



## Vendor Agreement & Handbook

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October 1, 2021 – September 30, 2024



*Protecting and Improving the Health of Iowans*

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Updated 1.1.2021

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## Iowa Women Infants & Children (WIC) Program

Iowa Department of Public Health  
Bureau of Nutrition & Health Promotion  
321 East 12<sup>th</sup> Street  
Des Moines, Iowa 50319-0075  
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- (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: [program.intake@usda.gov](mailto:program.intake@usda.gov).

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### Document Purpose

The purpose of this Vendor Agreement & Handbook is to provide information to vendors who are authorized to accept WIC. To be authorized to accept WIC food instruments, a vendor must have a signed agreement with the Iowa WIC Program. A vendor may begin to accept WIC food instruments only after this Agreement & Handbook has been signed and all store associates who will be handling WIC food instruments have been trained. Agreements must be renewed within a three-year cycle.

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# WIC Vendor Handbook

## Section I: Introduction to WIC & WIC Services

### A. Overview

What is WIC? WIC, (the Special Supplemental Nutrition Program for Women, Infants, and Children), is a nutrition program for women, infants, and children. The U.S. Congress established WIC in 1973 in recognition of the need for adequate nutrition during pregnancy and early childhood, especially among limited income families. The Iowa WIC Program provides nutrition education, breastfeeding support, supplemental foods, and referrals for health services to approximately 70,000 individuals per month.

Who is eligible for WIC? WIC services are available to women who are pregnant or who recently had a baby, infants and children up to the age of 5. Participants must meet income eligibility criteria (less than 185 percent of the federal poverty guidelines), must be a resident of Iowa, and be determined as having a nutrition need by a licensed dietitian.

How is WIC funded? The Iowa WIC Program is funded by the United States Department of Agriculture through the Iowa Department of Public Health, Bureau of Nutrition & Health Promotion.

What is my role as a WIC vendor? Approved WIC vendors enable WIC participants to redeem their food instruments for nutritious foods. By completing a Vendor Agreement, you are agreeing to follow state and federal WIC regulations as outlined in this WIC Vendor Handbook.

Electronic Benefit Transfer (EBT) Iowa uses the Electronic Benefit Transfer (EBT) eWIC card for participant benefits.

### B. Agreement & Handbook

The partnership between WIC-authorized vendors (vendors) and the Iowa WIC Program (also referred to as the Program) is an essential part of this successful nutrition program. Working together, vendors and Iowa WIC ensure that WIC families receive the nutritious foods prescribed for them and ensure that stores receive the correct payment for the items purchased. The Iowa WIC Vendor Handbook (WIC Handbook) sets forth the roles and responsibilities of vendors as well as the Program.

By reference, this WIC Handbook is made part of the Iowa WIC Vendor Agreement (Vendor Agreement), and the policies and procedures outlined in this Handbook are an integral part of the Vendor Agreement. The WIC Handbook was developed in accordance with 7 CFR Part 246, the Special Supplemental Nutrition Program for Women, Infants and Children Food Delivery System. It incorporates existing federal regulations and policies pertaining to the Program's food delivery system in Iowa; any changes to the federal regulations and/or the Program's policies and procedures will be incorporated as policy letters and/or agreement amendments and sent to vendors.

As part of the Vendor Agreement, vendors agree to comply with existing federal regulations, Iowa WIC policies and procedures, and amendments as provided for in policy letters issued by the Program. Vendors are subject to all applicable federal and state laws and should not rely solely on the WIC Handbook for interpretation of applicable requirements.

## Section II: Approved Foods

Supplemental foods are prescribed for participants based on the nutrient content e.g., they contain iron, calcium, protein, vitamin A or vitamin C. WIC food items must meet federal nutrient requirements (as outlined in 7 CFR Part 246). Please refer to the current Iowa WIC-approved Foods List (Approved Foods List) for details on what brand, flavor, size, and varieties are allowed.

### A. Approved Foods List

Foods approved for the Iowa WIC Program must conform to the provisions of the Iowa Administrative Code (IAC). The specific supplemental foods offered by Iowa WIC are detailed in the Approved Foods List. Only approved WIC foods in the quantities and sizes prescribed to the participant may be purchased. A copy of the Approved Foods List shall be made available to the vendor at the time of application and prior to renewal of each agreement. Approved products in the food list are subject to change.

Iowa WIC will notify the vendor of any changes in the WIC-approved foods. The Iowa WIC APL can be found at <https://idph.iowa.gov/wic/vendors/vendor-resources> and is updated quarterly.

### B. Food Booklet

The Program creates and distributes copies of the Food Booklet, which is a supplemental visual aid for the Approved Foods List, to participants and vendors. Vendors are expected to keep a number of Food Booklets on hand and available to participants for use. A copy of the Food Booklet should be kept at each register. Additional copies or Spanish versions of the Booklet can be obtained by calling state or local WIC offices. Approved products in the food booklet are subject to change.

### C. WIC Shopper App

The Iowa WIC Program has made available JPMA's WIC Shopper App for use by participants and vendors. Features of the app include a current food list and the ability to scan a UPC to determine if it is in the APL. The WIC Shopper App is available for free download through the Apple App Store and Google Play Store. Additional information regarding the app is located in Section VI of the WIC Manual.

## Section III: Minimum Stocking Requirements

Vendors are required to stock the varieties and minimum quantities of WIC-approved foods as listed on the current WIC-approved food list to meet participant demand. The minimum requirements are as listed below.

### A. Minimum Stocking Requirements

Note: The variety and quantity in stock are defined as including both inventory on display and on-premises storage, but not inventory on order from suppliers.	
<b><u>Cereal</u></b> <i>Cold, ready-to-eat cereals:</i> 10 boxes. Two (2) boxes of five (5) approved varieties-of the five (5) approved varieties, three (3) varieties must be whole grain	<b><u>Milk</u></b> Four (4) gallons of whole Four (4) gallons low-fat or fat free
<b><u>100% Whole Wheat Bread</u></b> Four (4) 16 ounce loaves	<b><u>Dried Beans/Peas</u></b> Two (2) 1 pound bags, any variety

<b><u>Brown Rice</u></b> Two (2) 14-16 ounce instant or boil-in-bag	<b><u>Peanut Butter</u></b> Two (2) containers of 18 ounces or less
<b><u>Juice</u></b> <i>Shelf Stable:</i> Fifteen (15) 64 ounce containers of at least three (3) approved varieties <i>Concentrate:</i> Ten (10) 12 ounce containers of at least two (2) approved varieties	<b><u>Formula</u></b> Twenty-four (24) 13 ounce cans of any current rebate contract concentrated formula, OR six (6) cans of any current rebate contract powdered formula
<b><u>Cheese</u></b> Two (2) pounds of two (2) varieties, 8 or 16 ounces	<b><u>Eggs</u></b> Five (5) dozen large, grade A, white or brown
<b><u>Fish</u></b> <i>Tuna:</i> Eight (8) containers, 5 ounce minimum <i>Salmon:</i> Eight (8) containers, 5 ounce minimum	<b><u>Baby Food (Fruits &amp; Vegetables)</u></b> Fifty (50) 4 ounce containers of at least five (5) varieties
<b><u>Fruits and Vegetables (CVB)</u></b> Ten (10) varieties of fresh fruits and vegetables each Ten (10) varieties of frozen fruits and vegetables each	<b><u>Baby Meats</u></b> Ten (10) 2.5 ounce containers of at least two (2) varieties
	<b><u>Infant Cereal</u></b> Twenty-four (24) ounces of at least two (2) varieties

## B. Failure to Maintain Minimum Stocking Requirements

WIC-approved grocery and grocery with pharmacy vendors must maintain the minimum stocking requirements (as outlined in Section III-A) through the agreement period. Failure to maintain the minimum stocking requirements may result in sanctions or disqualification.

## C. Infant Formula Distributors

All WIC approved vendors are required to obtain formulas sold to WIC participants from an approved manufacturer, distributor or wholesaler with a valid Federal Tax Identification Number. For a listing of WIC-authorized formula sources, please go to <http://idph.iowa.gov/wic/> or contact the state WIC office.

## Section IV: eWIC Transactions

When handling WIC food instruments (WIC card), there are federal and state regulations that every vendor must follow. These regulations are outlined in this vendor handbook. Each time a vendor accepts a WIC food instrument (WIC card) the vendor certifies that the program regulations were followed in that transaction. Any vendor that accepts WIC food instruments (WIC card) in accordance with the program regulations is guaranteed payment. Failure to adhere to these regulations could result in a vendor's suspension from participation in this program.

The WIC vendor's cooperation is essential to the WIC Program. It is the vendor's responsibility to ensure that this information is clearly understood by all store associates who will be involved in WIC transactions.

When vendors apply for authorization into the Iowa WIC Program, they are agreeing to use an approved Point of Sale (POS) register system that is certified for eWIC transactions.

### A. What can be Purchased

Only the food items and quantities on the eWIC card may be purchased. WIC participants must receive the

food item that corresponds specifically to the UPC code scanned by the vendor during the transaction. A participant cannot buy more than the total quantity of food on their eWIC card and that appears on their eWIC receipt. Where brand names are specified, only those brands can be purchased. A Cash Value Benefit (CVB) is issued to some WIC participants for the purchase of fruits and vegetables. The WIC participant may purchase fresh and/or frozen fruits and vegetables meeting WIC guidelines. The dollar value of the CVBs varies based on the value of benefits the participant is authorized to receive.

## **B. Completing an eWIC Transaction**

eWIC purchases and receipts will look and work differently depending on your store's POS system. For example, most stores will integrate the eWIC purchases into their cash register systems, while a few may use a separate piece of equipment that is certified to accept eWIC transactions.

While eWIC transactions may look a bit different depending on your store's register POS system, there are some main steps in the eWIC purchase that are similar across the state, including:

- Approved Product List (APL): A file of WIC-approved foods and their barcode numbers is made available for download to your POS system on a nightly basis. Vendors are required to have the most updated version.
- Swipe: The eWIC card is another form of tender. When the WIC participant is ready to checkout they will swipe their eWIC card before other forms of tender and enter their PIN.
- Verification: When items are scanned and the participant uses the eWIC card and enters the PIN, the system will verify several things, including:
  - Verify the PIN and card number connect to the participant's food balance
  - Check the APL to assure that item (e.g., size and brand) is WIC-approved
  - Check the WIC participant's food balance to assure the item is available to the participant
  - Check the price (and adjust to the expected amount)
  - Give the participant a chance to approve the WIC purchase
- Easy: Vendors do not have to confirm WIC benefit dates or know the foods in the participant's balance. The POS system will either allow the item to be paid for with WIC or request another form of payment for the items being purchased.
- No Overrides: Cashiers are not able to override an item for eWIC. However, in the rare case you find an item you believe should be on the approved list, please submit a UPC Request Form to WIC for review (information on how is found under Section IV-N).
- Receipts: The receipt will give the participant the list of WIC items purchased, the WIC amount purchased and show them the foods left in their balance.

## **C. Split Tender Transactions**

For transactions involving Cash Value Benefits (CVBs), a vendor must accept alternative forms of payment if the value of the transaction exceeds the value of the CVB. Do not provide cash back or credit to participants if the value of the transaction is less than the value of the CVB.

## **D. Redemption in Iowa only**

Iowa WIC food instruments (WIC card) may be redeemed at any Iowa authorized WIC vendor. Grocery vendors may redeem food instruments for food and formula. Special purpose vendors may only redeem food instruments for formula. Iowa WIC food instruments cannot be redeemed at vendors outside of the state of Iowa. Alternately, WIC food instruments from other states cannot be redeemed at Iowa vendors.

## **E. Identification – PAN & PIN**

*Participants:* To make an eWIC purchase, the participant must have an eWIC card and a PIN. Cashiers can manually enter the card number (PAN) if they find the eWIC card cannot be read by their POS system. Under no circumstances can the 16-digit PAN be manually entered without the eWIC cardholder presenting the actual eWIC card. IF the card is not available, cashiers can suggest that the eWIC cardholder contact the Local Agency so that the eWIC card can be replaced.

Individuals using the eWIC card will be using a Personal Identification Number (PIN) at checkout. No other identification may be required of a WIC participant. If their PIN is not set up, they may call the phone number on the back of the card to set up a PIN and use their eWIC card. After four invalid PIN entries, the account is locked until midnight that day. If a participant enters an incorrect PIN three times, please suggest that they call the phone number on the back of the card to change their PIN to avoid being locked out of their account.

Participants may send someone else to buy WIC foods for them. Anyone with the eWIC card and matching PIN may purchase the WIC foods associated with the account. Cashiers should not check alternate forms of identification for a WIC purchase or ask the participant for the PIN.

*Vendor:* The vendor identification is programmed for each individual store and resides within the Point of Sale (POS) system. This is a necessary piece to processing payment from Iowa WIC to the vendor.

## **F. Coupons, BOGO offers, and Sale items**

WIC participant should be provided the same discount opportunities as other shoppers.

- **Coupons:** Manufacturers' coupons and store coupons must be accepted from WIC participants. Cash must never be given to WIC participants.
- **BOGO:** WIC participants are eligible to participate in buy one get one free offers. The items purchased by WIC must be WIC-approved, but the promotional items (free items) do not have to be WIC-approved.
- **Sale items:** The WIC participants must be treated like any other customer. Therefore, if there is a sale price on a WIC food item, then WIC is charged the sale price.

## **G. Incentives**

Vendors are allowed to use incentive items that are:

- Merchandise obtained at no cost to the vendor and provided to participants without charge,
- Food and merchandise of nominal value (equal to or less than \$1.99),
- Food sales or specials which involve no cost or only a nominal value for the vendor regarding the food items involved, and
- Do not result in a charge to a WIC food instrument for foods in excess of the foods that were issued.

The credit due from any promotion is to be deducted from the WIC purchase.

## **H. Exchanges, Recalls & Returns**

The vendor may not permit exchanges or returns, or provide refunds for approved foods obtained with WIC, except for exchanges of an identical approved food item when the original approved food item is defective, spoiled, is being recalled, or has exceeded its 'sell by,' 'best if used by,' or other date limiting the sale or use of the food item. An identical approved food item means the exact brand and size as the original approved

food item obtained and returned by the WIC participant. In the case of a recalled item, the manufacturer or FDA instructions for return/recall should be followed. Information is available at [www.fds.gov](http://www.fds.gov), or by calling 1-888-INFO-FDA (1-888-463-6332).

## **I. Substitutions**

The vendor may not provide unapproved food items, non-food items, cash or credit (including rain checks) in exchange for WIC cards or WIC benefits.

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 is a program violation which will result in a sanction.

## **J. eWIC Benefit Balance**

At their visit to WIC, an itemized food benefit list showing their WIC food items is given to the family to use as a shopping list at the store. In addition to the WIC food benefit list they receive at the clinic, participants have other options to request their current eWIC balance:

- At the store: a balance inquiry can be printed at the register with eWIC card and Personal Identification Number (PIN).
- On the back of their eWIC card: participants can call the phone number or visit the Web portal listed on the back of their card to inquire about their remaining balance.
- WIC Shopper App: participants can download the WIC Shopper App on both Apple and Android devices. The App provides access to the participants current eWIC card balance.

## **K. Not-to-Exceed (NTE) Dollar Amount and Adjustments**

The Iowa WIC Program reviews all redeemed food instruments to ensure that prices charged to WIC participants are the same as, or lower than, prices charged to non-WIC participants for the same items. Vendors that exceed their state wide peer group not-to-exceed (NTE) pricing limits are subject to reductions to their claims, both prior to payment and subsequent recoupment after payment. If a food instrument exceeds its NTE value by a certain percentage, the food instrument is only paid to the amount of the NTE.

Other adjustments to payment may be made depending on:

- The date of the initial transaction
- The dollar amount the vendor is requesting adjustment on
- The reason for the request
- Approval from Food and Nutrition Services (FNS), if applicable

The Program reserves the right to deny any request for adjustment to payment.

## **L. Valid Dates of Use**

Participant benefits will start on the first of each month at 12:00 a.m. and will be valid through the last day of each month until 11:59 p.m. Any transactions occurring on the last day of the month must be complete by midnight (Central Standard Time – CST).

## **M. Payment to Vendors/Claims Procedure**

Transactions will be either processed through FIS Government Solutions or a Third Party Processor (TPP). Vendors will have a contract with either FIS or a TPP. The Program will not be a party of the lease agreement.

A vendor will receive payment within 48 hours only if the food instrument is properly completed. A food instrument will not be honored by the state's bank if:

- The maximum amount allowed is exceeded,
- The transaction is manipulated, or
- Is redeemed by a vendor outside of Iowa.

The vendor has the responsibility to review the claims processing results that returns from the eWIC processor. If a food instrument has been rejected by the state's bank, call the Vendor IVR line. Information regarding the Vendor IVR line is provided by the State WIC Office.

## **N. New Products/UPC Request Process**

To request a specific product be added to the Iowa WIC-approved Products List (APL), complete the Iowa WIC UPC Request Form found at: <https://idph.iowa.gov/WIC/Vendors/submissions>. The request will be reviewed and if the product is approved, it will be added to the APL.

A copy of the UPC Request Form is located in Section VII of your WIC Manual.

## **Section V: How WIC Works**

### **A. Price Assessment Report (PARs)**

Upon request, vendors will be required to provide information on the shelf price for certain items by completing a Price Assessment Report (PARs). Random PARs are completed as needed to keep NTEs in line with market price changes. Vendors will receive any PARs by mail and will have 10 days from receipt to complete the form and return it to the Program. Failure to complete and return the PAR within 10 days of receipt may result in sanctions or suspension from the program.

### **B. Reporting Abuse**

Participants sign an agreement stating that they will treat clinic staff and store employees with respect by voicing complaints politely with no verbal or physical abuse and that they will not sell or return WIC foods for cash, get credit instead of WIC foods, or alter their benefits. If you encounter a WIC participant who is rude or you suspect is misusing WIC, please report this to the state WIC office. Examples of actions to report include:

- Return of items purchased with WIC.
- Verbal or physical abuse.
- Attempts to obtain cash or credit in a WIC transaction (e.g., returning to the store with a discount card after the transaction is complete).

To report abuse, vendors should contact the WIC Vendor Representative at the state office with questions or to resolve initial problems. The Vendor Representative is the first point of contact with the stores and will work with individual stores to provide participant follow up when needed. Reports of abuse and/or complaints should be made immediately, if possible no later than three days after the incident. Try to be as specific as possible, including such particulars as the participant's name, the time and date. This information assists WIC to research the incident. Copies of the store receipts are helpful.

You may also choose to complete a Vendor Comment Form found on the Iowa WIC webpage at <http://idph.iowa.gov/wic/vendors> and submit it by e-mail to [IowaWIC@idph.iowa.gov](mailto:IowaWIC@idph.iowa.gov).

Buying, selling or otherwise misusing WIC benefits is a crime. To report suspected abuse, please call 1-800-424-9121, visit [www.usda.gov/oig/hotline.htm](http://www.usda.gov/oig/hotline.htm) or e-mail [IowaWIC@idph.iowa.gov](mailto:IowaWIC@idph.iowa.gov).

### **C. Lost/Found eWIC Card**

If an eWIC card is found, please return to the Iowa WIC state office immediately as instructed on the back of the card. If a customer loses an eWIC card, please instruct them to call their local clinic to report their card missing and request a replacement.

### **D. Vendor Reports**

Reports to vendors are available upon request. These reports can provide information on such topics as the number of items purchased with WIC. This information is provided to assist each store with management of the WIC program including monitoring the inventory needed to fulfill WIC participants' needs.

### **E. Peer Groups**

Federal regulations (7 CFR Part 246) require WIC agencies to implement a vendor peer group system (i.e., grouping similar stores together), competitive price criteria, and allowable reimbursement levels to ensure

the WIC pays authorized vendors competitive prices. A vendor is assigned a peer group based on criteria that classifies the store type (i.e., supermarket, small grocery, supercenter, pharmacy, etc.), geographical area, and ownership type (i.e., corporation/chain, partnership, sole owner). Iowa WIC may change a vendor's peer group whenever it determines that placement in an alternate peer group is warranted. WIC programs must use these criteria to evaluate prices and authorization. Contact the state WIC office with requests for your store's peer group.

## **F. WIC Logo/Acronym**

WIC service marks include the WIC acronym and WIC logo. Federal and state regulations about WIC service marks include the following:

- Vendors are not permitted to use the WIC service marks, or close facsimiles, in the name of the business.
- Vendors are restricted from using the WIC service marks in their advertising and other promotional material.
- Vendors are restricted from developing and using promotional materials, including channel strips or shelf talkers, with the WIC service mark, to identify WIC-approved foods.
- Vendors may not apply stickers, tags, or labels that have the WIC service mark on WIC-approved foods.
- Vendors are only permitted to use the Iowa WIC Vendor Identification decals (blue decal for grocery vendors, orange decal for pharmacy vendors) provided by the Iowa WIC Program to indicate the store is an authorized WIC vendor.
- Vendors may identify individual stores as WIC-authorized by using the WIC acronym on the vendor's website provided that the website does not falsely identify stores.
- Vendors may use the WIC acronym in the same size and proportion as other accepted tender depictions in tender type signs at the point of sale provided that the WIC acronym is used only in WIC-authorized stores.

## **G. Tax Exemption**

No sales or use tax of any statutory or home rule city, town or county shall apply to the sale of food purchased with funds provided by WIC.

## **H. Communications**

WIC-authorized grocers, pharmacies, and grocers with pharmacies are encouraged to communicate with WIC contacts at either the local and state offices when they have questions, need assistance or have suggested improvement, including the preparation of WIC participants. Iowa WIC appreciates input from our vendor partners on how to reduce barriers and make the shopping experience the best it can be for both cashiers and WIC families.

The Iowa WIC Program can be contacted via e-mail at [IowaWIC@idph.iowa.gov](mailto:IowaWIC@idph.iowa.gov) or by phone at 1-800-532-1579.

## **I. Non-Discrimination**

Vendors must offer WIC participants the same courtesies as offered to other customers (e.g., no separate lines or hours of operation). Any practice that singles out WIC participants from other customers is prohibited. Such practices include:

- Keeping lists of participants

- Having WIC participants sign cash register receipts
- Having register lines specifically for WIC participants
- Keeping folders for each participant
- Keeping WIC participant's receipts OR
- The offering or denial of incentives solely to WIC participants (based on 7 CFR 264.12(h)(3)(iii) and WIC Policy Memorandum 2012-3, Vendor Incentive Items).

In accordance with federal law and policy, Iowa WIC and authorized vendors are prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. The vendor must comply with the nondiscrimination provisions of the Program regulations (7 CFR parts 15, 15a, and 15b).

## **J. Conflict of Interest**

Conflict of interest is prohibited between WIC and the vendor and between the local agency and the vendor. A conflict of interest exists when there is a pecuniary relationship between the vendor and WIC or the local agency. Additionally, conflict of interest also exists when relatives serve WIC participants. Iowa WIC shall terminate the Vendor Agreement if it identifies a conflict of interest between the vendor and Iowa WIC or its Local Agency.

## Section VI: Vendor Responsibilities

### A. WIC Manual

Upon initial authorization, vendors will be sent a WIC Manual (i.e., a small black binder that is divided into sections to be used for maintaining important materials and documents).

Section	WIC Manual Sections	
	Title	Contents/Information
1	Vendor Agreement & Handbook	Store managers and WIC trainers must be familiar with the information in this Agreement & Handbook and must keep the most recent version.
2	Policy Letters/Memos	Iowa WIC may periodically issue policy letters and/or Memos. Keep copies of them in this section.
3	New Vendor Training	Keep copies of any training materials sent to vendors. Including but not limited to, the Vendor Training Checklist and New Vendor Training Form.
4	Approved Foods List	The Approved Foods List as it appears in Iowa WIC Program policy. Keep the most recent version.
5	WIC Shopper App	Information on the WIC Shopper App, explanation of benefits to vendors and participants, screenshots, and how to install it.
6	UPC Request Form	A hard copy of the UPC Request Form.
7	State Agency Contacts	Keep WIC contact names and numbers here. Call your WIC Vendor Representative with questions, input, suggestions, etc.

This WIC Manual must be maintained on site for the duration of the agreement period. The WIC Manual may be inspected during monitoring visits to check that the materials are kept up-to-date and training is being properly conducted. WIC staff may also review the training documentation.

### B. Vendor Handbook & Agreement Function

The Iowa WIC Vendor Handbook & Agreement defines the roles and responsibilities of vendors. By reference this WIC Handbook is made part of the Vendor Agreement and the policies and procedures outlined in this Handbook are an integral part of the Vendor Agreement. The Vendor Agreement, Vendor Handbook, federal regulations and policy letters outline policies and procedures that must be met by authorized vendors.

Iowa WIC may terminate the Vendor Agreement by providing 15 days advanced written notice to the vendor, except in the case of a permanent disqualification. The vendor may terminate the Vendor Agreement by providing 30 days advanced written notice. The parties shall not be released from the duty to perform their obligation up to the date of termination. Neither Iowa WIC nor the vendor has an obligation to renew the agreement.

### C. Policy Letters

Clarifications, changes and/or additions to WIC policies and procedures may be made throughout the agreement period. **The USDA may also approve certain waivers for allowances to changes in policies.** These changes will be transmitted to vendors through policy letters. Vendors will be notified prior to the

implementation of the policy. Vendors should maintain copies of policy letters in Section II of the WIC Manual.

## **D. Training**

In accordance with the federal regulations, vendors are accountable for actions of employees in the use of eWIC cards within their store. It is required that every employee who is involved with WIC transactions (including managers) receive WIC training on Program regulations.

### Definition of WIC Training

At a minimum the following topics must be covered during WIC training:

- Purpose of WIC and WIC food packages
- Allowable WIC foods
- WIC policies and procedures (including minimum stocking requirements, required sources of infant formula, and use of incentive items)
- WIC transactions and WIC redemption procedures
- Violation point system and sanctions for non-compliance (from non-payment of WIC purchases to disqualification)
- Vendor complaint process and how to handle special circumstances
- Claims procedure
- Changes to WIC

## **Section VII: WIC Responsibilities**

### **A. Roles of State & Local WIC Staff**

WIC operates on two levels in Iowa: a) the state level (referred to as Iowa WIC), where an Iowa Food Delivery team is responsible for overall WIC vendor coordination, and b) the local level where a network of Clinic and Agency staff located throughout Iowa may interact with vendors. Both levels are committed to providing vendors with a high degree of customer service.

### **B. Monitoring Visits**

Vendors are monitored by WIC to:

- Identify ways that WIC can assist the store
- Review the WIC Manual and WIC training documentation
- Review the benefits and nutritional goals of Iowa WIC
- Review the Approved Foods List, why specific foods are prescribed and the minimum stocking requirements
- Review WIC transaction and WIC procedures
- Review Program policies, procedures and sanctions
- Discuss any problems/concerns
- Identify any areas that are out of compliance with Program policies and procedures and set a mutually agreed upon plan and due date for correction
- Violation points and/or sanctions will be issued for non-compliance as outlined in Section VIII of this Handbook. Vendors may be required to submit a Corrective Action Plan (CAP) within 30 days of notification of non-compliance or during the monitoring visit.

The vendor must provide at least one representative to meet with state, federal or local agency representatives to complete the monitoring visit. This representative is responsible for ensuring that all personnel involved with WIC transactions are trained. This representative must have legal authority to obligate the vendor, for example signing a corrective action plan if required at the time of the monitoring visit. WIC suggests that the store manager be available for at least a portion of the monitoring visit and/or discuss any findings. They may designate an appropriate individual to act as the store's representative during the visit.

Periodically, Iowa WIC conducts a type of monitoring visit called an education buy in coordination with a store manager/representative. In an education buy, a representative of Iowa WIC poses as a WIC participant and conducts a WIC transaction. The store manager or store representative is typically aware of the visit beforehand (and sometimes has requested the visit). The participant reveals during the buy that he or she is a WIC representative. The purpose of an education buy is to assist WIC, the store manager and the cashier to observe a WIC transaction and identify enhancements.

### **C. Site Visits**

When appropriate, the state and/or Local Agency staff conduct site visits. These visits are a way of mitigating issues as well as identifying ways to enhance the partnership.

### **D. Investigations**

A compliance investigation is a method used by Iowa WIC to determine if violations are occurring or have

occurred in the past. Stores are selected as candidates to receive a Compliance Investigation based on past WIC compliance, reported issues and vendor management and redemption data. They may also be selected as part of a random sample.

An investigation may include an administrative review, covert compliance buy, monitoring or site visit, inventory audit and/or coordinated efforts with the Supplemental Nutrition Assistance Program (SNAP) to determine fraud. A violation is an infraction of a Program policy or procedure, the federal regulations as outlined in 7 CFR Part 246, the Vendor Agreement and/or WIC Handbook. Multiple violations detected during a single investigation may result in either a disqualification for the most serious violations or multiple Civil Money Penalties (CMP). The length of the disqualification period that is imposed for violations investigated as part of a single investigation may not exceed the disqualification period corresponding to the most serious violation.

### Compliance Buys

Iowa WIC conducts and/or contracts for compliance investigations to identify and document violations, including those requiring federally-mandated sanctions. Iowa WIC may also use compliance investigations conducted by other federal, state or local law enforcement agencies.

Compliance investigations may be closed when an inventory audit is complete, or when two or more compliance buys have been conducted in which no vendor violations are found, or when two or more compliance buys have been conducted to collect evidence of vendor non-compliance. Within 120 days of the close of a compliance investigation Iowa WIC shall provide a findings letter to the vendor with identified findings.

### Invoice Audits

An inventory (invoice) audit is an examination of food invoices or other proofs of purchase by the vendor to determine whether the vendor has purchased sufficient quantities of foods and/or formula to provide WIC participants the quantities specified as redeemed by the vendor during a given period of time.

Up to 12 months of the most current purchase invoices may be requested from the vendor for analysis. The vendor shall be given a specific timeline (generally 14 to 60 days) to submit purchase invoices to Iowa WIC as time is of the essence. The vendor's failure to supply purchase invoices to Iowa WIC within the timeline period shall result in sanctions and/or violation points.

An acceptable purchase invoice shall legibly reflect the name and address of the vendor and the wholesaler or supplier, as well as the date of the purchase, list of the items purchased, size, stock number, quantity, unit price and dollar extension for the quantity purchased.

Retail cash receipts/tickets shall clearly include the name and address of the store or a code number by which the store location can be identified, the date of purchase, description of the exact items purchased (brand, size, type), the unit price of the items purchased and total amount purchased. If the cash tickets do not specifically identify the product purchased (brand, size, type), the Iowa WIC Food Delivery team shall ask the store manager or representative to affix the original receipt to an additional sheet of paper which shall list the exact WIC items purchased (brand, type, size) and have the store manager or representatives signature.

Affidavits, statements of fact nor oral statements shall be accepted as evidence of inventory. Only purchase invoices shall constitute acceptable evidence of inventory. If acceptable purchase invoices do not support amounts paid to the vendor for WIC claims submitted to Iowa WIC, the Program shall recover monies overpaid to the vendor.

## **E. WIC Webpage**

The WIC State office is responsible for maintaining the WIC webpage which is located at <http://idph.iowa.gov/WIC>. The WIC webpage has many resources which can be helpful to Iowa WIC vendors including, but not limited to, the following:

- Vendor newsletters,
- Comment Form,
- UPC Request Form,
- Approved Foods List,
- Vendor Guidance, and
- Frequently Asked Questions

## **Section VIII: Violation, Sanctions, Disqualifications & Corrective Actions**

Iowa WIC has designed systems to detect vendors who abuse or defraud the Program. These systems also identify vendors who, through misinformation or lack of training, may intentionally or unintentionally violate federal regulations, Program policies and procedures, or the terms of the Vendor Agreement. Violations that trigger sanctions do not require the Program to distinguish between fraudulent (intentional) and abusive (unintentional) violations because both types of violations result in loss of Program funds.

Administrative and procedural violations of the WIC Vendor Agreement are not usually representative of intentional efforts to abuse or defraud the Program or its participants; however, these violations are an indication of a vendor's inattention to or disregard of the requirements of the WIC Vendor Agreement. It is in the best interest of the Program to record these violations and take them into account when considering whether to continue its contractual relationship with the vendor.

The Program shall determine the type and level of action to be applied against vendors based upon the severity, nature and pattern of the Program violations observed and other factors as appropriate (for example: whether the offenses represented vendor policy or whether they represented the actions of an individual employee who did not understand the Program rules). The objectives of the Program can be best met through education, training and the voluntary cooperation of vendors, participants and the state and local WIC Programs.

To ensure the integrity of the Program it is necessary to impose corrective actions and sanctions consistently against vendors who are in violation of federal regulations and Program policies and procedures. There are several types of actions that may be applied to vendors for violations:

- Issuance of violation points
- Corrective Action Plans (CAP)
- Civil Money Penalties (CMP)
- Disqualification
- Disqualification – WIC & SNAP
- Nonpayment (or required return) of WIC funds
- Warning/notification letter

### **A. Violation Points**

The assignment of violation points does not limit the Programs right to impose more severe penalties and sanctions in cases in which there is evidence of an intentional or systematic practice of abusing or defrauding the Iowa WIC Program. The following table lists the vendor violations and the points assigned for each

event.

State agency sanctions are based on a pattern of violative incidences. Violation points will be issued after two of the same violation. Any vendor who has been assessed more than 60 violation points during a contract period may not be offered a new contract.

	Violation	Points Per Event
1	Developing and using promotional materials, including stickers, tags, labels, or channel strips with the WIC service mark to identify WIC-approved foods.	5
2	Developing and using store created WIC vendor identification decals to indicate store is an authorized vendor.	5
3	Failure to reimburse the Program for potentially overpaid food instruments or provide reasonable explanation for the cost of the food instrument.	5
4	Failure to allow WIC participants to leave the store with WIC foods that were debited/removed from their eWIC card during a WIC transaction.	5
5	Failure to post eWIC signs in the cash register lane that has a working WIC terminal if the vendor is not integrated.	5
6	Failure to provide store ERC system participant receipts to WIC participants during each WIC transaction.	5
7	Stocking out-of-date, stale, or moldy WIC foods.	10
8	Failure to submit vendor price assessment reports as requested.	10
9	Failure to train all employees and ensure their knowledge regarding WIC Program procedures set forth in the Vendor Agreement and Vendor Handbook, and in any current policy letters or memos distributed by the Iowa WIC Program.	10
10	Requiring WIC participants to purchase a particular brand when other WIC-approved brands are available.	10
11	Not allowing WIC participants to use discount coupons or promotional special to reduce the WIC food instrument amount.	10
12	Refusal to accept valid eWIC card from participants.	10
13	Discriminatory treatment of WIC participants and treating WIC participants differently, such as requiring WIC participants to use special checkout lanes, provide extra identification, and disallowing the use of coupons, or other vendor discounts in WIC transactions that are allowed in non-WIC transactions.	10
14	Providing to WIC participants incentive items not prior authorized by the Program.	10
15	Failure to carry out corrective action plan developed as a result of monitoring visit.	10
16	Accepting the return of food purchased with WIC food instruments for cash or credit towards other purchases.	10
17	Issuing 'rain checks' or credit in exchange for WIC food instruments.	10
18	Treating WIC customers differently by offering them incentive items, vendor discounts, coupons or other promotions that are not offered to non-WIC customers.	10
19	Requiring to enter the PIN for the participant and/or asking for the participant's PIN.	10
20	Knowingly entering false information or altering information on the eWIC receipt/benefits.	10
21	Failure to maintain minimum stocking requirements.	10
22	For vendors that have special WIC prices, failure to post WIC prices on the shelf or on the package.	15
23	Contacting WIC participants in an attempt to recover funds not paid by WIC.	15
24	Providing false information on the price assessment report.	15

25	Requiring other cash purchases to redeem WIC food instruments.	15
26	Failure to obtain infant and/or special needs formula from an approved source listed by the State WIC Program.	15
27	Offering incentive items with a value more than \$1.99.	15
28	Failure to allow purchase of up to the full amount of WIC foods authorized on the food instruments if such foods are available and desired by the WIC participant.	20
29	Scanning any UPC code that is not affixed to the actual item being purchased by the WIC participant.	20

## B. Corrective Action Plans (CAP)

Corrective actions (i.e., nonpayment, notification, mandatory training) are meant to resolve and document findings. A CAP is a formal, written plan provided to WIC by the vendor outlining the steps that will be taken to correct findings/violation. It includes the appropriate store training. Corrective actions are commensurate with the number of points accumulated for one or more of these violations in any combination. State agency sanctions of disqualification and/or a CMP are based on a pattern of volatile incidences.

## C. Civil Money Penalties (CMP)

Iowa WIC will impose a civil money penalty (CMP) in lieu of disqualification when it determined, in its sole discretion, and documents in accordance with federal regulations, that:

1. Disqualification of the vendor would result in inadequate participant access; or
2. The vendor had, at the time of the violation, an effective policy and program in effect to prevent trafficking and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.

The amount of the CMP shall not exceed \$15,692 for each violation. A plan for installment payment of CMP can be negotiated between the vendor and the Program. Failure to pay a CMP will result in disqualification as a WIC vendor for the length of the disqualification corresponding to the violation for which the CMP was assessed.

The CMP is not an option when for a vendor who has had two or more previous sanctions that could have resulted in disqualification.

When a vendor has been sanctioned previously for any of the violations that would incur a disqualification of CMP, and received a second sanction for any of these violations, the sanction for the second offense will be doubled, except that CMP penalties may not exceed \$62,767 for a single investigation. For third and subsequent violations, the sanction will again be doubled, and there is no option for CMP in lieu of disqualification.

The Program shall use the CMP formula in accordance with the Federal Register, Volume 83, Number 50, Wednesday March 14, 2018, Part 3 (v) and (vi) to determine the CMP.

The impact on participants' access to supplemental foods is a consideration in determining whether to disqualify a vendor or impose a CMP in lieu of a disqualification. Participant access will be determined as adequate when:

- There are an adequate number of authorized vendors operating in the area to meet participant demand.
- There are no specific geographical barriers that would significantly restrict participants' access to using other authorized vendors operating in the area.

## D. Disqualifications

Mandatory federal sanctions are defined in 7 CFR Part 246.12. These sanctions are in response to flagrant violations (also referred to as Class A violations) of Program policies.

- The Program does not have to provide the vendor with prior warning that violations were occurring before imposing any of the sanctions described.
- A pattern of violations does not need to be present when applying a permanent disqualification.
- Those violations identified as requiring a pattern are assigned sanctions based upon at least two independent documented violations during any compliance buy investigation. When conducting inventory audits, a pattern can be established during a single review of the vendor's redemption records and depends on the magnitude of shortfalls and the period of time over which they occur.
- Those Class A violations identified as requiring a pattern will be sanctioned as follows for the same finding(s) committed within two years from the date of the receipt of the first violation notice:

### One-year Disqualification

#### *Federally Mandated Sanction:*

1. A pattern of providing unapproved food items in exchange for WIC benefits, including charging for WIC-approved foods provided in excess of the available balance.

#### *State Agency Sanctions:*

1. Accumulation of 45 or more administrative and procedural violation points within a single federal fiscal year or 60 violation points within the previous agreement period.
2. Failure to provide access to store premises or in any manner to hinder, impede or misinform authorized WIC personnel in the act of conducting an on-site education, monitoring, or investigation visit.
3. Loss of Iowa Department of Inspections and Appeals license.
4. Submitting for payment a WIC food instrument redeemed by another authorized vendor.
5. Threatening or verbally abusing WIC participants or authorized WIC program personnel in the conduct of legitimate WIC program transactions.
6. Submission for payment of WIC food instruments known by the vendor to have been lost or stolen.
7. Participating with other individuals including but not limited to WIC employees, vendors, and participants, in systematic efforts to submit false claims for reimbursement of improper WIC food instrument.

### Three-year Disqualification

1. A pattern of charging WIC participants more than non-WIC customers or charging WIC participants more than the current shelf price.
2. A pattern of charging for items not received by the WIC participant or for foods provided in excess of those listed on the WIC food instrument.
3. A pattern of providing credit or nonfood items, except for alcohol, alcoholic beverages, or tobacco products, in exchange for WIC food instruments.
4. One incidence of allowing the purchase of alcohol, alcoholic beverages, or tobacco products with a WIC food instrument.
5. A pattern of receiving, transacting, or redeeming WIC food instrument outside authorized channels, including through unauthorized vendors or persons.

6. A pattern of claiming reimbursement for the sale of a quantity of a specific food item which exceeds the store's documented inventory of that food item for a specific period of time.

#### Six-year Disqualification

1. One incidence of buying or selling food instruments for cash (trafficking).
2. One 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 WIC food instrument.

#### Permanent Disqualification

The Program shall permanently disqualify a vendor convicted in a criminal court of law for trafficking in food instruments or selling firearms, ammunition, explosives, or controlled substances (as defined in section 102 of the Controlled Substances Act (21 U.S.C.802)) in exchange for food instruments. A vendor shall not be entitled to receive any compensation for revenues lost as a result of such violation. A vendor who is disqualified from participation in, or have a CMP imposed by the Food Assistance (SNAP) shall be automatically suspended from the WIC Program.

#### Extended Disqualification Period

The following items do not have a point value, but shall result in or extend a disqualification period:

- o For each month in which a vendor accepts WIC food instruments during a disqualification period, the disqualification period shall be extended by 30 days.

#### Automatic Disqualification

Federal Food Assistance (SNAP) regulations require automatic disqualification from the Food Assistance Program (SNAP) for vendors suspended by the WIC Program for certain types of violations.

#### Confidentiality

The following vendor information may be released to vendors or vendor applicants in the event of a disqualification:

- o Vendor name,
- o Vendor address,
- o Length of disqualification or amount of CMP, and
- o Reason(s) for the disqualification

Note: Vendor information will not be released until the vendor has exhausted their right to an appeal.

### **E. Disqualification- WIC & SNAP**

The Vendor Agreement does not constitute a license or a property interest. If a vendor is disqualified, the Program will terminate the vendor's WIC Agreement and the vendor will have to reapply in order to be authorized after the disqualification period is over. In all cases, the vendor's new application will be subject to the Program vendor authorization criteria in effect at the time of reapplication.

The vendor may not voluntarily withdraw from the Program as an alternative to disqualification from mandatory federal sanctions. Disqualification must be entered on the record. In addition, vendors may not use nonrenewal of the agreement as an alternative to disqualification from the mandatory federal sanctions.

When during the course of a single investigation, the Program determines that the vendor has committed

multiple violations, which may include violations subject to Program sanctions, the Program shall disqualify the vendor for the period corresponding to the most serious mandatory violation. However, the Program shall include all violations in the notice of sanction. If a mandatory federal sanction is not upheld on appeal, then the Program may impose a Program-established sanction and the appropriate number of sanction points.

#### WIC/SNAP Disqualification

1. Uniform federally mandated sanctions (defined in 7 CFR Part 246.12) have been established for both WIC and SNAP, therefore, vendors assessed a CMP by the WIC Program may be disqualified from SNAP for an equal period of time. Disqualification from WIC may result in disqualification as a vendor in SNAP per sanction 278.6(e)(8) of the federal SNAP regulations. Such disqualification may not be subject to administrative or judicial review under SNAP.
2. Vendors disqualified from SNAP or any other WIC Program for a federally mandated sanction (Class A violations) will be disqualified from the WIC Program.
3. The reciprocal WIC disqualification will be for the same length of time as SNAP disqualification. However, the period of disqualification may begin at the same time or a later date than the SNAP/WIC disqualification.
4. Prior to disqualifying a vendor for a SNAP disqualification, the Program will determine if disqualification of the vendor would result in inadequate participant access. If the Program determines that disqualification of the vendor would result in inadequate participant access, the Program will impose a CMP in lieu of disqualification. The Program cannot impose a CMP in lieu of disqualification for third or subsequent sanctions for Class A violations.
5. Reciprocal disqualifications are not subject to Administrative Appeal in the WIC Program.
6. Vendors assessed a CMP by SNAP in lieu of disqualification, due to participant hardship, may also be disqualified from the WIC Program. Vendors disqualified from the WIC Program.
7. If the disqualification period extends beyond the expiration date of the Vendor Agreement, the reauthorization period will be delayed to allow for the completion of the disqualification period.

In order to promote cooperation and reduce vendor abuse in both SNAP and WIC, information related to vendors, including violations, sanctions and program disqualification may be shared between the two programs subject to federal and state Freedom of Information Act laws and regulations. Information exchanged must be disclosed and used only in direct connection with the administration and enforcement of WIC and SNAP regulations and procedures, except when authorized by law.

#### **F. Nonpayment of WIC Funds**

If the vendor has been terminated from the WIC Program and submits a claim, it will be fully denied.

#### **G. Notice of Sanctions**

The State agency must notify a vendor in writing when an investigation reveals an initial incidence of a violation for which a pattern of incidences must be established in order to impose a sanction, before another such incidence is documented, unless the State agency determines that notifying the vendor would compromise an investigation.

Vendors will receive a warning at least 15 days prior to imposing any federally-mandated sanctions that require a pattern. Violations will receive a warning prior to imposing any state agency sanctions. The effective date of the WIC Program sanction shall be the date the Vendor receives written notice of that sanction.

#### **H. Notice of Disqualification**

A minimum of 15 **days' notice** is provided prior to all disqualifications, except for permanent disqualifications assessed under paragraph 73.19(2)“F” in the Iowa Code which are effective on the date of receipt of the notice of administrative action. When the Program determines that an offense has occurred, a disqualification letter with supporting documentation is prepared for the WIC Director’s signature and sent to the vendor. The disqualification letter identifies the specific offense that the vendor is charged with and the procedures for filing an appeal. Voluntary withdrawal from the WIC Vendor Agreement to avoid a sanction is not allowed.

The Program is responsible for issuing all violation and disqualification letters. Local WIC agencies are informed of all vendor correspondence regarding violations. In situations where participant violations are also involved, the local WIC agency is responsible for follow-up.

## **I. Civil and Criminal Prosecution**

A vendor who commits fraud or abuse of the WIC Program is liable to prosecution under applicable Federal, State or local laws. Those who have willfully misapplied, stolen or fraudulently obtained program funds will be subject to a fine not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100.00 or more. If the value is less than \$100.00, the penalties are a fine of not more than \$1,000.00 or imprisonment for not more than one year or both.

The above sanctions notwithstanding, the State of Iowa reserves the right to seek civil and criminal prosecution of WIC vendors for any and all instances of fraud or cases in which there exists evidence of a clear business practice to improperly obtain WIC funds, or other practices meeting the definition of fraud as defined in 7 CFR 246 of the Federal Code.

## Section IX: Appeals

A vendor shall have the right to appeal when a WIC Vendor Application is denied, and for other adverse decisions made by the Program or local WIC agency that affect participation. Vendor sanctions are applied in accord with a schedule of violations, as provided for in the Iowa Administrative Code.

### A. Administrative Appeals Procedure

Vendors may appeal actions taken against them in accordance with the Administrative Review Procedures for Vendor Appeals. Vendors will only be allowed to continue accepting WIC transactions, pending an appeal, if an inadequate participant access determination is made.

Appealing an action does not relieve a vendor that is permitted to continue Program operations while its appeal is in process from the responsibility of continued compliance with the terms of any written agreement with the Program.

### B. Actions Subject to Appeal

The State WIC Agency will provide an administrative review for the following actions:

- Denial of authorization if the basis of denial is a WIC vendor sanction or a Food Assistance (SNAP) withdrawal of authorization or the absence of a Food Assistance (SNAP) authorization,
- Denial of authorization because a retail store submitted its application outside the timeframes during which applications are being accepted and processed,
- Denial of authorization or termination of agreement for the *application* of peer group criteria determination,
- Denial of authorization or termination of agreement for the *application* of above 50 percent criteria determination,
- Termination of an agreement because of a change in ownership or location or cessation of business,
- Imposition of a fine or a civil money penalty in lieu of disqualification, including disqualification based on a Food Assistance (SNAP) disqualification,
- Termination of an agreement for cause,
- Disqualification,
- Denial based on vendor selection criteria for competitive price, minimum variety and quantity of authorized supplemental foods, business integrity, for a current Food Assistance (SNAP) disqualification, civil money penalty for hardship, or on a determination that the vendor is attempting to circumvent a sanction,
- Disqualification based on trafficking conviction,
- Disqualification or civil money penalty imposed in lieu of disqualification based on mandatory sanctions imposed by another WIC state agency, and
- Denial of authorized based on the State Agency limiting criteria.

### C. Actions not Subject to Appeal

The following actions are not subject to administrative review according to federal guidelines:

- Expiration of a contract,
- Validity and appropriateness of the state agency vendor selection and limiting criteria,
- Validity and appropriateness of the state agency peer group criteria,
- Validity and appropriateness of the state agency above 50 percent criteria,

- Validity and appropriateness of the state agency participant access criteria and the State Agency participant access determinations,
- State agency determination of whether or not 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 violations,
- Denial of authorization if the state agency vendor authorization is subject to the procurement procedures applicable to the state agency,
- Disputes regarding food instrument payments and vendor claims,
- Disqualification of a vendor as a result of a disqualification from Food Assistance (SNAP),
- Determination by the State Agency to include or exclude an infant formula, manufacturer, wholesaler, distributor, or vendor from the approved formula list required pursuant to 246.12(g)(11), and
- Determination by the State Agency whether to notify a vendor in writing when an investigation reveals an initial violation to impose a sanction, pursuant to 256.12(1)(3).

## Section X: Authorization Criteria

Iowa WIC, as required by federal regulations, authorizes vendors that meet certain requirements that will ensure that WIC food funds are being spent in the most efficient and cost-effective manner, ensure adequate participant access, and allow for effective Program management, oversight and review of store performance. Authorized vendors are made up of grocery stores, special purpose (pharmacies), and grocery stores with pharmacies. Iowa WIC will review vendor's compliance with the authorization selection criteria throughout the agreement period. Failure to remain in compliance with these criteria may result in Program sanctions or termination of the WIC agreement.

### A. General Business Requirements

#### No Current Disqualification

The owner must not currently be disqualified from the SNAP or WIC Programs or been assessed a CMP for hardship and the disqualification period that would otherwise have been imposed has not expired.

#### No Denial

Not have received a WIC Program disqualification or a WIC application denial within the six month period preceding the date of the application.

#### No Conviction

In accordance with 7 CFR Part 3017 (Subpart A-6), the owner, officers or managers must not have been convicted of or had a civil judgement entered against them for any activity indicating lack of business integrity (see definitions) at any time during the last six years. No history of business-related criminal convictions.

#### Regular Hours

The vendor must maintain regular business hours. This shall include a minimum of two, four-hour blocks of time on each of five days per week. Daily operating hours shall be consistent from week to week, and shall be posted.

#### Minimum Stocking Requirements

Vendor must stock, at all times, the varieties and minimum quantities of WIC-approved foods as outlined in Section III of this Vendor Handbook. Before authorization and throughout the agreement period, Iowa WIC reviews applicant stocking levels of WIC-approved items to ensure that adequate amounts are available for participant redemption.

#### WIC Redemption Less than 50 percent

Vendor must not realize nor expect to realize more than 50 percent of its annual revenue from the sale of food items that are obtained with WIC food instruments.

#### Other Sales

No more than 20 percent of the vendor's gross retail sales may be from the sale of gasoline or other automotive supplies. No more than 20 percent of the vendor's gross retail sales may be from the sale of alcoholic beverages and tobacco products.

#### Competitive Pricing

All WIC vendors must be competitively priced.

#### Shelf Labels

Vendors must consistently identify WIC products using shelf labels that meet the following criteria and meet price points:

- Product description indicating brand/company name, and product description,
- Selling unit size (indicating ounces, pounds, container and sleeve/pack),
- Selling unit retail,
- Signage dimensions – block lettering. Tags shall measure no less than 2 inches by 1 inch, and

- Price point font no less than 48 font.

#### Infant Formula

Vendors shall only purchase infant formula from wholesalers, distributors and retailers licensed in the state and in accordance with state law (including regulations) and infant formula manufacturers registered with FDA that provide infant formula. A listing of the current approved wholesalers, distributors, retailers and manufacturers is available from Iowa WIC. Vendors may be required to produce purchase invoices to document compliance.

#### No Discriminatory Business

The vendor must not discriminate on grounds of race, color, national origin, sex, age or, disability, and must make reasonable accommodations for shoppers with disabilities.

#### Preventing WIC Returns

The vendor must have a policy in place that will ensure no WIC foods will be returned or exchanged (as outlined in Section IV-G).

## **B. EBT Capability Requirements**

Vendor must implement a certified system prior to accepting eWIC benefit cards for purchase that performs online eWIC transactions in accordance with published rules, policies and specifications, including:

- USDA-FNS WIC EBT Operating Rules as amended from time to time
- USDA\_FNS Technical Implementation Guide

For access to the most recent versions of these documents, visit <http://fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance>

To ensure the integrated ECR system you own or will be purchasing is certified for Iowa eWIC transactions, contact the eWIC contractor. At the time of this writing, the eWIC contract contact is:

Custom Data Processing (CDP)  
Jim Chilcoat- Retailer Relationship Manager  
Office: 502-695-1999  
Cellphone: 859-779-5332  
E-mail: [jim.chilcoat@cdpehs.com](mailto:jim.chilcoat@cdpehs.com)

#### EBT Capable Systems

The Vendor shall demonstrate its capability to accept WIC benefits electronically (i.e., the vendor has an EBT capable register system) prior to authorization and shall comply with WIC Electronic Benefit Transfer (EBT) operating rules, standards and technical requirements such as those in the Technical Implementation Guide.

#### Minimum Transaction Types

At a minimum, the system shall be able to process a balance inquiry (without requiring a purchase be made), purchase, void, and reversal (in compliance with 7 CFR 246.12(h)(3)(xxi) and 7 CFR 246.12(bb)(1).)

#### Liability

Vendor must accept liability for any redemption of eWIC benefits 1) for which an approval has not been received from Iowa WIC; and 2) for the incorrect redemption of benefits (e.g., providing an item not authorized by Iowa WIC or not available in the cardholder's account).

#### Approved Products List (APL)

Ensure that the most current Iowa APL is downloaded to the ERC system or stand-beside device.

#### Receipts

ERC system or stand-beside device must provide the eWIC cardholder with a receipt which, at a minimum, shows the store name and address, the date of the transaction, product(s) purchased, price charged for each purchase, and the remaining balance of available benefits.

### Maintenance

Vendor must be capable of maintaining the certified ERC integrated system or stand-beside device in a manner necessary to ensure system availability for eWIC processing during all hours the store is open for business.

### Personal Identification Number (PIN)

Ensure the eWIC redemption process requires the eWIC cardholder to use a Personal Identification Number (PIN) in a manner that protects the security of the PIN and in which no one other than the eWIC cardholder will have knowledge of the PIN.

## **C. Grocery Stores Additional Requirements**

### License

Vendor must have a current State of Iowa Food Establishment License.

### Full Service Grocery

Must be considered a full service grocery store with a primary function of selling groceries. A full service grocery store is described as a business which stocks all of the following items:

- Fresh produce (minimum of 5 linear feet of refrigerated display space). Inventory requirement of 10 varieties of fresh fruits and 10 varieties of fresh vegetables,
- Fresh or frozen meats and poultry (minimum of 12 linear feet of fresh or frozen unbreaded meat, pre-packages luncheon meats do not qualify). Inventory requirement of 5 chicken, 5 beef, and 5 pork fresh varieties. Stores may substitute 5 lamb for pork,
- Canned and frozen vegetables,
- Dairy products, and
- Cereals and bread

The vendor will be asked at both initial authorization and subsequent reauthorizations, for retail sales and stocking information. The information provided by the vendor as well as anything discovered during an on-site review (Section XI-B) will be compared to SNAP information as appropriate and available.

## **D. Special Purpose/Pharmacy Additional Requirements**

### License

Vendor must have a current State of Iowa Pharmacy License.

### Ordering

Must be able to special order formula within 48 hours (72 hours for weekend and holidays) for WIC participants

## **E. Grocery Stores with Pharmacy Additional Requirements**

Grocery Stores with Pharmacies shall be expected to meet not only the general business requirements (as outlined in Section X-A) and EBT Capability requirements (as outlined in Section X-B) but also requirements for both Grocery Stores (as outlined in Section X-C) and Special Purpose/Pharmacy (as outlined in Section X-D).

## **F. Participant Access**

Vendors will also be selected based on access to WIC participants. Specifically, if at all possible, at least one vendor contract will be maintained in rural counties where a WIC clinic is located. Note that the Iowa WIC Program does not limit the number of vendors who may participate in the agency service area.

## **G. Adherence to WIC Regulations**

Vendors who apply to be a WIC-authorized vendor indicate their intent to comply with ALL WIC regulations as outlined in this Vendor Handbook and in Chapter 73 of the Iowa Administrative Code (IAC).

## **Section XI: The Application Process**

### **A. The Application**

Please call Iowa WIC at (800) 532-1579 to request a blank Vendor Application. Submit application packets within 60 days of request, via fax (515) 281-4913 or by mail to:

Iowa Department of Public Health  
C/O: WIC Vendor Representative  
Lucas State Office Building  
321 East 12<sup>th</sup> Street  
Des Moines, Iowa 50319-0075

All faxed applications must be accompanied by the original application mailed to the Iowa Department of Public Health.

Only completed applications received within 60 days of the initial request for application will be assessed for eligibility. Iowa WIC reserves the right to deny any applications received more than 60 days after the initial request for application. Iowa WIC will notify the applicant of any deficiency.

PLEASE NOTE: Vendors cannot reapply for WIC authorization for at least six months from the date an application is denied.

### **B. Steps in the Approval Process**

#### Step 1: Application

Submit the application within 60 days of initial request for application.

#### Step 2: Meeting Authorization Criteria

Iowa WIC will review the application within five business days of receipt and will determine if the vendor is in accordance with WIC authorization selection criteria. If it is determined that the criteria are not met, the application will be denied and the vendor will be notified in writing within five business days.

#### Step 3: On-Site Review

If the vendor's application indicates that the vendor would qualify, the Program shall make an on-site review to verify the information in the application is accurate. Program staff will contact the vendor to make an appointment for an on-site review. During this visit, Program staff will:

- Verify the information contained in the application,
- Explain the Iowa WIC Program regulations that vendors must follow, and
- Provide training.

The manager and person responsible for store associate training must allow time at this appointment for training to be completed, approximately 60 minutes.

If the Program determines during the on-site review that the vendor does not qualify, the WIC Vendor

Agreement will not be signed. Within five business days of denying an agreement, the Program will notify the vendor in writing.

#### Step 4: EBT Capability Assessment

The eWIC services contractor will verify that the system is certified to accept eWIC transactions. Upon set-up of the payment processing system, Iowa WIC (through its eWIC services contractor) will complete an EBT Capability Assessment. The vendor must demonstrate that their POS system can accept WIC purchases, obtain a benefit balance (balance inquiry), complete an eWIC transaction accurately and securely, complete a void, and provide the correct WIC receipts after completion of a transaction.

#### Step 5: Signing the Vendor Agreement

Upon the completion of a successful on-site review and EBT Capability Assessment, Iowa WIC staff and the vendor will sign the WIC Vendor Agreement. Vendors are not authorized to accept WIC food instruments until the Program and vendor have signed a Vendor Agreement. Once the agreement is signed, the Program will issue the vendor a unique Vendor Identification Number.

### **C. Length of Vendor Agreement**

Vendors must complete a new application and sign a new WIC Vendor Agreement within a three (3) year cycle to continue accepting WIC food instruments. The WIC Vendor Agreement will expire when:

- The date specified in the WIC Vendor Agreement is reached,
- Ownership of the business named in the WIC Vendor Agreement changes,
- The vendor ceases operation, or
- The WIC Vendor Agreement is terminated for program violations.

### **D. Multiple Retail Locations**

Vendors must submit separate applications if applying for more than one business or location. A store representative who has legal authority to obligate the vendor must sign the WIC Vendor Agreement.

### **E. Exclusion from Confidential Information**

The vendor name, address, telephone number, website, email address, authorization status and store type may be released to assist WIC participants in locating the vendor.

### **F. Providing False or Incomplete Information**

Iowa WIC may deny authorization or terminate an executed agreement if it determines that the applicant provided false or incomplete information in connection with its application.

### **G. Location & Facility Change**

WIC-authorized vendors changing physical location or temporarily closing for remodeling should inform the WIC Program at least one month before the change and provide the following information: changes in staffing, contact information/address, store name and/or store number. Reapplication may not be required if confirmed by Iowa WIC that the change does not constitute a new store.

### **H. Ownership Change**

If ownership of a vendor changes during the agreement period, the Vendor Agreement becomes void on the

date of ownership change. The new owner must file an application and be approved prior to accepting WIC transactions. Vendors must provide written notification to Iowa WIC 30 days in advance of such changes in order for the Local Agency to contact participants affected by the change. Failure to notify Iowa WIC of ownership change may result in the repayment of WIC funds issued to the unauthorized store owner.

## **I. Re-authorization Criteria**

Vendor Agreements are valid only for the period of time specified and a vendor may not continue accepting WIC food instruments past the expiration date of the WIC Vendor Agreement. All vendors must complete a new application to qualify for a new WIC Vendor Agreement.

Information for reauthorization will be sent directly to vendors at least 30 days in advance of the expiration date of the Vendor Agreement.

### Denial of New Agreement

Iowa WIC may not offer a new agreement if any of the following conditions apply:

- The selection criteria are no longer being met,
- The vendor has been assessed more than 60 violation points under the IAC paragraph 73.19(2)“b” within the previous 24 months.
- The vendor has failed to submit any of the requested Price Assessment Reports in the previous contract period, or
- The vendor has not completed any WIC sales for at least two consecutive months at any time during the contract period, or has not completed five or more WIC sales for any 120 day period during the contract period.

A vendor may not be denied the offer of a new agreement if Iowa WIC state agency deems it would result in inadequate participant access.

## Definitions

### Administrative Appeal

A hearing procedure whereby a vendor adversely affected by a WIC action may appeal the action to an impartial hearing officer provided by the Iowa WIC state agency.

### Administrative Finding

A factual or legal determination made by the Program through investigations, complaints, data analysis or administrative reviews.

### Alternate Shopper

Any person designated by a participant, or by a parent or caregiver of an infant or child participant, to obtain the eWIC card and corresponding PIN, or to obtain supplemental foods on behalf of a participant.

### Applicant

A grocery store or pharmacy that applies to Iowa WIC to be an authorized WIC vendor.

### Approved Foods

Only those types, brands, sizes and varieties of foods and infant formulas as listed in the current *Approved Foods List*.

### Approved Foods List

List of WIC-approved foods developed by the Program.

### Approved Products List (APL)

Electronic files identifying WIC food items authorized by the Iowa WIC Program for purchase with WIC benefits.

### Authorized Broker or Distributer

Manufacturer, distributor or wholesaler with a valid Federal Tax Identification Number (for a listing of WIC-authorized formula sources, please go to <http://idph.iowa.gov/wic/>).

### Balance Inquiry

A type of transaction which prints off the current benefits balance for the participant.

### Benefits

Items purchased with WIC funds at an authorized vendor.

### Benefits Balance

A listing of benefits available with eWIC benefit card that specifies the quantity, food category, size, dollar amount and sometimes brand of food prescribed to a WIC household that must be redeemed within a designated time.

### 'Best if used by'

Date limiting the sale or use of the food item as provided for in Federal Food Drug and Cosmetic Act.

### Business Integrity

Conviction or a civil judgement for any activity indicating a lack of business integrity, including fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims and obstruction of justice.

### Cash Value Benefit (CVB)

A fixed-dollar amount associated with the eWIC card used by a WIC cardholder to obtain authorized fruits and vegetables. In the event the amount of fruits and vegetables exceeds the dollar amount available, it is the cardholder's responsibility to pay the difference.

### Change of Ownership

Any transfer of the right to control the assets or management of a vendor, or any majority changes in ownership of a sole proprietorship, or a partnership or of the stock of a corporation which owns a vendor location.

### Civil Money Penalty (CMP)

A monetary fine assessed against a vendor for Program abuse.

### Claim

A bill or request for reimbursement of funds.

### Class A Violations

Mandatory federal violations and sanctions as defined in 7 CFR Part 246.12. These violations are flagrant violations of Program policies and undermine the goals of the Program.

### Compliance Investigation

An investigation is a method used by the Program to determine if violations are occurring or have occurred in the past. An investigation may include an administrative review, covert compliance buy, monitoring or site visit, inventory audit and/or coordinated efforts with other organizations.

### Compliance Buy

Covert, on-site investigation, in which a representative of Iowa WIC poses as a WIC participant, conducts a WIC transaction and does not reveal during the visit that he or she is an Iowa WIC representative.

### Confidential Vendor Information

Based upon 246.26(e), confidential vendor information is any information about a vendor that identifies the vendor except for the vendor's name, address, authorization status, telephone number, Website/email address and store type.

### Conflict of Interest

A conflict of interest exists when there is a pecuniary relationship between the vendor and the Program or the LA; when relatives serve WIC participants; and/or when training or monitoring visit is conducted by a LA staff person who may be related to the store owner or other store management staff.

### Convenience Store

A store that offers a limited line of convenience items, typically open long hours. Primarily engaged in retail sale of a variety of canned goods, dairy products, pre-packaged meats and other grocery items in limited amounts, usually sell a large variety of ineligible products, such as hot coffee, alcohol or tobacco products of gasoline.

### Conviction

A finding of guilt by a judge or jury or an entry of a plea of guilty.

### Contract Brand Infant Formula

Infant formulas (except infant formulas) produced by the manufacturer awarded the infant formula cost containment contract by the Program.

### Corrective Action Plan (CAP)

A written plan the vendor develops that outlines the steps that will be taken to correct violations identified during monitoring visits, compliance buys, complaints or administrative reviews.

### Custom Data Processing, Inc. (CDP)

Iowa's WIC EBT contractor and FIS business partner. FIS and CDP process eWIC transactions. CDP is the main contact for the integrated vendors.

### Days

Calendar days.

### Disqualification

Termination of a vendor's authority to participate in the Program.

### Drug

- (A) A beverage containing alcohol,
- (B) A controlled substance (having the meaning given it in section 102(6) or the Controlled Substance Act (21 U.S.C. 802(6)), or
- (C) A controlled substance analogue.

### Educational Buys

On-site investigation in which a representative of Iowa WIC poses as a WIC participant and conducts a WIC transaction. The store manager or store representative is typically aware of the visit beforehand (and sometimes has requested the visit). The participant reveals during the buy that he or she is a WIC representative. The purpose of an education buy is to assist WIC, the store manager and the cashier to observe a WIC transaction and identify enhancements.

### Electronic Benefits Transfer (EBT)

Electronic Benefits Transfer (EBT) is the process of conducting a WIC transaction electronically, using an

eWIC card.

Electronic Cash Register (ERC)

The electronic cash register (ECR) system that is used at the point of sale (POS). This can be integrated or non-integrated (stand-beside).

Endorser

Participant, parent or caregiver of an infant or child participant who is authorized to obtain supplemental foods on behalf of a participant.

eWIC Card

An EBT card that is used by a participant to obtain specific supplemental foods via an electronic benefit transfer.

eWIC Cardholder

An authorized person (i.e., participant, parent, legal guardian, caretaker, proxy) in possession of an eWIC benefit card. This eWIC benefit card and PIN allows the cardholder to purchase approved food items prescribed to one or more participants assigned to a family's account.

eWIC Contractor

EBT contractor hired by WIC.

eWIC Transaction

An on-line, real time payment method that electronically pays authorized vendors for food items purchased by an eWIC cardholder. An eWIC card is issued by Iowa WIC to each eligible family account. The eWIC card is used by the eWIC cardholder to purchase approved foods at authorized vendor locations.

Family

A group of related or non-related individuals who are living together as one economic unit, except that residents of a homeless residence or an institution shall not all be considered as members of a single family.

Findings

A determination made by the Program or the LA WIC staff regarding vendor violations. The may include, but is not limited to, the results of administrative reviews, investigations, data analysis, complaints or monitoring visits.

Fidelity Information Services (FIS)

Iowa WIC Program's eWIC contractor CDP business partner. FIS and CDP processes WIC transactions and also lease stand-beside equipment to non-integrated vendors through a Merchant Agreement.

Food Delivery System

The method used by the Program to provide supplemental foods to WIC participants.

Food Instrument

The instrument used by the WIC program to conduct WIC transactions, (e.g., eWIC cards).

Full-Service Grocery

A store primarily engaged in retail sales of a variety of food products and general merchandise as a full line grocery store.

Grocery Store

A retail store in a fixed and permanent location that maintains regular business hours, whose primary business is the sale of food.

High-Risk Vendor

Vendor who has been flagged by criteria used by the WIC Program to detect Program abuse. High-risk are prioritized for investigation.

Inadequate Participant Access

A hardship on WIC participants that limits their access to an authorized vendor. A situation where WIC participants would be adversely affected by an action such as disqualification of vendor, non-authorization, etc.

Infant Formula

A food that meets the definition of an infant formula in section 201(z) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(z)) and the regulations at 21 CFR parts 106 and 107.

Infants

Individuals under 1 year of age.

Inventory Records

Up-to-date records that are required for tax purposes and that include records on purchases, receipts and inventory.

Inventory Audit

The examination of food inventory invoices or other proofs of purchases to determine whether a vendor has purchased sufficient quantities of supplemental foods to provide participants the quantities reported as redeemed by the vendor during a given period of time.

Investigation

An administrative review, compliance buy, monitoring or site visits, and/or coordinated efforts with SNAP to determine whether violations are occurring or have occurred.

Iowa WIC /Iowa WIC Program

Iowa's Special Supplemental Nutrition Program for Women, Infants and Children (WIC) as administered by the Iowa Department of Public Health (IDPH). Also referred to as Iowa WIC, WIC Program and the Program.

Lack of Business Integrity

Activities indicating a lack of business integrity including fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and obstruction of justice.

Legal Authority

A store representative with legal authority is a person able to obligate the vendor to fulfil certain agreed upon duties, such as those within the vendor agreement or a Corrective Action Plan by providing his/her signature on behalf of the vendor. It is the responsibility of the vendor to designate a person or persons who has the authority to obligate the vendor.

Local WIC Agency (LA)

- A) A public or private, nonprofit health or human service agency that provides WIC services through contract with the Program; or
- B) Intertribal council or group that is an authorized representative of Indian tribes, bands, or groups recognized by the Department of the Interior, which operates a local WIC clinic.

Minimum WIC Foods Stocking Requirements

The minimum quantities and varieties of approved foods and/or infant formulas a grocery store is required to keep in the customer area as specified in the Handbook.

Not to Exceed (NTE)

The maximum price for individual food items/peer group.

Nutrition Education

Individual or group education sessions and the provision of information and educational materials designed to improve health status, achieve positive change in dietary habits, and emphasize relationships between nutrition and health, all in keeping with the individual's personal, cultural and socioeconomic preferences.

Nutritional Risk

- A) Detrimental or abnormal nutritional conditions detectable by biochemical or anthropometric measurements,
- B) Other documented nutritionally-related medical conditions,
- C) Dietary deficiencies that impair or endanger health, or
- D) Conditions that predispose persons to inadequate nutritional patterns or nutritionally-related, medically-related conditions.

Overcharge

Intentionally or unintentionally charging the Program more for approved supplemental foods than is permitted under the Vendor Agreement and/or intentionally or unintentionally charging participants more than non-WIC customers or more than the posted shelf prices.

Participants

Pregnant women, breastfeeding women, postpartum women, infants and children who are receiving WIC

benefits. As referenced in this Handbook, may also include parents or caregivers of infant and child participants (endorsers), proxies or alternate shopper.

#### Pattern

Regarding federally-mandated violations/sanctions requiring a pattern: 1) two or more incidences of a violation that occur during any two year period, 2) two or more failed compliance buys during an investigation, or 3) two or more instances of violations during an inventory audit.

#### Peer Group

A group of authorized vendors that share certain characteristics and can be expected to have similar business practices and prices. Peer group criteria and assignments are determined by the department. Vendors in the same peer group are subject to the same WIC maximum reimbursement levels. Peer group criteria include, but are not limited to, characteristics such as geography or size

#### Personal Identification Number (PIN)

Personal Identification Number (PIN) is a confidential number set up by the participant. The correct PIN is required to use the eWIC card in a transaction, balance inquiry, etc.

#### Pharmacy

An establishment issued a license to operate as a pharmacy under Iowa laws, whose business is to provide pharmaceutical products and nutritional supplements.

#### Point of Sale (POS) Device

The equipment used to ring up food items in a grocery store.

#### Postpartum Women

Women up to six months after termination of pregnancy.

#### Poverty Income Guidelines

The poverty income guidelines prescribed by the Federal Department of Health and Human Services, with each annual adjustment effective July 1.

#### Price Assessment Report (PAR)

A Price Assessment Report (PAR) is a price survey that may be distributed to vendors.

#### Price Look-Up (PLU)

A four or five-digit number defined by the International Federation for Product Stands (IFPS) used to identify products that are typically of variable measure.

#### Primary Account Number (PAN)

Primary Account Number (PAN) is the 16-digit number on the front of the eWIC card.

#### Program

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) authorized by section 17 of the Child Nutrition Act of 1966 (as amended). In Iowa, the Program is also referred to as Iowa WIC.

#### Program Abuse

A pattern of violations of Program policies and procedures as outlined in this Handbook.

#### Rebate

Money refunded under cost-containment procedures to the Program from manufacturers.

#### Receipt

Documentation that delineates the items purchased and the price paid for items, including discounts and other adjustments.

#### Reversal

To partially or completely nullify the effect of a previous purchase transaction and add benefits back to the WIC prescription benefit because the transaction cannot be processed as instructed.

#### Routine Monitoring

Overt, on-site monitoring during which Program representatives identify themselves to retail personnel.

#### Sanctions

Administrative action taken against a vendor as a result of a violation of the Program's policies and procedures including, but not limited to, corrective action plans, mandatory training, non-payment of WIC transactions, disqualification and civil money penalty.

#### Selection Criteria

The criteria established by the Program to select individual vendors for authorization.

'Sell by'

Date limiting the sale or use of the food item as provided for in Federal Food Drug and Cosmetic Act.

Shelf Price

Non-sale price of the food item as marked on the shelf or item.

Stand-Beside Point-of-Sale Device

Point-of-sale (POS) device that is directly connected to FIS for vendors that are not running an integrated point-of-sale (POS) system.

Standard Formula

Formulas items provided by WIC unless a physician diagnoses a medical condition that warrants a specialty formula.

State Agency

WIC funds are made available to state and Indian Tribal Organizations to administer WIC across the country. The Iowa Department of Public Health (IDPH) is the state agency in Iowa that administers Iowa WIC Program.

Store Location

Specific store location as indicated by the store name and/or store number.

Supercenter

Retail establishments primarily engaged in retailing a general line of groceries in combination with general lines of new merchandise, such as apparel, furniture, and appliances. Supercenters typically contain a supermarket-like area within a larger general merchandise store.

Supplemental Nutrition Assistance Program (SNAP)

Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program.

SNAP Vendor Identifiers: Criteria Store Type

Supplemental Nutrition Assistance Program (SNAP) assigns designations such as criteria and store type to vendors applying for SNAP. These identifiers are assigned based on the vendor's total sales, food and staple food sales, and stock and type of foods (e.g., staple, perishable and product type), etc.

Supplemental Foods

Foods containing nutrients determined to be beneficial for pregnant, breastfeeding, and postpartum women, infants and children prescribed by the Program.

Third Party Processor (TPP)

An intermediary that processes the electronic transactions and payments to the vendor.

Trafficking

The exchange of WIC benefits for cash/credit/rainchecks or for other funds or services.

Transaction Date

The date a WIC participant purchases WIC items at a vendor via purchase with an eWIC card.

Universal Product Code (UPC)

A specific type of barcode used to identify products sold by the WIC vendor. Approved WIC food item codes are entered on the APL file.

Unauthorized Channel

Vendors of individuals who are not authorized to accept WIC transactions. An example of accepting eWIC cards outside authorized channels may be a vendor who owns more than one store, some of which are not authorized, accepting WIC eWIC cards at an unauthorized store and redeeming through an authorized store.

'Use by' Date

Date limiting sale or use of a food item as provided for in Federal Food Drug and Cosmetic Act.

Vendor

A full-service grocery store, pharmacy, or grocery store with a pharmacy, in a fixed and permanent location authorized by the Program, by signed agreement, to sell approved foods and/or infant formulas to participants.

Vendor Agreement

A signed Iowa WIC Vendor Agreement that authorizes vendors to conduct WIC transactions from

participants of the Program (WIC participants) in accordance with the Program's policies and procedures.

Vendor Authorization

The process by which the Program assesses, selects and enters into agreements with stores that apply or subsequently reapply to be authorized as vendors.

Vendor ID Number

The unique WIC identification number assigned to WIC-authorized vendors. A vendor must have a number assigned prior to accepting eWIC benefits.

Void

The cancellation of a transaction (before the entire transaction has been completed). A voided transaction shall not be used to return or provide credit for WIC foods.

Violation

Any intentional or unintentional actions of a vendor, owner, agents, officers, managers or employees (with or without the knowledge of management) which violate the Program's policies and procedures, Vendor Agreement, federal or state statutes, and/or regulations governing the Program.

Waivers

USDA approved flexibilities and contingencies to policies and procedures that may be requested from the State agency.

WIC Vendor Handbook

The Iowa WIC Vendor Handbook is a publication developed by the Program that described the policies and procedures for WIC-authorized vendors and is an integral part of the Vendor Agreement. Also referred to as Handbook.

WIC Manual

The Iowa WIC Vendor Manual is a notebook provided to all authorized WIC vendors by the Program. Commonly referred to as the WIC Manual. The WIC Manual must be maintained on site for the duration of the Vendor Agreement and should include this Handbook, Vendor Agreement, and policy letters.

# Vendor Agreement

## Iowa WIC Vendor Agreement

Iowa Department of Public Health  
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

This Vendor Agreement **2021-2024** (agreement) is made by and between the state of Iowa, acting by and through Iowa WIC, and the Iowa Department of Public Health whose principal place of business is 321 East 12<sup>th</sup> Street, Des Moines, Iowa 50319-0075, and the entity named below, hereinafter referred to as the vendor.

Store Name and WIC Vendor ID# \_\_\_\_\_

Agreement effective until: **September 30, 2024**.

### Section I: PURPOSE

This document, upon signature by the vendor and Iowa WIC, is an agreement for the purpose of providing an authorized source from which qualifying women, infants and children can obtain nutritious supplemental foods in accordance with the rules, regulations and policies of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) established by the Food and Nutrition Service, U.S. Department of Agriculture (USDA) and the Iowa Department of Public Health (IDPH).

### Section II: Partnering with the Program

1. This agreement authorizes the above-named vendor to accept WIC food instruments (i.e., eWIC cards) issued by the State's Special Supplemental Nutrition Program for Women, Infants and Children (hereinafter referred to as the Program).
2. The vendor agreement does not constitute a license or a property interest. If the vendor wishes to continue to be an authorized WIC vendor past the period of its current agreement, the vendor must reapply. The vendors' new application will be subject to the State agency's vendor selection criteria and any vendor limiting criteria in effect at the time of the reapplication.
3. The vendor shall comply with this vendor agreement and all applicable Federal and State statutes, regulations (including regulations contained in the Federal Register, 7 CFR Part 246), policies, and procedures governing the Program. This includes any changes made during the agreement period. This also includes those regulations, policies and procedures which are contained in the current version of the Iowa WIC Vendor Handbook (handbook). The handbook, and all relevant policy letters issued by the Program, are incorporated herein by this reference and made part hereof.
4. The vendor must comply with the Programs nondiscrimination provisions.
5. The vendor agrees to remain in compliance with the authorization selection criteria as outlined in the handbook throughout the term of this agreement. The State Agency may reassess the vendor at any time during the agreement period and will terminate the vendor agreement if the vendor fails to meet the current selection criteria.
6. This agreement is effective as of the date the last party signs it and shall remain in effect, unless otherwise terminated, until **September 30, 2024**.

## Section III: eWIC Processing Notes

1. Vendors must maintain an EBT capable system for the duration of their contract period.
2. Vendor must request WIC re-certification if the vendor or the company that supports the vendors ERC revises the system in any manner that impacts its eWIC transaction processing capabilities.
3. The vendor is responsible for fees, including but not limited to interchange fees, its bank or point-of-sale processor may charge.
4. A vendor that utilizes a Value Added Reseller, an Acquirer, or a Third Party Processor shall incorporate these requirements into agreements with those parties. The vendor is responsible for expenses, costs and fees related to SNAP and the utilization of a Value Added Reseller, an Acquirer or a Third Party Processor.
5. Do not charge the WIC Program any fee arising out of, or associated with, operating, maintaining or processing eWIC transactions.
6. The vendor shall not charge participants, parents or caretakers of infant and child participants, or proxies any fee, either directly or indirectly, arising out of or associated with operating, maintaining or processing eWIC transactions nor shall they attempt to seek additional reimbursement from a WIC participant under any circumstances in connection with a WIC transaction.
7. The vendor shall maintain required records for the greater of three years after final payment is received or after all pending matters have been resolved. This includes the purchase and inventory records for approved WIC food items which the vendor has claimed reimbursement from the WIC Program.
8. The vendor shall provide timely transaction documentation as requested and fully cooperate in the resolution of any dispute arising in relation to eWIC transactions and redemptions.
9. The Iowa WIC Program may deny payment for improperly transacted WIC purchases or may initiate a claim for payments already made on improperly redeemed eWIC purchases.
10. The vendor shall only accept food instruments from participants, parents or caretakers of infant and child participants, or proxies that have the food instrument and corresponding Personal Identification Number (PIN).
11. The vendor shall accept WIC transactions using the procedures outlined in the handbook, including those listed below:
  - a. The vendor shall accept payment based on the vendor's peer group price levels.
  - b. The vendor shall provide WIC-authorized foods to a WIC participant at the same price charged to a non-WIC customer.
  - c. The vendor shall offer program participants, parents or caretakers of infant or child participants, and proxies the same courtesies offered to other customers.
  - d. The vendor shall not apply tax of any kind to authorized food purchased with a WIC food instrument.
  - e. The vendor shall not provide substitutions, unauthorized food items, non-food items, cash or credit (including rain checks) in exchange for a WIC food instrument or in place of authorized supplemental foods.
  - f. Exchanges are permissible if items that have exceeded their "sell by," "best if used by," or other date limiting the sale or use of the food item are exchanged for an identical authorized supplemental food item.
  - g. The vendor must allow the participant, authorized representative or proxy to pay the difference when a fruit and vegetable purchase exceeds the value on their food instrument (also known as a split tender transaction).

## Section III: Vendor Responsibilities

1. The vendor, or an authorized representative of the vendor, shall participate in training sessions offered by the Program on its policies and procedures. Annual vendor training may be provided by the Program in a variety of formats, including newsletters, videos, and interactive training. Face-to-face interactive training shall be conducted at least once during the term of this agreement. The Program shall have sole discretion to designate the date, time and location of all interactive training, except that the Program shall provide the vendor with at least one alternative date on which to attend this interactive training. The vendor is responsible for training cashiers on how to correctly process WIC authorized transactions. The vendor shall provide all affected employees with any new information it receives from the Program. The vendor is ultimately liable for the actions of its owners, officers, managers, agents and employees with respect to WIC-authorized transactions.
2. The vendor shall provide time to federal, state or local agency representatives for periodic, announced and unannounced visits to determine its compliance with federal or state rules, regulations, policies and procedures of the Program. The vendor shall provide access to its shelf price, transaction records in its possession, WIC Manual, and training documentation at the time of the visit, upon request.
3. The vendor shall maintain inventory records used for federal tax reporting purposes and other records the Program may require for the time period covered by this agreement. Upon request, the vendor shall make available to representatives of the Program, the Department, and the Comptroller General of the United States, at any reasonable times and places for inspection and audits, Program-related records.
4. Vendor may provide only the authorized infant formula which the vendor has obtained from sources included on the 'Infant Formula Manufacturers' list. This list is available on the Iowa WIC website and also by request.
5. The vendor shall submit shelf price surveys as requested by the Program.
6. A vendor who commits fraud or abuse in the Program is liable for prosecution under applicable Federal, State or local laws. Those who have willfully misapplied, stolen or fraudulently obtained program funds will be subject to a fine or not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.
7. A vendor that is disqualified from the WIC Program may also be disqualified as a retailer with SNAP. Such disqualifications may not be subject to administrative or judicial review under SNAP.

## Section IV: Iowa WIC Responsibilities

1. Provide networks and host processing for eWIC transactions that provide on-line and real time approval, 24 hours a day, seven days a week at least 99.9 percent of the time. Occasionally system maintenance will occur and will be scheduled between 1 a.m. and 5 a.m. local time.
2. Make available daily the most current APL containing a complete listing of products that are approved for redemption by Iowa WIC through its eWIC Contractor.
3. Establish a calculated not-to-exceed (NTE) price for each WIC-approved food item based on a vendor's peer group and competitive pricing criteria and use this NTE in reimbursing vendors for items purchased by the eWIC cardholder.
4. Reimburse (settle to) the vendor for approved eWIC transactions that are made in accordance with applicable state and federal rules and requirements. Settlement will make use of commercial payment system and settlement practices. Settlement amounts may differ from requested amounts because:
  - a. The price of the food items within a transaction exceeds the vendor's shelf price for the food purchased,

- b. The prices charged for the food items are greater than the not-to-exceed values established for the items by the Program,
  - c. Not all of the food items within a transaction are approved, or
  - d. Adjustments for previous transactions are applied.
5. Provide training to store representatives, as needed, on the eWIC policies and procedures.
6. The State Agency will notify vendors of changes to Federal or State statutes, regulations, policies, or procedures governing the Program before the changes are implemented.
7. The State Agency will provide administrative oversight to ensure authorized stores meet compliance and integrity requirements in accepting and processing eWIC transactions.
8. The State Agency will monitor the vendor for compliance with program requirements.
9. When the State Agency determines the vendor has committed a vendor violation that affects the payment to the vendor, the State Agency will delay payment or establish a claim. The State Agency may delay payment or establish a claim in the amount of the full purchase price of each food instrument or cash-value benefit that contained the vendor overcharge or other error. The State Agency will provide the vendor with an opportunity to justify or correct a vendor overcharge or other error. The vendor must pay any claim assessed by the State Agency. In collecting a claim, the State Agency may offset the claim against current and subsequent amounts to be paid to the vendor. In addition to denying payment or assessing a claim, the State Agency may sanction the Vendor for vendor overcharges or other errors in accordance with the State Agency's sanction schedule.
10. The State Agency may issue a claim and bill the vendor for payments it has already made to the vendor in error, or upon detection of a Program violation. Vendors have 30 calendar days to pay the claim. Failure to pay the claim shall result in future payments being withheld to offset the claim.
11. The State Agency will provide, upon request, a copy of its sanction schedule. This information is also located within the Vendor Handbook, which is provided to each vendor at the time of authorization. A vendor receiving a sanction will be notified in writing when an investigation reveals an initial incidence of a violation for which a pattern must be established in order to impose a sanction, unless the State agency determines, in its discretion, that notifying the vendor would compromise an investigation.
12. The State Agency may terminate the agreement if it is determined that the vendor has provided false information in connection with its application for authorization.
13. The State Agency may terminate the agreement if it is determined that there is a conflict of interest between the vendor and the State agency or its local agencies.
14. The State Agency may terminate the agreement in instances of a change in ownership, store location, or cessation of operations. It is left to the discretion of the State Agency the length of advanced notice required for vendors reporting changes under this provision, what qualifies as a short distance, and what constitutes a change in ownership.
15. The State Agency will provide, upon request, a copy of the actions that are and are not subject to administrative review as well as its administrative review procedures. This information is also located within the Vendor Handbook, which is provided to each vendor at the time of authorization.

## Section V: Signatures

The vendor agrees that the vendor has read, understands and will comply with the terms in this agreement. The vendor also agrees to comply with the conditions stated in: 7 CFR 246, the completed application form, Iowa WIC Vendor Handbook, approved foods list, memos, letters, other formal instructions, and terms of participation issued to vendors by the Iowa WIC Office.

The undersigned represents that he/she is an owner or has other legal authority to obligate the vendor:

<input type="checkbox"/> Grocery <input type="checkbox"/> Pharmacy <input type="checkbox"/> Grocery with Pharmacy
---

Store Type

---

Printed Name/Title of Store Representative

---

Store Name and City

---

**SIGNATURE and DATE**

The undersigned has the authority to sign this agreement on behalf of the Iowa WIC Program Director (Kimberly Stanek):

---

Printed Name of Program Representative

---

**SIGNATURE and DATE**

**VENDOR COPY**

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**VENDOR TRAINING CHECKLIST**

Vendor Name \_\_\_\_\_ Vendor ID Number \_\_\_\_\_  
(Please Print Legibly)

Vendor Representative at Training \_\_\_\_\_  
(Please Print Legibly)

**STORE REPRESENTATIVE IS TO CHECK ITEMS AS THEY ARE EXPLAINED AND UNDERSTOOD.**

- 1. Received a copy of the WIC Vendor Handbook
  - Overview of WIC as outlined in Section I-A.
  - Approved Foods List as outlined in Section II.
  - Minimum stocking requirements as outlined in Section III.
  - Processing eWIC transactions as outlined in Section IV.
  - Complaint process as outlined in Section V-B.
  - Vendor’s responsibilities as outlined in Section VI.
  - Violations, sanctions, disqualifications & corrective actions as outlined in Section VIII.
  - The appeals process as outlined in Section IX.
  - Maintaining qualifications to be an authorized WIC vendor as outlined in Section X.
- 2. Received a copy of the WIC Vendor Agreement
  - Reviewed key information from the sections of the WIC Vendor Agreement.
  - Store and Program representatives signed and dated the WIC Vendor Agreement.
- 3. Received a copy of the WIC Manual.
  - Contents of the WIC Manual.
  - Vendor’s responsibility to maintain the WIC Manual.

**ACKNOWLEDGEMENT**

I acknowledge that I have received and read the above training materials. I willfully acknowledge that the items checked above were covered in the training. I understand the materials and consider myself fully trained. I understand that by signing below, I am also agreeing to comply with the terms outlined in the Vendor Agreement, 7 CFR 246, Vendor Application, Iowa WIC Vendor Handbook, approved foods list, memos, letters, and other formal instructions.

\_\_\_\_\_  
Vendor Representative’s Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Program Representative’s Signature

\_\_\_\_\_  
Date

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