

# VERMONT WIC GROCER HANDBOOK



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# Vermont WIC Grocer Handbook

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# Introducing the WIC Program

## What is WIC?

The Special Supplemental Nutrition Program for Women, Infants, and Children, commonly known as WIC, is a cost-effective nutrition intervention program with demonstrated success in improving the health and nutritional status of women, infants and children. WIC provides nutritious foods and nutrition education, as well as referrals for health care and information on community health and nutrition services to eligible pregnant women, new moms, infants and children less than 5 years of age.

Proper nutrition at the beginning of life can help prevent serious health problems. Infants and preschoolers are going through a period of rapid growth, and intellectual and social development. Their nutritional status and the health care they receive can have a major impact on their ability to function as happy, healthy children.

## How is WIC funded and operated?

Funding for WIC is provided by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS). WIC operates in all 50 states, the District of Columbia, Indian Tribal Organizations and 4 U.S. territories. In Vermont, WIC is part of the Vermont Department of Health, and WIC Program services are provided throughout the State by Department of Health District Offices. Statewide, the WIC Program serves approximately 12,000 participants each month.

WIC participants redeem food benefits at authorized WIC grocery stores that meet certain requirements and sign agreements to follow all WIC Program regulations.

WIC participants have limited incomes and health risks that can be improved through good nutrition. The WIC Program provides supplemental foods high in protein, vitamins and minerals that have been carefully selected and are individually prescribed to meet the nutritional needs of the participant. Health professionals at District Offices determine WIC eligibility based on nutritional risk, income eligibility and Vermont residency.

## What are the benefits of WIC for families?

WIC is different from other nutrition programs in several ways:

- WIC eligibility is based on health risk, in addition to income.
- WIC services include nutrition education and health referrals, in addition to food benefits.
- WIC participants receive only the specific types and quantities of foods prescribed to them.

WIC food packages align with the Dietary Guidelines for Americans and Infant Feeding Practice Guideline of the American Academy of Pediatrics.

Women and children may receive:

- Milk, yogurt, eggs & cheese
- Beans, peas & lentils, peanut butter
- Certain brands of iron-fortified cereal
- 100% fruit juices high in vitamin C
- Fresh, canned or frozen fruits and vegetables
- Canned fish
- Whole grains (bread, rice, pasta, tortillas and oatmeal)
- Tofu and soy beverages

Infants may receive:

- Infant cereal
- Jarred baby food fruits & vegetables
- Jarred baby food meats
- Iron-fortified formula

WIC also refers participants to health and social service programs and provides information and education on good eating habits, to help families be healthy and eat well.

## Does WIC make a difference?

Yes! Over 70 evaluation studies have been conducted to assess the WIC Program's effectiveness in improving the health of its participants. This research has shown that WIC is effective in improving participants' health. Some of the findings are summarized below.

For pregnant women, WIC participation has been associated with:

- earlier and adequate prenatal care visits.
- greater consumption of iron, protein, calcium and vitamin C.
- longer pregnancies, resulting in fewer premature births.
- improved maternal weight gain.
- larger head sizes of infants, reflecting greater brain growth.
- higher birth weights of infants.

For infants and children, WIC participation has been associated with:

- an increase in the rates of infants being breastfed.
- a reduced incidence of anemia.
- greater consumption of iron, folate and vitamin B6.
- better vocabulary and digit memory test scores.
- higher rates of immunization against diseases.

## What is my role as a WIC grocer?

The grocers who are partners in WIC are very important because they:

- help infants, children and pregnant women become healthier
- provide convenient access to healthy foods
- assure the integrity of the WIC program by following the procedures in this handbook.

## Thank you for being a WIC partner!

Although WIC families may already shop regularly and make purchases at your grocery store, WIC food benefits can only be used to purchase specific types and quantities of foods. The foods and quantities that may be purchased are listed on the Family Food Benefit List. Families may also perform a balance inquiry transaction at the Point of Sale (POS) terminal. A balance inquiry will show the remaining benefits in the family's account.

## WIC is an Equal Opportunity Provider

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, 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, audiotope, 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, found online at:

<https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint>, or at any USDA office, or call (866) 632-9992 to request the form. They may also write a letter containing all of the information requested in the form. Completed complaint forms or letters should be sent:

by mail to:

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

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

by email at: [program.intake@usda.gov](mailto:program.intake@usda.gov).

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

This institution is an equal opportunity provider.



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# Becoming a WIC Grocer

## What are the requirements for becoming a WIC grocer?

To be authorized as a WIC retail Grocer in Vermont, grocers must satisfy these selection criteria:

- **Supplemental Nutrition Assistance Program (SNAP) Participation** – The applicant must participate in SNAP. Please note that participation in SNAP satisfies only one WIC selection criteria and, by itself, shall not constitute compliance with all other necessary WIC selection criteria.
- **Compliance with WIC and SNAP Regulations** – The owners and managers listed on the application must have an acceptable history of compliance with WIC, SNAP, and other Food and Nutrition Services (FNS) Programs.
- **WIC Benefits** – The applicant must have EBT capability and be able to accept WIC benefits by way of a Vermont WIC approved integrated or non-integrated single-function system. See Appendix I WIC Grocer Technical Requirements, for more information.
- **Staple Foods** – The applicant must provide a variety of staple foods for sale including, fresh, frozen, and/or canned fruits and vegetables, fresh and/or frozen meats/fish, dairy products, and grain products such as bread, rice, and pasta.
- **Fresh Products** – The applicant must provide fresh products and maintain adequate stock of WIC approved food items year around, including infant formula (within expiration dates).
- **Mandatory Minimum Inventory** – The grocer must stock the mandatory minimum inventory of approved WIC foods, and infant formula must always be available on the shelves (See Appendix III and IV for Mandatory Minimum Inventory Standards for large and small grocery stores). All applicants will be inspected by the WIC Program to verify that the Mandatory Minimum Inventory of WIC items are in stock. Failure to stock and maintain the mandatory minimum inventory food items, in required quantities, after submission of a vendor application will be grounds for denial.
  - Exceptions to the Vendor Selection Criteria and Minimum Stocking Requirement may be granted if the State Agency determines that a vendor is needed for participant access in accordance with the State Agency's Participant Access policy.

Approval of Minimum Stocking Requirement Exemptions is for a single store location and is for the indicated product(s) or food categories only.

**NOTE:** The Mandatory Minimum Inventory may be amended by the WIC Program during the Agreement period.
- **Competitive Prices** – The applicant prices must be competitive with other authorized vendors within the same Peer Group. The grocer has competitive prices. Competitive pricing will be evaluated twice a year for price competitiveness during the authorization period and grocers may be terminated for non-price competitiveness. Please note, the Vermont WIC Program also uses Not-to-Exceed (NTE). NTE is the maximum amount that Vermont WIC will pay for specific

food items identified by their Universal Product Code (UPC). The NTE is calculated from the actual prices paid for food redeemed through the WIC Card transactions.

- **Demonstrated Business Integrity** – The grocer has no serious business practice violations. There is no conflict of interest between store ownership and management, and WIC state or local agency staff. None of the current owners, officers, or managers has been convicted of or has had a civil judgment during the last 6 years for the following:
  - Fraud, antitrust violations, embezzlement, or theft
  - Forgery, bribery, falsification, or destruction of records
  - Making false statements, receiving stolen property
  - Making false claims, or obstruction of justice
- **Continuing Quality Standards:**
  - **Continued compliance with WIC regulations** including consideration of business integrity standards. Continued compliance with state and local sanitary codes, licensure requirements, and food safety requirements.
  - **WIC sales volume** – The State will review the volume of WIC sales of each authorized WIC grocer on a periodic basis. Low or zero volume of WIC sales may result in loss of WIC authorization.
- **Percentage of Food Sales from WIC** – WIC sales cannot make up more than 50% of grocer's total annual food sales. Applicants will not be accepted if it is expected that food sales from WIC will be more than 50% of total food sales. Currently authorized grocers' volume of WIC redemptions will be monitored six months after initial authorization and annually to determine if they exceed 50% of total annual food sales.
- **Minimum Lane Coverage** – Stores with three or more cash registers are required to have an integrated system and equip all cash registers with the software to process WIC benefits. Stores with one to two cash registers must equip one cash register if the monthly WIC sales is less than or equal to \$8,000 or both cash registers if the monthly sales exceed \$8,000.
- **Email Address** – The applicant must have an e-mail address to do business with the Vermont WIC Program. Failure to have and/or maintain an e-mail address for the store will be grounds for denial or termination of the Grocer Agreement.
- **Incentive Items** – Provision of any incentive items (including but not limited to any food item, merchandise, or service obtained at no cost to the grocer or any food item, merchandise, or service of 1.99 or less) to WIC customers that are not offered to other customers are not permitted.

## How do I apply to become a WIC grocer?

An owner of a retail grocery store may request a Retail Grocer Application by contacting the Vendor Manager in the WIC State Central Office at [WIC@Vermont.gov](mailto:WIC@Vermont.gov).

The owner or business representative must complete and submit all retail grocer application forms according to the instructions. The package will contain:

- WIC Grocer Application (online survey)
- Minimum Stocking Requirements
  - Chains and Large Independent grocery stores
  - Small stores and Coops
- Price Survey

If approved, Grocers will be sent a Retail Grocer Agreement, which will need to be signed and returned to the Vendor Manager.

## When can I apply?

Vermont accepts applications from grocers at any time.

## How often do I have to reapply?

The standard grocer agreement is for a three-year cycle. Grocers who are authorized mid-cycle will receive a pro-rated agreement, so that all grocers will be on the same agreement cycle.

## What happens after I submit an application?

Any grocer who is new to WIC will have an onsite visit by WIC staff prior to authorization. Stores that are re-applying may or may not need an onsite visit.

Once the application is complete and the grocer satisfies selection criteria, WIC staff will schedule a site visit to assess whether the store meets WIC criteria.

The site visit will consist of a review of:

- Handicap accessibility
- Minimum inventory requirements
- Full-service grocery status
- Sanitary and safety conditions

- Store staff knowledge about WIC requirements

## **How does WIC decide if my store is eligible to be a WIC grocer?**

WIC staff will objectively apply the selection criteria to each grocer applicant. Only applicants meeting all the selection and limitation criteria will be selected as eligible WIC authorized Grocers. The determination of eligibility is not subject to appeal. See page 5 of this Handbook for requirements to becoming a WIC Grocer.

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# Grocer Training

## What is the purpose of grocer training?

All grocer training is designed to prevent program errors and noncompliance, and to improve program service.

## How often do grocers have to attend training?

New grocers must attend training before initial authorization. All authorized grocers must attend at least one interactive training session during their period of authorization.

The state agency will also schedule and require additional training for grocers who are not meeting program requirements on an as needed basis.

## What are the state agency's responsibilities?

- Provide interactive training before a new grocer is authorized
- Provide training annually to at least one representative of each store
- Designate the date, time, and location of the interactive training, and who should attend (for example, managers or cashiers)
- Provide at least five alternate dates for interactive training
- Document the content of grocer training and attendance

## What are the grocer's responsibilities?

- Attend training as required by the state agency
- Train cashiers and other staff on relevant program requirements within 14 days
- Maintain documentation of training provided using the Vermont WIC Grocer Training Log

## What are acceptable methods of training?

- In person, classroom style training for store managers or corporate trainers
- In person training at the store for managers or cashiers
- Interactive training by webinar

- Training newsletters and grocer blog
- Informal training during site visits, or by phone or email

## **What does required training include?**

- Information about the purpose of the WIC program
- Specific foods authorized by Vermont WIC
- The minimum inventory of approved WIC foods that the grocer must keep in stock, including the types, brands, sizes, and quantities
- Procedures for completing WIC transactions
- The grocer sanction system
- The grocer complaint process
- The claims procedure
- The authorized list of infant formula distributors, wholesalers, and grocers for WIC formula
- The policy regarding the use of incentive items
- Any changes to program requirements that have occurred since the last annual training.

## **What happens if a grocer fails to attend a training session?**

If a grocer misses a required training, they will have one opportunity to reschedule to an alternate date. If the grocer misses training on the alternate date, their application may be denied, or their agreement terminated.



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# WIC Approved Foods

## Who decides what foods are WIC approved?

The types and quantities of foods authorized for the WIC Program are specified in federal regulations. These foods have been chosen because they are high in nutrients that meet the WIC Program's specific nutrient requirements. They include cereals, fruit juices, milks, yogurt, eggs, cheeses, beans, peas or lentils, peanut butter, canned fish, fruits and vegetables, whole grains, tofu, soy beverages, infant formulas, jarred baby foods and infant cereals. Each state develops a list of the specific types of foods and/or brands approved for its WIC Program. Additional factors the state may consider when designating approved foods include regional preferences, availability throughout the state, package sizes and competitive pricing.

## What foods are on the Vermont WIC approved food list?

The Approved Product List (APL) is available on the Vermont WIC program website. Only the varieties, brands and package sizes listed are approved. The specific UPCs and PLU's for the approved products on Vermont's APL are included in our UPC database. The APL is updated annually while the UPC database is updated regularly and posted at least monthly

<https://www.healthvermont.gov/family/wic/information-grocers>

## Mapping of Fresh Produce

### What is "Produce Mapping?"

Produce Mapping is a functionality of your integrated Point of Sale (POS) software that allows you to link a UPC to a PLU listed in the VT WIC Approved Products List (APL). Vermont welcomes "full" or "one-to-one" mapping, which means that an approved fresh produce item with a UPC can be mapped to a PLU for the same kind of item. For example, cut up watermelon with a UPC would be mapped to a PLU for bulk watermelon. When "full" mapping is not possible, we will also accept mapping to the generic 4469 code, although this does not allow us to know specifically what items our families are purchasing and are most popular.

### Why is produce mapping necessary?

There are several reasons why it is necessary to map WIC allowed UPC produce to a PLU. First, it is very difficult for VT WIC to keep track of all the different produce UPCs, so retailers can make sure that all WIC authorized produce can be purchased with a WIC card by mapping the UPCs. Additionally, it can take 2-3 days for any new UPC to be added to the APL, which might be too slow for some seasonal items. Retailers can allow a produce item for sale much faster if they map the

UPC to a PLU. Lastly, some of the UPCs are regional or retailer-generated and cannot be added to the APL.

### **Who completes mapping for a store?**

In corporately owned stores, the mapping may be completed at the corporate office. In independent or decentralized stores, mapping is typically completed at store level.

### **What foods need to be mapped? What should not be mapped?**

All authorized fresh, plain, fruits and vegetables with UPCs must be mapped. This includes items that are cut up by the store, but it also includes more commonly available brand name packaged items like a bag of Bolthouse Farms baby carrots. It is not necessary to map varieties to a specific PLU. For example, a bag of Honeycrisp apples, just needs to be mapped to a PLU for apples; it is not necessary to map to the PLU for bulk Honeycrisp apples.

### **Who can help me with mapping?**

Your POS provider is responsible for providing instructions on produce mapping. The VT WIC staff can tell you if an item is authorized and needs to be mapped but are not equipped to help with the process.

### **Where can I find a list of the PLUs in the APL file?**

You can download from the International Federation for Produce Standards website:  
<https://www.ifpsglobal.com/>.

## **Why are only certain types of infant formula approved?**

WIC regulations require each state to have a cost containment plan in place for infant formula.

## **What are the requirements for infant formula purchases?**

Vermont WIC has a competitive bid contract with Abbott Nutrition for all standard infant formulas including Similac Advance, Similac Sensitive for Fussiness & Gas, Similac Total Comfort and Similac Soy Isomil.

Infant formulas must be purchased from the list of wholesalers, distributors, retailers, or manufacturers provided by the Vermont WIC program. You may not purchase formula from any other source. See Appendix V for Vermont's list of Approved Infant Formula Suppliers.

Substitution of other formulas is prohibited unless the WIC food benefits list clearly specifies another brand.

In addition, the following restrictions on formula purchases apply:

- A participant may not purchase formula and later exchange it for another formula.
- A participant may not purchase another type of formula if the brand printed on the WIC food benefits list or balance inquiry is out of stock.
- A participant may not purchase formula and later return it for cash. If you suspect that someone is requesting a cash refund for infant formula purchased with an WIC card, please report the information to the State WIC office. Remember, under no circumstances may a customer purchase a different formula than their food benefits list or balance inquiry specifies.

NOTE: The rebate contract goes out for bid every few years, and the contract brand may change from time to time. At the time the bids are awarded, all WIC Grocers will be notified. As the contract formula represents over 98% of WIC formula purchases, a change in the company awarded the contract will make quite a difference in the movement of your infant formula stock.

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# Managing WIC in Your Store

## What are the responsibilities of families when shopping with WIC?

WIC families are responsible for using their WIC cards correctly. WIC families receive training where they are given information about how to shop with their card, how to identify and select WIC foods; and, where to shop. Families receive *Vermont WIC Foods* showing which foods are approved, a copy of their Family Food Benefit List and the *WIC Program and Shopping Guide*.

## How does a WIC transaction work?

In stores with integrated POS systems, WIC foods do not need to be separated from other items at checkout. The WIC enabled POS system will automatically identify the items that are approved for WIC in that transaction and produces a receipt showing which items will be included in the WIC purchase. The customer reviews the list of items for purchase during the mid-transaction receipt process, and will approve or decline the WIC purchase, and may use other forms of payment for any remaining items.

In stores with stand beside terminals, WIC foods must be separated from other items and processed as a separate transaction.

If a person has a WIC card and successfully enters the PIN, the cashier must accept the WIC card for the WIC approved items in the transaction. Cashiers may not request identification as part of authorizing an WIC transaction.

- The grocer must scan each item and is prohibited from scanning any UPC code that is not affixed to the actual item being purchased by the WIC participant, or any UPC code as a substitute, replacement or otherwise not actually affixed to the actual item being purchased by the WIC participant.
- The grocer must train staff to not use the quantity key as it may cause pricing overcharge issues.
- The grocer must assure that the price affixed to the scanned UPC code in the point-of-sale device is not greater than the price displayed on the package, container, shelf or other sign in the store for the purchased item.

\*Families that foster children may have multiple WIC cards since each Foster Child has their own card. These families may have more than one WIC transaction to process per trip through the lane.

## What items may a family purchase with WIC?

Families can purchase the specific food items listed on their Family Food Benefit List. The same list

can be printed by conducting a “balance inquiry”; the available balance will print on the receipt generated from this transaction.

- The family is not required to purchase all of the foods on their Family Food Benefit List.
- WIC families must receive the food item that corresponds specifically to the UPC code scanned during the transaction.

In addition to the specific food items listed on the WIC Family Food Benefit List, most families have a dollar amount in their account for purchasing WIC approved fruits and vegetables.

- Families may purchase any variety of fresh, frozen or canned fruits and vegetables that do not have added sugar, salt, fats, oils or non-fruit/vegetable ingredients.
- If the value of the selected fruits and vegetables exceeds the WIC benefit available, the family may choose to pay the difference using any other source of payment (cash, SNAP benefits, debit, credit or gift card).
- The family may also choose to return a portion of their fruit and vegetable purchase rather than paying the difference.

Purchases that include more than 50 WIC items may be unable to be processed correctly. It's important to know the threshold set in your POS.

## What courtesies may a store offer to WIC families?

These courtesies must be extended if offered to other customers:

- **Sales:** If there is a sale price on a WIC food item, then WIC is charged the sale price. If there is a special where an extra quantity is given at the usual price for the quantity and size of an approved item (e.g., 22 oz of peanut butter for the approved 18 oz size), then the family may purchase the sale item.
- **Manufacturer coupons:** Manufacturer coupons must be accepted from a WIC family in conjunction with an WIC purchase, if the coupon is for a food item type, brand and package size included on the Family Food Benefit List.
- **Buy One, Get One Free:** When WIC should be charged for the cost of the one item, that item must be a Vermont WIC Approved item that appears on the participant's WIC food benefits list. The participant then may receive the "free" item. The "free" item must not be counted as part of the WIC purchase and no charge for the “free” item shall be made to the WIC Program. If any amount is made to the WIC Program for the “free” item, then this item becomes part of the WIC sale and the Grocer is subject to sanction for providing more food than called for on the WIC benefit card.
- **Store Loyalty or Other Discount Card Program:** Grocers that provide loyalty or discount programs must allow WIC families to use them during a WIC transaction if they so desire. A WIC family may not be required to apply for nor use any loyalty or discount card program if they do not choose to do so.

## Courtesies that may not be offered:

These courtesies may not be extended to WIC families, even if they are offered to other customers:

- **Substitutions:** Substitutions of any kind for the designated food types, brands, forms, or package sizes are not allowed under any circumstances.
- **Exchanges and Refunds:** Stores may not exchange food items for another food item or product or to refund the purchase price of a food item that was purchased with a WIC card. Replacement of spoiled, defective, or damaged WIC food with the exact same food, which is fresh and undamaged, is allowed.
- **Rain Checks:** Stores may not offer a rain check for items that were not in stock at the time of the original WIC purchase.
- **Credit Accounts:** Some stores have programs in which an individual may get food or other items now and settle the bill at a later date. This procedure may be commonly called a “due bill” or allowing a “credit account” for an individual or family. Stores may not accept a WIC card as payment for these types of accounts.



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# Customer Service, Confidentiality and Complaints

## What is required for good customer service?

Treat WIC shoppers with the same courtesy and respect as you do all shoppers.

To make the WIC shopping experience a great one:

- *Be pleasant.* Make sure your body language and tone of voice, as well as your actual words, are welcoming.
- *Be patient.* A WIC transaction may take a little longer than other transactions.
- *Be respectful.* Don't break confidentiality rules by mentioning that someone is on WIC. Don't say "WIC" on the intercom when calling for assistance.
- *Know the WIC transaction process.* Use the mid-transaction receipt and beginning and ending receipts to identify products that might have been selected in error. Be positive and ready to be helpful if there is an issue.

In accordance with federal law and USDA policy, authorized WIC grocers are prohibited from discrimination based on race, color, national origin, sex, age, or disability.

## What do I do if a WIC participant is physically or verbally abusive to store staff?

You should follow your store policy regarding abusive customers. You may also file a complaint with WIC by calling 802-863-7333 and asking to speak to a WIC program staff person, or by submitting a comment form to the helpdesk at [WIC@Vermont.gov](mailto:WIC@Vermont.gov).

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# Routine Monitoring and Compliance Investigations

## Who is responsible for monitoring grocers?

The state agency is responsible for monitoring grocers to determine if they are following WIC regulations and grocer agreements.

Monitoring may include, but is not limited to:

- Secret shopper reports
- Eligibility criteria review, such as a minimum inventory check
- Educational visits
- Compliance buys
- Inventory audits

## What is a secret shopper report?

A secret shopper is a WIC participant who has been asked by the WIC program to provide written feedback on their regular WIC shopping experience. Secret shoppers report on whether they were able to find the approved WIC foods on their family food benefits list, and on confidentiality and courtesy at checkout. Secret shopper monitoring helps WIC to identify customer service and training issues.

## What is a routine monitoring review?

Routine monitoring may include a scheduled or unannounced visit to your store by a WIC program representative. The representative may be someone on the state or local staff, or another person designated by the state agency. He/she/they will introduce him/herself/themselves to a store representative, walk around the store and may observe operation of the WIC system and WIC transactions. A store representative is encouraged to accompany the WIC program representative.

## What does the state agency do during a routine monitoring review?

Routine monitoring activities include, but are not limited to:

- Verifying that the grocer meets the minimum inventory requirement
- Collecting/verifying shelf prices of WIC approved foods

- Observing WIC transactions
- Interviewing grocer staff
- Checking compliance with other eligibility criteria, such as posting the “WIC accepted here” sign

## How does the state agency determine who gets a routine monitoring review?

All grocers will receive at least one routine monitoring review during their agreement period. Some grocers may receive more than one visit. The state agency selects grocers by random selection, periodic/scheduled reviews, or because of complaints about the grocer from WIC families.

## What are compliance investigations?

Compliance investigations consist of

- Compliance buys - unannounced, undercover/covert on-site visit in which an individual poses as a WIC participant, a parent or caretaker of an infant or child participant, or proxy, and purchases items to determine whether a grocer complies with their WIC agreement and the applicable regulations.
- Inventory audits - examination of food invoices or other proofs of purchase to determine whether a grocer has purchased enough WIC foods to provide participants the quantities redeemed by the grocer during a given period of time.

## How does the state agency select grocers for a compliance investigation?

The state agency is required to conduct annual compliance buys for at least 5% of active grocers, prioritized based on the greatest potential for non-compliance. This requirement is a minimum and does not preclude the state agency from performing compliance investigations on more than 5% of grocers. Each year, some grocers are randomly chosen for compliance buys, even if their potential for non-compliance is low.

## How does the state agency document monitoring visits?

The state agency must document the following information for all monitoring visits, including routine monitoring visits and inventory audits:

- The date of the monitoring visit or inventory audit

- The name and signature of the reviewer
- The nature of any problems detected

For compliance buys, the state agency must document:

- The date of the compliance buy
- The name and signature of the reviewer
- The nature of any problems detected
- A description of the cashier involved in each transaction
- The types and quantities of items purchased, current shelf prices or prices charged to other customers, if available. Price information may be obtained before, during, or after the compliance buy.
- The final disposition of all items as destroyed, donated, provided to other authorities, or kept as evidence.

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# Violations and Sanctions

## Does the state agency have to warn a grocer before applying a sanction?

Not always. If the State Agency finds that a grocer has committed a violation that requires a pattern of occurrences in order to impose a penalty, the State agency shall send a written warning to the grocer, unless the State agency determines, on a case-by-case basis, that notifying the grocer would compromise the compliance investigation. (7 CFR 246.12(h)(3)(xviii).

## What types of activities are considered violations?

### Category I Violations

Category I violations shall accrue 2 points per violation to be retained for 12 months. Category I violations shall consist of a pattern of the following:

- Failure to provide promotional specials or accept manufacturer or store coupons for WIC purchases, except that cash-only promotions may be denied to participants if denied to other customers using EBT, gift, credit or debit cards or personal checks for payment
- Failure to provide security during the redemption process preventing the unauthorized disclosure of participant PIN numbers
- Allowing untrained personnel to accept and process eWIC redemptions
- Failure to clearly indicate the retail price of all WIC approved items, either individually on each item or at the shelf or point of display
- Issuance of a raincheck or similar receipt to a WIC customer for unavailable WIC product(s)
- Failure to provide the participant with a receipt that meets EBT Operating Rules in effect at the time of this agreement (see Receipt Requirements)
- Failure to provide the capability for WIC participants to retrieve their currently available benefits balance upon request without requiring a purchase to be made
- Failure to maintain premises in a clean and sanitary condition
- Failure to offer WIC customers the same courtesies as offered to other customers
- Failure to post “WIC Accepted Here” decal in a visible location on or near all incoming doors so participants know that the store is Authorized without entering the store

### Category II Violations

Category II violations accrue 3 points per violation, retained for 18 months. Category II violations shall consist of a pattern of the following:

- Contacting participants in an attempt to have them return to the store to fix a vendor error or to seek reimbursement for food costs not paid by the State Agency
- Charging participants, a fee, either directly or indirectly, arising out of or associated with operating, maintaining, or processing WIC Card transactions
- Asking the participant for identification. The PIN, along with a valid WIC Card is the sole source of identification needed to process a WIC Card transaction
- Accepting the return of items purchased with an eWIC card for cash or credit towards other purchases
- Requiring cash purchases in order to redeem WIC benefits
- Failure to keep all WIC participant information confidential, and at no time confiscate the WIC Card, or ask for or enter the cardholder's PIN
- Requiring participants to use special checkout lanes, except that participants may be limited from cash-only or maximum item lanes if other customers using EBT, gift, credit or debit cards for payment are also limited

### **Category III Violations**

Category III violations shall accrue 12 points per violation to be retained for 18 months. Category III violations shall consist of a pattern of the following:

- Failure to allow WIC program representatives to complete on-site monitoring
- Failure to pay claims for unauthorized costs assessed by the state agency

### **Federally Mandated Sanctions**

- A grocer convicted in court for the crime of trafficking in food benefits or cash-value vouchers, or for 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 cards shall be permanently disqualified from program participation, effective on the date of receipt of the notice of disqualification
- A grocer shall be disqualified from program participation for 6 years for a single incidence of buying or selling WIC cards for cash trafficking or a single incidence 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 food benefits
- A grocer shall be disqualified for 3 years for:
  - A single incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC benefit OR
  - A pattern of 3 or more incidences within a 12-month period of:
    - Charging the state agency more for an approved supplemental food than non-WIC customers or charging the state agency more than the current shelf price permitted under the grocer agreement OR



- Receiving, transacting or redeeming WIC benefits outside authorized channels, including the use of an unauthorized grocer or an unauthorized person OR
  - Charging the state Agency for supplemental food not received by the participant OR
  - Providing credit or non-food items in exchange for WIC benefits
  - Claiming reimbursement for the sale of an amount of a specific food item which exceeds the store's documented inventory of the food item for a specific period of time
- A grocer shall be disqualified for one year for a pattern of 3 or more incidences within a 12-month period of providing unapproved food items in exchange for WIC benefits, including charging for supplemental food provided in excess of those listed on the Family Food Benefit List;
  - In accordance with 7 CFR 246.12(l)(1)(vii) a grocer who has been disqualified from the 3SquaresVT/Supplemental Nutrition Assistance Program shall:
    - Be disqualified from WIC program participation for the same length of time as the 3SquaresVT/Supplemental Nutrition Assistance Program disqualification which may begin at a later date than SNAP disqualification AND
    - Not appeal the WIC program disqualification to federal administrative or judicial tribunals AND
  - A grocer who has been assessed a 3SquaresVT/Supplemental Nutrition Assistance Program civil money penalty for hardship in lieu of disqualification from the 3SquaresVT/Supplemental Nutrition Assistance Program shall be disqualified from WIC program participation, the length of which shall correspond to the period for which the grocer would otherwise have been disqualified in the 3SquaresVT/Supplemental Nutrition Assistance Program
  - Failure to meet rules or standards of another state agency or local health agency which results in suspension of license shall result in a disqualification period not to exceed the federal limit as cited in 7 CFR 246.12(l)(2)(i) of one year in length and remain in effect until such rules or standards are met and license reinstated.
  - A grocer who is disqualified from participation in another program administered by the state shall be disqualified for a period not exceeding one year from program participation for an equal number of months as the other program disqualification. Per 7 CFR 246.12(i)(2)(iii) – The State may opt to disqualify a vendor or assess CMP for any cross-border store that has been disqualified or assessed a CMP by another WIC SA for a mandatory vendor sanction.

## What happens when there are multiple violations during a single investigation?

If a grocer has committed multiple violations during a single investigation, the state agency will disqualify the grocer for the period corresponding to the most serious mandatory violation.

However, the state agency shall include all violations in the notice of administrative action. If a mandatory sanction is not upheld on appeal, then the state agency may impose a state agency-established sanction. (7 CFR 246.12(l)(1)(xii))

## **Are there any actions in addition to sanctions?**

The State agency will refer food grocers and participants who abuse the program to Federal, State or local authorities for prosecution under applicable statutes, where appropriate. Under 7CFR 246.23(d) of the Federal Regulations, whoever embezzles, willfully misapplies, steals or obtains by fraud any funds, assets or property provided under section 17 of the Child Nutrition Act of 1966, as amended, whether received directly or indirectly from USDA, or whoever receives, conceals or retains such funds, assets or property for his or her own interest, knowing such funds, assets or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such funds, assets or property are of the value of \$100 or more, be fined not more than \$25,000 or imprisoned not more than five years, or both, or if such funds, assets or property are of a value of less than \$100, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both. (7 CFR 246.12(l)(7)). Sanctions and violations are subject to periodic revisions by State agency office.

## **How does disqualification or termination affect grocers?**

Grocers disqualified from the Vermont WIC program may not accept WIC cards during the period of disqualification. Disqualified grocers do not have automatic reinstatement rights at the end of the disqualification period. After the disqualification period ends the grocer may apply for authorization. Application does not ensure authorization. The Vermont WIC program reserves the right to deny authorization to any applicant who was previously disqualified from the WIC Program.

Grocers terminated from the Vermont WIC program may not accept WIC cards after termination. Terminated grocers do not have automatic reinstatement rights to the program but may reapply for authorization. Application does not ensure authorization. Vermont WIC program reserves the right to deny authorization to any applicant who was previously terminated from the WIC program.

## **What are the notification procedures for disqualifying or terminating a grocer?**

When the state agency has determined a grocer will be disqualified or terminated:

- A letter will be sent outlining the cause for disqualification or termination, the beginning and ending date of the disqualification or termination period, the grocer's right to appeal the decision, and the procedures for an administrative review.

- The letter will be signed by a WIC program representative and sent certified mail, return receipt requested, at least 30 calendar days prior to the disqualification/termination start date.
- After receiving the return receipt, 15 calendar days (from the date on the return receipt) will be allowed as a waiting period for the grocer to appeal the decision.

## **When is a grocer not permitted to voluntarily withdraw from WIC?**

The State agency shall not accept voluntary withdrawal of the grocer from the Program as an alternative to disqualification for violations with federally mandated sanctions. All disqualifications for violations with federally mandated sanctions shall be entered on record and reported to SNAP. (7 CFR 246.12(l)(1)(viii)).

## **What is a civil money penalty?**

As an alternate sanction, the state agency may assess a civil money penalty in lieu of disqualification in order to emphasize the seriousness of program compliance and to allow the grocer to continue to serve an otherwise uncovered participant group. A civil money penalty does not, however, relieve the grocer of financial liability for previous compliance issues such as outstanding overage and/or overcharge reimbursements or payments due for sale of unauthorized foods. Grocers must pay these outstanding liabilities in addition to the civil money penalty.

## **When does the State agency use a civil money penalty?**

Under special circumstances, the state agency may choose to waive disqualification of an abusive or non-compliant grocer. The state agency uses civil money penalties where the disqualification of the grocer would cause a hardship, not just an inconvenience, to participants. Participant hardship is not the same as participant inconvenience or preference. Grocers may not appeal or protest State agency decisions based on participant access or preference.

## **Does the state agency always impose a civil money penalty?**

Regardless of participant hardship, the state agency will not offer a civil money penalty if the disqualification is based on:

- Buying or selling WIC benefit cards for cash (trafficking)
- Overcharging the program, with the intent to defraud.
- A grocer refuses to be monitored to supply the program with supplier's invoices
- A grocer refuses to accept mandatory training.

- A grocer has been disqualified from or has been assessed a civil money penalty by the SNAP Program in the past two years
- Third or subsequent mandatory sanctions, as listed in 7CFR246.12(l)(1)(vi).

### **Can a grocer request a civil money penalty in lieu of disqualification?**

No. If the state agency has determined that a civil money penalty is not appropriate, a grocer does not have the option to pay a civil money penalty to avoid disqualification.

### **When does the state agency notify FNS of sanctions and penalties?**

The state agency must provide the appropriate FNS office with a copy of the notice of administrative action and information on grocers it has either disqualified or imposed a civil money penalty in lieu of disqualification for any of the violations listed in paragraphs 7 CFR 246.12(l)(1)(i) through 246.12(l)(1)(iv).

This information shall include:

- the name of the grocer, address, identification number
- the type of violation(s)
- the length of disqualification or the length of the disqualification corresponding to the violation for which the civil money penalty was assessed

Notification shall be provided within 15 days after the grocer's opportunity to file for a WIC administrative review has expired or all the grocer's WIC administrative reviews have been completed.

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# Changes in Business Operations

## **When does a grocer need to notify the state agency about changes in business operations?**

A grocer must notify the State agency, in writing, at least 15 calendar days before any change in grocer ownership, store location, or cessation of operations.

## **Does a grocer need to notify the state agency if there is a temporary store closure?**

Yes. The grocer must notify the state agency immediately, via telephone, and receive authorization from the state agency if a store will be closed for any days and times other than those specified on the application information sheet.

## **Can a grocer sell his or her WIC authorization with the store?**

No, the WIC agreement is not transferable. Agreements become null and void if ownership of the store changes. New owners must apply to the program on their own behalf.

## **What happens to the agreement if there is a cessation of operations?**

The state agency is required to terminate the agreement.

## **What happens to the agreement if the store moves?**

The state agency has the discretion to determine whether a change in location would necessitate a termination of the agreement. Factors that the state agency considers are miles moved, moving from one local agency area to another, moving closer or farther from other existing stores and how participant access will be affected.

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# WIC/SNAP Information Sharing

## Can the state agency share information with staff in the SNAP?

Yes. The State agency may disclose confidential grocer information to persons directly connected with the administration or enforcement of SNAP. The State agency will share any information necessary with persons investigating or prosecuting SNAP violations

## Does the State agency share information with SNAP on a regular basis?

Yes. Vermont WIC includes a report of authorized grocers in the annual WIC State Plan. The report contains the:

- grocer name
- store address
- WIC grocer identification number
- store owner name

## Does the State agency assist in SNAP investigations?

Normally, WIC investigations and SNAP investigations are separate. Upon request, the State agency will coordinate investigative efforts with SNAP.

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# Incentive Items

## What does the term *incentive item* mean?

An incentive item is merchandise or other giveaways made available to all customers.

## What types of incentive items are acceptable?

- Merchandise obtained at no cost to the grocer and provided to all customers without cost
- Food or merchandise of nominal value. Nominal value means a per item cost of less than \$2.00
- Food sales and specials which involve no cost or nominal value for the grocer, and do not result in a charge to the family's WIC account in excess of the foods shown on the Family Food Benefit List.

## What types of incentive items are not allowed?

- Grocers are not allowed to offer ANY incentives for the purpose of attracting WIC participants only
- The WIC acronym or logo cannot be used on incentive items
- Grocers cannot give or sell an incentive item for less than cost
- Under no circumstances are grocers allowed to offer cash, alcohol, tobacco or lottery tickets to WIC participants as an incentive, even if these items are being offered to non-WIC customers.

## Are buy-one-get-one-free promotions considered incentive items?

No, buy-one-get-one-free promotions are not considered incentive items.



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# Manufacturers, Wholesalers, Distributors and Grocers

In accordance with the federal Child Nutrition and WIC Reauthorization Act of 2004, P.L. 108-265, authorized WIC grocers must purchase infant formula only from the sources approved by the state. The list provided by the Vermont WIC program is to ensure that Grocers are providing infant formula to WIC participants approved by the FDA.

As a Vermont WIC authorized grocer, you must obtain infant formula only from the sources listed in the directory provided by the state. See Appendix V for Vermont's List of Approved Infant Formula Suppliers.

Authorized WIC grocers must be able to provide invoices showing infant formula was purchased from an approved manufacturer, wholesaler, distributor, or grocer.

Grocers may not appeal the State's decision to include or exclude an infant formula wholesaler, grocer, distributor, or manufacturer.