

Maine Center for Disease Control and Prevention

WIC Nutrition Program

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Policy No. VM-12

Revised: May 4, 2016

Vendor Operations

Authority

7 CFR §246.4(a)(14); §246.12(e), (f), (g), (h) and (k);

22 MRSA §255 and 1951;

10-144 CMR Chapter 286, § IV

Policy

1. An authorized vendor shall meet the following general requirements:
 - 1.1 Maintain compliance with the WIC vendor selection criteria throughout the Vendor Agreement period, including conforming to any changes to the criteria.
 - 1.2 Maintain inventory records used for federal tax reporting purposes; maintain records in accordance with generally accepted accounting procedures; and assure that records reflecting justification and receipt of WIC funds, WIC checks (food instruments, cash-value vouchers, electronic benefit cards), and all other program-related records of the vendor are available for inspection or audit by Federal, State or other authorized personnel.
 - 1.3 Cooperate with Federal and State WIC Program and other authorized personnel during announced and unannounced on-site vendor reviews, inspections and audits.
 - 1.4 Provide the State Agency with dated purchase invoices from wholesalers, with names and addresses of suppliers, when requested.
 - 1.5 Submit a current price list within the timeframes given and in the format requested by the State Agency.
 - 1.6 Comply with the nondiscrimination provisions of 7 CFR §15, 15A and 15B.
 - 1.7 Purchase infant formula for sale to WIC participants from sources on the Maine WIC Program authorized list of infant formula wholesalers, distributors and retailers.
 - 1.8 Keep all information pertaining to authorized WIC participants confidential.
 - 1.9 Never publicly identify, call unnecessary attention to, or allow discourteous treatment of a WIC participant.
 - 1.10 Never demand identification other than the WIC ID Folder from a WIC participant for WIC items.

- 1.11 Appropriately redeem valid WIC checks for the types and quantities of food specified on the WIC checks. The prices charged for WIC foods shall be the same as, or less than, the prices charged to non-WIC customers.
- 1.12 Never provide a customer with cash, non-food items, or credit in exchange for a WIC check.
- 1.13 Never request or accept cash payment from a WIC participant for the authorized quantities of foods specified on WIC checks.
- 1.14 Never substitute one WIC approved product for another.
- 1.15 Allow WIC participants to use WIC checks to purchase less than (but never more than) the authorized amount of food, if they so desire.
- 1.16 Never transact WIC checks outside of the authorized store. Vendors offering delivery services may deliver WIC foods after the transaction has been completed in the store.
- 1.17 Never attempt to seek restitution from participants/authorized representatives for redeemed WIC checks that were rejected by the Program's bank and/or for cash refunds requested by the State Agency.
- 1.18 Direct questions concerning payment only to the State Agency. Customers are not to be contacted concerning this or any other problem area.
- 1.19 Allow WIC participants to take advantage of manufacturer or vendor promotions that provide foods free of charge when purchasing WIC foods. The vendor shall also accept manufacturers' "cents off coupons" from WIC participants for foods being purchased with WIC checks and deduct the value of the coupon from the cost of the WIC foods being purchased.
- 1.20 Never provide incentive items or other free merchandise, except food or merchandise of nominal value (less than \$2.00), to WIC participants unless the vendor provides to the State Agency proof that the vendor obtained the incentive items or merchandise at no cost.
- 1.21 Only accept WIC checks at the time of the actual purchase and never issue "rain checks" or credit slips to WIC participants for WIC-approved foods.
- 1.22 Allow exchange of an identical item only when the original item is defective, spoiled, or has exceeded its expiration date.
- 1.23 Never improperly refuse to accept a WIC check from a WIC participant.
- 1.24 If the vendor is a WIC pharmacy or combination food store/pharmacy, ensure that authorized WIC participants can receive, within 72 hours of a request from a participant or the WIC Program, any authorized prescription infant formula and/or WIC-eligible medical foods.
- 1.25 If the vendor is a pharmacy, be willing to "break a case" if it is necessary to provide the number of cans/bottles printed on the WIC checks.

- 1.26 If the vendor is a WIC pharmacy that has not been authorized as a WIC food vendor as well, accept WIC checks for authorized prescription infant formula and/or WIC-eligible medical foods only.
 - 1.27 If the vendor is a WIC food vendor that has not been authorized as a WIC pharmacy as well, never accept WIC checks for authorized prescription infant formula and/or WIC-eligible medical foods.
 - 1.28 Report to the State Agency any irregularities in the use of WIC checks by WIC participants.
 - 1.29 Report to the State Agency if a WIC participant requests cash or credit in exchange for returned WIC products.
 - 1.30 If the vendor owner receives WIC checks as a WIC participant or is an authorized representative for a WIC participant, they must redeem WIC checks at different authorized vendor location other than the location they own.
 - 1.31 If a cashier working for an authorized WIC vendor receives WIC checks as a WIC participant or is an authorized representative for a WIC participant, they cannot conduct their own transaction(s) to redeem WIC benefits.
 - 1.32 Maintain a “WIC Accepted Here” sticker provided by the State Agency at the primary entrance to the store.
2. The State Agency shall hold each vendor accountable for maintaining prices at a level consistent with the selection criteria applied to the vendor at the time of authorization. Failure to remain price-competitive is cause for termination of the Vendor Agreement. More specifically, vendors shall:
 - 2.1 Provide WIC products at prices that are competitive. Vendors whose prices are high when compared to other authorized vendors (of the same peer group) will experience rejection of WIC checks and related banking fees.
 - 2.2 Never charge the WIC Program for WIC products not actually purchased and received by the WIC participant.
 - 2.3 Never charge the WIC Program for WIC products provided in excess of those listed on the WIC checks.
 - 2.4 Never price WIC transactions by WIC check type instead of pricing each WIC check for the actual, authorized WIC products purchased and received.
 - 2.5 Never collect sales tax on WIC food purchases.
 - 2.6 Never charge the WIC Program for bottle deposits or bag fees.
 - 2.7 Ensure that prices charged to WIC participants for approved foods are equal to or less than prices charged to non-WIC customers.
 - 2.8 Ensure that the price affixed to a scanned item’s UPC code in an electronic cash register with scanning capability/point of sale device is not greater than the price displayed on the package, container, shelf, or other signage in the store for the purchased item.

3. The State Agency will make payment to the vendor upon receipt of validly transacted and redeemed WIC FIs for food costs incurred in providing WIC approved foods to WIC customers.
4. To ensure compliance with the applicable maximum allowable reimbursement (MAR), the State Agency shall reduce payment on WIC checks submitted in excess of the MAR for the WIC products. In such cases, the State Agency shall pay no more than the MAR. Payment of the reduced amount will be made by direct deposit credit to the vendor's bank account. In the case of paper-form WIC checks, the WIC check will be returned to the vendor and bank fees may apply.
5. When the State Agency determines that the vendor has committed a violation that affects the payment to the vendor, the State Agency shall delay payment or establish a claim. Such vendor violations may be detected through compliance investigations, WIC check reviews or other reviews or investigations of a vendor's operations. See Policy VM-14 Vendor Claims for vendor claim procedures.
6. The State Agency will not reimburse a vendor for a WIC check when it is determined that the vendor intentionally attempted to defraud and/or abuse the Program.
7. If, during an appeal of a reduction or rejection, the State Agency determines that state or federal violations were committed, the vendor may be subject to the corresponding penalties including disqualification.
8. The State Agency does not pay vendors for WIC checks from other states.
9. Vendors may not seek reimbursement of money or return of food from WIC participants for any rejected check or resulting bank fees.
10. All payment inquiries regarding specific WIC checks must be submitted in writing by mail. Telephone inquiries of this type will not be researched. Telephone requests for general information are welcomed.

Procedures

1. During transaction of paper-form WIC checks (WIC checks), vendors shall:
 - 1.1 Request that the WIC participant present a WIC ID Folder that has the name and signature of the authorized representative on the back cover.
 - 1.2 Review the WIC check to confirm that there are no visible alterations. Checks with alterations must be refused.
 - 1.3 Confirm the WIC check is being transacted within the printed "to use" dates. WIC checks presented before or after the allowed dates to use must be refused.
 - 1.4 Confirm the foods being purchased match the food item descriptions and quantities on the presented WIC check.
 - 1.5 Request that the WIC participant write the actual cost of the WIC foods purchased in the space provided on the face of the WIC check prior to signing the WIC check. Exception: a computer may print the actual cost of the WIC foods on the WIC check if an automated system exists in the store.

- 1.6 Request that the WIC participant write his/her signature in the lower right hand corner of the WIC check after he/she has written in the price. Witness the signing of the check.
 - 1.6.1 If a pre-signed WIC check is presented, require the customer to cross out the signature and observe the WIC participant signing the check in a space in or beside the signature box.
 - 1.6.2 In cases where a WIC participant signs with an “X”, witness the transaction by signing beneath the “X” mark.
- 1.7 Compare the signature on the WIC check with the signature(s) on the ID Folder; if the signature on the WIC check does not match one of the signatures on the ID Folder, do not accept the WIC check.
2. During transaction of eWIC card benefits, vendors shall:
 - 2.1 Only allow the WIC participant/authorized representative to purchase food items with UPC codes that correspond to the eWIC approved APL and the participant’s benefit balance.
 - 2.2 Scan or manually enter the actual UPC code that is affixed to the item actually being purchased by the WIC participant/authorized representative.
 - 2.3 Not scan any UPC code that is not affixed to the item being purchased by the WIC participant/authorized representative, or any UPC code as a substitute or replacement for the item being purchased.
 - 2.4 Not require the WIC participant/authorized representative to provide any other form of identification besides entering the pin number associated with the eWIC card.
3. During the transaction of any WIC check type, vendors shall:
 - 3.1 Collect Maine Bottle Bill deposits from the WIC participant and not from the WIC program.
 - 3.2 Provide the WIC participant with an itemized receipt that indicates the cost of each food item purchased with the WIC check.
4. Vendors must deposit transacted WIC checks to the bank account indicated on their vendor application or more recently submitted vendor update form.
 - 4.1 Checks must be deposited within sixty (60) days from the “FIRST-DATE-TO-USE”.
 - 4.2 Vendors must review WIC checks for possible errors prior to deposit. Errors resulting in rejection of WIC checks may incur bank fees for the vendor. Checks should be reviewed for:
 - 4.2.1 Completeness including total sale amount, WIC customer signature, and clearly stamped vendor number;
 - 4.2.2 Legibility;
 - 4.2.3 Date within 60 days of “First Date to Use”; and

- 4.2.4 The register receipt should also be reviewed to ensure that the correct foods have been provided.
- 5. All WIC checks presented to WIC's fiscal intermediary undergo a visual and automated review or pre-edit screening.
 - 5.1 Provided no errors are present on WIC checks, the fiscal intermediary will transfer the funds via ACH to the bank of first deposit within sixty (60) days.
 - 5.1.1 ACH payments are "warehoused" or held for one week. Payments are "cycled" each Friday and one deposit for all WIC checks submitted by each vendor the previous week is made.
 - 5.1.2 Vendors receive a detailed report of each ACH transaction included in that credit by Wednesday of the following week.
 - 5.2 If a WIC check does not pass pre-edit it will be rejected unpaid and returned to the vendor's depository bank stamped with an explanation indicating why it was not paid. The vendor's bank will debit the vendor's account and return the WIC check to the vendor. Bank fees may apply for rejected WIC checks. WIC checks will be rejected and returned to the vendor's depository bank for the following reasons:
 - 5.2.1 Over the maximum redemption price for that food instrument type
 - 5.2.2 Early cashing (before the "first day to use")
 - 5.2.3 Stale date (check deposited more than 60 days after the "first day to use")
 - 5.2.4 Missing WIC participant signature on the right side of the WIC check
 - 5.2.5 Obvious alterations
 - 5.2.6 Invalid /unauthorized vendor number
 - 5.2.7 Second Presentment- the WIC check has already been paid
 - 5.2.8 Check is not from Maine WIC Program
 - 5.2.9 Encoding Error- the vendor bank has scanned WIC check and coded check for different amount than written on WIC check. The vendor should contact their depository bank for correction and re-deposit within sixty (60) days from "the first date to use" date.
 - 5.2.10 Missing/unreadable vendor stamp. To receive payment, the vendor shall stamp these WIC checks clearly and re-deposit within sixty (60) days from "the first date to use" date. WIC checks re-deposited after this date will not be paid and will not be replaced by the State Agency.
 - 5.3 The State Agency shall not be held liable for any costs charged by the vendor's bank for a rejected or partially paid check unless the WIC check was rejected in error by the State Agency.
 - 5.4 If check is rejected it is critical that immediate follow-up training be completed with store personnel. Follow-up training with the cashier and/or other store personnel

involved in the transaction must be done to prevent future occurrences, thus saving the vendor money and protecting the vendor's record with the State Agency.

- 5.5 To ensure compliance with the applicable maximum allowable reimbursement (MAR), the WIC Program shall reduce payment on WIC checks submitted in excess of the MAR for WIC products. In such cases, the Maine WIC Program shall pay no more than the MAR. Payment of the reduced amount will be made by direct deposit credit to the vendor's bank account. In the case of WIC checks, the WIC check will be returned to the vendor and bank fees may apply.
6. For vendors who believe a payment denial has been made incorrectly, or believe there is a justifiable reason why payment should be made, a written payment reconsideration request must be submitted to the State Agency within ninety (90) days of the "FIRST-DATE-TO-USE" printed on the check for reconsideration.
 - 6.1 Reconsideration requests for denied WIC checks must include:
 - 6.1.1 One completed WIC check appeal form (found in Appendix VM-12-A) for each rejected check. A brief explanation on the form describing the circumstances, the reason why payment should be reconsidered, and what steps have been taken to prevent problem(s) in the future.
 - 6.1.2 Vendor stamp number, date mailed, check number, complete store name with address, contact name and a phone number.
 - 6.1.3 The check image with the denial/rejection stamp and receipt copy of the original receipt or journal transaction.
 - 6.1.4 A corrective action plan demonstrating to the Department how the problem(s) will be prevented in the future.
 - 6.1.5 Consideration will be given to the documentation submitted. Incomplete appeal forms or appeals that do not include the check and the receipt will be denied.
7. For vendors who believe a payment reduction has been made incorrectly, or believe there is a justifiable reason why additional payment should be made, a written payment reconsideration request must be submitted to the State Agency within ninety (90) days of the "FIRST-DATE-TO-USE" printed on the check for reconsideration.
 - 7.1 Before appealing a reduction, the vendor is strongly urged to review the following:
 - 7.1.1 Depository bank statement reflecting WIC direct deposit credits;
 - 7.1.2 WIC ACH statement detailing the direct deposit credit transaction under consideration;
 - 7.1.3 Copy of the receipt verifying that the correct items in the correct amounts were sold; and
 - 7.1.4 The additional amount being requested. Amounts less than \$4 will not be reconsidered for payment.

- 7.2 If the vendor is satisfied that the reduced payment was not due to an error on his part the vendor shall send to the State Agency:
 - 7.2.1 One completed WIC check appeal form for each check for which additional payment is being requested, including a brief explanation on the form describing the circumstances, the reason why additional payment should be considered, and what steps have been taken to prevent problem(s) in the future;
 - 7.2.2 A copy of the customer receipt; and
 - 7.2.3 A copy of the WIC check.
- 7.3 Consideration will be given to the documentation submitted.
 - 7.3.1 Incomplete appeal forms will be denied.
 - 7.3.2 If the appeal is approved the State Agency will process the payment as an ACH.
 - 7.3.3 If the appeal is denied the State Agency will inform the vendor of the denial and return the documentation to the vendor.