



CHAPTER 9: VENDOR RELATIONS

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OVERVIEW

This chapter describes various functions related to vendors contracted to provide foods to participants.

IN THIS CHAPTER

- Section A Local Agency Responsibilities
- Section B State Agency Responsibilities

SECTION A: LOCAL AGENCY RESPONSIBILITIES

OVERVIEW

IN THIS SECTION

Local Agency Contract Agreements
Returned Checks/CVV's
Foods Not Available
Conducting a Preauthorization Visit for New Vendors

LOCAL AGENCY CONTRACT AGREEMENTS

POLICY

The local agency is required by contract agreement to:

- Use the State food delivery system
- Address vendor issues per the following:
 - Provide two staff people to assist with compliance investigations two days per year
 - Provide at least one local agency staff person to be present at each vendor training session held within the agency's service area
 - Contact a vendor with customer/vendor concerns

ON-SITE REVIEW

A local agency may be asked to conduct an initial on-site review for a new store using the New Vendor Authorization Visit form.

A local agency may be asked to conduct a store authorization visit using the New Vendor Authorization Visit form for stores who are currently authorized but have changed names.

INCIDENT REPORT

When a local agency receives a Complaint or Incident Report from a participant, the local agency will immediately send the report to the State agency.

CHECKOUT PROCEDURE

A local agency shall discuss checkout procedures with the participant at the first visit and subsequent visits as needed. Checkout procedures should include, but are not limited to, using checks/CVV's according to the printed dates, choosing the correct foods printed on the check/CVV from the Idaho WIC Authorized Food List, signing WIC checks/CVV's after verifying the correct dollar amount.

PREAUTHORIZATION VISIT

All new authorized vendors are required to have an initial authorization visit conducted by a State agency or local agency employee. Refer to “Conducting a Preauthorization Visit.”

RETURNED CHECKS/CVVs

When the local agency receives a copy of returned checks/CVVs from the State agency, the local agency will discuss the check/CVV return problem(s) and corrective action with the participant.

- The Rights and Responsibilities form will need to be signed again at this time.
- Comments from the participant should be noted in the participant's file and a copy mailed to the State agency.

REFERENCE

State policy

RETURNED CHECKS/CVVs

POLICY

All unpaid returned checks/CVVs require the following actions:

- WIC staff must re-educate the participant
- Vendors must return the original check(s)/CVVs to the State agency immediately for possible reimbursement.
- Vendors must retrain personnel on proper check/CVV cashing procedures found in the WIC Vendor Guide.

The bank returns checks/CVVs to vendors unpaid for the reasons listed below.

Missing Signature

When the signature is missing from the Authorized Signature box (must be signed at the vendor counter), the check/CVV will be returned unpaid to the vendor from the bank.

Invalid Vendor

When a participant uses a WIC check/CVV at a vendor other than an Idaho WIC authorized vendor, the bank will return the check/CVV unpaid to the vendor as “Invalid Vendor.”

Post Dated

When a check/CVV is used prior to the “First Day to Use” date printed on the check/CVV, the bank will return the check/CVV unpaid to the vendor as “Post Dated.”

Stale Dated (Expired Dates)

When a WIC check/CVV is used after the “Last Day to Use” date printed on the check/CVV, the bank will return the check/CVV unpaid to the vendor as “Stale Dated.”

Alterations

Altered checks/CVVs are returned to the vendor unpaid. Check/CVV alterations consist of, but are not limited to:

- Using correction fluid anywhere on the WIC check/CVV
- Crossing out or writing over any printed information on the check/CVV
- Dollar amount or signature(s) blacked out, written over, or unreadable

- Changing or writing over the first signature

The clinic will be asked to investigate the reason for the alteration and reply to the Vendor Coordinator.

Encoding Error

Checks with encoding errors will be returned to the vendor. These errors can be corrected by either the vendor or the vendor's bank and resubmitted to the bank. The vendor also has the option to send the check to the State agency for possible reimbursement.

Vendors should return unpaid checks/CVVs to the State agency immediately for possible reimbursement.

ACH Payments

The bank will automatically pay checks returned for "Excessive Dollar Amount" with an ACH Payment. Checks/CVVs that are initially rejected because the dollar amount written in the "Pay Exactly" box exceeds the maximum amount allowable for that check are saved as a batch and paid at the end of each week as a lump sum to each vendor that had an "Excessive Dollar Amount" check. **Checks returned for Excessive Dollar Amount do not need to be returned to the State agency.** Excessive dollar amount checks/CVVs may be caused by, but are not limited to:

- Vendor provides more food than what is printed on the check/CVV, (e.g., 37 ounces of cereal instead of 36 ounces, or six 32 ounce cans of Enfamil instead of six 16 ounce cans)
- Dollar amounts transposed or multi-check/CVV transactions
- Infant cereal with added fruit is purchased (not allowed on WIC)
- Illegible handwriting appears in the "Pay Exactly" box.

REFERENCE

State policy

FOODS NOT AVAILABLE

POLICY

Credit slips or rain checks are not allowed.

INFANT FORMULA

If there is not enough formula in stock to fill the amount printed on the check/CVV there are other options available.

- Preferred option: The participant may shop at another Idaho WIC authorized vendor.
- Alternate option: If the vendor's freight shipment is due in that evening or the next morning, the vendor may ask the participant to come back later that evening or the next day to purchase the infant formula.
- No substitutions are allowed.

OTHER FOODS

The participant may choose to not purchase the food item that is out of stock.

- A participant may come back later that day or the next day to purchase everything on the check/CVV.
- If the check/CVV will expire before the food item ordered arrives, the participant may choose to purchase similar authorized food items in stock

- The local agency or State agency may contact the vendor to ensure the minimum stocking requirements are being met.
- The local agency should encourage the participant to use checks/CVV's before the Last Day to Use.

NOTE: Participants should be encouraged to use the checks/CVV's before the "Last Day to Use" to avoid the possibility of forfeiting the food items on that check/CVV.

REFERENCE

State policy

CONDUCTING A PREAUTHORIZATION VISIT FOR NEW VENDORS

POLICY

This visit is conducted by either State agency or local agency staff. The State vendor team will work with the local agency Coordinator if this responsibility will fall to local staff. The State vendor team will provide all necessary forms and documentation prior to the visit.

INSTRUCTIONS

1. Staff person must identify herself or himself to the store or manager prior to conducting the preauthorization visit. The staff person may have the store director or manager escort them around the store to answer any questions they may have.
2. Staff person must verify all food prices against a copy of the vendor's price list.
3. Staff person must complete all the appropriate questions on the New Vendor Authorization Visit form.
4. After food prices on the price lists have been verified and the new vendor form has been completed, the staff person can recommend this store for WIC approval.
5. The State staff will conduct training sessions, either prior to or at the time the store is authorized as a WIC store. Staff person must ask if store personnel have any questions regarding the WIC Vendor Guide and Idaho Authorized Food List.

VISIT RESULT - APPROVED

If the vendor is approved, the store manager will receive a signed copy of the contract during the training visit or sent via mail.. Return all documentation to the State agency.

VISIT RESULT - DISAPPROVE

If the vendor is not approved, the person who conducted the visit must document the reasons for disapproval and return all documentation to the State agency.

REFERENCE

State policy

SECTION B: STATE AGENCY RESPONSIBILITIES

OVERVIEW

This section describes the vendor-related activities which are the responsibility of the State agency.

IN THIS SECTION

Vendor Selection and Authorization
Above 50 Percent Vendor Determination
SNAP Authorization
Vendor Closure or Owner Change
Vendor Price Update
Vendor Training
Vendor Monitoring
Vendor Hearing

VENDOR SELECTION AND AUTHORIZATION

POLICY

A prospective vendor must complete and submit an Idaho WIC Program Vendor Agreement to the State vendor team for consideration of possible authorization. See "Idaho WIC Program Vendor Agreement" for details.

All new authorized vendors are required to have an initial authorization visit and training session conducted by a State staff member or a local agency staff member.

All Idaho WIC Program Vendor Agreements are for a three-year period unless the vendor is found to be out of compliance, has committed fraud, or has otherwise abused the program.

REFERENCE

State policy

ABOVE 50 PERCENT VENDOR DETERMINATION

POLICY

All WIC authorized vendors should be assessed for above 50 percent at initial application, within 6 months, and annually.

REFERENCE

State policy

SNAP (SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM) AUTHORIZATION

POLICY

Each vendor should have their SNAP identification number, SNAP authorization status, and history of SNAP sanctions verified in STARS at initial authorization, annually and at reauthorization. Documentation should occur in the Vendor Information Checklist spreadsheet.

REFERENCE

State policy

VENDOR CLOSURE OR OWNER CHANGE

POLICY

When vendor ownership changes, the existing Vendor Agreement is immediately terminated. Vendor Agreements are non-transferable. New owners are required to submit a new Vendor Agreement to be considered for authorization.

All vendor owner changes and closures must be reported to the State vendor team by the owner.

REFERENCE

State policy

VENDOR PRICE UPDATE

POLICY

The food and infant formula price updates will occur at least twice a year.

REFERENCE

State policy

VENDOR TRAINING

POLICY

Vendors are required to receive interactive training annually. Vendors are notified of the training requirements. Vendors are also instructed, when necessary, to send a representative from each store for face-to-face training.

The content of materials and proof of vendor participation in annual vendor training should be documented to prove compliance with federal WIC training regulations. Documentation should be kept for four years.

TRAINING TOPICS

During the training, the State vendor team provides updated information such as:

- The purpose of the WIC Program
- Authorized supplemental food
- Vendor minimum stocking requirements
- Obtaining infant formula from the list provided by Idaho WIC Program
- Procedures for transacting and redeeming WIC checks/CVV's
- Incentive items
- The vendor sanction system
- The vendor complaint process
- Claims procedure
- Changes to the WIC Program

Vendors are required to provide training to their employees who handle WIC transactions. If a vendor experiences multiple check redemption problems, training is provided by the State vendor team.

Vendor bulletins are provided as needed. Bulletins are prepared when program changes occur (e.g., new sole source infant formula rebate contractor selected).

The WIC Vendor Guide is updated as necessary and distributed during new vendor training, Agreement renewal or when significant changes occur. Complaint or Incident Report forms are available online and provided upon request.

INCIDENT REPORTS

Vendors are informed when a Complaint or Incident Report form has been filed against the store for various reasons (e.g., charging sales tax, out of stock of authorized WIC foods).

REFERENCE

State policy

VENDOR MONITORING

POLICY

On-site monitoring visits are conducted on a minimum of five (5) percent of all authorized vendors. Follow-up on-site monitoring may be conducted with a new vendor.

- All on-site monitoring visits will be documented and a copy left with the vendor at the time of the visit.
- On-site monitoring visits may be conducted unannounced.

COMPLIANCE INVESTIGATION

All compliance investigations are conducted at an unannounced vendor location. Compliance investigations are documented immediately upon exiting the store.

Criteria have been established by the State vendor team to determine if a store warrants a compliance investigation. Compliance investigations are conducted to determine if a vendor requires additional training.

Original checks/CVV's are obtained from the bank by the State agency to compare with the sales receipt received at the time of the transaction. Vendors are notified in writing by the State agency.

Vendors are instructed and provided with materials to retrain all personnel who handle checks/CVV's on the proper checkout procedures and authorized food items.

If a vendor has a repeat compliance investigation with negative results, follow-up action will be taken as stated in the Idaho WIC Program Vendor Agreement, Appendix A: Sanction Point System.

REFERENCE

State policy

VENDOR HEARING

POLICY

All administrative proceedings shall be governed by the provisions of IDAPA 16.05.03.

A vendor may request an administrative hearing under the following circumstances:

- Application for participation is denied
- Vendor is disqualified
- Any other adverse action is taken which affects participation in the WIC Program

When a vendor is notified of the decision by the State agency denying participation, a 15-day advance written notice is given. The vendor is advised at that time that a written request for a hearing must be made within 35 days.

SNAP DISQUALIFICATION

The State agency will disqualify a vendor who has been disqualified from the SNAP Program. The disqualification will be for the same length of time as the SNAP Program disqualification. The disqualification may begin at a later date than the SNAP Program disqualification, and shall not be subject to administrative or judicial review under the WIC Program. Additionally, disqualification of a vendor from the WIC Program may result in a disqualification from the SNAP Program. The disqualification shall not be subject to administrative or judicial review under the SNAP Program.

PROCEDURE

A hearing will be provided at the State level. Any vendor asking for information about hearings should be referred to the State WIC Vendor Manager.

REFERENCE

7 CFR 246.18(a)(1) Vendor Appeals

IDAPA 16.05.03 Rules Governing Contested Case Proceedings and Declaratory Ruling