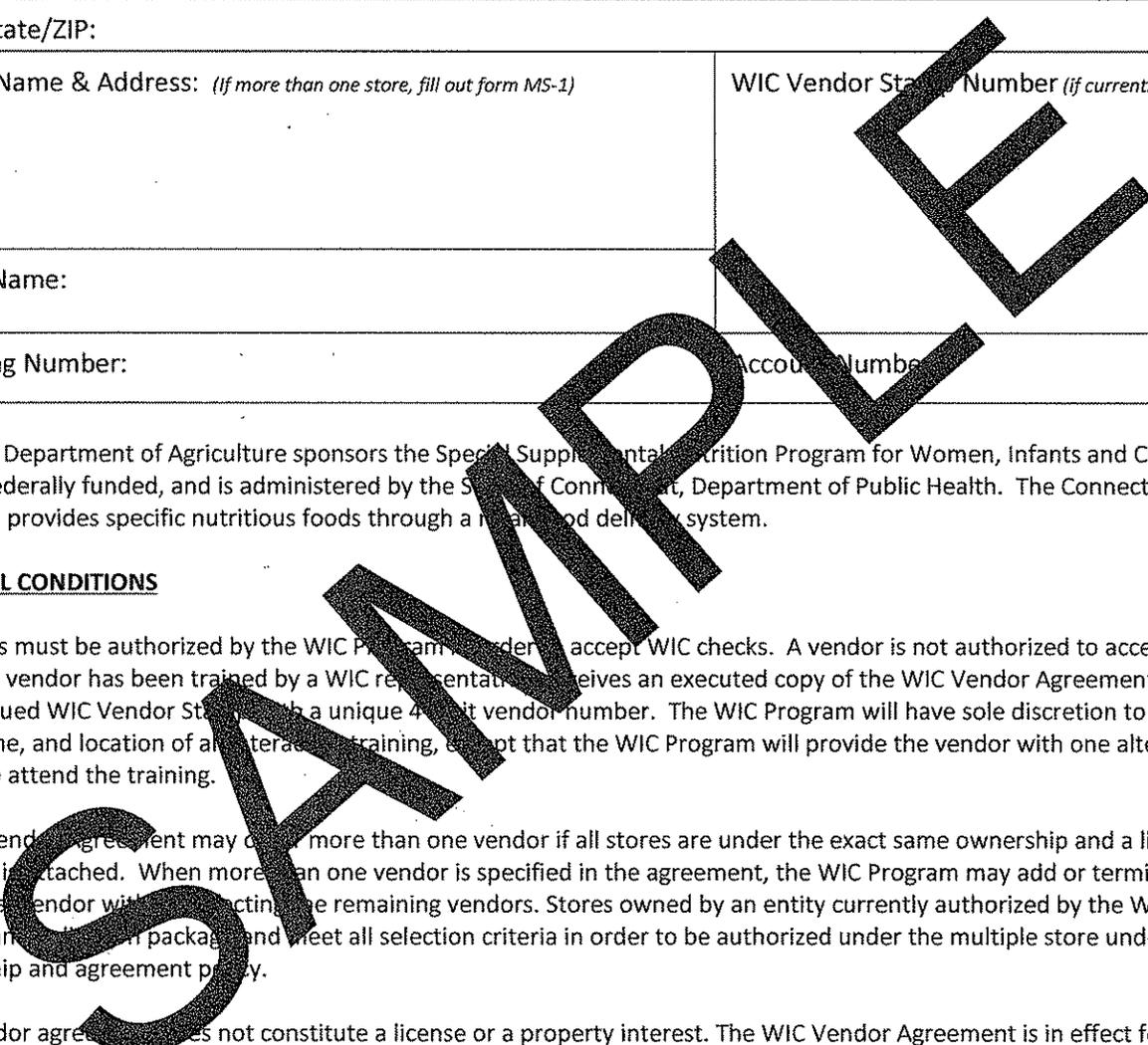
STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH

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



2014/2015 WIC VENDOR AGREEMENT

FORM: WVA-1 OWNERSHIP INFORMATION (Please Print)
Ownership Type: Sole Proprietorship Partnership Limited Liability Company (LLC) Franchise Corporation
Ownership Name:
Address:
City/State/ZIP:
Store Name & Address: (If more than one store, fill out form MS-1) WIC Vendor Status Number (if currently authorized):
Bank Name:
Routing Number: Account Number



The U.S. Department of Agriculture sponsors the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). WIC is federally funded, and is administered by the State of Connecticut, Department of Public Health. The Connecticut WIC Program provides specific nutritious foods through a meal and food delivery system.

GENERAL CONDITIONS

All stores must be authorized by the WIC Program in order to accept WIC checks. A vendor is not authorized to accept WIC checks until the vendor has been trained by a WIC representative, receives an executed copy of the WIC Vendor Agreement, and receives a State-issued WIC Vendor Status Number with a unique 4-digit vendor number. The WIC Program will have sole discretion to designate the date, time, and location of all interactive training, except that the WIC Program will provide the vendor with one alternative date on which to attend the training.

A WIC Vendor Agreement may cover more than one vendor if all stores are under the exact same ownership and a list of each store location is attached. When more than one vendor is specified in the agreement, the WIC Program may add or terminate an individual vendor without affecting the remaining vendors. Stores owned by an entity currently authorized by the WIC Program must submit an application package and meet all selection criteria in order to be authorized under the multiple store under the same ownership and agreement process.

The vendor agreement does not constitute a license or a property interest. The WIC Vendor Agreement is in effect for the stated time period only. If the vendor wishes to continue to be authorized beyond the period of its current agreement, the vendor must reapply for authorization. If a vendor's agreement expires or is terminated and the vendor wishes to reapply, the vendor will be subject to the WIC Program's vendor selection criteria in effect at the time of the reapplication.

All vendors are subject to announced and unannounced on-site visits.

All vendors must have the ability to communicate via electronic mail (email). Prior to EBT implementation, all vendors must have internet access in the store.

Either the WIC Program or the vendor may terminate the agreement for cause after providing advance written notice of at least 15 days.

The agreement will be terminated upon a change in vendor ownership, store location (more than one mile), or cessation of operations. The WIC Program has the discretion to determine whether a change in business structure constitutes a change in ownership.

A vendor applicant that does not meet the minimum inventory requirements (Appendix B) will not be authorized, even if such denial of authorization would result in inadequate participant access.

The vendor may be monitored for compliance with program requirements. In addition to claims collection (Appendix E), the vendor may be sanctioned for vendor violations in accordance with the WIC Program's sanction schedule (Appendix F). Sanctions may include warnings, administrative fines, disqualification, and civil money penalties in lieu of disqualification.

Disqualification from the WIC Program may result in disqualification as a retailer in SNAP. Such disqualification may not be subject to administrative or judicial review under SNAP.

Adverse actions against a vendor associated with Federal mandatory sanction number one (1) (Appendix F) and denials of authorizations shall be effective on the date of receipt of the WIC Program's written notice. All other adverse actions taken by the WIC Program against a vendor shall be effective 15 days from the date of the written notice.

A vendor who commits fraud or abuse in the Program is liable to prosecution under applicable Federal, State or 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 agreement will be terminated if the WIC Program determines that the vendor has provided significant false information in connection with its application for authorization.

The agreement will be terminated if the WIC Program identifies a conflict of interest, as defined by applicable State laws, regulations, and policies, between the vendor and the WIC Program or its local agencies.

The agreement will be terminated if the vendor accepts and/or transacts WIC checks anywhere other than the fixed location of the store as covered by this agreement.

There can be no unauthorized use of the WIC logo or acronym in promoting the store's business. The logo and acronym may only be displayed on official WIC Program materials.

THE WIC VENDOR AGREES TO

Only accept the types of checks that each type of vendor is allowed to accept. Pharmacy vendors are only allowed to accept checks for formula and medical foods. Farmers are allowed to accept checks for fruits and vegetables and food stores are allowed to accept all types of WIC checks.

Comply with the WIC Vendor Agreement and Federal and State statutes, regulations, policies, and procedures governing the Program, including amendments made during the agreement period.

Accept written correspondence via email, postal service or the Program's Management Information System.

Comply with, and be subject to, all the vendor selection criteria listed in Appendix A, including the minimum inventory requirements in Appendix B at the time of authorization and throughout the Agreement period, including any changes made during the Agreement period.

Stock those items that are in good condition, undamaged, unspoiled and are not beyond the expiration date or has exceeded its "sell by," "best if used by," manufacturer suggested, or other date limiting the sale or use of the food item.

Comply with all the procedures for accepting and transacting WIC checks included in Appendix C.

Comply with all the procedures for pricing and redeeming WIC checks included in Appendix D.

Allow reasonable monitoring & inspection of the store premises, procedures, records and WIC checks on hand.

Make available to representatives of the WIC Program, the United States Department of Agriculture (USDA), and the Comptroller General of the United States, at any reasonable time and place for inspection and audit, all WIC checks in the vendor's possession and all program-related records, upon request.

Comply with the nondiscrimination provisions of USDA regulations (7 CFR Parts 15, 15a and 15b of this title).

Submit price/stock surveys as requested by the WIC Program on or before the specified due date.

Have at least one representative participate in training annually. Annual training may be provided by the WIC Program through newsletters, videos, or interactive training.

Inform and train cashiers and other staff on program requirements before they handle WIC checks, and provide regular review of WIC policies and procedures with all persons involved in WIC transactions.

Be accountable for its owners, officers, managers, agents, and employees, whether they are paid or unpaid, who commit vendor violations.

Retain all original inventory records used for Federal tax reporting purposes including purchase invoices, purchase slips and receipts of delivery for WIC food items for the most recent three-year period. All such documents must indicate the quantity, unit price, description and container size of WIC food items purchased and must be available for inspection by Federal and/or state agents. Cash register receipts without specific identification of the quantity, unit price, description, and container size of WIC food items purchased shall not be accepted as evidence of WIC food item purchases.

Provide the WIC Program with advanced written notification (as soon as possible) of any change in vendor ownership, store location, or cessation of operations.

Pay all monetary claims established by the WIC Program in accordance with Appendix B.

Be subject to the WIC Program's sanction schedule found in Appendix C.

Be subject to the administrative review procedures in Appendix G.

Never assign, subcontract or sublease any vendor duties or responsibilities under this agreement.

Never provide refunds or permit exchanges of authorized WIC foods obtained with WIC checks, except for exchanges of an identical authorized WIC food item when the original authorized WIC food item is defective, spoiled, or has exceeded its "sell by," "best if used by" or other date limit for sale or use of the food item. An identical authorized WIC food item means the exact brand and size as the original authorized WIC food item obtained and returned by the participant.

Never seek restitution from a WIC customer for an unpaid WIC check or for a bank charge assessed on a rejected WIC check.

Never seek restitution from the WIC Program for bank fees associated with an unpaid WIC check unless the check was rejected due to an error by one of the program's local agencies.

Never breach WIC customer confidentiality, or treat a person using a WIC check discourteously.

Never discriminate against a person using a WIC check.

Never forge the signature of a WIC customer on any WIC document.

Provide any WIC-approved food item that is not listed as a minimum inventory requirement, but printed on a WIC check within 48 hours of the request.

THE WIC PROGRAM AGREES TO:

Provide training on the Vendor Agreement, Federal and State Statutes, regulations, and policies and procedures governing the WIC Program.

Post information on the website when offering enrollment periods for stores to apply for WIC authorization. Limited enrollment periods will be offered when the Program determines there will be inadequate participant access unless additional stores are authorized.

Provide a WIC vendor stamp and an executed copy of the WIC Vendor Agreement to authorized vendors.

Provide payment to authorized vendors for valid, properly completed and submitted WIC checks.

Notify the vendor of WIC Program violation(s) and applicable warnings and sanction(s) imposed in accordance with the terms of the WIC Vendor Agreement.

Notify vendors within 21 days of the expiration of their WIC Vendor Agreement of the need to re-apply for authorization to remain a WIC vendor.

Notify vendors of any Program changes before the changes are implemented.

Assist with problems brought to the attention of the State WIC Office by the vendor.

Only disclose the store name, address, authorization status, phone number, web site/e-mail address and store type.

REQUEST FOR REVIEW

A vendor may be entitled to an administrative review when notified of certain adverse actions taken by the WIC Program. See Appendix G for administrative review procedures.

Actions subject to an Administrative Review:

- 1. Denial of authorization based on vendor selection criteria or on a determination that the vendor is attempting to circumvent a sanction.
- 2. Termination of the WIC Vendor Agreement.
- 3. Disqualification of the vendor except when it is based on SNAP disqualification.
- 4. Imposition of a fine or civil money penalty in lieu of disqualification.

Actions not subject to Administrative Review:

- 1. Disqualification of a vendor as a result of a disqualification from SNAP.
- 2. The expiration of a WIC Vendor Agreement.
- 3. Validity or appropriateness of the WIC Program's vendor selection criteria.
- 4. Validity or appropriateness of the WIC Program's participant access criteria and the Program's participant access determinations.
- 5. Validity or appropriateness of the WIC Program's criteria for determining whether a vendor applicant is expected to meet the more than 50% criterion. (Appendix A)
- 6. Disputes regarding WIC check payment, vendor claims, and associated administrative fees.

THIS SECTION TO BE COMPLETED BY THE VENDOR OWNER, PARTNER, MEMBER, FRANCHISEE OR CORPORATE REPRESENTATIVE:

The undersigned represents that he or she is the owner, partner, member, franchisee or authorized representative or has the authority to contract for and on behalf of the retail vendor. By signing below, the vendor agrees to the general conditions and the terms of this agreement including all appendices.

Signature of owner, partner, member, franchisee or representative*	Date
Print name of owner, partner, member, franchisee or representative	Title

* If this signature is not that of the owner, partner, member, franchisee, attach a copy of a document that authorizes the representative to sign and contract for on behalf of this business.

THIS SECTION TO BE COMPLETED BY THE WIC PROGRAM

By signing below, the WIC Program agrees to the general conditions and the terms of this agreement including all appendices.

Signature of WIC Program Director	Date
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THIS AGREEMENT BETWEEN THE STATE OF CONNECTICUT, DEPARTMENT OF PUBLIC HEALTH, SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC PROGRAM) AND THE VENDOR NAMED IN THIS AGREEMENT SHALL BE IN EFFECT FROM:

2014/2015 WIC VENDOR AGREEMENT –APPENDIX A - VENDOR SELECTION CRITERIA

The Vendor Selection Criteria below must be met by all vendors at the time of authorization and must be maintained throughout the agreement period. The WIC Program may reassess any authorized vendor at any time during the vendor's agreement period using the vendor selection criteria in effect at the time of the reassessment and shall terminate the agreements upon failure to meet them. Vendors who do not meet the following criteria will be non-selected for authorization:

- A vendor must submit a complete application package before the last acceptable deadline date. If incomplete at the time of the initial submission, a vendor will receive 15 days from the date of notification of the deficiency to cure such deficiency, and to file a completed application package.
- A vendor must be open at least ten (10) consecutive hours a day, six days a week.
- Falsification of any significant information required during the enrollment process may be a basis for denial of participation.
- A vendor must attend all assigned mandatory training sessions.
- A vendor must not be expected to derive more than 50% of its annual food sales revenue from the acceptance of WIC checks. Food sales means sales of all foods, based on all payment methods that are eligible for payment under SNAP. These include breads and cereals, dairy products, fruits and vegetables, meat, fish, and poultry, as well as non-alcoholic beverages, snack foods, soft drinks, candy, ice, and seeds and plants intended to grow food.
- A vendor, with more than 50% of its food revenue from WIC transactions may not provide incentive items or other free merchandise, except food or merchandise of nominal value (less than \$2.00), unless the vendor provides proof of obtaining the items or merchandise at no cost.
- A vendor must provide, upon request, total food sales revenue based on the definition of SNAP eligible food items, for a stated period of time and must be verifiable or documented.
- A vendor must post product prices on the store sign in front of the item, on the product itself or, in the case of chilled or frozen items, on a sign attached to the door of a cooler or freezer in front of the food item.
- A vendor must have and maintain the established WIC Program Minimum Inventory Requirements. (See Appendix B).
- A vendor must meet established competitive pricing criteria, which involve the ranking, by peer group, of the price index of all vendors. The price index is calculated by using each vendor's reported prices for WIC food items. Each vendor's price index is then compared to the average price index for the peer group with which it is associated. Vendors whose prices exceed the state's maximum allowable prices for that peer group will be asked to lower their prices. Vendors are assigned to peer groups based on population density in the ZIP code area of the store and the number of checkout lanes or the number of cash registers in the store. There are three population density groups (population density of 1-1000 people per square mile, 1001-3000 people per square mile, and over 3000 people per square mile). There are three cash register groups (1-3 cash registers, 4-9 cash registers, and more than 9 cash registers). Vendors that are in the same population density and cash register group are placed in a peer group. There are a total of 9 basic peer groups, as described above. Stores that meet the more than 50% criteria will be distinguished from other vendors and placed in a peer group comprised of only above-50-percent vendors. Pharmacies are divided into two peer groups: one for large chain pharmacies and the other for small chain and independent pharmacies. In addition, a vendor's price for any WIC check type must not be higher than the maximum not-to-exceed price for its peer group. The maximum not to exceed prices are based on average vendor prices for WIC food items and are used by the WIC Program bank to determine if a particular WIC check exceeds the maximum reimbursement level for that check type and peer group.
- A food store vendor, excluding pharmacies, must be currently authorized by the Supplemental Nutrition Assistance Program (SNAP) and must provide the FNS number prior to receiving WIC authorization.
- A vendor must not be currently disqualified from SNAP or must not have been assessed a SNAP civil money penalty for hardship, and the disqualification period that would otherwise have been imposed has not expired.

- A vendor applicant or current owners, officers or managers must not have been convicted of or had a civil judgment entered against them within the last six (6) years for any activity indicating a lack of business integrity, including, but not limited to, fraud, antitrust violation, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, receiving stolen property, making false claims, or obstruction of justice.
- A vendor must purchase infant formula only from wholesalers, distributors, retailers and manufacturers who appear on the WIC Program's list of authorized formula distributors, which is provided by the WIC Program to vendors.
- A vendor must not have paid more than \$2,500 in fines related to State Agency-established sanctions in the last three (3) years.
- Vendors must maintain sufficient WIC redemptions, defined as averaging more than twenty-five WIC checks per month within the most recent three-month period.
- The WIC Program shall not authorize a vendor applicant if it determines that its previous owner sold the store in an attempt to circumvent a WIC sanction.
- A vendor must not offer, or intend to offer, incentive items solely to WIC customers, and must offer WIC customers the same courtesies that are offered to non-WIC customers.

Note: Except for the Minimum Inventory Requirements, an exception may be made to the selection criteria where adequate participant access does not exist as determined by the WIC Program.

SAMPLE

For food stores, all food items below are required of vendor applicants awaiting pre-authorization visits and all currently authorized food stores. For pharmacies, only infant formula is required of vendor applicants awaiting pre-authorization visits and all currently authorized pharmacies.

The vendor must maintain each of the following WIC approved foods in the quantities stated on the shelves and store premises at all times. To ensure constant availability of WIC foods to WIC customers, a vendor may have to stock these food items in larger quantities than is required. See the WIC Approved Food List/Participant ID Booklet for product specifications and brand names that are allowed.

FOOD ITEM	CONTAINER SIZE	MINIMUM QUANTITIES AND REQUIRED NUMBER OF KINDS/TYPES/VARIETIES
Fluid Milk	Gallons Half Gallons	8 gallons: 6 gallons of 1% (Lowfat/Light), or Skim (Fat Free/Nonfat) combined PLUS 2 gallons of Whole (least expensive brand) <u>AND</u> 8 half gallons of milk: 6 half gallons of 1% (Lowfat/Light), or Skim (Fat Free/Nonfat) combined PLUS 2 half gallons of Whole (least expensive brand)
Evaporated Milk	12 oz. cans	12 cans of evaporated milk (least expensive brand)
Cheese	Prepackaged (16 ounces) Deli American (1 Pound)	2 varieties of cheese and 32 oz. of each variety (least expensive brand)
Eggs	1 dozen carton	4 dozen large white or brown eggs (least expensive brand).
Juice	11.5 or 12 oz. cans of concentrate <u>AND</u> 64 oz. plastic bottles of fluid	2 varieties with combined total of: 2 cans of frozen or liquid concentrate juice <u>AND</u> 12 plastic bottles of fluid juice
Fruits	Pounds, pieces, cans bags, boxes	\$25 worth (at retail prices) and at least 2 varieties total. 2 varieties (different) must be fresh fruits Other varieties may be canned or frozen.
Vegetables (No potatoes, except sweet potatoes/yams)	Pounds, pieces, bags, boxes	\$25 worth (at retail prices) and at least 2 varieties total. 2 varieties (different) must be fresh vegetables Other varieties may be canned or frozen.
Whole Wheat/Whole Grain Bread Whole Wheat/Soft Corn Tortillas	1 (1 lb.) loaf 16 oz. 1 lb. package	6 units total: 2 packages of Whole Wheat or Whole Grain Bread <u>AND</u> 4 packages of WIC approved Breads or Tortillas
Legumes – Dry and Canned Beans, Peas, Lentils	1 pound (1 bag) 5-16 oz. cans	2 varieties with combined total of: 4 bags of dry <u>AND</u> 8 cans of beans, peas or lentils (least expensive brand)
Canned Tuna Fish	5 oz. cans	6 cans of light tuna (least expensive brand)
Hot Cereal	14 oz. box or larger	1 variety and 2 boxes of that variety.
Cold Cereal	14 oz. or larger bags, boxes	3 varieties of cold cereal and 3 boxes of each variety. At least one variety must be whole grain.
Peanut Butter	16-18 oz. container	1 variety and 3 jars of that variety (least expensive brand).
Baby Food – Fruits Vegetables	4 oz. jars only -Beech-Nut Classics brand- Stage 2	36 jars of Beech-Nut baby food fruits and 2 varieties 36 jars of Beech-Nut baby food vegetables and 2 varieties
Infant Cereal (plain)	8 oz. box-Beech-Nut brand only	2 varieties of Beech-Nut infant cereal and 3 boxes of each variety
Infant Formula	Full boxes of six bottles, 8 oz. concentrate (1.5 QT) = one unit <u>AND/OR</u> 12.5 oz. cans of powder= one unit	24 units of Enfamil Premium Infant, in any combination of six bottle boxes of 8 oz. concentrate or 12.5 oz. cans of powder

Any WIC-approved food or infant formula item that is not listed as a minimum inventory requirement, but is printed on a WIC check, must be made available to any WIC customer upon request within 48 hours of the request.

** Only those items that are in good condition (undamaged) and are not beyond the expiration date or have not exceeded its "sell by", "best if used by", "manufacturer suggested", or other date limiting the sale or use of the food item shall be considered. Refer to the WIC Program Food List for the approved WIC foods.

2014/2015 WIC VENDOR AGREEMENT--APPENDIX C - REQUIREMENTS FOR RECEIVING AND TRANSACTING WIC CHECKS

Do not have a checkout lane designated only for WIC transactions. The entire WIC transaction must occur at the vendor's location that is listed on the WIC Vendor Agreement. Home deliveries are not permitted under the retail food delivery system that is used in Connecticut.

- Accept a WIC check only from a WIC customer.
- Ask the WIC customer for their Approved Food List/Participant ID Booklet. No other form of identification may be requested.
- Compare the Family ID Number and the Payee's Name on the ID with the same information on the WIC check. This information must agree.
- Review the "First Day to Use" and the "Last Day to Use" on the check. If the current date is not on or between these dates, do not accept the check.
- Examine the check for alterations. If there are any changes to the dates, types or quantities of food, names, etc., do not accept the check.
- Allow the purchase of the WIC foods printed on a WIC check or authorized on the WIC Approved Food List. A WIC customer must purchase the least expensive brand at the time of the purchase when required on the WIC Approved Food List. A WIC Approved Food List must be kept at the checkout lane/cash register.
- Make sure that the quantities of the WIC food items purchased do not exceed the quantities listed on the check, except for WIC checks for fruits and vegetables. A WIC customer may buy less than the amount printed on a check, including omitting an entire WIC food item.
- Do not allow store credit, IOU's or rain checks in exchange for cash not taken at the time of the purchase.
- Determine the total purchase price of all WIC food items purchased. The cashier or the WIC customer is permitted to enter the purchase price on WIC checks in the "Actual \$ Amount of Sale" box. The price entered on a WIC check for fruits and vegetables is the actual price of the items purchased if the value is equal to or less than the maximum value of the check (\$5.00, \$6.00 or \$8.00). If the total purchase price goes over the maximum value of a WIC check for fruits and vegetables the price to be entered is the maximum value of the check (\$5.00, \$6.00 or \$8.00).
- Allow participants to pay the difference between the purchase price and the maximum amount of the fruits and vegetables check. The difference may be paid with other WIC checks for fruits and vegetables, cash, credit/debit card, EBT, or other forms of payment that your store allows.
- No change is returned to the participant for the difference between the purchase price and the maximum amount of a fruits and vegetable check when the value of the purchase is less than the maximum amount.
- The purchase price must be entered in black ink before the WIC check is signed. Do not use the dollar (\$) symbol when recording the price on a WIC check.
- Ensure the WIC customer signs and dates the WIC check in black ink in the presence of the cashier after the purchase price has been entered. The date must be the current date. The cashier may help the WIC customer with the date, but the date must be entered at the time the check is signed. The date should be in the mm/dd/yy format.
- Once the check is signed, the cashier must compare the signature on the WIC check with the signature of the payee, alternate, or caretaker on the back of the Approved Food List/Participant ID Booklet. If the signatures do not match, the WIC check cannot be accepted and the transaction cannot be allowed.
- All food that was purchased must be taken at the time of the transaction.

2014/2015 WIC VENDOR AGREEMENT –APPENDIX D - REQUIREMENTS FOR PRICING AND REDEEMING WIC CHECKS

- Do not redeem a WIC check taken by an unauthorized store or any other WIC vendor. Do not assign or transfer a WIC check to another party. Do not use a WIC check for purchasing merchandise or commodities or for payment of any debt.
- Only charge prices for WIC food items that have been reported to the WIC Program in writing. Report all price changes on WIC food items, in writing, with as much advance notice as possible. All vendor prices must meet the WIC Program's price limitations. Vendors must maintain a history of shelf prices for all WIC food items for the most recent three-year period. Prices are not collected for fruits and vegetables.
- Never charge a WIC customer money for approved WIC foods obtained with a WIC check, except for WIC checks for fruits and vegetables where the purchase price exceeds the maximum amount.
- Never charge a WIC customer more for WIC food items than other customers.
- Never collect sales tax on approved WIC foods obtained with a WIC check.
- Offer a WIC customer the same courtesies offered to other customers. Vendor's must accept manufacturer's coupons from a WIC customer and allow other store promotions such as store savings cards, "buy one get one free" offers, and any other types of sales to a WIC customer if these are being offered to other customers. If a manufacturer's coupon or other store promotion results in lowering the price of a WIC approved food item below the equivalent most expensive brand, a WIC customer must be allowed to purchase it.
- Affix the State-issued WIC vendor stamp in the space provided on the WIC check and deposit using black ink. Never use a WIC stamp that was not issued by the WIC Program or one that was issued to another store. Never use a stamp that was reported lost or stolen. Maintain secure storage for the WIC vendor stamp and ensure that only authorized personnel have access to the stamp.
- If the stamp impression is not dark, bold, and clear, the vendor number may be written in bold, black ink next to the stamp impression.
- Deposit a valid WIC check in the store's business bank account that is reported on the WIC Vendor Agreement. The deposit must be made within 60 days from the "first day to use" which is printed on the check.
- Report any change of bank or bank account to the WIC Program in writing.

SAMPLE

2014/2015 WIC VENDOR AGREEMENT –APPENDIX E - MONETARY CLAIMS

When a vendor commits violations while accepting, transacting, or redeeming a WIC check, the WIC Program's bank may reject the check. A rejected WIC check may serve as the vendor's notice that violations associated with a check have been determined and payment has been denied. The following numbered 1-5 are fatal errors and WIC checks that contain these errors will not be paid.

1. Post dated - redeemed before the "first day to use."
2. Stale dated – deposited more than 60 days after the first day to use.
3. Altered in any way.
4. Missing the WIC customer's signature.
5. Missing the purchase price.

The bank shall reject a WIC check that is: Missing the WIC vendor stamp imprint or the imprint is illegible. These checks may be re-deposited after properly imprinting the stamp or boldly writing in the vendor number with black ink next to the original vendor stamp impression, if done before the last day to deposit (60 days from the first day to use).

The bank shall reject a WIC check that is: In excess of the maximum dollar value of the check.

A vendor will have an opportunity to submit corrections or justifications for rejected checks. Checks that are rejected for the dollar amount exceeding the maximum limit or checks rejected as a result of a banking system error may be reimbursed. All rejected checks that are submitted by vendors for payment appeal must be mailed within 45 days of the date the checks were rejected along with a written justification for or correction of all errors. Vendors cannot justify check errors if they routinely occur. Vendors should provide continual cashier training to avoid repeated violations. If the WIC Program accepts the vendor's correction or justification, the check will be paid for the appropriate amount and the vendor will be charged a \$5.00 administrative fee for each check paid. All rejected checks that have been approved for payment by the State WIC Office must be deposited within 3 days of receipt of the revaluated check.

A post-payment claim may be established after a WIC check has been paid. In cases of post-payment claims, written notification will be provided to the vendor describing the errors and stating the claim amounts for the following reasons:

- The WIC Program performs post-payment check audits. If the WIC Program determines that a vendor has charged prices on a WIC check higher than those reported to the Program in writing or in excess of the maximum for any WIC food item, a claim will be established for the difference.
- The WIC Program conducts inventory audits to determine if a vendor's purchases of WIC food items can support the amount of WIC food items provided to WIC customers that is represented by the vendor's redeemed WIC checks. If a shortfall is determined, a claim will be established for the unsupported number of WIC food items times the vendor's average price for the items during the audit period.
- Any overcharges or errors made on WIC checks discovered during undercover compliance buys are also subject to vendor claims.

Payment of vendor claims does not preclude the WIC Program from assessing sanctions associated with the violations.

All monetary claims and administrative fees must be paid within 30 days of the date of the notice. All remittances must be made with a certified bank check or money order and payable to Treasurer – State of Connecticut, Department of Public Health.

2014/2015 WIC VENDOR AGREEMENT –APPENDIX F –
WIC PROGRAM DISQUALIFICATIONS, CIVIL MONEY PENALTIES AND FINES

WIC Program violations shall be determined by investigation, which includes on-site monitoring, check audits, inventory audits and undercover compliance buys by the WIC Program, USDA staff, or their designees. The intent to commit a violation versus inadvertent human error is not a distinction that the WIC Program must establish in order to impose sanctions. Sanctions are imposed in order to protect the integrity and the nutritional goals of the WIC Program.

FEDERAL MANDATORY SANCTIONS

Description of Violation	Number of Incidences or Pattern	Length of Disqualification
1. Judicial conviction of trafficking in WIC checks or selling firearms, ammunition, explosives or controlled substances in exchange for WIC checks.	One	Permanent
2. Administrative finding of buying or selling WIC checks for cash (trafficking) or selling firearms, ammunition, explosives or controlled substances in exchange for WIC checks.	One	6 Years
3. Sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC checks.	One	3 Years
4. Claiming reimbursement for the sale of an amount of a specific WIC food that exceeds the store's documented inventory of that WIC food for a specific period of time.	Shortfall of one WIC food in three consecutive months or shortfall of three or more WIC foods in one month.	3 Years
5. Overcharging on WIC checks.	Three or more	3 Years
6. Receiving, transacting and/or redeeming WIC checks outside of authorized channels, including the use of an unauthorized vendor and/or unauthorized person.	Three or more	3 Years
7. Charging for WIC food not received by the WIC customer.	Three or more	3 Years
8. Providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives or controlled substances in exchange for WIC checks.	Three or more	3 Years
9. Providing unauthorized food items in exchange for WIC checks or overcharging for WIC food provided in excess of that listed on the WIC check.	Three or more	1 Year
10. An above-50-percent vendor providing prohibited incentive items to customers.	Three or more	1 Year
11. Disqualification from the Supplemental Nutrition Assistance Program (SNAP).	One	Same as the SNAP disqualification, but does not need to be concurrent.

On a case by case basis, the WIC Program will determine if a warning for the initial occurrence of violations numbered; 5 through 10 will be issued prior to documenting another violation. The WIC Program has the discretion to determine which factors to consider and how much weight to give to each factor. A warning will not be issued if the WIC Program determines that, if by doing so, an investigation would be compromised.

When a completed investigation determines that a pattern of violations that requires a Federal Mandatory Sanction was not established, a warning letter will be issued to the vendor.

The WIC Program shall not accept voluntary withdrawal or use non-renewal of the vendor agreement as an alternative to disqualification for Federal Mandatory Sanctions.

Prior to imposing a disqualification for Federal Mandatory Sanctions numbered 2 through 11, the WIC Program shall determine, and document in the vendor file, whether the disqualification would result in inadequate participant access.

If the WIC Program determines that a disqualification would result in inadequate participant access, then a civil money penalty shall be assessed in lieu of disqualification for Federal Mandatory Sanctions numbered 2 through 11. The amount of the civil money penalty shall equal the average monthly WIC redemptions for the six-month period ending with the month immediately preceding the month during which the notice of sanction is dated, multiplied times ten percent (.10), and then multiplied times the number of months for which the vendor would have been disqualified. The civil money penalty shall not exceed eleven thousand dollars (\$11,000) for each violation. If multiple violations are revealed by a single investigation, the total civil money penalty shall not exceed forty-nine thousand dollars (\$49,000).

When during the course of a single investigation, the WIC Program determines that the vendor has committed multiple violations (which may include violations subject to state agency-established sanctions), the WIC Program shall disqualify the vendor for the period corresponding to the most serious mandatory violation. However, the WIC Program shall include all violations in the notice of sanction. If a mandatory sanction is not upheld on appeal, then the WIC Program may impose the state agency-established sanctions.

When a vendor who had previously been assessed a Federal Mandatory Sanction numbered 2 through 11 receives the same or another mandatory sanction, the WIC Program shall double the sanction for the second violation. Civil money penalties may also be doubled, but only to the extent of eleven thousand dollars (\$11,000) per violation up to the maximum of forty-nine thousand dollars (\$49,000) for multiple violations. When a vendor who had previously been assessed two Federal Mandatory Sanctions numbered 2 through 11 receives a third or subsequent mandatory sanction for the same as either Federal Mandatory Sanction, the WIC Program shall double the sanction for the violation. The WIC Program shall not impose a civil money penalty in lieu of disqualification for the third and subsequent mandatory violations.

If a vendor does not pay, only partially pays, or fails to timely pay a civil money penalty either within fifteen (15) days of the notice of the sanction or within the terms of an installment plan, including interest, the WIC Program shall disqualify the vendor. The length of the disqualification shall correspond to the violation for which the civil money penalty was assessed or, in cases where a mandatory sanction included the imposition of multiple civil money penalties, for a period corresponding to the most serious violation.

STATE AGENCY-ESTABLISHED SANCTIONS

Class A Violations: A one-year disqualification shall be assessed for any of the following violations in this class:

- Not providing refunds or returning fines by the due date as requested by the WIC Program.
- Using a counterfeit WIC vendor check.
- Forging a signature of a WIC participant/alternate or a designee of the WIC Program on any WIC document.

Class B violations: After issuance of one (1) warning letter for any violation, a six-month disqualification or a five hundred dollar (\$500.00) fine in lieu of disqualification shall be assessed for each occurrence of any of the following violations in this class. The WIC Program will not issue a warning for each separate violation. After issuance of the warning letter, upon accumulation of five (5) Class B violations within a twelve-month period, a one-year disqualification shall be imposed. The option to pay a fine shall not be available at that time:

- Not providing information as requested by the WIC Program within the time frame that is stated.
- Not entering the purchase price in ink on a WIC check at the time of the purchase.

Class C violations: After issuance of one (1) warning letter for any violation in this class, a three-month disqualification or a two hundred fifty dollar (\$250.00) fine in lieu of disqualification shall be assessed for each occurrence of any of the following violations in this class. The WIC Program will not issue a warning for each separate violation. After issuance of the warning letter, upon accumulation of five (5) Class C violations within a twelve-month period, a one-year disqualification shall be imposed. The option to pay a fine shall not be available at that time:

- Redeeming an altered WIC check.
- Not attending assigned training sessions.

- Allowing the return of any WIC purchases other than for identical WIC food items that are damaged, spoiled, or has exceeded its "sell by", "best if used by", "manufacturer suggested", or other date limiting the sale or use of the food item.
- Providing false information other than in connection with an application for authorization.

Class D violations: After issuance of one (1) warning letter for any violation in this class, a one hundred twenty-five dollar (\$125.00) fine shall be assessed for each occurrence of any of the following violations in this class. The WIC Program will not issue a warning for each separate violation. After issuance of the warning letter, upon accumulation of five (5) Class D violations within a twelve-month period, a six-month disqualification shall be imposed. The option to pay a fine shall not be available at that time.

- Not posting all WIC food prices on the item itself or on the shelf or door in front of the item.
- Not having the minimum inventory of WIC-approved foods on shelves at all times.
- Not providing savings to WIC customers through coupons or store offered promotions.
- Not checking the WIC Participant ID Booklet at the time of purchase.
- Not verifying the WIC customer signature at the time of purchase.
- Not having the WIC customer date a WIC check, after signing it, on the day of transaction.
- Accepting a WIC check before the "first day to use" or after the "last day to use" specified on the check.
- Providing incentive items solely to WIC customers and/or not offering WIC customers the same court dates that are offered to non-WIC customers

If the option to pay a fine in lieu of disqualification for Class B or Class C violation is elected, the total amount of the fine is payable on or before the date the disqualification would have been effective. Notification of intent to pay the fine shall be received at the department of Public Health within seven (7) days of receipt of the WIC Program sanction letter. Any fines levied for Class D violations are payable fifteen (15) days after receipt of the WIC Program sanction letter.

The WIC Program shall determine and document in the vendor agreement whether a disqualification based on state agency established sanctions would result in inadequate participant access to the WIC Program. If the WIC Program determines that there shall be undue hardship for WIC participants if a vendor is disqualified based on a State Agency Established Sanction, the store shall be allowed to remain on the program until such time that undue hardship no longer exists. A fine of two thousand five hundred dollars (\$2,500.00) shall be paid by the vendor to continue to accept WIC checks. A review may be requested to determine if the disqualification is warranted. At such time that the WIC Program determines the undue hardship no longer exists, the vendor shall be notified that the original disqualification shall be effective fifteen (15) days after receipt of the letter. The vendor may request a review for the sole purpose of arguing the issue of undue hardship.

A fine is payable fifteen (15) days from receipt of the notice. If payment of the fine is not paid, only partially paid, or not timely paid, the WIC Program shall disqualify the vendor for the length of the disqualification corresponding to the violation(s) documented in the notice up to a maximum of one (1) year.

If a vendor is assessed a settlement fine, or any other monetary penalty or fee relating to a disqualification from SNAP, a WIC civil money penalty shall be assessed to the vendor equal to the FNS penalty.

State agency-established sanctions do not apply to vendors that do not meet selection criteria during an authorization, re-authorization or reassessment process.

The WIC Program shall not accept voluntary withdrawal or use non-renewal of the vendor agreement as an alternative to disqualification for state-agency established sanctions.

Warnings that are related to state agency-established sanctions shall remain active during the entire term of the store's current ownership.

NOTE: All payments of fines or civil money penalties must be made by certified check or money order payable to the Treasurer – State of Connecticut, Department of Public Health.

- Vendors will be provided with written notification whenever an adverse action is taken. The notification will include the procedure to follow to obtain an administrative review, the time period in which to appeal, and the cause for and the effective date of the action. When a vendor is disqualified due in whole or in part to a Federal Mandatory Sanction violation numbered 1 through 11 in Appendix F, such notification shall include the following statement: "This disqualification from WIC may result in disqualification as a retailer in the Special Supplemental Nutrition Assistance Program." Such disqualification is not subject to administrative or judicial review under SNAP."
- Requests for review must be received by the department within 7 days of receipt of the adverse action letter.
- A vendor that appeals an adverse action for non-selection or disqualification will not be permitted to continue Program operations (will not be allowed to accept WIC checks) while its appeal is in process.
- The vendor will be provided with adequate advance notice of the time and place of the administrative review to provide all parties involved sufficient time to prepare for the review.
- The vendor will have up to two opportunities to reschedule the administrative review date upon specific written request.
- The vendor will have the opportunity to present its case and cross-examine adverse witnesses. When necessary to protect the identity of WIC Program investigators, such examination may be conducted behind a protective screen or other device.
- The vendor will have the opportunity to be represented by counsel at any review proceeding.
- Prior to the review, the vendor will have an opportunity to examine the evidence upon which the WIC Program's action is based. The review records will be sent to the vendor at least 10 days prior to the review date.
- An impartial decision-maker will be assigned to the appeal. The decision-maker's determination is based solely on whether the WIC Program has correctly applied Federal and State statutes, regulations, policies, and procedures governing the Program, according to the evidence presented at the review. The State agency may appoint a reviewing official, such as a chief hearing officer or judicial officer, to review appeal decisions to ensure that they conform to approved policies and procedures.
- Written notification of the review decision, including the basis for the decision, will be issued within 90 days from the date of receipt of a vendor's request for an administrative review. This timeframe is only an administrative requirement for the State agency and does not provide a basis for overturning the WIC Program's adverse action if a decision is not made within the specified timeframe.
- If the adverse action under review has not already taken effect, the State agency shall make the action effective on the date of receipt of the final decision by the vendor.
- If the final decision upholds the adverse action against the vendor, the State agency shall inform the vendor that it may be able to pursue judicial review of the decision.

SAMPLE

Change of ownership means a transfer of more than 50 % of the interest in a vendor's business entity within a one-year period or a change in business entities except for a change from sole proprietorship to a single-member limited liability company or single-shareholder corporation where the sole proprietor is the member or shareholder and when there is a change from one entity to another, e.g., a corporation to a limited liability company when the business retains the same federal tax identification number.

Change of location means an authorized WIC vendor, under the same ownership and same tax ID number, relocates the business. If the distance moved is greater than one mile, the agreement will be terminated.

Check audit means a review of a vendor's redeemed WIC checks to determine if the vendor has overcharged the WIC Program.

Compliance buy means a covert, on-site investigation in which a representative of the Program poses as a WIC customer and transacts one or more WIC checks, and does not reveal during the visit that he or she is a Program representative.

Days mean calendar days. If a "due date" falls on a State holiday or weekend, the due date is the next business day.

Disqualification means the act of ending the authorization of a vendor, whether as a punitive sanction or for administrative reasons.

Inventory audit means the examination of food invoices or other proofs of purchase to determine whether a vendor has purchased sufficient quantities of WIC food items to provide participants the quantities specified on WIC checks that have been redeemed by the vendor during a given period of time.

Investigation means the use of on-site monitoring, check audits, inventory audits, and undercover compliance buys to determine if a vendor is committing Program violations. An undercover compliance investigation is considered complete when the WIC Program determines that a sufficient number of compliance buys have been conducted to prove the existence of Program noncompliance or when two consecutive compliance buys have been conducted in which no Federal Mandatory Sanction violations are found.

Lack of business integrity means fraud, antitrust violation, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, receiving stolen property, making false claims, or obstruction of justice. Examples include but are not limited to liquor, cigarette or tax violations, falsifying invoices, etc.

Last day to deposit a WIC check means the day from the "first date of use" which is printed on the WIC check.

Number of incidences or pattern means the number of individual WIC check transactions that result in a violation(s) during an investigation except for violation number 4 in Appendix F.

On-site monitoring means on-site monitoring to determine compliance with program rules and procedures.

Prepackaged means packaged at the manufacturer.

Retail food delivery means a system in which WIC customers exchange WIC checks for approved WIC foods at the vendor's fixed location as covered by the WIC Vendor Agreement.

SNAP means The Supplemental Nutrition Assistance Program, formerly the Food Stamp Program.

Unauthorized food means any food items or package sizes not included in the Approved Food List/Participant ID Booklet or not printed on a WIC check. Unauthorized food may be a WIC approved food that is substituted for a different food item that is printed on a WIC check.

Vendor means a sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores authorized by the WIC Program to provide authorized WIC foods to participants under a retail food delivery system. Each store operated by a business entity constitutes a separate vendor and must be authorized separately from other stores operated by the business entity. Each store must have a single, fixed location. A vendor may be a food store, pharmacy or farmer.

Vendor authorization means the process by which the WIC Program assesses, selects, and enters into agreements with stores that apply or subsequently reapply to be authorized as vendors.

Vendor overcharge means intentionally or unintentionally charging the WIC Program more for authorized WIC foods than is permitted under the vendor agreement.

Vendor selection criteria means the criteria established by the WIC Program to select individual vendors for authorization consistent with the requirements in §246.12(g)(3) and (g)(4).

Vendor violation means any intentional or unintentional action of a vendor's current owners, officers, managers, agent, or employees (with or without the knowledge of management) that violates the vendor agreement or Federal or State statutes, regulations, policies, or procedures governing the Program.

WIC means the Special Supplemental Nutrition Program for Women, Infants and Children authorized by the Child Nutrition Act of 1966.

WIC check for fruits and vegetables means a WIC check that has a stated value of \$5.00, \$6.00, or \$7.00 and is the equivalent to the cash value check (CVV) in the Federal Regulations that allows the purchase of all fruits and vegetables, except potatoes.

WIC Approved Foods means all foods, which are approved by the WIC Program and provided to a participant by the WIC Program. Each participant's approved foods in the specific sizes allowed are listed in the Approved Food List/Participant ID Booklet or printed on a WIC check.

WIC customer means a participant, parent or caretaker of an infant or child participant, or proxy (as defined).

Contact Us:

E-mail: ctwic@ct.gov • Phone: (860) 509-8000 • Fax: (860) 509-8391 • VP: (860) 899-1611
410 Capitol Avenue, MS# 1000C, P.O. Box 340308
Hartford, Connecticut 06134-0308
www.ct.gov/dph/wic

SAMPLE