



**Arizona WIC
Program
Vendor Manual**

1-866-737-3935



The Arizona WIC Program publishes the Arizona WIC Program Vendor Manual. The Manual is designed to assist authorized WIC Vendors and their staff in maintaining compliance with the program's rules and regulations as they pertain to the store's day to day WIC operations.

If there are any questions regarding the Arizona WIC Program or if you wish to schedule a training session, contact the Vendor Management Team at 1 (866) 737-3935.

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

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

[email](#)

This institution is an equal opportunity provider.

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This Manual describes the Arizona Department of Health Services' (hereinafter "Department") Vendor Management policies and procedures for the WIC supplemental nutrition (food) delivery program which includes, but not limited to, the Arizona WIC Program Vendor Contract, Vendor enrollment, training, monitoring, sanctions, the payment system used to redeem food benefits (electronic benefits transfer, hereinafter eWIC cards), fair hearings and informal settlement conferences.

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Section 1.

Introduction

What is WIC?

The Federal Government established the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) as a two-year pilot program in 1972. In 1974, the WIC program achieved permanent program status through Public Law Number 94-105 as an Amendment to the Child Nutrition Act of 1966. This cost-effective nutrition intervention program is designed to improve the nutritional status of income eligible pregnant, breastfeeding, and postpartum women, infants, and children up to the age of five years who are determined nutritionally at risk. WIC is funded by the United States Department of Agriculture (USDA) and was first offered in Arizona in 1974. WIC program services are provided throughout the state by county, tribal health departments, and non-profit health agencies.

Within the geographic boundaries of Arizona there are three (3) **separate** USDA funded WIC programs (Inter Tribal Council of Arizona, Inc. (ITCA); Navajo Nation; and Arizona WIC Programs). **This Manual relates solely to the Arizona WIC Program.**

Studies have shown that inadequate nutrition and health care represent a threat to the physical and mental well-being of certain individuals. Proper nutrition at the beginning of life can help prevent serious health problems. Infants and preschoolers experience a period of rapid growth in their physical, intellectual and social development. Their nutrition status and the health care they receive may have a major impact on their ability to function as happy, healthy children.

WIC has three major components: nutrition and breastfeeding education, referrals to health and social services, and supplemental foods. The foods supplied through the WIC program are not intended to serve as a complete diet, but to supplement the foods already being consumed by the participant. Participants are examined by health care professionals to determine the need for supplemental foods and are provided with nutrition guidance. Studies have shown that for every dollar spent on WIC, which promotes healthy pregnancies, the medical costs associated with postpartum outcomes for both the mom and baby decrease.

The Arizona WIC Program issues food benefits electronically using Electronic Benefits Transfer for WIC (eWIC). Participants/authorized representatives are able to access their food benefits electronically using an eWIC card. Participants receive WIC food benefits for specific types and amounts of nutritious foods including a cash value amount for fruits and vegetables. Participants/authorized representatives redeem their WIC food benefits at authorized grocery stores and pharmacies which meet certain criteria and who have signed a Vendor Contract to follow all WIC Program rules and regulations.

EzWIC App

The Arizona WIC Program developed an in-house mobile application called EzWIC to improve the WIC participant shopping experience. Arizona WIC released EzWIC to the Apple App Store and Google Play Store in August 2017, with over 100,000 downloads to date. EzWIC improves the WIC participant shopping experience at WIC Vendors. WIC participants can use EzWIC to check their eWIC card balance at any time or scan a food's barcode and determine if a food is approved and if it can be purchased with their eWIC benefits. EzWIC also has an eWIC card balance feature that allows families to check their balance when they have linked their card to the app. In addition, EzWIC has other modules that include the Food List, clinic search, Vendor search, and complaint reporting. WIC Vendors are encouraged to download the EzWIC app as well.

What Role Does the Vendor Play?

WIC Vendors (“Vendors”) play an important role in the health community. The WIC food packages are designed to supplement the WIC participant’s nutritional needs. WIC benefits are distributed using eWIC cards that provide access to food benefits. The Vendor ensures that the participant receives only what their benefits allow. Vendors act as the final step in the WIC process. The Vendor’s role is vital to the success of the WIC program because the nutritious WIC foods are designed to promote the healthiest possible birth outcomes, as well as improve the growth and development of children.

The Vendor may also find that the WIC program makes a substantial contribution to overall food sales. The Arizona WIC Program allows participants/authorized representatives to choose their Vendors from an authorized Vendor list. Most participants/authorized representatives select a Vendor that can meet their shopping needs. Current studies show WIC participants/authorized representatives spend an additional three to four dollars in cash or SNAP benefits for every WIC dollar spent. During Federal Fiscal Year (FFY) 2021, the Arizona WIC Program served an average of 130,314 participants per month who redeemed \$82,124,690 in WIC benefits.



Important Notice

The Arizona WIC Program sends out important information that can assist you (as a Vendor) in maintaining compliance with your Arizona WIC Program Vendor Contract. Therefore, it is essential that you accept/pick up **all** certified mail sent to you from the Department. Examples of items that may be sent to you via certified mail are contract-related items, correspondence such as sanctions, and Annual Training Alerts

WIC Vendor Criteria

The selection criteria for WIC Vendors that are referenced below are described in detail in Appendix 3 of this Manual. An applicant must meet **all** of the selection criteria. Failure to meet any of the criteria is cause to deny an application.

- eWIC ready
- Minimum stock and variety requirements
- Infant formula purchases
- Competitive price evaluation
- Accessibility to WIC participants
- Type of store
- Above-50-Percent Vendor
- Business operations – includes viable business and full line grocery store
- Service mark compliance
- Sanitation
- Training
- Conflict of interest
- Volume of WIC business
- SNAP* status
- Business integrity
- Incentive item prohibition

*** SNAP is the Supplemental Nutrition Assistance Program formerly known as the Food Stamp Program.**

Vendor Contract and Authorization

The Department ensures that all participating Vendors enter into a written contract (Vendor Contract). The Vendor Contract must be signed by a representative who has the legal authority to obligate the Vendor. The Vendor Contract and this Manual explain the rights and responsibilities of the Vendor and the Arizona WIC Program. Neither the Vendor Contract nor this Manual constitutes a license or a property interest. **Note:** The Department will not review an application following a termination for 120 calendar days from the date of the termination letter (excludes a disqualification from the Program).

The term of the Vendor Contract is three (3) federal fiscal years or a portion thereof, to be determined at the discretion of the Department, beginning October 1, and ending on September 30. Neither the Department nor the Vendor has an obligation to renew the Vendor Contract.

The purpose of the Vendor Contract and this Manual is to establish retail outlets where WIC participants can redeem and access their food benefits. It also provides the Vendor and the Department with guidelines for transactions arising out of the Vendor Contract. It will be the responsibility of the Vendor to designate a person from each outlet who will be responsible for ensuring Vendor compliance with the terms of the Vendor Contract and this Manual. The Owner or the designated corporate representative (if the ownership is a corporation) will also be responsible for accepting required training, providing training to all cashiers and other employees who handle WIC transactions, and providing special or additional training to employees at the request of either the Department or local agency. The Vendor will be held accountable for the actions or inactions of its employees.

The WIC Decal

The purpose of the WIC decal is to allow WIC participants/authorized representatives to identify your store as an authorized Arizona WIC Program Vendor. The decal is available in English and Spanish and must be posted in a location that is visible to participants/authorized representatives. The Department will provide at least one (1) English and one (1) Spanish decal at the time of initial authorization. An additional supply may be requested by completing and submitting the [Arizona WIC Program Vendor Order Form](#) found in Appendix 2.

Please note that Vendors must use the signage provided by the Department; Vendors are Not allowed to create or use any other WIC signage.

An example of the English version of the WIC decal is shown below.



Note: Also available in Spanish

WIC ID Number

When an applicant is authorized as an Arizona WIC Program Vendor for the first time, the Department will assign a WIC Vendor Identification (ID) number. The Vendor ID number will be used for identification purposes. In addition, Vendors may also have a merchant ID and separate numbers from a third-party processor assigned to them for payment of eWIC benefits.

Report of Changes

Upon ceasing operations, changing ownership, filing bankruptcy, or adding a new store location to a current Vendor Contract the Vendor must notify the Department **not less than thirty (30) calendar days prior to the date that the change will occur**. When the Vendor is terminating participation in the Arizona WIC Program, any Department-issued equipment(s) shall be returned within ten (10) calendar days after the termination occurs (See Store Closure Notification and Change of Ownership Forms in Appendix 2 of this Manual.)

Vendors with integrated point-of-sale (POS) systems must be certified by the Department prior to accepting eWIC transactions. Therefore, when changes are made to the hardware, software, or third party processor, the system must be re-certified.

The Vendor is required to notify the Department at least thirty (30) calendar days prior to any changes or enhancements to their integrated system. This may include any changes to the third-party processor, payee changes, and any updates to the hardware and software.

Note: WIC Vendor authorization is not transferable. An attempted transfer will void the Vendor Contract. WIC authorization will be immediately terminated on the closure date provided to the Department and the ability to process eWIC transactions will be disabled. Therefore, if there is a change of ownership, the new owner must complete an application and meet all selection criteria to become an authorized WIC Vendor. If the new owner would like to be authorized to accept Arizona WIC Program food benefits, please advise him/her to contact the Department at 1-866-737-3935.

Vendors must also report any change of store name, store mailing address, telephone number, or bank account to the Department through the [Vendor WIC](#) website not less than thirty (30) calendar days before the change takes place.

Section 2.

Foods

What Foods are Available on the WIC Program?

WIC foods are carefully selected to meet federal nutrition requirements, which provide vitamins, minerals, and proteins to WIC participants. Therefore, substitutions for WIC foods are not allowed. Listed below are the Nutrients that are found in WIC foods:

Nutrient Provided	WIC Foods Which Supply the Nutrient
Protein:	Infant formula, milk (including cow, goat, and soy), yogurt, eggs, cheese, peanut butter, dry peas or beans, tuna, pink salmon and sardines.
Iron:	WIC approved brands of cereal, peanut butter, dry peas or beans, canned beans, eggs, iron-fortified infant formula, fruits and vegetables, 100% whole wheat breads, and whole grains.
Vitamin C:	Citrus fruit juices, fruit juices fortified with Vitamin C, infant formula, fruits and vegetables.
Vitamin A:	Milk (including soy and goat), eggs, cheese, infant formula, fruits and vegetables.
Calcium:	Cheese, milk (including cow, goat, and soy), yogurt, tofu, and infant formula.
Fiber	WIC-approved brands of cereal, dry peas or beans, canned beans, fruits, vegetables, and 100% whole wheat breads.

Approved and Non-approved WIC Foods

The Arizona WIC Programs Food List contains the types and brands of foods allowed on the Arizona WIC Program. In addition, the Food List specifies foods that cannot be purchased. This list is available in English and Spanish. The Arizona Food Selection Criteria Committee revises this Food List periodically. The Committee is made up of representatives from each of the three (3) WIC Programs in Arizona, including local agency staff, and the Arizona Food Marketing Alliance (representing the Vendor community). Whenever changes are made to the Food List Vendors are notified of the changes before they go into effect.

Approved Product List (APL)

The Department will provide the Vendor with access to the Approved Product List (APL). The APL is an electronic file that contains all approved Universal Product Codes (UPCs) and Price Look Up codes (PLUs) authorized by the Department. **Vendors are required to download the APL file daily or every day that the store is open for business.** The APL is accessed electronically when an eWIC card is used and the Vendor scans a food item. The APL will not allow an unauthorized UPC to be processed during an eWIC transaction and Vendors are not allowed to override or substitute products if they are not in the APL. The APL will be updated every business day and placed on a secure FTP site.

Request to Add New Food to the Approved Product List

New products must be reviewed and approved before they can be added to the APL. Eligible products can be submitted to the Department by [email](#). The submission must contain:

- Full UPC or PLU Code*
- Brand name
- Full product description, including container size
- Picture: Front label
- Picture: UPC barcode
- Picture: Nutrition information
- Picture: Ingredients

Food items that are submitted must be reviewed by the Program to ensure that they meet the requirements set forth by the Arizona Food Selection Criteria Committee, including, but not limited to, nutrition information, ingredients, size, cost and availability. If the food item is approved, the Department will add the food item to the APL in five (5) business days.

* UPCs can vary in length (8, 12, 13 or 14 digits and PLUs may be 4-5 digits)

Arizona WIC Programs Food List

Vendors must ensure that all employees who handle eWIC transactions are familiar with the Arizona WIC Programs Food List. The Food List may be accessed on the Department's website at:

- [English WIC Programs Food List](#)
- [Spanish WIC Programs Food List](#)

Vendors can also access it through the EzWIC app, which can be downloaded to a smartphone or tablet and is available in the Google Play Store and the Apple App Store. If a Vendor requires a hard copy of the Food List, they may request one by completing the [Arizona WIC Program Vendor Order Form](#) found in Appendix 2 and submitting the request to the Department.

The Arizona, Inter Tribal Council of Arizona, Inc. (ITCA) and Navajo Nation WIC Programs use a common food list. The English version of the Arizona WIC Programs Food List cover is shown below.



Note: Also available in Spanish

Minimum Stock Requirements

The Department has established minimum stock requirements for all WIC foods which must be maintained by the Vendor at all times. The minimum stock and varieties required are outlined on the following pages. The purpose of the minimum stock requirements is to ensure that the Vendor will be able to adequately serve WIC participants/authorized representatives when food benefits are redeemed.

Grocers and Military Commissaries

Grocers and military commissaries are required to maintain minimum stock and variety of all WIC foods either on their shelves or stored at their location address (**not available to order**) from the **date the application is submitted** and, if approved, throughout the entire contract period. Failure to maintain minimum stock and variety of all WIC foods at any time throughout the contract period may result in termination of the Vendor Contract.

Pharmacies

Pharmacies are **not** required to maintain the minimum stock requirements **if** they were contracted to provide only "special formula." However, pharmacies are required to order WIC-eligible infant formula in the amounts and brands specified on the participant's WIC benefits or ordered by WIC staff from either the Department or local agency.

Note: During FFY 2021, the Arizona WIC Program served approximately 130,314 participants per month. Minimum stock requirements are very low in relation to the number of participants enrolled.

Infant Formula Purchases

The Arizona WIC Program will maintain a list of infant formula wholesalers and distributors licensed in accordance with state law and federal regulations and infant formula manufacturers registered with the Food and Drug Administration. All applicants and authorized Vendors are required to purchase infant formula **only** from the sources on the Arizona WIC Program's Infant Formula Suppliers List.

Failure to do so will result in the denial of the application or termination of the Vendor's Contract, and the Vendor will be disqualified from participation in the WIC Program for one (1) calendar year. This list will be updated and provided to all authorized Vendors annually and to each new applicant in the enrollment packet.

Arizona WIC Program's Minimum Stock Requirements

(These stock requirements must be maintained at all times.)

WIC Food	Brand/Type	Amount	Size	# of Varieties
Milk	Any brand of pasteurized refrigerated cow's milk.	28	gallon containers	2 types: one must be 1% and one must be whole milk

Do not count pint, quart or half gallon containers, organic, chocolate or any flavored milk, raw, buttermilk, acidophilus, half and half, or filled milk (i.e., sweetened condensed milk), creamers, or non-dairy products, including nut or grain milk (almond or rice).

WIC Food	Brand/Type	Amount	Size	# of Varieties
Eggs	Any brand, fresh, raw, brown or white chicken eggs, medium, large, extra-large, or jumbo sizes in dozen cartons.	16	Medium, or large extra-large and Jumbo in one (1) dozen cartons	one size must be large

Do not count organic or specialty (low cholesterol, DHA, free range, cage free, nest and fertile), six-packs, or egg substitutes.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Cheese	Any brand (block or shredded), plain, pasteurized cheese in 16-ounce pre-packaged only (includes regular, reduced fat or low sodium varieties): Only these types: <ul style="list-style-type: none"> Cheddar (includes, mild, medium, sharp, extra sharp, longhorn or white) Colby (includes longhorn) Monterey Jack Mozzarella (includes string cheese) Muenster Provolone Swiss Blended cheese (blend of any type listed above) 	8	pounds	3 types: one must be Cheddar, one must be Monterey Jack, and one other type

Do not count deli counter or random weight cheese, organic, imported cheese, with added flavors or ingredients (i.e., peppers, pimentos, wine, etc.), cream cheese, cheese that is diced, grated, or sliced, cheese sticks (except mozzarella string cheese) or swirls, processed American cheese, processed cheese food, cheese product, or cheese spread.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Yogurt	<p>Only these brands of yogurt, any flavor; 32-ounce (quart size) or 32- or 16-ounce (multi-packs)</p> <p>Regular:</p> <ul style="list-style-type: none"> • Brown Cow • Dannon • Dannon Activia • Food Club • Great Value • Kroger • Market Pantry • Mountain High • Lucerne • Noosa • Tillamook • Yoplait • Yoplait (Kids, Go-Gurt) • WinCo <p>Greek:</p> <ul style="list-style-type: none"> • Chobani • Dannon (Light & Fit, Oikos, Oikos Triple Zero) • Great Value • Greek Gods • Kroger • Lucerne • Open Nature • Simple Truth • Simply Balanced • Winco • Zoi 	<p>8</p> <p>-- or --</p> <p>16</p> <p>-- or --</p> <p>any combination that equals 256 ounces of yogurt</p>	<p>32-ounce (quart-size) containers</p> <p>4-ounce - 4 packs (16 ounces)</p>	not applicable

Do not count organic, drinkable, yogurt with mix-ins such as granola, candy pieces, honey, nuts, and similar ingredients.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Bread	<p>Only these brands of 100% whole wheat loaves of bread:</p> <ul style="list-style-type: none"> • Bimbo 100% Whole Wheat • Nature's Own 100% Whole Wheat • Ozark Hearth 100% Whole Wheat • Sara Lee 100% Whole Wheat • Wonder 100% Whole Wheat <p>Any eligible store or house brand labeled 100% Whole Wheat (including bakery)</p> <p>Note: Packaging must be labeled with 100% whole wheat and meet the FDA Standard of Identity for whole wheat bread (21 CFR 136.180). [This standard allows for negligible amounts of non-wheat flours.</p>	6	16-ounce packages only	not applicable

Do not count gluten-free, diet, light, or low carb, buns, rolls, mini-loaves, pita or flatbread, English muffins, sandwich thins and rounds, or bagels.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Cereal	<p>Only these brands:</p> <p>Cold Cereal</p> <ul style="list-style-type: none"> General Mills Chex: Corn, Rice and Wheat General Mills Cheerios: Plain and Multi-Grain General Mills Kix: Plain General Mills Total: Plain Kellogg's Corn Flakes Kellogg's Special K: Original Kellogg's All-Bran Complete Wheat Flakes Kellogg's Frosted Mini Wheats: Original Kellogg's Rice Krispies Malt-O-Meal Crispy Rice Malt-O-Meal Frosted Mini Spooners Post Great Grains Banana Nut Crunch Post Honey Bunches of Oats: Almond and Honey Roasted, Whole Grain Almond Crunch, Whole Grain Honey Crunch, Whole Grain Vanilla bunches Post Grape Nuts (Original) Post Grape-Nuts Flakes Quaker Life: Plain Quaker Oatmeal Squares: Brown Sugar and Cinnamon <p>Only these store brands:</p> <p>Crispy Rice Best Yet, First Street, Great Value, Food Club, Kroger, Market Pantry, Shurfine, Signature Select, WinCo</p> <p>Toasted Oats First Street, Food Club, Kroger, Shurfine, Signature Select, WinCo</p> <p>Hot Cereal Cream of Rice: Instant Original (individual packets), Traditional Cream of Wheat: Instant Original (individual packets), 1 Minute and 2.5 Minute Malt-O-Meal Wheat Original Flavor Quaker: Instant Oatmeal Original flavor (single serving packets only) Quaker: Instant Grits Original flavor (single serving packets only)</p>	<p>24</p> <p>-- or --</p> <p>24</p> <p>-- or --</p> <p>24</p>	<p>boxes or bags, 12 ounces or larger of cold cereal</p> <p>boxes, 11.8 ounces or larger of hot cereal</p> <p>boxes and bags, appropriate size as listed above of hot and cold cereal combined</p>	<p>4 types: one must be Post Honey Bunches of Oats (any WIC-authorized variety), one must be Kellogg's Frosted Mini Wheats Original plus two other types</p>

Do not count organic or frosted (except Malt-O-Meal Frosted Mini Spooners and Kellogg's Frosted Mini Wheats: Original), hot cereal with added raisins, fruit or nuts or variety packs.

Canned Fish

WIC Food	Brand/Type	Amount	Size	# of Varieties
Tuna	Any eligible brand, plain, chunk light, water-packed tuna, regular or low sodium Do not count oil-packed, solid white, albacore, prime fillet, flavored or seasoned, pouches or lunch kits, or with added ingredients or soy protein.	6 -- or --	5-ounce cans	not applicable
Pink Salmon	Any eligible brand, plain water-packed, pink salmon, regular or low sodium Do not count oil-packed, solid white, albacore, prime fillet, flavored or seasoned, pouches or lunch kits, or with added ingredients or soy protein.	6 -- or --	5-ounce cans	
Sardines	Any eligible brand, flavored, seasoned or plain sardines. Do not count Brisling or Norwegian sardines.	8	3.75-ounce cans	

WIC Food	Brand/Type	Amount	Size	# of Varieties
Dry Beans / Peas / Lentils	Any eligible brand and type of pre-packaged dry beans, peas or lentils (including organic) in 16-ounce packages	8	16-ounce packages only	1 type Dry Beans -- and -- 1 type Peas or Lentils

Do not count bulk, or immature varieties (i.e., green beans, snap beans, yellow beans or wax beans), fresh, frozen, flavored, refried beans, seasoned; bean soup mixes with flavoring packets and spices or gourmet beans.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Canned Beans	Any brand, size and variety (including organic) of canned beans, plain, regular or low sodium. Such as: <ul style="list-style-type: none"> • Black • Black-eyed peas • Cannellini • Garbanzo (Chickpeas) • Great Northern • Kidney (Red or White) • Lima • Navy • Pink • Pinto • Red 	8	up to 16-ounce cans	not applicable

Do not count beans with added fat, oil, spices or meat (i.e., pork and beans), refried beans, canned green peas, green beans, wax beans, peas or lentils, fruits or vegetables or seasoned beans such as Cajun style, chili beans, BBQ beans, ranch-style, or baked beans.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Peanut Butter	Any eligible brand of plain (creamy, chunky, crunchy, super chunk or natural) peanut butter. Low sugar and low sodium are allowed.	8	16 to 18-ounce jars	not applicable

Do not count 'grind your own,' organic or spreads, peanut butter with added ingredients (i.e., jams, jelly, marshmallow, chocolate, DHA, omega-3, or honey), or in tubes.

Whole Grains

WIC Food	Brand/Type	Amount	Size	# of Varieties
Soft Corn Tortillas	Only these brands of yellow or white soft corn tortillas, 16-ounce packages: Casa Rica Don Pancho Dos Ranchitos El Super Food Club Guerrero IGA Kroger La Banderita La Burrita Mama Lola's Mission Santa Fe Tortilla Company	6 -- or --	16-ounce packages only	not applicable
Soft Whole Wheat Flour Tortillas	Only these brands of whole wheat flour tortillas*, 16-ounce packages: <ul style="list-style-type: none"> • Don Pancho, • Food Club, • Great Value • Guerrero Tortillas de Harina Integral • IGA • Kroger • La Banderita • Mission • Santa Fe Tortilla Company • Signature Select <p>* Whole wheat flour must be listed as the only flour in the ingredient list.</p>	6 -- or --	16-ounce packages only	

Do not count organic or tortilla chips, tostada or taco shells, white flour tortillas, or flavored tortillas (such as spinach or tomato).

WIC Food	Brand/Type	Amount	Size	# of Varieties
Brown Rice	Any brand of brown rice any type (instant, quick or regular), long or short grain, 14-16-ounce packages.	6 -- or --	14 – 16 ounce	

Do not count organic or white rice, basmati, jasmine, seasoned or flavored or rice in plastic containers.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Whole Wheat Pasta	Only these brands of whole wheat pasta, any variety, 16-ounce packages: <ul style="list-style-type: none"> • Barilla • Delallo • Hodgson Mill • Full Circle • Great Value • Kroger • Organics • P\$\$t • Ronzoni • Shurfine • Signature Select • Simply Balanced • Simply Truth Organics • Sun Harvest • WinCo 	6 -- or -- any combination that equals 6 packages	16-ounce packages only	

Do not include pasta with added sugar, fat, oil, or salt. Pasta that lists any other flours besides whole wheat and/or whole durum wheat flour in the ingredients.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Juice	<p>Only these brands, 100% juice; no sugar or sweeteners added:</p> <p>64-ounce shelf stable:</p> <ul style="list-style-type: none"> • Orange*: Any brand • Grapefruit*: Any brand • Apple: Food Club, Langers, Mott's, Old Orchard, Seneca, Shurfine, TreeTop, Juicy Juice • Grape: Food Club, Langers (purple or white), Old Orchard, Shurfine, Welch's (purple or white) • Pineapple: Langer's • Tomato: Campbell's • Mixed Flavors: Juicy Juice, Old Orchard, V8 Vegetable <p>64-ounce refrigerated:</p> <ul style="list-style-type: none"> • Orange*: Any brand • Grapefruit*: Any brand <p>11.5 – 12-ounce frozen:</p> <ul style="list-style-type: none"> • Orange*: Any brand • Grapefruit*: Any brand • Apple: Food Club, Langer's, Old Orchard, Seneca, Shurfine, TreeTop • Grape: Food Club, Old Orchard, Welch's (purple or white) • Pineapple: Dole, Old Orchard • Mixed Flavors: Dole, Old Orchard <p>* Calcium fortified allowed.</p>	16	64-ounce single strength or 11.5/12-ounce frozen containers	3 types: one must be 64-ounce Tree Top Apple (does not include individual bottles from a 3-pack) shelf stable juice, one must be any brand 11.5- or 12-ounce frozen orange juice and one other type

Do not count organic, juice cocktail, fresh, and non-frozen concentrate, Tree Top Apple juice from 3-pack, TreeTop apple blend, V8 Splash or Smoothies, Naked and Odwalla brands, juice in glass bottles, 6-ounce frozen containers or juices with other added ingredients (including but not limited to grape seed extract, ginseng, guarana, taurine, caffeine, carnitine, chromium, St. John's Wort, wheatgrass, Ginkgo Biloba or others).

Fruits and Vegetables

WIC Food	Brand/Type	Amount	Size	# of Varieties
Fresh Fruits and Vegetables	Any variety of fresh (includes organic), whole or cut-up, fruits and vegetables. Single pieces, bagged or pre-packaged fruits and vegetables (including lettuce) are allowed.	16	Pounds of fruit	5 types of fruits (lemons and limes not included)
		16	-- and – Pounds of vegetables	-- and – 5 types of vegetables

Do not count vegetables with added sugar, fat, oil, or salt, canned or frozen, creamed, sauced, breaded, dried, herbs or spices, edible blossoms of flowers (i.e., squash blossoms), fruits and vegetables served at a salad bar, salad kits, or with dipping sauces, ornamental fruits and vegetables (i.e., chilies on a string or painted pumpkins), fruit baskets, party trays, nuts (including peanuts), or items such as blueberry muffins.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Canned Vegetables	Any brand Any variety, including organic, regular or low sodium, single or mixed varieties without added sugar or syrup, tomato paste, tomato sauce, puree, whole, crushed, or diced tomatoes are allowed.	4 cans	Any size and type of container, including cans, cups, or jars	2 types

Do not count vegetables with added fat, sugar*, or oil, added pastas or rice, pickled or creamed, vegetables in sauce, pizza sauce, soups, ketchup, relish, olives.

* **Note:** Small amounts of sugar are added to some foods that are naturally sugar-containing during the canning process to prevent stress resulting in membrane rupture. This small amount of added sugar is minimal and helps to maintain the quality and structure of the food and is allowed for canned peas and corn only.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Canned Fruits	Any brand Any variety, including organic, shelf stable or refrigerated single or mixed variety packaged in juice or water, and natural or unsweetened applesauce is allowed.	4 cans	Any size and type of container, including cans, cups, or jars	2 types

Do not count fruit packed in syrup (heavy, light or extra light), fruit with added sugar, fat, oil, or salt, fruit packed in sweetened fruit juice or nectar, cranberry sauce, pie filling, fruit with artificial sweeteners such as Stevia, Splenda or NutraSweet, or with any other added ingredient.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Frozen Vegetables	Any brand Any varieties, including organic single or mixed variety; steamer bags are allowed.	4 packages	Any size and type of container	2 types

Do not count breaded or seasoned vegetables, French fries, tater tots, hash browns, or vegetables with added sugar, syrup, oil, fat, pasta, rice, or any other ingredients, and vegetables with sauce, such as cheese, butter, or teriyaki sauce.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Frozen Fruits	Any brand Any variety, including organic, single or mixed variety is allowed.	4 packages	Any size and type of container	2 types

Do not count fruit with any other added ingredients, fruits with added sugar, fat, oil or salt, smoothies, or fruit with artificial sweeteners such as Stevia, Splenda or NutraSweet.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Infant Formula	Similac Advance Powder	36	12.4-ounce cans	not applicable
Infant cereal	Only these brands and varieties of Infant cereal (including organic), plain without fruit, 8 or 16-ounce containers: <ul style="list-style-type: none"> • Beech Nut • Earth's Best • Gerber Only these varieties: <ul style="list-style-type: none"> • Oatmeal • Rice • Whole Wheat • Multi-Grain 	18 -- or -- 9 --or--	8-ounce containers 16-ounce containers any combination of 8- and 16-ounce containers that equals 144 ounces	not applicable

Do not count, high protein, cereals with fruit, sugar, yogurt or formula or DHA/ARA added, single serving, cups, jars or cans.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Infant foods - fruits and vegetables	Only these brands, in 4-ounce containers, stage 2, single or mixed variety of fruits and/or vegetables (i.e., apples and bananas, carrots and mangos), includes organic, multipacks and variety packs: <ul style="list-style-type: none"> • Beech Nut • Earth's Best • Gerber • Tippy Toes • Parent's Choice • Yummy Naturals 	64 -- or -- 32 --or--	4-ounce containers 2-packs (4 ounces each) any combination that equals 64 4-ounce containers	2 types of fruits -- and -- 2 types of vegetables

Do not count, packed in pouches or fruits and vegetables with added sugar, salt, starches, formula, cereal or DHA/ARA, desserts, dinners, smoothies, and food combinations.

WIC Food	Brand/Type	Amount	Size	# of Varieties
Infant jarred foods – meats	Only these brands of infant meat, any stage, 2.5-ounce, single ingredient meat (added broth and/or gravy allowed) includes organic: <ul style="list-style-type: none"> • Beechnut • Gerber • Tippy Toes 	31	2.5-ounce containers	not applicable

Do not count Meat with added salt or sugar, meat sticks, dinners, and food combinations.

WIC Price Survey

The Department requires all applicants to verify and complete a WIC Price Survey as part of the Vendor Application Packet submission. A copy of the WIC Price Survey Instruction Worksheet is located in Appendix 2. The applicant must accurately complete and submit the online survey to the Department. The Department uses the price data submitted to evaluate and ensure that the applicant's food prices are competitive with currently authorized Vendors.

In addition, authorized Vendors must submit an online Price Survey when requested by the Department. The Price Survey must be submitted within the time frame as described in the notification request. The Vendor website is available 24 hours a day, 7 days a week. Therefore, if the Price Survey submission date falls on a weekend, the Price Survey must be submitted on or before the submission date

Exception: Pharmacy applicants are exempt from this requirement if they are requesting authorization to provide only special infant formula.

Chain store applicants must submit one consolidated WIC Price Survey for all outlets unless prices vary for each outlet and/or region; in that case, a separate survey must be submitted for each outlet and/or region.

Note: The Department's online system will not save or submit incomplete surveys. All required information must be entered.

Section 3.

eWIC Cards

eWIC Cards

The eWIC card provides the WIC participant access to food benefits (including the cash value benefits for the fruits and vegetables). The eWIC card will allow only specific food items, including a specific cash value amount for fruits and vegetables, to be redeemed within a benefit month. The cardholder will be able to swipe the card and enter their Personal Identification Number (PIN) and purchase authorized food items.



Damaged/Lost eWIC Cards

If the Vendor cannot process the transaction because the eWIC card is damaged, the Vendor may manually enter the card number and allow the customer to enter their PIN to access their WIC benefits. This can only occur if the card and the WIC customer are present. The Vendor must refer the WIC customer to their WIC clinic for assistance to obtain a new card.

If the Vendor finds an eWIC card, they will follow the instructions on the back of the card that states "If found, please send to: Arizona WIC Program 150 North 18th Avenue, Suite 310, Phoenix, Arizona 85007".

Section 4.

Redeeming WIC Food Benefits

WIC Redemption Procedures

The Arizona WIC Program relies on its Vendors to ensure that only WIC authorized foods prescribed to the participant's food package are purchased. When proper checkout procedures are followed, WIC participants receive the nutrients they need to improve their health status. The cashiers play an important role as part of the Vendor's responsibility to the WIC Program. Vendor staff must be familiar with WIC redemption procedures and have access to the Arizona WIC Programs Food List.

Vendors' employees must offer WIC customers the same courtesies as offered to other customers. **Separate lines or checkout counters may not be established for only WIC customers.**

A transaction is an occurrence, event, purchase, sale, exchange, or delivery of any item, including point-of-sale devices that involve, but not limited to: swiping eWIC cards; manually entering eWIC card numbers; entering Personal Identification Numbers (PINs); scanning UPCs; entering prices; printing or providing receipts; voiding sales; or a deposit, withdrawal, transfer between accounts, exchange of currency, or purchase or sale of any monetary instrument. For example, each time a Vendor scans a UPC or enters a price constitutes a single transaction.

Note: Arizona WIC Program food benefits may be redeemed anywhere in Arizona as long as they are redeemed at an Arizona WIC Program authorized Vendor.

Lane Requirements

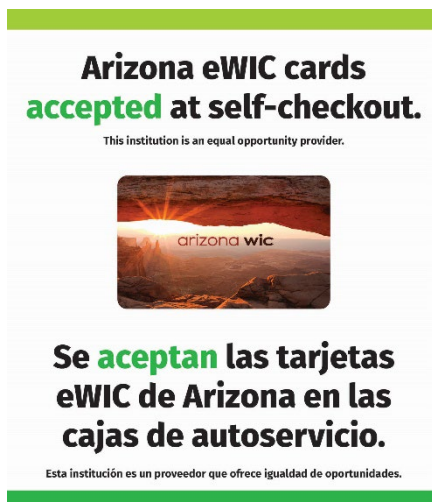
If not all registers are equipped to accept eWIC transactions, Vendors must identify which registers are able to process and accept eWIC cards by posting the official Arizona WIC Program lane signage.

There must be at least one (1) lane open at all times that can process eWIC transactions.



Vendors that have self-checkout registers must notify customers whether or not the system is allowed to accept and process eWIC cards at these registers. This will be accomplished by posting one of the following official Arizona WIC Program signs.

Note: The self-checkout POS system must be certified by the Department prior to making it available to the WIC customer.



Processing eWIC Transactions

Before an eWIC transaction can be processed, the Vendor must download the Approved Product List (APL). This must be done on a daily basis to ensure that the most current APL is being used. The APL will not allow an unauthorized UPC to be processed during an eWIC transaction and Vendors are not allowed to override or substitute products if they are not in the APL.

Processing eWIC transactions using an integrated system

Not all integrated register systems are the same. Depending on the software developer and maker of the point-of-sale (POS) register system, eWIC transactions may be a little different. The Vendor will process eWIC transactions in accordance with policies outlined in the POS system instructions, which may include, but not be limited to, the following:

Cashier Assisted

- WIC customer will:
 - Tell the cashier they are using their eWIC card.
 - Swipe their eWIC card and enter their PIN during the checkout process to access their benefits (depending on the POS system, this may occur at the start or the end of transaction).
 - Verify the amount and agree to the purchase (by pressing the “Yes” button on the card reader).
- Cashier will:
 - Scan the WIC food items.
 - Identify any item that is not WIC approved or over the cash value amount.
 - Ask the WIC customer to verify the amount and agree to the purchase.
 - Allow the WIC customer to pay the difference when a fruit and vegetable purchase exceeds the value of the Cash Value Benefit (also known as the split tender transaction).
 - Allow the WIC customer to pay the difference when purchasing WIC foods and non-WIC items in the same transaction (mixed basket).
 - Provide the WIC customer with a detailed receipt of the eWIC transaction. Receipts must show store name, address, transaction date, previous balance, transaction information that includes products purchased and prices, remaining balance, and last date to use benefits.

Self-Checkout

WIC customers may redeem WIC benefits using self-checkout registers where available. The self-checkout POS systems must be certified by the Department prior to making them available to the WIC customer.

When allowing the use of self-checkout registers, the Vendor staff **must** be available to assist the WIC customer when using their eWIC cards. This type of assistance includes, but is not limited to, obtaining a balance inquiry, instructing the WIC customer on how to use the register to process eWIC payments, identifying authorized foods, voiding/removing items from the transaction, etc.

- WIC customer will:
 - Look for the official Arizona WIC Program signage to determine if the self-checkout register accepts eWIC.
 - Scan the WIC food items.
 - Swipe their eWIC card and enter their PIN to access their benefits (if the magnetic stripe cannot be read, see attendant).
 - Review the mid-transaction receipt (utilization receipt) to identify which items are being purchased with their eWIC card.
 - Verify the amount and agree to the purchase (by pressing the “Yes” button on the card reader).
 - Pay any remaining amount with another form of payment (SNAP, cash, debit/credit card) when purchasing WIC foods and non-WIC items in the same transaction (mixed basket).
 - Have the option to have an item voided if not approved or unable to pay difference for fruits or vegetables.
 - Obtain the detailed receipt of the eWIC transaction.

Note: To request a balance inquiry, the WIC customer can ask the attendant for assistance.

Remember, the eWIC card **must** be used **first** to purchase WIC foods, and then other payment forms can be used to pay the remaining balance.

Processing eWIC transactions using stand-beside system

Vendors who have the stand-beside terminals will follow the instructions that were provided to them by the eWIC processor. This may include but not limited to the following:

- WIC customer will:
 - Tell the cashier they are using their eWIC card.
 - Swipe their eWIC card and enter their PIN during the checkout process to access their benefits.
 - Verify the amount and agree to the purchase (verbally or by pressing the “Yes” button on the card reader).
- Cashier will:
 - Scan the WIC food items.
 - Enter the price.
 - Identify any item that is not WIC approved or over the cash value amount.
 - Ask the WIC customer to verify the amount and agree to the purchase.
 - Ensure that the correct total purchase amount is entered for each item purchased with an eWIC card.
 - Provide the WIC customer with a detailed receipt of the eWIC transaction. Receipts must show store name, address, transaction date, previous balance, transaction information that includes products purchased, and prices, remaining balance, and last date to use benefits.

Regardless of which POS system the Vendor uses

- The Vendor shall:
 - Provide a balance inquiry or assist the WIC customer with obtaining one.
 - Allow the WIC customer to pay the difference between the cash value amount and the actual purchase price (if it is over) using another method of payment (SNAP, cash, or debit/credit card).
 - Allow the WIC customer to pay for any item that is not allowed on their WIC benefits.
 - Manually enter the card number only when the magnetic stripe cannot be read **and** the card and WIC customer are present.
 - Identify which registers are able to process and accept eWIC cards by posting the official Arizona WIC Program lane signage, if not all registers are equipped to accept eWIC transactions.
 - Contact the WIC Complaint Hotline, if the Vendor suspects that the eWIC card is being improperly used.
 - Follow the return instructions on the back of the card if an eWIC card is found in their store.
 - Ensure food items purchased with eWIC cards are not left at the Vendor's location and retrieved by the customer later.
- The Vendor shall not:
 - Require the WIC customer to make a purchase in order to obtain a balance inquiry.
 - Require any type of identification (i.e. driver's license, state ID, passport, etc.).
 - Ask the WIC customer to verbally provide or write down their PIN in order to redeem their benefits.
 - Keep any eWIC cards, including keeping the eWIC card to run a transaction later or at a different location.
 - Keep WIC participants' eWIC cards or any type of records, copies, pictures, etc., (includes handwritten, printed, electronic or any other media source) of eWIC card numbers and Personal Identification Numbers (PINS) for any reason.
 - Override or allow any substitutions by scanning a barcode from another authorized product or by scanning a barcode from a pre-printed sheet.
 - Scan barcodes from code books, clipboards, or from a pre-printed sheet or product card.
 - Restrict or require any lane to WIC customers only.

When Processing eWIC Transactions

The cashier shall not:

- Prevent or require the WIC customer to use coupons, purchase of items on sale and take advantage of promotional specials such as:
 1. **Cents off coupons –**
 - a. Single, double, triple, quadruple and other store coupons (if applicable to the purchase) are acceptable.
 - b. The receipt must document that the value of the coupon was deducted from the total sales price of the WIC foods purchased with food benefits.
 - c. Do not give the reduced dollar amount to the WIC participant/authorized representative in the form of cash, credit, or other valuable goods.
 2. **Free additional ounces –**

The free additional ounces should cost the same as the ounces specified in the food benefit. For example: An 18-ounce box of Kix cereal advertises four free additional ounces, making the box 22 ounces and is sold for the 18-ounce price.
 3. **Buy one get one free –**
 - a. Non-WIC approved foods or items are acceptable free items. For example: Buy a 14-ounce box of Cheerios, and get a 12-ounce box of Honey Nut Cheerios free.
 - b. The receipt must document that only WIC authorized foods were paid for with WIC food benefits.
 - c. The number of ounces of free additional product should **not** be counted towards the maximum number of ounces allowed by WIC. For example: Buy one 12-ounce box of Cream of Wheat Instant hot cereal and get a 12-ounce box free. The 12 ounces from the free box will not be counted against the quantity of 36 ounces specified in the WIC food benefit.
 4. **In-store or manufacturer promotions –**

WIC customers may take advantage of any/all in-store and/or manufacturer's promotions. Some examples are: Store manager's specials of the day or week or manufacturers marketing their product in a larger size package/container which will cost the consumer the same price as the regular size package/container. (It may say something like '20% more free').
 5. **Store membership discount cards –**

The store's discount cards also known as clipless coupons may be used by **all** WIC customers and with any/all purchases.
 6. **Employee discount cards –**

WIC customers who are also grocery store employees may use their employee discount card with any/all purchases.

Note: Vendors for which more than 50 percent of annual food sales result from WIC sales, also referred to as Above-50-Percent Vendors (per WIC Vendor Provisions of Public Law Number 108-265), are exempt from the above-mentioned savings policies (item numbers 1 through 5) and may not provide incentive items* or other free merchandise to WIC Program participants. Failure to comply with this policy may result in termination of the Vendor Contract and a one-year disqualification.

* 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.

The cashier shall not:

- Prevent WIC customers from purchasing all of the items listed in their WIC food benefits.
- Require WIC customers to purchase specific brands or limit the units of WIC foods (e.g.: allow only a certain brand, unless it is specifically stated on the food benefits or food list, such as Kellogg's Corn Flakes or gallons of milk only).
- Charge more than the current shelf price.
- Charge for items not purchased.
- Sell WIC infant formula after the manufacturer's expiration date printed on the package/container.
- Charge sales tax or other tax for WIC foods purchased.
- Provide WIC customers rain checks for WIC foods that were included in the dollar amount of the WIC transaction.
- Provide WIC customers with cash or credit for eWIC transactions.
- Provide incentive items or other free merchandise to WIC Program customers. **Note:** This **only** applies to for-profit Above-50-Percent Vendors.
- Offer incentive items **solely** to WIC customers in an effort to encourage participants to redeem their WIC benefits at the Vendor's location.
- Provide store credit or other free items to WIC customers for redeeming food benefits at the Vendor's location (i.e., providing a store credit of \$5.00 if a WIC customer spends \$20.00 or more in their store; providing WIC customer Tampico beverage for using their food benefits).
- Require WIC customers to purchase other items in order to redeem eWIC benefits or obtain a balance inquiry.
- Redeem eWIC benefits for non-WIC foods, non-food items, alcohol or tobacco products, lottery tickets, cash, or credit, or any other item that is not WIC authorized.
- Allow WIC customers to leave food items purchased with eWIC benefits at the Vendor's location to retrieve at a later time.

Exchange of WIC Foods

Vendors are not permitted to provide refunds or permit WIC customers to exchange foods purchased with WIC food benefits for unauthorized foods, non-WIC type foods or other items, cash or credit, except for exchanges of an identical authorized supplemental food item when the original authorized supplemental food item is defective, spoiled, or has exceeded its "sell by," "best if used by," or other date limiting the sale or use of the food item.

An identical authorized supplemental food item means the exact brand and size as the original authorized supplemental food item purchased and returned by the WIC customer.

Recalled Food Items

Vendors are permitted to exchange the recalled food item for an identical food item. If the Vendor has removed all of the identical food items from the shelves, the Vendor can exchange the recalled food for another authorized supplemental food of the same type (i.e., peanut butter for peanut butter, juice for juice, etc.) from the Arizona WIC Programs Food List.

For example:

If a jar of "X Brand" peanut butter is recalled and all "X Brand" is removed from the shelf, the Vendor may exchange the recalled peanut butter for another brand of authorized peanut butter from the Arizona WIC Programs Food List.

If the WIC customer returns with a recalled item and **has a receipt**, the Vendor shall provide the WIC customer with the same type of food item as referenced above. The replaced item shall be of equal or lesser value to the price paid by the WIC Program on the participant's receipt.

If the WIC customer returns with a recalled item and **does not have a receipt**, the Vendor shall provide the WIC customer with the same type of food item as referenced above. The replaced item shall be of equal or lesser value to the current cost of the item at the time of the return.

Section 5.

Payments

Payments for eWIC Benefits

eWIC benefits will be paid up to the maximum amount allowed based on the Vendor's peer group. Payments are made to the Vendor daily during the end of day process of the eWIC system. Transactions that are received by 6:00 p.m. Central Standard Time (CST) will be paid the next business day. Transactions that are received between 6:00 p.m. CST and before 5:59 p.m. CST the next day will be paid on the second business day. eWIC transactions that occur between Thursday at 6:00 p.m. (CST) and before 5:59 p.m. CST Sunday will be paid on Monday; if Monday is a banking holiday, payment will be made on Tuesday.

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday
Transactions processed between	6:00 p.m. - 5:59 p.m. CST	6:00 p.m. - 5:59 p.m. CST	Paid	NA	NA	NA
Transactions processed between	NA	6:00 p.m. - 5:59 p.m. CST	6:00 p.m. - 5:59 p.m. CST	Paid	NA	NA
Transactions processed between	NA	NA	6:00 p.m. - 5:59 p.m. CST	6:00 p.m. - 5:59 p.m. CST	Paid	NA
Transactions processed between	NA	NA	NA	6:00 p.m. - 5:59 p.m. CST	6:00 p.m. - 5:59 p.m. CST	Paid

Day	Thursday	Friday	Saturday	Sunday	Monday
Transactions processed between	6:00 p.m. - 5:59 p.m. CST	6:00 p.m. - 5:59 p.m. CST	6:00 p.m. - 5:59 p.m. CST	6:00 p.m. - 5:59 p.m. CST	Paid

Note: If any day falls on a banking holiday, payment will be made on the next business banking day.

The payment criteria for eWIC benefits are as follows:

- **Regular Vendors** will be paid up to the maximum amount allowed based on the Vendor's peer group.
- **Above-50-Percent Vendors** will be paid up to the maximum amount allowed based on the Vendor's peer group, which is no more than the average redemption amount for all Regular Vendors.

Section 6.

Training

Mandatory Regional and Initial Training

Federal regulations require that the Department provide mandatory regional/initial Vendor training to all applicants. An “applicant” is a new or current Vendor who is applying for the new Vendor Contract cycle. Vendors who have a large employee turnover and/or have a large volume of Arizona WIC Program business are encouraged to have as many employees as possible attend the mandatory regional/initial training. Training is designed so that WIC authorized Vendors and their employees have minimal program violations and to improve service through communication. Training can also reduce redemption errors made by cashiers when handling WIC transactions and improve the integrity of the WIC Program so that participants receive only those foods intended to meet their nutritional needs. Mandatory regional and initial training is established by the Department. The Department will provide training to the owner or manager of each Vendor applicant. This training will cover program policies and procedures; it does not include training on point-of-sale (POS) systems. POS systems training will be provided by the Vendor’s point-of-sale provider for their integrated system and by the eWIC processor for stand-beside terminals.

All new Vendor applicant Owners, including those who are currently or have previously participated in the Arizona WIC Program, **must** attend the regional or initial training before the Vendor applicant will be accepted as an authorized Arizona WIC Program Vendor. Training sessions will be provided in-person and/or virtually. Any applicant (including the owner and/or corporate representative) who fails to participate in the regional or initial training, as scheduled, will have its WIC Vendor application denied.

A representative from **each** store location is required to attend the regional training as scheduled. In the case of a chain store or applicants with more than one outlet, the manager or their designee of each outlet wishing to be authorized as a WIC Vendor must attend the mandatory regional or initial training before the outlet will be authorized to become a WIC Vendor. In addition, all **new owners (or their corporate representative)** must attend the mandatory regional and/or initial training before the store location will be considered for authorization to become a WIC Vendor. **All** attendees are expected to be on time for training sessions. **Any person(s) that arrives fifteen (15) minutes or more after the start time of any training session will not be allowed to enter the session.** Each applicant/current Vendor representative will be expected to sign in at the beginning of the training and will be provided a signed Training Acknowledgement form at the completion of training as proof of attendance. The mandatory training session will include, but is not limited to:

- Explanation of the WIC Program
- Use of the Vendor Manual
- The Vendor’s Role
- Vendor Selection Criteria
- Minimum Stock and Variety Requirements
- Infant Formula Purchasing Requirement
- Business Operations
- Wholesaler/Supplier Problems
- WIC Price Survey
- Incentive Item Prohibition
- Approved and Non-Approved Foods
- Approved Product List
- Electronic Benefits Transfer for WIC (eWIC)
- eWIC Redemption Process
- eWIC Receipt Requirements
- Use of Manufacturer, Store Specials or Discount Cards
- Vendor Claims and Reimbursement Procedures
- Complaint Process

- Violations and Sanctions
- Vendor Rights and Responsibilities
- Service Mark Compliance
- Record Retention Requirements
- Program Updates

The Department will provide applicants and authorized Vendors a copy of, or access to, the Vendor Manual and training materials. The documents address WIC procedures and will serve as a guide for applicants and Vendors to follow. The documents are also available for applicants and Vendors on the [Arizona WIC Program](#) website.

New applicants who fail to attend their initial scheduled training will be given only one (1) final opportunity to attend a Department mandatory training session.

Note: The recipient of the training will be responsible to ensure that its store or outlet operates in compliance with its WIC Vendor Contract, WIC Federal Regulations and this Manual. By signing the Training Acknowledgement form, the attendee understands that the Department, in its sole discretion, may waive any warning letter for Department and Mandatory Sanctions under Federal Regulations violations, if the warning letter will compromise the investigation. The recipient of the training will also be responsible for training and oversight of its cashiers and other personnel who are responsible for handling WIC transactions.

Annual Training

The Department shall be responsible for providing Vendor training annually. At least one Vendor representative for each outlet must participate in the annual training. The Department shall have sole discretion to designate the date, time, and location of all interactive training. The Department shall provide at least one alternative date on which to attend such training. The annual training will include, but is not limited to:

1. Information on the purpose of the WIC program.
2. Review approved and non-approved foods, and the Approved Product List (APL).
3. Review minimum stock and variety requirements.
4. Review the requirement that Vendors obtain infant formula only from sources included on the Arizona WIC Program Infant Formula Suppliers List.
5. Review the procedures for transacting eWIC cards.
6. Review the Vendor sanction system.
7. Review the complaint process.
8. Review the claims procedures.
9. Review policies and procedures regarding the use of incentive items.
10. Discuss any changes to Program requirements since the last training.
11. Provide the Vendor with a name of a contact person for questions regarding the Arizona WIC Program.

Documentation of Training

Training Acknowledgement Form - The owner, manager, or their designee will be required to sign a Training Acknowledgement form for the following types of training:

- Scheduled regional training
- Scheduled initial training
- Requested on-site training
- Other scheduled training

Vendor Site Review Form - The owner, manager, or their designee will be required to sign the Vendor Site Review form to acknowledge receipt of training on deficiencies found.

The Department shall maintain a copy of the Training Acknowledgement and Vendor Site Review forms in their respective individual Vendor files.

The Vendor will receive a copy of the Training Acknowledgement form at the end of the training session. Copies of the Vendor Site Review will be emailed to Vendor and the store's corporate office or to the headquarters' office of the store outlet, when more than one outlet is covered by the Contract.

Technical Assistance/Request for Training

If there are any questions regarding the Arizona WIC Program or you would like to schedule a training session, contact the Vendor Management Team at 1(866) 737-3935.

Section 7.

Vendor Monitoring

Vendor Monitoring

Execution of the Vendor Contract authorizes the Department to perform any and all monitoring, as the Department deems appropriate. The Department or its contractor will visit each Vendor prior to, or at the time of, initial authorization. The Department shall, in its sole discretion, monitor Vendors for compliance with applicable laws, rules, Contract requirements, and policies and procedures. Vendors may be selected for monitoring based on their volume of WIC program sales, past program abuse, history of unusually high prices of authorized foods, complaints, availability or variety of authorized foods, suspicious activity with eWIC transactions, or other concerns of the Department.

The Arizona WIC Program monitors all authorized Vendors to ensure that they understand the WIC Program's rules, regulations, and procedures. The measures that the Department and its contractor may use to monitor Vendors include, but are not limited to, the following:

- Vendor Site Reviews
- Compliance investigations
- Full Line Grocery Evaluations
- eWIC Redemption Activity
- Inventory audits
- WIC participant/authorized representative and clinic complaints
- Criminal/Civil Background Checks

Vendor Site Review

A Vendor Site Review is an **unannounced** on-site visit. These visits are unannounced because the purpose of the visit is to determine if the Vendor is maintaining adequate stock when participants/authorized representatives redeem their WIC benefits. If an appointment is made, the Vendor may be artificially well-stocked when it would otherwise not have adequate WIC stock for participants/authorized representatives. As outlined in the Vendor Contract, the Vendor cannot refuse to allow a Vendor Site Review to be conducted. A Vendor Site Review may be conducted at any time the Vendor is open for business. The Vendor Site Review may be documented electronically. In the event of technical difficulties, paper copies will be utilized.

There are four types of Vendor Site Reviews:

1. Initial: First time visit for a new applicant or change of owner;
2. Initial Follow-up: A visit if deficiencies are found during the Initial Vendor Site Review
3. Representative/Routine: A visit to currently authorized Vendors to ensure compliance; Vendors may be chosen at random.
4. High Risk Follow-up: A visit to all new Vendors after a minimum of thirty (30) days on the Program; Vendors identified by deficiencies from a previous Representative/Routine Visit, low inventory, participant/authorized representative complaints, sanitation issues, etc.

Vendor Site Reviews may be conducted by the Department or its authorized contractor as follows:

1. At a minimum, annually during each federal fiscal year (October through September) for at least five percent (5%) of the authorized Vendor population.
2. The above-mentioned minimum Vendor Site Reviews will not include Initial or Initial Follow-up reviews.
3. Only the Department will be responsible for Vendor Site Review monitoring at military commissaries and pharmacies.

Initial and Initial Follow-up Vendor Site Reviews

Initial and Initial Follow-up Vendor Site Reviews will be conducted to ensure that the applicant meets all program requirements prior to authorization. Training and education may be provided at the time of the visit. The Initial and Initial Follow-up Vendor Site Review will document the following information:

1. Date of and reason(s) for the review.
2. Current Vendor prices for WIC foods offered and whether or not the prices are documented on the shelf.
3. Deficiencies identified during the visit.
4. All deficiencies identified during the visit and any corrections made on site. (On-site corrections will not circumvent a deficiency (all deficiencies found during the visit are subject to the denial of the Vendor Contract)).
5. Corrective action recommended and target correction date for current visit.
6. Vendor comments, if applicable.
7. If no deficiencies are found, the following statement will be documented on the form: "In compliance and did not have any deficiencies uncovered during this review."

Upon arrival at the Vendor's location, the WIC representative will document the time, look for unauthorized use of the WIC decal, and determine whether there is appropriate wheelchair access to the store. The WIC representative will introduce themselves to the manager or person in charge, discuss the purpose of the visit, and explain what he/she will be doing. The WIC representative will also advise the store personnel that all backstock must be brought to the sales floor at the time of the visit if it is to be counted during the review. The store personnel will be asked to initial the document to acknowledge this request. The WIC representative will not go into the back storage areas.

The following items will be checked during the store visit:

1. WIC foods - All quantities, sizes, brands, varieties, and highest shelf price will be recorded on the Vendor Site Review form for all WIC foods offered on the shelf, including backstock that is brought to the sales floor.
2. Minimum stock and variety - Review and document that all WIC authorized food items meet the program's minimum requirements. Observe the food items to ensure that they are not spoiled or have exceeded expiration dates. Any item that is expired, spoiled, or rotten will not be counted as minimum stock. Failure to maintain minimum stock requirements, even if one item is short, results in failure of the Initial and/or Follow-up Vendor Site Review.
3. Food labeling and packaging - All food items must be in the original packaging, displayed, identified, labeled, priced, and available for sale to the general public. Items that contain the statement 'not labeled for individual resale' will not be counted.
4. Prices - Prices should be clearly marked on the merchandise or shelf.
5. Store sanitation - Current county health operating permit or final health inspection report, freezer and refrigeration temperatures, and clean appearance of the store.
6. ADA compliance - Observe compliance with the Americans with Disabilities Act. For example, whether an individual who is wheelchair-bound would have access to WIC foods (access would include the ability to request a store clerk to obtain a WIC food that is unreachable).
7. Infant formula - Review the Vendor's purchase invoices and receipts for infant formula and verify that the supplier is on the list for approved infant formula suppliers.
8. WIC signage - Observe the unauthorized use of the WIC acronym or logo, including the use of "WIC Approved" shelf markers or WIC decals.

Upon completion of the review, the following items will be discussed with the store representative:

1. Results of the Vendor Site Review, identifying any deficiencies found.
2. If deficiencies are found, the store representative will be advised that a follow-up visit will be conducted. (**Note:** If deficiencies are found during the follow-up visit, the store representative will be advised that no additional follow-up visits will be conducted.)
3. Any questions, problems, or suggestions regarding the Arizona WIC Program.

The store representative will be asked to sign the form and to document any comments. The Vendor Site Review is officially completed when the Vendor Site Review form is signed by the store representative. In the event that the Vendor's staff refuses or is not authorized to sign the Vendor Site Review form, the Vendor Site Review is officially completed at the time the WIC representative signs the form.

A copy of the completed Vendor Site Review form will be emailed to the owner/applicant; if the store is part of a chain corporation, a copy will be emailed to the chain store's corporate office or to the store outlet's office headquarters (if deficiencies are identified). A copy of the Vendor Site Review form will be on file at the Department to prove that the Vendor received training and/or counseling.

The Department will analyze the completed Vendor Site Review form for the following:

1. Non-compliance with program requirements, including, but not limited to, minimum stock and variety requirements, expired food items, inadequate temperatures in freezer and refrigerated cases, etc.
2. Vendor comments.
3. Sanitary conditions of the store.

Representative/Routine Vendor Site Reviews

Representative Vendor Site Reviews will be conducted with corrective action follow-up when applicable. Training and education to participating Vendors will be provided at the time of the visit. Vendor Site Reviews may be used to substantiate abuse and fraud under the Violations and Sanctions section of this Manual. The Vendor Site Review form will document the following information:

1. Date of and reason(s) for the review.
2. Statement of problems/deficiencies identified on a previous Vendor Site Review or complaints experienced by WIC participants/authorized representatives or WIC staff.
3. Current Vendor prices for WIC foods offered and whether or not the prices are documented on the item or shelf.
4. Corrective action taken by the Vendor since the last visit when problems or deficiencies were noted (during the current or prior federal fiscal year).
5. All deficiencies identified during the visit and any corrections made on site. On-site corrections will not circumvent a deficiency (all deficiencies found during the visit are subject to sanction).
6. Corrective action recommended and target correction date for current visit.
7. Training and/or counseling given on proper WIC Policies and Procedures.
8. Vendor comments, if applicable, which must include how the Vendor plans to correct deficiencies found.
9. If no deficiencies are found, the following statement will be documented on the form: "In compliance and did not have any deficiencies uncovered during this review."

Upon arrival at the Vendor's location, the WIC representative will document the time, look for the WIC decal, and determine whether there is appropriate wheelchair access to the store. The WIC representative will introduce themselves to the manager or person in charge, discuss the purpose of the visit, and explain what he/she will be doing. The WIC representative will also advise the store personnel that all backstock must be brought to the sales floor at that time if it is to be counted during the review. The store personnel will be asked to initial the document to acknowledge this request. The WIC representative will not go into the back storage areas. If a WIC decal is not displayed, the WIC representative will provide the store representative with two (2) WIC decals (one English and one Spanish) and ask that the decals be posted before the end of the on-site visit.

The following items will be checked during the store visit:

1. WIC foods - All quantities, sizes, brands, varieties, and highest shelf price recorded on the Vendor Site Review form for all WIC foods offered on the shelf, including backstock that is brought to the sales floor.
2. Minimum stock and variety - Review and document that all WIC authorized food items meet the program's minimum requirements. Observe the food items to ensure that they are not spoiled or have exceeded expiration dates. Any item that is expired, spoiled, or rotten will not be counted as minimum stock. Failure to maintain minimum stock requirements, even if one item is short, results in failure of the Vendor Site Review.
3. Food labeling and packaging - All food items must be in the original packaging, displayed, identified, labeled, priced, and available for sale to the general public. Items that contain the statement 'not labeled for individual resale' will not be counted.
4. Prices - Prices should be clearly marked on the merchandise or shelf.
5. Store sanitation - Ensure the current county health operating permit is posted, freezer and refrigeration temperatures, and clean appearance of the store.
6. Treatment of WIC participants/authorized representatives/personnel - Observe attitude of Vendor's employees toward WIC customers, if possible, and WIC personnel.
7. ADA compliance - Observe compliance with the Americans with Disabilities Act. For example, whether an individual who is wheelchair-bound would have access to WIC foods (access would include the ability to request a store clerk to obtain a WIC food that is unreachable).
8. Infant Formula - Review the Vendor's purchase invoices for infant formula and verify that the supplier is on the list for approved infant formula suppliers.
9. Shelf Markers - Observe the use of shelf markers throughout the store. If the store has selected to use these items, ensure that only State-issued "WIC Approved" shelf markers are used and that the appropriate WIC approved foods are labeled.

Upon completion of the review, the following items will be discussed with the store representative:

1. Results of the Vendor Site Review, indicating any deficiencies found and/or corrective action taken from a previous site visit, if applicable.
2. Any questions, problems, or suggestions regarding the Arizona WIC Program.
3. When deficiencies are found, during a Representative/Routine Vendor Site Review, the store representative will be advised that a follow-up visit will be conducted.

The store representative will be asked to sign the form, to document any comments, and may be asked to explain how the corrective action will be implemented. The Vendor Site Review is officially completed when the Vendor Site Review form is signed by the store representative. In the event that the Vendor's staff refuses or is not authorized to sign the Vendor Site Review form, the Vendor Site Review is officially completed at the time the WIC representative signs the form.

A copy of the completed Vendor Site Review form will be emailed to the owner and/or the store location. When more than one outlet is covered by the Vendor Contract, a copy of the completed Vendor Site Review form will be emailed to the store location and a copy will be emailed to a chain store's corporate office or to the store outlet's office headquarters (if deficiencies are identified). A copy of the Vendor Site Review form will be on file at the Department to prove that the Vendor received training and/or counseling.

Training and education will include the following:

- Review proper program procedures and/or requirements as indicated in the Vendor Contract and/or Vendor Manual
- Review approved and non-approved foods
- Review Vendor practices
- Discuss problem areas, expected compliance, and how the Vendor plans to correct deficiencies, if applicable
- Discuss sanctions that may be applied
- Inform Vendor of whom to contact for questions regarding the Arizona WIC Program

The Department will analyze the completed Vendor Site Review form for the following:

1. Whether corrective action of previous visit(s) was implemented.
2. Current corrective action necessary.
3. Non-compliance with program requirements, including but not limited to, minimum stock and variety requirements, expired food items, inadequate temperatures in freezer and refrigerated cases.
4. Price increases or decreases.
5. Sanitary conditions of the store.
6. Vendor comments.
7. Need for materials and/or additional training for staff.
8. Whether the Vendor is subject to sanctions (See Violations and Sanctions).

Full Line Grocery Store Evaluation

Vendor applicants and current Vendors must be a full line grocery store that stocks specific amounts and varieties of the following staple food items: breads/tortillas/cereals, fresh dairy products, fresh, canned, or frozen fruits and vegetables, and fresh or frozen meats, poultry or fish. The amount and variety of items may include WIC and non-WIC food items.

Vendor applicants and current Vendors must stock the following items in their stores:

1. Three (3) or more varieties with three (3) or more units of each variety of breads/tortillas/cereals.
2. Three (3) or more varieties with three (3) or more units of each variety of fresh dairy products.
3. Three (3) or more varieties with three (3) or more units of each fresh, canned, or frozen fruits and vegetables.
4. Three (3) or more varieties* with three (3) or more units of each variety of meats, poultry, or fish (frozen or fresh).

* (includes different cuts of the same type of fresh meat [limited to two (2) different cuts of meat from the same variety])

All pre-packaged fresh meat must contain the USDA inspection label or the State of Arizona inspection label and must bear the name and address of the facility where it was packaged, net weight, and safe handling statement on each package. All fresh meat that is cut and packaged on site must be USDA inspected or State of Arizona inspected and bear the name and address of where it was packaged, net weight, and the safe handling statement on each package.

Accessory, prepared, and heated foods are not considered staple foods.

All food items must be in the original packaging, displayed, identified, labeled, priced, and available for sale to the general public. Items that contain the statement 'not labeled for individual resale' will not be counted.

* Excluded from the Full Line Grocery Store requirement:

- Pharmacies that were contracted to provide "special formula" only
- Applicants that do not meet the Full Line Grocery Store requirement and are necessary to ensure adequate participant access

A Full Line Grocery Store Evaluation is an **unannounced** on-site visit to verify that the Vendor applicant or authorized Vendor meets the Business Operations criteria as outlined in Section 12 of this Manual. The Full Line Grocery Store Evaluation will be conducted prior to the authorization of Vendor applicants, and randomly for authorized Vendors. The Full Line Grocery Store Evaluation is completed to ensure that the store offers a wide variety of staple food items and may coincide with the Vendor Site Review.

The WIC Representative will advise the Store Personnel that all backstock must be brought to the sales floor at the time of the visit if it is to be included in the evaluation. The store personnel will be asked to initial the document to acknowledge this request. Items that contain the statement 'not labeled for individual resale' will not be counted.

The following items will be documented during the Full Line Grocery Store Evaluation:

1. Date of the evaluation.
2. Food items – The number of varieties and units in stock for each category of breads/tortillas/cereals, fresh dairy products, fresh/canned/frozen fruits and vegetables, and fresh and frozen meat, poultry or fish.*
3. Food labeling and packaging – All food items must be in the original packaging, displayed, identified, labeled, priced, and available for sale to the general public (WIC representatives will not enter storage areas).
4. Store sanitation – Current health operating permits for meat market and retail establishment must be posted and visible to the general public.
5. Expired food items – Observe the food items to ensure that they are not spoiled or have exceeded expiration dates. Any item that is expired, spoiled, or rotten will not be counted.

* All packaged fresh meat must contain the USDA inspection label or the State of Arizona inspection label and must bear the name and address of the facility where it was packaged, net weight and safe handling statement on each package. All fresh meat that is cut and packaged onsite must be USDA inspected or State of Arizona inspected products and bear the name and address where it was packaged, net weight and the safe handling statement on each package.

At the conclusion of the visit, the store representative will be asked to sign the Full Line Grocery Store Form and document any comments as applicable. The Full Line Grocery Store Evaluation will be officially completed when the Full Line Grocery Store Form is signed by the store representative. In the event that the Vendor's staff refuses or is not authorized to sign the Full Line Grocery Store Form, the evaluation is officially completed at the time the WIC representative signs the form. Signed copies of the Full Line Grocery Store Form will be left with the store's representative. There are no initial follow-up visits completed for Full Line Grocery Store Evaluations. Failure to meet this Full Line Grocery Store Evaluation will result in the denial of the application.

The Full-Line Grocery Store Evaluation may also be completed for existing Vendors at any time during their authorization period to assess continued compliance with this criterion. Failure to meet this Full-Line Grocery Store Evaluation will result in administrative fines and could ultimately lead to the termination and disqualification of the Vendor Contract (Department Sanctions – Administrative and Procedural Violations, Violation #20).

Compliance Investigations

The Department or its authorized contractor shall conduct compliance buys to determine the Vendor's compliance. A compliance buy is an undercover, on-site investigation in which an individual poses as a WIC customer and uses WIC food benefits on site to determine a Vendor's compliance with WIC Program requirements.

Compliance buys may be conducted on a random basis or on those Vendors suspected of violating WIC Program requirements and/or federal, state, and local laws or regulations. Vendors may be subject to sanctions for WIC Program violations or violations of federal, state, or local laws (See Violation and Sanctions).

Inventory Audits

The Department may conduct inventory audits on Vendors to determine their compliance with WIC Program requirements. The Vendor is responsible for maintaining separate records or documents (including separate bank accounts) for each authorized store or outlet. The Vendor must maintain originals or photocopies of all required documents and records that pertain to their participation in the Arizona WIC Program during the Contract period and for **five (5) years** after expiration, termination, or final payment under the Vendor Contract. Program-related records and documents include the following:

1. All WIC benefits records for eWIC transactions.
2. All documents that list dollar amounts of all food sales by the Vendor per year.
3. All inventory records per year.
4. All receipts and invoices that list all purchases by the Vendor while a Vendor Contract is effective for all WIC approved foods for which a Vendor accepts WIC benefits.
5. All invoices, bank statements, bank deposit slips, daily sales receipts, daily and monthly sales reports, and inventory documents of all WIC authorized foods.
6. All reports detailing the Supplemental Nutrition Assistance Program (SNAP) and cash sales on a daily, monthly, and yearly basis.
7. All daily and monthly WIC, SNAP and cash sales receipts and reports.
8. Arizona Transaction Privilege, Use, and Severance Tax Return (TPT-1) on a monthly basis for each Vendor Contract year.
9. All supporting documents that are used to prepare Arizona Business Tax Return (TPT -1) on a monthly basis for each Vendor Contract year.
10. Internal Revenue Service (IRS) annual tax returns.
11. All supporting documents used to prepare IRS annual tax return on a monthly basis for each Vendor Contract year.

The inventory audit will include a comparison of a Vendor's documented inventory of a supplemental food item against the Vendor's claimed reimbursement for the sale of that supplemental food item for a specific period of time. Program-related records and documents must be provided within 30 days of the date requested. Vendors are responsible for retaining copies of all program-related records and documents if records or documents are provided to third parties such as accountants or federal/state Departments of Revenue.

Complaint Reporting

Participants/authorized representatives/proxies and Vendors have obligations and responsibilities to the Arizona WIC Program.

A participant may file a complaint against a WIC Vendor by calling the WIC Complaint Hotline at 1-866-229-6561 or by contacting the [WIC Program](#) by mail, phone, [email](#), "Report Complaints and Fraud or in person."

Examples of complaints by participants against Vendors include:

1. Vendor's employee was verbally abusive.
2. Vendor was out of WIC authorized food(s).
3. Vendor sold expired infant formula.
4. Vendor overcharged for WIC food(s).

A Vendor may file a complaint against a WIC participant/authorized representative/proxy by calling the WIC Complaint Hotline at 1-866-229-6561 or by contacting the [WIC Program](#) by mail, phone, [email](#), "Report Complaints and Fraud or in person."

Examples of complaints by Vendors against participants/authorized representatives/proxies include:

1. Participant/authorized representative/proxy was verbally abusive to Vendor's employee.
2. Participant/authorized representative/proxy attempted to purchase unauthorized WIC food(s).
3. Participant/authorized representative/proxy attempted to return food purchased with WIC benefits for a cash refund.

Anyone may file a complaint to report fraud and abuse in the WIC Program by utilizing the contact methods above. The Department will take the appropriate follow-up action on all complaints received.

Program Complaints of Discrimination

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, religion, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: [How to File a Complaint](#), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter 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;
- (2) fax: (202) 690-7442; or
- (3) [email](#)
This institution is an equal opportunity provider.

Coordination with the Supplemental Nutrition Assistance Program (SNAP)

The Department has a cooperative agreement with SNAP. Both programs regularly exchange information regarding authorized Vendors on each of their programs.

This exchange of information includes adverse actions taken by each program against their respective authorized Vendors.

The Department also refers Vendors suspected of violating federal or state laws to the United States Department of Agriculture, Office of Inspector General for investigation and possible criminal prosecution.

Section 8.

Violations and Sanctions

Violations and Sanctions

Under federal statutes and regulations and Arizona Department of Health Services policies and procedures, the Department is required to sanction contracted WIC Vendors that have violated WIC Program Federal Regulations, state statutes, the Vendor Contract, the Vendor Manual, and WIC Program Policies and Procedures. The Department may sanction Vendors that have violated WIC Program requirements by imposing administrative fines, monetary claims, civil money penalties, terminations, disqualifications, or any combination of sanctions. The Department may sanction Vendors regardless of whether the violations were 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 violation 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 does not exclude or replace any other applicable criminal or civil sanctions, penalties, or remedies under any federal, state, or local laws.

Vendor violations and/or sanctions from preceding Contract periods may impact future Vendor 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 imposing sanctions such as, administrative fines, civil money penalties, monetary claims, termination, disqualification, criminal prosecution, and denial of an application for a WIC Vendor Contract during subsequent Contract periods.

All references to participants in this section 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

Violations 1 through 19 listed below are administrative and procedural violations. Department sanctions for administrative and procedural violations include administrative fines, termination of the Vendor Contract, and disqualification from the WIC Program or any combination of sanctions. Vendors who fail to pay a required fine will be terminated and disqualified for one (1) year.

The Department will send the Vendor a **single** warning letter after the **first** incident of an administrative or procedural violation, unless the Department, in its sole discretion, determines that a warning letter would compromise an investigation. An incident is an occurrence, event, purchase, sale, exchange, or delivery of any item, including point-of-sale devices that involve, but are not limited to: swiping eWIC cards; manually entering eWIC card numbers; entering Personal Identification Numbers (PINs); scanning UPCs; entering prices; printing or providing receipts; voiding sales; or a deposit, withdrawal, transfer between accounts, exchange of currency, or purchase or sale of any monetary instrument. For example, each time a Vendor scans a UPC or enters a price constitutes a single transaction.

Failure to receive a written letter from the Department shall not be a basis to contest a documented violation. **Subsequent incidents of an administrative or procedural violation will result in administrative fines or termination of the Vendor Contract and disqualification from the WIC Program.** The Department, in its sole discretion, may continue an investigation of a violation beyond the number of incidents necessary to impose a sanction.

An administrative or procedural violation that results in a Department sanction will remain on the Vendor's record as a violation incident for 24 calendar months from the date of that violation and may be used when determining how many incidents of that violation have occurred. If the Department is able to determine that the Vendor is no longer committing the previously-sanctioned violation, then any subsequent incident of that violation will be considered an initial incident of that violation.

Except for Violation 7, if the Department determines that disqualification of the Vendor for an administrative or procedural violation would result in inadequate participant access, a civil money penalty **may** be imposed in lieu of disqualification. (See Civil Money Penalty in this section for calculation.)

Violation	Second Incident Sanction	Third Incident Sanction	Fourth Incident Sanction and Length of Disqualification
1. Failing to offer program participants the same courtesies offered to other customers.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
2. Requiring identification to redeem eWIC cards.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
3. Failing to allow or requiring WIC participants to use coupons or other promotional specials.	\$100.00	\$200.00	Termination of Contract and one-year disqualification.
4. Failing to display the current price of an authorized WIC food item on the item, shelf, or nearby sign.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
5. Requiring other purchases as a condition to redeem eWIC benefits.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
6. Approaching, soliciting, or leaving advertisements or other promotional items for WIC applicants or participants at the WIC State Agency or Local Agency WIC clinics.	\$500.00	\$1,000.00	Termination of Contract and one-year disqualification.
7. Failing to maintain required WIC minimum stock and variety.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
8. Collecting sales tax on a WIC food purchase.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
9. Allowing the return of food items purchased with eWIC benefits in exchange for food items not authorized by the WIC Program or for WIC food items not listed on the WIC participants' benefits.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
10. Contacting WIC participants to attempt to collect funds that will not be or were not paid to the Vendor by the WIC Program.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
11. Charging WIC participants for authorized WIC foods obtained with eWIC benefits.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
12. Using the WIC logo or the acronym "WIC" without written approval from the Department and the USDA.	\$500.00	\$1,000.00	Termination of Contract and one-year disqualification.

Violation	Second Incident Sanction	Third Incident Sanction	Fourth Incident Sanction and Length of Disqualification
13. Using WIC shelf markers to identify non-WIC food items as WIC food items or having non-WIC food items identified as point-of-sale WIC food items in the store's system.	\$250.00	\$500.00	Termination of Contract and one-year disqualification
14. Displaying WIC food items for sale, including infant formula, that are expired, spoiled or beyond their "sell by," "best if used by, or other date limiting the sale or use of food items.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
15. Failing to maintain the store in a clean and sanitary manner; this includes maintaining and displaying a current health operating permit.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
16. Failing to maintain dairy cases at or below 45°F, freezer cases at or below 0°F, or meat storage cases at or below 41°F.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
17. Displaying storefront signage that does not match the owner name or 'doing business as' name on the Vendor's application.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
18. Failing to provide a receipt for each eWIC benefit purchase.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.
19. Failing to maintain Full Line Grocery Store minimum requirements.	\$250.00	\$500.00	Termination of Contract and one-year disqualification.

Department Sanctions – Fraud and Abuse

Violations 1 through 13 listed below are fraud and abuse violations. The Department sanctions for fraud and abuse are termination of the Vendor Contract and disqualification from the WIC Program.

The Department will send the Vendor a **single** warning letter after the **first** incident of a fraud or abuse violation, unless the Department, in its sole discretion, determines that a warning letter would compromise an investigation. An incident is an occurrence, event, purchase, sale, exchange, or delivery of any item, including point-of-sale devices that involve, but are not limited to: swiping eWIC cards; manually entering eWIC card numbers; entering Personal Identification Numbers (PINs); scanning UPCs; entering prices; printing or providing receipts; voiding sales; or a deposit, withdrawal, transfer between accounts, exchange of currency, or purchase or sale of any monetary instrument. For example, each time a Vendor scans a UPC or enters a price constitutes a single transaction.

The Department will not send any additional warning letters for subsequent incidents of a fraud or abuse violation or before imposing the Department sanction. The Department, in its sole discretion, may continue an investigation of a violation beyond the number of incidents necessary to impose a sanction. Failure to receive a written letter from the Department shall not be a basis to contest a documented violation.

A fraud or abuse violation that results in a Department sanction will remain on the Vendor's record as a violation incident for 24 calendar months from the date of that violation and may be used when determining how many incidents of that violation have occurred. If the Department is able to determine that the Vendor is no longer committing the previously-sanctioned violation, then any subsequent incident of that violation will be considered an initial incident of that violation.

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

Violation	Number of Incidents of the Violation that Will Result in the Indicated Sanction	Sanction and Length of Disqualification
1. Failing to attend training as required by the Department.	Two	Termination of Contract and six-month disqualification.
2. Failing to provide access to Vendor premises and/or in any manner hindering or impeding authorized WIC personnel from conducting an on-site education, monitoring, inventory audit, or investigation visit.	Two	Termination of Contract and six-month disqualification.
3. Providing false, inconsistent, or misleading information during the application process or the Vendor Contract period.	Two	Termination of Contract and one-year disqualification.
4. Threatening or verbally abusing WIC participants and/or threatening or verbally abusing WIC Program personnel conducting official WIC Program business.	Two	Termination of Contract and one-year disqualification.
5. Physically abusing WIC participants and/or physically abusing WIC Program personnel conducting official WIC Program business.	One	Termination of Contract and one-year disqualification.
6. Failing to maintain, due to suspension, revocation, or denial, a health code permit or other licenses, permits, or certifications to operate a food store in the state of Arizona or the state in which the Vendor is geographically located (i.e., Utah, Nevada, or California).	Two	Termination of Contract and one-year disqualification.
7. Being assessed a civil money penalty for hardship by the SNAP.	Two	Termination of Contract and disqualification for the period of time for which the Vendor would otherwise have been disqualified by the SNAP.
8. Failing to maintain originals or photocopies of all Vendor record requirements imposed by the Department during the contract period or for five (5) years after expiration, termination, or final payment under the Contract.	Two	Termination of Contract and one-year disqualification.

Violation	Number of Incidents of the Violation that Will Result in the Indicated Sanction	Sanction and Length of Disqualification
9. Failing to make available to the Department, the USDA, any law enforcement agency, the Department of the Attorney General, or the Comptroller General of the United States, for inspection and audit, all originals or photocopies of WIC benefits records for eWIC transactions, and all records required by the Department within thirty (30) days of the written request.	Two	Termination of Contract and one-year disqualification.
10. Allowing the return of food purchased with eWIC benefits in exchange for cash, credit, or non-food items.	Two	Termination of Contract and one-year disqualification.
11. Discriminating on the basis of race, color, religion, disability (handicap), age, national origin, or gender (sex).	Two	Termination of Contract and one-year disqualification.
12. Purchasing 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.
13. Failing to maintain originals or photocopies of Inventory Audit records as specified in the Vendor Manual during the Contract period and for a period of five (5) years after the expiration, termination, or final payment under the Contract.	Two	Termination of Contract and two-year disqualification.

Mandatory Sanctions under Federal Regulations

USDA Federal Regulations, specifically those at 7 C.F.R. § 246.12, impose mandatory sanctions for Violations 1 through 12 listed below. The mandatory sanctions for the violations listed below are termination of the Vendor Contract and disqualification from the WIC Program. For Violations 4 through 11 listed below, the Federal Regulations also require the Department to establish a pattern of violations before imposing the mandatory sanction.

For Violations 4, 5, 7, 8, 9, and 10 listed below, the Department will send the Vendor a **single** warning letter after the **first** incident of a violation, unless the Department, in its sole discretion, determines that a warning letter would compromise an investigation. An incident is an occurrence, event, purchase, sale, exchange, or delivery of any item, including point-of-sale devices that involve, but are not limited to: swiping eWIC cards; manually entering eWIC card numbers; entering Personal Identification Numbers (PINs); scanning UPCs; entering prices; printing or providing receipts; voiding sales; or a deposit, withdrawal, transfer between accounts, exchange of currency, or purchase or sale of any monetary instrument. For example, each time a Vendor scans a UPC or enters a price constitutes a single transaction.

Failure to receive a written letter from the Department shall not be a basis to contest a documented violation. **The Department will not send any warning letters for subsequent incidents of a violation. No warning letters will be sent for violations 1, 2, 3, 6, 11, or 12.** The Department, in its sole discretion, may continue to investigate a violation beyond the number of incidents necessary to impose a sanction.

If the Department is able to determine that the Vendor is no longer committing the previously-sanctioned violation, then any subsequent incident of that violation will be considered an initial incident of that violation.

Except for Violation 1, 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. (See Civil Money Penalty for calculation.)

Violation	Number of Incidents of the Violation that Will Result in the Indicated Sanction	Sanction and Length of Disqualification
1. Receiving a conviction for trafficking in WIC benefits, 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 WIC benefits.	One	Termination of Contract and permanent disqualification.
2. <ul style="list-style-type: none"> a. Buying or selling WIC benefits for cash (trafficking); or b. Selling firearms, ammunition, explosives, or controlled substances (as defined in 21 U.S.C. § 802) in exchange for WIC benefits. 	One	Termination of Contract and six-year disqualification.
3. Selling alcohol, alcoholic beverages, or tobacco products in exchange for WIC benefits.	One	Termination of Contract and three-year disqualification.
4. Charging the WIC Program more for supplemental food than non-WIC customers; charging the WIC Program more than the current shelf price; or charging the WIC Program for items not included in Inventory Audit records specified in the Vendor Manual. (Any overcharge, even \$0.01, is considered a violation.)	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.
6. Receiving, transacting, and/or redeeming WIC benefits outside authorized channels, including the use of an unauthorized Vendor, an authorized Vendor, and/or an unauthorized person.	Three	Termination of Contract and three-year disqualification.
7. Providing credit (including rain checks) 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.	Three	Termination of Contract and three-year disqualification.
8. Providing unauthorized food items in exchange for WIC benefits.	Three	Termination of Contract and one-year disqualification.
9. Providing incentive items* or other free merchandise to WIC Program participants. (only applicable to Above-50-Percent Vendors)**	Three	Termination of Contract and one-year disqualification.

Violation	Number of Incidents of the Violation that Will Result in the Indicated Sanction	Sanction and Length of Disqualification
10. Providing incentive items* or other free merchandise solely to WIC Program participants. (only applicable to Regular Vendors)**	Three	Termination of Contract and one-year disqualification.
11. Claiming reimbursement for a supplemental food item that exceeds the store's documented inventory of that supplemental food item for a specific period of time. Each sale of a supplemental food item that a Vendor claimed reimbursement for that exceeded the Vendor's documented inventory of that supplemental food item shall constitute an incident of a violation. Three incidents of this violation will result in termination of the Contract and a three-year disqualification.		
12. Becoming disqualified from SNAP will result in disqualification from the WIC Program. The term of the disqualification shall be identical to, 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:** 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.

** **Note:** Above-50-Percent Vendors **cannot** provide any incentive items to WIC customers; however, Regular Vendors can provide incentive items to WIC customers, as long as the same incentive items are being provided to **all** customers.

Multiple Violations During a Single Investigation

When, during the course of a single investigation, the Department determines that 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. Additionally, if a Vendor is immediately subject to disqualification after an investigation has been completed, but an additional incident of a different violation would result in a longer period of disqualification, then the Department may continue the investigation to determine whether the more serious sanction should be imposed.

Civil Money Penalty

Except for violation of conviction for trafficking or conviction for illegal sales, if the Department determines that disqualification of a Vendor results in inadequate client access, a civil money penalty is imposed in lieu of disqualification. Civil money penalties are calculated following the method in 7 CFR §246.12(l)(1)(x)(C) and 7 CFR §3.91(b)(3)(v). The amount of the civil money penalty, codified at 42 U.S.C.1786(o)(1)(A) and 42 U.S.C. 1786(o)(4)(B), shall not exceed the amount specified in §3.91(b)(3)(v) of this title (currently \$16,865) for each violation. The total amount of civil money penalties imposed for violations investigated as part of a single investigation may not exceed the amount specified in §3.91(b)(3)(v) of this title (currently \$67,461) as the maximum penalty for violations occurring during a single investigation. A civil money penalty is not to be imposed in lieu of disqualification for third or subsequent sanctions for mandatory sanctions. If the Vendor does not pay, or pay in accordance with the authorized installment payment plan or only partially pays a civil money penalty assessed in lieu of disqualification, the State Agency must disqualify the Vendor for the length of the disqualification corresponding to the most serious violation for which the civil money penalty was assessed.

Also, if the Department determines that disqualification of a Vendor (other than a disqualification for Violation 8 under Department Sanctions – Administrative and Procedural Violations) would result in inadequate participant access, a civil money penalty **may** be imposed. The Department shall use the USDA Federal Regulations at 7 CFR § 246.12(l)(1)(x)(C) and 7 CFR §3.91(b)(3)(v) to determine the civil money penalty amount. The formula is as follows:

Step I: Multiply 10% (.10) by the average monthly redemptions for the previous six (6) calendar months, not including 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 \$16,865 for each violation.

A. Penalty Amounts

1. The civil money penalty amount is calculated using the method above.
2. The amount of the civil money penalty, codified at 42 U.S.C.1786(o)(1)(A) and 42 U.S.C. 1786(o)(4)(B), shall not exceed the amount specified in §3.91(b)(3)(v) of this title (currently \$16,865) for each violation; and
3. The total amount of civil money penalties imposed for violations investigated as part of a single investigation may not exceed the amount specified in §3.91(b)(3)(v) of this title (currently \$67,461) as the maximum penalty for violations occurring during a single investigation.

B. Payment

1. At State Agency's discretion, payment may be collected via offset of future reimbursement claims.
2. At the State Agency's sole discretion, the Vendor may be provided with the option to use an installment plan for the collection of civil money penalties.

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 \$67,461.

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 WIC benefits, or selling firearms, ammunition, explosives, or controlled substances in exchange for WIC benefits 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 the Vendor had an effective trafficking prevention policy and program in effect at the time of the violation and the Vendor's owner(s) did not know about, approve of, or participate in the conduct resulting in the violation.

If a Vendor does not pay, only partially pays, or fails to pay in a timely manner 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 (in cases where a mandatory sanction included the imposition of multiple civil money penalties as a result of a single investigation, the length of the disqualification will correspond with the most severe violation).

Second Mandatory Sanction

If a Vendor has been previously sanctioned for a violation under the Mandatory Sanctions (**except** for Violations 1, 11, and 12) and incurs a second sanction for any violation under Mandatory Sanctions, the sanction for the second violation will be doubled. The Vendor will complete the doubled sanction consecutively.

Third or Subsequent Mandatory Sanction

If a Vendor has been previously sanctioned two or more times for a violation under Mandatory Sanctions (**except** for Violations 1, 11, and 12) and incurs another sanction for any violation under the Mandatory Sanctions, the sanction for the third and all subsequent violations will be doubled. The Vendor will complete the doubled sanction consecutively. There will be no civil money penalties in lieu of a disqualification option for third or subsequent sanctions.

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 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 violations 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 valued at \$100 or more will be subject to a fine of not more than \$25,000 or imprisonment for not more than five (5) years or both. If the value of the willfully misapplied, stolen, or fraudulently obtained program funds is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment of not more than one (1) year or both.

Change of Business Entity

A change in ownership does not eliminate any violation or sanctions that occurred before the change in ownership. If a Vendor changes ownership at the same location (i.e., through a change in business entity or the addition or deletion of partners, associates, or principals), any violations that occurred under the previous Contract will carry over to the new Contract and may be used for determining sanctions, including termination and/or disqualification. 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 a denial of authorization, an administrative fine, a termination, a disqualification, or a civil money penalty according to the most recent administrative hearing procedures issued by the Department. However, as stated above, termination and disqualification based on a SNAP disqualification **is not subject to administrative or judicial review**.

For those cases where a Vendor has appealed a termination or termination and disqualification action in a timely manner 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 and Authorization requirements. The Department will not consider contracting with a Vendor during any disqualification period from the WIC Program.

SNAP Disqualification

Disqualification from the WIC Program for any of the violations listed in the Mandatory Sanctions under Federal Regulations section may result in disqualification as a retailer in the SNAP. As stated above, such disqualification is not subject to administrative or judicial review under the SNAP.

Section 9.

Appeal Rights and Hearing Procedures

Appeal Rights and Hearings

Vendors shall have the right to appeal (request for a fair hearing) certain adverse actions of the Department as set forth in the Federal Regulations, Arizona WIC Program Policies and Procedures and the Vendor Manual.

Adverse actions subject to administrative review include:

1. Denial of authorization, unless authorization is subject to the procurement procedures applicable to the Department, termination of the Vendor Contract, imposition of an administrative fine or civil money penalty.
2. Disqualification, unless the disqualification is the result of disqualification from SNAP.
3. Determination of a Vendor's peer group status or status as an Above-50-Percent Vendor.

Adverse actions not subject to administrative reviews (a fair hearing) include:

1. The validity or appropriateness of the Department's Vendor limiting or selection criteria.
2. The validity or appropriateness of the Department's participant access criteria and the Department's participant access determination.
3. The validity or appropriateness of the Department'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.
4. The validity or appropriateness of the Department's prohibition of incentive items and the Department's denial of an Above-50-Percent Vendor's request to provide an incentive item to customers.
5. The Department'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.
6. The Department'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.
7. The Department's determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the Arizona WIC Program Infant Formula Suppliers List.
8. Denial of authorization if the Department's Vendor authorization is subject to the procurement procedures applicable to the Department.
9. The expiration of the Vendor's Contract.
10. Disqualification of a Vendor as a result of disqualification from SNAP.
11. Disputes regarding food or cash value benefit payments, Vendor claims to be reimbursed by the Department, and Department claims to be reimbursed by Vendors, the right of the Department to establish a claim to be reimbursed by Vendors, the amount of the claim, and the Department's determination to accept, reject, or modify a Vendor's justification or correction of the reimbursement amount as provided by 7 CFR § 246.12(k)(3).

Except for violations that seriously affect public health, safety, or welfare, as described below, a Vendor whose Contract is terminated before the expiration of the Contract or who is disqualified from the WIC Program may remain on the Program until the effective date of the final order or the date that the Vendor Contract expires, whichever occurs first. A request for a fair hearing (including the informal settlement conference) does not extend the Vendor's Contract beyond its expiration date nor does it require the Department to contract with the Vendor for the new Contract cycle.

Contract denials and Vendor disqualifications due to trafficking convictions or a conviction of 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 WIC food benefits will be effective on the date the Vendor receives notice of the adverse action.

If the Director finds that the Vendor has engaged in violations of the Contract, Federal Regulations or this Vendor Manual, and the activity affects the public health, safety, or welfare, the Director may issue an order terminating the Vendor's Contract effective fifteen (15) calendar days from the date the Vendor receives the order. The Department shall provide the Vendor with the opportunity for a hearing. The hearing shall be promptly instituted and determined. The order shall contain the hearing date and time.

The hearing shall be conducted according to the standards established below. If there is a conflict between the Vendor Manual and A.R.S. § 41-1092 through A.R.S. § 41-1092.12, the Arizona Revised Statutes take precedence over the Vendor Manual.

The Department shall render a final administrative decision within ninety (90) calendar days from the date the Department received the Vendor's request for a fair hearing.

If, during the fair hearing process, the appellant requests a time continuance of the fair hearing, the appellant's request for a continuance is an expressed waiver of the ninety (90) calendar day decision deadline imposed upon the Department.

The Arizona WIC Program sends out important information that can assist you (as a Vendor) in maintaining compliance with your Arizona WIC Program Vendor Contract. Therefore, it is essential that you accept/pick up **all** certified mail sent to you from the Department. Examples of items that may be sent to you via certified mail are Contract related items, correspondence such as sanctions and Annual Training Alerts.

Procedure

1. The Department shall provide a certified written notice to the Vendor applicant of the denial of the Contract application and to the current Vendor of termination, administrative fine, civil money penalty, or disqualification, which includes the effective date of the action and the steps to request an administrative review. The written notice shall reflect all violations. The Department shall mail notification by certified mail to the Vendor applicant or current Vendor at least thirty (30) calendar days before the effective date of the termination, administrative fine, or disqualification. Pursuant to A.R.S. § 41-1092.07(F)(6), administrative hearings are limited to matters officially issued notices. The written notice is the official notice that may trigger administrative hearing rights.
2. The Vendor applicant or current Vendor can request a fair hearing, which must be in writing and postmarked within thirty (30) calendar days of receiving the notice of denial of its WIC Vendor application, assessment of an administrative fine, or when termination or disqualification of the Vendor Contract occurs. In addition to the fair hearing, pursuant to A.R.S. § 41-1092.06, you have the right to request an informal settlement conference during the fair hearing process. The request for a fair hearing and/or informal settlement conference shall include a statement of the facts asserted and the relief sought. If the Vendor applicant or current Vendor intends to be represented by an attorney, the name, address, and phone number of the attorney should be included in the request.

3. The request for a fair hearing shall be submitted to the **Arizona Department of Health Services, Administrative Counsel, 150 North 18th Avenue, Suite 200, Phoenix, Arizona 85007**. The request for informal settlement conference shall be submitted to the **Arizona Department of Health Services, Bureau of Nutrition and Physical Activity, WIC Program Integrity, 150 North 18th Avenue, Suite 310, Phoenix, Arizona 85007**. If a Vendor applicant or current Vendor fails to request a fair hearing within the time and in the manner established in this section, the Vendor applicant or current Vendor shall waive its right to any administrative review to which it may otherwise be entitled. This waiver is construed as acceptance of the Department action. **The Administrative Council will not accept faxed copies in lieu of an original document.**

Fair Hearings

Acceptance of Request for Fair Hearing

The Clerk of the Department shall obtain a fair hearing date, time, and place if it receives a timely written request for a fair hearing and the Vendor applicant or current Vendor is entitled to a fair hearing according to the prerequisites established in this section.

The Clerk of the Department shall send notice to the Vendor applicant or current Vendor of the date, time and place of the fair hearing.

If you request an informal settlement conference, the Department will hold the conference within fifteen (15) calendar days after receiving the request. This request must be filed no later than twenty (20) calendar days before the fair hearing date.

The Director of the Department does not conduct the administrative hearing. The Office of Administrative Hearings appoints an Administrative Law Judge to conduct the hearing and to make findings of facts, conclusions of law and recommended decision, which is sent to the Director (A.R.S. § 41-1092.08.) The Director can accept, reject, or modify the Administrative Law Judge's decision within thirty (30) days after the date the Office of Administrative Hearings sends a copy of the recommended decision to the Director.

If the Director declines to review the decision within the prescribed thirty (30) day period, then the recommended decision becomes the final decision (A.R.S. § 41-1092.08.) The final administrative decision is subject to rehearing or judicial review as provided by A.R.S. § 41-1092.09 and § 12-901, et seq.

Denial of Request for Fair Hearing

If the Director denies the request for a fair hearing, the Department shall provide the Vendor applicant or current Vendor with a written copy of the decision stating the reasons for denial.

Service of Written Notice

The Vendor applicant or current Vendor and the Department shall assure that service of any written notice made is filed with the **Arizona Department of Health Services, Attention: Administrative Counsel, 150 North 18th Avenue, Suite 200, Phoenix, Arizona 85007**. Service shall be made by personal delivery, or certified mail with return receipt requested to the last known address of the person or authorized representative of the Vendor applicant or current Vendor as indicated on the Contract on file with the Department.

Service on the Department shall be made in person or by registered, certified, or first class mail to the **Arizona Department of Health Services, Bureau of Nutrition and Physical Activity, Attention: WIC Program Integrity, 150 North 18th Avenue, Suite 310, Phoenix, Arizona 85007**. Proof of service shall be filed with the Administrative Counsel at the address indicated above.

Appearances

At a fair hearing, the Vendor applicant or current Vendor may represent himself or herself. A Vendor applicant or current Vendor who is a partnership may be represented by a partner. A Vendor applicant or current Vendor shall pay for its own legal representation, if applicable. If a Vendor applicant or current Vendor will be represented by an attorney, the Vendor applicant or current Vendor must notify the Department in writing of the name and contact information of the attorney.

Pre-hearing Conferences

The Administrative Law Judge may schedule a pre-hearing conference upon his or her own motion or at the request of the Vendor applicant or current Vendor or Department. The pre-hearing conference can be used to discuss settlement, stipulations, clarification of issues, rulings on the identity and limitations of the number of witnesses, objections to the admission of documents or the expertise of witnesses, the use of telephone testimony as a substitute for proceedings in person, the order of presentation of witnesses, rulings regarding the issuance of subpoenas, discovery orders and protective orders, and any other matter that will promote an orderly, fair, and prompt hearing.

The Administrative Law Judge shall issue an order following the pre-hearing conference to memorialize the matters determined at the conference. The Administrative Law Judge may authorize all or part of a pre-hearing conference to be conducted by telephone as long as each participant in the conference has an opportunity to participate in the entire proceeding.

Pleadings, Legal Memoranda and Motions

The Administrative Law Judge may give the Vendor applicant or current Vendor and the Department the opportunity to file legal memoranda, motions, including motions requesting a translator, objections, offers of settlement, pleadings, proposed findings of fact, and conclusions of law. When filing any of the above-mentioned legal documents, parties must provide a copy of the filing to the Department by letter or by email. If by letter, the filing is sent to: Arizona Attorney General's Office, Education and Health Section, 2005 North Central Avenue, Phoenix, AZ 85004-1592 or by [email](#).

Computation of Time

1. Vendor Manual

In computing any time period established by this section of the Vendor Manual, the time shall be computed in **calendar days** and no additional time shall be given for mailing.

2. Appeal Time Period with Office of Administrative Hearings

In computing any time period, the Office of Administrative Hearings shall exclude the day from which the designated time period begins to run. The Office of Administrative Hearings shall include the last day of the period unless it falls on a Saturday, Sunday, or legal holiday. When the time period is ten (10) days or less, the Office of Administrative Hearings shall exclude Saturdays, Sundays, and legal holidays.

Vendor applicant or current Vendor's Right to Review Case File

The Vendor applicant or current Vendor shall have the right to review the case file on which the Department bases its action prior to and during the fair hearing. It is at the discretion of the Administrative Law Judge whether to grant or deny a party's request for written interrogatories, requests for admission, depositions, and other forms of discovery. If all parties to a case stipulate to such discovery, it shall be conducted under the guidance of the Administrative Law Judge.

Continuances

Any request for a continuance must be in writing and addressed to the Administrative Law Judge with a copy sent to each party. A party shall file a written response stating any objection to the motion within five (5) days of service, or as directed by the Administrative Law Judge. It is at the discretion of the Administrative Law Judge to grant or deny the continuance.

Default

If a Vendor applicant or current Vendor fails to appear at a hearing, the Administrative Law Judge may proceed with the presentation of the evidence of the appearing party, or vacate the hearing and return the matter to the agency for any further action.

Subpoenas

The Administrative Law Judge may issue subpoenas at the request of any party.

A request for a subpoena shall be in writing, filed with the Office of Administrative Hearings. The request shall include:

1. The caption and docket number of the matter.
2. A list or description of any documents sought.
3. The full name and home or business address of the custodian of the documents sought or all persons to be subpoenaed.
4. The date, time, and place to appear or to produce documents pursuant to the subpoena.
5. The name, address, and telephone number of the party, or the party's attorney, requesting the subpoena, and if required by the Administrative Law Judge.
6. A brief statement of the relevance of testimony or documents.

The person to whom a subpoena is issued shall comply with its provisions unless, prior to the hearing date, the Administrative Law Judge grants a written request to quash or modify the subpoena. Any request to quash or modify a subpoena shall state the reasons why the Administrative Law Judge should grant the request. The Administrative Law Judge shall grant or deny the request in an order.

The party requesting the subpoena shall be responsible to serve it to the person to whom it is directed.

Stipulations; Disposition of Cases

The parties to a proceeding may stipulate in writing about any fact involved in the controversy. The parties shall file the stipulation with the Administrative Law Judge. Such a stipulation shall be used as evidence at the fair hearing and shall be binding on all parties. Parties are requested to agree on facts when practicable.

Ex-Parte Communications

Neither party, legal counsel nor any person who may be affected by the outcome of a case may communicate, either directly or indirectly, with the Director, Department personnel who assist the Director in rendering a decision, or the Administrative Law Judge concerning any substantive issue related to the proceeding prior to the issuance of a final decision and order, except in the presence of all parties or their counsel, or if by written motion with copies to the Clerk of the Department, and all parties and their counsel.

Anyone receiving a prohibited communication shall file a copy of the communication or a summary of the oral communication with the Office of Administrative Hearings with a copy to each party and their legal counsel. The Administrative Law Judge shall give all other parties reasonable opportunity to respond to the communication.

Official Record of the Proceeding

The Office of Administrative Hearings shall maintain an official record of the proceeding that shall include:

1. Notices, pleadings, motions, and memoranda filed by the parties and Orders of the Administrative Law Judge.
2. Evidence presented.
3. Matters officially noticed.
4. Any decision, opinion, recommended decision, order or report of the Administrative Law Judge and the Director.

The Office of Administrative Hearings shall tape record the fair hearing. The recording of the hearing shall not be transcribed unless a party files an Administrative Review Action pursuant to Title 12, Chapter 7, Article 6 of Arizona Revised Statutes.

Evidence

All witnesses at a fair hearing shall testify under oath or affirmation. All parties shall have the opportunity to present testimony and documentary evidence and to conduct cross-examination of witnesses. All relevant evidence is admissible, but the Administrative Law Judge may exclude evidence if its probative value is outweighed by the danger of unfair prejudice, by confusion of the issues, or by consideration of undue delay, waste of time, or needless presentation of cumulative evidence. Administrative hearings may be conducted without adherence to the rules of evidence. The Administrative Law Judge may admit hearsay. A.R.S. § 41-1092.07(F)(1).

The submitting party shall provide a copy of each exhibit to each party. All evidence offered shall be subject to appropriate and timely objection. When ordered by the Administrative Law Judge, the parties shall exchange copies of exhibits prior to or at the fair hearing.

Recommended Decision

The Administrative Law Judge shall render a recommended decision pursuant to A.R.S. § 41-1092.08.

The Administrative Law Judge bases his/her decision solely on applicable statutes, regulations, policies and procedures, including the policies and procedures established by the Department. The Administrative Law Judge applies these standards to the factual evidence presented at the hearing. The Administrative Law Judge does not determine the validity of federal or state requirements.

A recommended decision shall include separately stated findings of fact, conclusions of law, and the reasoning for the recommended decision.

The experience, technical competence, or specialized knowledge of the Administrative Law Judge may be utilized in evaluating evidence.

The Administrative Law Judge may allow the parties a designated amount of time after the hearing to submit proposed findings of fact and conclusions of law. The Administrative Law Judge shall issue a recommended decision to the Director within twenty (20) calendar days after conclusion of the hearing or after submission of proposed findings and conclusions.

The Director may transmit a copy of the recommended decision to each party who shall then have the time established by the Director to file a memorandum of objections or exceptions to it. The memorandum shall detail reasons why the recommended decision is in error, with appropriate citations to the record, statutes, rules, and other authority. The Director may consider such memorandum in making a decision but shall not consider untimely or unsupported memoranda. A recommended decision shall not be subject to a request for review, rehearing, or judicial review.

Director's Decision

Within thirty (30) calendar days after receipt of any recommended decision from the Administrative Law Judge, the Director will issue a decision. The final decision shall be issued within ninety (90) calendar days following the initial request of the fair hearing.

Rehearing or Review of Decision

Any party to a hearing before the Department who is aggrieved by a **final** decision rendered in a case may file a motion with the Director, within thirty (30) calendar days from the date of service of the final administrative decision, a written motion for rehearing, or review of that decision. The request shall specify the particular grounds for rehearing or review. The requesting party shall serve copies of the request upon all other parties.

The opposing party may file a response to the request for rehearing or review within fifteen (15) calendar days after the date the motion is filed with the Director. The Director may require the filing of supplemental memoranda on the issues raised in the motion and may provide for oral argument.

A rehearing or review of the decision may be granted for any of the following causes, which materially affect the requesting party's rights:

1. Irregularity in the proceeding of the hearing or an abuse of discretion that deprived the party of a fair hearing.
2. Misconduct by the Administrative Law Judge or the prevailing party.
3. Accident or surprise which could not have been prevented by ordinary prudence.
4. Newly discovered material evidence which could not, with reasonable diligence have been discovered and produced at the original hearing.
5. Excessive or insufficient penalties.
6. Error in the admission or rejection of evidence or other errors of law occurring at the hearing.
7. The decision is not supported by the evidence or is contrary to law.

The Director may affirm or modify the decision or grant a rehearing to the requesting party on all or part of the issues for any of the reasons set forth above. An order granting a rehearing shall specify the grounds on which the rehearing is granted, and the rehearing shall cover only those matters specified. All parties to the hearing may participate as parties at a rehearing.

Effectiveness of Orders

Unless otherwise stated in the Director's decision, a decision becomes a final administrative decision when the decision is rendered. The final administrative decision may be appealed pursuant to Title 12, Chapter 7, Article 6.

Appeal to Superior Court

The Director's final administrative decision after a fair hearing is subject to judicial review under Title 12, Chapter 7, Article 6. Appeal to Superior Court must be made on or before the thirty-fifth (35th) calendar day after notification of the Director's final decision was received.

Attorneys' Fees and Costs

In the event the Vendor initiates an action, appeal, or suit against the Department-relating to the terms of this Contract, in any administrative or judicial tribunal of competent jurisdiction, and the Department prevails, the Vendor shall pay the Department's reasonable attorneys' fees and costs.

The administrative or judicial tribunal of competent jurisdiction where the action, appeal, or suit was adjudicated may determine the Department's attorneys' fees and costs. The department is considered to prevail when:

1. The Vendor's position was not substantially justified; and
2. The Department prevailed as to the most significant issue or set of issues.

The Department shall submit its petition for reasonable attorneys' fees and costs to any administrative or judicial tribunal of competent jurisdiction within **twenty (20) calendar days** after the final decision. The Department's petition shall provide the following information to the administrative or judicial tribunal:

1. Evidence of the Department's eligibility for attorneys' fees and costs.
2. The amount sought.
3. An itemized statement from the attorney(s) and expert(s) stating:
 - a. The actual time spent representing the Department.
 - b. The rate at which the fees were computed.

Section 10.

Appendix 1 – Training Aids

Answers to Common Questions

We encourage cashiers to contact the Arizona WIC Program each time a participant/authorized representative or proxy does not follow correct procedures when redeeming WIC benefits. The problems your cashiers encounter and report will help reduce the number of program errors/abuses committed by the participants/authorized representatives or proxies.

WIC Foods – Purchased/Availability

WIC customers can only purchase WIC food items up to the maximum amount allowed on their benefits. The food items must be included on their benefits **and** in the Approved Product List.

Authorized Vendors are required to maintain WIC foods to ensure that food items are available to the WIC customer when they shop. If the store does not carry a specific WIC item that the customer wants to purchase, the customer may request the item. If the store is able to order the item, it should arrive within a reasonable timeframe. If the store is not able to order the item, the WIC customer should be referred to another authorized WIC Vendor. The cashier may **not** offer or allow a substitution of the item(s) on their benefits. The WIC customer may choose to select a different WIC food item that is available in the store or go to a different authorized WIC Vendor.

eWIC Transactions

When handling eWIC transactions, the WIC customer will use their eWIC card with a Personal Identification Number (PIN) to access their WIC benefits (no additional identification is needed). The cashier will scan the food items, ensuring the correct items are being purchased. If the item is not authorized on their benefits, the cashier will advise the WIC customer that the item is not authorized and let them choose to pay the amount separately from their WIC purchase or not purchase it at all. After all items are scanned, the cashier will advise the WIC customer of the total amount of the purchase. The WIC customer will select 'Yes' on the PIN pad to approve the purchase.

Note: WIC customers cannot leave food items purchased with WIC food benefits at the Vendor's location to be retrieved at a later time.

Self-Checkout

The WIC customer may utilize the self-checkout registers to redeem their WIC Benefits, as long as the authorized outlet has received Level 3 Certification allowing the system to accept eWIC. All authorized Vendors who have self-checkout registers must post the appropriate signage to each self-checkout register. WIC customers will look for the signage to make sure that the store's self-checkout registers accept eWIC cards.

The attendant who oversees the registers must be familiar with handling eWIC transactions and be available to assist WIC customers if any problems arise, such as whether or not the WIC customer has enough benefits to cover the purchased items, finding out why there is an unexpected balance left, etc.

The attendant also must know how to complete a balance inquiry and be familiar with the mid-transaction receipt that shows what items the WIC benefits will cover.

Coupons

The Arizona WIC Program encourages its participants/authorized representatives to use coupons and sales to reduce food costs so additional participants may be served on the Program. The coupon value is deducted from the sale price and no cash or change is exchanged. Proper procedures for accepting coupons, purchasing items on sale, and taking advantage of promotional specials are found under Section 4-Redeeming WIC Food Benefits.

Note: Above-50-Percent Vendors (per WIC Vendor Provisions of P.L. 108-265) are exempt from the above-mentioned paragraph regarding the use of coupons and may not provide any type of incentive items or other free merchandise to WIC Program participants.

Mid – Transaction Receipt

The mid-transaction receipt prints after the WIC customer slides their card and enters their PIN. The receipt identifies which items that have been scanned will be covered by WIC benefits. The top of the receipt shows the Beginning Benefit Balance, which is the amount available before the purchase. The bottom of the receipt shows the WIC Benefit Purchase, which are the approved items that will be paid for with WIC benefits.

The WIC customer **must** review the receipt to ensure that the WIC food items are being paid for with WIC benefits.

This is an example of a mid-transaction receipt and may not be exactly the same as the ones that print in your store.

```
PAN: *****3402

100 OZ  INFANT FRUITS & VEGS
20 OZ   INFANT MEATS
80 OZ   WHOLE GRAINS
7.51 $$$ FRUITS & VEGETABLES
128 OZ  LOW AND NONFAT YOGURT
5 GAL   WHOLE COWS MILK
5 GAL   SKIM/1% COWS MILK GALLON
5 BTL   BOTTLED JUICE 64 OUNCE
128 OZ  WHOLE MILK YOGURT
5 LB    CHEESE
5 DOZ   EGGS
162 OZ  CEREAL (HOT OR COLD)
5 CTR   PB, BEANS, PEAS, LENTILS
60 OZ   TUNA, SALMON, SARDINES
32 OZ   INFANT CEREAL

Benefits Expire MIDNIGHT on 09/13/2020

** End of Beginning Benefit Balance **

*****
* eWIC Benefit Redemption/Purchase*
*****

16 OZ   WHOLE GRAINS
1 SIG   SIG PASTA PENNE          1.49

64 OZ   LOW AND NONFAT YOGURT
1 DANNON OIKOZ TRIPL          5.99
SC 1 SALE DANNON OIKOS          1.00-
1 MTN HIGH YGRT PLM           3.49
SC 1 SALE MOUNTAIN HIGH         0.50-

1 GAL   WHOLE COWS MILK
1 SHAMROCK FARMS              3.99

1 BTL   BOTTLED JUICE 64 OUNCE
1 CMPBL TOMATO JCE            4.49

* End of Benefit Redemption/Purchase *
*****

+++ Remaining eWIC Benefits +++
```


It is important that attendants and cashiers understand the receipt and how to assist the WIC customer if there are problems. Review the beginning balance and compare it to what is being purchased.

- Check the actual items purchased to see if something did not go through (i.e., check the scanned items that are in the bagging area and match them to the bottom portion of the receipt).
- Check to see if the items being purchased are authorized on the client's benefits (e.g., they picked up Silk Soy milk, but it is not included in their benefits).
- Compare the Quantities and Units of Measure (e.g., 5 GAL WHOLE COWS MILK; 7.51 \$\$\$ FRUIT & VEGETABLES) to verify that there are enough benefits to cover the item(s). For fruits and vegetables, if the amount purchased is over the benefit amount, the remaining amount will be left as a balance on the receipt (e.g., a customer with \$7.51 in benefits purchases \$8.00 worth; the remaining amount of \$.49 will be a balance due on the receipt.)

Why Food Items May Not Ring Up

Food items that are purchased with an eWIC card must be authorized by the Program and placed in the Approved Product List (APL). If the food item is not in the APL, the item cannot be purchased with WIC benefits. Below are several reasons why a food item does not ring up during an eWIC transaction.

- The item is not an approved WIC item.
- The benefit is not available to the customer. WIC food benefits are issued for specific foods based upon the participant's individual needs (e.g., if whole milk yogurt is issued to the participant, the WIC customer cannot purchase low-fat yogurt).
- There are not enough benefits available to complete the purchase. If the remaining balance is too low, it may not be enough to cover the purchase.
- The item is eligible, but not in the APL. Most food items are included in the APL. However, some new items that are eligible may not be. Please see Section 2 - Foods in this Manual on how to request that a food item to be added to the APL.

WIC Identifiers and Shelf Markers

WIC identifiers and shelf markers are provided to authorized Vendors to signify that the store accepts WIC benefits and to identify WIC approved foods. There are only 2 types of identifiers that the Department will provide to Vendors. They include:

1. The "We accept eWIC Benefits" decal - The decal is used to identify the store as an authorized WIC Vendor. The decal must be posted at the entrance of the store.
2. The "WIC Approved" Shelf markers - Shelf markers are used to identify authorized WIC food items. The shelf markers are not mandatory. However, if the Vendor chooses to use the shelf markers in any specific category of food items, all approved items in that category must be marked (e.g., if the store uses the shelf markers in the cereal category, all WIC-authorized cereals must have a shelf marker).

Full Line Grocery Stores

Vendor applicants and current Vendors must be a full line grocery store that stocks a minimum specific amount and variety of the following staple food items: breads/tortillas/cereals, fresh dairy products; fresh, canned, or frozen fruits and vegetables; and fresh or frozen meats, poultry or fish. The amount and variety of items may include, but not be limited to, the Arizona WIC Program minimum stock requirements (Section 2-Foods).

Vendor applicants and current Vendors must stock the following items in their stores, at a minimum:

1. Three (3) or more varieties with three (3) or more units of each variety of breads/tortillas/cereals.
2. Three (3) or more varieties with three (3) or more units of each variety of fresh dairy products.
3. Three (3) or more varieties with three (3) or more units of each fresh, canned or frozen fruits and vegetables.
4. Three (3) or more varieties* with three (3) or more units of each variety of meats, poultry, or fish (frozen or fresh).

* (includes different cuts of the same type of fresh meat [limited to two (2) different cuts of meat from the same variety])

All pre-packaged fresh meat must contain the USDA inspection label or the State of Arizona inspection label and must bear the name and address of the facility where it was packaged, net weight and safe handling statement on each package. All fresh meat that is cut and packaged onsite must be USDA inspected or State of Arizona inspected and bear the name and address of where it was packaged, net weight and the safe handling statement on each package.

All food items must be in the original packaging, displayed, identified, labeled, priced, and available for sale to the general public. Items that contain the statement 'not labeled for individual resale' will not be counted.

The following food items are not considered allowable variety and/or stocking units to meet the Full Line Grocery Store requirements:

1. Accessory snacks and dessert items.
2. Food items that compliment or supplement meals (spices, seasoning, oils, lard, sugar, honey, ketchup, and all other condiments).
3. Hot or cold prepared foods consumed on the premises or sold for carry-out (coffee, soup, hot dogs).
4. Foods cooked or heated (pizza, meats sold cooked such as fried chicken).

The following are examples of staple foods for each food category, including, but not limited to:

Cereals (not infant)/Breads/Tortillas:

- Cold Breakfast Cereals
- Hot Breakfast Cereals
- Sweetened Cereals
- Buns/Rolls (e.g., dinner rolls and hot dog buns)
- Bread loaves (e.g., wheat, rye, white)
- Pasta (e.g., spaghetti, macaroni, rotini)
- Tortillas (e.g., corn and flour)
- English Muffins
- Pitas
- Rice
- Bagels

Fruits and Vegetables:

- Fresh, Canned or Frozen
- Whole
- Cut-up
- Singles Pieces
- Bagged or Pre-packaged
- Mixed Varieties
- Any Size and Type of Container
- Sweetened

Fresh Dairy:

- Eggs
- Cheese
- Yogurt
- Milk (e.g., cow, almond, goat, soy)
- Butter/Butter Substitute
- Cottage Cheese
- Cream Cheese
- Buttermilk
- Flavored
- Creamers
- Half & Half

Meat/Poultry/Fish:

- Beef (e.g., fresh or frozen ground)
- Chicken (e.g., fresh or frozen cutlets)
- Turkey (e.g., fresh or frozen ground)
- Fish (e.g., fresh or frozen filets)
- Lamb (e.g., fresh or frozen chops or ground)
- Pork (e.g., fresh or frozen loins)

Different cuts of the same type of meat, limited to two (2) different cuts of meat of the same variety (i.e., ground chicken + chicken breast will count as two (2) varieties).

WIC Quiz

True or False?

Question	Answer
1. The WIC Program is a federally funded program for women, infants, and children.	True or False
2. A person who lives in another state can participate in the Arizona WIC Program.	True or False
3. The WIC logo and acronym are registered service marks owned by USDA.	True or False
4. Vendors must purchase infant formula from a supplier on the Arizona WIC Programs Infant Formula Suppliers List.	True or False
5. WIC customers must present a driver's license when they use their WIC benefits.	True or False
6. The cashier can manually enter the eWIC card number only when the magnetic strip is damaged and the card and the WIC customer are present.	True or False
7. Any backstock the Vendor wants counted during the Vendor Site Review and Full Line Grocery Evaluation must be brought to the sales floor.	True or False
8. WIC customers cannot use any type of coupons or promotional specials offered by stores.	True or False
9. Vendors can be disqualified from the program for one (1) year for selling unauthorized food items.	True or False
10. Vendors can appeal any adverse action by requesting a fair hearing.	True or False
11. WIC customers can purchase fruits and vegetables with added ingredients.	True or False
12. "All natural" peanut butter spread can be purchased with WIC benefits.	True or False
13. The cashier can scan barcodes from code books, clipboards, or from a pre-printed sheet or product cards.	True or False
14. If the WIC customer enters their PIN incorrectly four times, the card will be locked.	True or False
15. WIC customers must purchase something before they can request a balance inquiry.	True or False

Multiple Choice

1. How long must a Vendor keep required records and documents that pertain to their participation in the WIC Program?
 - a. For the term of the Contract period.
 - b. For the term of the Contract period and two years after the Contract expires.
 - c. For the term of the Contract period and for five years after the expiration, or termination, or final payment is made under the Contract.
 - d. Vendors don't have to keep any records.
2. Why are authorized Vendors required to maintain WIC minimum stock and variety requirements throughout the term of their Contract?
 - a. So the WIC representative doesn't have to wait around when doing a site visit.
 - b. To ensure there is enough authorized food available when WIC customers shop.
 - c. So store employees don't have to run to another store to get food items.
 - d. To ensure that the Vendor does not have to send WIC customers away.
3. Which of the following are reasons why a food item might not ring up?
 - a. The item is not an approved WIC item.
 - b. The benefit is not available to the customer.
 - c. There are not enough benefits available on the card.
 - d. All of the above.
4. All food items must be?
 - a. Identified and properly labeled.
 - b. In the original package.
 - c. Displayed and available for sale to the general public.
 - d. All of the above.
5. What does the Vendor Contract explain?
 - a. The rights and responsibilities of the Department and the Vendor.
 - b. A list of all WIC approved food items.
 - c. Information on how to contact your congressman.
 - d. All monitoring activities the Program conducts.

Reading WIC Benefits

Using the balance inquiry and the pictures below, what can the WIC customer purchase? Circle all the correct items.

BALANCE INQUIRY		
BENEFITS EXPIRE ON 06-29-2021		
QTY	UNITS	DESCRIPTION
2.00	LB	CHEESE
0.00	DOZ	EGGS
12.00	OZ	CEREAL (HOT OR COLD)
1.00	CTR	PB, BEANS, PEAS, LENTILS
24.00	OZ	WHOLE GRAINS
48.00	OZ	LOW AND NONFAT YOGURT
8.00	GAL	LOW/FAT FREE COWS MILK
1.00	HGL	SKIM/1% COWS MILK HGL
4.00	BTL	BOTTLED JUICE 64 OZ
5.00	\$\$\$	FRUITS & VEGETABLES



Mixed Vegetables \$1.99

Asparagus \$2.50

Pineapple Tidbits \$1.99

Explain why some of these items will not ring up.

Does the customer have enough benefits to cover all the fruits and vegetables?
If not, what is the difference and what options does the customer have?

WIC Quiz – Answer Key

True or False?

Question	Correct Answer
1. The WIC Program is a federally funded program for women, infants, and children.	True
2. A person who lives in another state can participate in the Arizona WIC Program.	False
3. The WIC logo and acronym are registered service marks owned by USDA.	True
4. Vendors must purchase infant formula from a supplier on the Arizona WIC Programs Infant Formula Suppliers List.	True
5. WIC customers must present a driver's license when they use their WIC benefits.	False
6. The cashier can manually enter the eWIC card number only when the magnetic strip is damaged and the card and the WIC customer are present.	True
7. Any backstock the Vendor wants counted during the Vendor Site Review and Full Line Grocery Evaluation must be brought to the sales floor.	True
8. WIC customers cannot use any type of coupons or promotional specials offered by stores.	False
9. Vendors can be disqualified from the program for one (1) year for selling unauthorized food items.	True
10. Vendors can appeal any adverse action by requesting a fair hearing.	True
11. WIC customers can purchase fruits and vegetables with added ingredients.	False
12. "All natural" peanut butter spread can be purchased with WIC benefits.	False
13. The cashier can scan barcodes from code books, clipboards, or from a pre-printed sheet or product cards.	False
14. If the WIC customer enters their PIN incorrectly four times, the card will be locked.	True
15. WIC customers must purchase something before they can request a balance inquiry.	False

Multiple Choice

1. How long must a Vendor keep required records and documents that pertain to their participation in the WIC Program?
 - a. For the term of the Contract period.
 - b. For the term of the Contract period and two years after the Contract expires.
 - c. For the term of the Contract period and for five years after the expiration, or termination, or final payment is made under the Contract.**
 - d. Vendors don't have to keep any records.

Correct answer: C. For the term of the Contract period and for five years after the expiration, or termination, or final payment is made under the Contract.

2. Why are authorized Vendors required to maintain WIC minimum stock and variety requirements throughout the term of their Contract?
 - a. So the WIC representative doesn't have to wait around when doing a site visit.
 - b. To ensure there is enough authorized food available when WIC customers shop.**
 - c. So store employees don't have to run to another store to get food items.
 - d. To ensure that the Vendor does not have to send WIC customers away.

Correct answer: B. To ensure there is enough authorized food available when WIC customers shop.

3. Which of the following are reasons why a food item might not ring up?
 - a. The item is not an approved WIC item.
 - b. The benefit is not available to the customer.
 - c. There are not enough benefits available on the card.
 - d. All of the above.**

Correct answer: D. All of the above.

4. All food items must be?
 - a. Identified and properly labeled.
 - b. In the original package.
 - c. Displayed and available for sale to the general public.
 - d. All of the above.**

Correct answer: D. All of the above.

5. What does the Vendor Contract explain?
 - a. The rights and responsibilities of the Department and the Vendor.**
 - b. A list of all WIC approved food items.
 - c. Information on how to contact your congressman.
 - d. All monitoring activities the Program conducts.

Correct answer: A. The rights and responsibilities of the Department and the Vendor.

Reading WIC Benefits

Using the balance inquiry and the pictures below, what can the WIC customer purchase? Circle all the correct items.

BALANCE INQUIRY		
BENEFITS EXPIRE ON 06-29-2021		
QTY	UNITS	DESCRIPTION
2.00	LB	CHEESE
0.00	DOZ	EGGS
12.00	OZ	CEREAL (HOT OR COLD)
1.00	CTR	PB, BEANS, PEAS, LENTILS
24.00	OZ	WHOLE GRAINS
48.00	OZ	LOW AND NONFAT YOGURT
8.00	GAL	LOW/FAT FREE COWS MILK
1.00	HGL	SKIM/1% COWS MILK HGL
4.00	BTL	BOTTLED JUICE 64 OZ
5.00	\$\$\$	FRUITS & VEGETABLES



Mixed Vegetables \$1.99 - Asparagus \$2.50 - Pineapple Tidbits \$1.99

Can purchase 2 out of 3 fruit/vegetables or pay the difference of \$1.48 using a different tender.

Explain why some of these items will not ring up. Items not included in benefits, not enough benefits to purchase, item size too large, not approved.

Does the customer have enough benefits to cover all the fruits and vegetables? No (\$6.48).

If not, what is the difference and what options does the customer have? Difference is \$1.48.

Customer can pay the difference or put something back.

Section 11.

Appendix 2 – Forms

WIC Price Survey Worksheets

The Department requires new applicants to verify and complete a WIC Price Survey as part of the Vendor Application Packet submission. The applicant must accurately complete and submit the online survey to the Department. The Department uses the price data submitted to evaluate and ensure that the applicant's food prices are competitive with currently authorized Vendors.

Chain store applicants must submit one consolidated WIC Price Survey for all outlets unless prices vary for each outlet and/or region; in that case, a separate survey must be submitted for each outlet and/or region.

In addition, authorized Vendors must submit an online Price Survey when requested by the Department.

The online survey consists of:

1. **A Market Basket** of specific WIC food items that are routinely issued to participants is used to assess competitive pricing. The prices that you submit must reflect the **actual shelf prices** at the time of completion and must be on the shelf or in inventory housed at the store location. Enter the shelf price for food items you intend to keep in stock to meet Arizona's Minimum Stock Requirements. **Do not estimate or project prices.** All prices must be entered, as the system will not allow you to leave any fields blank.
2. **Verification that your store(s) meets the minimum stock and variety requirements.** Carefully read through the Arizona WIC Program Minimum Stock Requirements prior to submitting the survey (Section 2, Foods of this Manual).

The following worksheet provides information that can assist you in preparing for the completion of the online Price Survey.

Price Survey Worksheet

Item	Brand/Variety	Size	Enter Size	Price
Baby Food*	Any Authorized Brand (fruit/vegetable)	4 ounce	NA	
Cereal	Any Authorized Brand #1	12 – 18 ounce		
Cereal	Any Authorized Brand #2	12 – 18 ounce		
Cereal	Any Authorized Brand #3	12 – 18 ounce		
Cereal	Any Authorized Brand #4	12 – 18 ounce		
Cheese	Any Brand (Cheddar)	1 pound	NA	
Cheese	Any Brand (Monterey Jack)	1 pound	NA	
Cheese	Any Brand (Any other authorized type)	1 pound	NA	
Eggs	Any Brand (large, white, chicken)	1 dozen	NA	
Infant Formula	Similac Advance (Powder)	12.4 ounce	NA	
Juice	Any Authorized Brand (Apple)	64 ounce	NA	
Juice	Any Brand (Orange)	64 ounce		
Juice Frozen	Any Brand (Orange)	11.5 – 12 ounce		
Milk	Any Brand (1%)	1 gallon	NA	
Milk	Any Brand (Whole)	1 gallon	NA	
Peanut Butter	Any Brand (any type)	16 – 18 ounce		
Whole Grains	Any Brand (100% Whole Wheat)	16 ounce	NA	

* Enter the price for a 4-ounce **single** container only. If your store only carries 4-ounce/2-packs, you **must** divide the price of the 2-pack in **half** and enter that amount.

Do not enter the full price of the 2-pack.

Arizona WIC Program Vendor Order Form

If you would like copies of any of the following training aids/materials, please indicate the item(s) along with the amount you need and mail or fax to:

Arizona Department of Health Services
Bureau of Nutrition and Physical Activity
Attn.: Vendor Management Team
150 North 18th Avenue, Suite 310
Phoenix, Arizona 85007
Fax: (602) 542-4323

Order Section

_____ WIC Program Food List (English/Spanish) Booklets

_____ "WIC APPROVED" shelf markers (visual aid for WIC participants)
(24 per sheet)



_____ eWIC Decals (Window Cling) English

_____ eWIC Decals (Window Cling) Spanish

_____ "WIC APPROVED" shelf markers (visual aid for WIC participants)
(Hanging/4 squares per sheet)

_____ Self-Checkout Register Sign (eWIC accepted – Green)

_____ Self-Checkout Register Sign (eWIC not accepted – Red)

_____ WIC Vendor Manual – Hardcopy (A reference book for Vendors)

Remember to provide the store number, if applicable, and name of contact person.

Please mail supplies to:

Store Name: _____ Attn: _____ ID # _____

Address: _____ Phone: _____

City: _____ State: _____ Zip: _____

Store Closure Notification

Please submit the Store Closure Notification* form at least thirty (30) calendar days prior to closing. It can be faxed or mailed to:

Arizona Department of Health Services
Bureau of Nutrition and Physical Activity
Attention: Vendor Management Team
150 North 18th Avenue, Suite 310
Phoenix, Arizona 85007
Fax: (602) 542-4323

Vendor Name/Number: _____ Vendor ID Number: _____

Address: _____

City: _____ State: _____ Zip Code + 4: _____

Phone Number: (____) _____ Fax Number: (____) _____

Effective Date: _____

Date of Last eWIC Transaction: _____

Note: Department-issued equipment is the property of the WIC Program and must be returned within ten (10) calendar days after store closing.

* This form is submitted **only** when the store closes operations, not when there is a change of ownership.

Change of Ownership

Please submit the Change of Ownership form at least thirty (30) calendar days prior to closing. It can be faxed or mailed to:

Arizona Department of Health Services
Bureau of Nutrition and Physical Activity
Attention: Vendor Management Team
150 North 18th Avenue, Suite 310
Phoenix, Arizona 85007
Fax: (602) 542-4323

Vendor Name/Number: _____ Vendor ID Number: _____

Address: _____

City: _____ State: _____ Zip Code + 4: _____

Phone Number: (____) _____ Fax Number: (____) _____

Effective Date: _____

Signature: _____ **Date:** _____

New Owner

Name: _____

Address: _____

City: _____ State: _____ Zip Code + 4: _____

Phone Number: (____) _____ Fax Number: (____) _____

Note: The WIC Contract is not transferable. The new owner must contact the Arizona WIC Program to reapply. The current Contract becomes void at change of ownership.

Arizona WIC Program Vendor Training Acknowledgement

A. I certify that I attended and understood **all** of the following WIC Vendor procedures. I further understand that I will be responsible for providing training to cashiers and other employees who handle WIC transactions in my store.

- | | |
|---|---|
| <ul style="list-style-type: none">• Explanation of the WIC Program• Use of the Vendor Manual• The Vendor's Role• Approved and Non-Approved Foods• Approved Product List (APL)• Minimum Stock and Variety Requirements• Full Line Grocery Store Requirements• Infant Formula Purchasing Requirement• Wholesaler/Supplier Problems• Incentive Items Prohibition• WIC Price Survey | <ul style="list-style-type: none">• Use of Manufacturer, Store Specials or Discount Cards• eWIC Redemption Procedure• eWIC Receipt Requirements• WIC Payment Criteria• Vendor Claims and Reimbursement Procedures• Vendor Monitoring• Complaint Process• Violations and Sanctions• Vendor Rights and Responsibilities• Service Mark Compliance• Record Retention Requirements• Program Updates |
|---|---|

POS system training will be provided by the applicant's/Vendor's point-of-sale provider (integrated system) or the eWIC processor (stand-beside terminals).

B. By signing this Vendor Training Acknowledgement form, I understand that the Department, in its sole discretion, reserves the right to waive any warning letters for Department and Mandatory Sanctions under Federal Regulations violations, if the warning letter will compromise the investigation.

C. I further acknowledge that failure of the Initial and Follow up Vendor Site Review will result in the denial of an application.

D. Vendor Comments: _____

Store Name / Store Number

WIC Program Representative

Print Name and Title

WIC Program Representative Title

Signature

Signature

Date

Date

Section 12.

Appendix 3 – Selection and Authorization

Selection and Authorization

The Department must authorize each Vendor applicant before the applicant may participate in the Arizona WIC Program. The authorization process begins when a retail food store, pharmacy, or military commissary files a complete application, including all required attachments, with the Department. Authorization occurs when the Department enters into a written, fully executed Vendor Contract with the applicant. The Department shall provide the authorized Vendor with a copy of the executed Vendor Contract by certified mail.

An applicant must have a fully executed written Vendor Contract with the Department **before** it may participate in the Arizona WIC Program as an authorized Arizona WIC Program Vendor. Only the Director of the Department or his/her designee may enter into a written Vendor Contract authorizing an applicant to become an Arizona WIC Program approved Vendor.

The Department shall contract with a sufficient number of Vendors to serve all Arizona WIC participants. The Department may limit the number of Vendors to enable the Department to effectively manage the program.

Pharmacies may be contracted to provide special formula only. In this situation, any reference to "WIC foods" shall mean WIC approved infant formula. Except for SNAP authorization, all other provisions shall remain the same.

New Vendors must demonstrate that they are eWIC ready by certifying that they have a point-of-sale (POS) system that is capable of accepting multiple payment tenders such as credit, debit, cash Supplemental Nutrition Assistance Program (SNAP) benefits, and eWIC. The POS system must be certified by the Arizona WIC Program.

If any provision of the Vendor Contract conflicts with the requirements of the Federal WIC Program Regulations, the provisions in the Federal Regulations shall prevail. If any provision of the Vendor Contract conflicts with the requirements of the Vendor Manual, the Vendor Manual shall prevail. If any provision of the Arizona WIC Program Policy and Procedure Manual conflicts with Federal Regulations, the Federal Regulations shall prevail. If any provision of the Vendor Manual conflicts with the Arizona WIC Program Policy and Procedure Manual, the Arizona WIC Program Policy and Procedure Manual shall prevail. If any provision of the Vendor Manual conflicts with Federal Regulation, the Federal Regulation shall prevail.

Vendor Contract Enrollment Period

Retail grocers, pharmacies, and military commissaries with a fixed location may apply to become an Arizona WIC Program Vendor. In May, the Department shall mail an enrollment packet to each currently authorized Vendor whose Contract expires on September 30. The packet will provide instructions to complete the online application and WIC Price Survey, as well as information regarding other documents that must be provided during the process. However, upon request, the Department shall provide access to a WIC computer or a paper application to assist any applicant who does not have computer/internet access. The open enrollment period deadline will be identified in the enrollment application packet. An applicant must be a full line grocery store and a viable business that has been open for at least one (1) year prior to the **submission** of the enrollment application and Price Survey. Applications considered to be complete and accurate will be processed on a first come, first served processing standard.

In addition, a Vendor applicant must have an integrated cash register system that is capable of accepting multiple payment tenders such as credit, debit, cash, SNAP benefits, and eWIC, unless the outlet is necessary to ensure participant access. The integrated system must be fully ready to accept eWIC transactions with the current Arizona WIC Program eWIC processor. The integrated cash register system must accurately and securely obtain WIC food balances associated with eWIC cards, maintain the Approved Product List, and successfully complete eWIC purchases. Vendor applicants who have integrated self-checkout registers may allow WIC customers to redeem their WIC benefits using self-checkout registers. The self-checkout POS system must be certified by the Department prior to making them available to the WIC customer. Applicants that do not have an integrated system and meet the all selection criteria including the participant access criteria will be issued a stand-beside POS terminal upon authorization.

The term of the Vendor Contract is three (3) federal fiscal years or a portion thereof to be determined at the discretion of the Department, beginning October 1, and ending on September 30. The Department must receive a completed application and Price Survey, including all required attachments, not later than 5:00 p.m. on the closing date established in the enrollment application packet.

Required attachments include: Application Packet Checklist, proof of ownership (i.e., Partnership Agreements, Articles of Incorporation), picture identification for all owners, a copy of the applicant's current sanitation or health operating permits (retail and meat market) for each location identified in the application, copies of infant formula invoices, banking information (voided check and one complete year of bank statements), an **original** signed Vendor Contract, and any additional information requested by the Department. Incomplete packets will be returned to the applicant.

The applicant must complete information for all outlets which are to be considered, including, but not limited to, the name of each outlet, outlet numbers (if applicable), the address, telephone number, SNAP identification number and a contact person responsible for the oversight of WIC transactions for each outlet.

Applications submitted after 5:00 p.m. Mountain Standard Time (MST) on the enrollment closing date shall be deemed untimely. The Department shall inform the applicant that its application was untimely and shall not be considered during the open enrollment period. However, an untimely application may be processed after October 1, under the Arizona WIC Program's continuous enrollment criteria.

Evaluation Process

New Vendor applicants: The evaluation process for applicants who have not participated in the Arizona WIC Program within the last five (5) federal fiscal years is as follows:

1. The Department shall verify that the applicant is an authorized SNAP retailer operating in good standing.
2. The Department shall verify that the applicant's store is a full line grocery store and a viable business that has been open for at least one (1) year. Upon conclusion of the site visit, the Department or its designee will verbally notify the applicant of the results of the visit. If the applicant does not meet the Full Line Grocery Store Evaluation requirement upon the completion of the site visit, the store representative will be advised that a follow-up visit will be conducted. The Department may deny authorization, unless that applicant is necessary to ensure participant access to Program benefits.

3. The Department or its designee shall conduct an on-site visit to verify the information contained in the application, Contract, and WIC Price Survey. Upon conclusion of the site visit, the Department or its designee shall verbally notify the applicant of the results of the visit. **Note:** If deficiencies are found, the store representative will be advised that a follow-up visit will be conducted. If the applicant does not meet **all** minimum stock requirements upon completion of the follow-up visit, the store representative will be advised that no additional follow-up visits will be conducted. The Department shall deny authorization.
4. The Department shall issue an X9 number* that the owner will provide to the store's point-of-sale (POS) provider or their third party processor to prepare the POS system to accept eWIC.
*** Note: Assigning the X9 number does not mean that the store is authorized; it is assigned to prepare the point of sale system for certification only.**
5. The Department shall provide initial Vendor training to the applicant. Training attendance is required for new owners. The training will cover program policies, and procedures; it does not include training on point-of-sale (POS) systems (integrated or stand-beside terminals). New applicants who fail to attend their initial scheduled training will be given only one (1) final opportunity to attend a Department mandatory training session.
6. The Department shall deny an application if the Department or its designee is unable to verify the information in the application or supporting documentation; or if the applicant has less than the required amounts or kinds of WIC approved foods; or if the applicant store is not a full line grocery store or has not been open for business for at least one (1) year, unless that applicant is necessary to ensure participant access to Program benefits.
7. The Department shall not authorize a new for-profit applicant (not currently participating in the Arizona WIC Program) that is expected to derive more than 50 percent of its annual food sales revenue from WIC food transactions, unless that applicant is necessary to ensure participant access to Program benefits. The Department completes a six (6)-month assessment of all new Vendors to assure that the status initially assigned is appropriate. Upon completion of the assessment, if the Vendor's food sales from WIC food transactions exceed 50 percent of their total food sales, the Vendor Contract will be terminated unless the outlet is necessary to ensure participant access.
8. In the event an applicant purchases or acquires an outlet that was in the process of being disqualified or which was disqualified from participation in the Arizona WIC Program at the time of acquisition, the application for that outlet location shall not be considered until the Department makes a determination that the sale was a legitimate arms-length transaction. The Department shall make this determination no later than six (6) months from the date of submission of the application. If the Department determines that the transfer was not a legitimate arms-length transaction, the application shall not be considered until the disqualification period has been served.
9. If the Department has disqualified the previous owner of an outlet for noncompliance or notified the previous owner that the outlet has been or will be disqualified due to noncompliance, a new owner's application for that outlet shall not be considered until at least six (6) months from the expiration date of the previous owner's last Vendor Contract, unless the Department makes an earlier determination that the sale was a legitimate arms-length transaction. The new owner must meet all selection criteria, including the Business Operations-Viable Business criteria.
10. The Department will not review a reapplication following a denial based upon the aforementioned reasons for 120 calendar days from the date in the denial letter. If an applicant appeals the denial of the application, the Department will not review a reapplication for 120 calendar days from the date that the final administrative decision is rendered.

Current and previous Vendors: The evaluation process for all current Vendors and for Vendors who have participated in the Arizona WIC Program at any business location within the previous five (5) federal fiscal years is as follows:

1. The Department shall follow the Vendor Evaluation Process and Criteria established for new Vendors.
2. The Department shall evaluate the Vendor's file for:
 - a. Compliance with the Vendor Contract, Federal Regulations, and this section at all business locations.
 - b. Responsiveness to Vendor Site Review corrective action recommendations and participant/authorized representative complaints.
 - c. Past performance in the previous five (5) federal fiscal years, including sanctions assessed.
 - d. In the case of stores owned by corporations, past performance at other locations operated by the same corporation.
 - e. Compliance with SNAP requirements.
 - f. Whether any business location of the applicant is currently an Above-50-Percent Vendor or has previously been determined to be an Above-50-Percent Vendor within the previous five (5) federal fiscal years. (The Department will utilize this criterion in conjunction with information collected in the Vendor application, the outcome of the initial site review, and any other information that will support the determination.)
3. The Department will not review a reapplication following a denial based upon the aforementioned reasons for 120 calendar days from the date in the denial letter. If an applicant appeals the denial of the application, the Department will not review a reapplication for 120 calendar days from the date that the final administrative decision is rendered.

When a Vendor applicant has met all selection criteria, the Department will ensure that the store's integrated cash register system is capable of accepting multiple payment tenders (credit, debit, cash, SNAP and eWIC) by completing a series of test buys. In the event that the applicant does not have an integrated cash register system, and it is determined that the applicant meets the participant access criteria, a stand-beside terminal will be provided. The applicant must enter into a merchant agreement with the eWIC processor. **The register systems must be certified by the Arizona WIC Program prior to authorization.**

Failure to meet **all** of the Vendor Evaluation Criteria, or if the Vendor's history file evaluation is unacceptable, provides cause to deny an application or to terminate a current Vendor's Contract.

All new Vendor applicant **owners**, current, and previous Vendors must attend the Department's mandatory training session scheduled by the Department for each open enrollment period. Each store shall send a management representative or his/her designee who shall be responsible for Arizona WIC Program compliance at that location. In cases where the applicant is new to the program, the owner or corporate representative **must** also attend. In addition to the management representative or his/her designee, other representatives may also attend the mandatory training and function as training liaisons for that location's site. The additional store (outlet) representatives who function as training liaisons shall not be a substitute for the management representative or the designee.

Attendance at in-store training or at a mandatory or voluntary training session in a previous and/or a current Contract cycle does not satisfy the requirement for attendance at the mandatory training session for the current open enrollment period.

Individual outlets (stores) may be added to a Vendor Contract without affecting the status of the other outlet(s). The submission of an online application and WIC Price Survey shall serve as Written Notice and shall be received by the Department not less than thirty (30) calendar days before the outlet opening date. The Department shall evaluate the individual outlet based on the evaluation process and criteria described in this Manual.

Before an applicant is denied for any selection criteria outlined under the "Vendor Evaluation Criteria," **other than minimum stock requirements**, the applicant shall be evaluated under the Participant Access criteria outlined in this Manual. The Department shall deny an authorization if the applicant does not meet all selection criteria, after being provided with one (1) opportunity to correct any deficiency (excludes minimum stock requirements).

Continuous Enrollment

The Department will accept and process applications at any time during the year. There are no deadline restrictions attached to applications submitted and processed under continuous enrollment. As described previously in this section, submission deadlines apply to the Vendor Contract enrollment period. Applications that are submitted untimely during the enrollment period may be processed after October 1, (unless the Department determines, in its sole discretion, that such applications must be processed earlier to ensure adequate participant access). Any application processed after October 1, will be evaluated under the Program's continuous enrollment criteria.

Change of Ownership

The Vendor Contract is not transferrable. When a change of ownership occurs, (e.g., a change in business entity or the addition or deletion of partners, associates, or principals; 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), the new owner shall complete an online application and WIC Price Survey, including all required attachments, to become an Arizona WIC Program Vendor. Required attachments include: Application Packet Checklist, proof of ownership (i.e., Partnership Agreements, Articles of Incorporation), picture identification for all owners, a copy of the applicant's current sanitation or health operating permits (retail and meat market) for each location identified in the application, copies of infant formula invoices, banking information (voided check and one complete year of bank statements), an **original** signed Vendor Contract, and any additional information requested by the Department. Incomplete packets will be returned to the applicant.

The Vendor must notify the Department in writing of the change in ownership. This should occur not less than thirty (30) calendar days prior to the transfer of ownership. Once the Department is notified of the change of ownership, the new owner must begin the application process. The Department shall review the application based on the evaluation process and criteria described in this Manual. The applicant store must meet **all** selection criteria, including the Business Operations-Viable Business and the Register Systems (the POS system must be eWIC ready). Therefore, disruption of services to WIC participants may occur.

If a Vendor ceases operation by closing a location, any subsequent reopening shall be processed through the full application process.

The Department will not authorize a Vendor applicant if it determines that the store has been sold or closed and reopened as a new store in an attempt to circumvent a WIC sanction. The Department may consider factors such as whether the store was sold to a relative, either by blood or marriage, of the previous owner(s) or sold to any individual or organization for less than its fair market value. To make such determinations, it may be necessary for the Department to request additional information from the applicant.

The Department, in conjunction with USDA, may adjust authorization requirements for change of ownership when it is in the participants' best interest for food access.

Change of Location

The Vendor Contract is not transferrable. If a Vendor changes the location of their store, the owner must re-apply for authorization through the continuous enrollment process. The owner shall complete an online application and WIC Price Survey, including all required attachments, to become an Arizona WIC Program Vendor. Required attachments include: Application Packet Checklist, proof of ownership (i.e., Partnership Agreements, Articles of Incorporation), picture identification for all owners, a copy of the applicant's current sanitation or health operating permits (retail and meat market) for each location identified in the application, copies of infant formula invoices, banking information (voided check and one complete year of bank statements), an original signed Contract, and any additional information requested by the Department.

The Vendor must notify the Department in writing of the change of location not less than thirty (30) calendar days prior to change in location to ensure minimal disruption of services to Arizona WIC Program participants. The Department shall review the application based on the evaluation process and criteria described in this Manual.

Note: Vendors whose Contract covers multiple outlets, where one of the outlets changes location, can re-apply for authorization for the location that moved. The new location will be covered under (added to) the owner's current Vendor Contract. The move will not affect other authorized outlets under that Vendor Contract.

The Department reserves the right, in its sole discretion, to request additional information from the applicant, which may include, but is not limited to, such items as a social security number or other identifying information from the applicant and/or owner(s) to enable the Department to conduct a thorough background check, and to access other similar search avenues, and verify information regarding the change in ownership of the store (i.e. bill of sale, lease, assignment, etc.).

The Department shall evaluate **all** of the applications based on the evaluation process and criteria described in this Manual.

Vendor Evaluation Criteria

In addition to the submission of a complete and timely application, which includes the attachments, an applicant must meet **all** of the evaluation criteria. Failure to meet any of the criteria is cause to deny the application. The Department reserves the right to waive specific selection criteria in an effort to ensure participant access to supplemental foods. Pharmacies, which provide special formula only, are also exempt from specific selection criteria. All other applicants shall be evaluated in accordance with the following criteria:

Register Systems

Electronic WIC benefits rely on the point-of-sale (POS) register systems that Vendors use in their stores. eWIC transactions will be able to be processed from two different register systems: Integrated Register Systems and Stand- Beside terminals.

Integrated Register Systems

An integrated POS is an all-in-one system that is capable of processing eWIC transactions and other forms of payment such as cash, SNAP, debit and credit. Integrating eWIC into the Vendor's present POS system and normal business process is the ideal system, as it allows retailers to manage inventory, payment and the settlement of eWIC transactions within the same system. The integrated system also provides a more streamlined experience for the shopper.

The Vendor is responsible for all costs to integrate and maintain their POS system. Applicants will be responsible for integrating their POS system at their cost. If any problem arises with the POS system, the Vendor must contact their POS provider.

Integrated systems must be certified by the Department prior to accepting eWIC transactions. **When changes are made to the hardware, software, or third party processor, the system must be re-certified.** The Vendor is required to notify the Department at least thirty (30) calendar days prior to any changes or enhancements to their integrated system. This may include any changes to the third party processor, payer changes, and any updates to the hardware, and software.

Not all register systems are the same. Therefore, it is the Vendor's responsibility to train their staff on how to use their POS system to process eWIC transactions.

Stand-Beside Terminal

The stand-beside terminal is capable of supporting eWIC transaction **only**. It will validate the food items scanned against the benefit balance and the Arizona WIC Program Approved Product List (APL). It only accepts eWIC cards for payment. Vendors will need to reconcile the eWIC transactions with their electronic cash register system.

Vendors using stand-beside POS terminals must continue to ring up WIC items separately from non-WIC items. If the store can only accept eWIC in certain lanes, the store is required to post the official Arizona WIC Program lane signage to indicate which lane accepts eWIC. However, **the lane that takes eWIC must also be available to non-WIC customers.**

Certification and Merchant Agreement

During the implementation of eWIC, stand-beside terminals were provided to authorized Vendors who did not have an integrated system. The Vendor signed a merchant agreement with the eWIC service provider for the stand-beside terminals prior to the issuance of the equipment.

After implementation, stand-beside devices will **only** be issued to Vendors who do not have an integrated system **and** who meet the participant access criteria (see Participant Access Section 13). All stand-beside devices must be certified by the Department prior to processing eWIC transactions. The Department will be responsible for the terminal costs and maintenance of the stand-beside terminals, which may include receipt paper, ink, dedicated phone line that handles eWIC transaction **only**, etc.

The number of stand-beside terminals will be determined based on the Vendor's volume of WIC business. Supermarkets/superstores (defined as having at least \$2 million dollars annually in food sales) may receive a minimum of one terminal for every \$11,000 in monthly WIC business (up to four* state-issued stand-beside terminals). All other Vendors may receive a minimum of one terminal for every \$8,000 in monthly WIC business (up to four* state-issued stand-beside terminals). The Vendor has the option to purchase or lease additional terminals over the number of the state-issued terminals at their own expense if they choose.

*** The Department will not issue or provide more terminals than the number of checkout lanes in the store.**

Minimum Stock Requirements

As described in Section 2 of the Vendor Manual, the applicant must maintain the minimum stock and variety of all WIC foods from the time an application for enrollment is completed through the end of the Contract period;

1. Grocers/Commissaries
Grocer/Commissary applicants shall have the required WIC approved foods in the amounts and variety required on its shelves or stored at its location address (not available to order) **from the date an application** is submitted. WIC approved brands are listed in Section 2 of this Manual.
2. Pharmacies
Pharmacy applicants shall agree to order WIC-eligible infant formula in the amounts and brands specified in the food benefits redeemed by the WIC participant/authorized representative, or ordered by the local agency or Department.

With the exception of fruits, vegetables, and whole grain cereal, the Department may waive minimum stock requirements for specific food(s) if there is a known shortage of those specific food(s).

Infant Formula Purchases

The Arizona WIC Program will maintain a list of infant formula wholesalers and distributors licensed in accordance with state law and federal regulations and infant formula manufacturers registered with the Food and Drug Administration. All applicants and authorized Vendors are required to purchase infant formula **only** from the sources on the above-mentioned list.

Failure to do so will result in the denial of the application or termination of the Vendor's Contract, and the store will be disqualified from participation in the WIC Program for one (1) calendar year.

This list will be updated and provided to all authorized Vendors annually and to each new applicant in the enrollment packet.

Competitive Price Evaluation

The Department collects redemption data to perform various analyses and ensure that all Vendors are and remain competitively priced throughout the Vendor Contract period.

1. For new applicants: If the prices submitted do not meet the Department's established criteria for competitive pricing, the applicant will be provided notice, in writing, of non-compliance and offered one opportunity to resubmit their pricing in an effort to come into compliance. If, after being allowed one opportunity to resubmit pricing, the applicant remains outside of the Department's established criteria for competitive pricing, the Department will deny authorization.
2. For Existing Vendors: If the redemptions data returned identifies a Vendor and/or Vendors with pricing that does not meet the Department's established criteria for competitive pricing, the Vendor(s) will be provided with notice, in writing, of non-compliance and offered one opportunity to lower their pricing in an effort to come into compliance. If, after being allowed one opportunity to lower pricing, the Vendor's redemptions remain outside of the Department's established criteria for competitive pricing, the Vendor Contract will be terminated.

However, the Department reserves the right to consider participant access and allow an increase in price variance within a peer group to ensure access to supplemental foods.

Business Operations

Viable Business: The applicant's location is a viable business and has been open for at least one (1) year prior to submission of the application and WIC Price Survey. In addition, the applicant must be able to provide the Department with one (1) year of business bank statements and records.

Note: This criterion may be waived to ensure adequate participant access to supplemental foods or at the discretion of the Department.

Full Line Grocery Store*: The applicant's store must be a full line grocery store that stocks, at a minimum:

1. Three (3) or more varieties with three (3) or more units of each variety of breads/tortillas/cereals.
2. Three (3) or more varieties with three (3) or more units of each variety of fresh dairy products.
3. Three (3) or more varieties with three (3) or more units of each fresh, canned, or frozen fruits and vegetables.
4. Three (3) or more varieties with three (3) or more units of each variety of meats, poultry or fish (frozen or fresh) (includes different cuts of the same type of fresh meat [limited to two (2) different cuts of meat from the same variety]).

All pre-packaged meat must contain the USDA inspection label or the State of Arizona inspection label and must bear the name and address of the facility where it was packaged, net weight and safe handling statement on each package. All fresh meat that is cut and packaged onsite must be USDA inspected or State of Arizona inspected and bear the name and address of where it was packaged, net weight and the safe handling statement on each package.

All food items must be in the original packaging, displayed, identified, labeled, priced, and available for sale to the general public. Items that contain the statement 'not labeled for individual resale' will not be counted.

* Excluded from the Full Line Grocery Store requirement:

- Pharmacies that were contracted to provide “special formula” only
- Applicants that do not meet the Full Line Grocery Store requirement and are necessary to ensure adequate participant access

Note: This criterion may be waived to ensure adequate participant access to supplemental foods or at the discretion of the Department.

Accessibility to WIC participants

The applicant’s location(s) and hours of operation shall conform to the following requirements:

1. The applicant shall be open for business a minimum of ten (10) hours a day, six (6) days a week.
2. The applicant location shall be accessible to WIC participants because of its proximity to a WIC clinic or to the participants’ residence.

Note: This criterion may be waived to ensure adequate participant access to supplemental foods or at the discretion of the Department.

Type of Store

The applicant shall be a retailer of groceries who has forty-five percent (45%) or more of its gross sales from groceries. Gross sales are **all** sales including groceries, non-food items, alcohol, tobacco, lottery, fuel (for stores that have gas stations) and general merchandise (for stores classified as Super Centers). The Department will exclude fuel and general merchandise sales from the applicant’s gross sales figure.

Note: This criterion may be waived to ensure adequate participant access to supplemental foods at the discretion of the Department.

Above-50-Percent Vendor

The Department shall not authorize a new for-profit applicant (not currently participating in the Arizona WIC Program) that is expected to derive more than 50 percent of its annual food sales revenue from WIC , unless that applicant is necessary to ensure participant access to program benefits. The Department completes a six-month assessment of all new Vendors to assure that the status initially assigned is appropriate. As part of this assessment, the Department will consider the State of Arizona Transaction Privilege, Use and Severance Tax Returns (TPT-1’s) at a minimum, on a quarterly basis, while contracted as an authorized WIC Vendor. In addition, the Department will use the records or documents all Vendors are required to maintain as originals or photocopies for each authorized store or outlet as specified in the Vendor Contract and Section 7 of the Vendor Manual.

All records or documents must be provided to the Department within 30 days of request. **It is the Vendor’s obligation to ensure that the TPT-1’s are submitted to the Department of Revenue. If no returns have been submitted to the Department of Revenue, the Department will make its determination based solely on the information available to it.**

Upon completion of the assessment, if the Vendor’s food sales from WIC benefits exceed 50 percent of their total food sales, the Vendor Contract will be terminated unless the outlet is necessary to ensure participant access.

Sanitation

The applicant shall be in compliance with all state, municipal and local sanitation standards and must have a current health operating permit or permit to operate (for meat market and retail establishment) posted in the store.

Service Mark Compliance

The WIC acronym and the WIC logo are registered service marks of the United States Department of Agriculture (USDA), Registration Nos. 1,630,468 and 1,641,644, and all rights therein and goodwill pertaining thereto belong exclusively to the USDA. The applicant is not permitted to use the WIC acronym or the WIC logo, including close facsimiles thereof, in whole or in part, in the official name or the business name of the applicant. The applicant is not permitted to use the WIC acronym or WIC logo in advertising or other promotional materials, and the applicant is prohibited from attaching the WIC acronym or WIC logo to any food item. **Applicant stores who display any 'WIC Approved' signage identified during Initial and/or Follow-up Vendor Site Review will result in an application denial.**

Authorized Vendors may use the WIC acronym and WIC logo to identify themselves as an authorized WIC food Vendor and to identify authorized WIC foods by attaching channel strips and shelf-talkers stating "WIC-approved" or "WIC-eligible" to grocery store shelves. The Department will provide authorized Vendors with the only allowable WIC Decals, channel strips, and shelf-talkers for these purposes. The Vendor is not permitted to use the WIC acronym or WIC logo in advertising or other promotional materials, and the Vendor is prohibited from attaching the WIC acronym or WIC logo to any food item. Vendors shall not develop their own signage, channel strips, or shelf-talkers; or use ones distributed by manufacturers and distributors.

Note: This criterion may be waived to ensure adequate participant access to supplemental foods or at the discretion of the Department.

Training

The applicant **owner (or, for corporations, their corporate representative)** shall accept mandatory training by the Department as a prerequisite to approval of the Vendor Contract. The Vendor shall also accept regional, state, local, and in-store training and shall implement corrective action(s) when a violation of state or federal rules or policies and procedures occurs as outlined in the Manual (See Training). The training will cover program policies and procedures; it does not include training on point-of-sale (POS) systems (integrated or stand-beside terminals). POS systems training will be provided by the applicant's point-of-sale provider (integrated system) or the eWIC processor (stand-beside terminals).

Conflict of Interest

The Vendor ensures that no conflict of interest shall exist with either the Department or WIC clinics. A conflict of interest relates to the standard of ethical conduct that no officer or employee shall have any interest, financial or otherwise, direct or indirect, or engage in any business transaction or professional activity, or incur any obligation of any nature which is in conflict with the discharge of a person's duties.

The Department shall have the right to cancel this Contract as authorized by A.R.S. § 38-511 immediately upon notification of the parties should such conflict of interest arise after the acceptance of this Contract by the parties. A.R.S. § 38-511 provides:

- a. Such cancellation shall occur without any further obligation.
- b. Conflict of interest shall include, but is not limited to, situations where any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is, at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to this Contract with respect to the subject matter of this Contract.
- c. Notification shall occur when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by any party to this Contract, unless the notice specified a later time.

Volume of WIC Business

Applicants who participated as WIC Vendors during the previous Contract period will be evaluated for low volume of WIC business. The Department will review eWIC transactions from the second federal fiscal year quarter (January, February and March), prior to the expiration of their current Contract.

During this review, if the applicant processed less than 90 eWIC transactions, the applicant may be considered to have too low a volume and may be evaluated as demonstrating a lack of demand for the Vendor applicant in the area.

Note: This criterion may be waived to ensure adequate participant access to supplemental foods or at the discretion of the Department.

SNAP Status

The applicant shall have current SNAP authorization and operate in compliance with the SNAP regulations, (excludes pharmacies that contract for the sale of special formula only). Applicants who are currently disqualified or have been involuntarily withdrawn from SNAP shall not be considered as WIC Vendors.

Business Integrity

The applicant, applicant's owners, officers, or managers shall maintain a standard of business honesty and maintain a reputation of good business practices. The applicant, applicant's owners, officers, or managers shall not have a criminal conviction or a civil judgment against them in the last six (6) years.

The Department shall have the right to deny authorization or participation in the WIC Program based on information regarding the applicant's business integrity and reputation, including, but not limited to, the following:

1. Criminal conviction or civil judgment against the owners, officers, or managers for:
 - a. Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction.
 - b. Commission of embezzlement, theft, forgery, bribery, falsification or destruction of required records, making false statements, receiving stolen property, making false claims, or obstruction of justice.
 - c. Violation of federal, state, and/or local consumer protection laws or other laws relating to alcohol, tobacco, firearms, controlled substances, and/or gaming licenses.

2. Administrative findings by federal, state, or local officials that do not give rise to a conviction or civil judgment but for which the applicant is removed from such program, or the applicant is not removed from the program but the Department determines a pattern exists of three (3) or more instances evidencing a lack of business integrity on the part of the owners, officers, and managers.
3. Evidence of an attempt by the applicant to circumvent a period of disqualification, a civil money penalty, or fine imposed for violations of the WIC Federal Regulations and WIC policies and procedures.
 - a. As needed, the Department may consider the following types of criteria to determine whether or not further investigation(s) is/are warranted:
 - 1) An applicant who is using the same store name as a previously authorized WIC Vendor who had prior WIC Program violations, regardless of whether sanctions were imposed.
 - 2) An applicant who is using the same store location as a previously authorized WIC Vendor who had prior WIC Program violations, regardless of whether sanctions were imposed.
 - 3) An applicant using the same store name and/or address of a previously authorized WIC Vendor who was terminated from the WIC Program for Program violations.
 - 4) An applicant who employs a previous owner or owners of a store which was terminated from the WIC Program, when that employee is now acting as an officer or manager or in any other type of management capacity.
4. If the Department determines, in its sole discretion, that further investigation may be necessary, it shall be entitled to obtain social security numbers from the applicant to assist it in obtaining the information required to make a determination.
5. Previous WIC Program violations administratively and/or judicially established as having been committed by owners, officers, or managers for which a sanction had not been previously imposed and satisfied.
6. Evidence of prior WIC Program violations that were personally committed by the owner(s) or the officer(s) of the Vendor or evidence of prior WIC Program violations committed by management which would indicate a lack of business integrity on the part of ownership and for which sanctions have not been previously imposed or satisfied.

Incentive Item Prohibition

For Vendor applicants that receive or are likely to receive more than 50 percent of their annual food sales from the sale of supplemental foods obtained from WIC benefits, incentive items* shall not be provided to WIC Program participants. All Regular Vendors are prohibited from offering incentive items* **solely** to WIC participants; incentive items must be offered to **all** customers.

* 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.

Timeframes for Action for Open Enrollment for Contracts Expiring in the Upcoming Federal Fiscal Year

The Department will review all Vendor applications by July 31, of each year.

By August 28, of each year, the Department will send, via certified mail, notice to all new Vendor applicants whose applications were denied. Appeal rights shall be outlined in the notice.

By September 1, of each year, the Department will send, via certified mail, notice to current Vendors who did not file applications notifying them that their Contracts shall expire on September 30.

By September 25, of each year, the Department will send the fully executed Vendor Contract and Vendor information packet to each applicant who was authorized to become a WIC Vendor.

Contract Approval

After evaluation of the Vendor application and upon a determination that the applicant met all of the evaluation criteria, the Department will certify the store's integrated POS system, then authorize the Vendor applicant to become an authorized Arizona WIC Program Vendor*. Upon authorization, the Department will execute the Vendor Contract and assign the applicant a Vendor ID number. Prior to the execution of a Vendor Contract that covers more than one outlet, the Vendor shall file a list of outlets participating as WIC Vendors, including the name of each outlet, outlet numbers (if applicable), each outlet's address and telephone number, the SNAP identification number, and a contact person for each location who will be responsible for the operation of WIC transactions.

* **Note:** An applicant is not authorized to accept eWIC benefits until written confirmation of the final execution of the Vendor Contract is received.

All new WIC Vendors will have a Vendor Site Review after a minimum of thirty (30) calendar days on the WIC Program. Failure to meet minimum stock requirements during this visit will result in sanctions according to Section 8 of this Manual.

Termination of the Contract

Either the Vendor or the Department may terminate the Vendor Contract according to the terms identified in the Vendor Contract. The Vendor Contract will be terminated immediately if the Vendor ceases operations, ownership changes (whole or controlling interest), or the Vendor files bankruptcy, which causes ownership or control to change.

The Vendor must inform the Department, in writing, not less than thirty (30) calendar days before terminating the Vendor Contract; changing the location, ownership, or control of the business; or ceasing to operate. The Department will send the Vendor a letter confirming the date of termination and the final date eWIC redemptions will be paid.

When an outlet under one Vendor Contract ceases operations, the Vendor must complete, in writing, a Store Closure Notification form and submit it to the Department not less than thirty (30) calendar days prior to closure of the outlet.

Note: WIC Vendor authorization is not transferable. An attempted transfer of any part of WIC business to another location **will void** the Vendor Contract. Therefore, if there is a change of ownership, the new owner shall complete an application and meet **all** enrollment criteria to become an authorized WIC Vendor.

Authorized Vendors who have closed or otherwise terminated their Vendor Contract will be immediately terminated from the WIC program on the date provided to the Department and the ability to process eWIC transactions will be disabled. The Vendor must also immediately disable their integrated system from accepting eWIC transactions. If the Vendor has a Department-issued stand-beside terminal, the Department will disable the terminal and it must be returned with all its components in working condition. The device(s) must be received within ten (10) days after their termination date. Any Department-issued devices that are damaged or not returned will be billed to the Vendor for the cost of the equipment.

Expiration of the Contract

The Department will notify the Vendor at least fifteen (15) calendar days prior to the expiration of its Vendor Contract. Expiration of the Vendor's Contract is not subject to appeal.

Contract Termination and Disqualification

The Department may terminate a Vendor Contract or disqualify a Vendor, which includes termination of the Vendor Contract, by providing the Vendor with thirty (30) calendar days advance written notice. The Department will not review a reapplication following a termination, which does not include a disqualification, for 120 calendar days from the date in the termination letter. If the Vendor appeals the termination of the Contract, the Department will not review a reapplication for 120 calendar days from the date that the final administrative decision is rendered.

Any Vendor that is disqualified from another Food and Nutrition Service (FNS) Program may be disqualified from the Arizona WIC Program for the same length of time. During the disqualification, the Department will not consider the Vendor for authorization as an approved WIC Vendor.

If a Vendor is terminated or disqualified from the Program the ability to process eWIC transactions will be disabled by the Department on the date of termination or disqualification. Vendors with integrated systems must immediately disable their integrated system from accepting Arizona eWIC transactions. Vendors that have accepted special funding from the Department to assist with necessary upgrades to integrate equipment or systems that are not solely dedicated to eWIC transactions, and terminate or are disqualified from the Program within two years shall refund the Department for the amount received, prorated at 4.16% per month while on the Program and accepting eWIC cards.

If the Vendor has a Department-issued stand-beside terminal, the Department will disable the terminal and it must be returned with all its components in working condition. The device(s) must be received within ten (10) days after their termination date. Any Department-issued devices that are damaged or not returned will be billed to the Vendor for the cost of the equipment.

Customer Relations

During the term of the Vendor Contract, the Vendor shall post in a conspicuous place the “We Accept Arizona eWIC” decal provided by the Department.

The Vendor shall give WIC participants/authorized representatives the same courtesies shown to all other customers.

The Vendor shall allow WIC participants/authorized representatives access to all checkout lanes (except for “Cash Only”).

Vendors that are issued stand-beside POS terminals must post the official Arizona WIC Program lane signage to indicate which lane accepts eWIC. The lane that takes eWIC must also be available to non-WIC customers.

The Vendor must ensure that there is at least one lane open at all times that can process eWIC transactions.

The Vendor shall ensure that all information pertaining to WIC participants/authorized representatives is kept confidential, except for Department and local agency monitoring, investigation, or oversight.

The Vendor shall accept food benefits from WIC participants/authorized representatives without regard to their race, color, disability, age, national origin, or sex.

The Vendor shall comply with:

- a. The non-discrimination provisions of federal law.
- b. Regulations in 7 CFR Parts 15, 15a, and 15b.
- c. Applicable provisions of the Americans with Disabilities Act of 1990.
- d. All state, municipal, and local sanitation standards.

Pricing

The Vendor shall charge prices for WIC foods that are comparable to the prices charged by other similar-type stores.

The Vendor may contract pricing for WIC approved foods.

The Vendor shall clearly mark the price of WIC approved foods, either on the product container or the shelf.

High-Risk Identification System

The Department has developed a system to assign Vendor peer groups for high-risk analysis.

The Department captures information from the Arizona WIC Program Vendor Application and Vendor surveys to determine peer group. Vendors are classified into one of the following peer groups:

- Discount Stores
- Large Chains
- Independents and Small Chains

For peer group purposes, Discount Stores include military commissaries, mass merchandisers, and warehouse stores. Large Chains are defined as Vendors who are part of a group of one hundred (100) or more outlets owned by the same entity (regardless of whether or not the outlets participate in WIC). Independents and Small Chains include Vendors owned by an entity operating fewer than one hundred (100) outlets (regardless of whether or not the outlets participate in WIC).

Information is collected, which may be used for further comparison, such as gross sales, food sales, number of states in which the owner operates outlets and the number of outlets operated, the amount of square footage, hours of operation, number of employees, and warehousing and delivery schedules. For example, comparisons are made based on volume of food benefits redeemed and sales amounts.

Data reports are produced that provide peer group and redemption comparison data.

Section 13.

Appendix 4 – Participant Access

Participant Access

Federal Regulations require that the Department ensure that all WIC participants have adequate access to purchase their WIC food items. By ensuring adequate access to authorized Vendors, the Department assists WIC participants in meeting their nutritional goals and needs.

Authorization

Before an applicant is denied for any of the selection criteria outlined in this Manual, **other than minimum stock requirements**, the applicant shall be evaluated under the Participant Access criteria stated below to determine whether denying authorization would result in inadequate participant access. Regardless of the adequacy of participants' access, the Department shall deny authorization if, after being provided with one (1) opportunity to correct the deficiency (via an Initial Follow-up Vendor Site Review), the applicant does not meet the criteria for minimum stock requirements.

For denials due to the applicant not meeting the training criteria, the applicant will be given **only** one (1) final opportunity to attend a Department mandatory training session scheduled.

The Department shall not authorize a new for-profit applicant (not currently participating in the Arizona WIC Program) that is expected to derive more than 50 percent of its annual food sales revenue from WIC food transactions, unless that applicant is necessary to ensure participant access to Program benefits. The Department completes a six (6)-month assessment of all new Vendors to assure that the status initially assigned is appropriate. Upon completion of the assessment, if the Vendor's food sales from WIC food transactions exceed 50 percent of their total food sales, the Vendor Contract will be terminated unless the outlet is necessary to ensure participant access.

Application Denial, Termination and Disqualification

Prior to denying, terminating, or disqualifying a Vendor from participation in the WIC Program for any reason other than minimum stock requirements, the Department shall consider the adequacy of participants' access to authorized WIC Vendors.

The Department shall determine participant access is adequate when:

1. There is at least one authorized WIC Vendor within a three (3)-mile radius of the Vendor or applicant who is being disqualified or denied authorization; and
2. The Department considered but did not find any geographic barriers for participants to access another authorized Vendor. Geographic barriers include, but are not limited to, mountains, rivers, lakes, washes, and highways with limited access for crossing by vehicle or by foot.

Prior to taking disqualification or denial action, the Department shall document its participant access determination in the Vendor's or applicant's file.

If the Department, in its sole discretion, determines that disqualification of a Vendor would result in inadequate participant access, the Department may impose a civil money penalty in lieu of disqualification, except when prohibited by 7 CFR § 246.12.

Section 14.

Appendix 5 – Definitions

Definitions

The following definitions apply to the Vendor Contract, this Manual, the WIC Policy and Procedure Manual, and the Application form.

Above-50-Percent Vendors – Vendors that derive more than 50 percent of their annual food sales revenue from WIC food benefits, and new Vendor applicants expected to meet this criterion under guidelines approved by USDA Food and Nutrition Services (FNS).

Americans with Disabilities Act – The federal law (Americans with Disabilities Act of 1990) promoting equal opportunities to persons with disabilities by requiring that barriers to equal access be eliminated.

Approved Product List – An electronic file that contains all approved Universal Product Codes (UPCs) and Price Look Up codes (PLUs) authorized by the Department. The Approved Product List only includes food items that are authorized on the Arizona WIC Program.

Arms-Length Transaction – A transaction or agreement which is freely entered into by parties who do not have a special relationship or control over one another. An arms-length transaction is indicated by the fairness of price based on current market value, terms and conditions, and other relevant terms of the agreement. For example, an agreement between relatives, agreement(s) involving a deal on the side, or an agreement for sale at less than market value may not be considered an arms-length transaction because it may not reflect the actual value of the deal.

Authorized Representative – Person, other than the WIC participant, who has assumed the responsibility for following the WIC regulations and picking up and redeeming WIC food benefits for authorized WIC foods.

Business Integrity – A standard of business wherein the Vendor's owners, officers, and managers maintain a reputation of good business practices; ensure honest and ethical business transactions; and comply with all federal, state, and local laws and regulations and WIC Program policies and procedures.

Cash Value Benefits – A fixed-dollar amount that is issued to a WIC participant to obtain authorized fruits and vegetables.

Change of Ownership – A change in the Vendor's operations such as, bankruptcy, a change in business entity or the addition or deletion of partners, associates, or principals; 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.

Civil Money Penalty – A monetary penalty that is imposed in lieu of disqualification when the Department, in its sole discretion, has determined that disqualification of a Vendor would result in inadequate participant access and is not prohibited by Federal Regulations.

Compliance Buys – A covert, on-site investigation in which agents of the Department or Federal WIC Program anonymously redeem WIC food benefits to determine if the Vendor or farmer is following WIC Program policies and procedures.

Conflict of Interest – An interest that is in conflict with the ethical discharge of a person's duties.

Department – The Arizona Department of Health Services, Public Health Prevention Services, Bureau of Nutrition and Physical Activity.

eWIC – Electronic WIC food benefits that are accessed by participants using a card similar to a credit card.

eWIC Card – The electronic benefits transfer card that a participant uses to purchase WIC foods.

eWIC Processor – The Contractor which provides the implementation and eWIC processing services.

Fair Hearing – The administrative process by which a Vendor may appeal adverse actions taken against them.

Food and Nutrition Service (“FNS”) – The Food and Nutrition Services is an agency under the United States Department of Agriculture.

Food Sales – Sales of all SNAP-eligible foods intended for home preparation and consumption, including meat, fish, and poultry; bread and cereal products; dairy products; fruits and vegetables. Food items such as condiments and spices, coffee, tea, cocoa, and carbonated and non-carbonated drinks may be included in food sales when offered for sale along with foods in the categories identified above. Food sales do not include sales of any items that cannot be purchased with SNAP benefits, such as hot foods or food that will be eaten in the store.

Full Line Grocery Store – A store that carries and stocks a minimum specific amount and variety of staple food items: breads/tortillas/cereals; fresh dairy products; fresh, canned, or frozen fruits and vegetables; and fresh or frozen meats, poultry, or fish (i.e., to meet the breads/tortillas/cereals requirement, the store may carry three (3) loaves of loaf bread, three (3) packages of corn tortillas and three (3) packages of cold breakfast cereal).

Incident/Transaction – An occurrence, event, purchase, sale, exchange, or delivery of any item, including point-of-sale devices that involve, but not limited to: swiping eWIC cards; manually entering eWIC card numbers; entering Personal Identification Numbers (PINs); scanning UPCs; entering prices; printing or providing receipts; voiding sales; or a deposit, withdrawal, transfer between accounts, exchange of currency, or purchase or sale of any monetary instrument.

Integrated Cash Register System – An all-in-one system that is capable of processing different forms of payment such as cash, SNAP, debit, credit and eWIC transactions.

Local (WIC) Agency – A local non-profit agency, county health department, or tribal entity under contract with the Department to implement and enforce policies and procedures of the WIC Program.

Notice – The mechanism by which the Department informs the Vendor applicant or current Vendor of specific actions pertaining to the application or executed Contract.

One Opportunity – A single chance to submit documents and/or information to correct deficiencies from an original submission.

Points of Sale – The time and place retail goods are purchased.

Point-of-Sale Provider – The entity that provides maintenance and support for electronic cash register system.

Point-of-Sale (POS) System – A retail point of sale system typically includes a cash register (which may include a computer, monitor, cash drawer, receipt printer, customer display and a barcode scanner) and the majority of retail POS systems also include a debit/credit card reader.

Policy and Procedure Manual (“P&P Manual” or “Manual”) – The Arizona WIC Program Policy and Procedure Manual or Vendor Manual and all amendments thereto.

Product Look Up Code – Identification numbers affixed to produce in grocery stores to make check-out and inventory control easier, faster, and more accurate. The code may be a four- or five-digit number. The four-digit PLU codes for produce are assigned randomly within the 3000 and 4000 series; it identifies the type of bulk produce, and often includes the variety.

Rain Check – Any document or list which allows a participant/authorized representative to receive a WIC authorized item after the food benefits are redeemed.

Regular Vendors – Vendors that derive 50 percent or less of their annual food sales revenue from WIC benefits.

Retention of Records – The Vendor’s responsibility to maintain all required documents and records specified in the Vendor Manual that pertain to a Vendor’s participation in the WIC Program during the Contract period and for a period of five (5) years after the expiration, termination, or final payment under the Contract.

Rural Area – An area with a population of less than 10,000 persons according to the most recent United States Decennial Census.

SNAP – Supplemental Nutrition Assistance Program, formerly known as the Food Stamp Program authorized by the Food Stamp Act of 1977.

Stand-Beside Terminal – A Department-issued terminal that is capable of supporting eWIC transactions only.

Transaction/Incident – An occurrence, event, purchase, sale, exchange, or delivery of any item, including point-of-sale devices that involve, but not limited to: swiping eWIC cards; manually entering eWIC card numbers; entering Personal Identification Numbers (PINs); scanning UPCs; entering prices; printing or providing receipts; voiding sales; or a deposit, withdrawal, transfer between accounts, exchange of currency, or purchase or sale of any monetary instrument.

Unit – A single item in a broader category of food items (i.e., one (1) apple, one (1) container of milk, one (1) loaf of bread, etc.).

Universal Product Code (UPC) – A barcode that is widely used in the United States and other countries for tracking trade items in stores. The UPC can vary in length and are uniquely assigned to each trade item.

USDA – The United States Department of Agriculture, which is the federal department that oversees the WIC and Supplemental Nutrition Assistance Programs (SNAP) nationally.

Urban Area – An area with a population of 10,000 or more according to the most recent United States Decennial Census.

Variety – An assortment of types of different food items for each category of cereal, bread/tortillas, fresh dairy products, fruit, vegetables, and fresh or frozen meats, poultry, or fish (i.e., fresh dairy products may consist of milk, cheese, yogurt, sour cream, cottage cheese, etc., and fresh meats may consist of ground beef, chicken breast, turkey, pork chops, steaks, etc.).

Vendor – A grocery store, military commissary, pharmacy or farmer/grower authorized and under Contract with the Department to redeem WIC benefits or otherwise provide supplemental foods to WIC participants/authorized representatives. There are two types of Vendors: Regular and Above-50-Percent Vendors.

Viable Business – The viability of a business is measured by its long-term survival and its ability to have sustainable profits over a period of time. For WIC authorization purposes, the Department will consider viability of a business to one (1) calendar year prior to applying for authorization.

WIC Clinic – A facility where women, infants, and children are screened and determined to be eligible to participate in the WIC Program.

WIC Customer – Any person (participant/authorized representative or proxy) who is authorized to redeem WIC food benefits for approved food items purchased at an authorized WIC Vendor or farmer.

WIC Participants (“Participants” or “Clients”) – Pregnant, breastfeeding, or postpartum women, infants, and children up to five (5) years of age who are receiving WIC authorized supplemental foods or food benefits under the WIC Program and the breastfed infants of participating breastfeeding women.

WIC Price Survey – The Department survey that the applicant submits to provide food item pricing. The Survey contains a market basket assessment that consists of a specified group of WIC authorized food items. The Department uses the price data collected for these food items to assess competitive price, monitor retail price increases, compare wholesale to retail, monitor market trends, and forecast food prices. The price data is not used to set or establish the maximum redemption amount for WIC foods.

WIC Program – The Special Supplemental Nutrition Program for Women, Infants and Children authorized by Section 17 of the Child Nutrition Act of 1966, as amended.