IDAHO DEPARTMENT OF HEALTH AND WELFARE
IDAHO WIC PROGRAM--VENDOR AGREEMENT

WIC Vendor number (for currently authorized Vendors): _____

Vendor Name: _____

Street Address: _____

Mailing Address: _____

City/State/Zip Code: _____

County: _____

Phone Number: _____ Fax Number: _____

Federal Tax I.D. Number, **required**: _____

State Sales Tax I.D. Number, **required**: _____. A copy of the Vendors State Sales Tax Permit or a Sales Tax Resale or Exemption Certificate must be attached.

Supplemental Nutrition Assistance Program (formerly Food Stamp) Authorization Number, **required**: _____
If the above information is preprinted, review for accuracy and make any necessary corrections.

Store Manager:_____

This Vendor Agreement (hereinafter referred to as "Agreement") is between the Idaho State Department of Health and Welfare WIC Program (hereinafter referred to as the "State"), and the above named Vendor (hereinafter referred to as the "Vendor"). This Agreement will become effective on the date signed by the State and will terminate on September 30, 2015 unless terminated by either party beforehand in accordance with terms specified herein. The Vendor shall be located in a fixed, permanent location. Home food delivery and vendors who derive greater than 50% of their annual food revenue from the sale of supplemental foods obtained with WIC checks are not allowed under this Agreement.

This Agreement is non-renewable and non-transferable. Submission of this Agreement does not constitute authorization to participate in the Idaho WIC Program. The Vendor will not be able to participate or be authorized in the Idaho WIC Program until all completed materials have been received, evaluated and approved. If the application is not complete, a written notice and the incomplete items will be sent back to the Vendor and the application will not be processed further. All incomplete items may, following completion, be resubmitted within 15 days to the State WIC Office.

The selection of Vendors authorized to accept negotiable food instruments hereinafter referred to as "WIC checks" or "checks" or "cash value vouchers" from WIC participants, parents or caretakers of infant and child participants or proxies hereinafter referred to as "WIC participant" or "WIC customer". The Sanction Point System is described in Appendix A. The Civil Money Penalty Procedure is described in Appendix B.

GENERAL TERMS:

1. Should any provision of this Agreement be declared invalid because of a conflict with controlling Federal or State law, the remaining portions of the Agreement shall remain in effect so long as the purposes underlying this Agreement may be met without the invalidated provision.

2. This Agreement shall be contingent on the continued operation of the WIC Program by the State. The State shall immediately notify the Vendor in the event of discontinuance of the WIC Program or unavailability of Federal funds. The State shall not be liable for any Idaho WIC checks or cash value vouchers accepted by the Vendor after such notification occurs.

3. The State will immediately terminate this Agreement if it determines that the Vendor provided false information on the Agreement, Application, WIC Price List, or any required attachments.

4. The State may disqualify a Vendor or impose a civil money penalty in lieu of disqualification for reasons of program abuse committed by the Vendor and/or its employees.

5. The State will refer Vendors who abuse the WIC Program to Federal, State, or local authorities for prosecution under applicable statutes, where appropriate.

6. The State may publish in part or whole this Agreement in other printed manuals such as, but not limited to, the Policy and Procedure Manual or the Idaho WIC Vendor Guide.

7. The State may use, but is not limited to using: photographs, video and/or audio tape or other images to verify Vendor selection criteria, before, during or after a compliance buy, inventory audit, on-site monitoring visit or other visit performed by the State staff or its representatives.

8. The State may reassess the Vendor at any time during the Agreement period using the current selection criteria. The State will terminate the Agreement if the Vendor fails to meet the aforementioned criteria and does not correct the deficiency per the 15-day written notice.

9. The State agrees to maintain a commercial bank account through which valid Idaho WIC checks or cash value vouchers deposited by the Vendor will be reimbursed by the State.

10. The State agrees to follow up on any complaints received concerning a WIC participant or the Vendor within twenty (20) working days.

11. The State will 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, before another such violation is documented, unless the State determines that notifying the Vendor would compromise an investigation. This includes violations for a pattern of: overcharging; receiving, transacting and/or redeeming WIC checks or cash value vouchers outside of authorized channels, including the use of an unauthorized Vendor and/or an unauthorized person; charging for supplemental food not received by the participant; providing credit or non-food items, such as alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives or controlled substances, in exchange for WIC checks or cash value vouchers or providing unauthorized food items in exchange for WIC checks or cash value vouchers, including charging for supplemental foods provided in excess of those listed on the WIC check or cash value vouchers (for cash value vouchers this means charging the state more than the maximum dollar amount printed on the cash value voucher, i.e. the maximum dollar amount is $6.00 for the cash value voucher and the Vendor tries to redeem the cash value voucher for $7.50).

12. Neither the Vendor or the State, or employees of either, shall profit directly or indirectly in the performance of this Agreement, except as authorized by this Agreement.

13. The Vendor shall not raise the issue of participant access as a defense in any disqualification appeal or hearing.

14. The Vendor shall not assign or sub-Agreement any of the services under this Agreement, except with written consent from the State.

15. The Vendor or its current owners, officers, or managers shall not have been convicted of nor had a civil judgment entered against them for any activity indicating a lack of business integrity during the last six years. Activities indicating a lack of business integrity include, but are not limited to, 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. The Vendor shall immediately notify the State if such an event occurs.

16. The Vendor shall be considered independent, not an agent of the State or the Federal government.

17. This Agreement shall not constitute a license or a property interest.

18. The Vendor shall maintain adequate and convenient hours of operation as defined in the Application.

19. The Vendor shall indemnify and hold harmless the State, its agents and employees from any and all claims, suits, damages, losses, liabilities or expenses resulting from injuries or damages sustained by any person (s) or property by virtue of its performance under this Agreement.

20. The Vendor shall be Supplemental Nutrition Assistance Program (formerly the Food Stamp Program) authorized (except pharmacies and Vendors who do not redeem over $100 in SNAP benefits per month and be in good standing, unless the State determines that denying authorization of a Vendor would result in inadequate participant access.

21. The Vendor must inform the State of any changes or serious violations to their Supplemental Nutrition Assistance Program (SNAP) authorization or Food Establishment Inspection Report (Health Department Permit). Failure to do so will be construed as intentional withholding of information and could result in disqualification from the WIC Program.

22. The Vendor shall be held accountable for the actions or inactions of its owners, officers, managers, agents and employees who commit Vendor violations in the redemption of WIC checks or cash value vouchers and the provision of WIC approved foods and infant formula.

23. The Vendor is not permitted to use either the acronym "WIC" or the WIC logo, including close facsimiles, in total or part, either in the official name in which the business is registered or in the name under which it does business, if different. The acronym is registered with the U.S. Patent and Trademark Office. The Vendor is restricted from using the "WIC" acronym or the WIC logo in their advertising and other promotional materials. However, the Vendor may indicate acceptance of WIC as a form of payment in advertising and other promotional materials. The Vendor may post State WIC shelf tags or their own WIC shelf tags to assist WIC participants in identifying WIC authorized foods. If the Vendor chooses to produce their own WIC shelf tags they must be pre-approved by the State. If the tag is placed on the shelf of an authorized food item, all authorized food items in that category must also have a WIC shelf tag. For example, if a WIC shelf tag identifies an authorized loaf of bread; all authorized loaves of bread must have shelf tags displayed.

24. The Vendor agrees to comply with this Agreement, selection criteria (as contained in the Application), appendices and Federal and State statutes, regulations, policies and procedures governing the WIC Program, and any amendments or additions that may arise and be added during this Agreement period. The Vendor will be notified in writing of any amendments or additions.

25. The Vendor agrees to maintain a professional relationship with the local WIC agency and the State WIC agency personnel in fulfilling their responsibilities which involve the Vendor.

26. The Vendor may deny service to WIC participants for the following reasons; verbal or physical abuse, or threat of physical abuse to Vendor staff, theft or attempted theft of Vendor items. Service to WIC participants can be denied for these reasons only if purchase of non-WIC items is also denied. Vendor employees may follow their internal policy in these situations, including calling security and/or the police to have the WIC participant removed from the store.

27. The Vendor shall report any known or suspected program abuse by a WIC participant to the State.

28. The Vendor agrees to follow up on any complaints received concerning a WIC participant or the Vendor within twenty (20) working days.

29. The Vendor agrees that in the event the Vendor is disqualified from the Idaho WIC Program for one (1) or more years the Vendor will not accept WIC checks or cash value vouchers for the length of the disqualification period. WIC checks or cash value vouchers transacted during the disqualification will not be reimbursed by the State.

30. The Vendor agrees to participate in Automatic Clearing House (ACH) electronic funds transfer system (see Table 5).

FOOD INVENTORY AND STOCK REQUIREMENTS

1. The Vendor shall stock and maintain the minimum quantities of WIC foods according to the current Minimum Stock Requirements (Table 1) at all times. Failure to continuously maintain the required minimum stock of approved food items will result in termination of the Agreement and/or disqualification of the Vendor from the WIC Program.

2. The Vendor must continuously sell fresh meat, poultry or fish; produce; dairy; cereal or bread (rice and pasta); and canned goods with a well-stocked line of grocery items featuring 3 or more varieties of food items to choose among the meat, produce, dairy and bread or cereal food categories. This vendor must not be a gas station, restaurant, cafe, or fast food establishment. The store must be primarily a grocery store with fifty (50%) or more of their sales from groceries and not from alcohol, tobacco products, lottery sales, restaurant, cafe, fast food establishment earnings or gas. Convenience or other small stores with limited food items may be authorized only if they meet all of the criteria and there are no full line grocery stores within a fifteen (15) mile radius. (This generally applies to very small towns and rural areas.) "Superstores" may be authorized only if they meet all of the criteria and the grocery area is separated from the rest of the store's goods and services.

2. If a Vendor chooses to use devices such as "channel strips," "shelf tags/talkers," etc., they can request them from the State or have their shelf tags/talkers pre-approved. The Vendor shall be responsible for ensuring that the food items they represent are listed on the current Idaho Authorized Food List throughout the Agreement period. The Vendor will be given fifteen (15) calendar days to correct or comply with the current Idaho Authorized Food List. If the Vendor fails to comply the State will require the Vendor to discontinue use of these items.

3. The Vendor shall submit a completed WIC Price List within twenty (20) calendar days of the State's request. Vendors will be required to submit the WIC Price List at least twice a year or more frequently, as determined by the State. Failure to do so will result in a warning letter and a sanction penalty for non-compliance.

4. The Vendor prices for WIC-approved foods shall be comparable to the prices charged by other stores within the Vendors' peer group. The price of such foods shall be clearly marked, either on the product container or the shelf at the current price or at less than the current price charged to other customers. See Table 2 – Peer Groups.

5. The State shall provide the Vendor with the Idaho Authorized Food List each time it is revised.

6. The State shall provide the Vendor with the list of Infant Formula Wholesaler, Distributors, Retailers and Manufacturers (Table 4). The Vendor must purchase infant formula from this list.

INFANT FORMULA

For healthy infants, breastfeeding is always our first recommendation as breast milk contains all the nutrients a baby needs for the first year of life. However, some mothers are unable to breastfeed or choose not to.

If the WIC participant is purchasing infant formula with a WIC check, they are only allowed to purchase the specific can size, type and brand of infant formula printed on the WIC check. NOTE: The sizes printed on the WIC check are exact. No rounding and no substitutions are allowed.

Do not allow the purchase of a different size, type or brand of infant formula than what is printed on the WIC check, even with a doctor's prescription. WIC participants who come into the Vendor location with a formula prescription must have the WIC participant contact their local WIC clinic for further assistance. Remember to rotate all infant formula and food items regularly to assure the quality of the items being sold. Below are the "types" of infant formula and can sizes:

Concentrate: 13 ounce can
Powder: 12.4 ounce can, 12.6 ounce can, 12.8 ounce can, 12.9 ounce can and 16 ounce can

RTF or RTU: 32 ounce (1 quart) can of Ready-to-Feed or 32 ounce (1 quart) can of Ready-to-Use

PURCHASE OF INFANT FORMULA BY WIC VENDORS

The Vendor must purchase infant formula from the list provided in Table 4 of the Idaho WIC Program Vendor Application form. Vendors failing to purchase their infant formula from this list will be given a warning letter with fifteen (15) calendar days to comply with this regulation. (The infant formula list requirement in P.L. 108-265 and Policy Memorandum 205-1, Implementation of Certain WIC Vendor Provisions of P.L.108-265, issued on December 6, 2004, applies to "infant formula" as defined in § 246.2 of the WIC regulations, including both "contract brand infant formula" and "non-contract brand infant formula" approved by the State agency, not including "exempt infant formula" or "WIC eligible medical foods" as also defined in § 246.2).

Documentation of where the authorized WIC Vendor is purchasing their infant formula must be sent to the State WIC office upon authorization and at any time thereafter if requested by the State WIC office. This documentation must include an original or copy of a dated invoice with the Vendor's name or parent company and a list of the infant formulas being purchased. The Vendor cannot self-declare this information. A warning letter will state the number of sanction penalty points with the possibility of the Vendor being disqualified from the WIC Program for a period of 1 year for noncompliance with this Agreement provision.

PEER GROUPS

1. The State shall group Vendors by peer groups and will calculate the average price for WIC foods items by Vendor peer groups. Vendor's prices shall not be more than State maximum allowable reimbursement, which is based on the average food prices for Vendors in the same peer group with a percentage variance. If it is determined that this Vendor's prices exceed the peer group maximum the Vendor's WIC checks will be rejected for over the maximum, and will be further advised in writing and given the opportunity to lower their prices to an acceptable level. If the Vendor refuses to lower their prices to the same as other Vendors within their peer group the State will terminate the Agreement for not meeting the competitive price criterion.

2. The State will reimburse the Vendor up to their current WIC Price List on file or the current Maximum Allowable Price (MAP) within the Vendor's peer group whichever is less.

3. The State may reassess an authorized Vendor's peer group designation at any time during the Agreement period and place the Vendor in a different peer group if upon reassessment the State determines that the Vendor is no longer in the appropriate peer group.

TRAINING

1. The Vendor agrees to designate a person for each store location who shall be responsible for ensuring Vendor compliance with the terms of this Agreement, Application and Appendices. The Vendor may request additional instruction, training materials and/or training through the State or local agency.

2. The Vendor agrees to attend mandatory training on the WIC program at a location, date and time designated by the State. The State will provide the Vendor with at least one alternative date to attend interactive training. The Vendor will be notified at least two (2) weeks in advance. The Vendor shall provide at least one store representative to attend the training. This representative must provide training for all cashiers and other employees who handle WIC transactions. Annual Vendor training may be provided in a variety of formats, including Vendor bulletins, videos and interactive training. At the State's discretion, the Vendor shall attend any special or additional training.

3. The Vendor agrees that if an English interpreter is needed during the training session, it is the responsibility of the Vendor to obtain an interpreter and to pay for the services.

4. The State will provide the Vendor annually with training materials to support the Vendor's efficient operation as an authorized WIC Vendor. The State will also provide training on WIC procedures and Idaho authorized foods on request and as necessary.

WIC CHECKS

1. The State may sanction the Vendor for overcharges or other errors concerning WIC foods, checks or cash value vouchers in accordance with the Sanction Point System.

2. The State may deny payment to the Vendor for improperly handled WIC checks or cash value vouchers and has the right to demand full or partial refunds (claims) for payments already made on improperly redeemed WIC checks or cash value vouchers. The State may also offset claims from future payments owed to the Vendor.

3. The State will not reimburse the Vendor for checks or cash value vouchers rejected for Post Dated, Stale Dated, Altered, Missing Signature or Wrong (unauthorized) Vendor. These violations are considered fatal errors and the State will not reimburse the Vendor even if the WIC check or cash value vouchers were not deposited. The State or WIC clinic staff will not contact WIC participants for checks with missing signatures.

4. The Vendor may request reimbursement from the State for WIC checks or cash value vouchers rejected by the bank. The State must receive the requests for reimbursement no later than sixty (60) calendar days from the "First Day to Use" printed on the WIC check(s) or cash value voucher(s).

5. The Vendor shall not seek full payment, partial payment or restitution from a WIC customer or through a collection agency if the WIC checks or cash value vouchers are not paid or are partially paid by the Banking Contractor or the State. The Banking Contractor will return WIC checks or cash value vouchers that were improperly handled and redeemed by the Vendor's staff.

6. The Vendor shall not contact a WIC participant outside the store regarding any WIC transaction, redemption of WIC checks or cash value vouchers.

7. The Vendor shall permit the purchase of supplemental foods with WIC checks or cash value vouchers without requiring the WIC participant to make other purchases.

8. The Vendor cannot attempt to influence WIC participants' store selection through solicitation on or in the vicinity of a WIC local agency clinic site.

9. The Vendor agrees to accept Idaho WIC checks or cash value vouchers and furnish Idaho authorized WIC foods to WIC participants only at the site of the Vendor location covered by this Agreement.

10. The Vendor shall be responsible for bank charges on all returned WIC checks or cash value vouchers.

11. The Vendor agrees that the State may deny payment of WIC checks or cash value vouchers redeemed in violation of this Agreement, Application, Federal law or regulations and that the WIC check(s) or cash value voucher(s) will be rejected by the State's current banking Contractor.

12. The Vendor shall visibly post by the front doors or windows of their business, at all times, the "WIC Growing Healthy Families Idaho WIC Checks Honored Here" sign provided by the State or indicate on store signage that the vendor accepts WIC as a form of payment so that WIC participants can identify the Vendor as an authorized Idaho WIC Vendor.

13. The Vendor shall not submit for payment WIC checks or cash value vouchers that were (this list is not all inclusive):

    * Redeemed by another authorized Vendor
    * Redeemed by a store that is not currently authorized as a WIC Vendor
    * Redeemed outside the dates printed on the WIC check or cash value voucher
    * Include charges for foods not printed on the WIC check or cash value voucher or that do not appear on the Idaho Authorized Food List
    * For non-food items

* Charges for WIC foods in excess of the quantities specified on the WIC check
* Charges over the maximum dollar amount printed on the cash value voucher, for example the maximum dollar amount on the cash value voucher is $6.00 and the Vendor is attempting to redeem the cash value voucher at $7.50.

14. The Vendor agrees to provide only the approved supplemental foods printed on the WIC check or cash value voucher (see the *FOR CASH VALUE VOUCHERS* section below for details) and listed on the current Idaho Authorized Food List. However, not all supplemental foods are listed on the Idaho Authorized Food List and the Vendor must sell the food items printed on the WIC check. Example: Pediasure is an approved medical food and it does not appear on the Idaho Authorized Food List. The Vendor must refer to content exactly printed on the WIC check.

15. The Vendor may not demand identification other than the State issued WIC Identification (ID) Folder. No other identification is acceptable, i.e. driver's license, work badges, etc.

16. The State shall provide the Vendor with a Vendor ID stamp(s). The Vendor ID stamps are the exclusive property of the Idaho WIC Program.

17. The Vendor shall return the Vendor ID stamp within fifteen (15) calendar days to the Idaho WIC Program immediately upon: termination or expiration of this Agreement; sale or transfer of ownership of the business; change in location of the store (that is not a short distance) as determined by the State; change in the name of the store or business; cessation of operations or from disqualification from the Idaho WIC Program.

18. The Vendor must use a regular black ink pad, keep the Vendor ID stamp cleaned regularly, keep the Vendor ID stamp in a secure area to prevent fraudulent use and use only the Vendor ID stamp that is issued by the Idaho WIC Program.

19. The Vendor shall ensure that the Vendor ID stamp is used only for WIC checks or cash value vouchers redeemed by this Vendor and in the manner authorized by this Agreement and the Vendor shall assume full responsibility for the unauthorized use of the Vendor ID stamp.

20. The Vendor shall never use a Vendor ID stamp issued to another store or use the Vendor ID stamp on WIC check(s) or cash value voucher(s) that were redeemed by another store.

21. The Vendor must make one clear legible impression in the "Pay to the Order Of" box of each WIC check or cash value voucher with the Vendor ID stamp prior to depositing the WIC check or cash value voucher into the Vendor's bank.

22. The Vendor shall not accept WIC checks or cash value vouchers from another state unless the Vendor has a current WIC Agreement with that state.

23. The check cashing procedure is an important aspect of the Vendor's responsibility. A current copy of the Idaho Authorized Food List should be available at each check stand or point of sale (POS) counter. The Vendor shall use the following procedures (referenced below) when accepting WIC checks or cash value vouchers from WIC participants. All cashiers must be retrained on returned checks or cash value vouchers, keeping everyone informed could prevent future check or cash value voucher problems.

24. Do not accept WIC checks or cash value vouchers that are Post Dated, Stale Dated or Altered (dates changed, food quantities changed, etc). If the WIC check or cash value voucher cannot be accepted, politely return the WIC check or cash value voucher to the customer and explain why it was refused and refer the customer to the WIC clinic for further assistance.

25. The cashier must refuse a WIC check or cash value voucher that has been altered, i.e. food quantities, dates, etc. No white out, blacking out (scribbling) or writing over, etc., is allowed on a WIC check or cash value voucher. These are considered alterations.

An example of writing over: when the ink pen does not function properly the cashier must STOP immediately. The cashier must find a new pen or use a piece of scrap paper to get the ink flowing evenly. The cashiers MUST strikethrough the previous attempt and proceed to write in a different area of the box to complete the process.

26. WIC checks or cash value vouchers that do not meet all of the designated criteria will be rejected for payment by the Idaho WIC Program's banking Contractor and will be returned to the Vendor unpaid.

27. The name at the top of the WIC check or cash value voucher is the name of the WIC participant. The participant's name may not match the "Authorized Signature" because the participant may be an infant or a child. The participant's name (infant, child or woman) should match one of the "participant's name" on the WIC ID Folder.

28. Prior to beginning the WIC transaction the WIC customer must present both the WIC Identification (ID) Folder and the WIC check(s) or cash value voucher(s) to the cashier. If the customer does not have their WIC ID Folder the cashier cannot proceed with the transaction. The WIC customer must return to the WIC clinic to be issued a new WIC ID Folder.

29. **FOR WIC CHECKS:** Handle each WIC check as a separate transaction. Do not combine the total purchase amounts onto one WIC check or divide the total purchase price equally among several WIC checks. Cash value vouchers are the only types of WIC checks that can be used in combination if the vendor's cash registers are able to accommodate this type of transaction.

    A. Check dates in the "First Day to Use" and "Last Day to Use" boxes. WIC checks are valid from the "First Day to Use" up to midnight of the "Last Day to Use". **Note:** WIC checks are printed for two (2) and three (3) months at a time so Vendor staff must be very careful to look at the dates printed on the WIC checks.

    B. Verify that the food items to be purchased are listed on the WIC check and that the foods are on the Idaho Authorized Food List (medical foods are not listed on the Authorized Food List). WIC participants are not required to purchase everything on the WIC check; however they cannot purchase more than what is printed on the WIC check. Bring missing, forgotten or incorrect items to the attention of the participant. The Vendor must permit the opportunity to obtain the correct food item(s) or ask the participant if someone can assist them in obtaining the correct food item(s). **Note:** The maximum price is not printed on the WIC check. No substitutions, credit slips or rain checks are allowed.

    TIP: Ringing up the WIC food items in the order they appear on the WIC check should help in preventing overcharges on the WIC check. WIC participants are instructed to separate their food items per WIC check, the food items do not have to be in the exact order as printed on the WIC check.

    Note: Not all supplemental foods are listed on the Idaho Authorized Food List and the Vendor must sell the food items printed on the WIC check. Example: Pediasure is an approved medical food and it does not appear on the Idaho Authorized Food List, sell exactly what is printed on the WIC check.

    C. After the transaction is complete the cashier (not the participant) must clearly write with ink (not pencil) the total as shown on the register in the "Pay Exactly" box. Do not give change. Do not charge sales tax. Should the Vendor accept taxable coupons, the Vendor may subtract the tax from the amount of the WIC purchase. For example, a coupon is worth $0.50 and the tax is $0.05, the amount charged to the WIC program will be reduced by $0.45. The WIC check must be handed back to the customer to sign.

    Note: To make a correction in the "Pay Exactly" box use a single line only i.e. ~~$16.59~~, $15.98. No white out, blacking out or writing over, etc., is allowed anywhere on a WIC check. It is considered an alteration.

    D. Vendor staff shall witness the signature after the total purchase price has been entered by the cashier in the "Pay Exactly" box on the WIC check. Signatures must be in ink AND in the "Authorized Signature (must be signed at Vendor counter)" box. The cashier must verify and compare the signature on the WIC check with the signature on the WIC ID Folder "Responsible Adult or Authorized Signer Signature" line. The signature on the WIC check must match the signature on the WIC ID Folder. No other identification is required or acceptable.

Do not accept a pre-signed WIC check. Vendor staff have the following option if a WIC check is presented pre-signed. Place a single straight line through the signature and have the customer re-sign the WIC check again under the “Authorized Signature” box. If in doubt, WIC checks can be refused if the signatures do not match the responsible adult signature on the WIC ID Folder.

E. After all WIC transactions are complete return the WIC ID Folder to the participant.

F. The Vendor shall provide the WIC customer with a cash register receipt. If WIC is not preprinted on the receipt write “WIC” on the receipt before giving to the customer.

30. **FOR CASH VALUE VOUCHERS:** The vendor has the discretion to handle each cash value voucher as a separate transaction, combine the total purchase price onto one cash value voucher or divide the total purchase price equally among several cash value vouchers. No substitutions, credit slips or rain checks are allowed. Do not give change. Do not charge sales tax on a transaction total that is less than or equal to the maximum dollar amount of the cash value voucher.

A. Check dates in the "First Day to Use" and "Last Day to Use" boxes. Cash value vouchers are valid from the “First Day to Use” up to midnight of the “Last Day to Use”. **Note:** Cash value vouchers are printed for two (2) and three (3) months at a time so Vendor staff must be very careful to look at the dates printed on the cash value vouchers.

B. Verify the fresh fruits and/or fresh vegetables are WIC eligible; see the Idaho Authorization Food List for details. The cashier must identify the maximum allowable dollar amount on the cash value voucher prior to beginning the WIC transaction. The Vendor must permit the customer the opportunity to obtain the correct fresh fruit and/or fresh vegetable item(s) or ask the customer if someone can assist them in obtaining the correct fresh fruit and/or fresh vegetable item(s).

WIC customers are allowed to purchase less than the maximum dollar amount printed on the cash value voucher. For example the customer presents a cash value voucher that has a maximum price of $6.00 printed on it. If the total purchase price is less than the $6.00 maximum the Vendor cannot pay the customer the difference. Example: The total purchase price is $5.48 the cashier (not the customer) must clearly write $5.48 in the “Pay Exactly” box and endorse the cash value voucher for $5.48. The Vendor cannot give the $0.52 difference in change to the customer. The cash value voucher must be handed back to the customer to sign.

However, if the fresh fruit and/or fresh vegetable purchase price is over the maximum dollar amount printed on the cash value voucher the WIC customer has two options.

First, if the total purchase price is over the maximum printed on the cash value voucher the cashier can ask the customer if they want to pay for the difference. If the customer agrees to pay the difference, then the cashier must use the following example: The maximum dollar amount on the cash value voucher is $6.00 and the total purchase price is $7.50 the cashier (not the customer) must clearly write in ink the $6.00 in the “Pay Exactly” box and endorse the cash value voucher for $6.00. The difference of $1.50 is subject to sales tax of $0.09, for a total of $1.59 owed by the customer. The customer can pay the difference with any other form of payment, i.e. cash, check, food benefit card (Quest), debit card, credit card, etc. **Note:** To make a correction in the “Pay Exactly” box use a single line only i.e. ~~$7.50~~, $6.00. No white out, blacking out or writing over, etc., is allowed anywhere on a WIC check. It is considered an alteration. Should the Vendor accept taxable coupons, the Vendor may subtract the tax from the amount of the WIC purchase. For example, a coupon is worth $.50 and the tax is $.05, the amount charged to the WIC program will be reduced by $.45. The cash value voucher must be handed back to the customer to sign.

Second, the customer can choose to remove excess produce from the scale to meet the $6.00 maximum (or less). If the total purchase price is less than the $6.00 maximum the Vendor cannot pay the customer the difference. Example: The total purchase price is $5.48 the cashier (not the customer) must clearly write $5.48 in the “Pay

Exactly" box and endorse the cash value voucher for $5.48. The Vendor cannot give the $0.52 difference in change to the customer. The cash value voucher must be handed back to the customer to sign.

C. Vendor staff shall witness the signature after the total purchase price (up to the maximum printed on the cash value voucher) has been entered by the cashier in the "Pay Exactly" box on the cash value voucher. Signatures must be in ink and in the "Authorized Signature (must be signed at Vendor counter)" box. The cashier must verify and compare the signature on the cash value voucher with the signature on the WIC ID Folder "Responsible Adult or Authorized Signer Signature" line. The signature on the cash value voucher must match the signature on the WIC ID Folder. No other identification is required or acceptable.

Do not accept a pre-signed cash value voucher. Vendor staff have the following option if a cash value voucher is presented pre-signed. Place a single straight line through the signature and have the customer re-sign the cash value voucher again under the "Authorized Signature (must be signed at Vendor counter)" box. If in doubt, cash value vouchers can be refused if the signatures do not match the WIC ID Folder.

D. After all WIC transactions are complete return the WIC ID Folder to the customer.

E. The Vendor shall provide the WIC customer with a cash register receipt. If WIC is not preprinted on the receipt write "WIC" on the receipt before giving to the customer.

F. Prior to depositing the WIC checks or cash value vouchers the Vendor must stamp the WIC check or cash value voucher with the Vendor ID stamp in the appropriate area on the front of the WIC check or cash value voucher. The WIC checks or cash value vouchers must be deposited in the Vendors bank for payment within **sixty (60)** calendar days from the "First Day to Use".

31. Customer confidentially: Any information a checker learns about a WIC customer during a WIC transaction must be kept confidential. For example, it would be a breach of confidentially to say to a friend, "Did you know Wendy is on WIC?" In addition, Vendors must not post names or other customer information in any area where a customer could see. Also, if calling for assistance with a WIC transaction over the stores' PA system, do not identify that it is a "WIC" transaction over the intercom.

CLAIMS

1. In addition to claims collection, the Vendor may be sanctioned for Vendor violations in accordance with the State sanction schedule. Sanctions may include administrative fines, disqualification and civil money penalties in lieu of disqualification.

2. The State shall send written notification of a claim for transactions involving errors that affect payment to the Vendor, including for the total purchase price of non-approved food or non-food items and the Vendor shall be given thirty (30) calendar days of receiving the notice within which to send in the payment. The State may authorize a longer repayment schedule. If a fair hearing is requested by the Vendor the time period shall not begin until the date the hearing officer issues their decision.

3. The State reserves the right to offset a claim against current and subsequent amounts owed to a Vendor if the Vendor fails to pay a claim.

SUBSTITUTIONS

Substitutions of WIC food items or infant formula are prohibited. Substitutions are considered "Unauthorized Food Items" (Federal Violation) and carry a sanction penalty that could result in disqualification of Vendor authorization from both the WIC Program and the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program). See Appendix A, Sanction Point System. WIC food items and infant formula are carefully selected to meet certain nutritional requirements for each WIC customer. If the food item cannot be described on the face of the check or cash value voucher, allowable

brands and varieties will be listed on a current Idaho Authorized Food List. Politely inform the customer that substitutions are not allowed

CASH, CREDIT, REFUNDS OR EXCHANGES OF WIC FOOD AND INFANT FORMULA

1. The Vendor may not provide unauthorized food items, non-food items, cash, or credit (including rain checks, credit slips or gift cards) in exchange for WIC checks or cash value vouchers.

2. The Vendor shall not give rain checks, credit slips or gift cards for food paid for with a WIC check or cash value voucher if the foods are unavailable at the time the WIC check or cash value voucher is redeemed, below are the only options available to both the Vendor and the WIC customer.

   a. If the freight shipment is due that evening or the next morning, ask the WIC customer to come back later to purchase everything on their WIC check or cash value voucher at that time, or they must shop at another authorized Vendor or be referred to the WIC clinic for further assistance.

   b. If a food item is out of stock, the WIC customer can choose another authorized food item OR choose to lose the out of stock food item(s), i.e. customer only wants Tree Top Apple Juice and refuses to purchase other WIC approved juices, or they must shop at another authorized Vendor or be referred to the WIC clinic for further assistance.

   c. If an infant formula is out of stock, the WIC customer can come back later or they must shop at another authorized Vendor or be referred to the WIC clinic for further assistance. Vendor personnel cannot substitute another brand or a different sized container of the same brand.

3. The Vendor shall not provide refunds for infant formula or food items purchased with WIC checks or cash value vouchers. The Vendor should ask for receipts to verify that the formula or food items were not purchased with WIC checks or cash value vouchers.

   Note: Some Vendors require a receipt and identification for infant formula and mail refunds as it is difficult to identify infant formula purchased with WIC checks, the name and address is then forwarded to the local agency or State WIC Office for a follow-up investigation.

4. The Vendor shall not permit exchanges for authorized supplemental foods or infant formula obtained with WIC checks or cash value vouchers for unauthorized food items, non-food items, cash, or credit (including rain checks, credit slips or gift cards). For example: If a WIC customer requests to exchange infant formula for another brand, for example by stating that the baby is allergic to it, politely refuse the request and refer them to the WIC clinic.

   Exchanges of an identical authorized supplemental food item is permitted when the original authorized supplemental food 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. An identical authorized supplemental food item means the exact brand and size as the original authorized supplemental food item obtained and returned by the participant.

5. The Vendor shall not give incentive items which include, but are not limited to, cash prizes, lottery tickets, transportation, and other free food or merchandise exclusively to WIC customers. Minimal customary courtesies of the retail food trade, such as bagging supplemental food for the participant and assisting the participant with loading the supplemental food into his/her automobile are exceptions.

ON-SITE MONITORING VISITS, COMPLIANCE INVESTIGATIONS AND INVENTORY AUDITS

1. The Vendor agrees to comply with unannounced on-site monitoring visits, compliance investigations and inventory audits conducted by the State or its representatives made at any time during normal business hours. During on-site monitoring visits, compliance investigations and inventory audits, the State or its representatives shall have unobstructed access to, but are not limited to: negotiated WIC checks, cash value vouchers, shelf prices, purchase invoices, register tapes, inventory records of all WIC authorized foods and access to food storage areas upon request.

2. The Vendor shall retain for inspection and audit by the State, Federal Food and Nutrition Service, Comptroller General of the United States or other representatives of the program, all books, accounts, reports, files, purchase invoices, inventory records, all WIC checks and cash value vouchers in the Vendors possession and other program related records relating to the performance of this Agreement for four (4) years after the expiration of this Agreement. Upon request by the aforementioned entities, the Vendor shall at its own expense provide a legible copy of all such records to the State office. The original of all such records shall also be available and produced for inspection and audit when needed to verify the authenticity of a copy.

RECORD RETENTION

1. The Vendor shall retain inventory records used for Federal tax reporting purposes and records related to disputes, litigation or settlement of claims arising out of the performance of this Agreement until such time as these matters have been finally resolved or four (4) years, whichever is longer. Upon request, the Vendor must make available to representatives of the State, the U.S. Department of Agriculture ("Department"), and the Comptroller General of the United States, at any reasonable time and place for inspection and audit, all WIC checks and cash value vouchers in the Vendor's possession and all program-related records.

2. The Vendor shall retain all invoices or receipts of infant formula for four (4) years and shall at the Vendors own expense provide a legible copy of all such records to the State office. The original of all such records shall also be retained and available for inspection and audit when needed to verify the authenticity of a copy.

3. The Vendor shall retain all invoices or receipts of food sales for four (4) years and shall at the Vendors own expense provide a legible copy of all such records to the State office. The original of all such records shall also be retained and available for inspection and audit when needed to verify the authenticity of a copy.

SANITATION AND FOOD SAFETY

1. The Vendor shall provide fresh and wholesome products in a sanitary environment. If the State becomes aware that the Vendor has failed to maintain sanitation or food safety standards, it shall notify the proper regulatory office.

2. The Vendor shall not sell WIC foods or infant formula to WIC participants after the manufacturer's expiration date or other sale by date printed on the package/container.

3. The Vendor shall be in compliance with all state sanitation codes and maintain a current Food Establishment Inspection Report (Health Department permit), all other appropriate licenses and certificates. The Vendor shall notify the State immediately and in writing if, for any reason, any license or certificate is suspended, denied, or revoked.

TERMINATION OR DISQUALIFICATION

When the State disqualifies a Vendor, the State must also terminate the Agreement. The disqualified Vendor will have to wait until the expiration of the disqualification period before becoming eligible to reapply to the WIC Program for authorization and will be subject to the current Vendor selection criteria in the Application form. This list is not all inclusive; refer to Appendix A, Sanction Point System.

1. The Vendor or the State may terminate this Agreement during its performance period by giving a minimum of thirty (30) calendar days' written notice to the other party and its intention and reason for termination. Reasons for termination shall include, but are not limited to, low volume of WIC sales, (defined as less than twenty [20] WIC checks and/or cash value vouchers in a given month), excessive prices of WIC foods within the Vendors peer group, excessive administrative costs incurred by the State, violations of this Agreement, violations of Federal Regulations or fraud.

2. The State shall have the right to offer, in lieu of disqualification for State mandated sanctions mandatory training session(s) for store management and all employees dealing with the WIC checks and/or cash value vouchers at a time

and location selected by the State. The State shall have the right to place the Vendor on a Probationary Status in lieu of Agreement disqualification for State Sanctions only.

3. The State may disqualify a Vendor for overcharging and/or for failure to pay back overcharges within the required time period.

4. The State may disqualify a Vendor from the WIC Program for the revocation of the Food Establishment Inspection Report (Health Department Permit).

5. The State will disqualify a Vendor who has been disqualified from the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program). The disqualification shall be for the same length of time as the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program) disqualification. The disqualification may begin at a later date than the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program) disqualification, and is not subject to administrative or judicial review under the WIC Program.

6. The State shall permanently disqualify a Vendor convicted of trafficking in food instruments/WIC checks/cash value vouchers or selling firearms, ammunition, explosives, or controlled substances in exchange for food instruments/WIC checks/cash value vouchers.

7. The State may not accept voluntary withdrawal of the Vendor from the WIC Program as an alternative to disqualification for fraud, abuse, or federal violations listed in the Sanction Point System (in Appendix A). In addition, the State may not use non-renewal of the Agreement as an alternative to disqualification.

8. The State may disqualify a Vendor who has been assessed a civil money penalty for hardship in the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program). The length of such disqualification shall correspond to the period for which the Vendor would otherwise have been disqualified in the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program).

9 The State shall not accept voluntary withdrawal to avoid a civil money penalty or disqualification.

10. The State will notify the Vendor in writing at least twenty-one (21) calendar days prior to the effective disqualification date, except when a permanent disqualification is due to conviction of trafficking or illegal sales and is effective immediately upon notification.

11. Disqualification from the WIC Program may result in disqualification as a Vendor in the Supplemental Nutrition Assistance Program (SNAP). Such disqualification may not be subject to administrative or judicial review under SNAP (formerly, the Food Stamp Program). The SNAP disqualification shall be for the same length of time as the WIC disqualification, but may begin at a later date than the WIC disqualification.

12. Disqualified Vendors shall be considered as having forfeited their current authorization and will be required to reapply during the next open enrollment period. Disqualifications that extend past the expiration of the Agreement shall continue in force in the new Agreement period. If a new Agreement is granted, it shall not become effective until after the expiration of the disqualification period.

13. The State may terminate this Agreement for cause if it determines that such a termination would be in its best interest. The State will pay for all properly redeemed WIC checks or cash value vouchers per the Agreement guidelines processed prior to the notification of termination.

EXPIRATION OF THE AGREEMENT

1. The Vendor has neither an obligation nor an entitlement to renew this Agreement at the time of expiration or termination.

2. The State is under no obligation to renew or re-authorize this Agreement at the time of expiration or termination. The expiration of this Agreement is not subject to appeal.

3. The State will provide at least fifteen (15) calendar days advance written notice of the expiration of the Agreement.

CHANGE OF OWNERSHIP

1. The Vendor shall notify the State in writing within sixty (60) calendar days of any change in Vendor operations (closure, selling of the business, etc.) and/or ownership (whole or controlling interest), Vendor name, address, or telephone number.

2. The State will terminate the Agreement if there is any change in Vendor operations (closure, selling of the business, etc.) and/or ownership (whole or controlling interest) and location. (The State may permit Vendors to move short distances without terminating the agreement.)

3. The new owner must re-apply and shall be subject to the Vendor Application as contained in the Application form.

CIVIL RIGHTS (DISCRIMINATION)

1. "In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TTY). USDA is an equal opportunity provide and employer

2. The Vendor shall comply with all applicable provisions of the Americans with Disabilities Act of 1990 and with the nondiscrimination provisions of Departmental regulations (Parts 15, 15a, and 15b of this title).

3. The Vendor agrees to offer WIC participants, parents or caretakers of infant or child participants and proxies the same respect, customer services and courtesies offered to other customers.

MILITARY COMMISSARIES

1. The U.S. Department of Agriculture and the U.S. Department of Defense have entered into a Memorandum of Understanding to clarify the basic responsibilities of the State WIC agencies and military commissaries authorized to be WIC Vendors.

2. Military commissaries, as federal entities, are exempt from some State requirements; however, the State may still authorize them as WIC Vendors pursuant to CFR §246.12(f) (1) of the federal regulations for the WIC Program, which permits modification of the Agreement. A commissary will be required to submit application information to the State by the deadline if one is given.

CONFLICT OF INTEREST

1. The Vendor shall ensure that no conflict of interest exists or occurs between the Vendor and the State or local WIC agency. A conflict of interest relates to the standard of ethical conduct that no owner, officer, manager, or employee shall have any interest, financial or otherwise, direct or indirect, or engage in any business transaction or professional activity or incur any obligation of any nature which is in conflict with the discharge of a person's duties.

2. If the State identifies a conflict of interest, the State will terminate this Agreement upon notification of the parties should such conflict of interest arise after the Vendor has been authorized by the State to participate in the WIC Program.

PENALTIES

1. A Vendor and/or its employees who commit fraud or abuse of the WIC Program are liable to prosecution under applicable Federal, State or local laws. Any Vendor or Vendor representatives who willfully misapplied, stolen, or fraudulently obtained WIC 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 are $100.00 or more. If the value of the funds is less than $100.00 the penalties are a fine of not more than $1,000.00 or imprisonment for not more than one year or both according to the federal regulation and subject to state criminal penalties or other applicable laws. (7 CFR§246.12 (h)(3)(xx))

2. The State reserves the right to carry over penalty points from one Agreement period to the next. The penalty points accumulated on the Vendor's record will be used to evaluate new application, assess suspensions, termination or disqualification, or impose a civil money penalty.

RELEASE OF VENDOR RECORD

The State may share records and information concerning the Vendor's participation in the WIC Program with other entities responsible for oversight, management or enforcement of the WIC Program as authorized by 7 CFR §246.26 (1990). This provision includes, but is not limited to, law enforcement agencies.

APPEALS

Vendor aggrieved by any adverse action by the State may request a Fair Hearing as provided in the Department's Rules Governing Contested Case Proceedings, IDAPA 16.05.03. The State will provide this document upon request and at the time of the adverse action.

The State must provide full administrative reviews to Vendors that appeal the following adverse actions:

A. Denial of authorization based on the Vendor selection criteria for competitive price or for minimum variety and quantity of authorized supplemental foods and/or on a determination that the Vendor is attempting to circumvent a sanction.

B. Termination of an Agreement for cause.

C. Disqualification.

D. Imposition of a fine or a civil money penalty in lieu of disqualification.

Adverse actions subject to abbreviated administrative reviews:

A. Denial of authorization based on the Vendor selection criteria for business integrity or for a current Supplemental Nutrition Assistance Program (formerly the Food Stamp Program) disqualification or civil money penalty for hardship.

B. Denial of authorization based on a State agency-established Vendor selection criterion if the basis of the denial is a WIC Vendor sanction or a Supplemental Nutrition Assistance Program (formerly the Food Stamp Program) withdrawal of authorization or disqualification

C. Termination of an Agreement because of a change in ownership, location or cessation of operations.

D. Disqualification based on the imposition of a Supplemental Nutrition Assistance Program (formerly the Food Stamp Program) civil money penalty for hardship.

E. Disqualification based on a trafficking conviction.

Actions not subject to administrative reviews:

A. The validity or appropriateness of the State Vendor selection criteria.

B. The validity or appropriateness of the State participant access criteria and the State participant access determinations.

C. The validity or appropriateness of the State's criteria to determine whether or not a Vendor is likely to derive more than 50% of their annual food sales revenue from WIC sales.

D. The States 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.

E. The expiration of an Agreement.

F. Disputes regarding WIC check or cash value voucher payments and Vendor claims (other than the opportunity to justify or correct a Vendor overcharge or other error).

G. Disqualification of a Vendor as a result of disqualification from the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program).

H. The State's determination to include or exclude an infant formula manufacturer, wholesaler, distributor or Vendor from the authorized supplier list provided in the Vendor Application, Table 4.

I. The validity or appropriateness of the State's prohibition of incentive items and the State's denial of any vendor's request to provide an incentive item to customers.

J. The State'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.

Additionally, disqualification of a Vendor from the WIC Program may result in a disqualification from the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program). Such disqualification shall not be subject to administrative or judicial review under the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program).

Vendor Agreement – all questions below must be answered

	1. This location must self-declare the store type: _____. See Table 3.
YES NO	2. Is this Vendor located in a fixed and permanent location? Home delivery or vendors who derive greater than 50% of their annual food revenue from the sale of supplemental foods obtained with WIC checks are not allowed under this Application.

	The State requires tax documents or other verifiable sources of information for the following information. Please attach records with Agreement. 3. What is the individual vendor's total annual sales: Food $_____ + Non-Food $ _____ = Gross $ _____ As reported on income tax form for calendar year-: _____ Please indicate if the information is [ ] Actual or [ ] Estimated. Annual sales include: (check all that apply) □ Beer/Wine □ Tobacco □Grill/Deli/Restaurant □ Household products □ Food (groceries) □ lottery
YES NO	4. Does the vendor sell gasoline as a major product line? Gasoline $ (annual sales): _____
	5. Vendor must be open for business at least six (6) day a week, twelve (12) hours a day, winter hours may be shorter. Days of operation: _____ to _____. Hours of operation: _____am/pm to _____am/pm.
	6. Indicate the number of cashier registers with scales for weighing produce in the store:_____ Total number of cash registers (exclude self check/self scan): _____
YES NO	a. Are these check stands/cash registers equipped with a scanner(s)?
YES NO	b. Are the scanners equipped to identify WIC authorized foods versus non-WIC foods?
YES NO	c. If yes, are the scanners coded to identify WIC authorized foods?
YES NO	7. Is the vendor primarily a convenience store featuring a limited number of brands and relatively low inventory of each item?
YES NO	8. Is the Vendor willing to purchase infant formula from the list provided in Table 4?
YES NO	9. Is this Vendor location ADA (Americans with Disabilities Act) compliant?
YES NO	10. Has this vendor been cited within the last year by the State or county health inspector for a sanitation violation? If yes, attach an explanation.
YES NO	11. Is the vendor free of "Conflict of Interest" between the vendor and State and/or local agency? If no, attach an explanation.
YES NO	12. If found to be noncompliant with the Vendor Agreement or appendices, is the vendor willing to correct or take the necessary corrective action to ensure compliance?
YES NO	13. Are other grocery stores owned or managed by this business? If yes, attach a separate sheet with store name(s) and addresses.
YES NO **YES NO**	14. For currently authorized vendors is this store needed by 10 or more WIC participants in the area? For new vendor applicants have you received 10 or more WIC participants asking for you to accept WIC in your store?
YES NO	15. Has the vendor or any of the vendor current owners, officers, or managers been convicted of 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 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. The owner, manager or officers been convicted of a felony in the past six years? If yes, attach a separate sheet with the explanation.

YES NO	16. Is this a full line/service grocery? Vendor must continuously sell fresh meat, poultry or fish; produce; dairy; cereal or bread (rice and pasta); and canned goods with a well-stocked line of grocery items featuring 3 or more varieties of food items to choose among the meat, produce, dairy and bread or cereal food categories.. This vendor must not be a gas station, restaurant, cafe, or fast food establishment. The store **MUST** be primarily a grocery store with fifty (50%) or more of their sales from groceries and not from alcohol, tobacco products, lottery sales, restaurant, cafe, fast food establishment earnings or gas. Convenience or other small stores with limited food items may be authorized only if they meet all of the criteria and there are **no** full line grocery stores within a fifteen (15) mile radius. (This generally applies to very small towns and rural areas.) "Superstores" may be authorized only if they meet all of the criteria and the grocery area is separated from the rest of the stores' goods and services.
YES NO	17. Is the vendor willing to continuously stock and maintain the mandatory WIC minimum inventory food items requirements for WIC foods at all times (see Table 1)?
YES NO	18. Is this vendor willing to keep their prices comparable to other vendors within their peer group (see Table 2) for the current contract period?
YES NO	19. Has this location ever participated in the WIC Program?
YES NO	20. If the vendor was previously authorized in WIC, is the vendor free of past WIC problems? (Frequent participant or WIC staff complaints, check problems etc?)
YES NO	21. Are there any outstanding WIC balances from fines from other stores owned by this owner? (All outstanding balances must be paid or justified BEFORE authorization.)
YES NO	22. Has this vendor location, its owners or managers ever received a warning, been assessed a civil money penalty, suspended, charged, sanctioned or disqualified by the WIC Program? If yes, attach an explanation.
YES NO	23. Is this location approved to accept SNAP (formerly the Food Stamp Program)?
YES NO	24. Does this vendor operate~~s~~ in compliance with the SNAP (formerly the Food Stamp Program) requirements?
YES NO	25. Has this vendor location, its owners or managers ever received a warning, been assessed a civil money penalty, suspended, charged, sanctioned or disqualified from the SNAP (formerly the Food Stamp Program)? If yes, attach a separate sheet with an explanation
YES NO	26. Does the vendor's banking establishment accept Automatic Clearing House (ACH) direct deposit payments?

27. Provide the name(s) and address(s) of major wholesaler(s) that supply your WIC approved food items and infant formula (attach most recent inventory record):

Wholesaler 1: _____
_____

Wholesaler 2:_____
_____

Other Retail Grocer: _____
_____

Local Dairy: _____
_____

Local Grower/Producer: _____
_____

Other: _____

Failure to continuously stock and maintain the WIC mandatory minimum inventory food items in the required quantities after submission of the Vendor Agreement will result in termination and/or disqualification. Note: The mandatory minimum inventory may be amended by the WIC Program during the Agreement period.

Table 1 - - MINIMUM STOCK REQUIREMENTS

Food Item	Type of Inventory	Minimum Amounts 1-6 cash registers	Minimum Amounts 7 or more cash registers
CEREAL, Adult and Child	2 kinds of cold cereal and 1 kind of hot cereal and at least 1 of these must be whole grain (see food list)	72 oz total combination (e.g., 6 - 12oz boxes of cereal)	240 oz total combination (e.g., 20 - 12oz boxes of cereal)
JUICE – Adult	11.5 ounce or 12 ounce frozen. Orange juice and one other variety, see current authorized food list for details.	6 containers	30 containers
JUICE – Child	64 ounce container. See current authorized food list for details.	4 containers	20 containers
MILK	Fluid: gallon, half gallon, quart--whole, reduced fat (2%), light or lowfat (1%), fat free, nonfat or skim.	8 gallons (can include ½ gallons and quart combinations)	40 gallons (can include ½ gallon and quart combinations)
EGGS	White – large, medium or small. Packaged one dozen to a carton.	2 dozen	10 dozen
CHEESE	2 varieties see authorized food list for details.	2 pounds	10 pounds
DRIED BEANS or PEAS	2 varieties see authorized food list for details.	2 one-pound bags or 2 pounds in bulk form	10 one-pound bags or 10 pounds in bulk form
PEANUT BUTTER	16 ounce to 18 ounce jar, smooth or chunky, see authorized food list for details.	2 jars	10 jars
TUNA and/or SALMON	5 ounce canned. See authorized food list for details.	12 cans	60 cans
BREADS/ GRAINS, whole wheat bread and soft corn tortillas	16 oz 100% whole wheat bread (no light or lite). 32 oz or less whole grains, see current authorized food list for details.	4 – 16 oz loaves	10 – 16 oz loaves AND 4 pounds of whole grain tortillas or brown rice see authorized food list.

FRESH FRUITS AND FRESH VEGETABLES	6 varieties of fresh fruits. See authorized food list for details. 6 varieties of fresh vegetables. See authorized food list for details.	10 pounds of fresh fruit 10 pounds of fresh vegetables	60 pounds of fresh fruits 60 pounds of fresh vegetables
CEREAL, Infant	2 varieties of cereal grains, without fruit. Rice must be one grain variety. See authorized food list for details.	6 – 8 oz boxes	30 – 8 oz boxes (can have some 16 oz boxes)
FRUIT/ VEGETABLE, Infant	2 varieties, one must be a fruit and one must be a vegetable. 4 oz jars ONLY. See authorized food list for details.	48 – 4 oz jars	160 – 4 oz jars
MEATS, Infant	2 varieties, 2.5 oz jars. See authorized food list for details.	24 – 2.5 oz jars	155 – 2.5 oz jars
FORMULA, Infant	**MILK BASED** iron fortified, current contract infant formula **SOY BASED** iron fortified, current contract infant formula	20 can combination	100 can combination

PEER GROUPS

The Idaho WIC Program utilizes peer group averaging to monitor prices charged by vendors for WIC food items. The peer group average is the arithmetic mean (average) of prices charged by vendors within a peer group for WIC food items. Each Vendor's prices are only compared to other vendor's prices within their peer group. This ensures that vendor prices are fairly evaluated. If it is determined that vendor prices exceed the peer group average, the vendor will be advised in writing and given the opportunity to lower the price to an acceptable level. Peer groups are a breakdown of vendors by size within regions in the state. These peer groups may change if the State determines a need to reevaluate peer groups to ensure cost containment per PL 108-265.

Peer group 1 consists of small stores with 1 to 3 cash registers.
Peer group 2 consists of medium stores with 4 to 6 cash registers.
Peer group 3 consists of large stores with 7 or more cash registers.
Peer group 4 consists of "lower cost" or "discount food" super-stores with 18 or more cash registers.
Peer group 5 consists of military commissaries.

Peer groups 1, 2, and 3 have "subgroups" of A, B and C. The breakdowns of the subgroups are by regions within the state.

Subgroup "A" consists of counties in Northern Idaho (local agencies 1, 2 and 8): Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce and Shoshone.

Subgroup "B" consists of counties in Southern Idaho (local agencies 3, 4 and 5): Ada, Adams, Blaine, Boise, Camas, Canyon, Cassia, Elmore, Gem, Gooding, Jerome, Lincoln, Minidoka, Owyhee, Payette, Twin Falls, Valley and Washington.

Subgroup "C" consists of counties in Eastern Idaho (local agencies 6, 7 and 9): Bannock, Bear Lake, Bingham, Bonneville, Butte, Caribou, Clark, Custer, Franklin, Fremont, Jefferson, Lemhi, Madison, Oneida, Power and Teton.

Table 2—PEER GROUPS

PEER GROUP	SIZE and COUNTIES
Peer Group 1A	Small--Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce and Shoshone
Peer Group 1B	Small--Ada, Adams, Blaine, Boise, Camas, Canyon, Cassia, Elmore, Gem, Gooding, Jerome, Lincoln, Minidoka, Owyhee, Payette, Twin Falls, Valley and Washington
Peer Group 1C	Small--Bannock, Bear Lake, Bingham, Bonneville, Butte, Caribou, Clark, Custer, Franklin, Fremont, Jefferson, Lemhi, Madison, Oneida, Power, Teton
Peer Group 2A	Medium--Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce and Shoshone
Peer Group 2B	Medium--Ada, Adams, Blaine, Boise, Camas, Canyon, Cassia, Elmore, Gem, Gooding, Jerome, Lincoln, Minidoka, Owyhee, Payette, Twin Falls, Valley and Washington
Peer Group 2C	Medium--Bannock, Bear Lake, Bingham, Bonneville, Butte, Caribou, Clark, Custer, Franklin, Fremont, Jefferson, Lemhi, Madison, Oneida, Power, Teton
Peer Group 3A	Large--Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce and Shoshone
Peer Group 3B	Large--Ada, Adams, Blaine, Boise, Camas, Canyon, Cassia, Elmore, Gem, Gooding, Jerome, Lincoln, Minidoka, Owyhee, Payette, Twin Falls, Valley and Washington
Peer Group 3C	Large--Bannock, Bear Lake, Bingham, Bonneville, Butte, Caribou, Clark, Custer, Franklin, Fremont, Jefferson, Lemhi, Madison, Oneida, Power, Teton
Peer Group 4	All counties within the state
Peer Group 5	All military commissaries

Table 3 - Store Type and Definitions

Store Type	Definition
Supermarket	Establishments primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry represented as major departments. Supermarkets have at least $2 million in annual sales.
Small Grocery Store (excluding convenience stores)	Sub-supermarket sized establishments primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry. Included in this category are delicatessen-type establishments primarily engaged in retailing a range of food and meat products.
Convenience store without gasoline	Establishments known as convenience stores or food marts (except those with fuel pumps) primarily engaged in retailing a limited line of goods that generally includes food products such as milk, bread, soda, and snacks.
Convenience store with gasoline	Establishments engaged in retailing automotive fuels (e.g., diesel fuel, gasohol, gasoline) in combination with convenience store or food mart items. These establishments can either be in a convenience store (i.e., food mart) setting or a gasoline station setting.
Super center/super store	Retail establishments primarily engaged in retailing a general line of groceries in combination with general lines of new merchandise, such as apparel, furniture, and appliances. Super centers typically contain a supermarket-like area within a larger general merchandise store.
Military commissary	A supermarket-like grocery store typically located at a military facility and restricted to active-duty members of the armed services.

Source: Census Bureau and USDA Economic Research Service.

Table 4 – List of Wholesalers, Distributors, Manufacturers and Vendors/Retailers of Infant Formula

Name and address of Wholesalers, Distributors and Manufacturers for infant formula	Phone Number
Abbott Laboratories, Ross Products Division, 3300 Stelzer Road, Columbus, OH 43219-7677	n/a
Albertson's Distribution Center, 17505 NE San Rafael Street, Portland OR 97230	n/a
Albertson's Distribution Center, 620 West 600 North, Salt Lake City, UT 84054	801-299-7000
Albertson's Sundries Center, 520 North Eagle Road, PO Box 7924, Meridian, ID 83642	208-395-6880
Arrow Rock Supply, PO Box 7627, Boise, ID 83707	208-375-0968
Associated Food Stores, 1825 West 2550 North, Ogden, UT 84404	n/a
Associated Food Stores, 1850 West 2100 South, Salt Lake City, UT 84119	888-574-7100 or 800-574-9000
Bristol-Myers Squibb Company, Mead Johnson Nutritional Group, 2400 West Lloyd Expressway, Evansville, IN 47721	n/a
Coastal Pacific, 2205 51st Avenue East Suite 303, Fife WA	800-310-4787
Defense Commissary Agency, 1300 East Avenue, Fort Lee, Virginia 23801	n/a
Fred Meyer Distribution Center, Clackamas Dry Grocery Distribution, 11506 SE Highway 212, Clackamas, OR 97015	503-650-2012
Fred Meyer Distribution, Puyallup Dry Grocery Distribution, 349 Valley Avenue, NW, Puyallup, WA 98371	800-388-2376
Nestle, USA, 800 North Brand Blvd., Glendale, CA 91203 Nestle, USA, Nestle Infant Nutrition, 12 Vreeland Road, Box 697, Florham Park, NJ 07932-0697	n/a
Nutricia North America, Scientific Hospital Supplies (SHS), 9900 Belward Campus Drive, Ste 100, Rockville MD 20850	n/a
PBM Nutritionals, LLC, PO Box 2109, 147 Industrial Park Road, Georgia, VT 05468-2109	n/a
Red Apple Market Place, 555 SW 4th Avenue, Ontario, OR 97914	n/a
Safeway Warehouse, North 5705 Freya, Spokane, WA 92217	509-482-3129
Smith's Distribution Center, 500 NE Sugar Street, Layton, UT 84041	800-444-7288
Solus Products, LLC 8910 Purdue Road, Suite 230, Indianapolis, IN 46268	n/a
SuperValu, 1525 East D Street, Tacoma, WA 98401	800-255-4075
SuperValu, PO Box 2808, Spokane, WA 99220	800-222-4775
URM Stores, 7511 North Freya, PO Box 3365, Spokane, WA 99217	800-845-9605
Wal-Mart Warehouse, 7500 E Crossroads Blvd., Loveland CO 80538	970-679-4700
Wal-Mart Warehouse/Distribution Center, 5400 West State Road 83, Corinne, UT 84307	435-744-4000
Wal-Mart Warehouse1455 SE Reedville Road, Hermiston OR 97838	541-564-4600
Winco Distribution Center, 400 So. Woodland Avenue, PO Box 400, Woodburn OR 97071	503-982-4900

List of Corporate Vendors/Retailers with 3 or more stores in Idaho	
Albertson's	
Broulim's	
Fred Meyers	
Paul's Market	
Ridleys Family Markets	
Safeway	
Smith's Food and Drug	
Stein's	
Super 1 Foods	
Wal-Mart (or Sam's Club)	
Winco Foods	

Table 5 – Automatic Clearing House (ACH)

Direct Deposit is a form of ACH (Automatic Clearing House) used throughout the United States to transfer money from one bank account to another. ACH was designed to help businesses and consumers reduce the use of paper checks. ACH allows vendors to receive reimbursements faster for vouchers rejected for "Over Max Amount", also known as "Excess Dollar Amount" versus the manual reimbursement process.

Once the State has enrolled you for ACH, vouchers rejected for "Over Max Amount/Excess Dollar Amount" will first be returned back to the bank of first deposit (your bank). Idaho WIC's bank, will evaluate the current maximum allowable dollar amount for your peer group to determine the payment. This dollar amount will then be directly deposited into your bank account at the beginning of each week related to the previous week's "Excess Dollar Amount" returns. A statement will follow in the mail that details the returns and subsequent ACH reimbursements. All ACH payments are considered final. However, Idaho WIC reserves the right to reverse any ACH it deems to be inaccurate.

Idaho WIC Vendor Name and Number	
Depository Bank Name:	
Branch:	
City, State, Zip:	
Bank Phone Number:	**( )**
Routing Number:	
Account Number:	
Name of person to receive ACH statements(if N/A then will be addressed to bookkeeper):	
Address to send ACH statements (if different from vendor address):	

Note: If any of the above banking information should change, the Vendor must notify the State within thirty (30) calendar days.

<u>Documents that must be attached are listed below; failure to attach these documents will cause this Agreement to be considered incomplete.</u>

1. Current Food Establishment Inspection Report OR a copy of the Health Department Permit.

2. Tax documents to verify information provided regarding total volume sales (ie: food verses non-food).

3. Attach a one page copy of a current invoice showing your infant formula supplier. It must identify the supplier/distributor, the receiving store, the purchase date and the quantity, product name (must be the current contracted infant formula, see page 5 of the WIC Price List) and unit price of the infant formula purchased.

Please read carefully and sign:

The undersigned is authorized to act on behalf of the applicant identified on page 1 who is applying for authorization to participate in the Idaho WIC Program. By submitting this Agreement, the undersigned has declared that the business is open, fully stocked, fully operational and authorized to accept Supplemental Nutrition Assistance Program (formerly the Food Stamp Program) benefits.

This is only a request to become a WIC Authorized Vendor, and until accepted and counter-signed by an authorized agent of Department of Health and Welfare does NOT constitute an Agreement nor does it guarantee authorization to participate in the Idaho WIC Program. The information contained in the Agreement may be verified by the Idaho WIC Program or its designee during an on-site visit. This original document containing the original signatures will validate the Agreement with the State. No copies or electronic signatures will be accepted. By his/her signature below, the person represents and warrants to the Idaho WIC Program that he/she has the legal authority to:

1. Sign this Agreement on behalf of the aforementioned Vendor and that such signature obligates the Vendor and its employees to perform under this Agreement.

2. Certify that all information submitted is accurate and complete.

3. Understands that if the Agreement is approved their signature binds this Vendor location, owners, officers, managers and/or other employees to all the rules and requirements of the Idaho WIC Program.

4. Understands that if any information contained within the Application or Agreement is found to be false, the Application and Agreement will be denied; or if authorized, can result in being terminated immediately and disqualified from the Idaho WIC Program.

VENDOR:

BY: _____

TITLE: _____

DATE: _____

STATE OF IDAHO:

BY: _____
KRIS SPAIN
Chief, Bureau of Clinical and Preventive Services

DATE: _____

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

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

Appendix A
IDAHO WIC PROGRAM
Sanction Point System

The Idaho WIC Program may initiate administrative action to disqualify or assess sanction points against a Vendor for non-compliance on the basis of one incidence of a violation or a pattern of violations. An incidence is defined as one isolated event in a single point in time or any single occurrence of a violation. A pattern is defined as two or more incidences of a violation. Where during the course of a single investigation the State determines that a Vendor has committed multiple types of violations, the State shall disqualify the Vendor for the most serious mandatory violation.

Authorized Vendors of the Idaho WIC Program are monitored for the potential level and seriousness of fraud and abuse committed by the Vendor, its owners, officers, managers, employees, or agents. Accumulated points will be assessed from all areas of this Sanction Point System, Application, Contract and Appendices for possible disqualification from the Idaho WIC Program. (Note: A Fiscal Year is from October 1 to September 30.)

The State will review the accumulated point(s) to determine possible disqualification or termination from the WIC Program. The State shall maintain records of penalty points assessed against the Vendor. Penalty points incurred will be retained for one (1) calendar year effective from the first day the points were assessed. However, the State will retain all sanction points assessed for a minimum of four (4) years in order to aid the State in evaluating a Vendor's authorization status. If ownership and control changes, accrued penalty points will be dropped from the State's records, federally mandated sanctions are exempt from this provision.

The State must 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, before another such violation is documented, unless the State determines that notifying the Vendor would compromise an investigation. This includes violations for a pattern of: overcharging; receiving, transacting and/or redeeming food instruments/WIC checks and/or cash value vouchers outside of authorized channels, including the use of an unauthorized Vendor and/or an unauthorized person; charging for supplemental food not received by the participant; 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 and/or cash value vouchers or providing unauthorized food items in exchange for WIC checks and/or cash value vouchers, including charging for supplemental foods provided in excess of those listed on the check or cash value vouchers (for cash value vouchers, this means charging the State more than the maximum dollar amount printed on the cash value voucher, e.g., the maximum dollar amount is $6.00 for the cash value voucher and the Vendor tries to redeem the cash value voucher for $7.50).

The State will send a letter of warning to the Vendor for retraining cashiers <u>prior</u> to reaching the 30 point maximum. Retraining includes, but is not limited to; retraining of all personnel every time a check is returned; Check Out Counter Procedures, Idaho Authorized Food List and the Vendor Guide.

The State will send a certified letter stating the administrative action taken, the reason(s) why and the procedures for a Fair Hearing, if applicable, when the 30 point maximum is attained or exceeded within a calendar year. Upon receipt of the certified letter, the Vendor must follow the instructions stated therein.

The State may disqualify a Vendor or impose a Civil Money Penalty in lieu of disqualification for reasons of program abuse.

Disqualified Vendors shall be considered as having forfeited their current authorization and will be required to reapply during the next open enrollment period.

The State shall disqualify a Vendor who has been disqualified from the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program). The disqualification shall be for the same length of time as the Supplemental Nutrition Assistance Program (SNAP) disqualification, but may start at a later date. Disqualification based on a Supplemental Nutrition Assistance Program (SNAP) disqualification shall not be subject to administrative or judicial

review under the WIC Program. The State may disqualify a Vendor that has been assessed a Civil Money Penalty for hardship in the Supplemental Nutrition Assistance Program (SNAP). The length of such disqualification shall be for the same amount of time the Vendor would otherwise have been disqualified from the Supplemental Nutrition Assistance Program (SNAP). A Vendor disqualified from the WIC Program may also be disqualified from the Supplemental Nutrition Assistance Program (SNAP). The disqualification shall be for the same length of time as the WIC disqualification, but may start at a later date. Such disqualification is not subject to administrative or judicial review under the Supplemental Nutrition Assistance Program (SNAP).

The State may not accept voluntary withdrawal of the Vendor from the WIC Program as an alternative to disqualification for fraud, abuse, or federal violations listed in the Sanction Point System. In addition, the State may not use non-renewal of the Contract as an alternative to disqualification.

The State will send to the Vendor a summary of the results from all compliance investigations and all corrective actions needed to stay in compliance with this Application, Contract and Appendices. The Vendor shall re-train all personnel who handle WIC checks and return to the State a sign-in sheet bearing the signatures of all personnel who were re-trained within thirty (30) days of notification of non-compliance. If the Vendor fails to successfully pass a subsequent compliance investigation, the State will review the possibility of disqualification for the most serious violation or a Civil Money Penalty in lieu of disqualification. (Reminder: Accumulated points will be assessed from all areas of this Sanction Point System for possible disqualification.)

When the State conducts an on-site monitoring visit, the Vendor will receive a copy of the on-site monitoring visit form at the end of the visit. The Vendor must retrain all personnel on issues noted during the visit, e.g.. inadequate and/or outdated stock, illegal storage of foods, etc.

Violations found during a compliance buy that pertain to the “Federal Violations” section will be handled according to that section.

The Sanction Point System is based upon six (6) areas of program non-compliance: 1) Check and/or Cash Value Voucher Redemption and/or Training Problems; 2) Compliance Investigations; 3) Monitoring Problems; 4) Inventory Audits; 5) State Violations; and 6) Federal Violations. Each area of non-compliance is presented in tabular form. A definition of the column headings contained within each table follows.

COLUMN HEADING	DEFINITION
Violation	Area of non-compliance.
Point Value	Number of points assigned per violation cited.
Length of Disqualification	Length of Disqualification period per State or Federal Sanction.
Violation Category (More serious violations result in greater penalties.)	***TRAINING.*** Vendor must ensure proper training with the Idaho Authorized Food List, WIC checks, cash value vouchers and check-out counter procedures with all cashiers and other store personnel. ***MANAGEMENT.*** Management must ensure that proper training procedures, violations cited and required corrective actions are reviewed with all appropriate Vendor staff. Management must return all required forms and documents to the State WIC Office by the date designated in the notification. ***ADMINISTRATION.*** In addition to the store manager, the corporate offices, if applicable, will be notified of all violation occurrences, any training procedures needed and the required corrective actions with Vendor staff.

	FRAUD. Disqualification from the WIC Program.

STATE VIOLATIONS

The following Vendor violations; sanction points and corrective actions pertain to: Check and/or Cash Value Voucher Redemption and/or Training Problems; Compliance Investigations; Monitoring Problems; Inventory Audits and other State violations. The following list does not encompass all possible violations a Vendor can be cited for. The disqualification period for State violations is a period of one (1) year when 30 penalty points are attained in any calendar year.

VIOLATIONS	Point Value	Length of Disqualification	Violation Category
1. **Complaints:** Valid complaints/incident reports by WIC customers or clinic staff against a Vendor.	1	1 year	Management
2. **Transposition of purchase price (excessive dollar amount) between an infant formula check and another food check:** The cashier put the wrong total on the food check by mixing up the totals from the infant formula check.	1	1 Year	Training
3. **Acceptance of pre-signed WIC check or cash value voucher.** The cashier accepted a pre-signed check or cash value voucher.	2	1 year	Training
4. **Sales tax:** The cashier added sales tax to the WIC check or cash value voucher.	2	1 year	Training
5. **Failure to use permanent ink:** The cashier failed to use permanent ink in the "Pay Exactly" box.	2	1 year	Training
6. **Failure to check a WIC Identification (ID) Folder:** The cashier failed to ask for a WIC ID Folder prior to beginning the WIC transaction.	5	1 year	Training
7. **Failure to verify signature on check or cash value voucher and ID Folder:** The cashier failed to observe and verify the signature on the check or cash value voucher matches the responsible adult signature on the ID Folder.	5	1 year	Training
8. **Improper signature/check cashing procedures:** The cashier failed to fill in the purchase price in the presence of the WIC customer, or failed to have the WIC customer sign the check or cash value voucher **after** the purchase price has been entered on the check or cash value voucher.	5	1 year	Training
9. **Refused purchase of authorized food:** The cashier refused to allow the WIC participant to purchase authorized food. (Ex. Minute Maid Country Style Orange Juice)	5	1 year	Training
10. **Required/prevented purchase of all items:** The cashier required the purchase of all items listed on a WIC check or prevented the purchase of all foods listed on the WIC check. The cashier required the customer to spend the full amount of the value of the cash value voucher (CVV) or prevented the customer from adding their own funds for a CVV purchase that exceeded the maximum value of the CVV.	5	1 year	Training
11. **Required specific brands:** The cashier required the purchase of a specific brand of food even though other WIC allowed brands were available. Example: Minute Maid orange juice was the customers' first choice and the cashier made the customer purchase generic orange juice instead.	5	1 year	Training
12. **Prices not displayed or clearly marked:** The Vendor failed to clearly display or clearly mark the prices for all WIC approved food items on the shelf, product or nearby area.	5	1 year	Management
13. **Failed to submit WIC Price List:** The Vendor failed to submit the WIC Price List to the State WIC Office on or before the due date.	5	1 year	Management Administration
14. **Failed to submit forms/information:** The Vendor failed to return forms or information requested by the State WIC Office.	5	1 year	Management Administration

15. **Manufacturers or store coupons:** The cashier failed to accept a valid coupon and/or deduct the value before writing the price on the WIC check or cash value voucher. Vendors that receive more than 50% of their revenue from WIC sales cannot accept manufacturers or store coupons.	5	1 year	Training
16. **Other identification:** The cashier or store personnel demanded identification other than the WIC ID Folder from a WIC customer.	5	1 year	Training
17. **Requiring other purchases:** The Vendor has required the WIC customer to make additional purchases when the WIC customer is redeeming a WIC check(s) or cash value voucher(s).	5	1 year	Management Administration
18. **Rain checks, credit slips or other similar receipt:** The issuance of a rain check, credit slip or similar receipt to a WIC customer for a food item or infant formula that is currently unavailable or out of stock.	5	1 year	Training Management
19. **Purchase of full amount of WIC food.** The Vendor failed to allow a WIC customer to purchase up to the full amount of WIC food items printed on the check or cash value voucher.	5	1 year	Training
20. **Hours of operation.** The Vendor has failed to maintain adequate and convenient hours of operation as defined in the Application.	5	1 year	Management Administration
21. **Shelf tags/talkers, WIC approved/allowed, etc.** The Vendor has failed to maintain the shelf tags/talkers or WIC approved/allowed tags under the current Idaho approved food items.	5	1 year	Management Administration
22. **Incentive Items.** The vendor provided incentive items solely to WIC participants in an effort to encourage WIC participants to redeem their WIC food instruments at their store.	5	1 year	Management Administration
23. **Required payment/restitution:** The Vendor sought restitution or cash payment either in full or part from WIC participants for the value of unauthorized items purchased, WIC checks or cash value vouchers rejected for payment by the bank or the State, damaged checks or cash value vouchers, or the difference in value of the cost of foods which exceeds the maximum value of the WIC check or cash value voucher (CVV)*, even if the WIC check or cash value voucher was not deposited. *However, participants may be offered the option of paying with their own funds the amount of a CVV purchase that exceeds the maximum value of the CVV.	10	1 year	Management Administration
24. **Inadequate stock:** The Vendor failed to continuously stock and maintain the mandatory minimum variety and inventory requirements of WIC-approved foods.	10	1 year	Management Administration
25. **Outdated stock:** The Vendor failed to provide fresh, wholesome products in a sanitary environment (outdated WIC foods are on the store's shelves).	10	1 year	Management Administration
26. **Illegal storage of foods:** The Vendor's storage of foods does not meet the State's Food Establishment Inspection Report.	10	1 year	Management Administration
27. **Failure to supply infant formula.** The Vendor failed to procure and supply infant formula as requested by the State or its representatives within 7 days.	10	1 year	Management Administration
28. **Failed to allow review of negotiated WIC checks or cash value vouchers:** The Vendor failed to allow State representatives to review WIC checks or cash value vouchers that have been transacted by the Vendor during a review, audit or investigation.	10	1 year	Management Administration
29. **Expired food items/infant formula:** The Vendor allowed the sale of an expired food item or infant formula. Or the Vendor failed to remove an expired food item or infant formula when cited by the State during a review, audit or investigation.	10	1 year	Training Management Administration
30. **Failure to visibly post the "Idaho WIC Checks Honored Here" sign provided by the State or indicate WIC accepted as form of payment:** The Vendor fails to visibly post the "Idaho WIC Checks Honored Here" sign or indicate WIC as an accepted form of payment on or near the entrance so that WIC customers may identify the location as an Idaho WIC Vendor at all times.	10	1 year	Management Administration
31. **Failure to pay claims:** The Vendor has failed to remit payment for claims posted by the State within the timeframe for reimbursement required by the State.	10	1 year	Management Administration

32. **Threatened/verbally abused WIC participant or WIC representative:** The cashier or store personnel threatened or were verbally abusive to the WIC participant and or WIC representative when conducting a WIC business transaction.	10	1 year	Management Administration
33. **Failure to stock a variety of staple foods.** The Vendor failed to stock a variety of staple foods for sale including: fresh, frozen, and or canned fruits and vegetables; fresh and /or frozen meats, dairy products; and grain products such as bread, rice and pasta as indicated in the Vendor Application.	10	1 year	Management Administration
34. **For profit Vendors (authorized for participant access only).** For profit Vendors that derive more than 50% of their annual food sales revenue from WIC transactions provided incentive items to WIC customers. Incentive items include but are not limited to free food, merchandise, cash prizes, lottery tickets, transportation, sales/specials (e.g., buy-one-get-one free, free additional ounces, etc.). Exceptions are minimal customary courtesies of the retail food trade, such as bagging supplemental food for the customer and assisting the customer with loading the supplemental food into his/her automobile.	15	1 year	Management Administration
35. **Failure to purchase infant formula from the list provided by the State.** The Vendor fails to purchase all of their infant formula from a source on the list provided by the State.	15	1 year	Management Administration
36. **Altered a food instrument or cash value voucher:** The cashier or store personnel changed dates or added signatures, and/or made a sales tax adjustment to the dollar amount without the WIC participant's knowledge.	15	1 year	Fraud Management Administration
37. **Failed to report changes:** The Vendor failed to report any changes in the stores operation (e.g., store name, address, Supplemental Nutrition Assistance Program (formerly the Food Stamp Program) authorization status, conflict of interest, etc.).	15	1 year	Management Administration
38. **Unfair treatment:** The cashier or store personnel treated a WIC customer discourteously (failed to offer the same courtesies as offered to other customers).	15	1 year	Management Administration
39. **Discrimination:** The cashier or store personnel discriminated against a WIC customer on the basis of race, color, disability, age, national origin or sex.	15	1 year	Management Administration
40. **Failure to cooperate with federal, State and local personnel:** The Vendor failed to cooperate during announced and unannounced Vendor reviews, investigations and audits. This includes obstructing the use of photographs, video and/or audio tape or other images to verify Vendor selection criteria before, during or after compliance investigations, inventory audits, on-site monitoring visits or other visits performed by the State staff or its representatives.	15	1 year	Management Administration
41. **Failure to provide access to purchase invoices, receipts or inventory records:** The Vendor failed to provide the State access to the purchase invoices, receipts or inventory records for food items and infant formula. Invoices must contain the name, address, phone number, shelf price, etc. of the supplier upon request by authorized WIC personnel.	15	1 year	Management Administration
42. **Failure to notify the State of convictions concerning lack of business integrity.** The Vendor failed to notify the State if any of its current owners, officers, or managers has been convicted of a lack of business integrity during the last six years. Activities indicating a lack of business integrity include, but are not limited to, 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. The Vendor shall immediately notify the State if such an event occurs.	15	1 year	Management Administration
43. **Did not attend annual store training session:** The Vendor failed to attend mandatory training.	15	1 year	Management Administration

44. **Provided false information:** The store provided false information on the WIC Vendor Application including Vendor's history of compliance with the WIC Program and Supplemental Nutrition Assistance Program (formerly the Food Stamp Program), or availability and prices of the required minimum stock of WIC foods. This particular non-compliance of WIC regulations requires *immediate* termination from the Idaho WIC Program. Thus, the State would terminate the contract before two occurrences were documented for sanction. The 15 points will stay on the Vendor record for at least two consecutive Vendor Contract cycles. If another incidence of false information is documented, the State will terminate the Vendor Contract and disqualify the Vendor for one year. **In addition**, if the Vendor's owners, officers, or managers subsequently are convicted or have a civil judgment entered against them for making false statements, etc., they may be denied Vendor authorization for a period of six years. (See Federal Violations #8)	15	1 year	Fraud Management Administration
45. **Revocation of the Food Establish Inspection Report (Health Department Permit):** The store was disqualified by the Health Department for non-compliance of the Food Establishment Inspection Report.	15	1 year	Management Administration

FEDERAL VIOLATIONS

The following federal Vendor violations, sanctions points and corrective actions pertain to Federal Violations.

A pattern of incidences is needed to warrant a mandatory sanction. The pattern is influenced by both the severity and number of incidences. For example, a pattern may be a short period of disproportionately large violations or an extended period of small violations. Exceptions to the requirement to demonstrate a pattern of incidence include the sale of alcohol, alcoholic beverages or tobacco products in exchange for WIC checks and/or cash value vouchers, buying or selling of WIC checks and/or cash value vouchers for cash (trafficking), and selling firearms, ammunition, explosives, or controlled substances in exchange for WIC checks and/or cash value vouchers. A single event of these violations will result in the mandatory sanction.

The State shall permanently disqualify a Vendor convicted of trafficking or illegal sale of WIC checks and/or cash value vouchers, or selling firearms, ammunition, explosives, or controlled substances in exchange for WIC checks and/or cash value vouchers.

Federal regulations establish the length of disqualification for mandatory sanctions appropriate to the severity of the violation. For mandatory sanctions, the State must impose either disqualification or a civil money penalty in lieu of disqualification.

If a Vendor is found guilty of multiple violations during the course of a single investigation, the mandatory sanction against the Vendor shall be determined by the most severe violation or the assessment of multiple civil money penalties.

After determining that a Vendor should be disqualified, the State shall review the case to determine participant hardship. This review shall take place prior to notification of disqualification so that the Vendor shall be made aware of its alternatives at the time of notification. Prior to being disqualified, the Vendor shall be sent a written notice of disqualification. This notice shall include reasons for the disqualification, the effective date of the action, and the Vendor's right to appeal and the procedures to be followed to file an appeal. Vendors may receive a copy of the administrative hearing procedures upon request.

The Vendor will receive the appropriate number of penalty points associated to the federally mandated sanctions. Upon reaching 30 penalty points, the Vendor will be disqualified for the length specified. The State will send a certified letter stating the administrative action taken, the reason(s) why and the procedures for a Fair Hearing, if applicable.

A Vendor who is assessed a second mandatory sanction, shall have the second mandatory sanction doubled. Civil Money Penalties may be doubled up to the limits allowed.

A Vendor who previously has been assessed two or more of the violations listed below and receives another violation/sanction, the State must double the third and all subsequent sanctions. The State may not impose Civil Money Penalties in lieu of disqualification for third or subsequent sanctions for violations listed below.

VIOLATION--Other Contract Problems	Point Value	Length of Disqualification	Violation Category
1. **Unauthorized food items:** Pattern of providing unauthorized food items in exchange for food instruments (checks and/or cash value vouchers), including charging for supplemental food provided in excess of those listed on the food instrument. Example: Charging for 40 oz of WIC-approved cereal when only 36 oz is allowed.	30 Each incident equals 10 pts.	1 year	Training Management
2. **Sale of alcohol, alcoholic beverages or tobacco products:** One incidence of the sale of alcohol or alcoholic beverages or tobacco product in exchange for food instruments (checks and/ or cash value vouchers).	30	3 years	Management Administration
3. **Claiming reimbursement in excess of documented inventory:** A pattern of claiming reimbursement for the sale of an amount of a specific supplemental food item which exceeds the store's documented inventory of that supplemental food item for a specific period of time.	30	3 years	Management Administration
4. **Overcharging:** A pattern of charging participants more for supplemental food than non-WIC customers or charging participants more than the current shelf or contract price.	30 Each incident equals 10 pts.	3 years	Management Administration
5. **Outside of authorized channels, i.e. wrong store:** A pattern of receiving, transacting and/or redeeming food instruments (checks and/or cash value vouchers) outside of authorized channels, including the use of an unauthorized Vendor and/or an unauthorized person	30 Each incident equals 10 pts.	3 years	Management Administration
6. **Supplemental foods not received:** A pattern of charging for supplemental food not received by the participant.	30 Each incident equals 10 pts.	3 years	Management Administration
7. **Credit or non-food items:** A pattern of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances in exchange for food instruments (checks and/or cash value vouchers).	30 Each incident equals 10 pts.	3 years	Management Administration
8. **Administrative finding of trafficking/illegal sales:** One incidence of buying or selling food instruments (checks and/or cash value vouchers) for cash (trafficking), or one incidence of selling firearms, ammunition, explosives, or controlled substances in exchange for food instruments (checks and/or cash value vouchers).	30	6 years	Management Administration
9. **Convicted of trafficking/illegal sales:** The State must PERMANENTLY disqualify a Vendor convicted of trafficking in food instruments (checks and/or cash value vouchers) or selling firearms, ammunition, explosives, or controlled substances in exchange for food instruments (checks and/or cash value vouchers). A Vendor is not entitled to receive any compensation for revenues lost as a result of such violation. The State may impose a Civil Money Penalty in lieu of a disqualification for this violation when it determines, in its sole discretion, and documents, that a) 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.	30	Permanent	Management Administration

NOTE: For violations in the above categories--1, 4, 5, 6 and 7--ten (10) sanction penalty points will be assessed for each single finding of a violation. When the 30-point maximum is attained, the Vendor will be disqualified for the length specified.

Appendix B
IDAHO WIC PROGRAM
Civil Money Penalty Procedure

WHEN TO OFFER A CIVIL MONEY PENALTY

A Civil Money Penalty may only be offered to a vendor in lieu of disqualification when participant hardship would otherwise occur (see Participant Hardship). Participant hardship is not a static condition. Each time a vendor is disqualified, the potential of hardship must be re-evaluated. The determination of a participant hardship may require renewed review of the disqualification status of all vendors in the area.

If participant hardship occurs in an area where the only vendors are either serving a disqualification period or are in the disqualification process, the following criteria shall be used to determine which vendor is first offered a Civil Money Penalty.

First: The vendor whose sanction of disqualification was derived from the lowest point value. For example, 30 sanction points are better than 50 sanction points.

Second: If the first criterion results in a tie, the vendor with the least time remaining in the disqualification period will be the one offered the Civil Money Penalty.

If the best candidate for a Civil Money Penalty is a vendor already serving a disqualification, the option will be offered to that vendor to return to the program. This re-authorization shall occur only after the vendor submits a Contract packet which is approved by the State Agency and receipt of the Civil Money Penalty for the amount established in this policy. The dollar amount of this payment will be determined as in all other cases.

As this should be an extremely rare occurrence, this is the only section of the Civil Money Penalty policy that will mention alternative choices of vendors. However, this section has been added to assure that the State Agency will not be required to offer a Civil Money Penalty to a vendor in the process of disqualification for major offenses while maintaining a disqualification of a vendor who had accumulated a number of minor offenses.

The State Agency will assure that a vendor who pays a Civil Money Penalty is one that the State Agency can successfully monitor.

WHEN A CIVIL MONEY PENALTY CANNOT BE OFFERED

Regardless of participant hardship, a Civil Money Penalty shall not be offered when the disqualification is based on federally mandated third or subsequent sanctions.

PROCEDURE FOR ASSESSING A CIVIL MONEY PENALTY

After determining that a participating WIC vendor should be disqualified from the program, the State Agency shall review the case to determine participant hardship. This review shall take place prior to the written notification of disqualification so that the vendor shall be made aware of its alternatives at the time of notification.

If the State Agency establishes participant hardship and determines that a Civil Money Penalty is an appropriate alternative, the State Agency shall contact the vendor to schedule a meeting.

Prior to or at the time the vendor is contacted to schedule a meeting; the vendor shall be sent a written notice of the disqualification action. This notice should include cause(s) for the disqualification, the effective date of the action, the vendor's right to appeal, and the procedures to be followed to file an appeal. This notice shall also notify the vendor that the State Agency has decided to offer a Civil Money Penalty in lieu of disqualification and that it will be contacted to schedule a meeting to discuss the Civil Money Penalty offer.

The meeting shall be used to offer the alternative of the Civil Money Penalty in lieu of the disqualification. The meeting shall cover the following:

a) The amount of the alternative Civil Money Penalty as determined by the following procedure for calculation Civil Money Penalties;

b) The method of payment of the Civil Money Penalty available to the vendor.

c) Discussion of all non-compliance issues, not just those that brought about the disqualification.

Also at the meeting, the vendor shall be advised of the following:

a) Acceptance/payment of the Civil Money Penalty settles all past non-compliance issues, but does not relieve the vendor of its obligation to stay in compliance with the Contract they signed with the State Agency or to protect the vendor from future sanctions or disqualification for continued non-compliance. The vendor must resolve to correct any and all problems identified;

b) The past violations settled by the Civil Money Penalty may be considered, at the discretion of the State Agency if additional violations of the same nature occur in the future;

c) The vendor has fifteen (15) calendar days after the meeting to accept the alternative Civil Money Penalty in writing, in lieu of disqualification;

d) The Civil Money Penalty settlement does not prohibit further WIC investigations.

Procedure for Calculating Money Payment

All Civil Money Penalties issued by the State Agency will be calculated using a standard formula for both federally mandated sanctions and State Agency sanctions. However, the penalty shall not exceed $11,000 per violation or $44,000 per single investigation, even if the formula indicates that a higher penalty is warranted. The formula is as follows:

Step I: Determine the vendor's average monthly redemptions for at least the six (6) month period ending with the month immediately proceeding the month during which the notice of administrative action is dated. (Unusual circumstances may warrant a modification of the formula, e.g., vendor on the program for only three (3) months, etc.).

Step II: Multiply the average monthly redemptions figure by 10% (.10).

Step III: Multiply the product from Step II by the number of months the vendor would have been disqualified.

Note: Instances of other violations that have not yet reached disqualification action shall not be used to calculate the Civil Money Penalty. The calculation for the Civil Money Penalty shall be based solely on the disqualification period that brought about the action.

Example: The vendor is notified of a one-year disqualification starting October 20XX.
A Civil Money Penalty in lieu of disqualification would be calculated as follows:

Monthly redemption for at least the six (6) month period ending with the month immediately proceeding the month during which the notice of administrative action is dated:

September	$ 4,650
August	4,075
July	5,120
June	5,580
May	4,890
April	4,990

Step I = TOTAL $29,305) 6 = $4,884.17 monthly average

Step II = $4,884.17 x 10% = $488.42

Step III = $488.42 x 12 months = $5,861.04

If the calculation results in an amount greater than $11,000, the State Agency will impose the maximum amount of $11,000 for each violation up to $44,000 per single investigation.*

*A single investigation could result in several violations.

Payment of Civil Money Penalties

The payment of the Civil Money Penalty must be made by one (1) of the following methods as determined by the State Agency. All payments (either lump sum or installment) shall be made by certified check or money order payable to the Idaho Department of Health & Welfare WIC Program and must include the vendor's name and WIC Vendor number. Payments must be sent by certified mail to:

Department of Health & Welfare
Idaho WIC Program
450 West State Street, 1st Floor
P.O. Box 83720
Boise, ID 83720-0036

a) A lump sum payment of the Civil Money Penalty shall be received on or before the date the disqualification is to be effective, or

b) Installment payments of equal amounts, the total number of which cannot exceed one half the numbers of months of the disqualification, shall be paid with interest authorized by State law.

The first installment must be received by the State Agency on or before the date the disqualification was to be effective. The subsequent payments must be received on the first day of the month for all subsequent months until final payment is received. If a vendor fails to make any scheduled installment payment by the due date, the State Agency shall notify the vendor that the balance of the Civil Money Penalty is due within twenty (20) calendar days or the State will disqualify the vendor for the length of the disqualification corresponding to the violation for which the CMP was assessed (for a period corresponding to the most serious violation in cases where a mandatory sanction included the imposition of multiple CMPs as a result of a single investigation).

PARTICIPANT HARDSHIP

Policy. Participant hardship shall be the determining factor in assessing a Civil Money Penalty. It shall also be a contributing factor in the vendor evaluation criteria established. Participant access is not a legitimate or acceptable issue for a vendor to raise when appealing a State Agency disqualification.

Procedure. To be considered participant hardship rather than just "participant inconvenience," one of the following conditions must be indicated:

1. The vendor serves ten (10) or more WIC participants whose specific nationality could not properly be served by another authorized vendor located within the geographic area (defined below) due to a language barrier.

2. To receive WIC benefits, twenty (20) or more WIC participants would be required to travel to an authorized vendor in another geographic area (defined below).

3. Physical barriers or conditions which would make impossible normal travel to another authorized WIC vendor (for example, an unabridged river, an expressway, an airport, frequent road closing due to bad weather).

4. The participant has a physical handicap that cannot be accommodated by alternative vendors, (for example, the vendor in question has a wheelchair ramp while other vendors in the area are not so equipped <u>and</u> a wheelchair bound participant regularly shops at that vendor). For this condition to apply, the handicapped participant must have done more than half of the WIC shopping in the previous six (6) months at the vendor's location.

DEFINITIONS

Geographic Area - The travel in excess of fifteen (15) miles in a rural area from the local agency clinic or the participant's residence or a ten (10) block radius of the local agency clinic or the participant's residence in an urban area to reach an authorized vendor.