



VENDOR HANDBOOK

November 2024

MISSISSIPPI STATE DEPARTMENT OF HEALTH
WIC PROGRAM

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WHAT IS WIC?

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) was established by Congress in 1972. WIC was designed to help prevent the occurrence of health problems and improve the health status of women, infants, and children during critical times of growth and development, with no cost to eligible participants.

WIC is administered federally by the United States Department of Agriculture (USDA). The Mississippi State Department of Health WIC Program (hereinafter referred to as the MSDH WIC Program) receives a grant from USDA Food Nutrition Services (FNS) to administer the program. The MSDH WIC Program is responsible for program management and operation. Currently, local health departments and non-profit agencies provide WIC services in every county in Mississippi. WIC is available to pregnant, breastfeeding, and postpartum women, infants, and children up to five (5) years of age. To participate in the MSDH WIC Program, participants must live in Mississippi, meet one of the eligible categories, and have a nutritional risk.

The MSDH WIC Program provides participants with access to supplemental nutritious foods, nutrition education, breastfeeding support, and referrals to health and community services. WIC services help clients achieve optimal growth and development and build a foundation for healthy eating patterns. The goals of nutritional counseling and education provided by WIC are to:

- teach the relationship between proper nutrition and good health,
- achieve a positive change in eating habits, and
- promote the optimal use of WIC supplemental foods and other nutritious foods.

The counseling provided while the client is receiving WIC services helps families learn healthy eating habits and how to make nutritious food choices they can continue to practice when they are no longer eligible for WIC.

A WIC Certifier in the local WIC office conducts a nutrition assessment, provides client centered counseling, and prescribes a specific food package to supplement the daily diet for each WIC participant. The prescribed food package is based on the needs of the participant, USDA regulations, and state WIC requirements. WIC foods provide nutrients that are often lacking or consumed in inadequate amounts by WIC participants. When consumed in the prescribed portions, these foods will help to ensure that the WIC participant has the needed nutrients for good health, growth, and development.

WIC benefits are accessed by participants via an eWIC card. Each WIC participant has prescribed benefits loaded to their eWIC card, based on eligibility criteria, so all WIC participants will have benefits unique to their needs.

THE WIC VENDOR'S COMMITMENT

Grocers and pharmacies (also referred to as vendors) selected to be WIC authorized vendors are designated members of the WIC Program Team. This team has two important responsibilities. First, the team is responsible for delivering only prescribed WIC supplemental foods to WIC participants. Second, the team must be constantly vigilant to ensure WIC supplemental foods are provided at the most competitive price on a consistent basis.

The MSDH WIC Program uses a selection process to identify retail grocers and pharmacies that can provide the required WIC supplemental foods in the necessary quantities and at the most competitive price in the market. Vendors that apply for participation in WIC must demonstrate that they meet WIC program requirements. They must show they are qualified and capable of sustained, high-quality performance throughout the life of their agreement with WIC. Further, these vendors must show they are able and willing to ensure WIC pays for only those WIC supplemental foods prescribed.

Federal grant regulations require that WIC find and pay only the most competitive market price for foods. The amounts of funds for WIC services are limited. Therefore, the MSDH WIC Program is required to identify retail grocery and pharmacy vendors that consistently provide the most competitive price for prescribed foods. This is done by comparing each participating vendor's prices to prices in other stores with similar characteristics. This comparative process uses fact-based mathematical computation.

After a thorough screening and price analysis, the most competitive grocers that meet the vendor selection criteria are selected to participate as WIC Vendors. That selection includes certain responsibilities. Retail grocers are required to always maintain specified inventory quantities. Pharmacies are required to provide medical formula within 48 hours of the participant's request. The vendor is required to always charge a competitive price. That price is determined by all WIC Vendors in the market when they report their charges for each transaction. WIC conducts routine analysis of these redemptions to ensure the most competitive prices continue to be charged. The WIC Vendor Agreement requires vendors to charge a competitive price for all WIC-eligible items throughout the term of the Agreement.

APPLICATIONS FOR WIC VENDORS

The WIC State Agency is responsible for the authorization of each WIC Vendor, including full-service grocers and pharmacies. To be considered for participation as a WIC Vendor, the vendor must meet vendor selection criteria. The selection criteria are designed to ensure that vendor participation in the MSDH WIC Program will adequately fulfill the needs of the WIC Program participants. Each vendor must demonstrate that it will charge competitive prices within its peer group (stores with similar characteristics). The vendor must continue to comply with the vendor selection criteria throughout the agreement period including any changes to the criteria.

Application for participation as a WIC Vendor is considered on a competitive basis. At the end of the vendor authorization period (up to three years), vendors are required to reapply for participation. The vendor agreement does not constitute a license or a property interest. If a vendor wishes to continue to be authorized beyond the period of its current agreement, the vendor must reapply for reauthorization. If a vendor is disqualified (less than permanent), the vendor must re-apply for authorization after the disqualification term has ended.

Vendor applications for new vendors will be accepted on an ongoing basis. Applications are evaluated for compliance with vendor selection criteria, competitive price, and participant access. Vendors who sell an authorized store location must notify the WIC Central Office within 72 hours of the sale of the location. Store owners who purchase from a previously authorized location must complete the vendor application process as a new vendor before accepting eWIC. The vendor agreement period is established for up to a three-year period. Reauthorization of existing stores will occur near the end of each vendor agreement period. Vendors applying for reauthorization are required to complete the application and have it submitted no later than May 31st of the authorization period. Vendors will be notified by August 1st of the cycle year of the result of their application for reauthorization. Vendors selected for the next two-year cycle will be presented with a new WIC Vendor Agreement on or about August 1st that must be signed and returned and that becomes effective October 1st of the cycle year. To be considered for authorization, the vendor must demonstrate sufficient business viability to support the WIC minimum stocking requirements. If the vendor is unable to demonstrate its business viability, it may not be authorized for the MSDH WIC Program.

The MSDH WIC Program is required to assess vendor performance throughout the agreement period. The WIC Vendor Agreement may be terminated if a vendor fails to meet the current

selection criteria. This selection analysis focuses consistently on competitive price analysis. Vendors that fail to meet competitive price criteria will be notified.

The MSDH WIC Program must terminate the vendor agreement if a vendor is disqualified. A vendor will be required to reapply during an open application period to be considered for authorization only after the period of disqualification has expired. In all cases, the vendor's new application is subject to the State Agency's vendor selection criteria and any vendor limiting criteria in effect at the time of application.

The MSDH WIC Program is not required to issue an agreement to an applicant, a previous vendor whose agreement has expired, or an applicant who is purchasing a store that is currently authorized. **It is at the sole discretion of the MSDH WIC Program whether an agreement will be issued.**

MSDH WIC VENDOR MINIMUM STOCKING REQUIREMENTS

The State Agency establishes minimum stocking requirements (MSR) for the variety and quantity of supplemental foods a vendor must always stock. MSR are reviewed by the Program during preauthorization visits for vendor applicants and returning vendors, and during routine monitoring visits for authorized vendors.

Category	Type or Brand	Minimum Quantity
Infant Formula	12.4 – 12.5 oz. cans powder standard milk-based formula – WIC approved	12 cans
	12.4 – 12.9 oz. cans powder soy, reduced lactose, and added rice starch formula – WIC approved	9 cans of each
Infant fruits and vegetables	4 oz. jars with at least 3 varieties of vegetables and 3 varieties of fruits – WIC approved	48 jars total
Infant Cereal	8 oz. container of dry infant cereal without fruit (Rice, Oatmeal, Multigrain, or Whole Wheat) – WIC approved	6 containers
Milk	Whole milk – WIC approved	6 gallons total
	1%, or fat free (skim) – WIC approved	12 gallons total
	9.6 oz. Dry milk – WIC approved	3 boxes, bags, or cans
Cheese	16 oz. cheese (Must carry at least two varieties) – WIC approved	8 pounds total
Eggs	Large white eggs, grade A or AA – WIC approved	9 dozen total
Cereal	At least 6 varieties of hot or cold cereal – WIC approved At least 12 boxes of cereals carried must be whole grain – WIC approved	36 boxes total
Bread	16 oz. whole grain bread – WIC approved	4 loaves
	Any combination of tortillas or brown rice – WIC approved	4 packages/bags
Juice	64 oz. bottles of juice in at least two flavors – WIC approved	5 bottles
	48 oz. container or 11.5 – 12 oz. concentrate or frozen juice in at least two flavors – WIC approved	8 containers
Peanut Butter	16 – 18 oz. jars of peanut butter – WIC approved	6 jars
Dry beans/peas or canned beans/peas	16 oz. package of dry beans/peas in 3 varieties – WIC approved	6 bags
	15 – 16 oz. cans beans/peas in 3 varieties (No Added Flavors) – WIC approved	16 cans
Chunk tuna or pink salmon	5 oz. cans tuna – WIC approved	6 cans
	14.75 oz. cans salmon – WIC approved	
Fruits and vegetables	At least 5 varieties of fresh fruits and 5 varieties of fresh vegetables – WIC approved	\$24 dollar retail value
	At least 5 varieties of canned fruits and 5 varieties of canned vegetables – WIC approved	24 cans total

WHAT FOOD A WIC PARTICIPANT MAY PURCHASE

The MSDH WIC Program approves a variety of nutritious foods that meet federal and state requirements and are appealing to WIC participants. The specific types and quantities of foods that may be purchased by WIC participants are incorporated on the eWIC card.

Every eWIC purchase is controlled using the Universal Product Code (UPC) affixed or assigned to each product that scans through the store check-out. The authorized foods associated with UPCs are identified in the Approved Product List (APL) and only those UPCs available on the eWIC card and in the APL will be considered for WIC payment. For vendors with integrated point of sales systems, Product Lookup Codes (PLU) for eligible fresh produce items must be mapped to approved UPCs.

WIC participants are prescribed food items by type and quantity. Consequently, the WIC participant may not substitute other foods for those prescribed. If a vendor substitutes an item in place of the food prescribed on the eWIC card, the vendor will be subject to sanction and/or disqualification.

The eWIC card contains the maximum amount of each food that can be purchased. WIC participants may choose to purchase all or some of the foods listed, but they may not use WIC benefits to purchase more than prescribed on the eWIC card. WIC participants may choose to pay the difference in another form of acceptable payment at check-out if they do wish to obtain more items than eligible via eWIC.

It is important to note that vendors may not require a WIC participant to purchase everything on the eWIC card if the person chooses to leave a food item out of their purchase transaction. WIC participants may not receive rain checks or cash if an item is out of stock or if they choose not to buy an item unless authorized to do so by the MSDH WIC Program in case of an emergency.

WIC APPROVED FOODS FOR PURCHASE - GROCERS

The MSDH WIC Program prescribes various quantities of staple foods. These include:

Milk Products	Peanut Butter
Eggs	Canned Fish
Cheese	Fruits and Vegetables
Yogurt	Infant Cereal
Cereal	Infant Fruits and Vegetables
Fruit Juice	Infant Meats
Whole Grains	Infant Formula
Dry Beans and Canned Beans	

Please refer to the MSDH WIC Vendor Food Guide or the MSDH WIC Program website at www.freshnewwic.com for the current list of allowed brands, types, container sizes, and any restrictions on WIC approved foods.

MILK PRODUCTS

WIC participants must buy the declared store brand of milk. Each vendor must declare their store brand of milk. Please refer to the section entitled *Vendor Responsibility for Store Brand Purchase Requirement* in this Handbook for important instructions on processing the declaration of store brands.

The eWIC card will control the type and size of milk that may be purchased. Quantities for eWIC are specified in gallons, half gallons, quarts, boxes (dry milk), or cans (evaporated milk). Participants may select any combination of gallon and half gallon sizes. Quarts, boxes, and cans are available only if specified on the eWIC card.

Refrigerated Milk – Refrigerated milk is allowable in the gallon and half gallon size. Quarts are available when specified on the eWIC card. It is important to note that participants may select gallon and half-gallon sizes interchangeably.

Lactose-free/reduced fat milk – Lactose free or reduced fat milk is allowable in half gallon size.

Evaporated Milk – Evaporated milk is allowable in 12-ounce cans and specified on the eWIC card.

Dry Milk – Nonfat dry milk is allowable in a 9.6-ounce box, bag or can and specified on the eWIC card.

UHT Milk –Ultra-Heat Treatment (UHT) milk is allowed in the quart size and specified on the eWIC card.

Soy Milk – Soy milk is allowable in the half gallon size and specified on the eWIC card.

EGGS

WIC participants must select the declared store brand of large white chicken eggs. Eggs are authorized in one dozen size carton only. Each vendor must declare their store brand of eggs. Please refer to the section entitled *Vendor Responsibility for Store Brands Purchase Requirement* in this Handbook for important instructions on processing the declaration of store brands. WIC participants are **NOT** permitted to purchase specialty eggs, low cholesterol eggs, organic eggs, cage free or brown eggs.

CHEESE

WIC participants must select the declared store brand of cheese. All cheeses must be in a 16-ounce package. Please refer to the section entitled “Vendor Responsibility for Store Brand Purchase Requirement” in this Handbook for important instructions on processing the declaration of store brands.

The eWIC card will determine the quantity that may be purchased. The only types of cheese that WIC participants may purchase with the eWIC card are listed:

- Processed American
- Cheddar
- Colby Jack
- Monterey Jack
- Colby
- Mozzarella
- Swiss

Cheese may be low fat, low cholesterol, low sodium, sliced, hoop, string, shredded, chunk, cubed, or block.

The following are NOT permitted:

- Fat-free cheeses
- Cheese product or cheese food
- Cheese mixtures, such as Cheddarella
- Cheese spreads, sticks, crumbles, cracker cuts, or strips
- Cheese from the delicatessen or cheese shop
- Cheese with added ingredients, imported, or waxed

- Organic products
- White cheddar

YOGURT

Participants may choose brand specific Nonfat, or low-fat yogurt. Whole milk yogurt is allowable when specified on the eWIC card. “Greek” yogurt is permitted. Allowable brands are listed in the WIC food guide. No organic, artificial sweeteners, or mix-in ingredients (containing granola, candy pieces, honey, etc.) are authorized. Allowable sizes of 32-ounce packages are as follows:

- 32 oz container
- One 16 pack with 2 oz servings
- Two 8 packs with 2 oz servings

CEREAL

The breakfast cereal allowance on the eWIC card is listed in total ounces authorized for purchase. Breakfast cereal containers must be 11 to 36 ounces. The eWIC card will permit the purchase of different cereal types. No organic products are authorized. Allowable hot cereals include brand specific instant oatmeal, instant cream of wheat, and instant grits. Allowable cereals are brand specific and listed in the *WIC Vendor Food Guide*.

FRUIT JUICE

Fruit juices must contain 100% juice with no added sweeteners. Fruit juice may contain added calcium. No organic juices are permitted. Allowable brands and flavors are listed in the *WIC Vendor Food Guide*.

The below sizes and flavors may be purchased:

- 64 oz container WIC Approved varieties (refrigerated or non-refrigerated),
- 48 oz container WIC Approved varieties, and
- 11.5-12 oz frozen or non-frozen concentrate WIC Approved varieties

WHOLE GRAINS

100% Whole Wheat Bread – Specified brands of 16-ounce loaves are authorized for purchase. Participants are NOT permitted to purchase breads with added ingredients such as raisins, other dried fruits, or nuts. No organic products are permitted in this category.

100% Whole Wheat Hamburger Buns – Specified brands of 16-ounce packaging are authorized for purchase. Participants are NOT permitted to purchase any bread with added ingredients such as raisins, other dried fruits, or nuts. No organic products are permitted in this category.

100% Whole Wheat Pasta – Any brand of 16-ounce packages are authorized for purchase. “Whole wheat flour” and/or “whole durum wheat flour” must be the only flours listed in the ingredient list. May be any shape. No organic. No added sugars, fats, oils, or salt. No pasta made from rice, quinoa, flax, corn, or vegetables. No gluten free.

Brown Rice – Any brand of regular, instant, or boil-in-bag 14to16 ounce bag or box is authorized for purchase. Products may NOT contain added ingredients such as seasonings. No white, frozen, gourmet blends, or organic are allowed.

Tortillas – 16-ounce package is the only size permitted. Brand specific corn and 100% whole wheat tortillas are allowable. For 100% whole wheat tortillas, “whole wheat flour” must be the only flour listed in the ingredient list. Participants may NOT purchase flour tortillas, taco shells, or tortilla chips. No organic products are permitted.

DRY BEANS AND CANNED BEANS

Some examples of beans include, but are not limited to black beans, black-eyed peas, cannellini beans, garbanzo beans (chickpeas), great northern beans, kidney beans, lentils, lima beans, navy beans, pinto beans, red beans, split peas, and white beans.

Dry beans, dry peas, or dry lentils – 16-ounce bag is the only size permitted. Any brand of dry beans, peas, or lentils are permitted.

Participants are **NOT** permitted to purchase flavored, seasoned, gourmet, or soup mix varieties. No organic products are permitted.

Canned Beans – 15-to-16-ounce cans are the only sizes permitted. Any brand of canned beans is permitted. These products may be with salt or reduced sodium. Participants may NOT purchase products with added meat, fat, oils, or artificial sweeteners. No soup may be purchased. No chili beans, seasoned beans, refried beans, or baked beans. No organic products are permitted.

No canned green peas, green beans, wax beans, yellow beans, or snap beans are permitted. These types of peas and beans are permitted to be purchased in the Fruits and Vegetables category only.

PEANUT BUTTER

WIC participants may purchase 16-to-18-ounce jars only. The product may be creamy, crunchy, or extra crunchy. Participants are NOT permitted to purchase products with added jelly, marshmallow, honey, chocolate, or artificial sweeteners. No spreads, whipped, fortified, plus, or reduced fat products may be purchased. No organic products are permitted.

CANNED FISH

WIC participants are permitted to purchase 5-, 6-, and 7.5-ounce cans of any brand light tuna, chunk style, packed in water; and 5-, 6-, 7.5-, and 14.75-ounce cans of any brand pink salmon. No white or albacore tuna, sockeye or red salmon is permitted. Participants may not purchase pouches or products that have olive oil, lemon, flavored, gourmet, smoked, grilled, blackened, or added ingredients. No low sodium, less sodium, or organic products are permitted.

FRUITS AND VEGETABLES

WIC participants are permitted to purchase fresh, frozen, and canned fruits and vegetables. Organic fruits and vegetables are allowable under Fruits and Vegetables benefits.

Permitted

Fresh Fruits and Vegetables

- Any brand, variety, size, or mixture of fresh fruits and vegetables
- These items may be whole or cut.
- They may be presented as loose or packed item(s) in bags or plastic containers.
- Fresh garlic, onions, scallions, cassava, and yucca are permitted.

Frozen Fruits and Vegetables

- Any brand, variety, size, or package type of whole or cut frozen fruits
- Any plain vegetables or plain vegetables mixtures without white potatoes
- Any beans or mixtures of beans and peas

Canned Fruits and Vegetables (including plastic or glass containers)

- Any brand, variety, size, or mixture of canned fruits and vegetables with “no added sugar” syrup, artificial sweeteners, fat, oil, or meat are permitted
- Canned fruit must be packed in water or 100% fruit juice and may not have added salt
- Canned vegetables may include low sodium

- Applesauce with no sugar added and applesauce/fruit blends with no sugar added are permitted
- Tomato sauce, tomato paste, whole tomatoes, crushed tomatoes, and diced tomatoes with no added sugar, syrup, artificial sweeteners, fat, oil, or meat are permitted
- Canned beans and peas such as green peas, green beans, wax beans, snap beans, and snap peas are permitted

The following are NOT permitted for purchase with eWIC fruit and vegetable benefits:

- Dried or dehydrated fruits and vegetables of any type. This includes but is not limited to raisins, prunes, fruit roll-ups, fruit leathers, dried potatoes, potato chips, corn chips, popcorn, dry beans, dry peas, and dry lentils
- Items from the salad bar, party trays, or fruit baskets
- Decorative fruits or vegetables, painted pumpkins, or gourds
- Herbs and spices, minced garlic in jars or ginger root
- Edible blossoms, flowers, or plants
- Pouches of fruit purees, fruit pulps, or frozen fruit bars
- Beverage such as fruit juice, tomato juice, and vegetable juice
- Nuts, coconuts, or fruit-nut mixtures
- Ketchup, relishes, pickles, olives, sauerkraut, or mustard
- Jellies, jams, fruit preserves, or apple butter
- Frozen smoothies and popsicles
- Frozen vegetables with pasta, noodles, nuts, rice, cheese, or meat
- Frozen vegetables with butter, oil, sauces, glazes, or breading
- Frozen potatoes, sweet potato fries, French fries, hash browns, or shaped potatoes
- Canned white potatoes
- Items with added sugar or syrup. This limitation includes no added sugar, sucrose, corn syrup, high-fructose corn syrup, maltose, dextrose, honey, maple syrup, and artificial sweeteners such as Splenda®, NutraSweet®, Equal®, aspartame, saccharin, sucralose, and acesulfame-k

INFANT CEREAL

Infant cereals are permitted in 8-ounce containers. Only Beechnut, Gerber, and Earth's Best are allowed. No infant cereal with DHA, fruit, or other additives are permitted.

INFANT FRUITS AND VEGETABLES

Infant fruits and vegetables are listed in total ounces authorized for eWIC purchases. WIC approved infant fruits and vegetables are permitted in 4-ounce containers or 8-ounce (2 packs of 4 oz) packages. WIC participants are permitted to purchase any 2nd stage single ingredient infant fruits and vegetables. Only Beechnut, Gerber, and Earth's Best are allowed. Infant fruits and vegetables that have added DHA, sugars, starches, salt, sodium, meat, poultry, cereal, noodles, rice, yogurt, raisins, or granola are not allowable. No desserts, dinners, casseroles, toddler foods, fruit juice, or vegetable juice are permitted. Combinations of fruits and vegetables are not allowed.

INFANT MEATS

WIC approved infant meats include single ingredient chicken, turkey, ham, and beef. Infant meats with gravy or broth are permitted in 2.5-ounce containers. Only Beechnut, Gerber, and Earth's Best are allowed. No meat and vegetable dinner combos, meat and pasta mixtures, infant meat sticks, or DHA allowed.

INFANT FORMULA

The MSDH WIC Program offers standard milk-based and soy-based formulas to most infants who are not fully breastfed. WIC participants must purchase brand, size, and type of formula specified on the eWIC card.

The MSDH WIC Program has a contract with one standard formula infant formula manufacturer. The contract provides the State of Mississippi with rebate money when the contract formulas are bought with eWIC card. These rebate funds are used to provide benefits to additional WIC participants. The MSDH WIC Program must ensure the correct infant formula is sold for the WIC rebate contract and to ensure the infant is receiving the appropriately prescribed formula. The current infant formula rebate contractor is Mead Johnson.

Mead Johnson standard formula products available include:

- Enfamil Infant 12.5 oz powder
- Enfamil ProSobee 12.9 oz powder
- Enfamil Gentlease 12.4 oz powder
- Enfamil AR 12.9 oz powder
- Enfamil Infant 13 oz concentrated liquid
- and Enfamil ProSobee 13 oz concentrated liquid

At the request of a health care provider, MSDH WIC Program may grant special medical formula products for those infants who have documented medical conditions. Vendors are not asked to stock all special formula products but are encouraged to stock special formula products that are regularly used by WIC participants.

WIC Vendors must purchase infant formulas from a list of approved infant formula suppliers maintained by the MSDH WIC Program. The list will be updated as needed to show the addition or removal of approved infant formula sources. Vendors must check the list to ensure that infant formulas are purchased only from approved sources. The list is available at the MSDH WIC vendor information webpage at www.freshnewwic.com. This approved infant formula supplier list is also the standard against which all inventory audits are compared.

EXCHANGES, RETURNS, OR SUBSTITUTIONS

After a WIC participant purchases approved food items with eWIC, the participant may not exchange the items for another item, store credit, cash, or any other form of payment. Exchanges may be made for identical items only. Only when notified by the WIC State Office in the case of emergencies such as national food chain shortages or natural disasters may a vendor exchange a food item purchased with eWIC for an item that is not identical. If the WIC participant requires a different infant formula size or type, they must return to their local WIC office and a WIC Certifier will assist them in determining what changes may be required.

WIC APPROVED FOODS FOR PURCHASE – PHARMACIES

MEDICAL FORMULAS

WIC pharmacies provide exempt infant formula and WIC-eligible nutritionals only. Allowable medical infant formulas are specific and listed in the WIC Program Medical Formula Amounts Guide located on the web page at www.freshnewwic.com.

All vendors are required to order WIC approved infant formula only from the approved list of manufacturers, wholesalers, and distributors provided by the MS WIC Program to ensure product integrity. A current listing of Approved Infant Formula Suppliers is available on our webpage at: www.freshnewwic.com. If you do not see your current supplier listed, please contact the MSDH WIC Program.

After a WIC participant purchases approved food items with eWIC, the participant may not exchange the items for another item, store credit, cash, or any other form of payment. Exchanges may be made for identical items only. Only when notified by the WIC State Office in the case of emergencies such as national food chain shortages or natural disasters may a vendor exchange a food item purchased with eWIC for an item that is not identical. If the WIC participant requires a different infant formula size or type, they must return to their local WIC office and a WIC Certifier will assist them in determining what changes may be required. If exempt infant formula or WIC-eligible nutritionals are not available, the WIC pharmacy shall order and provide all unavailable to the WIC participant within 48 hours.

WIC TRANSACTIONS

WIC-authorized pharmacies must transact eWIC benefits is a specific order. When a WIC participant presents to the pharmacy to order special medical formula, a balance inquiry must be performed to verify the special medical formula to be ordered. Once the balance inquiry is completed, the formula can be made available to the WIC participant. If the formula is not in stock, the pharmacy may order the special medical formula. The special medical formula must be paid for with eWIC at the time the formula is provided to the WIC participant. The pharmacy should not remove benefits from the eWIC card until the formula is provided to the WIC participant. Additional guidance is found in the WIC Pharmacy Guide on the web page at www.freshnewwic.com.

STORE BRANDS PURCHASE REQUIREMENTS

VENDOR DECLARATION OF STORE BRANDS

The store brand declaration form must be submitted by each WIC Vendor declaring store brands for milk, eggs, and cheese. This form can be found on the MSDH WIC Program website at www.freshnewwic.com The WIC Vendor's declared store brands will be used in periodic analyses of vendor redemptions. Any change to the WIC Vendor's declared store brand must be reported to the MSDH WIC Program. WIC vendors must manage their inventories to ensure that at least 85% of all sales for milk, eggs, and cheese are of the declared store brand.

ASSESSMENT OF STORE BRAND SALES

The MSDH WIC Program will periodically assess WIC Vendor redemptions against the declared store brand. The WIC Vendor's declared store brand will be compared to the redeemed brand. If a WIC Vendor's declared store brand is redeemed less than 85% of purchases for the specified item, the MSDH WIC Program will contact the WIC Vendor and require a re-evaluation of its store brand declaration(s).

MANUFACTURER AND STORE PROMOTIONS & SPECIALS

The MSDH WIC Program requires WIC Vendors to make every possible special and promotion available to WIC participants. Manufacturer promotions and specials are ideal for WIC participants.

AUTHORIZED PROMOTIONS

The objective of the promotion must be to reduce prices to all shoppers. The only promotions WIC participants qualify for are:

- Buy one, get one free
- Buy one, get one at a reduced price
- Manufacturer or store cents-off coupons
- Store "savings" card or "customer reward" card

The additional foods and product amounts obtained from promotions and specials do not count toward the number of foods or the ounce limits specified in an eWIC card account, or the dollar amount specified on a fruit and vegetable eWIC benefit balance.

UNAUTHORIZED PROMOTIONS OR INCENTIVES

WIC Vendors are not permitted to offer incentives or promotional items or services specifically for WIC participants or encourage WIC participants to shop in a particular store. The MSDH WIC Program and the *WIC Vendor Agreement* outline those promotions and activities that are not authorized. The following are examples of prohibited incentives:

- Refunds for authorized foods obtained with eWIC,
- Exchange of food items unless such exchange is for an identical WIC food which is defective, spoiled, or outdated, or
- Accept telephone orders for WIC purchases.
- Cash, alcohol, tobacco, or lottery tickets even if these are being offered to non-WIC customers

If there are questions about allowable promotions or specials, contact the MSDH WIC Program at 1-800-545-6747.

WIC TRANSACTION PROCESSING

WIC PARTICIPANT EWIC CARD

The MSDH WIC Program offices provide eWIC cards to WIC participants. WIC participants will create their own personal identification number (PIN). No other form of identification is required. Participants should not be asked for additional identification. If a WIC participant has questions regarding the PIN or needs a PIN reset for any reason, they should contact the local WIC office or the customer service number on the back of the eWIC card for assistance. WIC authorized vendors should never hold or keep a WIC participant's eWIC card under any circumstances.

WIC PARTICIPANT SHOPPING LIST

The WIC State Office provides each WIC participant with a WIC shopping list. This is a list of all the items prescribed for the WIC participant. All items are listed by units of measure (ounces, pounds, dozen, etc.) and may be described by containers (jar, bag, can, or bottle). Many of these items are abbreviated on the shopping list. For example: CON = container, DOZ = dozen, GAL = gallon, LB = pound, OZ = ounce, QT = quart.

Milk Conversions are as followed: .75 = 1 quart and 1 half gallon -or- 3 quarts, .5 = 1 half gallon -or- 2 quarts, .25 = 1 quart

If a participant does not have their shopping list, they may request an eWIC Balance Inquiry Receipt from the vendor.

PARTICIPANT PURCHASE WITH EWIC AND PRINTED RECEIPT

The WIC Vendor is required to provide a printed receipt to each WIC participant at the end of each sales transaction. The eWIC printed receipt varies in format and content at each store. The WIC participant presents the products they wish to purchase at the WIC Vendor's check-out counter. Depending on the point-of-sale system used, WIC participants swipe the eWIC card before, during, or after the products are scanned. The WIC participant enters their PIN to authorize redemptions. The WIC participant confirms the items to be purchased with WIC funds. Only products prescribed for the WIC participant will be authorized for redemption with WIC funds. All other items the participant brought for purchase may be purchased using a different tender type. At the end of each sales transaction a printed receipt must be provided to the WIC participant. These receipts are a record of what was purchased and must provide the beginning and ending balance. The date of expiration of benefits must also be printed on the receipt.

PAYMENT OF REDEMPTIONS

WIC Vendors are responsible for all arrangements with their third-party processor, their financial institution, and the MSDH WIC Program EBT contract provider. To be a WIC Vendor, a grocer must meet all program requirements. Grocers are responsible for ensuring their point-of-sale system is eWIC capable. The vendor must be in possession of these eWIC capabilities prior to authorization. The vendor must execute an independent contract with a third-party processor that will manage redemption processing, settlements, and reconciliations for the facility. The pharmacy or other vendor must also execute an independent contract with the MSDH WIC Program WIC EBT contract provider if any additional equipment such as a point-of-sale device (i.e., a VX520) is required for checkout lanes.

If the *WIC Vendor Agreement* is approved, the MSDH WIC Program will arrange to have a unique identifying number issued. That identifying number corresponds to a number of other records with the MSDH WIC Program WIC EBT contractor and the selected third-party processor for the vendor. It is the WIC Vendor's responsibility to ensure the appropriate contracts and links are in place to process WIC redemptions and receive payments.

WIC COMPLIANCE REVIEWS

VENDOR MONITORING

WIC Vendors execute a *WIC Vendor Agreement* with the MSDH WIC Program. The agreement engages the vendor, the MSDH WIC Program, and WIC participant in a team effort to effectively manage WIC benefits and funds. The WIC Vendor has the most important part of the benefit redemption responsibilities of the MSDH WIC Program. The MSDH WIC Program is responsible for maintaining a consistent and productive relationship with each of its WIC Vendors. Some of the ways the MSDH WIC Program addresses these responsibilities are:

- The MSDH WIC Program has Monitoring and Compliance (MaC) Staff assigned to a specified number of WIC Vendors. These staff members provide training and assistance in the local areas. WIC Vendors are encouraged to actively maintain a professional relationship with assigned WIC Vendor management staff.
- The MSDH WIC Program is required to complete monitoring reviews of each WIC Vendor facility. These monitoring visits are a no-notice review of mandatory minimum inventory availability, processing procedures, and training. If deficiencies are identified a return review is required to verify that corrective action has been taken by the WIC Vendor.
- WIC Vendor redemptions are reviewed routinely, and non-competitive trends are identified and addressed with individual WIC Vendors.
- A WIC Vendor's records and redemptions may be audited for comparison of the quantities of food purchased from suppliers with the quantities represented in the eWIC redemptions. All vendors have agreed in the *WIC Vendor Agreement* to retain all invoice records for a period of three years. This process is used to ensure the WIC Vendor is obtaining food from wholesalers and distributors listed on the MSDH WIC Program website and that the WIC Vendor has purchased enough items to support the redemption claims submitted.

The MSDH WIC Program is required to periodically conduct covert, no-notice compliance buys in which a MSDH WIC Program representative poses as a WIC participant and purchases food items from a selected WIC Vendor. The purpose of the compliance buy is to ensure the WIC Vendor is meeting all MSDH WIC Program requirements and providing only prescribed foods.

COMPLIANCE INVESTIGATIONS

Two types of compliance investigations are performed by the MSDH WIC Program, including a compliance buy and an inventory audit. A compliance buy is a covert on-site 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 items or CVB; and does not reveal during the visit that he or she is a WIC Program representative. Compliance buys may be tailored for a particular reason based on reported complaints.

An inventory audit is the examination of food invoices or other proofs of purchase to determine whether a vendor has purchased enough supplemental foods to provide participants the quantities specified for eWIC benefits redeemed by the vendor during a given period of time. All vendors are required to maintain records which support the receipt of their inventory purchased, including wholesale purchase invoices. The results of the audit are compared to the total redemptions for a specific item and the total number of items the vendor purchased from their suppliers. Regarding infant formula, the only invoices for which the WIC Vendor will receive credit are invoices from MSDH WIC Program approved infant formula sources listed on the above website. The vendor will not receive credit for any formula invoice unless that invoice is verified as being issued by a state approved source. In such a situation the vendor will be required to repay the charges for unsupported inventory and may be disqualified.

USE OF WIC LOGO

The WIC acronym and the WIC logo are registered service marks of the USDA for USDA WIC, registration numbers 1,630,468 and 1,641,644, respectively. WIC Vendors are required to observe limitations on the use of the acronym and logo as a condition of continued participation in the MSDH WIC Program and as a term in the *WIC Vendor Agreement*.

WIC Vendors may not use the WIC acronym or logo in advertising or promotional materials that may imply the MSDH WIC Program or USDA endorses either the WIC Vendor or its products. The WIC Vendor may not use the acronym or logo in a way that may cause confusion, mistakes, or deception regarding the affiliation or connection of the vendor to the MSDH WIC Program or the USDA. WIC Vendors are required to comply with the terms of their *WIC Vendor Agreement* and laws applicable to acronym and logo.

VENDOR TRAINING

Vendor training is a requirement for participation as a WIC Vendor. Vendor training is provided by the MSDH WIC Program. There are two types of Vendor Trainings. At least one authorized representative of the store or corporation must attend training. Authorized representatives include owner(s) and training representatives(s). The owner may assign multiple training representatives who are responsible for training staff.

1. Authorization Training – Authorization training aims to ensure vendors understand Program rules for vendor participation and are prepared to accept eWIC. Authorization training is a mandatory training for new vendors who apply for initial authorization and returning vendors who apply for re-authorization. Authorization training is interactive (including an opportunity for questions and answers). Authorization training may be provided in-person or via live webinar. **WIC Vendors who do NOT attend mandatory authorization training will not be authorized and/or reauthorized as WIC Vendors.**
2. Annual Training – Annual training aims to prevent program errors and noncompliance and improve program service. WIC Vendors must attend training annually. Annual training may be provided via multiple mediums, including but not limited to newsletters, webinars, on-site cashier training, and/ or training videos. **Vendors who fail to attend annual training will receive sanction points and punitive actions up to disqualification.**

The MSDH WIC Program will have sole discretion to designate the date, time, and location of all interactive trainings. The MSDH WIC Program will provide the vendor with at least one alternative date to attend interactive training.

WIC training and education materials, including the documents listed below, are available for WIC Vendors. These materials may be viewed or downloaded as needed from the MSDH WIC Program website: www.freshnewwic.com. The following materials are available:

- ***MSDH WIC Vendor Handbook*** – A handbook that contains additional information about the policies and procedures of the MSDH WIC Program. It may be used in conjunction with the terms of the *WIC Vendor Agreement*, WIC training materials, and assistance from the WIC Vendor management team.
- **MSDH WIC Shopping Guide** – A pamphlet that includes descriptions and images of WIC- eligible foods.

- **Approved Infant Formula Suppliers** – An approved list of infant formula manufacturers, wholesalers, and distributors the MSDH WIC Program recognizes as authorized sources of supply will be available on the MSDH website at www.freshnewwic.com. WIC Vendors are subject to inventory and invoice audits. WIC Vendors will not receive credit for infant formula purchased from a source not listed as an authorized source of supply for infant formula.
- **Mandatory Minimum Stocking Requirement** – A list of the mandatory minimum WIC inventory all WIC Vendors must always have on sales shelves available to the public. WIC Vendors that fail to maintain this inventory at all times may be disqualified.
- **WIC Vendor Training for Grocery Store Associates** – A PDF or PowerPoint file that provides information the roles and responsibilities of the MSDH WIC Program and the WIC Vendor. This is not intended to be the only training materials. WIC Vendors must provide additional training on the point-of-sale system. The MSDH WIC Program is not responsible for training related to point-of-sale systems or produce mapping.
- **WIC Vendor Training for Pharmacy Associates**– A PDF or PowerPoint file that provides information the roles and responsibilities of the MSDH WIC Program and the WIC Vendor. This is not intended to be the only training materials. WIC Vendors must provide additional training on the point-of-sale system. The MSDH WIC Program is not responsible for training related to point-of-sale systems.

New WIC Vendors are required to provide training for store associates before transacting eWIC benefits. WIC Vendors must submit the verification of store associate training form and provide proof of training or training plan. This form is required before new WIC Vendors will be sent materials. Information to support store associate training for grocery stores and pharmacies are available on the MSDH WIC Vendor Information page at www.freshnewwic.com. At a minimum, training must include the following:

- Purpose of WIC
- Role of the WIC Vendor
- WIC Vendor Requirements
- WIC Approved Foods (for Grocery Store Vendors only)
- WIC Approved Formula
- Identifying an eWIC Card

- Processing an eWIC transaction
- How WIC monitors and assigns sanctions
- Store-specific point of sale system transactions

VENDOR MATERIALS AVAILABLE BY ORDER

WIC Vendors may contact their MSDH WIC Program vendor management staff to order the following vendor materials:

- **WIC Window Decal** – A window decal identifying WIC stores.
- **WIC Shelf Tags** – A shelf tag is used to identify store brand declared WIC- eligible foods in the store. WIC Vendors must use shelf tags to identify store- brand declared milk, eggs, and cheese products. The WIC shelf tags are most helpful in areas where language barriers exist.
- **Cashier Food Guide** – A pamphlet that includes descriptions and images of WIC- eligible foods.

VENDOR SANCTION SYSTEM

Sanctions can be applied against a WIC Vendor for program violations. The State Agency shall determine the type and level of sanctions to be applied against food vendors based upon the severity, nature, and pattern of the violations observed. Violations noted during two to three compliance investigations will constitute a pattern of violations.

WIC Vendor offenses subject to State and Federal sanctions include but are not limited to:

- A pattern, defined as two or more incidences of claiming reimbursement for the sale of an amount of a specific food item which exceeds the store’s documented inventory of that food item for a specific period
- Exchanging cash, credit, or consideration other than WIC-eligible food; or the exchange of firearms, ammunition, explosives, or controlled substances, as defined in Section 802 of Title 21 of the United States Code, for WIC benefits
- A pattern of receiving, transacting, and/or redeeming WIC benefits outside of authorized channels
- A pattern of exchanging non-food items for WIC benefits
- A pattern of charging WIC participants more for food than non-WIC customers, or charging WIC participants more than current shelf price

- A pattern of charging for food items not received by the WIC participant, or for food provided in excess of those listed on the food prescription.

The State Agency generally regards violations as an indication for training. Therefore, efforts will be made to correct the problems through WIC Vendor training. After unsuccessful attempts have been made to correct the violations, sanctions will be imposed. Sanctions shall be imposed by the State Agency against a WIC Vendor where evidence of abuse is documented. The Program will provide written notification to the WIC Vendor regarding any sanction points assessed and the type of violation(s) found (including initial violations). The State Agency may not accept voluntary withdrawal of a WIC Vendor as an alternative to disqualification.

FEDERAL SANCTIONS

Mandatory vendor sanctions 7 CFR 246.12(l)(1) allowed by law and rules include but are not limited to:

Permanent Disqualification: For a vendor convicted of trafficking in WIC benefits, selling firearms, ammunition, explosives, or controlled substances (as defined in Section 102) of the Controlled Substance Act (21 U.S.C. 802) in exchange for WIC benefits. The State Agency shall impose a civil money penalty in lieu of WIC disqualification when it determines:

- (a) disqualification of the vendor would result in inadequate participant access; or
- (b) the vendor had at the time of the violation, an effective policy and program in effect to prevent trafficking; and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.

Six-Year Disqualification: One incidence of buying or selling WIC benefits for cash (trafficking); or one incidence of selling firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802, in exchange for WIC benefits.

Three-Year Disqualification: 246.12 (l) (iii) Pattern is defined as three or more incidences

- (a) One incidence of sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC benefits; or
- (b) A pattern of claiming reimbursement for the sale of an amount of a specific supplemental food item which exceeds the store's documented inventory of that supplemental food item for a specific period of time; or
- (c) A pattern of charging participants more for supplemental food than non-WIC customers

- or charging participants more than the current shelf or contract price; or
- (d) A pattern of receiving, transacting and/or redeeming WIC benefits outside of authorized channels, including the use of an unauthorized vendor and/or an unauthorized person; or
 - (e) A pattern of charging for supplemental food not received by the participant; or
 - (f) A pattern of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802, in exchange for WIC benefits.

One-Year Disqualification: The State Agency must disqualify a vendor for one year for pattern of providing unauthorized food items in exchange for WIC benefits, including charging for supplemental food provided in excess of those listed on the food prescription.

Second Mandatory Sanction: A vendor, who has been assessed a sanction for any of the violations in this section, receives another sanction for any of these violations, the State Agency shall double the second sanction. Civil money penalties may be doubled up to the maximum allowable amount.

Third or subsequent mandatory sanction: A vendor, who has been assessed two or more sanctions for any of the violations in this section, receives another sanction for any of these violations, the State Agency shall double the third sanction and all subsequent sanctions. The State Agency shall not impose civil money penalties in lieu of disqualification for third or subsequent sanctions.

Disqualification based on a SNAP disqualification: The State Agency will disqualify a vendor who has been disqualified from SNAP. The disqualification must be for the same length of time as the SNAP disqualification, may begin at a later date than the SNAP disqualification, and is not subject to administrative or judicial review under the WIC Program. The vendor may be assessed a civil money penalty in lieu of disqualification if it will impose an accessibility hardship on participants. Participant access is not subject to review and the vendor does not have the right to appeal any decision under this section. The State Agency has the right to disqualify a vendor who has been assessed a civil money penalty for hardship in SNAP, as provided under 7 CFR 278.6. Violations that lead to disqualification from the State Agency may result in disqualification of authorization to participate in SNAP. This disqualification from WIC may result in disqualification as a retailer in SNAP. Such disqualification is not subject to administrative or judicial review under SNAP. Further, a vendor's previous non-compliance with

WIC policy and/or procedures will be considered when re-contracting with the vendor and may be used as criteria in determining whether the vendor is eligible to re-contract.

Voluntary withdrawal or non-renewal of agreement: The State Agency shall not accept voluntary withdrawal of the vendor from the Program as an alternative to disqualification for violations listed in this section but shall enter the disqualification on the record. In addition, the State Agency shall not use non-renewal of the vendor agreement as an alternative to disqualification.

STATE SANCTIONS

Sanction points can be assigned for each single occurrence of the violation, which is documented during any redemption analysis, monitoring visit(s), other formal visit(s), follow-up of previous problems, inventory audits, annual trainings, or any other objective means. All points are cumulative and will be kept current for a period of one (1) year as long as the vendor is authorized on the WIC Program. Points accrued for each violation will be erased one (1) year after the date of the violation regardless of a renewal of a vendor agreement. Vendors may be subject to sanction points in addition to claims for improper or overcharged WIC benefits. The State Agency may impose a civil money penalty (CMP) in lieu of disqualification when it determines and documents, at its sole discretion, that such action would result in inadequate participant access. Availability of other authorized vendors within approximately 20-30 miles will be considered, in accordance with 7 CFR 246.12 (2)(8), when determining participant access. The CMP calculation and collection will be the same as stated under the mandatory disqualifications and sanctions in accordance with 7 CFR 246.1. Sanctions are commensurate with the number of points accumulated for one or more of violations in any combination. The following violations are assigned specific sanction points.

Any combined total of:

10- 20 points	=	Disqualification warning letter
21- 40 points	=	Initial or follow up warning letter with required training
41- 60 points	=	3-month disqualification with required training
61- 80 points	=	6-month disqualification with required training
81- 100 points	=	9-month disqualification with required training
>100 points	=	1 year disqualification with required training

Violation Description	Sanction Points
Vendor Handbook or Approved Foods Guide not in store	6
WIC Food Prices not posted	6
WIC Sign is not posted	6
Requires WIC participants to put back food items if the amount exceeds the MARL	7
Demands identification other than PIN	7
Does not follow proper eWIC procedures	7
Refuses to accept manufacturer coupons for WIC foods	7
Labels non-authorized brands as WIC approved	7
Misbranding WIC items	7
Exceeds WIC peer group pricing for eligible food items	7
Failure to comply with any other of the vendor responsibilities noted in the Vendor Agreement	7
Failure to submit Vendor Price Survey when requested	7
Redeems WIC benefits for non-authorized food brands, quantities, or types within WIC food categories	7
Discourteous to participants	10
Fails to train store personnel in WIC procedures	10
Refuses to honor valid WIC benefits	10
Unauthorized amounts purchased	10
Unacceptable use of Special WIC Lane	10
Failure to provide WIC transaction receipts for review	10
Requires WIC participants to pay the difference if a food item exceeds the MARL amount	10
Does not maintain a clean and sanitary store	10
Does not maintain competitive prices on WIC authorized items	10
Fails to maintain minimum stock in 1- 5 categories	10
Pharmacies fail to provide special formula within 48 hours.	10
Fails to maintain store business hours as specified on application	10
Fails to provide evidence of proof of purchase (invoices) of WIC foods	10
Fails to remit payment for overcharges or provide justification for the overcharges, including scanner vs. shelf price discrepancies	10
Provides rainchecks for WIC benefits	10
Seeks restitution from participants for WIC benefits not paid by the State Agency or subject to non-payment by the State Agency	10
Submits false information on Vendor Price Survey	10
Submits false information on WIC transaction	10
WIC food items have expired dates	10
Allows unauthorized brands/foods to be purchased	15
Attempts to limit number of WIC benefits redeemed	15
Fails to maintain minimum stock in >5 categories	15
Discriminates against WIC participants (protected classes)	15
Fails to attend mandatory annual vendor training	15
Submits false information on application	20

Redeems specific contract formula benefits for other formula	20
Redeems WIC benefits for foods which are not in WIC food categories	20
Circumvents disqualification or CMP through a purported transfer of ownership	30

The vendor will be notified in writing regarding any sanction points assessed and the type of violation(s) found (including initial violations). All vendors with 21- 40 points will be required to receive training by the WIC Program on the violation(s) in question within thirty (30) days of the notice of issuing the sanction points. All vendors receiving 41 or more points will be required to receive training by the WIC Program before they are approved to return as an authorized vendor to the WIC Program. This training will be documented in SPIRIT and monitored by the Vendor Compliance Coordinator. The State Agency shall provide the appropriate FNS/ SNAP office with a copy of the notice of administrative action and information on vendors it has imposed a CMP in lieu of disqualification from the WIC Program, or for any federal violations listed above.

CIVIL MONEY PENALTY

The State Agency shall impose a CMP in lieu of WIC disqualification if:

- (a) Such disqualification of the vendor would result in inadequate participant access.
- (b) The vendor had at the time of the violation, an effective policy and program in effect to prevent trafficking, and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.

The State Agency shall use the following formula to calculate a CMP imposed instead of disqualification (up to the maximum allowable CMP amount, see below):

- (1) Determine the vendor’s average monthly redemptions for at least the 6-month period ending with the month immediately preceding the month during which the notice of adverse action is dated.
- (2) Multiply the average monthly redemptions figure by 10 percent (.10).
- (3) Multiply the product by the number of months for which the store would have been disqualified. This is the amount of the CMP if it does not exceed the maximum allowable CMP amount.
- (4) For a violation that warrants permanent disqualification, the amount of the CMP shall be the maximum amount specified for each violation. If, during a single investigation the

State Agency determines a vendor has committed multiple violations, the State Agency must impose a CMP for each violation.

- (5) The total amount of CMPs imposed for violations investigated as part of a single investigation may not exceed the amount specified as the maximum penalty for violations occurring during a single investigation.

Civil money penalty for a vendor convicted of trafficking in food instruments, codified at 42 U.S.C. 1786(o)(1)(A) and 42 U.S.C. 1786(o)(1)(B) is \$18,760 for each violation, and maximum penalty for violations occurring during a single investigation is \$75,042. Civil penalty for a vendor convicted of selling firearms, ammunition, explosive, or controlled substances in exchange for food instruments, codified at 42 U.S.C. 1786(o)(1)(B) and 42 U.S.C. 1786(o)(4)(B) is \$18,299 for each violation, and maximum penalty for violations occurring during a single investigation is \$75,042. If such payment is not made, the State Agency shall disqualify the vendor for the length of the disqualification corresponding to the violation for which the CMP or fine was assessed. Other sanctions allowed by law and rule include, but are not limited to:

- (a) Termination of authorization to participate in the WIC Program
- (b) Offset against payment based on previous overpayment
- (c) Repayment of the full amount of vendor's reimbursement for cash, unauthorized foods, or other items of value to participants in lieu authorized supplemental foods
- (d) Repayment of the full amount of the difference between the vendor's customary price and the cost charged to the WIC Program when the vendor charges the WIC Program more for the supplemental foods than other customers are charged for the same food items, and assessment of the reasonable administrative costs

The State Agency has the right to disqualify a vendor who has been assessed a CMP for hardship in SNAP as provided under 7 CFR 278.6. The length of such disqualification shall correspond to the period for which the vendor would otherwise have been disqualified in SNAP. The vendor has the right to appeal any decision under this section. Expiration of the vendor contract is not subject to appeal.

Any vendor found guilty of a violation by a different WIC State Agency will face the same sanctions, CMP, or disqualification as imposed by the other WIC State Agency. The length of the disqualification will be same as the disqualification imposed by the other WIC State Agency.

VENDOR APPEAL HEARING PROCEDURE

Any WIC Vendor who is issued a sanction under the above mentioned mandatory Federal sanctions and/or MSDH WIC Program Sanctions vendor sanctions has the right to appeal under the following procedures. The steps for an Appeal Hearing are as follows:

1. The WIC Vendor must file a written request for appeal with the MS WIC Program Vendor Manager, P.O. Box 1700, Jackson, MS 39215-1700, within sixty (60) days of the date the State Agency mails the applicant or WIC Vendor the sanction notice for disqualification, termination, or civil money penalty.
2. Pending the appeal hearing, the WIC Vendor will continue to participate in the MSDH WIC Program, comply with all regulations, and be subject to all monitoring requirements.
3. A case number will be assigned to the appeal.
4. The hearing shall be set at least fifteen (15) days after receipt of the request unless an earlier time is agreed upon by all parties and shall be set at a place satisfactory to the parties. The WIC Vendor shall be afforded the opportunity to reschedule the hearing, provided a minimum of 48 hours' notice is given to the State Agency. The hearing may be rescheduled a maximum of one time.
5. The parties shall have the opportunity to present evidence and cross-examine witnesses. The WIC Vendor may review the case record during regular business hours prior to the hearing.
6. The parties may be represented by counsel.
7. The Director of the MSDH WIC Program shall appoint an impartial hearing examiner who is not involved in the MSDH WIC Program.
8. The hearing examiner's decision shall be based solely on the evidence presented at the hearing and the regulations and policies governing the MSDH WIC Program.
9. The hearing examiner shall issue a written decision and provide a copy to the parties within sixty (60) days of the request for a hearing.
10. In the event the hearing decision results in termination from MSDH WIC Program participation, the State Agency must present the WIC Vendor with not less than fifteen (15) advance written notice of expiration of the contract or agreement or other adverse action.

ADMINISTRATIVE REVIEW OF STATE AGENCY ACTIONS

ADMINISTRATIVE REVIEW OVERVIEW

The State Agency shall provide Full Administrative Reviews to WIC vendors that appeal the following adverse actions:

- Denial of authorization based on the application of the vendor selection criteria for minimum variety and quantity of authorized supplemental foods, or on a determination that the vendor is attempting to circumvent a sanction.
- Termination of an agreement for cause
- Disqualification
- Imposition of a fine or a civil money penalty in lieu of disqualification

The State Agency shall provide Abbreviated Administrative Reviews to vendors that appeal the following adverse actions, unless the State agency decides to provide full administrative reviews for any of these types of adverse actions:

- Denial of authorization based on the vendor selection criteria for business integrity or for a current SNAP disqualification or civil money penalty for hardship (§246.12(g)(3)(ii) and (g)(3)(iii))
- Denial of authorization based on the application of the vendor selection criteria for competitive price (§246.12(g)(4))
- The application of the State Agency's vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors or comparable to above-50-percent vendors.
- Denial of authorization based on a State Agency established vendor selection criterion if the basis of the denial is a WIC vendor sanction or a SNAP withdrawal of authorization or disqualification.
- Denial of authorization based on the State Agency's vendor limiting criteria (§246.12(g)(2))
- Denial of authorization because a vendor submitted its application outside the timeframes during which applications are being accepted and processed as established by the State Agency under §246.12(g)(8)
- Termination of an agreement because of a change in ownership or location or cessation of

operations (§246.12(h)(3)(xvii))

- Disqualification based on a trafficking conviction (§246.12(l)(1)(i))
- Disqualification based on the imposition of a SNAP civil money penalty for hardship (§246.12(l)(2)(ii))
- Disqualification or a civil money penalty imposed in lieu of disqualification based on a mandatory sanction imposed by another WIC State Agency (§246.12(l)(2)(iii))
- A civil money penalty imposed in lieu of disqualification based on a SNAP disqualification under §246.12(l)(1)(vii)
- Denial of an application based on a determination of whether an applicant vendor is currently authorized by SNAP.

The State Agency shall not provide administrative reviews pursuant to this section to vendors that appeal the following actions:

- The validity or appropriateness of the State Agency's vendor selection criteria for minimum variety and quantity of supplemental foods, business integrity, and current SNAP disqualification or civil money penalty for hardship (§246.12(g)(3))
- The validity or appropriateness of the State Agency's selection criteria for competitive price (§246.12(g)(4)), 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.
- The validity or appropriateness of the State Agency's participant access criteria and the State Agency's participant access determinations
- The State Agency's determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the list required pursuant to §246.12(g)(11)
- The validity or appropriateness of the State Agency's prohibition of incentive items and the State Agency's denial of an above-50-percent vendor's request to provide an incentive item to customers pursuant to §246.12(h)(8)
- The State Agency's determination whether to notify a vendor in writing when an investigation reveals an initial violation for which a pattern of violations must be established in order to impose a sanction, pursuant to §246.12(l)(3)
- The State Agency's determination whether a vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware of, did

not approve of, and was not involved in the conduct of the violation (§246.12(l)(1)(i)(B))

- Denial of authorization if the State Agency's vendor authorization is subject to the procurement procedures applicable to the State Agency
- The expiration of a vendor's agreement
- Disputes regarding redemption or cash-value benefit amounts and vendor claims (other than the opportunity to justify or correct a vendor overcharge or other error, as permitted by §246.12(k)(3))
- Disqualification of a vendor as a result of disqualification from SNAP (§246.12(l)(1)(vii)).

ADMINISTRATIVE REVIEW PROCEDURE

Full Administrative Review Procedures

If a Full Administrative Review is required, the State Agency shall provide vendors with all the following:

- Adequate advance notice of the time and place of the administrative review so all parties can prepare for the review.
 - The opportunity to present its case and at least one opportunity to reschedule the review date upon request. The State Agency may set standards on how many review dates can be scheduled, as long as at least two review dates are allowed.
- The opportunity to cross-examine adverse witnesses. A protective screen or other device may be used to protect the identity of MSDH WIC Program investigators when necessary.
- The opportunity to be represented by counsel.
- The opportunity to examine the evidence the State Agency used for the action prior to the review.
- An impartial decision-maker to review whether the State Agency has correctly applied federal and State statutes, regulations, policies, and procedures governing the MSDH WIC Program, according to evidence presented at the review. The State Agency may appoint a reviewing official to review appeal decisions to make sure they follow approved policies and procedures.
- Written notification of the review decision, including the basis for the decision:

- Within ninety (90) days from the date of receipt of the request for an administrative review from a vendor.
- Within sixty (60) days from the date of receipt of a local agency's request for an administrative review.

The above timeframes are administrative requirements and are not a basis for overturning an adverse action if the decision is not made within the timeframe.

Abbreviated Administrative Review Procedures

If an Abbreviated Administrative Review is required, and unless a State Agency decides to provide full administrative reviews for adverse actions, the State Agency shall provide vendors with the following:

- Written notification of the adverse action, the procedures to obtain an abbreviated administrative review, the cause(s) for and the effective date of the action, and an opportunity to provide a written response.
- A decision-maker to use the available information to determine whether the State Agency has correctly applied federal and State statutes, regulations, policies, and procedures governing the MSDH WIC Program. The decision-maker will be someone other than the person who made the initial decision on the action.
- Written notification of the review decision, including the basis for the decision, within ninety (90) days of the date of receipt of the request for an administrative review. This timeframe is an administrative requirement and is not a basis for overturning an adverse action if the decision is not made within ninety (90) days.

WHEN TO CONTACT THE VENDOR MANAGEMENT STAFF

The MSDH WIC Program vendor management staff can assist vendors when questions or problems arise. If you wish to contact the MSDH WIC Program, please call (800)359-7832 or email vmu@msdh.ms.gov.

The MSDH WIC Program should be contacted when a vendor needs assistance or information regarding the following:

- WIC-eligible food items
- Vendor transaction processing
- Compliance issues
- Use of WIC acronym and logo
- To report WIC abuse or fraud
- Training of vendor personnel
- WIC shelf tags
- WIC Window decal
- Reporting Vendor status changes (change in ownership or location)
- Complaints

VENDOR COMPLAINTS

Vendors must report unusual incidents or complaints against a participant to the State Agency via the Vendor Complaint Form. The Vendor Complaint Form can be found on the MSDH WIC Program website at www.freshnewwic.com. The State Agency will provide appropriate follow-up with the participant to resolve the complaint. Verbal complaints will not be accepted.

VENDOR REPORTING PROGRAM ABUSE OR FRAUD

To report program abuse or fraud, please contact the MSDH WIC Program's Toll-Free Fraud Hot Line at 1-800-545-6747. Callers may remain anonymous. WIC Vendors are encouraged to call the WIC Fraud Hot Line if they or their employees observe or are aware of inappropriate conduct regarding the MSDH WIC Program, participants, or the misuse of eWIC. These calls are accepted during normal business hours. After normal business hours the caller may leave a message on the WIC Fraud Hot Line answering service. Calls will be reviewed during normal business hours.

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at:

<https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. mail:

U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or

2. fax:

(833) 256-1665 or (202) 690-7442; or

3. email:

program.intake@usda.gov

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