

**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**: \_\_\_\_\_

Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamp) Authorization Number, **required**: \_\_\_\_\_

The Idaho WIC Program primarily uses e-mail to communicate important information and updates.

**Please include name, phone number, and email for the following individuals:**

Store Manager: \_\_\_\_\_

Bookkeeper : \_\_\_\_\_

WIC Trainer: \_\_\_\_\_

eWIC/EBT Contact: \_\_\_\_\_

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, 2018, 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 shall not be authorized until all completed materials have been received, evaluated, and approved. If the Agreement is not complete, written notice will be sent to the Vendor and the Agreement will not be processed further. All incomplete items must be submitted to the State within 15 calendar days.

The selection of Vendors authorized to accept negotiable food instruments hereinafter referred to as "WIC checks," "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" is based upon criteria established by the State. The Vendor Sanction Schedule is described in Appendix A. The Civil Money Penalty Procedure is described in Appendix B.

**All questions below must be answered.**

	1. This location must self-declare the store type: _____. See Table 1
	2. Vendor must be open for business at least five (5) days a week, eight (8) hours a day. Days of operation: _____ to _____. Hours of operation: _____ am/pm to _____ am/pm.
	The State requires tax documents or other verifiable sources of documentation for the following information. Please attach records with Agreement.  3. 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) <input type="checkbox"/> Beer/Wine <input type="checkbox"/> Tobacco <input type="checkbox"/> Grill/Deli/Restaurant <input type="checkbox"/> Household Products <input type="checkbox"/> Food (Groceries) <input type="checkbox"/> Lottery
	4. What is the Vendor's preferred method of communication? <input type="checkbox"/> USPS Mail <input type="checkbox"/> E-mail – Please ensure email addresses provided on page 1 are checked regularly
<b>YES NO</b>	5. Does the Vendor sell gasoline as a major product line?  Gasoline \$ (annual sales): _____
<b>YES NO</b>	6. Does this Vendor expect to derive more than 50 percent of their annual revenue from WIC sales?
<b>YES NO</b>	7. Is this Vendor located in a fixed and permanent location?
<b>YES NO</b>	8. Is this a full line/full service grocery? Vendor must continuously sell fresh meat, poultry, or fish; produce; dairy; cereal or bread (rice or pasta); and canned goods with a well-stocked line of grocery items featuring three (3) or more varieties of food items to choose among the meat, produce, dairy, and bread or cereal food categories. The Vendor must not be only a gas station, restaurant, cafe, or fast food establishment. The store <b>MUST</b> be primarily a grocery store with fifty (50%) or more of sales from groceries and not from alcohol, tobacco products, lottery sales, restaurant, cafe, fast food establishment earnings. Convenience or other small stores with limited food items may be authorized only if they meet all criteria and there are <b>no</b> full line grocery stores within a 15 mile radius. (This generally applies to very small towns and rural areas.) "Superstores" may be authorized only if they meet all criteria and the grocery area is separated from the rest of the store's goods and services.
<b>YES NO</b>	9. Number of cash registers with scales for weighing produce in the store: _____ Total number of cash registers (exclude self-check/self-scan): _____  a. Are these check stands/cash registers equipped with scanners?  b. Are the scanners equipped to identify WIC authorized foods versus non-WIC foods?
<b>YES NO</b>	10. Is the Vendor primarily a convenience store with a limited number of brands and relatively low inventory of each item?
<b>YES NO</b>	11. Is the Vendor willing to continuously stock and maintain the mandatory minimum inventory for WIC foods at all times (see Table 3)?
<b>YES NO</b>	12. Is the Vendor willing to purchase infant formula from the list provided in Table 2?
<b>YES NO</b>	13. Is the Vendor willing to keep its prices comparable to other Vendors within their peer group for the current Agreement period? (see Table 4)

<b>YES</b>	<b>NO</b>	14. Does the Vendor's banking establishment accept Automatic Clearing House (ACH) direct deposit payments?
<b>YES</b>	<b>NO</b>	15. Does the Vendor have internet access and computers for employee use for training purposes?
<b>YES</b>	<b>NO</b>	16. Is the Vendor location compliant with the Americans with Disabilities Act?
<b>YES</b>	<b>NO</b>	17. Is the Vendor free of "Conflict of Interest" between the Vendor and State and/or local agency? (see page 15) If no, attach an explanation.
<b>YES</b>	<b>NO</b>	18. Are other grocery stores owned or managed by this owner or business? If yes, attach a separate sheet with store name(s) and addresses.
<b>YES</b>	<b>NO</b>	19. Has this Vendor location ever participated in the WIC Program?
<b>YES</b>	<b>NO</b>	20. Has this Vendor location, its owners, or managers ever received a warning, been assessed a civil money penalty, been suspended, charged, sanctioned, or disqualified by the WIC Program? If yes, attach an explanation.
<b>YES</b>	<b>NO</b>	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.)
<b>YES</b>	<b>NO</b>	22. Is this location approved to accept SNAP?
<b>YES</b>	<b>NO</b>	23. Has this Vendor location, its owners, or managers ever received a warning, been assessed a civil money penalty, been suspended, charged, sanctioned, or disqualified from SNAP? If yes, attach a separate sheet with an explanation
<b>YES</b>	<b>NO</b>	24. Has the Vendor been cited within the last year by the State or county health inspector for a sanitation violation? If yes, attach an explanation.
<b>YES</b>	<b>NO</b>	25. Has the Vendor or any of the Vendor's 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.
<b>YES</b>	<b>NO</b>	Has the owner, manager, or officers been convicted of a felony in the past six years? If yes to either question, attach a separate sheet with the explanation.
<b>YES</b>	<b>NO</b>	26. 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?
<p>27. Provide the name(s) and address(es) of major wholesaler(s) that supply your WIC approved food items and infant formula (attach most recent invoice showing formula purchase):</p> <p>Wholesaler 1: _____ _____</p> <p>Wholesaler 2: _____ _____</p> <p>Other Retail Grocer: _____ _____</p> <p>Local Dairy: _____ _____</p> <p>Local Grower/Producer: _____ _____</p> <p>Other: _____</p>		

## Automatic Clearing House (ACH)

Direct Deposit is a form of ACH used throughout the United States to transfer money from one bank account to another. ACH allows Vendors to receive reimbursements faster versus a manual reimbursement process. The Vendor is required to have a bank account with ACH in order to participate in the Idaho WIC Program. If any of the provided banking information should change, the Vendor must notify the State within 30 calendar days.

Idaho WIC Vendor Name and Number	
Depository Bank Name:	
Branch:	
City, State, Zip:	
Bank Phone Number:	(    )
Routing Number:	
Account Number:	

Note: ACH statements will be sent to the Vendor's mailing address.

### GENERAL TERMS:

1. The State will immediately terminate this Agreement if it determines that the Vendor provided any false information and/or documentation.
2. Should any provision of this Agreement be declared invalid because of a conflict with controlling Federal or State law, the Federal or State law shall govern and the remaining portions of the Agreement shall remain in effect so long as the purposes underlying this Agreement may be met.
3. This Agreement shall be contingent on the continued operation of the WIC Program by the State. The State will immediately notify the Vendor in the event of discontinuance of the WIC Program or unavailability of federal funds. The State will not be liable for any Idaho WIC checks or cash value vouchers accepted by the Vendor after such notification occurs.
4. The Vendor agrees to comply with this Agreement, Appendices, 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.
5. 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.
6. The State will refer Vendors who abuse the WIC Program to Federal, State, or local authorities for prosecution under applicable statutes, where appropriate.
7. The State may publish this Agreement, in part or whole, in other printed manuals such as, but not limited to, the Idaho WIC Program Policy and Procedure Manual or the Idaho WIC Vendor Guide.
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 within 15 calendar days of 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 20 working days.

11. Neither the Vendor nor the State, or employees of either, shall profit directly or indirectly in the performance of this Agreement, except as authorized by this Agreement.
12. The Vendor shall not raise the issue of participant access as a defense in any disqualification appeal or hearing.
13. The Vendor shall not assign or sub-contract any of the services under this Agreement, except with written consent from the State.
14. 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.
15. The Vendor shall be considered independent, and not an agent of the State or the Federal government.
16. This Agreement shall not constitute a license or a property interest.
17. The Vendor shall maintain adequate and convenient hours of operation as defined on page 2, question 2 of this Agreement.
18. 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.
19. The Vendor shall be SNAP 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.
20. The Vendor must inform the State of any changes or serious violations to their SNAP authorization or Health Department Permit. Failure to do so will be construed as intentional withholding of information and could result in disqualification from the WIC Program.
21. 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.
22. 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 WIC shelf tags provided by the State or create 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 WIC shelf tags are used, they should be used equitably across the food category. For example, if shelf tags are used in the bread category, tags should be used for all WIC authorized breads and not to single out a particular brand.
23. 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.
24. The Vendor shall offer WIC participants, parents or caretakers of infant or child WIC participants, and proxies the same courtesies offered to other customers.

25. The Vendor may deny service to WIC participants for the following reasons: verbal or physical abuse, or threat of physical abuse to Vendor staff, or 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.
26. The Vendor shall report to the State any known or suspected program abuse by a WIC participant.
27. The Vendor agrees to follow up on any complaints received concerning a WIC participant or the Vendor within 20 working days.
28. The Vendor agrees that in the event the Vendor is disqualified from the Idaho WIC Program the Vendor shall 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.
29. The Vendor agrees to participate in Automatic Clearing House (ACH) electronic funds transfer system (see ACH Table above).

### **FOOD INVENTORY AND STOCK REQUIREMENTS**

30. The Vendor shall at all times stock and maintain the minimum quantities of WIC foods according to the current Minimum Stock Requirements. (see Table 3) Minimum Stock Requirements may be amended during the Agreement period. In this case, written notice will be provided.
31. The Vendor must continuously sell fresh meat, poultry or fish; produce; dairy; cereal and bread and rice or tortillas; and canned goods with a well-stocked line of grocery items featuring three (3) or more varieties of food items to choose among the meat, produce, dairy and bread, or cereal food categories. The Vendor must not be only a gas station, restaurant, cafe, or fast food establishment. The store must be primarily a grocery store with 50% or more of their sales from groceries and not from alcohol, tobacco products, lottery sales, restaurant, cafe, fast food establishment earnings. Convenience or other small stores with limited food items may be authorized only if they meet all criteria and there are no full line grocery stores within a 15 mile radius. (This generally applies to very small towns and rural areas.) "Superstores" may be authorized only if they meet all criteria and the grocery area is separated from the rest of the store's goods and services.
32. The Vendor shall submit a completed WIC Price Survey within 30 calendar days of the State's request. Vendors shall be required to submit the WIC Price Survey at least twice a year or more frequently, as determined by the State.
33. 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 Peer Groups below.
34. The State will provide the Vendor with the Idaho Authorized Food List each time it is revised.

### **INFANT FORMULA**

35. The Vendor shall only allow the purchase of 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.
36. The Vendor shall 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 contact their local WIC clinic for further assistance.
37. The Vendor must purchase infant formula from the list provided in Table 2 of the Idaho WIC Program Vendor Agreement. Vendors failing to purchase their infant formula from this list will be given a warning letter with 15 calendar days to comply with this regulation.

38. The Vendor must provide the State, upon authorization and at any time requested thereafter, documentation of where the authorized WIC Vendor is purchasing infant formula. 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.

## **PEER GROUPS**

39. The State will group Vendors by peer groups and will calculate the average price for WIC foods items by Vendor peer groups (See Table 4). Vendor 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 the Vendor's prices exceed the peer group maximum the Vendor's WIC checks will be rejected and the Vendor will be given the opportunity to lower the prices to an acceptable level. If the Vendor refuses to lower prices to the same as other Vendors within their peer group, the State will terminate the Agreement for not meeting the competitive price criterion.
40. The State will reimburse the Vendor up to their current price on file or the current Maximum Allowable Price (MAP) within the Vendor's peer group, whichever is less.
41. 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 the State determines that the Vendor is no longer in the appropriate peer group.

## **TRAINING**

42. The State will provide annual training materials on WIC procedures and Idaho authorized foods. Additional training or training materials will be provided on request and as needed.
43. The Vendor agrees to inform and train cashiers and other staff who may handle WIC transactions on program requirements annually and as needed.
44. 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 of training dates at least 30 calendar days 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.
45. 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 and Appendices. The Vendor may request additional instruction, training materials, and/or training through the State or local agency.
46. 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.

## **WIC CHECKS**

47. The Vendor shall only accept WIC checks or Cash Value Vouchers from WIC participants, parents or caretakers of infant and child WIC participants, or proxies.
48. The Vendor shall at all times visibly post by the front doors or windows of their business, 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.

49. The Vendor and the Vendor's employees shall keep any information learned about a WIC participant during a WIC transaction confidential.
50. The Vendor shall use the procedures outlined in the Idaho WIC Vendor Guide when accepting WIC checks or cash value vouchers from WIC participants. A current copy of the Idaho Authorized Food List should be available at each check stand or point of sale (POS) counter.
51. The Vendor shall only accept WIC checks and cash value vouchers on or after the "First Day to Use" and on or before the "Last day to Use."
52. The Vendor shall only provide the approved supplemental foods printed on the WIC check or cash value voucher 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 does not appear on the Idaho Authorized Food List.
53. The Vendor shall not collect sales tax on any items purchased with a WIC check or cash value voucher.
54. The Vendor must write the total purchase price in the "Pay Exactly" box, before the WIC participant signs the check. The total purchase price must only include authorized WIC foods that were printed on the WIC check.
55. For Cash Value Vouchers: The Vendor shall allow all participants the choice to either pay the difference when the purchase of allowable fruits and vegetables exceeds the value of the fruit/vegetable cash value voucher, or put items back until the total is at or below the value of the voucher. The dollar amount written on the cash value voucher cannot be more than the maximum allowable amount on the voucher. Do not give change. Sales tax may only be charged on the total purchase price that exceeds the cash value voucher amount and is paid by the participant. (e.g. the total price of all fruits and vegetables came to \$9.50. The maximum value of the cash value voucher is \$8.00. If the customer chooses to pay the difference of \$1.50, the vendor should charge tax on that portion only.)
56. The WIC check must be signed by the participant in front of the cashier, only after the total purchase price has been entered on the check. The cashier must compare this signature to the signature on the WIC Identification Folder.
57. The Vendor may not demand identification other than the State issued WIC Identification Folder. No other identification is acceptable, e.g. driver's license, work badges, etc.
58. 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.
59. The State may sanction the Vendor for overcharges or other errors concerning WIC foods, checks, or cash value vouchers in accordance with the Vendor Sanction Schedule (See Appendix A).
60. 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.
61. 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.
62. The Vendor shall deposit redeemed WIC checks no later than 60 calendar days from the "First Day to Use" printed on the WIC check(s) or cash value voucher(s).
63. 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 60 calendar days from the "First Day to Use" printed on the WIC check(s) or cash value voucher(s).

64. 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 bank or the State. The bank will return WIC checks or cash value vouchers that were improperly handled and redeemed by the Vendor's staff.
65. The Vendor shall not contact a WIC participant outside the store regarding any WIC transaction or the redemption of WIC checks or cash value vouchers.
66. 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.
67. The Vendor shall not attempt to influence WIC participants' store selections through solicitation on or in the vicinity of a WIC local agency clinic site.
68. 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.
69. The Vendor shall be responsible for bank charges on all returned WIC checks or cash value vouchers.
70. The Vendor agrees that the State may deny payment of WIC checks or cash value vouchers redeemed in violation of this Agreement, Federal law, or regulations.
71. The Vendor shall not submit for payment WIC checks or cash value vouchers that were redeemed by another authorized Vendor, or redeemed by a store that is not currently authorized as a WIC Vendor.
72. The State will provide the Vendor with Vendor identification stamps. The Vendor ID stamps are the exclusive property of the Idaho WIC Program.
73. The Vendor shall return the Vendor ID stamp within 15 calendar days to the Idaho WIC Program upon: disqualification, 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 disqualification from the Idaho WIC Program.
74. The Vendor must use only the Vendor ID stamp issued by the Idaho WIC Program, must use a regular black ink pad, keep the Vendor ID stamp clean, and in a secure area to prevent fraudulent use.
75. The Vendor shall ensure that the Vendor ID stamp is used only for WIC checks or cash value vouchers redeemed by the Vendor and in the manner authorized by this Agreement. The Vendor shall assume full responsibility for the unauthorized use of the Vendor ID stamp.
76. 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.
77. 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.
78. 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.

#### **CLAIMS**

79. In addition to claims collection, the Vendor may be sanctioned for violations in accordance with the Vendor Sanction schedule. Sanctions may include administrative fines, disqualification, and civil money penalties in lieu of disqualification (see Appendices A and B).

80. The State will 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 30 calendar days after receiving the notice to send 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 a decision.
81. 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**

82. The Vendor shall prohibit substitutions of WIC food items or infant formula. Substitutions are considered “Unauthorized Food Items” (Federal violation) and carry a sanction penalty that could result in disqualification from both the WIC Program and SNAP. (see Appendix A, Vendor Sanction Schedule). 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.

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

83. The Vendor shall 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.
84. 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. The WIC customer may choose to go to another store.
  - b. The WIC customer may choose to return to the store once the item is back in stock.
  - c. The WIC customer may choose to purchase the rest of the items on the check and forfeit the out of stock item.
85. 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.
86. 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 by stating that the baby is allergic to it, politely refuse the request and refer them to the WIC clinic.
87. 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.
88. The Vendor shall not give incentive items exclusively to WIC customers which include, but are not limited to, cash prizes, lottery tickets, transportation, and other free food or merchandise. Minimal customary courtesies of the retail food trade, such as bagging and/or loading the food into an automobile are exceptions.

## **eWIC – WIC Electronic Benefits Transfer System**

The transition from paper WIC vouchers to electronic benefits transfer cards (eWIC) has been federally mandated for implementation by the year 2020. The State has not yet determined an implementation date for Idaho. If eWIC is implemented during this Agreement period, the following terms would apply.

89. During the Implementation of Idaho eWIC, there may be a moratorium on the authorization of new stores.

90. The Vendor shall have an authorized WIC Vendor Agreement and operate a certified system implementation prior to accepting eWIC cards for purchases.
91. eWIC training will be provided by the State at implementation and as needed. Training will include use of eWIC cards, policy and procedural steps, daily settlement and reconciliation, and file handling requirements (e.g. periodic downloads of an Approved Product List).
92. The Vendor shall accept only the eWIC cards of the State for which the Vendor is authorized. The eWIC card must be presented at the time of purchase.
93. The Vendor shall display a sign that reflects the eWIC card design in a manner consistent with other payment types.
94. The Vendor shall establish a direct or indirect telecommunications connection for the routing of transactions and exchange of files with the eWIC card issuer or the eWIC card issuer's EBT card processor. The Vendor may choose to use an acquirer or third party processor directly or indirectly connected to their card issuer for this purpose.
95. The Vendor or its acquirer shall conform to [the X9.93-2014 Financial transaction messages – Electronic Benefit Transfer \(EBT\) – Part2: Files, 2014](#) standard for file processing (and future updates) as defined in the [WIC technical Implementation Guidelines](#).
96. The Vendor shall be identified by unique WIC identification information assigned by the State. The Vendor shall also be identified by store name and address on receipts provided by the Vendor.

#### **ON-SITE MONITORING VISITS, COMPLIANCE INVESTIGATIONS, AND INVENTORY AUDITS**

97. The Vendor agrees to comply with unannounced on-site monitoring visits, compliance investigations, and inventory audits conducted by the State or its representatives 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 the following: 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.
98. The Vendor shall retain for inspection and audit by the Program, all books, accounts, reports, files, purchase invoices, inventory records, any WIC checks and cash value vouchers in the Vendors possession, and other Program records relating to the performance of this Agreement for four (4) years after the Agreement expires. Upon the State's request, the Vendor must provide, at its own expense, a legible copy of all such records. The originals of all records shall also be available for inspection and audit when needed to verify the authenticity of a copy.
99. 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 or its representatives.
100. 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. See Appendix A for more details.

#### **RECORD RETENTION**

101. 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, 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.

102. The Vendor shall retain all invoices or receipts of infant formula and food sales for four (4) years and shall, at the Vendors own expense, provide a legible copy of all such records to the State. The originals of all such records shall also be retained and available for inspection and audit when needed to verify the authenticity of a copy.
103. The Vendor shall maintain, and make available upon request, a record of all store employees who received annual WIC training and the date(s) the training occurred. Training records shall be kept for four (4) years.

#### **SANITATION AND FOOD SAFETY**

104. 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, the State will notify the proper regulatory office.
105. The Vendor shall not sell WIC foods or infant formula to WIC participants after the manufacturer's expiration date or other sell by date printed on the package/container. Expired WIC food items will not be counted as inventory for the purpose of meeting minimum stock requirements.
106. The Vendor shall be in compliance with all state sanitation codes and maintain a current Health Department permit as well all other appropriate licenses and certificates. The Vendor shall notify the State immediately and in writing if any license or certificate is suspended, denied, or revoked.

#### **TERMINATION OR DISQUALIFICATION**

107. The Vendor or the State may terminate this Agreement during its performance period by giving the other party a minimum 30 calendar days' written notice of the intention and reason for termination. Reasons for termination shall include, but are not limited to, low volume of WIC sales, (defined as less than 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.
108. The State may terminate this Agreement for cause if it determines that such a termination would be in its best interest. The State will, per the Agreement guidelines, pay for all properly redeemed WIC checks or cash value vouchers processed prior to the notification of termination.
109. Disqualified Vendors shall be considered as having forfeited their current authorization. The Vendor may be eligible 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. The vendor must wait until the expiration of the disqualification before becoming eligible to reapply for authorization subject to the terms of the Agreement at the time of application.
110. The State will review each case of vendor disqualification to determine participant hardship. The State can assess a civil money penalty in lieu of disqualification. (See Appendix B)
111. Disqualification from the WIC Program may result in disqualification as a Vendor in SNAP. Such disqualification may not be subject to administrative or judicial review under SNAP. 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.
112. The State will disqualify a Vendor who has been disqualified from SNAP. The disqualification shall be for the same length of time as the SNAP disqualification. The disqualification may begin at a later date than SNAP disqualification, and is not subject to administrative or judicial review under the WIC Program.
113. The State may disqualify a Vendor who has been assessed a civil money penalty for hardship in the SNAP. The length of such disqualification shall correspond to the period for which the Vendor would otherwise have been disqualified in the SNAP.
114. The State may disqualify a Vendor from the WIC Program for the revocation of Health Department Permit.

115. The State may disqualify a Vendor for overcharging and/or for failure to pay back overcharges within the required time period, as determined by the State.
116. The State will 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.
117. The State may not accept voluntary withdrawal of the Vendor from the WIC Program as an alternative to disqualification for fraud, abuse, or violations listed in the Vendor Sanction Schedule (see Appendix A). In addition, the State may not use non-renewal of the Agreement as an alternative to disqualification.
118. The State will not accept voluntary withdrawal to avoid a civil money penalty or disqualification.
119. The State will notify the Vendor of disqualification in writing at least 21 calendar days prior to the effective disqualification date, except in the case of a permanent disqualification due to conviction of trafficking or illegal sales which is effective immediately upon notification.

#### **EXPIRATION OF THE AGREEMENT**

120. The Vendor has neither an obligation nor an entitlement to renew this Agreement at the time of expiration or termination.
121. 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.
122. The State will provide at least 30 calendar days advance written notice of the expiration of the Agreement.

#### **CHANGE OF OWNERSHIP**

123. The Vendor shall notify the State in writing within 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.
124. 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) or location. (The State may permit Vendors to move short distances without terminating the Agreement.)
125. The new owner must re-apply and shall be subject to the criteria and terms contained in the Vendor Agreement.

#### **CIVIL RIGHTS (DISCRIMINATION)**

126. The U.S. Department of Agriculture prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

Individuals who are deaf, hard of hearing 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.

127. 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).

128. 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.

## **PARTICIPANT ACCESS**

129. The State will attempt to ensure all WIC participants have adequate access to purchase WIC food items. Prior to terminating or disqualifying the Vendor from participation in the WIC Program, the State will consider the adequacy of participants' access to authorized WIC Vendors. The State will consider access adequate when:

- a. There is at least one authorized WIC vendor within 10 blocks in an urban area and 15 miles in a rural area.
  - i) Urban is defined as a territory, population, and housing units in an area with a population density of at least 1,000 people per square mile; and surrounding blocks with an overall density of at least 500 people per square mile.
  - ii) Rural is defined as a territory, population, and housing units located outside the urban areas.
- b. The State considered but did not find any geographic barriers for participants to access another authorized Vendor. Geographic barriers include, but are not limited to, mountains, rivers, lakes, frequent road closing due to bad weather, and highways with limited access for crossing by vehicle or by foot.

## **MILITARY COMMISSARIES**

130. 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.

131. 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 shall be required to submit Agreement information to the State by the deadline if one is given.

## **CONFLICT OF INTEREST**

132. 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.

133. 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**

134. 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 (5) 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 (1) 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)).

135. The State reserves the right to carry over violation incidents from one Agreement period to the next. The accumulated incidents of violation on the Vendor's record will be used to evaluate new Agreements, assess sanctions, termination or disqualification, or to impose a civil money penalty.

#### **RELEASE OF VENDOR RECORDS**

136. 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**

137. A 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.

138. 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 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.

139. Adverse actions subject to abbreviated administrative reviews:

- A. Denial of authorization based on Vendor selection criteria for business integrity or for a current SNAP disqualification or civil money penalty for hardship.
- B. Denial of authorization based on the application of Vendor selection criteria for competitive price.
- C. The application of Vendor peer group criteria and the criteria used to identify above-50-percent vendors.
- D. Denial of authorization based on Vendor selection criterion if the basis of the denial is a WIC Vendor sanction or SNAP withdrawal of authorization or disqualification.
- E. Denial of authorization based on the State's Vendor limiting criteria.
- F. Denial of authorization for submitting application outside of timeframes when applications are being accepted.
- G. Termination of an Agreement due to change in ownership, location, or cessation of operations.
- H. Disqualification based on a trafficking conviction.
- I. Disqualification based on the imposition of a SNAP civil money penalty for hardship.
- J. Disqualification or civil money penalty in lieu of disqualification based on a mandatory sanction imposed by another WIC State agency.
- K. Civil money penalty imposed in lieu of disqualification based on a SNAP disqualification.

- L. Denial of authorization based on a determination that the Vendor was not SNAP authorized at the time of application.

140. 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 State's determination whether a Vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the Vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.
- 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 SNAP.
- 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 Agreement, Table 2.
- 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.

**Table 1 - Store Type and Definitions**

<b>Store Type</b>	<b>Definition</b>
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 2 – List of Wholesalers, Distributors, Manufacturers and Vendors/Retailers of Infant Formula**

<b>Name and address of wholesalers, distributors, and manufacturers for infant formula</b>	<b>Phone Number</b>
Abbott Nutrition, 100 S Saunders Road, Lake Forest, IL 600045	800-551-5838
Mead Johnson Nutrition, 2701 Patriot Blvd, Glenview, IL 60026	812-429-5000
Nestle, USA, Infant Nutrition, 12 Vreeland Rd, Florham Park, NJ 07932-0697	973-593-7500
Nutricia North America, SHS, PO Box 117 Gaithersburg, MD 20884	800-365-7354
Albertsons Distribution Center, 17505 NE San Rafael Street, Portland OR 97230	503-851-9200
Albertsons Distribution Center, 620 West 600 North, Salt Lake City, UT 84054	801-299-7000
Albertsons Sundries Center, 520 North Eagle Road, PO Box 7924, Meridian, ID 83642	208-395-6880
Associated Food Stores Distribution Center, 1825 West 2550 North, Ogden, UT 84404	801-786-8700
Associated Food Stores Distribution Center, 1850 West 2100 South, Salt Lake City, UT 84119	888-574-7100
Coastal Pacific, 2205 51 <sup>st</sup> Avenue East Suite 303, Fife WA (military only)	800-310-4787
Defense Commissary Agency, 1300 East Avenue, Fort Lee, Virginia 23801	n/a
Dot Foods, Inc. 1 Dot Way, Mt. Sterling, IL 62353 ( <a href="http://www.dotfoods.com">www.dotfoods.com</a> )	800-366-3687
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
Red Apple Market Place, 555 SW 4 <sup>th</sup> 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 Distribution Center, 495 E 19 <sup>th</sup> St, Tacoma, WA 98401	800-255-4075
SuperValu Distribution Center, 11016 E Montgomery, Spokane, WA 99220	800-222-4775
Unified Grocers, 5200 Sheila Street, Commerce, CA 90040 ( <a href="http://www.unifiedgrocers.com">www.unifiedgrocers.com</a> )	323-264-5200
URM Stores, 7511 North Freya, PO Box 3365, Spokane, WA 99217	800-845-9605
Wal-Mart Distribution Center, 7500 E Crossroads Blvd., Loveland CO 80538	970-663-7870
Wal-Mart Distribution Center, 5400 West State Road 83, Corinne, UT 84307	800-925-6278
Wal-Mart Distribution Center, 2650 Hwy 395 S, Hermiston OR 97838	541-564-4600
WinCo Distribution Center, 2390 Freight St, Boise ID	208-954-8272

**Table 3 - - MINIMUM STOCK REQUIREMENTS**

Infant Formula	<b>Contract milk based formula in specified size - powder</b>		
	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	10 cans	10 cans	60 cans
	<b>Contract soy based formula in specified size - powder</b>		
	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	10 cans	10 cans	18 cans
Baby Foods – Fruits and Vegetables	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	16 containers	48 containers	112 containers
	<ul style="list-style-type: none"> <li>• Must stock 3.5 oz 2-packs or 4 oz single jars; 2 packs count as 2 containers</li> <li>• Must stock 2 types of fruits and 2 types of vegetables; no dinners or desserts</li> <li>• Brand specific – see current authorized food list</li> </ul>		
Baby Food – Meats	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	10 jars	24 jars	96 jars
	<ul style="list-style-type: none"> <li>• Must stock 2 varieties in 2.5 oz jars; no dinners or casseroles</li> <li>• Brand specific – see current authorized food list</li> </ul>		
Baby Cereal	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	4 containers	12 containers	24 containers
	<ul style="list-style-type: none"> <li>• Must stock 8 oz containers</li> <li>• Must have 2 varieties of cereal grains; rice must be one grain variety</li> <li>• Brand specific – see current authorized food list</li> </ul>		
Fresh Fruits and Vegetables	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	10 pounds	20 pounds	60 pounds
	<ul style="list-style-type: none"> <li>• Must stock 3 types of fruits and 3 types of vegetables</li> </ul>		
100% Whole Wheat Bread	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	3 loaves	4 loaves	10 loaves
	<ul style="list-style-type: none"> <li>• 16 oz loaves only</li> <li>• 100% whole wheat only (no light or “lite” bread)</li> </ul>		
Brown Rice and Tortillas	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	3 pounds	4 pounds	7 pounds
	<ul style="list-style-type: none"> <li>• Must stock 16 oz packages of <u>brown</u> rice and/or tortillas</li> <li>• Tortillas are Brand specific – see current authorized food list</li> </ul>		
Cereal	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	72 total ounces (e.g. 6 - 12oz boxes)	120 total ounces (e.g. 10 - 12oz boxes)	240 total ounces (e.g. 20 - 12oz boxes)
	<ul style="list-style-type: none"> <li>• Must stock 2 kinds of cold cereal and 1 kind of hot cereal</li> <li>• 1 cold cereal must be whole grain (indicated on the food list)</li> <li>• Brand specific – see current authorized food list</li> </ul>		
Milk	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	8 gallons	20 gallons	40 gallons
	<ul style="list-style-type: none"> <li>• Must stock whole milk and 1% and/or skim milk</li> <li>• ½ gallon and quart containers can be counted toward the minimum requirement</li> </ul>		

Eggs	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	4 dozen	8 dozen	10 dozen
	<ul style="list-style-type: none"> <li>Type specific – see current authorized food list</li> </ul>		

Cheese	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	4 pounds	8 pounds	10 pounds
	<ul style="list-style-type: none"> <li>Must stock at least 2 varieties; see current authorized food list</li> <li>16 oz (1lb) packages only</li> </ul>		

Peanut Butter	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	2 jars	6 jars	10 jars
	<ul style="list-style-type: none"> <li>Type specific – see current authorized food list</li> </ul>		

Dry Beans, Peas & Lentils	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	2 pounds	6 pounds	10 pounds
	<ul style="list-style-type: none"> <li>Must stock 2 varieties; no added ingredients or seasonings</li> <li>16 oz (1 lb) packages or bulk</li> </ul>		

Tuna and/or Salmon	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	6 cans	18 cans	60 cans
	<ul style="list-style-type: none"> <li>5 oz cans</li> <li>Type specific – see current authorized food list</li> </ul>		

Juice - Frozen	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	6 containers	12 containers	30 containers
	<ul style="list-style-type: none"> <li>Must stock orange juice and 1 other variety – see current authorized food list</li> <li>11.5 – 12 oz frozen containers</li> </ul>		

Juice – Plastic Bottles	<b>1-3 Registers</b>	<b>4-6 Registers</b>	<b>7+ Registers</b>
	4 containers	12 containers	20 containers
	<ul style="list-style-type: none"> <li>Must stock 2 varieties of juice in 64 oz plastic bottles</li> <li>Brand specific – see current authorized food list</li> </ul>		

**Table 4 - Peer Groups**

<b>PEER GROUP</b>	<b>STORE SIZE</b>	<b>COUNTIES</b>
Peer Group 1A	<u>Small: 1-3 registers</u>	Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce, Shoshone
Peer Group 1B	<u>Small: 1-3 registers</u>	Ada, Adams, Blaine, Boise, Camas, Canyon, Cassia, Elmore, Gem, Gooding, Jerome, Lincoln, Minidoka, Owyhee, Payette, Twin Falls, Valley, Washington
Peer Group 1C	<u>Small: 1-3 registers</u>	Bannock, Bear Lake, Bingham, Bonneville, Butte, Caribou, Clark, Custer, Franklin, Fremont, Jefferson, Lemhi, Madison, Oneida, Power, Teton
Peer Group 2A	<u>Medium: 4-6 registers</u>	Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce, Shoshone
Peer Group 2B	<u>Medium: 4-6 registers</u>	Ada, Adams, Blaine, Boise, Camas, Canyon, Cassia, Elmore, Gem, Gooding, Jerome, Lincoln, Minidoka, Owyhee, Payette, Twin Falls, Valley, Washington
Peer Group 2C	<u>Medium: 4-6 registers</u>	Bannock, Bear Lake, Bingham, Bonneville, Butte, Caribou, Clark, Custer, Franklin, Fremont, Jefferson, Lemhi, Madison, Oneida, Power, Teton
Peer Group 3A	<u>Large: 7 + registers</u>	Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce, Shoshone
Peer Group 3B	<u>Large: 7 + registers</u>	Ada, Adams, Blaine, Boise, Camas, Canyon, Cassia, Elmore, Gem, Gooding, Jerome, Lincoln, Minidoka, Owyhee, Payette, Twin Falls, Valley, Washington
Peer Group 3C	<u>Large: 7 + registers</u>	Bannock, Bear Lake, Bingham, Bonneville, Butte, Caribou, Clark, Custer, Franklin, Fremont, Jefferson, Lemhi, Madison, Oneida, Power, Teton
Peer Group 4	Lower cost or discount food stores	All counties within the state
Peer Group 5	All sizes	All military commissaries

**The following documents must be attached. Failure to attach these documents will cause this Agreement to be considered incomplete.**

1. Current Food Establishment Inspection Report OR a copy of the Health Department Permit.
2. Current Idaho State Sellers Permit (Sales Tax Permit) or Exemption Certificate.
3. Tax documents to verify information provided regarding total volume sales (e.g., food versus non-food).
4. Attach a one page copy of a current invoice showing your infant formula supplier. It must identify the supplier/distributor, receiving store, purchase date, quantity, product name, and unit price of the infant formula purchased (must be the current contracted infant formula).
5. A completed IRS Form W-9. For a blank form visit: <http://www.irs.gov/pub/irs-pdf/fw9.pdf>

**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.

This is only a request to become a WIC Authorized Vendor, and until accepted and counter-signed by an authorized agent of the State 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 State or its designee during an on-site visit. The 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 undersigned represents and warrants to the State 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. Bind this Vendor location, owners, officers, managers and/or other employees to all the rules and requirements of the Idaho WIC Program.
4. Agree that if any information contained within the Agreement is found to be false, the Agreement will be denied; or if authorized, can result in being terminated immediately and disqualified from the Idaho WIC Program.

**VENDOR:**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

STORE: \_\_\_\_\_

DATE: \_\_\_\_\_

**STATE OF IDAHO:**

BY: \_\_\_\_\_

JILL BALLARD  
Bureau Chief, Operational Services Programs

DATE: \_\_\_\_\_

Please return the completed Vendor Agreement to:

Idaho WIC Program  
PO Box 83720  
Boise, ID 83720-0036

**Appendix A**  
**IDAHO WIC PROGRAM**  
**Vendor Sanctions Schedule**

Authorized Vendors are monitored for potential compliance violations, fraud, and abuse committed by the Vendor, its owners, officers, managers, employees, or agents. Sanctions will be assessed from both Federal and State Violations in accordance with the Vendor Sanctions Schedule below. Monitoring activities include, but are not limited to, compliance buy investigations, routine monitoring, and inventory audits.

The Idaho WIC Program may initiate administrative action to disqualify, impose a civil monetary penalty in lieu of disqualification, or assess sanctions against a Vendor for noncompliance on the basis of one incident of a violation or a pattern of violations, as allowed by Federal regulations and denoted in the Sanctions Schedule below. An incident 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 incidents of a violation. If, during the course of a single investigation, the State determines that a Vendor has committed multiple types of violations, the State will disqualify the Vendor for the length of time corresponding to the most serious violation. Disqualified Vendors will be considered as having forfeited their current authorization. A disqualified Vendor may be eligible to reapply for authorization during the next open enrollment period after serving the term of their disqualification.

When an investigation reveals an initial violation for which a pattern is required for sanction, the State will send the Vendor a warning letter and required corrective action before the investigation is continued. The State will not send a warning letter in cases where it determines notifying the Vendor will compromise an investigation. Warning letters will not be sent for the following Federal violations listed on this Sanctions Schedule: 2, 3, 8, 9, and 10, as a single incident of any of these violations will result in mandatory disqualification.

When a pattern of violations results in sanction, the State will send a certified letter stating the violation information, the administrative action taken, the effective date of the action, and if applicable, the process for requesting a fair hearing. Upon receipt of the certified letter, the Vendor must follow the instructions stated therein.

Prior to disqualifying a Vendor, the State agency will review each case to determine if disqualification would result in participant access hardship. If the State determines that participant access hardship would result, a civil money penalty will be imposed in lieu of disqualification.

A Vendor who has been disqualified from the Supplemental Nutrition Assistance Program (SNAP) will also be disqualified from WIC. The disqualification will be for the same length of time as the SNAP disqualification but may start at a later date. The State may also disqualify a Vendor that has been assessed a civil money penalty by SNAP. The length of such disqualification will be for the same amount of time the Vendor would otherwise have been disqualified from SNAP. A Vendor disqualified from the WIC Program may also be disqualified from SNAP. The disqualification will be for the same length of time as the WIC disqualification but may start at a later date. Such disqualifications are not subject to administrative or judicial review.

The State may not accept a Vendor's voluntary withdrawal from the WIC Program as an alternative to disqualification for any of the Federal violations listed in this Sanctions Schedule. In addition, the State may not use non-renewal of the Agreement as an alternative to disqualification.

If a Vendor is assessed a second mandatory Federal sanction for violations 1 through 9 below, the second sanction will be doubled. Civil Money Penalties in lieu of disqualification for a second mandatory Federal sanction may be doubled up to the limits allowed in 7 CFR 3.91(b)(3)(v). The State must double the third and all subsequent mandatory Federal sanctions 1 through 9. The State may not impose civil money penalties in lieu of disqualification for third or subsequent sanctions for Federal violations 1 through 9. (See Appendix B: CMP Procedures; Federal Regulations 7 CFR 246.12)

## IDAHO WIC VENDOR SANCTIONS SCHEDULE

### FEDERAL VIOLATIONS

MANDATORY FEDERAL VIOLATIONS	Number of Incidents	Length of Disqualification
1. <b>Unauthorized food items:</b> 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 written on the check.	3	1 year
2. <b>Sale of alcohol, alcoholic beverages or tobacco products:</b> One incident of the sale of alcohol or alcoholic beverages or tobacco product in exchange for food instruments (checks and/ or cash value vouchers).	1	3 years
3. <b>Claiming reimbursement in excess of documented inventory:</b> 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.	1	3 years
4. <b>Overcharging:</b> A pattern of charging WIC participants more for authorized food items than non-WIC customers, charging participants more than the current shelf price, and/or charging for food items not received by the participant.	3	3 years
5. <b>Outside of authorized channels:</b> 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	3	3 years
6. <b>Supplemental foods not received:</b> A pattern of charging for supplemental food not received by the participant.	3	3 years
7. <b>Credit or non-food items:</b> 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).	3	3 years
8. <b>Trafficking WIC food Instruments:</b> One incident of buying or selling food instruments (checks and/or cash value vouchers) for cash (trafficking).	1	6 years
9. <b>Illegal Sales:</b> One incident of selling firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802 in exchange for food instruments (checks and/or cash value vouchers).	1	6 years
10. <b>Convicted of trafficking/illegal sales:</b> The State must PERMANENTLY disqualify a Vendor convicted of trafficking WIC food instruments (checks and/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 (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.	1	Permanent

## STATE VIOLATIONS

STATE VIOLATIONS	Number of Incidents	Length of Disqualification
<p>1. Improper Check Cashing Procedures</p> <p><b>A. Acceptance of pre-signed WIC check or cash value voucher:</b> The cashier accepted a pre-signed check or cash value voucher.</p> <p><b>B. Failure to check a WIC Identification (ID) Folder or verify signature on check or cash value voucher:</b> The cashier failed to ask for the WIC ID Folder prior to beginning the WIC transaction, and/or did not verify the signature on the check or cash value voucher matches the signature on the WIC ID folder.</p> <p><b>C. Sales tax:</b> The cashier added sales tax to the WIC check or cash value voucher.</p>	4	1 year
<p>2. <b>Failed to provide requested forms/information:</b> The Vendor failed to return forms or information requested by the State WIC Office. This includes Price Surveys, training documentation, or any other documents requested by the State WIC Office.</p>	4	1 year
<p>3. <b>Inadequate stock:</b> The Vendor failed to continuously stock and maintain the mandatory minimum variety and inventory requirements of WIC-approved foods.</p>	3	1 year
<p>4. <b>Altered a food instrument or cash value voucher:</b> The cashier or store personnel changed dates or added signatures.</p>	3	1 year

**Appendix B**  
**IDAHO WIC PROGRAM**  
**Civil Money Penalty Procedure**

**IMPOSING A CIVIL MONEY PENALTY**

A civil money penalty may be imposed in lieu of disqualification only in cases where the State determines disqualifying the Vendor would result in inadequate participant access. See Participant Access Hardship below.

If a Vendor is imposed a second civil money penalty for Federal violations 1 through 9, the penalty amount will be doubled up to the limits noted below and specified in Federal Regulations 7 CRF 3.91.

Regardless of participant hardship, the State agency may not impose a civil money penalty in lieu of disqualification for third or subsequent sanctions for Federal violations 1 through 9.

**Procedure for Notifying the Vendor**

If a civil money penalty is to be imposed, the State agency will send the Vendor written notification of:

- a) The cause(s) for the disqualification resulting in civil money penalty.
- b) The effective date of the action.
- c) The amount of the alternative civil money penalty.
- d) The method of payment of the civil money penalty available to the Vendor.
- e) The Vendor's right to appeal.
- f) The procedures to be followed to file for an appeal.

The State agency will schedule a meeting to review the terms of the civil money penalty and advise the Vendor of the following:

- a) All non-compliance issues, not just those that brought about the disqualification.
- b) Acceptance/payment of the civil money penalty does not relieve the Vendor of its obligation to stay in compliance with the Agreement they signed with the State agency or protect the Vendor from further sanctions in case of non-compliance. The Vendor must resolve to correct any and all violations identified.
- c) The Vendor has fifteen (15) calendar days after the meeting to accept, in writing, the alternative civil money penalty 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. However, the penalty shall not exceed \$11,000 per violation or \$49,000 per single investigation, even if the formula indicates a higher penalty is warranted. The formula is as follows:

- Step 1: Determine the Vendor's average monthly redemptions for at least the six (6) month period ending with the month immediately preceding 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 2: Multiply the average monthly redemptions figure by 10% (.10).
- Step 3: Multiply the product from Step 2 by the number of months the Vendor would have been disqualified.

Example: The Vendor is notified of a one-year disqualification starting October 2015.  
 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 preceding 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	<u>4,990</u>

Step 1 = TOTAL \$29,305/6 = \$4,884.17 monthly average

Step 2 = \$4,884.17 x 10% = \$488.42

Step 3 = \$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 \$49,000 per single investigation. A single investigation could result in several violations.

**Procedure for Payment of Civil Money Penalties**

The payment of the civil money penalty must be made by one of the following methods as determined by the State agency. All payments (either lump sum or installment) must 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 must 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, must 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 does not pay, only partially pays, or fails to timely pay a civil money penalty assessed in lieu of disqualification (either a lump sum or installment payment), the State will disqualify the Vendor for the length of the disqualification corresponding to the violation for which the civil money penalty 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).

If a Vendor fails to make any scheduled installment payment by the due date, they must pay the entire balance of the civil money penalty within twenty (20) calendar days in order to avoid being disqualified for the length of the disqualification which would have been imposed; the State agency will provide this notification to the Vendor, in writing, after a payment has been missed.

### **ASSESSING PARTICIPANT ACCESS HARDSHIP**

Participant access hardship will be the determining factor in assessing a civil money penalty. Participant access is not a legitimate or acceptable issue for a Vendor to raise when appealing a State agency disqualification.

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

1. Ten (10) or more WIC participants would be required to travel to an authorized vendor in another geographic area (defined below) in order to receive their supplemental WIC foods.
2. Geographical barriers or conditions which would make normal travel to another authorized WIC vendor impossible (for example, an unabridged river, an expressway or airport with limited access for crossing, or frequent road closure due to inclement weather).
3. 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 and a wheelchair-bound participant regularly shops at that vendor). For this condition to apply, the handicapped participant must have done more than half of her/his WIC shopping in the previous six (6) months at the vendor's location.

### **DEFINING GEOGRAPHIC AREAS**

For the purpose of assessing participant access, a geographic area is defined as a travel distance in excess of fifteen (15) miles in a rural area from the local agency clinic or the participant's residence or ten (10) blocks in an urban area to reach an authorized vendor.

Urban Area – territory, population, and housing units in an area which has a population density of at least 1,000 people per square mile and surrounding blocks with an overall density of at least 500 people per square mile.

Rural Area – territory, population, and housing units located outside the urban areas.