

# WIC VENDOR APPLICATION AND AGREEMENT 2013 - 2015

State of Louisiana

Department of Health and Hospitals – Office of Public Health

Parish

Vendor Name (doing business as)

Corporation Name (if applicable)

Physical Address of Store (Street, City, State, Zip)

Mailing Address (if different from above)

**CHECK ONE:**

I am applying for authorization to accept WIC food instruments and cash-value vouchers. I agree that upon authorization, I will redeem WIC food instruments and cash-value vouchers for the traditional WIC food items (see pages 5-9).

I am applying for authorization to accept WIC food instruments and cash-value vouchers. I agree that upon authorization, I will redeem WIC food instruments and cash-value vouchers for the traditional WIC food items (see pages 5-9) AND the Homeless WIC food items (see page 9).

The Vendor listed above is authorized and in good standing with the United States Department of Agriculture (USDA) Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program or SNAP) and hereby applies for authorization to participate in the WIC Program. The Vendor states his store has received an annual Permit to Operate from the Office of Public Health for the current state fiscal year. The Vendor has received and read the attached rules and regulations as stated in the Standard Provisions of Agreement. The Vendor represents that he and his employees understand the rules and regulations of the WIC Program and will comply with them during the agreement period. Any authorization granted may be canceled for violations committed by the Vendor or his employees. The Vendor understands that false information contained herein may result in the denial or cancellation of WIC authorization. The undersigned represents that he is the sole proprietor of the store or that he has authority to contract on behalf of the store.

Once the State agency designates the Vendor's indicator (W or H), the indicator is valid for the term of the agreement period. No changes will be allowed.

As the legally authorized representative for the above named store, I certify that the above information is correct and accept on behalf of the Vendor all terms and conditions of this agreement as put forth herein and in the attached Standard Provisions of Agreement.

Subscribed and sworn before me \_\_\_\_\_, a Notary Public for the Parish/County of \_\_\_\_\_,

\_\_\_\_\_ , on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

**NOTARY SEAL IS REQUIRED**

Notary Public,  
Parish/County of \_\_\_\_\_  
State of \_\_\_\_\_

By: \_\_\_\_\_  
Vendor Owner Title Date

**STATE OFFICE USE ONLY**

EFFECTIVE DATE \_\_\_\_/\_\_\_\_/\_\_\_\_

WIC VENDOR NUMBER \_\_\_\_\_

EXPIRATION DATE \_\_\_\_/\_\_\_\_/\_\_\_\_

This Vendor is authorized to accept and redeem:

Traditional WIC food instruments and cash-value vouchers

Traditional and Homeless WIC food instruments and cash-value vouchers

Authorized by: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

# Definitions

## **Above-50-percent vendors**

Vendors that derive more than 50 percent of their annual SNAP eligible food sales revenue from WIC food instruments, and new vendor applicants expected to meet this criterion under guidelines approved by FNS.

## **Automated Clearing House (ACH)**

An electronic payment mechanism used by the Louisiana WIC's contracted banking system to accumulate and credit Vendors' bank accounts with an appropriate amount up to the not-to-exceed (NTE) amount on WIC food instruments deposited. The ACH is used to adjust food instruments that have been erroneously deposited for an amount above the NTE. ACH is also used for collecting overpayments, amounts that exceed maximum allowable reimbursement levels, and any other price adjustments or claims against vendors, by offsetting future claims for reimbursement of FIs or CVVs.

## **Business Integrity**

Lack of business integrity on the part of the owner(s), officer(s), or manager(s) of a store will result in denial of a vendor's authorization. Redeeming WIC food instruments or CVVs prior to receiving authorization will be considered lack of business integrity. Failure to pay overdue balances to the WIC Program will be considered a lack of business integrity. Unless denying authorization of a vendor applicant would result in inadequate participant access, the State agency may not authorize a vendor applicant if during the last six years the vendor applicant or any of the vendor applicant's current owners, officers, or managers have 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 State agency may add other types of convictions or civil judgments to this list.

## **Cash Value Voucher (CVV)**

A fixed-dollar amount check, voucher, electronic benefit transfer (EBT) card or other document which is used by a participant to obtain authorized fruits and vegetables.

## **Change of Ownership**

All of the assets of the store are sold or transferred to a new owner or business entity. This includes adding new partner(s).

## **Compliance Buy**

A covert, on-site investigation in which a representative of the Program poses as a participant, parent or caretaker of an infant or child participant, or proxy, transacts one or more food instruments (FIs) or CVVs, and does not reveal during the visit that he or she is a program representative.

## **Employee Fraud and Abuse**

The intentional conduct of a State, local agency or clinic employee which violates program regulations, policies, or procedures, including, but not limited to, misappropriating or altering FIs or CVVs, entering false or misleading information in case records, or creating case records for fictitious participants.

## **Food instrument**

A voucher, check, electronic benefits transfer card (EBT), coupon or other document which is used by a participant to obtain supplemental foods.

## **Incentives**

Providing any inducements to WIC participants to shop in a store or recruit other customers including WIC participants to shop in the store.

Incentives include but are not limited to:

- Providing cash, gifts, gift cards, gift certificates, coupons or any other type of compensation

- Providing items including food or other products

- Providing services including transportation to or from the store or delivery of WIC foods

- Selling incentive items below cost

- Lottery tickets, lotteries, prize and/or cash drawings, chances or raffles of any type

- Sales and specials on WIC approved food items unless the food was obtained by the vendor at no cost and does not result in charging the WIC Program for more food than listed on the WIC food instrument or CVV

## **Not to Exceed (NTE)**

This is the highest reimbursement rate for a specific food package. A NTE is calculated for each WIC FI for each tier and uploaded nightly with the Program's issuance file to the WIC Program's contracted banking system. Vendors that consistently submit claims over the NTE may be reevaluated for price competitiveness at any time during the authorization period and may be terminated for non-price competitiveness.

## **Participants**

Pregnant women, breastfeeding women, postpartum women, infants and children who are receiving supplemental foods or FIs or CVVs under the program, and the breastfed infants of participant breastfeeding women.

**Participant Violation**

Any intentional action of a participant, parent or caretaker of an infant or child participant, or proxy that violates Federal or State statutes, regulations, policies, or procedures governing the Program. Participant violations include intentionally making false or misleading statements or intentionally misrepresenting, concealing, or withholding facts to obtain benefits; exchanging CVVs, FIs or supplemental foods for cash, credit, non-food items, or unauthorized food items, including supplemental foods in excess of those listed on the participant's FI; threatening to harm or physically harming a clinic, or vendor staff; dual participation. Making a verbal offer of sale to another individual or posting WIC foods, benefits and/or EBT cards for sale in print or online, allowing someone else to do so, is evidence that the participant committed a participant violation.

**Proxy**

Any person designated by a woman participant, or by a pregnant or caretaker of an infant or child participant, to obtain and transact FIs or CVVs or to obtain supplemental foods on behalf of a participant. The proxy must be designated consistent with the State agency's procedures established pursuant to §246.12(r) (l). Parents or caretakers applying on behalf of child and infant participants are not proxies.

**Tier**

A classification of authorized vendors into groups based on common characteristics or criteria that affect food prices, for the purpose of applying appropriate competitive price criteria to vendors at authorization and limiting payments for food to competitive levels.

# STANDARD PROVISIONS OF AGREEMENT

## Office of Public Health Louisiana WIC Program

### I. PROGRAM ELIGIBILITY

- A. To be eligible for participation in the Special Supplemental Nutrition Food Program for Women, Infants and Children (WIC), a Vendor must:
1. Submit properly and accurately completed application forms
  2. Submit photocopies of the Owner's social security card
  3. Submit photocopies of the Owner's picture identification card (driver's license, state issued ID., etc.)
  4. Submit Corporation papers (listing officer names, etc) filed with the Secretary of State
  5. Be currently participating in the USDA Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program)
  6. Have a Permit to Operate issued for the current state fiscal year
  7. Be open a minimum of 48 hours per week
  8. Vendor's prices for WIC Approved food items must be competitive with other Vendors in their designated tier group. Applying Vendors, whose prices are higher than those in their tier group, are informed and given one opportunity to lower their prices to meet the competitive price selection criteria. Vendors that do not lower their prices to meet the criteria are denied authorization unless the State Agency determines the Vendor is needed for participant access to supplemental foods.
  9. Not have been disqualified from or employ any management personnel (including owners and co-owners) who have been disqualified from any USDA food program within the prior six years
  10. Not employ any management personnel (including owners and co-owners) formerly employed by Vendors disqualified from any USDA food program within the prior six years
  11. Not have been or employ any management personnel (including owners and co-owners) who have been convicted of any felony within the prior six years
  12. Not have been and/or employ any management personnel (including owners and co-owners) who have been convicted of any federal, state, or local tax violations within prior three years
  13. Not have been or employ any management personnel (including owners and co-owners) who have had a civil judgment entered against them within the prior six years for any activity indicating a lack of business integrity (including but 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).
  14. Remain in good standing with no unpaid, overdue balances owed to the Louisiana WIC Program
  15. Stock and maintain sufficient quantities and varieties of all required WIC food items
  16. Purchase infant formula from a list of infant formula manufacturers registered with the Food and Drug Administration (FDA) that provide infant formula, licensed wholesalers or licensed distributors or licensed retailers provided by the Louisiana WIC Program (effective 10/1/05). Failure to comply will result in denial of application or termination from the WIC Program.
  17. New applicant Vendors cannot derive more than 50% of its annual food sales revenue from WIC food instruments
- B. Vendors must comply with the Vendor selection criteria throughout the agreement period, including any changes to the criteria. The WIC Program may reassess the Vendor at any time during the agreement period using the selection criteria at the time of assessment. The WIC Program will terminate the Vendor agreement if the Vendor fails to meet the current Vendor selection criteria. The Vendor is subject to periodic reassessment of above-50% status. Determination of above-50% status may result in reassignment to a different tier group with associated maximum allowable reimbursement levels, competitive price criteria, and policies specific to above-50% Vendors, and/or termination of the Vendor agreement.

### II. PROGRAM PARTICIPATION

A. To participate in the WIC Program, a Vendor shall abide by the following regulations:

1. The Vendor must stock and maintain sufficient quantities in the specified container sizes for each category the Vendor is authorized for.

**WIC Approved Foods**  
**Oct 1, 2013 – Sept 30, 2015**

**Infant formula**

As prescribed on the WIC food instrument (quantity, size, brand and form)

Must be iron fortified

No: Substitutions

**Enfamil ProSobee**

13 oz concentrate

Stock Requirement: At least 72 cans

**Enfamil Premium Infant with Iron**

13 oz concentrate

Stock Requirement At least 72 cans

**Enfamil Gentlease**

12.4 oz powder

Stock Requirement At least 30 cans

**Infant Cereal**

8 oz. container

Plain, dry

No: Organic, added- fruit, formula, milk, DHA/ARA or other non-cereal ingredients

Brands: Least Expensive Brand

Stock Requirement: At least 15 containers

**Infant Fruits**

4 oz. containers

Single or mixed fruit combinations are allowed

Texture may range from strained through diced

No: Mixtures with cereal or desserts, added sugars, starches or salt, artificial sweeteners, DHA/ARA, omega 3 fats, prebiotics and/or probiotics, organic

Brands: Beech-Nut- Stage 2 or Stage 2 ½  
Gerber-2<sup>nd</sup> foods

Stock Requirement: At least 96 containers of at least 3 varieties

**Infant Vegetables**

4 oz. containers

Single or mixed vegetable combinations are allowed

Texture may range from strained through diced

No: Mixtures with cereal or infant food dinners, added sugars, starches or salt, artificial sweeteners, DHA/ARA, omega 3 fats, prebiotics and/or probiotics, organic

Brands: Beech-Nut Stage 2 or Stage 2 ½  
Gerber- 2<sup>nd</sup> Foods

Stock Requirement: At least 96 containers of at least 3 varieties

**Infant Meats & Poultry**

2 ½ oz. containers

Single ingredient with gravy or broth

Beef, Chicken, Turkey, Ham

No: Pasta or vegetable mixtures, added sugars, added salt, DHA/ARA, omega 3 fats, prebiotics and/or probiotics, organic

Brands: Beech-Nut- Stage 1  
Gerber-2<sup>nd</sup> Foods  
Stock Requirement: At least 31 containers of at least 2 varieties

### **Peanut Butter**

16-18 oz. container  
Smooth, crunchy, whipped, low sodium and low sugar allowed  
No: Flavorings or added ingredients, organic  
Brands: Any Brand  
Stock Requirement: At least 15 containers

### **Dried Beans/Peas**

16 oz. (1 lb) Dried  
Any variety  
No: Canned or frozen, soup mixes, added flavorings, sugars, fats, oils or meat, organic  
Brands: Any Brand  
Stock Requirement: At least 6 packages of at least 2 varieties

### **Eggs**

Dozen container  
Large, white  
No: Other sizes than large. No low cholesterol or specialty eggs  
Brands: Least Expensive Brand  
Stock Requirement: At least 10 dozen

### **Milk**

Gallon (128 oz.) and Quart (32 oz.) size  
**Must** be dispensed as prescribed on the food instrument  
Homogenized - Whole, Fat-free, Skim, Low Fat (1%) and Reduced Fat (2%)  
No: Flavored or buttermilk  
Brands: Least Expensive Brand  
Stock Requirement: **Whole Milk** – At least 2 gallons and 4 quarts  
**Low Fat (1%) Milk** – At least 4 gallons  
**Skim Milk** – At least 4 gallons and 4 quarts

### **Lactose Reduced Milk (must be printed on food instrument)**

Allowed to be purchased **only** if it is printed on food instrument  
½ gallon (64 oz.) and Quart (32 oz.) size  
Whole, Fat Free, Low Fat (1%), and Reduced Fat (2%)  
No: Flavored or organic  
Brands: Least Expensive Brand  
Stock Requirement: **OPTIONAL TO STOCK**

### **Soy Beverage (must be printed on food instrument)**

Allowed to be purchased **only** if it is printed on food instrument  
Quart (32 oz.) and ½ Gallon (64 oz.) size  
No: Organic  
Brands: 8<sup>th</sup> Continent Soymilk- Original and Vanilla  
Pacific Natural Foods Ultra Soy- Original and Vanilla  
Great Value Original Soymilk  
Stock Requirement: **OPTIONAL TO STOCK**

## **Cheese**

8 or 16 oz.

American, Mild cheddar, Medium cheddar, Mozzarella and Swiss

Block or sliced (not individually wrapped)

Regular, low fat, fat free and low sodium are allowed

No: Cheese product, cheese spread, cheese food, deli, grated, shredded or random weight

Brands: Least Expensive Brand

Stock Requirement: At least 5 of the 8 oz packages **AND** at least 5 of the 16 oz packages

## **Canned Salmon**

5-6 oz. can

Regular or lower sodium, packed in oil or water

No: Red or blue back, specialty, organic

Brands: Bumble Bee

Chicken of the Sea

Stock Requirement: At least 5 cans (can be combination of 2 brands listed above)

## **Tuna Fish**

5-6 oz. can

Light, dark or blended, dolphin safe, packed in water or oil

No: White, albacore, seasoned or foil packs

Brands: Any Brand

Stock Requirement: At least 10 cans

## **Whole Grains**

### **Brown Rice**

16 oz.

No: Instant, white, flavored, wild mixes, organic

Brands: Least Expensive Brand

Stock Requirement: At least 6 packages

### **Whole Wheat Bread**

16 oz.

100% Whole Wheat

No: Sugar Free, white bread

Brands: Least Expensive Brand

Stock Requirement: At least 6 loaves

### **Tortillas**

16 oz.

Corn or whole wheat

No: White flour tortillas or tostadas

Brands: Least Expensive Brand

Stock Requirement: At least 6 packages

## **Breakfast Cereals**

12, 14, 18, 24 and 36 oz. sizes

**Exception:** 12.8 oz. General Mills Rice Chex is allowed (gluten free)

Stock Requirement: At least 15 boxes of at least 5 varieties

### **Approved Brands:**

#### **Post**

\*Grape-Nuts Flakes, 18 oz

\*Alpha-Bits, 12 oz.

#### **Malt-O-Meal**

\*Oat Blenders with Honey, 12 oz., 18 oz., 36 oz.

Oat Blenders with Honey and Almonds, 18 oz., 36 oz.

\*Frosted Mini Spooners, 18 oz., 36 oz.

\*Strawberry Cream Mini Spooners, 18 oz., 36 oz.

#### **General Mills**

\*Corn Chex- Gluten Free, 14 oz.

Rice Chex- Gluten Free, 12.8 oz.

\*Dora the Explorer, 18 oz.

\*Kix, 12 oz., 18 oz.

#### **Kelloggs**

\*All-Bran Complete Wheat Flakes, 18 oz.

Corn Flakes, 12 oz, 18 oz., 24 oz.

Special K, 12 oz., 18 oz.

### **Other Cereals - Least Expensive Brand(s)**

Crisp(y) Rice Cereals, 12 oz.

\*Toasted Oats Cereals, 14 oz.

\*Instant Oatmeal, 11.5-12 oz. box plain (no flavors)

\*Quick Cooking or Old Fashioned Oatmeal, 18 oz.

Quick Cooking or instant plain grits (no flavors), 12 oz.

\*Indicates a whole grain cereal

## **Juices**

### **48 oz. and 64 oz.**

100% Single Strength Juice

Stock Requirement: At least 6 containers of at least 2 flavors

### **Least Expensive Brand of the following types:**

*Orange, Apple, Grapefruit, Pineapple, Orange-Mango, Orange Pineapple, Pineapple-Mango, Purple Grape, White Grape, Cranberry, Cranberry-Grape, Vegetable*

### **11.5 - 12 oz.**

Frozen Concentrated Juice

Stock Requirement: At least 6 containers of at least 2 flavors

### **Least Expensive Brand of the following types:**

*Orange, Apple, Grapefruit, Pineapple, Purple Grape, White Grape*

## Cash Value Voucher (CVV) for Fresh Fruits and Vegetables

Fresh fruits and vegetables only

No: Canned or Frozen

Stock Requirement: At least 2 different varieties of fresh fruits **AND** at least 2 different varieties of fresh vegetables

Allowed:

Whole or pre-cut fruit or vegetables

Pre-cut may be packaged in bags or containers

Yams/sweet potatoes and organic

Not Allowed:

White potatoes

Bagged salad mixtures with additional ingredients such as croutons or salad dressing

Party trays or fruit baskets

Decorative/ornamental fruits and vegetables

Salad bar items

Dried fruits and nut mixtures

Peanuts

Herbs and spices

### III. HOMELESS PACKAGE PROVIDERS

A. WIC authorized Vendors designated to accept and redeem homeless package food instruments, MUST stock and maintain sufficient quantities of traditional WIC Approved food items and the Homeless package food items listed below at all times:

#### HOMELESS PACKAGE FOOD ITEMS

Food Item	Brand/Flavor	Container size	Minimum stock
Fruit Juice	Ocean Spray Grapefruit Juice	12 oz bottle (4 pack)	( 2)two 4 packs
	Dole Pineapple	5.5-6 oz can (6 pack)	(1 )one 6 pack
	Nestle Juicy Juice	4.23 oz box (8 pack)	(1)one 8 pack
Powdered Milk	Unflavored only, any brand	25.6 oz box	2 boxes
Adult Cereal (cold)	(see previous list of cereals for selection)	12 oz box/bag	5 boxes
Tuna Fish	(see previous description)	5-6 oz can	2 cans
Infant Formula	(as printed on food instrument)	4, 8, & 32 oz rtf	
Infant Cereal	(see previous description)	3 oz boxes	5 boxes
Beans/Peas	<b>Beans:</b> Baked, Pork and beans, Beans with bacon, Great Northern, Kidney, Lima, Soy, Pinto and White <b>Peas:</b> Chick and Black-eyed <b>NOT ALLOWED:</b> with beef, franks, brown sugar and bacon, or spiced	7 – 8 oz cans OR	5 cans
		15 – 16 oz cans	
Peanut Butter	(see previous description)	18 oz container	1 container
Evaporated Milk	No sweetened or condensed	5 or 12 oz can	5 cans
Fresh fruits and Vegetables	(see list on page 9)		

#### IV. GROCER'S PRICES

- A. Vendors must utilize the WIC Vendor Pricing system (Vendor Portal). The Vendor shall access the Vendor Portal each month to enter prices all of WIC food items available for sale. The Vendor Portal is a web based application and can be accessed at all times. Failure to comply will result in written warnings, administrative actions, sanctions and/or removal of WIC authorization.

#### V. FOOD INSTRUMENT TRANSACTION PROCEDURE

- A. The Vendor shall complete the WIC food instrument transaction as follows:

1. Check the valid period. Accept food instruments ONLY during the month and year shown on the food instrument. Food instruments accepted outside of the month and year shown on the food instrument will NOT be paid or reimbursed.
2. Separate WIC food items from non-WIC food items. If the participant is cashing more than one food instrument at a time, each food instrument transaction must be handled separately.
3. Allow only the food items in the specified quantities and container sizes listed on the food instrument to be purchased. WIC participants MUST receive all of the foods listed on their food instrument. Adult cereal selection must be as close as possible to the quantity stated on the food instrument, without exceeding the stated amount of ounces.
4. Refer to the WIC Approved food list to ensure that WIC approved foods and container sizes are purchased. Dispense infant formula as prescribed on the food instrument. Vendors must provide only the authorized WIC food(s) listed on the food instrument. Vendors may not provide unauthorized food items, non-food items, cash or credit (including rain checks) in exchange for WIC food instruments. Vendors may not provide refunds or permit exchanges for authorized supplemental foods obtained with food instruments, except for exchanges of an identical authorized supplemental food item 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.
5. Ring up each food item individually. Do not add sales tax. Deduct applicable coupons from the total dollar amount. No money or additional items can be included in the actual dollar amount of the sale written on the food instrument. A food instrument can only be accepted as payment for the total list of WIC food items on the food instrument. The Vendor must charge current shelf prices or less. The cost of WIC food items must be at or below the NTE limits for the Vendor's assigned tier.
6. Write, in ink, the actual dollar amount of sale on the food instrument. If the dollar amount written is in error, draw a line through it and write the correct dollar amount of the sale above the incorrect one. If the food instrument is altered upward and subsequently rejected from the Agency's contracted banking system, it must go through the reimbursement process (see WIC Food Instrument/CVV Reimbursement section). The Vendor shall be held accountable for actions of employees in the utilization of WIC food instruments or provision of supplemental foods. **SHOULD THE VENDOR'S EMPLOYEE(S) MAKE AN ERROR ON THE FOOD INSTRUMENT, THE WIC FOOD PACKAGE MUST BE GIVEN TO THE WIC PARTICIPANT.** The Vendor understands that it is prohibited to seek restitution from participants/parents/proxies for FIs/CVVs not paid.
7. Vendors agree to accept WIC food instruments only from WIC participants, parent(s), caretaker(s), or proxy of an infant or child. The participant, parent/caretaker, or proxy must then sign the food instrument on the "Food Received By" line. The countersignature must match the signature on the "Issued To" line as it appears on the food instrument OR must match the WIC Recipient's or Proxy's signature as it appears on the WIC food instrument folder. If the signatures do not match, write "VOID" on the food instrument and instruct the participant to return to the clinic of food instrument issuance.

**EXCEPTION:** In some cases, food instruments are mailed to WIC participants. In these cases, there will be no signature of the participant on the "Issued To" line. In the space following "Issued To", it will state, "Mailed on \_\_\_/\_\_\_/\_\_\_ By \_\_\_\_\_". In these instances, the WIC participant must sign the food instrument on the "Food Received By" line. The signature must match one of the signatures on the WIC participant food instrument folder.

8. Stamp the Vendor number, using black ink, in the space provided on the front of all food instruments before depositing them. The back of each food instrument should be endorsed before depositing them into the bank. Endorsements should include store name, and store number (if applicable). The food instrument is only negotiable at the Vendor's bank and must be deposited in the bank within 30 days from the valid period stated on the food instrument.

**REMEMBER:**

- Accept food instruments ONLY during the month and year stated on the food instrument.
- WIC participants MUST receive all WIC foods listed on the food instrument
- WIC participants should NEVER get money or change back
- WIC participants are NOT required to show any form of identification other than the WIC participant food instrument folder
- Vendors cannot charge participants, parents, or caretakers of infant and child participants or proxies for authorized supplemental foods obtained with food instruments
- Vendors cannot seek restitution from WIC participants for food instruments not paid or partially paid by the State Agency
- Vendors are prohibited from giving/providing/selling incentive items to Program participants. Failure to comply with this requirement will result in termination of Agreement.

#### VI. CASH-VALUE VOUCHER (CVV) TRANSACTION PROCEDURE

- A. The Vendor shall complete the WIC CVV transaction as follows:

1. Check the valid period. Accept CVVs ONLY during the month and year shown on the CVV. CVVs accepted outside of the month and year shown on the CVV will NOT be paid or reimbursed.
2. Separate CVV food items from other WIC food items or non-WIC food items. If the participant is cashing more than one CVV at a time, each transaction must be handled separately.
3. Allow only the purchase of approved fresh fruits and vegetables up to the maximum dollar value printed on the CVV.

4. Vendors may not provide unauthorized fresh fruits and vegetables, nor issue change to a WIC customer for purchases less than the total value of the CVV.
5. Ring up each CVV individually. Do not add sales tax. No money or additional items can be included in the actual dollar amount of the sale written on the CVV. A CVV can only be accepted as payment for approved fresh fruits and vegetables.
6. **If** the total price of the WIC approved fresh fruits and vegetables selected by the participant is **less than** the max value printed on the CVV, the cashier should enter the lower price in the designated area on the CVV. No change is to be given to the participant. **If** the total price of the WIC approved fresh fruits and vegetables selected by the participant is **more than** the max value printed on the CVV, the participant can choose to pay the difference with cash or another form of payment. If the overage is paid for with a Food Stamp/SNAP EBT card, the overage is not subject to any tax. However, if the overage is paid for by other forms (i.e., cash, credit card, debit card, check), then the overage is subject to being taxed. An amount that is more than the CVV max amount should never be entered in the designated area on the CVV. The Program's contracted banking system will not pay the CVV if the amount written is more than the max value printed on the CVV.

If the dollar amount written is in error, draw a line through it and write the correct dollar amount of the sale above the incorrect one. If the CVV amount is altered upward and subsequently rejected from the Agency's contracted banking system, it must go through the reimbursement process (see "WIC Food Instrument/CVV Reimbursement" section). The Vendor shall be held accountable for actions of employees in the utilization of WIC CVVs. **SHOULD THE VENDOR'S EMPLOYEE(S) MAKE AN ERROR ON THE CVV, THE APPROVED FRESH FRUITS AND VEGETABLES MUST BE GIVEN TO THE WIC PARTICIPANT.**

7. Vendors agree to accept WIC CVVs only from participants, parent(s), caretaker(s), or proxy of an infant or child. The participant/parent/caretaker/proxy must then sign the CVV on the "Food Received By" line. The countersignature must match the signature on the "Issued To" line as it appears on the CVV OR must match the WIC Recipient's or Proxy's signature as it appears on the WIC food instrument folder. If the signatures do not match, write "VOID" on the CVV and instruct the participant to return to the clinic of CVV issuance.

**EXCEPTION:** In some cases, CVVs are mailed to WIC participants. In these cases, there will be no signature of the participant on the "Issued To" line. In the space following "Issued To", it will state, "Mailed on \_\_\_/\_\_\_/\_\_\_ By\_\_\_\_\_". In these instances, the WIC participant must sign the CVV on the "Food Received By" line. The signature must match one of the signatures on the WIC food instrument folder.

8. Stamp the Vendor number, using black ink, in the space provided on the front of all CVVs before depositing them. The back of each CVV should be endorsed before depositing them into the bank. Endorsements should include store name, and store number (if applicable). The CVV is only negotiable at the Vendor's bank and must be deposited in the bank within 30 days from the valid period stated on the CVV.

**REMEMBER:**

- Accept CVVs only during the month and year stated on the CVV
- WIC participants should NEVER get money or change back
- WIC participants are NOT required to show any form of identification other than the WIC food instrument folder
- Vendors cannot charge participants, caregivers of infant and child participants or proxies for approved fresh fruits and vegetables obtained with a CVV
- Vendors cannot seek restitution from WIC participants for CVVs not paid or partially paid by the State Agency

**VII. WIC FOOD INSTRUMENT/CVV REIMBURSEMENT**

- A. WIC food instruments/CVVs are negotiable only at the Vendor's bank and must be deposited into his/her bank account within 30 days from the valid period stated on the food instrument/CVV. The Agency's contracted banking system requires that Vendors legibly stamp, in black ink, the Vendor's unique number in the designated space on each food instrument/CVV prior to depositing.
- B. Requests for Reimbursement
  1. Complete a WIC Food Instrument/CVV Reimbursement Form (WIC-20).
  2. Staple original food instruments/CVVs to a blank 8½ X 11 sheet of paper (maximum of three food instruments/CVVs per page). Do not overlap food instruments/CVVs.
  3. Make copies of the WIC-20 and its corresponding WIC food instruments (originals/I.R.D.s only).
  4. Submit the completed WIC-20 along with its corresponding food instruments/CVVs to the Vendor Management Unit.
  5. Upon receipt of the reimbursement requests, the State Agency will record the date received, review for accuracy and completeness, process the request(s) and submit the request(s) to Fiscal Services for approval.
  6. Incorrect or incomplete WIC-20's will delay the reimbursement process.
  7. Additional WIC-20 forms can be acquired from the State Agency.

Vendors shall **NOT** seek restitution from the WIC participants for food instruments/CVVs that may not be/have not been paid by the Agency. The Vendor must make his/her request for reimbursement for **bank rejected food instruments/CVVs** no more than 60 days from the end of the valid period stated on the food instrument/CVV. Any food instrument/CVV submitted thereafter will **NOT** be considered for reimbursement. **FOOD INSTRUMENTS/CVVs ACCEPTED OUTSIDE OF THE VALID PERIOD WILL NOT BE REIMBURSED. FOOD INSTRUMENTS WITHOUT APPROPRIATE COUNTERSIGNATURE WILL NOT BE PAID OR REIMBURSED.**

**VIII. VENDOR TRAINING**

- A. The Vendor must attend interactive (face to face) training and agree to train the managers and all employees involved in the WIC food instrument/CVV transaction in the proper procedures for accepting and processing WIC food instruments/CVVs. This training is done before or at initial authorization, in interactive format, and at least once every year through a variety of means. At least one representative of the Vendor's staff must participate in training annually. Formats of training can include newsletters, videos, and interactive training. The WIC

Program will designate the date, time and location of the training. The WIC Program will provide the Vendor with at least one alternative date on which to attend training.

Newly authorized WIC Vendors will receive training from either state or local staff prior to accepting food instruments and CVVs. Vendors already authorized to accept WIC food instruments/CVVs may also be selected to receive additional training. At a minimum, training will include:

- Review of the WIC Approved Food List and WIC Food Instrument/CVV Transaction Procedure
- Explanation of tier pricing system, the Vendor Portal, and minimum stock requirements
- Review of procedure(s) for cashing WIC food instruments/CVVs and the Agency's contracted banking system's rejected food instrument/CVV policies
- Explanation of reimbursement policies and procedures (claims process)
- Explanation of record keeping policies
- Review of non-discrimination rules
- Explanation of vendor hearing process
- Explanation of reauthorization process
- Explanation of routine monitoring visits
- Explanation that a change of ownership voids current WIC Agreement
- Explanation of coordination between the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program or FSP) and the WIC Program in that disqualification from the SNAP will result in immediate disqualification from the WIC Program for the same length of time as per section 246.12 (l) (1) (vii) of the WIC regulations. This disqualification from the WIC Program may begin at a later date than the SNAP disqualification and is not subject to administrative or judicial review under the WIC Program.
- Explanation of sanction system
- Explanation that no incentive items are to be given/provided to Program participants.
- Review of WIC food instruments/CVVs negotiated the day of the training at the request of the reviewer
- Purpose of the WIC Program
- Review of complaint process
- Changes in the WIC Program since the last training

B. All existing personnel (and future hires) responsible for handling WIC food instrument transactions MUST:

1. Read the "Procedures for Accepting WIC Food Instruments and Cash-Value Vouchers – Vendor Employee Signature Form" (WIC-33).
2. Sign the form to indicate that the information has been read and understood

C. The vendor must:

1. Keep copies of the signed forms available for inspection by designated personnel during routine store visits
2. Mail the original forms to the State Agency

## IX. WIC ACRONYM AND LOGO

A. The WIC acronym and logo have been registered and trademarked by the U.S. Department of Agriculture (USDA). A WIC Vendor is not permitted, without specific State Agency authorization, to use either the acronym "WIC" or the WIC logo, including close facsimiles thereof, in total or part, in either the official name in which the Vendor is registered or the name under which it does business, if different, on product labels or packages, store signs, pamphlets, advertisements, brochures or any proprietary materials.

**EXCEPTION:** WIC authorized Vendors are supplied with and shall display the "WIC Authorized Vendor" poster in a conspicuous place at all times.

B. Shelf-talkers, commonly utilized to identify WIC approved foods, are allowed to be used by vendors who have received approval from the Vendor Management Unit. Vendors should contact the Vendor Management Unit for further details on obtaining approval. Vendors who choose to not utilize shelf talkers are encouraged to post the WIC Approved Food List (WIC-23) next to WIC food items. The WIC-23 allows participants to view a complete listing of all WIC allowable food items. WIC-23s can be obtained from the Vendor Management Unit.

## X. NON-DISCRIMINATION

A. WIC authorized Vendors shall comply with the requirements of the Americans with Disabilities Act (ADA). The Vendor shall also comply with the non-discrimination requirements of USDA. In accordance with Federal Law and the U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age or disability. Any failure by the Vendor to abide by this regulation shall result in immediate cancellation of Vendor authorization/participation in the WIC Program.

To file a complaint of discrimination, write to USDA, Director, Office of Adjudication, 1400 Independence Ave., SW Washington, D.C. 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.

## XI. VENDOR PROVISIONS

- A. Vendors must provide the State agency with advance written notification of any change of ownership, store location or cessation of operation. In these situations, the Vendors' Agreement is terminated and reapplication for authorization for new owner must occur. No food instruments or cash-value vouchers may be accepted without a valid Vendor Agreement.
- B. The Vendor shall extend the same courtesies to all WIC participants, parents, or caretakers of an infant or child participants and proxies as are extended to other customers. Conversely, the Vendor does not have to endure abuse from WIC participants. The Vendor should report incidents of abuse by WIC participants to the local clinic or the State agency.
- C. The Vendor understands that providing false information on the WIC Application and Agreement and/or the Louisiana WIC Vendor Applicant Profile in connection with its application for authorization/reauthorization will result in immediate termination of the Agreement.
- D. The Louisiana WIC Program operates a retail food delivery system. Vendors shall not use home delivery systems. Home delivery is defined as an operation where WIC food items are delivered to the participant's home rather than the participant, guardian or proxy personally obtaining supplemental foods by redeeming a food instrument or cash-value voucher at the physical location of the authorized retail food outlet. The Vendor understands that his authorization to participate in the WIC Program is good only at one store location as given on the WIC Vendor Application and Agreement.
- E. The Vendor agrees to hold the Agency forever harmless from any monetary damages that the Vendor may suffer, because of the Agency's investigation into an alleged violation of a WIC rule which leads to a disqualification of the Vendor.
- F. The Vendor agrees to hold the Agency forever harmless for any WIC transaction completed prior to receipt of written WIC authorization.
- G. The Vendor agrees to hold the Agency forever harmless from any monetary fines or fees for food instruments or cash-value vouchers returned by a banking facility.
- H. Vendors are hereby notified of this offset procedure for collecting overpayments, amounts that exceed maximum allowable reimbursement levels, and any other price adjustments or claims against vendors.
- I. Following the completion of a disqualification period, the Vendor may reapply for authorization upon sufficient evidence that he/she has complied with the terms and conditions of the Agreement including all selection criteria in effect at the time of the subsequent application. Federal WIC regulations require termination of the Agreement when a Vendor is disqualified.
- J. Vendors cannot single out WIC participants by using "WIC" in advertisements for store specials (i.e., free merchandise offers). However, a WIC participant shall participate in any special offers extended to the general public (sales, discounts, and free merchandise offers based on the amount of purchase and not the type of sale).
- K. In the event that an authorized WIC Vendor is assessed a civil money penalty from the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program), the Vendor shall be removed as an authorized Vendor from the WIC Program. The WIC Vendor Agreement will be terminated.
- L. By signing this Agreement, the Vendor gives his permission to receive announced and unannounced on-site inspections by state and federal representatives of WIC and USDA. Staff from local clinics visit all Vendors to check reported shelf prices (or special reduced prices), conditions of the store and merchandise, business hours, and to provide training about WIC prior to initial authorization. After authorization is received, the Vendor is revisited on a regular basis by local staff to answer questions, help solve WIC-related problems, and to determine if there is adequate and currently dated stock. There are periodic unannounced visits to the store by investigators to determine compliance with state and federal rules and regulations.
- M. To permit the Agency to determine the efficacy and soundness of the WIC Program and the funds expended under this Agreement, the Vendor shall provide the Agency with such information and data in both form and manner prescribed by the Agency, as the Agency may request. The Vendor agrees to submit to the Agency monthly prices via the Vendor Portal heretofore provided and shall maintain books, invoices, records, cash receipts, documents and other evidence in accordance with Generally Accepted Accounting Principles, sufficient to reflect properly all costs of whatever nature claimed to have been incurred in the performance of this Agreement. Records will establish independent accounting for all receipt of monies derived from this Agreement. Should, upon preliminary audit review, a determination be made requiring the audit team to inspect all other accounts, transaction ledgers, deposit and withdrawal slips, the Vendor will concede to their inspection and to a complete and total audit. The Vendor further agrees that the fiscal and other records of the Vendor as they pertain to the Agreement shall be subject to inspection and audit by the Agency, the USDA, the Comptroller General of the United States and the Louisiana Legislative Auditor. The Vendor further agrees that in the event the Agency determines that certain costs which have been reimbursed to provider pursuant to this or previous Agreement are not allowable, the Agency shall have the right to demand refunds on overcharges or improperly negotiated food instruments or cash-value vouchers, or offset and withhold said amounts due the Vendor under this Agreement for costs that are allowed.

The Vendor agrees to retain the originals of all books and other documents, including dated, fully itemized invoices of WIC food items, relevant to this Agreement and the funds expended hereunder for at least three (3) years after final payment. The Vendor must maintain inventory

records used for federal tax reporting purposes and other records the State agency may require for the period of time specified by the State agency. Purchase invoices must reflect the name of the wholesaler or supplier, date of purchase, list of the items purchased, size, stock number, quantity, and unit price. Cash retail tickets shall include the name and address of the store, the date of purchase, description of the items purchased, the unit price of the items purchased, and the total amount purchased. Effective October 1, 2005, all Vendors must purchase all infant formula from an approved licensed wholesale distributor, manufacturer or from a retail store licensed to do business in Louisiana and listed on the State agency's infant formula supplier list. These suppliers will be designated and approved by the State agency. Vendors agree to maintain documentation of sales of all foods eligible for purchase with Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamp Program) benefits "SNAP-Eligible Sales" and to provide such documentation upon request of the Agency. Vendors agree to provide any records relevant to their Agreement upon 15 days from receipt of request of the Agency. Failure to provide records may result in termination of the vendor Agreement, monetary claims, or other penalties.

- N. Any alterations, variations, modifications, or waivers of provisions of this Agreement shall be valid only when they have been reduced in writing, duly signed, and attached to the original of this Agreement. Refusal to sign amendments to Vendor Agreement will result in cancellation of authorization of the Vendor by the Agency. No claim for reimbursement by the Vendor, not provided for in this Agreement, shall be allowed by the Agency. Unauthorized Vendors who accept food instruments or cash-value vouchers (CVVs) may be held liable for repayment of any funds received.

The Vendor agrees and realizes that this Agreement, although partially executed, is subject to and conditioned upon the availability and appropriation of Federal and/or State funds; further that no liability or obligation for payment will develop between the parties or the Agency until this Agreement has been approved by the designee of the Agency.

- O. Certified affidavits and/or statements of fact will not be accepted for proof of inventory.
- P. A Vendor who commits fraud or abuse of the Program is liable to prosecution under applicable Federal, State or local laws. Under section 246.12 (h) (3)(xx) of the federal regulations, those who have willfully misapplied, stolen, or fraudulently obtained Program funds shall be subject to a fine of not more than \$25,000 or imprisonment for not more than five years or both, if value is \$100.00 or more. If the value is less than \$100.00, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.
- Q. A Vendor accepts accountability for the actions of owners, officers, managers, agents, and employees in violating the terms of this Agreement or the procedures as stated in this WIC Vendor Agreement and Application.

## **XII. AGENCY PROVISIONS**

- A. The Agency shall provide information relative to eligible individuals as is available to the Agency and as may be required by the Vendor for the effective implementation of its part of this Agreement.
- B. The Agency shall allow its Program participants to redeem WIC food instruments and cash-value vouchers (CVVs) at any Louisiana WIC Authorized Vendor.
- C. The Agency shall accept and process WIC Vendor applications on an on-going basis.
- D. It is agreed that in consideration for goods delivered, the Agency shall honor all valid food instruments and CVVs payable to the order of the Vendor in the amounts as expressed or specified on the food instruments/CVVs as long as those amounts reflect the actual WIC food package costs and are within the limits determined by the accepted prices submitted by the store on the monthly WIC-3/Vendor Portal for that period of time consistent with any Agency-determined applicable peer group reimbursement limitations and subject to the vendor's remaining in good standing with no outstanding bills or debts to the WIC Program.
- E. The Agency may disqualify a Vendor for reasons of Program abuse. In accordance with the above section titled, "Administrative Review Procedures", the Vendor has the right to appeal a State agency decision pertaining to denial of application to participate, Vendor disqualification or any adverse action which affects participation during the Agreement period. Expiration of Agreement with a Vendor is not subject to appeal. Vendors whose Agreements are not renewed may reapply but will not be authorized for six months after expiration of the Agreement. The Vendor agrees and realizes that until the completion of the appeal process the Vendor must remove the "WIC Authorized Vendor" poster and not accept WIC food instruments or CVVs or in any way participate in the WIC Program. This adverse action will be imposed during the appeal process following the 15 day advance notification period unless the agency determines that such an action would result in inadequate participant access.
- F. The Agency shall not accept voluntary withdrawal or use non-renewal of the vendor Agreement instead of disqualification.
- G. Prior to removing a Vendor from participating in the Program, the Agency shall determine, in its sole discretion, and document in the Vendor file, whether the removal would result in inadequate participant access for all mandatory sanctions (except for conviction for trafficking/illegal sales). This determination will be based on the unavailability of other authorized Vendors in the same area as the violative Vendor. If the Agency determines that the removal would result in inadequate access, then the Agency shall impose a Civil Money Penalty (CMP) in lieu of the removal, except for the third or subsequent violation (and conviction for trafficking/illegal sales). The amount of the CMP shall equal the average monthly WIC redemptions for the six (6) month period (number of months must be at least 6 months, but may be more than 6 months) ending with the month immediately preceding the month during which the notice of sanction is dated, multiplied times 10 percent (.10), and then multiplied times the number of months for which the Vendor would have been removed, provided that the CMP shall not exceed \$11,000 for each violation, and provided that the CMP in lieu of permanent removal shall be \$11,000. If multiple violations are revealed by a single investigation, the total CMP shall not exceed \$44, 000. However, for violations consisting of court conviction for trafficking or illegal sales noted in paragraph "M" below, the respective maximum CMPs are \$11,000 and \$49,000. These maximum amounts are subject to adjustments consistent with 7 CFR §3.91(b) (3) (v) of USDA regulations.

- H. If a Vendor does not pay, only partially pays, or fails to timely pay a CMP within 15 days notice of the sanction, the Agency shall remove the Vendor for the length of the removal corresponding to the violation for which the CMP was assessed.
- I. When during the course of a single investigation, the Agency determines that the Vendor has committed multiple violations; the Agency shall remove the Vendor for the period corresponding to the most serious mandatory violation. The Agency shall enter all violations into the record.
- J. When a Vendor, who had previously been assessed a mandatory sanction (except for a conviction for trafficking/illegal sales), receives another mandatory sanction for the same or other mandatory violations, the Agency shall double the sanction for the second violation. CMPs may only be doubled up to the previously noted \$11, 000/\$49,000 limits per with 7 CFR §3.91(b) (3) (v).
- K. When a Vendor, who had previously been assessed two mandatory sanctions (except for a conviction for trafficking/illegal sales) receives another mandatory sanction for the same or other mandatory violations, the Agency shall double the sanction for the third violation. The Agency may not impose a CMP in lieu of removal for the third mandatory violation. A fourth or subsequent violation shall be treated in the same manner as the third; the sanction for the fourth or subsequent violation shall be doubled and CMPs shall not be substituted for disqualification.
- L. The State agency will notify a vendor of the initial occurrence of a violation if that violation requires a pattern of occurrences before imposing a sanction against a Vendor. This notification will occur before imposing a sanction unless notification would compromise an investigation.
- M. The Agency shall permanently disqualify a Vendor convicted of trafficking in food instruments or cash-value vouchers or selling firearms, ammunition, explosives, or controlled substances as defined in section 102 of the Controlled Substances Act 21 U.S.C. 802) in exchange for food instruments. A Vendor shall not be entitled to receive any compensation for revenues lost as a result of such violation. The Agency may impose a CMP in lieu of disqualification for this violation when it determines, in its sole discretion, and documents (in accordance with 7 CFR 246.12 (1) (1) (i)) that:
  - 1. disqualification of the Vendor would result in inadequate participant access; or
  - 2. 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.
- N. The Agency shall disqualify a Vendor for the mandatory sanctions listed in paragraphs (1) (1) (i) through (1) (1) (vii) of section 7 CFR 246.12. However, if the Agency determines that disqualification of the Vendor would result in inadequate participant access, the Agency may impose a CMP in lieu of disqualification, except that as provided in paragraph (1) (1) (i) of section 7 CFR 246.12, the Agency shall not impose a CMP in lieu of disqualification for third or subsequent sanctions for violations paragraphs (1) (1) (ii) through (1) (1) (iv) of section 7 CFR 246.12.
- O. Disqualification from the WIC Program may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamp Program). Such disqualification may not be subject to administrative or judicial review under SNAP.
- P. The Agency may impose sanctions for violations that are not specified in paragraphs (1) (1) (i) through (1) (1) (vii) of section 7 CFR 246.12 as long as violations and sanctions are included in the vendor Agreement. Agency sanctions may include disqualifications, CMPs assessed in lieu of disqualification, and fines. The total period of disqualification imposed for Agency violations investigated as part of a single investigation may not exceed one year. A CMP or fine shall not exceed \$11, 000 for each violation. The total amount of CMPs imposed for violations investigated as part of a single investigation shall not exceed \$49,000. For court conviction for trafficking or illegal sales the maximum CMP is \$11,000 for each violation/\$49,000 per investigation consistent with 7 CFR §3.91(b) (3) (v).
- Q. Agency shall establish procedures to ensure the propriety of redeemed food instruments and cash-value vouchers (CVVs). If a claim is assessed against a food instrument or CVV after the problem food instrument or CVV has been paid, the Agency shall offset future payments to the Vendor for the amount of the claim. If the WIC Program determines that a Vendor has committed a violation that affects the payment to the Vendor, the WIC Program will delay payment or establish a claim. The WIC Program may delay payment or establish a claim in the amount of the full purchase price of each food instrument or CVV that contained the Vendor overcharge or other error. The Vendor must pay any claim assessed by the WIC Program. In addition to denying payment or assessing a claim, the WIC Program may sanction the Vendor for Vendor overcharges or other errors in accordance with the WIC Program's sanction schedule.
- R. Louisiana WIC will terminate this Agreement if Louisiana identifies a conflict of interest, as defined by applicable State laws, regulations, and policies, between the Vendor and Louisiana WIC.

### **XIII. GENERAL PROVISIONS**

- A. The Vendor and Agency hereby jointly agree that this Agreement shall commence on the date stated on page one hereof and shall expire on the stated date subject to the following conditions:
  - 1. The Agreement may be canceled at an earlier date by mutual consent of the parties hereto or upon thirty (30) day notice. This requirement does not apply when the Agency suspends or terminates this Agreement as a result of violations of the terms of the Agreement by the Vendor.
  - 2. **NEITHER THE AGENCY NOR THE VENDOR IS OBLIGATED TO RENEW THIS AGREEMENT.** The Agency will contact the Vendor in writing at least fifteen (15) days prior to the expiration date of the Agreement. Failure of the Agency to approve or reject the Vendor's renewal offer on or prior to the term of the Agreement shall not operate to automatically renew this Agreement, but the Agreement shall thereby be extended from month to month until such time as the Agency shall send written notification of the acceptance or rejection of the Vendors request.
- B. The provisions of this Agreement are subject to the Louisiana WIC State Plan, requirements promulgated by the USDA as set forth in the Federal Register, and orders or directives to the Agency by any federal agency, and it is specifically agreed and understood that USDA and/or

DHH-OPH may amend, modify or otherwise change all or any part of those regulations, and those provisions of this Agreement affected thereby, if any, shall be subject to adherence by the Vendor at the request of the Agency.

- C. In the event there is a reduction of the funds made available to the Agency for the WIC Program, whether by Federal or State reduction, the Agency shall have, at its option, the right to cancel this Agreement upon thirty (30) days written notification to the Vendor.
- D. This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement, shall be deemed to exist or to bind any of the parties hereto. This Agreement does not constitute a license or a property interest as per section 7 CFR 246.12 (h) (3) (xxi) of the federal regulations. If the Vendor wishes to continue to be authorized beyond the period of its current Agreement, the Vendor must reapply for authorization. If a Vendor is disqualified, the WIC Program will terminate the Vendor's Agreement and the Vendor will have to reapply in order to be authorized after the disqualification is over. In all cases, the Vendor's new application will be subject to the WIC Program's Vendor selection criteria and any vendor limiting criteria in effect at the time of reapplication.

#### **XIV. ADMINISTRATIVE REVIEW PROCEDURES**

A. Full Administrative Review Procedures:

- Written notification of adverse action with review procedures, causes and effective date of action, and if mandatory sanction, notice of possible SNAP disqualification
- Opportunity to appeal within state agency timeframe
- Adequate notice of time and location of administrative review
- Opportunity to present case and one opportunity to reschedule administrative review
- Opportunity to cross examine adverse witnesses
- Opportunity to be represented by counsel
- Opportunity to examine evidence prior to review
- Impartial decision maker whose decision is based solely on evidence and federal/state laws, regulations and policies
- Written notice of the decision within 90 days of vendor's request for administrative review

B. Abbreviated Administrative Review Procedures:

If the State agency uses abbreviated administrative reviews, the procedures for such reviews must include:

- Written notification with review procedures, causes for and effective date of action and an opportunity to provide a written response
- Decision maker, other than the person who rendered original decision on action; and whose decision is based solely on Federal and State laws, regulations and policies
- Written decision within 90 days of Vendor's request for administrative review

C. Effective Date of Adverse Actions:

- Denials and disqualifications due to trafficking convictions effective on the date of receipt of notice of adverse action
- State agency must make all other adverse actions effective no earlier than 15 days after date of notice and no later than 90 days after date of notice of adverse action or no later than the date of receipt of administrative review decision.

D. Actions not Subject to Administrative Review:

- Validity or appropriateness of State agency's limiting or selection criteria
- Validity or appropriateness of State agency's Vendor peer group criteria and the criteria used to identify Vendors that are above-50% Vendors or comparable to above 50% Vendors
- Validity or appropriateness of State agency's participant access criteria and the State agency's participant access determinations
- The State agency's determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the list required pursuant to 246.12(g)(11) of WIC Program regulations
- The validity or appropriateness of the State agency's prohibition of incentive items and the State agency's denial of an above-50 percent vendor's request to provide an incentive item to customers pursuant to 246.12(h)(8) of WIC Program regulations
- State agency's determination whether to notify a vendor in writing when an investigation reveals an initial violation for which a pattern of violations must be established in order to impose a sanction, pursuant to 246.12 (l)(3) of WIC Program regulations
- The State agency's determinations of whether a Vendor had an effective policy and program 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
- Denial of authorization subject to State agency's procurement procedures
- Expiration of the Vendor Agreement
- Disputes regarding food instrument or cash-value voucher payments
- Vendor claims (other than the opportunity to justify or correct a vendor overcharge or other error as permitted by 246.12(k)(3) of WIC Program regulations

- Disqualification as a result of disqualification from the Supplemental Nutrition Assistance Program (formerly Food Stamps or FSP)

E. Adverse Actions Subject to Full Administrative Review:

- Denials of authorization based on competitive price or minimum variety and quantity of supplemental food selection criteria
- State agency's determination that Vendor is attempting to circumvent a sanction
- Termination for cause
- Disqualification
- Imposition of an administrative fine or a CMP in lieu of disqualification

F. Adverse Actions Subject to Abbreviated Administrative Review

- Denial of authorization based on the business integrity or current SNAP sanction selection criteria
- Denial based on State agency's limiting criteria
- Denial because application was submitted outside of timeframe
- Termination because of change in owners or location or cessation of operation
- Disqualification based on the imposition of a SNAP civil money penalty for hardship
- Disqualification based on trafficking conviction
- Disqualification or CMP based on mandatory sanction from another WIC State agency
- Imposition of a WIC CMP as a result of a SNAP disqualification

## XV. PROGRAM VIOLATIONS AND SANCTIONS

- A. All WIC authorized Vendors must be in compliance with State and Federal rules and regulations for the Program. Corrective action will be taken if a Vendor is out of compliance.
- B. Any Vendor who has been disqualified by the Supplemental Nutrition Assistance Program is automatically disqualified from the WIC Program for the same length of time. The WIC disqualification may begin at a later date than the SNAP disqualification. Such disqualification from the WIC Program is not subject to administrative or judicial review under the WIC Program. Upon notification of removal from SNAP, a Vendor must cease accepting WIC food instruments for the entire period of disqualification. Any abuse or fraud concerning the WIC Program can lead to removal from the SNAP. Vendors risk losing their SNAP retailer authorization if they are disqualified from the WIC Program.
- C. The following chart outlines Agency Vendor sanctions as well as federally mandated sanctions. Sanctions are actions taken by the Agency when an authorized Vendor fails to comply with WIC Program regulations. Sanctions include warnings, disqualifications, and civil money penalties. The sanctions depend on the severity of the violation as well as the number of times it has occurred. During the disqualification period, a Vendor must remove the "WIC Authorized Vendor" poster and cease accepting WIC food instruments for the entire period of the sanction. Disqualification results in termination of the Vendor Agreement.

## FEDERALLY MANDATED SANCTIONS

VIOLATIONS (7 CFR 246.12 (I) (i))	FEDERAL SANCTIONS
Conviction for trafficking in WIC checks or selling firearms, ammunition, explosive or controlled substance as defined in Section 102 of the Controlled Substance Act 21 U.S.C. 802.	Permanent disqualification from the WIC Program
One incidence of buying or selling WIC checks for cash (trafficking) or one incidence of selling firearms, ammunition, explosives, or controlled substance as defined in 21 U.S.C. 802.	Six (6) year disqualification from the WIC Program
Sales of alcohol/tobacco (1 incidence)	Three (3) year disqualification from the WIC Program
Sales exceeding inventory	Three (3) year disqualification from the WIC Program
A pattern of charging participants more for supplemental foods than non-WIC customers or charging participants more than the current shelf or contract price	Three (3) year disqualification from the WIC Program
A pattern of receiving, transacting and/or redeeming WIC checks outside of authorized channels, including the use of an unauthorized vendor and/or unauthorized person	Three (3) year disqualification from the WIC Program
Charging for supplemental food not received by the participant	Three (3) year disqualification from the WIC Program
Credit/non-food items	Three (3) year disqualification from the WIC Program
Unauthorized food items in exchange for WIC checks, including charging for supplemental food provided in excess of those listed on the WIC check	One (1) year disqualification from the WIC Program
A vendor who has been assessed a sanction for any of the violations in this section, receives another sanction for any of these violations, the State agency shall double the second sanction	Second Mandatory Sanction
A vendor who has been assessed two or more sanctions for any of the violations in this section, receives another sanction for any of these violations. The State agency shall double the third sanction and all subsequent sanctions. The Louisiana Department of Health and Hospitals shall not impose civil money penalties in lieu of disqualification for third or subsequent sanctions.	Third or Subsequent Mandatory Sanction
The State agency will disqualify a vendor who has been disqualified from SNAP. This disqualification will be for the same length of time as the SNAP disqualification. The WIC disqualification may begin at a later date than the SNAP disqualification, and is not subject to administrative or judicial review under the WIC Program.	Disqualification based on a SNAP disqualification
The State agency shall not accept voluntary withdrawal of the vendor from the Program as an alternative to disqualification for violations listed in this section, but shall enter the disqualification on the record. In addition, the State agency shall not use non-renewal of the vendor Agreement as an alternative to disqualification.	Disqualification
For each violation subject to a mandatory sanction, the State agency shall impose a Civil Money Penalty in lieu of WIC disqualification if such disqualification of the vendor would result in inadequate participant access. The civil money penalty shall not exceed \$11,000 per violation and \$49,000 per investigation maximum CMP.	Civil Money Penalty

## STATE AGENCY SANCTIONS

State agency sanctions may include disqualifications, civil money penalties assessed in lieu of disqualification, and administrative fines. A “pattern” of a single violation shall be established prior to determining the penalties listed above.

**Pattern: The occurrence of 2 or more single/identical category violations**

CATEGORY I VIOLATIONS	CATEGORY I SANCTIONS
<ul style="list-style-type: none"> <li>• Deficiency in stock</li> <li>• No signed “Procedure for Cashing WIC Food Instruments/CVVs” form on site</li> <li>• Failure to submit prices via the Vendor Portal</li> <li>• Failing to fill out the dollar amount of the transaction in front of the participant</li> </ul>	<p>First Offense:</p> <ul style="list-style-type: none"> <li>• <b>2 Written Warning Letters</b></li> <li>• <b>Initial Warning Letter</b> allowing 30 days from receipt of the letter for resolution. For Deficiency in Stock violations, Vendor must have a satisfactory follow-up visit as well as a corrective action plan. All other Category I Violations, Vendor must submit corrective action plan.</li> <li>• <b>2<sup>nd</sup> Warning Letter</b> sent if the Vendor has not provided documentation of resolution within 30 days from receipt of initial written warning</li> </ul> <p>Second Offense:</p> <p>An occurrence of 3 identical category 1 violations in a WIC Vendor Contract period - Disqualification from participation for 90 days from receipt of notification or a CMP (if participant hardship is determined). CMP based on schedule (see section G, page 14 of Standard Provisions of Agreement)</p> <p>Third Offense:</p> <p>Disqualification for 1 year</p>
CATEGORY II VIOLATIONS	CATEGORY II SANCTIONS
<ul style="list-style-type: none"> <li>• Falsification of prices via Vendor Portal</li> <li>• Overdue balance to the WIC Program (15 days following notification of balance due)</li> </ul>	<p>First Offense:</p> <ul style="list-style-type: none"> <li>• <b>2 Written Warning Letters</b></li> <li>• <b>Initial Warning Letter</b> allowing 30 days from receipt of the letter for resolution</li> <li>• <b>2<sup>nd</sup> Warning Letter</b> sent if the Vendor has not provided documentation of resolution within 30 days from receipt of initial written warning</li> </ul> <p>Second Offense:</p> <p>An occurrence of 2 of a single type of category II violations within the contract period</p> <ul style="list-style-type: none"> <li>• Disqualification from participation for 9 months from receipt of notification or</li> <li>• CMP (if participant hardship is determined). CMP based on schedule (see section G, page 14 of Standard of Provision of Agreement). The overdue balance is also required to be paid.</li> </ul> <p>Third Offense:</p> <p>Occurrence of 3 or more of a single type of category II violations within the contract period - Disqualification for 1 year</p>