

Minimum Stock Requirements

In addition, all authorized Vendors are required to maintain a minimum stock and variety of all WIC foods either on the shelf or at the store's location. Stock requirements ensure WIC foods are available at the store when WIC customers shop. (See the enclosed handout "Arizona WIC Program Minimum Stock and Variety Requirements".)

Violations and Sanctions

Authorized WIC Vendors are monitored to make sure that they understand the program's policies, rules and regulations. Monitoring activities include but are not limited to:

- ◆ Vendor Site Reviews
- ◆ Compliance Investigations
- ◆ Inventory Audits
- ◆ Rejected Food Instrument Report



It is important that Authorized Vendors become familiar with the Arizona WIC Program's Sanction Schedule (enclosed). Sanctions can range from a warning letter to termination and disqualification from the Arizona WIC Program.

Any Vendor who is disqualified from the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, will be disqualified from the WIC Program. The disqualification would be for the same length of time as the SNAP disqualification and may begin at a later date than the SNAP disqualification.

Vendor Claims

When monitoring activities are conducted and an overcharge violation is found, the Arizona WIC Program may establish a claim in the amount of the full purchase price of each food instrument that contained Vendor overcharges or other errors. The Vendor must pay any claim that is assessed by the Department. In collecting a claim, the WIC Program may offset the claim against current and subsequent amounts to be paid to the Vendor. The Vendor may also be sanctioned for overcharges or other errors in accordance with the WIC Programs sanction schedule.

Check Your WIC Knowledge

Using this Alert and the provided handouts answer the questions below:

1. Why do cashiers need to witness the WIC customer's signature?
2. Can a food instrument be accepted before the first date to use?
3. If you have a problem with a WIC customer, what can you do?
4. If a WIC customer purchases \$3.60 in vegetables and fruit, what amount can be written on a \$5.00 cash value food instrument?
5. Why does a Vendor have to meet minimum stock requirements?
6. If a store is non-compliant, where can they go to find out the consequences?
7. What are the two varieties of authorized cereals WIC Vendors are required to carry?
8. When can a food instrument be resigned?
9. If a Vendor overcharges the WIC Program, what can happen?
10. What are the two forms of identification that can be used to redeem a WIC food instrument?

The answers to **Check Your WIC Knowledge** can be found inside your packet as a handout.

Arizona Department of Health Services

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Arizona WIC Program
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Leadership for a Healthy Arizona

Arizona WIC Website:

<http://www.azwic.gov>



Arizona WIC Alert



Annual Training Edition

Welcome to the annual training edition of the Arizona WIC Alert!

As an Authorized Arizona WIC Vendor, you are entering into the second year of your Vendor Contract. As you know, federal regulations require all Vendors to be trained annually. This training Alert will serve as your training for this year. It is our hope that the information provided will assist you in handling WIC transactions and understanding the benefits of the WIC Program to you and the participants. The topics that will be covered in this issue are:

What is WIC?	Authorized Foods
Changes for FFY 2011	Minimum Stock Requirements
Cashing WIC Food Instruments	Violations and Sanctions
Complaint Process	Vendor Claims

Remember it the responsibility of the owner, store director or manager to ensure that the information contained in the Training Alert is made available to all employees who handle WIC transactions.

What Is WIC?



WIC is a nutrition program that is designed to improve the nutritional health of income eligible pregnant, breastfeeding and post partum women, infants and children up to five years old. WIC is a federally-funded program and provides participants with nutritious foods, nutrition and breastfeeding education, and referrals to healthcare and social programs.

WIC is available to eligible participants without regard to race, color, national origin, sex, age or disability.

Changes for Federal Fiscal Year 2011?

At this time, there are no foreseen changes for Federal Fiscal Year 2011.

Bureau of
Nutrition and
Physical Activity

Volume 20, Issue 10

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WIC
BRINGING MORE
TO THE TABLE



Cashing WIC Food Instruments

When cashing the WIC food instrument, cashiers must handle each food instrument separately, know what foods are authorized and how to cash a WIC food instrument and cash value food instrument (see page 3). Cashiers must follow the correct procedures when redeeming the WIC food instruments:

REGULAR FOOD INSTRUMENTS

1. Identify the Customer—Ask to see the WIC ID folder or Proxy Certification form. No other form of identification is necessary.
2. Check the Dates—Do not accept the food instrument before the first date to use or after the last date to use.
3. Check to ensure that the food instrument has not been reported lost or stolen.
4. Write the date in the “Date of Use” box. The date can be corrected one time only in the presence of the WIC customer (see enclosed handout).
5. Verify that the selected items, quantities and units being purchased are specified on the food instrument. Remember, all infant formula must be purchased.
6. Allow the WIC customer to take advantage of coupons and promotional specials. Coupons are not allowed for infant formula.
7. Enter the amount in the “Actual \$ Amount” box. Do not include sales tax and correct any mistakes by following the procedures on the enclosed handout.
8. Witness the customer’s signature and verify that the signature on the food instrument matches one of the signatures on the ID folder or proxy form. Allow the customer to re-sign the food instrument if the signatures do not match or the food instrument is pre-signed (see the enclosed handouts regarding signatures).
9. Give the WIC Customer a legible cash register receipt for their WIC purchases.

Complaint Process—Arizona WIC Complaint Hotline and Email

There may be occasions when a WIC customer has problems while redeeming their food instruments. You are encouraged to report any problems regarding WIC customers. You may also file a complaint regarding a WIC Vendor, WIC clinic, their staff, or WIC fraud and abuse.

Remember, concerns you report will assist the Arizona WIC Program in identifying WIC Customers, WIC Vendors or WIC clinic staff who are in need of additional training and reduce fraud and abuse in the WIC Program.

To report a complaint:

Call toll-free:

1 (866) 229-6561

or

Email:

azwiccomplaints.gov



Reporting a complaint helps Arizona families.

Cashing WIC Cash Value Food Instruments

CASH VALUE FOOD INSTRUMENTS

1. Follow the same procedures for cashing a regular food instrument (page 2: steps 1—6).
2. Weigh, scan and calculate the amount of vegetables and fruits that are being purchased by the WIC customer.
3. Enter the amount up to the **maximum** amount printed on the food instrument in the “Actual \$ Amount” box.
4. Witness and verify the WIC customer’s signature.

Remember: DO NOT enter more than the maximum amount printed on the cash value food instrument or the food instrument will be rejected for payment.

For Example: If the cost of the vegetables and fruits is \$4.35, your cashier will write \$4.35 in the “Actual \$ Amount” box.

If the amount exceeds the maximum **and** your system allows it, the WIC customer can pay the difference if they choose, using another method of payment (i.e. SNAP benefits, cash, etc.)

For Example: If the cost of the vegetables and fruits is \$5.75, the cashier will need to ask the WIC customer if they wish to pay the difference of \$.75. If the customer agrees, the cashier will write in \$5.00 in the “Actual \$ Amount” box and the customer will pay \$.75 using another method of payment.

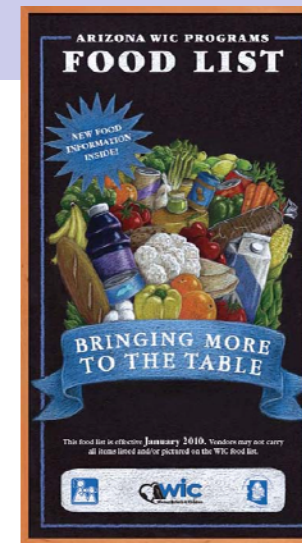
If the customer does not agree to pay the difference, the cashier will need to remove enough vegetables and/or fruit to equal the maximum amount of the food instrument or less.

Authorized Foods

In Federal Fiscal Year 2010, the WIC Program implemented a new food package to offer participants a larger variety of nutritious foods.

The following items were added to the WIC food package:

- 100% Whole Grains (bread, corn tortillas and rice)
- Milk Alternatives (tofu, soy milk and goat milk)
- Fresh Fruits and Vegetables
- Jarred Infant Fruits and Vegetables
- Jarred Infant Meat (for breastfed babies)
- Canned Pink Salmon (for breastfeeding moms)



For a complete list of authorized foods, see the enclosed Arizona WIC Programs Food List.

The addition of the new items brought a larger assortment of nutrients for overall health including: Iron, Calcium, Protein, Vitamins A, B and C, Fiber, Carbohydrates, and Antioxidants.

The Arizona WIC Programs Food List provides a list of food items that are authorized and provides examples of foods that cannot be purchased. The current food list is dated “**JANUARY 2010**”.

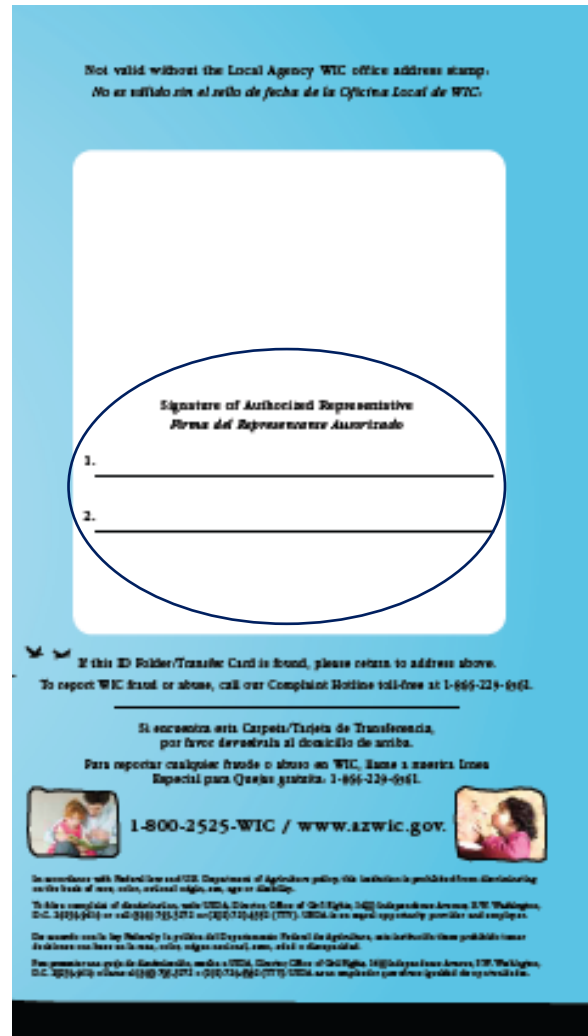
REMEMBER:

Substitutions **ARE NOT** allowed.

NEW ARIZONA WIC PROGRAM WIC ID Folder/Transfer Card



Cover



Back

Note:

- May have one or two signatures
- Initials are not acceptable as signatures
- No other form of identification is necessary
- The signature on the ID folder (or Proxy Form) must match the signature on the food instrument.

**PROXY CERTIFICATION
ARIZONA WIC PROGRAM**

I, _____
understand that I will be allowed to accept WIC drafts and
buy WIC authorized foods for:

_____ Participant's Name	_____ Participant's Name
_____ Participant's Name	_____ Participant's Name
_____ Participant's Name	_____ Participant's Name

I also understand that I must follow all WIC rules including:

- Shop only at WIC authorized stores
- Buy only the foods listed on the draft
- Give all foods bought to the participant
- Save the receipts for the foods bought and give them to the participant
- Use the drafts only during the dates in which they are valid.

**Finally, I understand that misuse of drafts is against the law and that
offenders will be will be prosecuted.**

The undersigned person is authorized to accept and use WIC drafts

FROM _____ **TO** _____

Proxy signature

Date

Signature of clinic staff

Date

Printed name and title of clinic staff

**CERTIFICADO DE AUTORIDAD
PROGRAMA WIC DE ARIZONA**

Yo, _____
entiendo que me sera permitido aceptar los cheques de WIC y comprar los
alimentos autorizados por WIC para:

_____ Nombre de participante	_____ Nombre de participante
_____ Nombre de participante	_____ Nombre de participante
_____ Nombre de participante	_____ Nombre de participante

Ademas entiendo que debo seguir las reglas de WIC incluyendo:

- Comprar solo en las tiendas autorizadas por WIC
- Comprar solo los alimentos apuntados en el cheque
- Dar todos los alimentos al participante
- Obtener los recibos de la tienda de los alimentos comprados y entregarlos al participante
- Usar los cheques solamente durante el tiempo en que son validos

**Finalmente, comprendo que el mal uso de los cheques es contra la ley y los
ofensores seran sujeto a la prosecucion**

La persona firmante es autorizada para aceptar y usar los cheques de WIC

DESDE _____ **HASTA** _____

Firma de autorizado(a)

Fecha

Firma de personal de la clinica

Fecha

Escriba con letra de molde el título del personal de la clinica



CORRECTING THE DOLLAR AMOUNT

If an error is made while writing in the dollar amount **during** the WIC transaction, the cashier can correct it by doing the following:

1. Draw a single line through the incorrect dollar amount;
2. Write the correct dollar amount in the "\$ Correction Only" box; and
3. Initial the correction in the "Cashier Initial" box.

Note: Changes cannot be made to the food instrument or cash value food instrument once the transaction has been completed and the WIC participant/authorized representative has left the store.

For exception, please see page 5-6 of the Arizona WIC Program Vendor Manual.

ARIZONA DEPARTMENT OF HEALTH SERVICES WIC PROGRAM 1740 WEST ADAMS, PHOENIX, ARIZONA 85007 NEED HELP? Mon. - Fri. 8 AM - 5 PM, Call 1-800-2525-WIC			MISUSE OF DRAFTS SUBJECT TO STATE OR FEDERAL PROSECUTION. VOID IF ALTERED		DRAFT # 31634101	75-1248 Payable Through FSMC. AN AFFILIATE OF SECURITY STATE BANK 919 HOWARD LAKE, MN 55349 ACCT# 802070
AGENCY	CLINIC	PARTICIPANT ID	PARTICIPANT NAME	DRAFT TYPE		
10	12	12100144788	QUINCY, PATRICIA	000334AA		
2 CONTAINER (12 OZ FROZEN) WIC APPROVED 100% JUICE OR 2 CONTAINER (46 OZ) WIC APPROVED 100% JUICE 2 GAL SKIM/NONFAT OR LOWFAT (1%) MILK (GALLON CONTAINERS ONLY) 1 LB (UP TO 16 OZ) WIC APPROVED CHEESE 1 DOZ FRESH EGGS (12 PACK CARTONS ONLY)					VENDOR MUST DEPOSIT WITHIN 60 CALENDAR DAYS FROM FIRST DATE TO USE.	
					FIRST DATE TO USE	03/23/2009
					DATE OF USE	
					ACTUAL \$ AMOUNT \$ CORRECTION ONLY	CASHIER INITIAL LAST DATE TO USE
					22846 \$ 2499	04/21/2009
					PAY TO THE ORDER OF:	
					TAX EXEMPT SALE NOT TO EXCEED \$200.00 NOT PAYABLE WITHOUT VENDOR ID STAMP	
PARTICIPANT: DO NOT SIGN UNTIL TIME OF PURCHASE						
SIGNATURE AT STORE:						
CASHIER: DO NOT ACCEPT IF ALREADY SIGNED. MUST MATCH SIGNATURE ON ID FOLDER.						

0031634101 0919124821 802070

When correcting the dollar amount, **DO NOT**:

- Write over the incorrect number;
- Scratch out the error so that it cannot be read; or
- Use correction fluid (white-out) to cover the error.

SPECIAL NOTE: This is **one** of two areas on the food instrument and cash value food instrument that can be changed. The other area is the "Date of Use" (see reverse side). Any other changes made to the food instrument are considered alterations. If the food instrument is considered altered, it will be rejected for payment by the banking contractor and will **NOT** be paid.





CORRECTING THE DATE OF USE

If an error is made while writing in the date of use **during** the WIC transaction, the cashier can correct it by doing the following:

1. Draw a single line through the incorrect date;
2. Write the correct date above or below the incorrect date; and
3. Write their initials next to the correct date.

NOTE: Changes **cannot** be made to the food instrument or cash value food instrument once the transaction has been completed and the WIC participant/authorized representative has left the store.

ARIZONA DEPARTMENT OF HEALTH SERVICES WIC PROGRAM 1740 WEST ADAMS, PHOENIX, ARIZONA 85007 NEED HELP? Mon. - Fri. 8 AM - 5 PM, Call 1-800-2525-WIC			MISUSE OF DRAFTS SUBJECT TO STATE OR FEDERAL PROSECUTION. VOID IF ALTERED		DRAFT # 31634105	75-1248 Payable Through FSBC, AN AFFILIATE OF SECURITY STATE BANK HOWARD LAKE, MN 55349 ACCT # 802070
AGENCY	CLINIC	PARTICIPANT ID	PARTICIPANT NAME	DRAFT TYPE		
10	12	12100144789	QUINCY, ADAM	002925AA		
6 CONTAINER (32 OZ EACH) READY-TO-USE ISOMIL ADVANCE SOY (WITH IRON)					VENDOR MUST DEPOSIT WITHIN 60 CALENDAR DAYS FROM FIRST DATE TO USE.	
					FIRST DATE TO USE	03/23/2009
					DATE OF USE	03/23/09 03/23/09 MC
					ACTUAL \$ AMOUNT	LAST DATE TO USE
					\$	04/21/2009
					PAY TO THE ORDER OF:	
					PARTICIPANT: DO NOT SIGN UNTIL TIME OF PURCHASE	
					SIGNATURE AT STORE:	
					CASHIER: DO NOT ACCEPT IF ALREADY SIGNED. MUST MATCH SIGNATURE ON ID FOLDER.	

⑈0031634105⑈ ⑈091912482⑈ 802070⑈

When correcting the date of use, **DO NOT:**

- ❑ Write over the incorrect date;
- ❑ Scratch out the error so that it cannot be read; or
- ❑ Use correction fluid (white-out) to cover the error.

SPECIAL NOTE: This is **one** of two areas on the food instrument and cash value food instrument that can be changed. The other area is the “Actual \$ Amount” (see reverse side). Any other changes made to the food instrument are considered alterations. If the food instrument is considered altered, it will be rejected for payment by the banking contractor and will **NOT** be paid.



Resigning WIC Food Instruments

The WIC participant, authorized representative, or proxy may re-sign the WIC food instrument or cash value food instrument **one time only** in the presence of the cashier if:

1. The WIC customer's signature on the food instrument or cash value food instrument does not match their signature on the ID Folder or Proxy Certification form.
2. The food instrument or cash value food instrument presented was pre-signed.

The cashier will follow the procedures below when a food instrument or cash value food instrument needs to be re-signed:

1. Draw a single line through the original signature.
2. Have the WIC customer re-sign the food instrument or cash value food instrument above the original signature (**must** be the same name). If there is no room above the original signature, the WIC customer may re-sign in the lower right hand portion (next to the signature box) of the food prescription box. No other place on the food instrument or cash value food instrument is acceptable.
3. Verify that the signature matches their signature on the ID Folder or Proxy Certification Form.

ARIZONA DEPARTMENT OF HEALTH SERVICES WIC PROGRAM 1740 WEST ADAMS, PHOENIX, ARIZONA 85007 NEED HELP? Mon. - Fri. 8 AM - 5 PM, Call 1-800-928-WIC				MISUSE OF DRAFTS SUBJECT TO STATE OR FEDERAL PROSECUTION. VOID IF ALTERED		DRAFT # 2741221 AZ WIC USE ONLY		75-1248 Payable Through FSMC, AN AFFILIATE OF SECURITY STATE BANK HOWARD LANE, MN 55349 A0279-000090	
AGENCY	CLINIC	PARTICIPANT ID	PARTICIPANT NAME	DRAFT TYPE	VOID		FIRST DATE TO USE	04/18/2005	
07	01	1000008829	KELLY, KIM	001692AA			DATE OF USE		LAST DATE TO USE
36 OZ (UP TO 36 OZ) WIC APPROVED CEREAL (NOT INFANT) 2 CONTAINER (12 OZ FROZEN) WIC APPROVED 100% JUICE OR 2 CONTAINER (46 OZ) WIC APPROVED 100% JUICE 1 GAL SKIM/NONFAT OR LOWFAT (1%) MILK (HALF GALLON OR GALLON CONTAINERS ONLY) 1 HALF GAL SKIM/NONFAT OR LOWFAT (1%) MILK (HALF GALLON CONTAINERS ONLY)					ACTUAL \$ AMOUNT \$ CORRECTION ONLY CASHIER INITIAL		PAY TO THE ORDER OF:		
\$					TAX EXEMPT SALE NOT TO EXCEED \$200.00		NOT PAYABLE WITHOUT VENDOR ID STAMP		
PARTICIPANT: DO NOT SIGN UNTIL TIME OF PURCHASE									
SIGNATURE AT STORE 					SIGNATURE AT STORE 				
CASHIER: DO NOT ACCEPT IF ALREADY SIGNED. MUST MATCH SIGNATURE ON ID FOLDER.									
@0002741221 @09191248 21 802070									

ARIZONA DEPARTMENT OF HEALTH SERVICES WIC PROGRAM 1740 WEST ADAMS, PHOENIX, ARIZONA 85007 NEED HELP? Mon. - Fri. 8 AM - 5 PM, Call 1-800-928-WIC				MISUSE OF DRAFTS SUBJECT TO STATE OR FEDERAL PROSECUTION. VOID IF ALTERED		DRAFT # 2741223 AZ WIC USE ONLY		75-1248 Payable Through FSMC, AN AFFILIATE OF SECURITY STATE BANK HOWARD LANE, MN 55349 A0279-000090	
AGENCY	CLINIC	PARTICIPANT ID	PARTICIPANT NAME	DRAFT TYPE	VOID		FIRST DATE TO USE	04/18/2005	
07	01	1000008829	KELLY, KIM	000334AA			DATE OF USE		LAST DATE TO USE
2 CONTAINER (12 OZ FROZEN) WIC APPROVED 100% JUICE OR 2 CONTAINER (46 OZ) WIC APPROVED 100% JUICE 2 GAL SKIM/NONFAT OR LOWFAT (1%) MILK (HALF GALLON OR GALLON CONTAINERS ONLY) 1 LB (UP TO 16 OZ) WIC APPROVED CHEESE 1 DOZ FRESH EGGS (12 PACK CARTONS ONLY)					ACTUAL \$ AMOUNT \$ CORRECTION ONLY CASHIER INITIAL		PAY TO THE ORDER OF:		
\$					TAX EXEMPT SALE NOT TO EXCEED \$200.00		NOT PAYABLE WITHOUT VENDOR ID STAMP		
PARTICIPANT: DO NOT SIGN UNTIL TIME OF PURCHASE									
SIGNATURE AT STORE 					SIGNATURE AT STORE 				
CASHIER: DO NOT ACCEPT IF ALREADY SIGNED. MUST MATCH SIGNATURE ON ID FOLDER.									
@0002741223 @09191248 21 802070									

NOTE: If these instructions are **not** followed exactly as described and pictured above, the food instrument or cash value food instrument will be rejected for payment and the Vendor will not be reimbursed.

“X” Signature Process

Used by:

- WIC participants
- Authorized Representatives
- Proxies

At the local agency clinic:

1. The participant, authorized representative or proxy will place an “X” on the ID Folder and Transfer Card or the Proxy Certification form.
2. The local agency employee will verify the individual’s mark by writing “for signer’s name (participant’s, authorized representative’s or proxy’s name) by and signing their own name (local agency staff’s name).”
3. The local agency employee will instruct the individual to repeat the procedures at the store.

Local Agency Staff
signature

At the store:

Cashier's
signature

1. The participant, authorized representative or proxy will place an “X” in the “SIGNATURE AT STORE” box on the food instrument or cash value food instrument after the amount of purchase has been entered.
2. The cashier will verify the individual’s mark by writing, “for signer’s name (participant’s, authorized representative’s or proxy’s name) by and signing their own name (cashier’s name)”.

In these situations, the Vendor should not be concerned with the handwriting matching. Only the procedure must match.

NOTE: If these instructions are not followed exactly as described and pictured above, the food instrument or cash value food instrument will be rejected for payment and the Vendor will not be reimbursed.

SPECIAL NOTE: If a WIC participant/authorized representative or proxy is blind, the “X” signature process will be used.

ARIZONA WIC PROGRAM
 MINIMUM STOCK REQUIREMENTS
 FFY 2010 - 2012
 Effective April 1, 2010

(These stock requirements must be maintained at all times)

WIC FOOD	AMOUNT	VARIETY
Milk - Lowest Cost Brand Gallons Only Skim/Fat Free, 1% Low Fat 2% Reduced Fat, Whole	28 gallons	1 must be <u>whole</u> and 1 must be <u>2% reduced</u> fat milk
Cheese - WIC approved (16 oz packages)	8 pounds	3 Varieties: 1 must be <u>Cheddar</u> , 1 must be <u>Monterey Jack</u> , and 1 <u>other variety</u>
Eggs - WIC approved Small, medium and large (dozen cartons only)	16 dozen	1 size must be <u>large</u>
Juice - WIC approved 64 oz shelf stable, refrigerated or 11.5 -12 ounce frozen containers	16 containers	3 Varieties: Shelf stable: 1 must be <u>TreeTop Apple</u> Frozen concentrate: 1 must be <u>orange juice</u> <u>(any brand)</u> Other: 1 other variety
Cereal - WIC approved 12 ounce or larger (cold) 11.8 ounce or larger (hot)	24 packages	4 Varieties: 1 must be <u>Cheerios (plain)</u> , 1 must be <u>Kix</u> <u>(plain)</u> , and 2 <u>other varieties</u>
100% Whole Wheat Bread Any eligible brand <u>Up to 16 ounce</u> packages Loaves, rolls, or buns	12 packages	N/A
Corn Tortillas Any eligible brand <u>Up to 16 ounce</u> packages Plain, soft, yellow or white	12 packages	N/A
Brown Rice Any eligible brand <u>Up to 16 ounce</u> bag	12 bags	N/A
Dry Beans/ Peas/Lentils Any eligible brand 16 ounce prepackage or bulk	8 pounds	1 type beans and 1 type peas or lentils

Vendor Applicants are required to maintain minimum stock and variety of all WIC foods either on the shelves or stored at its location address (not available to order) from the date the application is submitted and if approved, throughout the entire contract period.

ARIZONA WIC PROGRAM
 MINIMUM STOCK REQUIREMENTS
 FFY 2010 - 2012
Effective April 1, 2010

(These stock requirements must be maintained at all times)

WIC FOOD	AMOUNT	VARIETY
Peanut Butter 16 to 18 ounce jars	8 jars	N/A
Tuna- Any eligible brand Plain, water-packed	12 cans 5 or 6 ounce cans	N/A
Pink Salmon - Any eligible brand Plain, water-packed	12 – 5 ounce cans OR 10 - 6 ounce cans OR 8 – 7.5 ounce cans	N/A
Fresh Fruit and Vegetables	32 pounds	2 varieties of fruit: 1 must be <u>bananas</u> , and 1 <u>other variety</u> and 2 varieties of vegetables
Infant Cereal Gerber and Beechnut only 8 or 16 ounce boxes Single Grain	18 - 8 ounce boxes or 9 - 16 ounce boxes or Combination of 8 and 16 ounce boxes to equal 144 ounces	N/A
Infant Fruit and Vegetables Any eligible brand, <u>Stage 2 only</u> 4.0 ounce containers	64 containers	2 varieties of fruit and 2 varieties of vegetables
Infant Meats Any eligible brand, any stage 2.5 ounce containers	31 containers	N/A
*Infant Formula - Formula types cannot be combined.		
Similac Advance EarlyShield	36 - 12.9 ounce cans and/or 12.4 ounce cans	Powder
<u>Similac Isomil Advance Soy with Iron</u> and/or <u>Similac Sensitive Isomil Soy</u>	18 - 12.9 ounce cans and/or 12.4 ounce cans	Powder

***Note:** Infant formula must be purchased from a source listed on the Arizona WIC Program Infant Formula Suppliers list.

ARIZONA WIC PROGRAM **VENDOR SANCTION SCHEDULE**

Violations and Sanctions

Federal statutes and regulations and Arizona Department of Health Services policies and procedures require sanctioning contracted WIC Vendors determined to be violating WIC program federal regulations, state statutes, the WIC Vendor Contract, the Vendor Manual and WIC program policies and procedures. The Department may sanction Vendors violating program requirements by imposing administrative fines, monetary claims, civil money penalties, suspensions, terminations, or disqualifications from the WIC program, or any combination of sanctions. Vendor violations may be intentional or unintentional. The Department may refer Vendors who commit fraud and/or abuse of the WIC program to federal, state, or local authorities for prosecution under applicable statutes.

The Department may sanction Vendors for a combination of violations or any violations of the terms of the Vendor contract, federal or state statutes or regulations, WIC Program policies and procedures, and/or other applicable statutes, rules, or regulations.

The imposition of sanctions shall not be construed as excluding or replacing any other criminal or civil sanction, penalty, or remedy applicable under any federal, state, or local laws.

Vendor violations and/or sanctions in preceding contract periods may impact Vendor qualifications for authorization in subsequent contract periods. Also, violations of the WIC Program that occurred during the previous contract period may be carried over and used as a basis for administrative fines, civil money penalties, monetary claims, termination, disqualification, criminal prosecution, denial of an application for a WIC Vendor contract, or other sanctions, or any combination of sanctions, under any subsequent contracts in accordance with WIC Program Policies and Procedures.

All references in this document to participants include WIC participants, parents or caretakers of infant and child participants, or proxies. All references to days or years in this document refer to calendar days or calendar years.

The Department has two levels of violations: those that result in Department sanctions and those that result in federally mandated sanctions.

Department Sanctions - Administrative and Procedural Violations

Under this section, Vendors are subject to administrative fines and/or termination and disqualification, and any combination of sanctions. Vendors who fail to pay a fine as required will be terminated and disqualified for one year.

A violation under this section will remain on the Vendor's record for sanction purposes for 12 calendar months from the date of that violation. If the Department is able to determine that the Vendor has complied after being sanctioned for a violation in this section, then any subsequent incidence of that violation will be considered an initial incidence of that violation.

If the Department determines that disqualification of a Vendor would result in inadequate participant access, a civil money penalty will be imposed. (See Civil Money Penalty in this section for calculation.)

THE FIRST INCIDENCE OF ANY VIOLATIONS 1 - 16 LISTED BELOW WILL RESULT IN A WARNING LETTER, UNLESS THE DEPARTMENT, IN ITS SOLE DISCRETION, DETERMINES THAT A WARNING LETTER WOULD COMPROMISE AN INVESTIGATION. ADDITIONAL INCIDENCES WILL RESULT IN ADMINISTRATIVE FINES OR TERMINATION AND DISQUALIFICATION FROM THE WIC PROGRAM.

Violation	Second Incidence	Third Incidence	Fourth Incidence
1. Accept a food instrument that is outside valid dates, post dated or missing a signature.	\$100.00	\$200.00	Termination of Contract and one year disqualification.
2. Failure to verify signature on ID folder or proxy form against signature on food instrument.	\$100.00	\$200.00	Termination of Contract and one year disqualification.
3. Failure to offer program participants the same courtesies offered to other customers.	\$100.00	\$200.00	Termination of Contract and one year disqualification.
4. Require identification other than the WIC ID folder or proxy form to use WIC food instrument(s).	\$100.00	\$200.00	Termination of Contract and one year disqualification.
5. Failure to allow WIC participants to use coupons or other promotional specials (does not apply to infant formula purchases).	\$100.00	\$200.00	Termination of Contract and one year disqualification.
6. Failure to record the total actual price on the WIC food instrument before obtaining the WIC participant's signature on the food instrument.	\$100.00	\$200.00	Termination of Contract and one year disqualification.
7. Failure to display the current price of an authorized WIC food item on the item, shelf, or nearby sign.	\$100.00	\$200.00	Termination of Contract and one year disqualification.

Violation	Second Incidence	Third Incidence	Fourth Incidence
8. Require other cash purchases as a condition to use WIC food instruments.	\$100.00	\$200.00	Termination of Contract and one year disqualification.
9. Approach, solicit, or leave advertisements or other promotional items for WIC applicants or participants at the WIC State agency or local agency WIC clinics.	\$100.00	\$200.00	Termination of Contract and one year disqualification.
10. Failure to maintain required minimum stock.	\$200.00	\$400.00	Termination of Contract and one year disqualification.
11. Collect sales tax on a WIC food purchase.	\$200.00	\$400.00	Termination of Contract and one year disqualification.
12. Allow the return of food items purchased with WIC food instruments in exchange for food items not authorized by the WIC program or for WIC food items not listed on the WIC participants' food instruments.	\$200.00	\$400.00	Termination of Contract and one year disqualification.
13. Contact WIC participants to attempt to collect funds that will not be or were not paid to the Vendor by the WIC program.	\$200.00	\$400.00	Termination of Contract and one year disqualification.
14. Charging WIC participants for authorized WIC foods obtained with WIC food instruments.	\$200.00	\$400.00	Termination of Contract and one year disqualification.
15. Failure to submit a WIC Vendor Price/Stock Report as required.	\$200.00	\$400.00	Termination of Contract and one year disqualification.
16. Use of the WIC logo or the acronym "WIC" without written approval from the Department and the USDA.	\$500.00	\$1000.00	Termination of Contract and one year disqualification.

Department Sanctions – Fraud and Abuse

The Department will send the Vendor a single warning letter after the first incidence of a violation for violations numbered 1 through 13 listed below, unless the Department, in its sole discretion, determines that a warning letter would compromise an investigation.

The Department will not send any additional warning letters for subsequent incidences of violations numbered 1 through 13 listed below prior to imposing the Department sanction.

If the Department determines that disqualification of the Vendor would result in inadequate participant access for violations 1 through 13 listed below in this section, a civil money penalty will be imposed in lieu of disqualification. (See Civil Money Penalty in this section for calculation.)

Violation	Number of Incidences of the Violation that Will Result in the Indicated Sanction	Sanction
1. Failure to attend training as required by the Department.	Two	Termination of Contract and six month disqualification.
2. Failure to provide access to Vendor premises and/or in any manner hinder or impede authorized WIC personnel in the act of conducting an on-site education, monitoring, inventory audit, or investigation visit.	Two	Termination of Contract and six month disqualification.
3. Providing false or misleading information on the WIC Vendor Price/Stock Reports.	Two	Termination of Contract and one year disqualification.
4. Threaten or verbally abuse WIC participants and/or threaten or verbally abuse WIC program personnel in the conduct of official WIC program business.	Two	Termination of Contract and one year disqualification.
5. Physically abuse WIC participants and/or physically abuse WIC program personnel in the conduct of official WIC program business.	Two	Termination of Contract and one year disqualification.
6. Suspension, revocation, denial, or failure to maintain a Health Code Permit or other licenses, permits, or certifications to operate a food store in the State of Arizona.	Two	Termination of Contract and one year disqualification.
7. Assessment of a civil money penalty for hardship in the Supplemental Nutrition Assistance Program (SNAP) formerly known as the Food Stamp Program.	Two	Termination of Contract and disqualification for the period of time for which the Vendor would otherwise have been disqualified by the SNAP.

Violation	Number of Incidences of the Violation that Will Result in the Indicated Sanction	Sanction
8. Mandatory sanction by another WIC State agency.	Two	Termination of Contract and disqualification from the Arizona WIC Program for the length of time as the disqualification assessed by the other State agency.
9. Failure to maintain inventory records or other records the Department requires in the Vendor Contract for a period of five years.	Two	Termination of Contract and one year disqualification.
10. Failure to make available to the Department, the United States Department of Agriculture, any law enforcement agency, Department of the Attorney General, or the Comptroller General of the United States, upon request, at a reasonable time and place for inspection and audit, all food instruments in the Vendor's possession and all program related records. (This includes failure to provide the Department legible copies, within 30 calendar days of the written request, all required program related records including purchase and inventory records for WIC authorized foods).	Two	Termination of Contract and one year disqualification.
11. Allow the return of food purchased with WIC food instruments in exchange for cash, credit, or non-food items.	Two	Termination of Contract and one year disqualification.
12. Discriminate on the basis of race, color, disability (handicap), age, national origin, or gender (sex).	Two	Termination of Contract and one year disqualification.
13. Purchase infant formula from a source that is not listed on the Arizona WIC Program's list of infant formula manufacturers, wholesalers, or distributors.	Two	Termination of Contract and one year disqualification.

Mandatory Sanctions under Federal Regulations

Federal Regulations at 7 C.F.R. § 246.12 require mandatory sanctions be imposed for violations listed in this section and also require that a pattern of incidences of a violation be established before imposing a mandatory sanction for violations numbered 4, 5, 6, 7, 8, 9, and 10 listed below.

The Department will send the Vendor a single warning letter after the first incidence of a violation for violations numbered 4, 5, 6, 7, 8, and 9 listed below, unless the Department, in its sole discretion, determines that a warning letter would compromise an investigation. Additional compliance buys may be conducted after the warning letter is sent. The Department will not send any additional warning letters for subsequent incidences of violations numbered 4, 5, 6, 7, 8, and 9 listed below prior to imposing the mandatory sanction. (No warning letters will be sent for violations numbered 1, 2, 3, 10, and 11).

If the Department determines that disqualification of the Vendor would result in inadequate participant access, a civil money penalty may be imposed in lieu of disqualification for the violations numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 listed below. (See Civil Money Penalty for calculation.)

Violation	Number of Incidences of the Violation that Will Result in the Indicated Sanction	Sanction and Length of Disqualification
1. Vendors <u>convicted</u> of trafficking in food instruments or selling firearms, ammunition, explosives, or controlled substances (as defined in Section 102 of the Controlled Substances Act (21 U.S.C. § 802)) in exchange for food instruments.	One	Termination of Contract and permanent disqualification.
2. a. Buying or selling food instruments for cash (trafficking); or b. Selling firearms, ammunition, explosives, or controlled substances (as defined in 21 U.S.C. § 802) in exchange for food instruments.	One	Termination of Contract and six year disqualification.
3. The sale of alcohol or alcoholic beverages or tobacco products in exchange for food instruments.	One	Termination of Contract and three year disqualification.
4. Charging the WIC program more for supplemental food than non-WIC customers or charging the WIC program more than the current shelf price.	Three	Termination of Contract and three year disqualification.
5. Charging the WIC program for supplemental food not received by the participant.	Three	Termination of Contract and three year disqualification.

Violation	Number of Incidences of the Violation that Will Result in the Indicated Sanction	Sanction and Length of Disqualification
6. Receiving, transacting, and/or redeeming food instruments outside authorized channels, including the use of an unauthorized Vendor and/or an unauthorized person.	Three	Termination of Contract and three year disqualification.
7. 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 food instruments.	Three	Termination of Contract and three year disqualification.
8. Providing unauthorized food items in exchange for food instruments, including charging for supplemental food provided in excess of those listed on the food instrument.	Three	Termination of Contract and one year disqualification.
9. *Provide incentive items** or other free merchandise to WIC program participants.	Three	Termination of Contract and one year disqualification.
10. Claiming reimbursement for the sale of an amount of a specific supplemental food item that exceeds the store's documented inventory of that supplemental food item for a specific period of time. Each month that a Vendor claimed reimbursement for the sale of a specific supplemental food item that exceeded the Vendor's documented inventory of that supplemental food item shall constitute an incidence of a violation. Three incidences of this violation will result in termination of the Contract and a three-year disqualification.		
11. Vendors who have been disqualified from the SNAP shall be disqualified from the WIC Program. The disqualification shall be for the same length of time as the SNAP disqualification and may begin at a later date than the SNAP disqualification. The disqualification is not subject to administrative or judicial review under the WIC Program.		

***Note:** This violation only applies to for-profit Vendors for which more than 50 percent of the annual revenue of the Vendor from the sale of food items consists of revenue from the sale of supplemental foods that are obtained with WIC food instruments.

**Incentive items or other free merchandise are defined as: Free or reduced price food or other items, cash, lottery tickets, buy one, get one free, buy one, get one at a reduced price, free amounts added to an item by a manufacturer, manufacturer coupons, store loyalty cards, sales and specials for supplemental food, free or reduced price services except for the minimal customary courtesies of the retail food trade, such as bagging supplemental food for the participant and assisting the participant with loading the supplemental food into his/her vehicle.

Multiple Violations During a Single Investigation

When, during the course of a single investigation, the Department determines a Vendor has committed multiple violations (which may include violations subject to Department sanctions or federally mandated sanctions) the Department shall disqualify the Vendor for the period corresponding to the most serious sanction.

Civil Money Penalty

If the Department determines that disqualification of a Vendor would result in inadequate participant access, a civil money penalty will be imposed. The civil money penalty amount shall be determined by using the formula in USDA Federal Regulations at 7 C.F.R. § 246.12 (l) (1) (x). The formula is as follows:

- Step I: Multiply 10% (.10) times the average monthly redemptions for the previous six calendar month period ending with the month preceding the month during which the notification of violation is dated.
- Step II: Multiply the product of Step I by the number of months of the disqualification period.

The result of Step II will be the civil money penalty imposed. A civil money penalty shall not exceed \$11,000 for each violation.

When, during the course of a single investigation, the Department determines a Vendor has committed multiple violations, the Department must impose a civil money penalty for each violation.

The total amount of civil money penalties for violations investigated as part of a single investigation shall not exceed \$44,000.

A civil money penalty shall not be imposed in lieu of disqualification for third or subsequent sanctions for violations listed in Mandatory Sanctions under Federal Regulations, items 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11.

Vendors that have been convicted of trafficking (Mandatory Sanctions under Federal Regulations - Item 1) in food instruments or selling firearms, ammunition, explosives or controlled substances in exchange for food instruments will be permanently disqualified from the WIC program. A civil money penalty in lieu of disqualification will not be considered even if disqualification of the Vendor would result in inadequate participant access or if 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.

If a Vendor does not pay, only partially pays, or fails to timely pay a civil money penalty assessed in lieu of disqualification, the Department must disqualify the Vendor for the length of the disqualification corresponding to the violation for which the civil money penalty was assessed (for a period corresponding to the most severe violation in cases where a mandatory sanction included the imposition of multiple civil money penalties as a result of a single investigation).

Second Mandatory Sanction

A Vendor who previously has been assessed a sanction for any of the violations listed in Mandatory Sanctions under Federal Regulations, items 2, 3, 4, 5, 6, 7, 8, 9, and 10 and received another sanction for any of these violations, the second sanction will be doubled.

Third or Subsequent Mandatory Sanction

A Vendor who previously has been assessed two or more sanctions for any of the violations listed in Mandatory Sanctions under Federal Regulations, items 2, 3, 4, 5, 6, 7, 8, 9, and 10 and receives another sanction for any of these violations, the third sanction and all subsequent sanctions will be doubled.

No Voluntary Withdrawal or Nonrenewal of Contract

The Department shall not accept voluntary withdrawal of the Vendor from the WIC program as an alternative to disqualification for the violations requiring a mandatory sanction under federal regulations listed in Mandatory Sanctions under Federal Regulations. In addition, the Department shall not use nonrenewal of the Vendor Contract as an alternative to disqualification for the sanctions listed in the Mandatory Sanctions under Federal Regulations section of this Sanction Policy.

Criminal or Civil Prosecution

A Vendor who commits fraud or abuse in the WIC program is liable to prosecution under applicable federal, state, or local laws. Under federal law, those who have willfully misapplied, stolen, or fraudulently obtained program funds will be subject to a fine of not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment of not more than one year or both.

Change of Business Entity

If a Vendor changes ownership at the same location through a change in business entity or the addition or deletion of partners, associates, or principals, then any violations that occurred under the previous contract will carry over to the new contract and may be used as a basis for termination and/or disqualification action or other sanctions. Such changes in ownership may include, but are not limited to, a change from a sole proprietorship or partnership to a corporation where the previous individual owner(s) or one or more partner(s) remain as an officer or shareholder of the new corporation.

Termination/Denial/Disqualification

Vendors may appeal denial of authorization, an administrative fine, termination, disqualification, or a civil money penalty according to the most recent administrative hearing procedures issued by the Department. However, a termination and disqualification, which is based on a Supplemental Nutrition Assistance Program (SNAP) disqualification **is not subject to administrative or judicial review**.

For those cases where a Vendor has timely appealed a termination or termination and disqualification action, and the Vendor was allowed to continue on the program, all provisions of the WIC Vendor Contract will continue to apply, including sanctions for noncompliance, during the time period the contract is in effect.

Vendors who are terminated and disqualified may apply for a WIC Vendor contract after the disqualification period ends. The Vendor must meet all current requirements for a WIC Vendor contract including the selection plan and limitation policy requirements. The Department will not consider contracting with a Vendor during any disqualification period from the WIC program.

Supplemental Nutrition Assistance Program Disqualification

Disqualification from the WIC program for any of the sanctions listed in the Mandatory Sanctions under Federal Regulations section of this Sanction Policy may result in disqualification as a retailer in the SNAP. Such disqualification is not subject to administrative or judicial review under the SNAP Program.

Check Your WIC Knowledge

Answer Key

1. **Why do cashiers need to witness the WIC customer's signature?**

Cashiers should always make sure they have asked the WIC customer to sign the food instrument before they leave the store because the signature is an agreement between the WIC customer and the store that the dollar amount entered is correct and the customer has received the food items listed on the food instrument.

Payment will NOT be made if the signature is missing and it may not be obtained after the transaction is completed and the customer has left the store.

2. **Can a food instrument be accepted before the first date to use?**

No, WIC food instruments must be used between the first date to use and the last date to use. Food instruments taken outside the valid timeframe will be rejected for payment.

3. **If you have a problem with a WIC customer, what can you do?**

Vendors are encouraged to contact the Arizona WIC Program for any issues or complaints that may arise during a WIC transaction. To report a complaint, Vendors can call the toll free number 1 (866) 229-6561 or send an email to: azwiccomplains.gov

4. **If a WIC customer purchases \$3.60 in vegetables and fruit what amount can be written on a \$5.00 cash value food instrument?**

The cashier will write \$3.60 on the cash value food instrument. Remember, the cashier may enter **up to** the maximum on the cash value food instrument. If the amount exceeds the maximum and your system allows it, the WIC customer can pay the difference if they choose, using another method of payment (i.e. SNAP benefits, cash, etc.).

5. **Why does a Vendor have to meet minimum stock requirements?**

The minimum stock requirements are in place to ensure WIC foods are available at the store when WIC customers shop. They are also required as a selection criterion per the federal regulations.

6. **If a Vendor is non-compliant, where can they go to find out the consequences?**

All violations and their sanctions can be found in the Arizona WIC Program's Sanction Schedule and in Section 9 of the Arizona WIC Program's Vendor Manual.

7. **What are the two varieties of authorized cereals WIC Vendors are required to carry?**

As part of the minimum stock and variety requirements, WIC Vendors must carry 4 varieties of cereal; 1 must be plain Cheerios, 1 must be plain Kix and 2 other varieties of WIC approved cereal.

8. **When can a food instrument be re-signed?**

There are two occasions when a WIC food instrument can be re-signed:

- a. When the signatures do not match
- b. When the cashier is presented with a pre-signed food instrument

9. **If a Vendor overcharges the WIC Program, what can happen?**

The WIC program may establish a claim in the amount of the full purchase price of each food instrument that contained Vendor overcharges or other errors. The WIC Program may also impose a sanction for the overcharges or other errors in accordance with the WIC Programs sanction schedule.

10. **What are the two forms of identification that can be used to redeem a WIC food instrument?**

The only forms of identification a WIC customer is required to have when redeeming a WIC food instrument is:

- a. WIC ID Folder
- b. Proxy Certification Form