

# Georgia's WIC Program Vendor Handbook Effective October 1, 2010



**WIC WORKS WONDERS with PARTNERS**



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## **GLOSSARY**

**Above-50 percent vendors** - A vendor that derives more than fifty (50) percent of its annual food sales revenue from WIC food instruments, and new vendor applicants expected to meet this criterion under guidelines approved by FNS.

**Automatic Clearing House (ACH)** – An electronic funds transfer network which enables participating financial institutions to distribute electronic credit and debit entries to bank accounts and to settle such entries.

**Administrative Review** – A hearing process offered to vendor in an attempt to challenge decisions made by the program.

**Affiliates** – Any partner, member, owner, officer, director, employee, relative by blood or marriage, heirs, or assigns.

**Annual Training** – An annual mandatory participation for all vendors to receive program updates and reminders and verify their receipt and understanding of program updates and reminders.

**Cash-Value/Fruit and Vegetable Voucher (FVV)** - A fixed-dollar amount check, voucher, electronic benefit transfer (EBT) card or other document which is used by a participant to obtain authorized fruits and vegetables.

**Civil Money Penalty** – A monetary penalty that can be submitted in lieu of a sanction.

**Contracted Brand Infant Formula** - All infant formulas (except EXEMPT INFANT FORMULAS) produced by the manufacturer awarded the infant formula cost containment contract.

**Corporate Vendor** – A WIC authorized vendor that has the more than one store with the same FEIN.

**Covert Compliance Investigation or Compliance Buy** - A covert, onsite investigation in which a representative of the WIC Program poses as a participant, parent, or caretaker of an infant or child participant, or proxy, transacts one or more food instruments, and does not reveal during the visit that he or she is a program representative.

**Customized Training** – Training that vendors can request to suit their specific training needs.

**Days** - In WIC terminology means calendar days, unless otherwise noted.

**Delivery** – The act of transferring a product from a seller to its buyer outside the confines of the retail food establishment.

**Disqualification** - The act of ending the Program participation of a participant, authorized food vendor, or authorized State or local agency, whether as a punitive sanction or for administrative reasons e.g. termination of vendors from the Georgia WIC Program for program violations...

**Documentation** - The presentation of written documents which substantiate statements made by a WIC applicant or participant or a person applying on behalf of an applicant.

**Exempt Infant Formula** - An infant formula that meets the requirements for an exempt infant formula under section 412(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 350a(h)) and the regulations at 21 C.F.R. parts 106 and 107.

**First date of use** - The first date on which the food instrument may be used to obtain supplemental foods.

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

**Food Sales** - Sales of all Supplemental Nutrition Assistance Program (SNAP) - eligible foods intended for home preparation and consumption, including meat, fish, and poultry; bread and cereal products; dairy products; fruits and vegetables. Food items such as condiments and spices, coffee, tea, cocoa, and carbonated and noncarbonated drinks may be included in food sales when offered for sale along with foods in the categories

identified above. Food sales do not include sales of any items that cannot be purchased with SNAP benefits, such as hot foods or food that will be eaten in the store.

**Food Sales Establishment License** – A license granted by the Georgia Department of Agriculture which permits the retail food vendor to sell food items.

**High-Risk Vendor**: A vendor identified as having a high probability of committing a vendor violation through application of the criteria established in § 246.12(j) (3) and any additional criteria established by the State agency.

**Inadequate Participant Access** – Not another WIC authorized vendor within ten (10) miles of another WIC authorized vendor.

**Inventory** - Supplemental foods in stock, received, and issued.

**Inventory audit** - The examination of food invoices or other proofs of purchase to determine whether a vendor has purchased sufficient quantities of supplemental foods to provide participants the quantities specified on food instruments redeemed by the vendor during a given period of time.

**Last Date of Use** - The last date on which the food instrument may be used to obtain authorized supplemental foods.

**Mandatory Sanction** – Reprimand for violating WIC that is program imposed by USDA.

**Minimum Inventory** – Required inventory that all vendors must carry everyday at all times, including, but not limited to, fruits and vegetables, and whole grains. Pharmacies are exempt from keeping minimum inventory.

**Non-Contract Brand Infant Formula** - All infant formula, including exempt infant formula, that is not covered by an infant formula cost containment contract awarded by that State agency.

**Non-Corporate Vendor** – A WIC authorized vendor that has only one store or a vendor with more than one store, each with a different FEIN.

**Non-WIC Inventory** – Food items that are not a part of the WIC minimum inventory or the WIC Approved Foods List.

**Participants** - Pregnant women, breastfeeding women, postpartum women, infants and children who are receiving supplemental foods or food instruments under the WIC Program, and the breastfed infants of participant breastfeeding women.

**Pharmacy Vendor** – A WIC authorized vendor that is allowed to only redeem exempt and/or special infant formulas, including medical foods. No contract formula or other standard WIC food sales are allowed for these vendors.

**Pre Approval Visit** – An on-site visit to a vendor's retail food establishment to verify location and inventory.

**Price Adjustment** - An adjustment made by the State agency, in accordance with the vendor agreement, to the purchase price on a food instrument after it has been submitted by a vendor for redemption to ensure that the payment to the vendor for the food instrument complies with the State agency's price limitations.

**Proxy**: Any person designated by a woman WIC participant, or by a parent or caretaker of an infant or child WIC participant, to obtain and transact food instruments or to obtain supplemental foods on behalf of a WIC participant.

**Purchase price** - A space for the purchase price to be entered.

**Offense or Violation** – An act against the programs rules, regulation, policies or procedure.

**Overt Monitoring or Routine Monitoring** - Overt, on-site monitoring during which program representatives identify themselves to vendor personnel.

**Re-authorization training** – A mandatory re-certification training that all vendors participate in every three (3) years.

**Redemption** – The act of cashing the WIC voucher according to WIC banking standards.

**Redemption period** - The date by which the vendor must submit the food instrument for redemption. This date must be no more than sixty (60) days from the first date on which the food instrument may be used.

**Sanction** - A penalty that is imposed when WIC program rules, regulations, policies or procedures are violated.

**Sign or Signature** - A handwritten signature on paper or an electronic signature.

**State agency** - The health department or comparable agency of each state. In this instance, the State of Georgia's administration of WIC.

**Supplemental Nutrition Assistance Program (SNAP)** – *SNAP* is the new name for the federal *Food Stamp Program*.

**Termination** –Discontinuance of vendor participation in the Georgia WIC Program.

**Vendor** - A sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores authorized by the State agency to provide authorized supplemental foods to participants under a retail food delivery system. Each store operated by a business entity constitutes a separate vendor and must be authorized separately from other stores operated by the business entity. Each store must have a single, fixed location, except when the authorization of mobile stores is necessary to meet the special needs described in the State agency's State Plan in accordance with § 246.4(a)(14)(xiv).

**Vendor Authorization** - The process by which the State agency assesses, selects, and enters into agreements with stores that apply or subsequently reapply to be authorized as vendors.

**Vendor Identification** - A number assigned to all authorized vendors. Redemption activity must be identified by the vendor that submitted the food instrument. Each vendor operated by a single business entity must be identified separately.

**Vendor Number** – A unique four digit number that is used to identify vendors authorized to provide WIC food items.

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

**Vendor Overcharge** - Intentionally or unintentionally charging the State agency more for authorized supplemental foods than is permitted under the vendor agreement. It is not a vendor overcharge when a vendor submits a food instrument for redemption and the State agency makes a price adjustment to the food instrument.

**Vendor Selection Criteria** - The criteria established by the State agency to select individual vendors for authorization consistent with the requirements in § 246.12(g) (3) and (g) (4).

**Vendor Training** - The procedures the State agency will use to train vendor in accordance with §246.12(i).

**Vendor Violation** - Any intentional or unintentional action of a vendor's current owners, officers, managers, agents, or employees (with or without the knowledge of management) that violates the vendor agreement or Federal or State statutes, regulations, policies, or procedures governing the Program.

**WIC** - The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) authorized by section 17 of the Child Nutrition Act of 1966, as amended (42 U.S.C. §1786).

**WIC Approved Foods** - Those supplemental foods containing nutrients determined to be beneficial for pregnant, breastfeeding, and postpartum women, infants and children.

**WIC-eligible medical foods** - Certain enterable products that are specifically formulated to provide nutritional support for individuals with a diagnosed medical condition, when the use of conventional foods is precluded, restricted, or inadequate.

## **THE VENDOR HANDBOOK**

The Georgia WIC Program Vendor Handbook is intended to serve as a reference and is considered an addendum to the Vendor Agreement. Food retailers (hereafter called “vendors”); pharmacies and military commissaries should adhere to all the information provided in this book to assure compliance with federal and state regulations, rules, policies, and procedures.

The vendor’s role is important to the success of the Georgia WIC program. Vendors must assure that the participant, parent, caretaker and/or proxy, also known as the WIC customer, purchase only the prescribed foods.

Prices charged by the vendor must be reasonable and competitive. Competitive prices will enable the Georgia WIC program to maximize services to its citizens. Authorized WIC vendors redeemed approximately 258 million dollars in WIC food vouchers during federal fiscal year 2009.

## **THE GEORGIA WIC PROGRAM**

WIC (Women, Infants and Children) is a special supplemental food program that is federally funded to provide supplemental foods, nutrition education and nutrition counseling to Georgia’s citizens.

WIC saves lives and improves the health of nutritionally at-risk women, infants and children.

Since it’s beginning in 1974, the WIC program has earned the reputation of being one of the most successful federally funded programs in the United States. Collective findings of studies, reviews and reports illustrate that the WIC program is cost-effective in protecting and improving the nutritional status of low-income women, infants and children.

Improved outcomes attributed to WIC:

- WIC reduces fetal deaths and infant mortality.
- WIC reduces low birth weight rates and increases the duration of pregnancy.
- WIC improves the growth of nutritionally at-risk infants and children.
- WIC decreases the incidence of iron deficiency anemia in children.
- WIC improves the dietary intake of pregnant and postpartum women and improves weight gain in pregnant women.
- Pregnant women participating in WIC receive prenatal care earlier.
- Children enrolled in WIC are more likely to have a regular source of medical care and have more up to date immunizations.
- WIC helps children get ready to start school; children who receive WIC benefits demonstrate improved intellectual development.
- WIC significantly improve children’s diets.

Georgia’s health professionals determine who is eligible to participate in the WIC program according to criteria established by federal regulations. These health professionals also provide nutrition education, counseling and prescribe nutritious foods. Instruments used to obtain the supplemental foods are called vouchers, which are redeemed through WIC authorized vendors statewide.



## WIC ACRONYM AND LOGO

A WIC vendor is not permitted to use either the acronym "WIC" or the WIC logo pictured above, including close facsimiles thereof, in total or in part, either in the official name in which the vendor is registered or in the name under which it does business, if different.

Any person who uses the acronym "WIC" or the WIC logo in a non-authorized manner, including close facsimiles thereof, in total or in part, may be subject to injunction by the United States Department of Agriculture and the payment of damages.

The WIC authorized vendor is **not permitted** to use the WIC acronym, or the WIC logo including close facsimiles thereof, in an unauthorized manner, in any form of marketing or advertisement of the store that gives an impression that the business is owned, operated, approved, favored or endorsed by the Georgia WIC Program, including wording such as, but not limited to, "WIC Only". All forms of payment the vendor accepts beyond WIC must be listed as not to solicit the WIC customer. Stores must accept at least two (2) other forms of payment other than WIC and EBT. The state agency will make a determination and terminate the vendor after a 20day notice if misuse is determined. If a vendor fails to discontinue the use of the WIC acronym or the WIC logo including close facsimiles thereof, in total or in part, after misuse is determined, the Vendor Application will be denied or the Vendor Agreement will be terminated, for cause, as allowed in §246.12 (h)(3)(xvi).

The Vendor is permitted to use shelf talkers or channel strips stating "WIC approved or WIC eligible" on grocery shelves at the exact spot that contain WIC approved foods. These items have been developed by the WIC Program and are available upon request. Vendors who wish to develop their own shelf talkers or channel strips must obtain written permission from the Georgia WIC Program by submitting a copy or sample of the final version **prior to use.**

## ADVERTISEMENTS, SHELF TALKERS AND CHANNEL STRIPS

Channel Strips and Shelf Talker, and "We Welcome WIC" posters

Authorized vendors will have the opportunity to use their own channel strips and shelf talker, and "We Welcome WIC" posters. All channel strips and shelf talkers, and "We Welcome WIC" posters must be approved by the Georgia WIC Program prior to use. The unauthorized use of WIC acronym, logo or close facsimiles thereof will result in immediate termination for cause for a period of one (1) year.

All artwork must be consistent with that of Georgia's WIC. The most prominent color for the channel strips and shelf talkers must be orange or white.

Posters must say, "We Welcome WIC, EBT, Cash, Credit, Debit, or Checks". The posters cannot imply that the vendor only takes WIC and/or EBT. At least (four) 4 forms of payment must be accepted with WIC being one form. The most prominent colors for these posters must be black or white.

Bread Manufacturers

Bread manufacturers are allowed to create their own shelf talkers and channel strips. They must be consistent with those of Georgia WIC, with the most prominent color being orange or white. Final artwork must be submitted to the Georgia WIC office for approval or revision requirements prior to implementation. **The vendor who uses such unauthorized advertisements will be terminated for cause for a period of one (1) year. Please contact Georgia's WIC prior to allowing a bread manufacturer to label your shelves to ensure that their labels are approved.**

## INCENTIVES

Georgia WIC prohibits the use of incentives to solicit the patronage of WIC participants, including those vendors found to be above 50% vendors. Vendors who use advertisements to solicit the business of WIC participants, and/or offer incentives or delivery services will be subject to sanctions as explained in the Vendor Agreement and the Georgia's WIC Vendor Handbook.

Vendors must not use incentives to encourage solicitation by WIC customers. Providing incentive items as part of a WIC transaction or to solicit WIC patronage is subject to disqualification. Incentives are defined as any item, service, or gimmick used to solicit the patronage of a WIC participant. Incentives include free or complimentary gifts, home delivery of foods, store memberships, and other free or discounted services, etc.

## **AUTHORIZED VENDORS**

An authorized vendor is a sole proprietorship, partnership, cooperative association, corporation or other business entity operating one or more vendors. A vendor is authorized to provide approved supplemental foods to participants, parents, caretakers and/or proxies. Vendor authorization means the process by which Georgia's WIC assesses, selects and enters into agreements with food retailers/stores that apply or subsequently re-applies to be authorized as vendors.

## **VENDOR AUTHORIZATION**

Applications for WIC vendor authorization are accepted year round within the first five (5) business days of each month. However, no applications will be accepted or processed between July 1 –September 30 of each year unless inadequate participant access exists (inadequate participant access exists only when there is not an authorized WIC vendor within ten (10) miles of the applicant). Vendors will be notified of any changes to the application periods prior to implementation.

All applicants must meet the selection criteria at the time of application and maintain the criteria throughout the entire agreement period. The vendor must comply with the selection criteria throughout the agreement period including any changes to the criteria. Using the current vendor selection criteria, Georgia's WIC may reassess the vendor at any time during the agreement period. Georgia's WIC will terminate the Vendor Agreement if the vendor fails to meet the current vendor selection criteria at any time during the agreement period. The Georgia WIC Program will deny the application or terminate the vendor agreement if it is determined that the applicant provided false information in conjunction with the application. During the application process, Georgia's WIC may request additional information that must be provided.

The selection criteria are the same for vendors statewide with the exception of commissary and pharmacy vendors.

The criteria include but are not limited to:

- 1) Competitive prices
- 2) Compliance with Georgia WIC Program policies and procedures
- 3) Licensure by the Georgia Department of Agriculture to sell food items
- 4) Licensure by the United States Department of Agriculture as a retail vendor with the Supplemental Nutrition Assistance Program (SNAP - formerly the Food Stamp Program).
- 5) Minimum variety and quantity of supplemental foods
- 6) A substantial inventory of non-WIC approved foods
- 7) Business integrity
- 8) Absence of current SNAP disqualification or civil money penalty for hardship
- 9) Must not be expected to derive more than 50 (fifty) percent of your total food sales from the sale of WIC foods.

WIC vendor applications postponed pending the receipt of additional information will expire 10 (ten) days after the request for information. Applicants are urged to contact Georgia WIC if the expected date they intend to have their minimum inventory of WIC Approved Foods in stock has changed. Applicants are allowed to change the date they expect to have their minimum inventory in stock one (1) time in a 30 (thirty)-day period from the date of the application. Applications from vendors who were unable to acquire the necessary inventory for authorization consideration will expire 30 (thirty) days from date the applicant declared they will have the minimum inventory, and such applications will be denied.

Applicant vendors must submit purchase invoice receipts, bills of lading or recent invoices which depict the purchase of **all** items for intent to sell in their stores upon request. This includes WIC food items, non-WIC food items, household products, miscellaneous items, etc. Failure to submit the requested documentation within 10 (ten) days of the request will result in denial of the vendor application.

## **DENIAL OF VENDOR AUTHORIZATION BASED ON SELECTION CRITERIA**

During the authorization process, vendors will be denied for a period of six (6) months any of the following reasons:

### **Application Submitted Outside Timeframe**

The applicant submitted the initial application between the dates of August 1 and September 30. During this time period, new applications are not accepted or processed.

### **Requested Information not Provided**

The applicant did not provide the necessary application documentation within ten (10) days of request.

### **Insufficient WIC Inventory**

The applicant did not have the minimum variety and/or quantity of WIC approved supplemental foods and/or non-WIC Food Items required during the on-site pre-approval visit.

### **Inadequate Access**

The store is not open eight (8) hours per day, six (6) days per week.

### **Prices Exceed Average Redemption Allowed**

Prices noted on the application and/or collected during the on-site pre-approval visit exceeded the maximum allowable prices for a specified period of time.

### **SNAP Disqualification or Civil Money Penalty Assessment**

Applicant has been disqualified from (SNAP) or has been assessed a civil money penalty for hardship and the disqualification period that would otherwise have been imposed has not expired.

### **History of Georgia WIC Sanctions**

Applicant has been disqualified and all administrative appeals have been exhausted.

### **Business Integrity**

Applicant or applicant's current owners, officers, or managers has a conviction or civil judgment during the last six (6) years for any activity indicating a lack of business integrity (e.g. fraud, antitrust, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and obstruction of justice.

Applicant provided false statements, false representations, or used false writing or documentation

Applicant is expected to derive more than fifty (50) percent of its annual food revenue from WIC foods based on application responses, price analysis, or further assessment.

Ownership has been linked to a current fifty (50) percent vendor

Owner related by blood, marriage, partners, members, owners, officers, directors, employees, heirs or assigns purchased store to circumvent a sanction or disqualification of another vendor.

### **Use of the Acronym or Logo**

Applicant used the WIC acronym or logo as a part of their name, the name under which they do business or advertisements.

### **Non-Profit Vendor**

Non-Profit (or Not-for-Profit) vendors cannot be authorized in the Georgia.

### **Application Expired**

Vendor has exhausted opportunities to change the date that minimum inventory will be in stock (vendor can request a change one (1) time in the date that minimum inventory will be in stock).

Georgia's WIC has been unable to reach applicant to complete application process.

Additional documentation was not received within 10 (ten) days of request.

Applicant did not complete training within 30 (thirty) days of application submission.

Vendors may re-apply after their denial period has expired.

## **INVOICE ASSESSMENT**

Applicant vendors must submit purchase invoice receipts, bills of lading or recent invoices which depict the purchase of **all** items for intent to sell in their stores. This includes WIC food items, non-WIC food items, household products, miscellaneous items, etc. Failure to submit the requested documentation within 10 (ten) days of the request will result in denial of the vendor application.

## **BACKGROUND CHECKS**

All new applicant vendors will be subject to criminal background checks as a part of the pre-screening process. Any vendors that have a history of fraud, embezzlement, or trafficking, or have engaged in any activity that

Georgia's WIC deems to be a volatile action preventing authorization will be denied. Unless necessary to ensure adequate participant access, the Georgia WIC Program will not authorize an applicant that does not meet the business integrity criteria based on facts already known and information provided on the application. This includes, but is not limited to the following:

- A. Criminal conviction or civil judgments during the past six (6) years among the applicant's owner's, officer(s) or manager(s) for any activity indicating a lack of business integrity such as 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. Official records of removal from other federal, state or local programs.
- C. The applicant vendor shall not acquire a store location or entity that was sold or assigned as a result of transferring the ownership of a disqualified vendor's partners, members, owners, officers, directors, employees, relatives by blood or marriage, heirs or assigns. If it is later determined that failure to abide by this provision is evident, the vendor may be subject to civil liability, fines, and penalties.

## PEER GROUPS

Vendors are placed into peer groups (see below) based on the type and/or square footage of the store including storage areas and the number of stores in the chain.

Peer Group	Type	Description
1	SMALL	1,000 to 5,000 Square Feet
2	AVERAGE	5,001 to 10,000 Square Feet
3	MEDIUM	10,001 to 15,000 Square Feet
4	CHAIN	>15,001 Square Feet and 20 or more locations
5	MILITARY COMMISSARY	Located on Military Bases serving military personnel only
6	PHARMACY	Pharmacy – Redeem exempt and/or special infant formulas only, including medical foods. No contract formula, stated infant formula or other standard WIC foods are allowed for this peer group.
7	LARGE INDEPENDENT	>15,001 Square Feet and less than 20 locations
8	ABOVE 50% VENDORS	Authorized Vendors who are found to derive more than 50% of their annual food sales revenue from WIC food instruments as a result of food sales assessment.

## RESPONSIBILITIES AND PROCEDURES FOR SELECTED VENDOR TYPES

### Corporate Vendors

A business entity having two (2) or more stores operating under the same Federal Employer Identification Number (FEIN) and a corporate/home office or single owner/business entity that serves as the parent shall be classified as a corporate vendor. An authorized representative of the corporate office shall sign one agreement and list required information about each store on Corporate Attachment Form 3771A. Corporate vendors must send a representative(s) to the authorized training session and afterwards ensure that all training topics are provided to a management representative(s) in each store. The Corporate Training Checklist Form 3757A must be completed and returned to the Georgia WIC Program, documenting that training has occurred in each store. Signature of the store's management representative is required on this form.

To add a new store, the corporate vendor must first amend their agreement by submitting the Corporate Attachment Form 3771A that includes required information about the new location and a Corporate Vendor Training Checklist. The new store **shall not** begin to accept vouchers until a vendor stamp has been received.

The Corporate Attachment Form is an addendum to the Corporate Vendor Agreement. The attachment serves as verification that the location listed is the authorized location in which WIC vouchers are to be redeemed. Vendors are not permitted to redeem vouchers in a location other than the authorized location listed in the Vendor Agreement or Corporate Attachment. The location listed on the Corporate Attachment Form will correspond to the Vendor Number that has been assigned to it. Vouchers are allowed to be redeemed only at this location and are not to be redeemed at other store locations covered by Corporate Attachment Form or any other agreement, corporate or non-corporate.

### **Pharmacy Vendors**

Pharmacy vendors may redeem exempt and/or special infant formula only, including medical foods. No contract formula, contract infant formula listed on a standard voucher or other standard WIC foods listed on a voucher, are allowed for this peer group. Pharmacy vendors are exempt from maintaining minimum inventory requirements. Programmatic reports will be used to verify performance compliance, such as whether a pharmacy vendor is redeeming only exempt infant formula vouchers. If authorized pharmacy vendors wish to change their classification to allow for the redemption of all WIC approved foods, a new application must be submitted. **Note:** Pharmacy vendors shall not accept vouchers through the mail, nor mail any approved formula/medical foods directly to the WIC customer. Doing so will result in termination for cause, as allowed in §246.12(h) (3) (xvi).

### **Corporations**

New vendors who are incorporated in any form will be required to complete corporation information on the application including the name of their corporation and the name of their registered agent. Current vendors will be asked to retrieve a corporate information form from Georgia's WIC website, and complete and submit it State WIC office to update the vendor file. The form can be found at <http://health.state.ga.us/programs/wic/vendorinfo.asp>. Failure to submit any requested documentation will result in termination for cause for a period of one (1) year.

### **PROHIBITION AGAINST CERTAIN VENDORS - CONSOLIDATED APPROPRIATIONS ACT 2005**

A new for-profit vendor will not be authorized if that vendor is expected to derive more than 50 (fifty) percent of its annual food sales revenue from WIC food instruments, unless that vendor is necessary to assure participant access to program benefits at which time the vendor will be given the opportunity to become price competitive. Participant access is assured by the presence of an authorized WIC vendor within ten (10) miles of the vendor applicant. This includes a new store location for any ownership entity that currently has a WIC authorized store, as well as an entirely new vendor applicant. This provision does not apply to the reauthorization of a current store location operated by a currently authorized vendor. All vendors are required to submit food sales data upon request in order to monitor compliance with the above-50- percent criterion. If it is subsequently determined that a vendor **does** meet the above-50-percent criterion, they will be reassigned to Peer Group 8 – Above 50% Vendors.

### **VENDOR TRAINING**

Vendor training, including annual training, will be conducted to inform vendors of the appropriate program policies and procedures in one of the following formats: newsletters, videos, videoconferences, or interactive training sessions. All vendors must participate in training annually and at re-authorization periods. Authorization training must be completed with a score of eighty (80) points or above on the training evaluation or before a pre-approval visit will occur.

Vendors must register to attend training and must attend on the date they have elected. If the vendor is unable to attend training on the date selected, they must alert the Georgia WIC Program with the alternate date. For authorization training, vendors will be required to show a state issued picture ID before they will be admitted.

### **Authorization Training for Non Corporate Vendors**

The Georgia WIC Program will provide an initial authorized training session in an interactive format prior to, or at the time of authorization. Attendance at training will be documented, a checklist of items discussed will be signed and a Post Vendor Training Evaluation (multiple choice test) will be given. A passing score of eighty (80) points is required to become authorized. Applicant vendors can not attend an initial authorization training session until an application for authorization has been submitted and the vendor has registered to attend.

Attendance at a training session, prior to becoming an authorized vendor, does not grant the right to begin accepting WIC vouchers. Only a fully executed vendor agreement that is signed by both parties and the receipt of a vendor stamp constitutes authorization.

### **Authorization Training for Corporate Vendors**

A representative of the corporate vendor must initially complete the authorized training session and receive a passing score of eighty (80) points or above. After completing and passing the training session, a corporate vendor is allowed to conduct authorization training for: 1) existing authorized stores at the time of re-application and, 2) new unauthorized stores that will be added to an existing Vendor Agreement. Any corporate vendor must subsequently conduct authorization training for existing and new locations.

The corporate vendor shall submit documentation (Corporate Vendor Training Checklist) verifying that a management representative of each store has completed authorization training that includes the required training topics that are listed on the Corporate Vendor Training Checklist. **Note:** The corporate vendor has the option to allow any of their store representatives to attend the authorized training sessions conducted by Georgia's WIC. Please ensure that the designated corporate representative registers for training prior to attending the training session.

Corporate vendor training conducted prior to becoming an authorized vendor does not grant the right to begin accepting WIC vouchers. Only a fully executed vendor agreement that is signed by both parties and the receipt of the vendor stamp (for corporate vendors only) constitutes authorization.

### **Annual Training for Non Corporate Vendors**

The WIC Program will conduct training annually to all vendors regarding changes and updates to policies and procedures. Annual training may be conducted in a variety of formats including newsletters and addendums. Authorized vendors must document participation in annual training by the deadline specified. Failure to do so will result in termination of the Vendor Agreement by giving a twenty-one (21) day advance notice.

### **Annual Training – Corporate Vendors**

The WIC Program will conduct training annually to inform corporate vendors of changes and updates to policies and procedures. Annual training may be conducted in a variety of formats including newsletters and addendums. Corporate vendors must first document their participation in annual training by the deadline specified. In addition, the corporate vendor must ensure that each store listed in the current Vendor Agreement receives annual training by the deadline specified. Failure to provide documentation that each store participated in annual training will result in termination of the store(s), after a twenty (20) day notice.

### **Customized Training**

The Georgia WIC Program representatives may conduct training for employees of WIC vendors at their request. Training requests should be made in writing to the Georgia WIC Program, Vendor Management Unit, 2 Peachtree Street, Suite 10-476, Atlanta, Georgia, 30303. Please specify the desired training topic(s) and the type and number of employees who will attend. Georgia's WIC and the WIC vendor will mutually agree upon location and dates for the training.

### **WIC APPROVED FOODS**

The WIC Approved Foods listed on the WIC Vendor Management website and provided in training are foods that are available to the WIC customer. **ONLY these foods are allowed to be purchased by the participant or proxy presenting the WIC voucher.** Brand names and types of infant formula as well as special medical foods are too numerous to list on the chart. Instead, they will be printed directly on the front of the WIC voucher. **The WIC customer is allowed to purchase the brand, type and size of infant formula or medical food that is printed on the front of the voucher. Do not allow the WIC customer to purchase infant formula or medical food that is NOT listed on the voucher.** The vendor will receive an updated list of approved foods any time changes are made. Vendors will periodically receive pamphlets and posters of WIC approved food items that can be used as marketing displays or as training resource.

### **LIST OF INFANT FORMULA WHOLESALERS, DISTRIBUTORS, RETAILERS AND MANUFACTURERS**

All currently authorized WIC vendors **and** all stores applying for WIC authorization are required to purchase infant formula solely from a list of suppliers selected and approved by the Georgia WIC Program. The list is located at

[www.health.state.ga.us/programs/WIC/vendorinfo.asp](http://www.health.state.ga.us/programs/WIC/vendorinfo.asp). (Click on Approved Infant Formula Suppliers) Acrobat reader must be installed on the computer to view the list. If a supplier is not listed, a vendor is required to call 866-814-5468 or 404-657-2900 to inquire about adding them to the list. After the vendor has requested the addition, the vendor must ensure that the Georgia WIC Program has authorized the supplier, prior to purchasing any infant formula from that supplier. Records of the infant formula purchase must be maintained according to the terms of the WIC Vendor Agreement.

## NON WIC INVENTORY REQUIREMENT

All vendors are required to carry foods other than WIC approved foods. Pharmacies are exempt. These food items must consist of qualifying food items approved by SNAP in addition to the WIC minimum inventory and WIC-approved foods. Foods are defined as foods that are intended for home preparation and consumption and include meat, fish, and poultry bread and cereal products dairy products fruits and vegetables. Items such as condiments and spices, coffee, tea, cocoa, carbonated and noncarbonated beverages are included in food sales only when offered for sale along with foods in the four primary categories. Non-food items, alcoholic beverages, hot foods, or food that will be eaten on the store premises are not considered a part of USDA's definition of food.

At least one hundred (100) items in each of the following categories must be in stock at all times.

Non-WIC Inventory Requirement		
Food Item	Type	Minimum in each category
<b>Meats, Poultry and/or Seafood</b> ( <i>refrigerated</i> )	NON-WIC	100
<b>Breads and Cereal Products</b>	NON-WIC	100
<b>Dairy</b> ( <i>e.g. milk, cheese, yogurt, etc.</i> )	NON-WIC	100
<b>Shelf Staples</b> ( <i>e.g. flour, sugar, pasta, pudding mix, etc.</i> )	NON-WIC	100
<b>Cans, Jars, Bottled Goods</b> ( <i>e.g. mayo, ketchup, relish, etc.</i> )	NON-WIC	100
<b>Beverages</b> ( <i>e.g. soda, water, powdered drinks, etc.</i> )	NON-WIC	100
<b>Snack Foods</b> ( <i>e.g. crackers, granola bars, etc.</i> )	NON-WIC	100

## MINIMUM INVENTORY REQUIREMENTS

The WIC customer may receive vouchers for specific kinds of highly nutritious foods. Vendors are **REQUIRED** to maintain in stock, a minimum variety and quantity of the WIC foods below. Pharmacies are exempt.

Georgia WIC Program Minimum Inventory Requirements Effective October 1, 2010				
Food Item	Types/Brands	Size	Minimum Inventory	<input checked="" type="checkbox"/>
MILK <b>Least Expensive Brand of type selected/allowed</b>	Whole Milk	Gallon	8 Gallons	<input type="checkbox"/>
	Fat free/Skim, Low-fat (1%), Reduced Fat (2%) Milk	Gallon	12 Gallons (Can be Combined)	<input type="checkbox"/>
	Dry Powdered Milk or Evaporated Milk	Makes 3 quarts	3 Boxes	<input type="checkbox"/>
12 oz. can		12 cans	<input type="checkbox"/>	
CHEESE <b>Least Expensive Brand of type selected/allowed</b>	One pound package	16 oz. (1 pound)	8 – 1 lb. packages	<input type="checkbox"/>
EGGS <b>Least Expensive Brand</b>	Grade A Large	1 Dozen Carton	8 – 1 Dozen	<input type="checkbox"/>
PEANUT BUTTER	Any brand Creamy, Crunchy, or Extra Crunchy (Regular or Low-salt)	16 to 18 oz.	6 – 16 to 18 oz. Containers – 2 types	<input type="checkbox"/>
BEANS / PEAS / LENTILS	Dried Beans / Peas / Lentils	1 pound packages	5 Packages - 2 types	<input type="checkbox"/>
	Canned Beans / Peas / Lentils	14 to 16 oz. cans	18 Cans - 2 types	<input type="checkbox"/>

**Georgia WIC Program  
Minimum Inventory Requirements  
Effective October 1 , 2010**

Food Item	Types/Brands	Size	Minimum Inventory	<input checked="" type="checkbox"/>
JUICE	Ready to Serve Container	46 to 48 oz.	12 Containers - 2 types	<input type="checkbox"/>
	Ready to Serve Container	64 oz.	12 Containers - 2 types	<input type="checkbox"/>
WHOLE GRAIN-BREAD	Whole Grain Bread	16 oz. loaf	6 Loaves	<input type="checkbox"/>
CEREAL – Whole Grain	WIC Approved Cereal Brands and Types <i>(see WIC Approved Foods List)</i>	11 to 36 oz.	24 Boxes - 4 types, 2 must be whole grain	<input type="checkbox"/>
FISH Least Expensive of type selected	Tuna	5 oz. Can	18 Cans Combined	<input type="checkbox"/>
	Pink Salmon	7.5 oz. or 14.75 oz.		
INFANT FORMULA	<b>Milk Based</b> Gerber Good Start Gentle PLUS	13 oz. Concentrate	Milk Based - 30	<input type="checkbox"/>
	<b>Soy Based</b> Gerber Good Start Soy Plus		Soy Based - 20	<input type="checkbox"/>
	<b>Milk Based</b> Gerber Good Start Gentle PLUS	12 oz. Powder	Milk Based - 50	<input type="checkbox"/>
	<b>Soy Based</b> Gerber Good Start Soy Plus	12.9 oz Powder	Soy Based - 20	<input type="checkbox"/>
INFANT CEREAL	Dry Cereal	8 oz. box	12 Boxes - 2 types, 1 must be rice	<input type="checkbox"/>
INFANT FRUIT & VEGETABLES	Fruit and /or Vegetable	4 oz. Jars	96 Jars Combined	<input type="checkbox"/>
INFANT MEATS	Meats in Gravy	2.5 oz. Jars	31 Meat	<input type="checkbox"/>
FRUITS & VEGETABLES	Fruits	10 Pounds Combined	4 types fresh	<input type="checkbox"/>
	Vegetables	10 Pounds Combined	4 types fresh	<input type="checkbox"/>

An on-site inventory audit of the above mentioned food items (WIC-approved and non-WIC) is a component to the pre-approval and routine monitoring visit.


### THE WIC VOUCHER

The WIC voucher is similar to a check. A vendor must accept all valid vouchers, with the exception of a pharmacy vendor, who may redeem exempt and/or special infant formula only, including medical foods (no contract formula, stated infant formula or other standard WIC foods are allowed for this peer group). The vendor shall not accept altered vouchers.

When vouchers are properly redeemed, the vendor will receive credit for the amount of purchase by depositing the voucher into the vendor's bank.

Vouchers are not transferable and must only be redeemed with the WIC vendor stamp that corresponds to the location listed on the Vendor Agreement or Corporate Attachment Form. Vendors who violate this mandate will be subject to mandatory and State agency sanctions. They are also liable to prosecution under Federal, State or local laws. Those vendors who have willfully, misapplied, stolen or fraudulently obtained WIC funds are subject to fines and imprisonment. §Section 246.12(h) (3) (xx). Vendors who redeem vouchers in locations other than that listed on the front of the Vendor Agreement are subject to criminal prosecution. Fraudulent redemptions equaling \$100 (one hundred) dollars or more will be subject to fines not to exceed \$25,000 (twenty-five thousand) dollars or imprisonment for not more than five (5) years, or both. Fraudulent redemptions less than \$100 (one hundred)



DIST / UNIT / CLINIC		WIC ID NUMBER		PARTICIPANT NAME		RSN	VOUCHER NO.	ISSUED BY
 <b>GEORGIA WIC PROGRAM</b> PAY TO THE ORDER OF ANY AUTHORIZED GEORGIA WIC VENDOR <small>FOR THESE ITEMS / QUANTITIES ONLY — NO SUBSTITUTIONS</small>							FIRST DAY TO USE	
							LAST DAY TO USE	
CPA FOOD PACKAGE CODE		FOOD PACKAGE CODE		VOUCHER CODE		VENDOR MUST DEPOSIT BY		
FORMULA		INFANT FOODS		FRUITS AND VEGETABLES				
Name		INFANT CEREAL	oz infant	Fresh, frozen, or canned. No potatoes except sweet potatoes or yams. No products with added sugar, seasoning, fats, or oils. No creamed vegetables. No stewed or diced tomatoes.				
Form (circle one)	Powder Concentrate Ready To Feed	INFANT FRUITS AND VEGETABLES	4 oz jars	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Not to exceed \$15.00				PAY EXACTLY DOLLARS    CENTS <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
CONTAINER SIZE		INFANT MEATS	2.5 oz jars					
NUMBER OF CONTAINERS		NOTE: If using as a fruit and vegetable voucher then do not issue formula and/or infant foods.						NOT NEGOTIABLE WITHOUT WIC VENDOR STAMP HERE
SIGN HERE AT WIC OFFICE				SIGN HERE AT GROCERY STORE				
UNITED COMMUNITY BANK 04-1998-611								

#000000000# :061119684:2072106621#

**Computer Generated Vouchers:** All information on voucher is computer printed.

DISTRICT / UNIT / CLINIC		WIC ID NO.			C	P	PARTICIPANT		FIRST DAY TO USE	07-01-02
01 1 008		008	679	543	2	6	Wicperson, Jane		LAST DAY TO USE	07-31-02
<b>GEORGIA WIC PROGRAM</b> PAY TO THE ORDER OF ANY AUTHORIZED GEORGIA WIC VENDOR <small>FOR THESE ITEMS / QUANTITIES ONLY — NO SUBSTITUTIONS</small>							VOUCHER NO.		VENDOR MUST DEPOSIT BY	08-30-02
							24612297			
FOOD PACKAGE CODE 404		VOUCHER CODE 028				PAY EXACTLY DOLLARS    CENTS <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		NOT NEGOTIABLE WITHOUT WIC VENDOR STAMP HERE		
MILK: 1 GAL OR 4-12 OZ CNS EVAP OR 1-5 QT BOX		EGGS: 1 DOZEN		JUICE: 2-12 OZ CANS FROZEN OR 2-46 OZ CANS OR 2-11.5 OZ CANS POURABLE		YOUR BABY NEEDS SHOTS AT 2 MONTHS, 4 MONTHS, 6 MONTHS, 15 MONTHS, & 5 YEARS		IMPROPER USE OF THIS VOUCHER IS SUBJECT TO STATE AND FEDERAL PROSECUTION		
VOID VOID VOID VOID							SIGN HERE AT GROCERY STORE			

#246122973# :061119684:2503142#

Rev. 9-2006 12/96

## CASH VALUE/FRUIT AND VEGETABLE VOUCHERS (FVV)

DIST/UNIT/CLINIC 10 0 007	WIC ID NO. 007 001 834	C 6	P 2	PARTICIPANT Test Child		VOUCHER NO. 14598112	ISSUED BY EEE
United Community Bank 06-1119-684 <b>GEORGIA WIC PROGRAM</b> PAY TO THE ORDER OF ANY AUTHORIZED GEORGIA WIC VENDOR FOR THESE ITEMS/QUANTITIES ONLY - WIC APPROVED FOODS ONLY - NO SUBSTITUTIONS				NOT NEGOTIABLE WITHOUT WIC VENDOR STAMP HERE		FIRST DAY TO USE 10/20/2009	LAST DAY TO USE 11/20/2009
CPA FPC C21 PRODUCE:				FPC C21 VC P03		VENDOR MUST DEPOSIT WITHIN 60 DAYS OF FIRST DAY TO USE	
\$6 for fresh, frozen, or canned fruit and vegetables				PAY EXACTLY		DOLLARS	CENTS
No potatoes - except for sweet potatoes or yams. No products with added sugar, seasonings, fat, or oils. No creamed vegetables. No stewed or diced tomatoes.				PARTICIPANT/GUARDIAN/PROXY SIGNATURE		rev. 7-2009	
IMPROPER USE OF THIS VOUCHER IS SUBJECT TO STATE AND FEDERAL PROSECUTION							

⑈ 145981125⑈ ⑆061119684⑆ 2072106621⑈

The Georgia WIC Program has implemented new WIC food packages in October 2009. Women and children are issued a Cash Value/Fruit and Vegetable Voucher (FVV) for fruits and vegetables.

- A Cash Value / Fruit and Vegetable Voucher (FVV) will be used to purchase approved fresh, frozen, and canned fruits and vegetables.
- FVV's have a maximum amount listed (\$6, \$8, \$10 or \$15).
- The WIC participant will be allowed to pay the difference when the cost of their produce exceeds the price stated on the FVV. In the past WIC transactions did not include any exchange of money other than the WIC voucher.
- The difference over the FVV maximum would be subject to tax, when applicable. The WIC participant would need to pay the difference plus the applicable sales tax.
- You may need to adjust your current procedures to allow for WIC clients to use payment methods such as Food Stamps EBT cards, cash, credit cards, or debit cards to complete the Cash Value / Fruit and Vegetable Voucher transaction.

## PROCESSING WIC VOUCHERS

The vendor's bank should be informed that vouchers are negotiable instruments that must be processed through the Federal Reserve Bank. The Georgia WIC Program will provide each vendor a stamp that is embossed with a unique WIC identification number. All vouchers accepted by the vendor must be stamped with this number in preparation for a bank deposit. Lost, stolen or damaged stamps must be reported to the WIC Branch immediately. **DO NOT REPRODUCE THE VENDOR STAMP.** Vouchers stamped with an unauthorized stamp will not be paid.

### Payment will be assured if:

- Voucher(s) are accepted on the "First Day to Use" date through the "Last Day to Use" date.
- An authorized WIC vendor stamp appears on the voucher.
- Deposited within sixty (60) days of the "First Day to Use" date.
- The amount of purchase is entered in the "PAY EXACTLY SPACE", in ink.
- A signature is obtained, in ink, at the time of purchase after the amount has been placed on the voucher.

### WIC Customer Transactions at the Store

WIC participants, parents, caretakers and/or proxies (WIC Customer) redeem WIC vouchers at authorized vendor locations. WIC customers are required to take the WIC ID folder upon each visit to the store. Vendors must

request the WIC customer to present the WIC ID folder at the time of the transaction. WIC vendors shall **not** request any other form of identification from WIC customers in order to transact a WIC voucher(s).

WIC foods should be separated from other food purchases prior to the WIC transaction. When approved supplemental food is being purchased with a WIC voucher, the cashier must complete each voucher separately and do the following:

1. Check the participant's WIC ID card (folder). The WIC Customer must be listed on the ID card (folder).
2. For vouchers that contain two signature boxes, check to see if the "*Sign here at WIC office*" signature box contains a signature.
3. Check the dates on the voucher. Vouchers cannot be used before the "First Day to Use" or after the "Last Day to Use" dates.
4. Ring up the current shelf price of the food for each voucher. Make sure that the exact types and amounts of approved WIC foods are being purchased.
5. Print in ink the amount of the WIC purchase, in the "Pay Exactly" space on the voucher in the presence of the WIC customer. Complete this step for one voucher prior to moving on to the next voucher.
6. Credit must not be given to WIC customers in exchange for WIC vouchers.
7. If the cashier makes a mistake entering the price on the voucher, the incorrect price should be marked through and the correct price written above the error. The cashier must initial the correction as verification.
8. If the cash registers do not automatically imprint "WIC" on the receipt, cashiers must write "WIC" vertically on all receipts for food purchased with WIC vouchers.

## **PROCESSING THE CASH VALUE/FRUIT AND VEGETABLE VOUCHER**

1. Check the participant's WIC ID card (folder). The WIC Customer must be listed on the ID card (folder)
2. For vouchers that contain two signature boxes, check to see if the "*Sign here at WIC office*" signature box contains a signature.
3. Check the date on the face of the voucher. FVV can not be used before the "First Day to Use" date nor after the "Last day to Use" date.
4. Check the food items. Must be fruits and vegetable that can not be purchased with the regular WIC Voucher.
5. Check the value of the voucher. Voucher amounts will be in \$6, \$8, \$1 or \$15 amounts.
6. Ring up price of the purchase
7. Write the price of the purchase in the pay exactly space in the presence of the WIC Customer
8. Obtain a signature or the WIC Customer.
9. Include tax for the amount over the maximum on the face of the voucher. This amount is not a part of the WIC transaction.
10. Give change for any amount over the face of the voucher. This is not a part of the WIC transaction.

**NOTE-** If the amount of the Cash Value Fruit and Vegetable Voucher (FVV) is less than the maximum amount on the face of the voucher, do not give change and do not charge sales tax. If the price of the purchase is over the amount on the face of the FVV, charge the maximum amount of the purchase to the FVV. Your store will be responsible for any difference over the maximum amount of the FVV. Tax can be charged for the amount over the maximum on the face of the voucher. The Participant can pay the amount over the maximum in cash, credit, debit, EBT, or check. Change can be given for cash payment for any difference over the amount of the maximum for the FVV. That amount is not a part of the WIC transaction.

### **Payment will be assured if:**

- Cash Value/Fruit and Vegetable Voucher(s) (FVV) are accepted on the "First Day to Use" date through the "Last Day to Use" date.
- An authorized WIC vendor stamp appears on the voucher.
- Deposited within sixty (60) days of the "First Day to Use" date.
- The amount of purchase is entered in the "PAY EXACTLY SPACE", in ink
- .A signature is obtained, in ink, at the time of purchase after the amount has been place on the voucher.

1. For FVV's that contain two signature boxes, check to see if the "Sign here at WIC office" signature box contains a signature.
2. Check the dates on the cash voucher. FVV's cannot be used before the "First Day to Use" or after the "Last Day to Use" dates.
3. Weigh the fruit or vegetables and/or ring up the current shelf price of the food for each item chosen. Make sure that the exact types of approved WIC foods (fruits and vegetable) are being purchased.
4. If the purchase amount is over the max price listed on the face of the voucher, the participant may pay cash, credit or EBT for the amount over the max price on the cash value voucher.
5. Remember to include sales tax for the difference over the amount on the face of the voucher.
6. Print in ink the amount of the WIC purchase, in the "Pay Exactly" space on the cash value voucher in the presence of the WIC customer. Complete this step for one cash value voucher prior to moving on to the next cash value voucher.
7. The vendor is permitted to give the participant change for the cash paid for any amount over the max price on the voucher. Change is not permitted for purchase under the amount of the max price listed on the face of the cash value voucher.
8. Credit must not be given to WIC customers in exchange for WIC vouchers.
9. If the cashier makes a mistake entering the price on the cash value voucher, the incorrect price should be marked through and the correct price written above the error. The cashier must initial the correction as verification.
10. If the cash registers do not automatically imprint "WIC" on the receipt, cashiers must write "WIC" vertically on all receipts for food purchased with WIC vouchers.
  - The vendor must only provide the supplemental food items listed on the cash value voucher
  - The voucher must be signed in the presence of the cashier
  - If any errors are made, mark through the error and write the correct price above it and have the cashier initial the correction
  - The vendor must not issue change to a WIC customer for purchases less than the total value of a cash value voucher
  - The WIC Customer may use his/her own funds for purchases in excess of the monetary limit for his/her cash value voucher.

## **Important notes about the WIC Customer for Cashiers and Store Managers**

### **The WIC customer:**

1. Must sign the voucher at the time of purchase.
2. May not use a WIC voucher to purchase items not listed on the voucher.
3. Must never be required to pay cash for items purchased except for items purchased with the cash value voucher.
4. Must be allowed to purchase all foods listed on the food or FVV, regardless of price.
5. Must be afforded the same courtesy given to other store customers.
6. Must be permitted to purchase eligible food items without making other purchases.
7. Must be charged the same shelf prices as other customers.
8. Must not be charged sales tax.
9. Must be reported to the Georgia WIC Program immediately if they attempt to purchase foods that are not approved or create other problems in the store.
10. Must not be required to purchase every item on the voucher.
11. May not be contacted regarding restitution, payment or to obtain a missing signature.

### **More Important Notes**

1. WIC approved foods purchased with a WIC voucher cannot be returned for a cash refund.
2. WIC vouchers must not be accepted from other states.
3. If a manager is called to approve a WIC voucher transaction, it is imperative that the customer is not identified as a WIC participant, parent, caretaker and/or proxy. Every effort must be made to protect confidentiality and discussion of the transaction should be kept at a conversational level.
4. Separate checkout lines for the WIC customer are prohibited. Signs such as "WIC vouchers not allowed in this line" or "No Checks-No WIC" cannot be displayed since they are considered discriminatory. However, vendors who wish to ensure that the WIC customer does not enter certain lines, such as express lines, may post "Cash Only" signs in those lines.

5. Every store must check the customer's WIC identification card for the proper WIC ID number and authorized signature(s). WIC customers have been instructed about the importance of carrying the WIC ID card to the grocery store when using WIC vouchers.
6. Vendors with self-check out lines must take appropriate steps to verify that the items purchased are WIC-approved foods and in the appropriate sizes.
7. Whenever vouchers are lost or stolen from a WIC health facility, the Georgia WIC Program will notify area vendors that a stop payment has been placed on the vouchers. Vendors will be provided the voucher numbers and informed not to accept the vouchers for redemption. These vouchers will not be paid.
8. The vendor must not provide refunds or permit exchanges for authorized supplemental foods obtained with food vouchers or cash value vouchers except for exchanges of the same brand and size of authorized supplemental food item when the original authorized supplemental food item is defective, recalled, spoiled, or has exceeded its "sell by" or "best if used by," or other date limiting the sale or use of the food item.
9. The WIC customer must be allowed to participate in both in-store and/or manufacturer promotions that include WIC approved food items. This includes buy one get one or more free promotions.
10. The WIC authorized vendor, its paid or unpaid owners, officers, managers, agents and employees shall not conduct any conflict of interest activities or similar acts, as determined by the Georgia WIC Program, with the WIC participant, proxy, or caretaker. This includes, but not limited to, instances where an authorized WIC vendor acts as a proxy on behalf of the WIC participant.
11. The vendor is not permitted to provide transportation for the WIC customer to or from the vendor's premises.
12. The vendor is not permitted to deliver WIC approved foods to the WIC customer's residence.
13. The vendor shall not obtain items purchased by the participant nor shall they inquire about obtaining food items that are not purchased by the participant via the WIC Food Instrument.
14. The vendor must not provide unauthorized food or non-food items, cash, credit (including rain checks) in exchange for food and cash value vouchers.
15. The Georgia WIC Program will review food vouchers and cash value vouchers submitted for redemption to ensure compliance with price limitations and to detect suspected vendor overcharges and other errors.
16. Georgia WIC Program may require reimbursement for the full price of the food voucher or the cash value voucher that contains a vendor overcharge or other error detected as a result of compliance investigations, food instruments or cash values voucher reviews, or other reviews or investigations of a vendor's operations.

### **Returned Voucher Payment Procedure**

**All** authorized vendors are required to enroll in the Automated Clearing House (ACH) for payment of vouchers that exceed the maximum allowable price. At the time of authorization the ACH Enrollment Form is sent with the Vendor Stamp. **The form must be completed and submitted immediately to the address indicated on the form.** Applicants will have 3 (three) business days from the date of authorization to apply to the Automatic Clearing House for voucher payment. Failure to apply within the allotted timeframe will result in a one (1) year termination for cause for non-submission of requested documentation.

Payment will be posted to the vendor's bank account **immediately**. There will be no need to submit the voucher along with the Returned Voucher Payment Log (RVPL) to the State WIC office, nor will there be any delay in payment. Please note that ACH payments will apply **only** to vouchers that are rejected for exceeding the maximum allowable price. Vendors will be able to view their ACH statements on-line at any time on the WIC Banking website: [www.wicbanking.com](http://www.wicbanking.com) by entering their personal User ID and Password.

- User ID and Passwords will be provided by the WIC Program once the ACH enrollment form has been completed and forwarded to the WIC data processing contractor indicated on the form. Users are urged to change their password when entering the system for the first time. Assistance with changing passwords may be obtained from the State WIC office, Systems Information Unit at 404-657-2900 or toll free at 1-800-228-9173.
- If the purchase price on a voucher exceeds the maximum allowable price, it will be returned from the bank and stamped "Amount Exceeds Limit – Paid via ACH – Do Not Resubmit". The voucher will be paid at a rate equal to the **average redeemed price for that voucher code for the vendor's peer group**.
- If a voucher(s) is returned from the bank, submit the returned voucher(s) to the Georgia WIC Program attached to a fully completed RVPL for payment consideration. Vouchers mailed in without the RVPL will be returned unprocessed.

- If it is a vendor's **first** time submitting vouchers via RVPL, a completed W-9 Form must be included when the vouchers are mailed in. Voucher(s) sent in without a W-9 Form cannot be paid. A W-9 form is an Internal Revenue Service document that collects taxpayer identification number and certification. A copy of the W-9 Form can be found on the last page of this handbook.
- Vendors must attach a proof of purchase (receipt) for each exempt **infant formula and special medical food** voucher submitted. Vouchers that are mailed without the required receipt will be returned unprocessed.
  - The vendor should retain the last copy of the RVPL for their records.
  - If a voucher(s) is approved for payment, a copy of the RVPL, along with the payment is forwarded to the vendor. Price adjustments may be made in the amount that the vendor will be paid.
  - If a voucher(s) is denied, a copy of the RVPL and the original voucher(s) is returned to the vendor with an explanation for the denial.
  - Voucher(s) returned by the vendor's bank stamped "stale date", "post date" "altered" or "signature missing **will not be paid.**

## **ANNUAL REDEMPTION ASSESSMENT**

Redemption data on all Vendors will be reviewed on an annual basis. Any vendor with less than \$2000 (two thousand dollars) in annual WIC redemption will be terminated from the program for a period of one (1) year.

## **USDA's RULE ON VENDOR COST CONTAINMENT**

The dollar amount that a store will be paid for each WIC voucher will be calculated pursuant to the terms and conditions prescribed by and approved by USDA. (See USDA website at <http://www.fns.usda.gov/wic/regspublished/vendorccinterim.pdf>) Vouchers that are deposited in the vendor's bank, that contain a dollar amount in the "pay exactly box" that exceeds the statewide and/or peer group Maximum Allowable Reimbursement Level (MARLS) will continue to be returned by the bank.

By June 30<sup>th</sup> of each year, the Georgia WIC Program will assess each vendor to determine if they derive more than fifty (50) percent of their food revenue from WIC food instruments annually and new vendors six (6) months after enrollment.

The State WIC Program implemented a methodology that uses redemption data to determine the Maximum Allowable Reimbursement Levels (MARL) for vouchers redeemed monthly.

The State WIC Program implemented new food vouchers and packages for some of the special formulas with corresponding MARL.

The WIC vendor agreement reads as follows:

To accept an adjustment in the amount written in the pay exactly box of the WIC voucher. The amount to be paid will be based upon the average voucher redemption which will be based on the average redemption for all comparable stores in the same peer group and/or the statewide average for a given time period."

## **The Vendor Stamp**

- Lost, stolen or damaged stamps must be reported to the WIC Program immediately.
- Do not reproduce the vendor stamp.
- If the inkp pad dries out, it is the vendor's responsibility to replenish the removable pad. Use only black liquid ink that is specifically designed for stamping mechanisms.
- The vendor stamp is not transferable to another location or individual.

## **CHANGES IN VENDOR INFORMATION**

Changes to the information provided on the vendor application must be communicated to the Georgia WIC Program. This information will be used to update files as necessary. The Georgia WIC Program requires the vendor to provide a twenty one (21) day advance written notification of any changes in ownership, store location or cessation of operations.

### **Changes in Store Location or Information**

The vendor must provide the Georgia WIC Program with at least twenty-one (21) days advance notification of any changes in location or information including, but not limited to, name of store. Each store is authorized based on the ownership and street address that exists at the time of authorization and is not transferable to another location. Therefore, if a change in location is ten (10) miles or more from the original store location, the vendor must complete and submit an updated application (non corporate vendor) or corporate attachment form (corporate vendor) **and** sign a new agreement. If the change in location is less than ten (10) miles from the original store location, the vendor must only complete and submit an updated application or corporate attachment form.

### **Changes in Ownership and Cessation of Operation**

The vendor must submit a notice to the Georgia WIC Program within twenty-one (21) days of any change in ownership or cessation of business (closure) and the effective date. The Georgia WIC Program will acknowledge the receipt of this information. Upon the effective date, the vendor authorization number will be terminated. Any vouchers submitted for payment after the effective date will be returned unpaid. If the vendor wishes to change the effective date, a written notification is required. Otherwise, the vendor authorization number will be terminated, as originally confirmed. Once termination occurs, a vendor must submit a new application and meet all current selection criteria. New owners must submit an application, since WIC vendor agreements are not transferable.

Should the Georgia WIC Program discover that a change in ownership has already occurred, the vendor authorization number will be immediately terminated. All vouchers submitted for payment will be returned unpaid.

Upon the sale of the store, the authorized WIC vendor should inform the new owner that the Georgia WIC Vendor Agreement is non-transferable and that the new owner must submit an application to obtain authorization.

If a Georgia WIC vendor is disqualified from the Georgia WIC Program, the vendor shall not continue operating as a Georgia WIC vendor by selling, assigning or otherwise transferring ownership to the vendor's partners, members, owners, officers, directors, employees, relatives by blood or marriage, heirs or assigns. Failure to abide by this provision may subject vendor to civil liability, fines, and penalties.

### **Changes in Prices**

Each vendor is required to submit the shelf prices for WIC food items carried in each store. The WIC Program collects mandatory shelf prices twice a year in February and November. Should an authorized Georgia WIC vendor change prices subsequent to authorization, the vendor is requested to inform Georgia WIC of such changes within 48 (forty-eight) hours of implementing the new prices. The vendor should make the changes on the following website: <https://sendss.state.ga.us/wicpricing>. To access the database, please use the last password given in February or August. In the event the vendor fails to update Georgia WIC of such changes, WIC may rely on the latest submission of shelf prices by the vendor in determining its current shelf prices. Collection of shelf prices is neither approval nor denial by Georgia WIC of the actual shelf prices that the vendor charges WIC participants.

## **PERFORMANCE COMPLIANCE**

A vendor, with the exception of a military commissary vendor, is subject to compliance performance activities. Any violations that are found may result in sanctions (See Sanction System). Compliance with the Georgia WIC Program policies and procedures is determined using the following methods:

- 1) Covert (undercover) compliance investigations (military commissary exempt)
- 2) Overt unannounced monitoring visits (military commissary exempt)
- 3) Inventory audits (military commissary exempt)
- 4) Research of programmatic reports and database

### **Covert Compliance Investigation**

During an investigation, if a violation is found that requires a pattern of violative incidences, the vendor may receive a courtesy notice informing them of the violation. Vouchers received during the covert investigation must be cashed in order to qualify for the courtesy notice of any violation. Vendors who receive notices will be given an

opportunity to correct the behavior causing the violation, including training of any personnel involved in WIC transactions. The courtesy notice may include sanctions for violations that occurred which do not require a pattern (see Categories I, II, III under Sanctions). The vendor will be notified if a subsequent violation occurs and will be sanctioned accordingly.

Vendors will not receive prior notice when an investigation has been scheduled. A vendor will not be advised of any violation(s) that is discovered while the investigation is ongoing unless a violation requiring a pattern occurs (a violation is considered a pattern if it occurs twice during a covert compliance investigation). In this instance, prior to documenting a second violation, the vendor will receive written notice unless the Georgia WIC Program determines that notifying the vendor would compromise the investigation. A covert compliance investigation is considered compromised if:

1. Vendor status is considered high-risk consistent with § 246.12(j) (3) of the WIC Federal regulations.
2. Violation(s) outlined in category VI, and category VII of the Georgia WIC Vendor Sanction System for which no pattern is required.
3. The WIC Program became aware of violations taking place during the course of an on-going investigation, during which time other vendors were found to be in violations of WIC regulations, prompting further investigation.
4. WIC program received complaint(s) against vendor.
5. WIC investigator's identity may be in jeopardy.
6. Threatening conduct or security factors that may occur during the course of a covert/compliance investigation.
7. Covert sting operation by WIC, or in conjunction with other local, State or Federal agencies.
8. More than one (1) violation occurred during the initial compliance visit.

Vendors will receive notification of all results including violations **after** the investigation is considered closed by the WIC Program representatives.

Vendors will be identified for covert compliance investigations via:

1. Research of programmatic reports and vendor database, including but not limited to the Vendor Score section of the Vendor Profile report
2. Vendors who have been reported for potentially violating program policies
3. Random selection

### **Overt Monitoring**

Representatives of the federal or state agencies may conduct unannounced overt monitoring visits any time that the store is open for business. All records pertinent to this monitoring visit must be available for review by the representative of the agency upon request.

### **Audits**

The Georgia WIC Program may conduct record audits on any vendor at any time. On-site inventory audits will be conducted on vendors that have been investigated with no adverse action and/if the state WIC Program has received a complaint. Inventory audits will include the examination of food invoices or other proofs of purchase to determine whether a vendor has purchased sufficient quantities of supplemental foods to provide participants, parents, caretakers and/or proxies the quantities specified on food vouchers redeemed by the vendor during a given period of time. During an audit, the vendor must supply the WIC representative or designee with documentation of pertinent records upon request. Vendors must retain copies of all invoices relating to the purchase of WIC food items for a period of three (3) years, plus current year.

### **Programmatic Reports and Database**

The WIC Program will research/collect data from specific programmatic reports or databases to identify vendors who may be out of compliance.

If a vendor is out of compliance because of overpricing based on a programmatic report, notification will be given to provide an opportunity to reimburse the Georgia WIC program for the excess amount. Failure to repay will result in a program sanction(s) (see "Sanction System").

Programmatic reports will also be generated to determine if a pharmacy vendor is accepting voucher(s) other than those for exempt and/or special infant formulas, including medical foods (no contract formula, stated infant

formula or other standard WIC foods are allowed for this peer group). Failure to comply shall result in a WIC sanction.

Programmatic reports, such as the Vendor Profile report will be generated also. If a vendor's score causes a flag in any category, the vendor will be considered high risk and may receive a covert compliance investigation.

## **HIGH RISK IDENTIFICATION**

There are seven (7) indicators and scores that will identify a vendor as high risk.

- A** = 70 or higher (small amount of price variation)
- B** = 70 or higher (large % of food instruments redeemed at same price)
- E1** = 50 or higher (large percent of High Priced Food Instruments Peer Average)
- E2** = 50 or higher (large percent of High Priced Food Instruments Flagged vouchers)
- E3** = 50 or higher (large percent of High Priced Food Instruments Vendor Deviation)
- H** = 7 or higher (vendor has large % of total area redemption)
- M** = 40 or higher (large % of participants outside vendor area)

Vendors found to be high risk may receive notice indicating why they qualify as high risk, including a list of vendor violations that commonly occur during the course of an investigation.

## **TERMINATION, TERMINATION FOR CAUSE, AND THE SANCTION SYSTEM**

### **Termination**

Termination is the ending, by either party, of the agreement between the Georgia WIC Program and the authorized vendor. Vendors will receive twenty (20) calendar days' notice prior to a termination or disqualification. The vendor must deposit or submit any outstanding vouchers for payment consideration by 2:00 p.m. on the tenth day of the notice period. At the end of the twenty (20) day notification period, the vendor must discontinue use of the WIC stamp and return the stamp to the Georgia WIC office. The termination period will begin at the time specified on the termination or disqualification letter regardless of a request for an administrative hearing. Vouchers submitted after the twenty (20)-day period has passed will not be paid. Reasons for termination, by either party, may include but are not limited to:

- 1) Voluntary withdrawal from the WIC program.
- 2) The decision to sell the store.
- 3) Failure to notify the Georgia WIC Program of a change in ownership.
- 4) Expiration of the agreement without a new application being submitted.
- 5) SNAP Disqualification or Civil Money Penalty imposed by SNAP in lieu of disqualification.
- 6) Georgia WIC Program disqualification.
- 7) Failure to participate in and submit documentation of participation in Annual Vendor Training.

At the end of the termination period, you will not be automatically re-instated. You will have to re-apply. You may re-apply anytime after the end of your termination period. You must complete the application process in its entirety. Applications are not accepted between August 1 and September 30 of each year. Any application received during this time will be denied and returned to the vendor for re-submission after October 1.

### **Termination for Cause**

**Vendors will be terminated for cause for a period of one (1) year following one (1) violation for any of the following reasons:**

1. Use of the WIC acronym or WIC logo, including close facsimiles thereof, in total or in part, either in the official name in which the vendor is registered or in the name under which it does business, if different.
2. Pharmacy vendors shall not accept vouchers through the mail, nor mail any approved formula/medical foods directly to the WIC customer.
3. Failure to complete and submit documentation for annual training by the deadline specified by the Georgia WIC Program.

4. Failure to inform the Georgia WIC Program of a change in ownership or cessation of operation within at least twenty-one (21) days of change and the effective date. (Pertaining to but not limited to name changes, corporate structure, sell or transfer, change of location etc.)
5. Termination for cause, including but not limited to the violation of any federal regulation or terms of the WIC Vendor Agreement not otherwise covered by the sanction system.
6. Failure to submit or return requested documentation or information by any stated deadline.
7. Determination that SNAP license is invalid or not current.

## Sanctions

Any authorized WIC vendor found to be in violation of federal regulations and/or Georgia WIC Program policy will be assessed a sanction consistent with the severity and nature of the violation. Vendor violations means any intentional or unintentional action of a vendor's current owners, officers, managers, agents or paid or unpaid employees (with or without the knowledge of management) that violates the WIC Vendor Agreement or Federal or State statutes, regulations, policies or procedures governing the Program. Sanctions may include a warning letter, probation, disqualification or a civil money penalty. There are two types of sanctions, State agency and mandatory. State agency sanctions are established by WIC Program representatives and have obtained approval from United States Department of Agriculture (USDA) prior to implementation. Mandatory sanctions are established by USDA. Implementation is required and cannot be omitted from the sanction system. Both State agency and mandatory sanctions must be enforced when violations exist.

Violations are categorized by the nature and severity of the violation and shall determine which sanction will be assessed, the duration of the probationary period, and/or the period of disqualification. Each category has a prescribed period of disqualification, probation or warning assessed. Therefore, sanctions shall be assessed as follows:

- 1) The highest sanction assessed to a vendor shall determine the period of probation or disqualification.
- 2) All State agency sanctions and warnings assessed are retained in the vendor's file for a period of one (1) year and will roll off in one year.
- 3) Probationary periods are **not** subject to an administrative review. Vendors will continue to operate their business during the probationary period. A vendor found to be in violation of WIC policies and procedures during the probationary period will be disqualified for the full probationary period.
- 4) If a disqualification for a mandatory sanction is not upheld during the administrative review process, then the remaining State agency sanction(s), if any, will remain on the vendor's record for one (1) year.
- 5) Vendors will be subject to reimbursement of food instruments beginning with date of disqualification and through and until the administrative review and appeals process is complete.

Violations that commonly occur during the course of an investigation are as follows:

1. Buying or selling vouchers for cash
2. Overcharging on WIC Vouchers
3. Charging for items not received by the WIC participant
4. Transacting or redeeming WIC vouchers at an unauthorized location (e.g. delivering WIC foods)
5. Failure to write the price on the WIC voucher before the participant signs the voucher
6. Failure to ring up sales
7. Prices not marked on items or near shelf
8. Allowing the substitution of one WIC approved food for another WIC approved food
9. Providing incentive items as a part of the WIC transaction
10. Providing unauthorized food items in exchange for WIC vouchers

If a vendor receives a **warning letter** and decides to dispute it, the vendor may request to be reviewed by the Georgia WIC Program. To have the decision reviewed, the vendor may select from the following options:

- Call the Georgia WIC Program and speak with the Vendor Management Unit Director.
- Submit written correspondence to the Georgia WIC Program.

- Request in writing a consultation with the Georgia WIC Program to be held with the vendor and/or the vendor's advisor(s).

## **ADDITIONAL VIOLATIONS NOT COVERED BY THE SANCTION SYSTEM**

Vendors who redeem vouchers prior to becoming an authorized vendor or without being an authorized vendor are subject to criminal prosecution. Fraudulent redemptions equaling \$100 (one hundred) dollars or more will be subject to fines not to exceed \$25,000 (twenty-five thousand) dollars or imprisonment for not more than five (5) years, or both. Fraudulent redemptions less than \$100 (one hundred) dollars will be subject to fines of not more than \$1000 (one thousand) dollars or imprisonment for not more than one (1) year, or both.

## **THE SANCTION SYSTEM**

Following is a description of the Georgia WIC Program sanction system and how it works. Civil Money Penalties (CMP) may be assessed in Categories I-IV in lieu of disqualification for State agency sanctions only. However, CMP shall only be assessed in lieu of disqualification for mandatory sanctions if the disqualification results in inadequate participant access. Enforcement of all sanctions are required when violations have been committed.

### **A. Any violation from Category I, II or III may be assessed a CMP in lieu of disqualification.**

**Category I - Probation for six (6) months on first offense. While on probation if a violation occurs in Categories I, II or III the vendor will be disqualified for six (6) months.**

#### **State Agency Sanctions**

##### **Violations:**

1. Stocking a WIC food item(s) outside of manufacturer's expiration date(s)
2. Charging sales tax on WIC food item(s) other than on the difference of the amount of the Cash Value Fruit and Vegetable Voucher (FVV)
3. Failure to allow in-store or manufacturers' promotional or free item(s) with a WIC purchase
4. Failure to provide WIC participants with a receipt
5. Failure to check the WIC participants and/or proxy's WIC ID card (folder)

**Category II - Probation for eight (8) months on first offense. While on probation if a violation occurs in Categories I, II or III the vendor will be disqualified for eight (8) months.**

#### **State Agency Sanctions**

##### **Violations:**

1. Failure to ring up sales of WIC purchases
2. Failure to write the price on voucher before the participant signs
3. Failure to stock the required inventory of contract formula
4. Failure to stock the required inventory of two or more WIC food items
5. Refusing to accept valid WIC vouchers from participants
6. Allowing the substitution of one WIC approved food item listed on the voucher for another WIC approved food item not listed on the voucher
7. Allowing the purchase of WIC foods in unauthorized container sizes
8. Failure to remain open for business at least eight (8) hours per day, six (6) days per week
9. Failure to repay charges within thirty (30) days

**Category III - Probation for ten (10) months on first offense. While on probation if a violation occurs in Categories I, II or III the vendor will be disqualified for ten (10) months.**

#### **State Agency Sanctions**

##### **Violations:**

1. Contacting WIC participants for any reason regarding a WIC transaction
2. Requiring participant to pay cash to redeem WIC vouchers, except for personal payments for amounts over the maximum amount of the Cash Value/Fruit and Vegetable Vouchers (FVV)
3. Allowing the purchase of any formula other than the one specified on the front of the voucher
4. Providing incentive items as part of the WIC transaction
5. One (1) occurrence during a compliance investigation of a violation in Category IV, violations 1-3
6. One (1) occurrence during a compliance investigation of a violation in Category IV, violations 4-11

7. One (1) occurrence during a compliance investigation of a violation in Category V, violations 1-5
8. Requiring WIC Participants to show any identification other than the WIC Identification Card

- B. Any violation from category IV or V that occurs at any time will result in immediate disqualification for the period specified in each category. A pattern is established when the same violation occurs two (2) times during a covert compliance investigation. When a pattern is not established, one (1) occurrence during a covert compliance investigation will result in a Category III sanction.**

**When a vendor, who previously has been assessed a sanction for any of the violations listed in Category IV Sanction 1, 2, or 3, receives another sanction for any of these violations, the second sanction will be doubled. Civil money penalties may only be doubled up to the maximum limits per violation.**

**When a vendor, who previously has been assessed two or more sanctions for any of the violations listed in Category IV Sanction 1, 2, or 3, receives another sanction for any of these violations, the third sanction and all subsequent sanctions will be doubled. The State agency may not impose civil money penalties in lieu of disqualification for third or subsequent sanctions.**

**Category IV - Immediate disqualification for one (1) year (twelve (12) months) for each violation.**

**Mandatory Sanctions**

**Violations:**

1. A pattern of providing unauthorized food items in exchange for WIC vouchers
2. A pattern of charging for supplemental foods provided in excess of those listed on the voucher
3. A pattern of an above-50-percent vendor providing prohibited incentive items to customers

**State Agency Sanctions**

**Violations:**

4. Intentionally providing false information on vendor records
5. Discrimination
6. Failure to provide vouchers or inventory records upon request
7. Failure to allow monitoring by WIC representatives
8. Prices not marked clearly on WIC food items or near WIC food items
9. Allowing WIC food items to exceed the quantity specified on the voucher (except for promotional or free items)
10. Failure to allow the purchase of any WIC food item(s)
11. Issuing rain checks/IOU's for WIC approved foods

**Category V - Immediate disqualification for three (3) years or thirty-six (36) months for each violation.**

**Mandatory Sanctions**

**Violations:**

1. A pattern of receiving, transacting, and/or redeeming food vouchers in locations different from the authorized location listed on the Vendor Agreement including the use of an unauthorized vendor and/or an unauthorized person, this includes but is not limited to delivering WIC food items to WIC participants and collecting WIC vouchers prior to completing the WIC transaction(s)
2. A pattern of providing credit or non-food items in exchange for WIC vouchers
3. A pattern of overcharging on WIC vouchers (charging a WIC participant more than the current shelf price or charging a WIC participant more for food than a non-WIC customer) during a compliance investigation
4. A pattern of charging for supplemental food not received by the participant, this includes but is not limited to vendor representatives receiving WIC foods omitted by the participants. The WIC participant(s) does not have the authority to give WIC foods to vendor or its representatives and neither does the vendor or its representatives shall accept such WIC food items
5. 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
6. One incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC vouchers

- C. Any violation from category VI or VII that occurs at any time will result in immediate disqualification for the period specified in category VI & VII.**

**Category VI - Disqualification for six (6) years or seventy-two (72) months for each violation.**

**Mandatory Sanctions**

**Violations:**

1. One (1) incidence of buying or selling WIC food instruments or cash value vouchers for cash

2. One (1) incidence of exchanging WIC food instruments or cash value vouchers for firearms
3. One (1) incidence of exchanging WIC food instruments or cash value vouchers for ammunition
4. One (1) incidence of exchanging WIC food instruments or cash value vouchers for explosives
5. One (1) incidence of exchanging WIC food instruments or cash value vouchers for controlled substances

**Category VII - Permanent disqualification for a conviction of each violation [Conviction refers to an action by a criminal court as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)].**

#### **Mandatory Sanctions**

##### **Violations:**

1. Conviction for buying or selling WIC food instruments or cash value vouchers for cash
2. Conviction for buying or selling WIC food instruments or cash value vouchers for firearms
3. Conviction for buying or selling WIC food instruments or cash value vouchers for ammunition
4. Conviction for buying or selling WIC food instruments or cash value vouchers for explosives
5. Conviction for buying or selling WIC food instruments or cash value vouchers for controlled substances

## **DISQUALIFICATION**

- When a vendor accumulates the maximum number of sanctions, the store shall be disqualified from the WIC program. An exception may be granted when inadequate participant access exists. The disqualification period is determined by the severity and nature of the violation, the number of violations and past disqualifications. Therefore, the highest sanctions assessed to a vendor shall determine the period of probation or disqualification. The actual disqualification period is determined using the same criteria for every vendor. The Georgia WIC Program WILL NOT accept voluntary withdrawal as an alternative to disqualification.
- Disqualification from the WIC Program could also result in a civil money penalty or disqualification from SNAP.
- If a vendor is disqualified or assessed a CMP for a mandatory sanction from the WIC Program in another state, the vendor may be disqualified from the Georgia WIC Program for the same period of time.
- A vendor may be granted a CMP in lieu of disqualification when prescribed procedures are met (see “Civil Money Penalties and Sanction System”). Upon the Georgia WIC Program’s approval of a CMP, the disqualification period may be waived. Subsequent visits may be conducted during a waived disqualification period. If violations occur during a subsequent visit, the vendor will be disqualified for a period equal to the period that the CMP was assessed or a second CMP may be imposed.
- If a vendor is disqualified from SNAP or assessed a CMP, the vendor shall also be disqualified from the WIC Program for the same period of time. (Refer to SNAP Federal Regulations 7 C.F.R. Part 278)

## **ADMINISTRATIVE REVIEW AND APPEAL PROCEDURES**

A vendor that disagrees with an adverse action imposed by Georgia’s WIC may appeal the action by requesting an administrative review.

### **Actions Subject to Full Administrative Review**

Georgia’s WIC must provide full administrative review to vendors that appeal the following adverse actions:

- 1) Denial of authorization based on the vendor selection criteria for competitive price or for minimum variety and quantity of authorized supplemental foods or the determination that the vendor is attempting to circumvent a sanction;
- 2) Termination for cause;
- 3) Disqualification; and
- 4) Imposition of a fine or CMP in lieu of disqualification.
- 5) Application of vendor peer group criteria established by Georgia’s WIC and the criteria used to identify vendors that are above-50-percent vendors or comparable to above-50-percent vendors;
- 6) Denial of authorization based on vendor selection criteria established by Georgia’s WIC if the basis of the denial is a WIC vendor sanction or a SNAP withdrawal of authorization or disqualification;
- 7) Denial of authorization based on vendor limiting criteria established by Georgia’s WIC;
- 8) Denial of authorization because a vendor submitted its application outside the timeframes during which applications are being accepted and processed as established by Georgia’s WIC under § 246.12(g)(8);
- 9) Termination of an agreement because of a change in ownership or location or cessation of operations;
- 10) Disqualification based on a trafficking conviction;

- 11) Disqualification based on the imposition of a SNAP CMP for hardship;
- 12) Disqualification or a CMP imposed in lieu of disqualification based on a SNAP disqualification under § 246.12(l)(91)(vii); and
- 13) Denial of an application based on a determination of whether an applicant vendor is currently SNAP authorized.

### **Actions Not Subject to Administrative Review**

Georgia's WIC may not provide administrative reviews to vendors that appeal the following actions:

- 1) Validity or appropriateness of vendor limiting criteria established by Georgia's WIC or vendor selection criteria for minimum variety and quantity of supplemental foods, business integrity, and current SNAP disqualification or CMP for hardship;
- 2) Validity or appropriateness of selection criteria for competitive prices established by Georgia's WIC, including, but not limited to, vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors or comparable to above-50-percent vendors;
- 3) Validity or appropriateness of participant access criteria established by Georgia's WIC and its participant access determinations;
- 4) Determination by Georgia's WIC to include or exclude an infant formula manufacturer, wholesaler, distributor or retailer from the list required by § 246.12(g)(11);
- 5) Validity or appropriateness of prohibition of incentive items established by Georgia's WIC and its denial of an above-50-percent vendor's request to provide an incentive item to customers pursuant to § 246.12(h)(8);
- 6) Determination by Georgia's WIC whether to notify a vendor in writing when an investigation reveals an initial violation for which a pattern of violations must be established in order to impose a sanction pursuant to § 246.12(l)(3);
- 7) Determination by Georgia's WIC 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;
- 8) Expiration of a Vendor Agreement;
- 9) Disputes regarding food instrument or cash-value voucher payments and vendor claims (other than the opportunity to justify or correct a vendor overcharge or other error, as permitted by § 246.12(k)(3); and
- 10) Disqualification of a vendor as a result of a SNAP disqualification.

Vendors requesting an administrative review must submit a request in writing to Georgia's WIC within ten (10) days of the receipt of the adverse action. Georgia's WIC shall refer vendors' requests for administrative review to the Office of State Administrative Hearings where the matter shall be assigned to an Administrative Law Judge (ALJ) and set for review.

Corporate vendors that are incorporated by the Georgia Secretary of State must be represented by legal counsel who is an active member in good standing of the State Bar of Georgia and who has filed an entry of appearance. Vendors that are classified by the Georgia Secretary of State as a sole proprietorship or partnership may choose to be represented by legal counsel.

### **Administrative Review Procedures**

Procedures for full administrative review shall include:

- 1) Written notification of the adverse action;
- 2) Opportunity to appeal the adverse action;
- 3) Adequate advance notice of the time, date and place of any administrative review;
- 4) Opportunity for the vendor to present its case and at least one opportunity to reschedule the review;
- 5) Opportunity to cross-examine adverse witnesses (with protection afforded to the identity of WIC investigators as necessary by allowing adverse witness response from behind a protective screen or other means, e.g., in-camera examination);
- 6) Opportunity to be represented by legal counsel;
- 7) Opportunity to examine, prior to the review, evidence upon which the adverse action is based;

- 8) An impartial decision-maker whose determination is based solely on the evidence presented as to whether Georgia's WIC correctly applied Federal and State statutes, rules, regulations, policies and procedures governing WIC; and
- 9) Written notification of the administrative review decision, including the basis for it, within 90 (ninety) days from the date of receipt of vendor's request for administrative review by Georgia's WIC (this timeframe is only an administrative requirement and does not provide a basis for overturning an adverse action by Georgia's WIC if a decision is not made within the specified timeframe).

If reimbursement is owed to Georgia's WIC by the vendor as a result of the adverse action being affirmed, neither the vendor nor its affiliates shall be eligible to participate as an authorized WIC vendor until the reimbursement is paid in full. The vendor may not circumvent reimbursement by selling or otherwise making any changes or amendments to its corporate structure that was in place since the time of its initial authorization.

All adverse actions taken by Georgia's WIC against an authorized vendor that are subject to administrative review shall be effective 20 (twenty) days after the receipt of the notice of adverse action, at which time the vendor shall discontinue use of its vendor stamp. Any vouchers submitted to Georgia's WIC for redemption 20 (twenty) days after the vendor's receipt of the notice of adverse action will not be paid.

When the ALJ issues an initial decision that affirms the adverse action taken by Georgia's WIC, the vendor may file a motion for reconsideration with the ALJ within the time established by the ALJ and the Office of State Administrative Hearings pursuant to the Georgia Administrative Procedure Act. The vendor must also notify Georgia's WIC within ten (10) days of the date of issuance of the initial decision if a motion for reconsideration is filed with the ALJ.

Alternatively, the vendor may appeal an ALJ's initial decision that affirms the adverse action by requesting Final Agency Review by filing a written request with Georgia's WIC within 30 (thirty) days of the date on which the initial decision issued from the ALJ. When the ALJ's initial decision affirms the adverse action, the vendor shall not use its vendor stamp beyond ten (10) days from the issuance of the ALJ's initial decision.

Prior to the administrative review date set by the Office of State Administrative Hearings, a vendor wanting to review its WIC records concerning the adverse action shall contact Georgia's WIC in writing for an appointment. Georgia's WIC shall determine the location for the record review at which the vendor may have legal counsel present. In the event an appointment time cannot be mutually agreed upon, a conference call may be scheduled. Georgia's WIC will provide to the vendor, or its legal counsel, prior to the conference call all WIC records relevant to the adverse action being appealed. The conference call will be documented.

**INADEQUATE PARTICIPANT ACCESS**

Inadequate participant access is granted only when there is not an authorized WIC vendor within ten (10) miles of the violating vendor. Geographical barriers will be considered. The validity or appropriateness of the participant access criteria and participant access determinations are not subject to administrative review.

If the State agency determines that disqualifying a vendor causes inadequate participant access, the State agency must impose a CMP in lieu of disqualification in Categories I-VII. The State agency may not impose a CMP in lieu of disqualification either as a result of a SNAP /CMP or for a third or subsequent sanction as specified in §246.12(l)(1)(vi).

**CIVIL MONEY PENALTIES (CMP)**

CMPs may be assessed in lieu of disqualification for State Agency sanctions based on the methodology outlined in the chart below.

Civil Money Penalty Formula for State Agency Sanctions Based on a Six Month WIC Redemption Total		
Category	\$0-11,000 (Base Rate)	Amount Above \$11,000 (Base Rate + % of Total Redemption over \$11,000)
Category I	\$500	\$500 + 1% of redemption over \$11,000

Category II	\$1000	\$1000 + 2% of redemption over \$11,000
Category III	\$1500	\$1500 + 3% of redemption over \$11,000

If a CMP is not requested in the specified time period, all rights to a CMP are forfeited. For State agency Sanctions, the first CMP will be reduced by fifty (50) percent if the vendor presents documented proof that they had an effective training program in place. The vendor must also submit documentation listing the names of the personnel trained and the date of training. This training date must be during the fiscal year and before the disqualification notification.

CMPs cannot exceed \$11,000 per violation and/or \$44,000 per investigation. If more than one (1) violation is detected during a compliance investigation, a CMP must be imposed for each violation (up to the \$11,000/\$44,000 limits). Only two (2) CMPs can be granted within a waived disqualification period.

CMPs must be paid within thirty (30) days of the notice of approval. Installments may be considered up to a maximum of six (6) months. When a CMP is approved, the waived disqualification period will begin as outlined in the disqualification notice. If a vendor fails to pay the CMP, the State agency must disqualify the vendor for a period equal to the violation for which the CMP was assessed.

### **CMP Methodology for Mandatory Sanctions**

CMPs may only be assessed for mandatory sanctions if the disqualification would result in inadequate participant access. The CMP formula for mandatory sanctions shall be based on 7 CFR 246.12 (l) (1) (x). For a violation that warrants permanent disqualification, the amount of the CMP shall be \$11,000 (eleven thousand dollars).

For each violation subject to a mandatory sanction, the following formula will be used to calculate the amount of the CMP imposed in lieu of disqualification.

- 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 the adverse action is dated.
- 2) Multiply the average monthly redemptions figure by ten (10) percent.
- 3) Multiply the product from the figure in the above statement by the number of months for which the store would have been disqualified. This is the amount of the civil money penalty, provided that the civil money penalty shall not exceed \$11,000 per violation. The total amount of the CMP assessed for violations that occur during a single investigation may not exceed \$44,000.

When a vendor, who previously has been assessed any mandatory sanction, receives another identical mandatory sanction, the second CMP amount must be doubled. CMPs may only be doubled up to the maximum limits. When a vendor has previously been assessed two or more identical mandatory sanctions, receives a subsequent yet different mandatory sanction, the CMP amount of this third identical sanction and all subsequent sanctions must be doubled. Civil money penalties may not be imposed in lieu of disqualification for third or subsequent mandatory sanctions.

## **WHERE TO GET MORE INFORMATION**

Georgia's WIC has a vendor customer service hotline (toll free in Georgia) available to assist Georgia's WIC vendors with any aspect of the WIC Program. The hotline is available Monday through Friday, except State holidays, from 8:00 AM – 4:30 PM Eastern Standard Time (EST). After 4:30 PM and during periods of high volume calling, please leave a voice message.

Georgia's WIC  
Vendor Management Unit  
2 Peachtree Street, NW  
Suite 10-476  
Atlanta, Georgia 30303-3142  
404-657-2900  
Customer service hotline 1-866-814-5468 (toll free within Georgia)

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

To file a complaint of discrimination, write USDA, Director, Office of Adjudication, 1400 Independence Avenue, SW, Washington, DC 20250-9410, or call (866) 632-9992 (toll free) or 202-260-1026 (local).

