

# **Louisiana WIC Vendor Guide**

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## **Definitions**

The following words and terms are defined for the purposes of this Vendor Guide and for all contracts, guidelines, instructions, forms and other documents related hereto.

### **Above-50-Percent (A50) Vendors**

Vendors that derive more than 50 percent of their annual food sales revenue from WIC food instruments, and new vendor applicants expected to meet this criterion under guidelines approved by FNS. A50 vendors are subject to payment limitations that ensure that the prices of A50 vendors do not result in higher total food costs if program participants transact their food instruments at A50 vendors rather than at non-A50 (“regular”) vendors.

### **Administrative Review**

A procedure by which a vendor may appeal an adverse action by the state agency.

### **Authorized Supplemental Foods/WIC-Approved Foods**

Those supplemental foods authorized by the state agency for issuance to participants.

### **Authorized WIC Vendor (Vendor)**

A retail grocery store that has submitted a complete WIC vendor application and any required supporting documentation, passed a pre-authorization on-site review, completed a training program, signed a formal vendor agreement binding the vendor to follow all WIC rules and policies upon authorization, and received a signed authorization letter from the Louisiana WIC program. Only authorized WIC vendors may conduct WIC Transactions.

### **Automated Clearing House (ACH)**

An electronic payment mechanism used by the banking system to make and adjust payments to authorized WIC vendors. The Louisiana WIC Program’s bank credits vendors’ bank accounts with a reimbursement amount for actual selling price up to an amount for each food item for each peer group as established by the Louisiana WIC Program in accordance with the WIC vendor agreement. ACH is used to adjust payments that exceed the maximum allowable reimbursement level (MARL). ACH may also be used for collecting any unpaid claims or fines.

### **Cash-Value Voucher or Cash-Value Benefit (CVV or CVB)**

A fixed-dollar amount check, voucher, electronic benefit transfer (EBT) card or other document which is used by a participant to obtain authorized fruits and vegetables.

### **Change of Location**

The move of a WIC vendor from one physical address to another address.

### **Change of Ownership**

A change that results when all of the assets of the store are sold or transferred to a new owner or business entity. This includes adding a new partner(s).

**CMP**

Civil money penalty.

**Competitive Price Criteria (CPC)**

Price level at or below which WIC-approved foods shall be priced in order for a vendor applicant to be considered for authorization. The state agency determines CPC for each WIC-approved food item based on shelf prices for vendors within each peer group of regular vendors. CPC varies by vendor peer group. All vendors are subject to the CPC at all times in order to ensure that vendors do not raise prices, subsequent to selection, to a level that would make such vendors ineligible for authorization.

**Compliance Buy**

A covert, on-site investigation in which a representative of the Program poses as a participant, parent or caretaker of an infant or child participant, or proxy, conducts one or more WIC transactions, and does not reveal during the visit that he or she is a Program representative.

**Confidentiality**

In the context of the WIC program, not using or disclosing any confidential applicant, participant or vendor information gathered as a result of participation in the WIC program. Confidential applicant and participant information is any information about an applicant or participant, whether it is obtained from the applicant or participant, another source, or generated as a result of WIC application, certification, or participation, that individually identifies an applicant or participant and/or family member(s). Applicant or participant information is confidential, regardless of the original source. Vendors are required to keep confidential the customer's eligibility for and receipt of WIC benefits. Confidential vendor information is any information about a vendor (whether it is obtained from the vendor or another source) that individually identifies the vendor, except for vendor's name, address, telephone number, web site/e-mail address, store type, and authorization status.

**Convenience (store type)**

For the purpose of the WIC Vendor Application, a small store with extended opening hours, in a convenient location, stocking a limited range of household goods and groceries.

**Corrective Action Plan (CAP)**

Any plan developed by the state agency, or by a vendor and approved by the state agency, to correct deficiencies identified by the state agency in a vendor's compliance with WIC rules, regulations, policies, and/or procedures. Vendors shall implement CAPs when required by the state agency. CAPs may include, but are not limited to, requirements to provide store personnel or stock rotation training and/or to correct inappropriate WIC FI/CSV processing procedures used by the vendor.

**Disqualification**

The act of ending the program participation of a participant, or authorized state or local agency, whether as a punitive sanction or for administrative reasons and the act of ending program participation of an authorized WIC vendor for violations of the vendor agreement and/or federal or state rules, regulations or policy governing the WIC program.

**EBT Capable**

Demonstration by the WIC vendor that their cash register system or payment device can accurately and securely obtain WIC food balances associated with an EBT card, maintain the necessary files such as the authorized product list, hot card file and claim file and successfully complete WIC EBT purchases.

**EBT Card**

A card replacing paper vouchers, checks, and coupons that is used by a participant to obtain WIC-approved foods.

**Electronic Benefit Transfer (EBT)**

A method that permits electronic access to WIC food benefits using a card or other access device approved by the Secretary of Agriculture. EBT replaces or will replace paper vouchers, checks, and coupons.

**Food Benefits**

Those authorized supplemental foods issued to a WIC participant through the use of EBT cards. The terms “food benefits” and “WIC food benefits” include supplemental foods and WIC-authorized fruits and vegetables.

**Food Instrument (FI)**

A voucher, check, electronic benefits transfer (EBT) card, coupon or other document that is used by a participant to obtain WIC-approved foods.

**Food Sales**

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

**Fraud and Abuse**

Conduct that violates WIC program rules, regulations, policies, and/or procedures, including, but not limited to, those violations leading to disqualification, as identified in the sanction schedule.

**Full-Line Grocery Store**

A retail food store/market (as defined under LAC 51:XXIII.101.A.) that stocks, and has on hand at all times, at least:

- a. 5 varieties of cereal with 5 or more units of each variety;
- b. 3 varieties of bread or tortillas with 5 or more units of each variety;
- c. 4 varieties of fresh fruits with at least 5 units of each variety;
- d. 4 varieties of fresh vegetables with at least 5 units of each variety; and
- e. 4 varieties of fresh or frozen meat, poultry or fish with at least 5 units of each variety;
- f. 2 varieties of rice with 6 or more units of each variety.

**Grocery (store type)**

For the purpose of the WIC Vendor Application, a retail store that primarily sells food.

**Hyper-Market (store type)**

For the purpose of the WIC Vendor Application, a superstore combining a supermarket/grocery and a department store.

**Incentive Items/Incentives**

Any goods or services provided as inducements to shop in a grocery store or recruit customers.

**Inventory Audit**

The examination of food invoices or other proofs of purchase to determine whether a vendor has purchased sufficient quantities of supplemental foods to provide participants the quantities specified on food instruments redeemed by the vendor during a given period of time.

**Maximum Allowable Reimbursement Level (MARL)**

The highest reimbursement amount for each FI for each peer group that the state agency may pay. The state agency determines a MARL for every WIC FI. Any FI that is submitted with a price higher than MARL shall be reduced through the automated clearing house (ACH) process.

**Not-To-Exceed (NTE) Amount**

The maximum price that the State agency will pay for a food type (e.g. milk, juice, cereal, eggs, etc.). The NTE amount is set as a reasonableness amount, set high enough so that the food type can be purchased anywhere in the State. The NTE amount is enforced as a prepayment edit and is NOT the end-of-process month MARL limitation. Any reimbursement that is submitted with a price higher than NTE shall be reduced through the Automated Clearing House (ACH) process or, at State agency discretion, through other means including, but not limited to, vendor remittance of payment to the State agency.

**Participants**

Pregnant women, breastfeeding women, postpartum women, infants and children up to their fifth birthday who are currently enrolled in the WIC program and are receiving supplemental foods under the program, and the breastfed infants of participant breastfeeding women.

**Participant Access**

The ability of a WIC participant to adequately access WIC-approved foods through the state agency's selection and authorization of an appropriate number and distribution of vendors consistent with ensuring effective state agency management, oversight, and review of its authorized vendors. The state agency has established participant access criteria in accordance with WIC regulations at 7 CFR part 246.

**Participant Sanction**

Punitive administrative action in response to participant violations. Participant sanctions may include disqualification from the Program for a period of up to one year.

**Participant Violation**

Any intentional or unintentional action of a participant, caregiver or a proxy that violates federal or state statutes, regulations, policies or procedures governing the program.

**Peer Group**

A group of vendors that is based on common characteristics or criteria that affect food prices. Vendors are grouped for management and cost containment purposes including, but not limited to, establishing and applying appropriate competitive price criteria (CPC) and MARLs to vendors.

**Price Adjustment**

An adjustment made by the state agency, in accordance with the vendor agreement, to the purchase price on a food instrument after it has been submitted by a vendor for redemption. Price adjustments are made to ensure that the payment to the vendor for the food instrument complies with the state agency's price limitations.

**Proxy**

Any person designated by a woman participant, or by a parent or caretaker of an infant or child participant, to obtain and transact FIs and CVVs and/ or to obtain WIC-approved foods on behalf of a participant. The proxy shall be designated consistent with the state agency's procedures established pursuant to 7 CFR §246.12(r)(1). Parents or caretakers applying on behalf of child and infant participants are not proxies.

**Regular Vendors (Non-A50)**

Vendors that do not meet the above-50-percent (A50) vendor's criterion, as defined elsewhere in this Subsection.

**Reimbursement**

The payment received by vendors after completing the routine process of depositing an FI or CVV into the banking system and the payment that may be received through the procedure an authorized vendor may use to request payment from the state agency when an FI or CVV has been refused by the bank or state agency. The state agency only reimburses vendors up to the applicable maximum allowable reimbursement level (MARL) for valid FIs and CVVs.

**Routine monitoring**

Overt, on-site monitoring during which program representatives identify themselves to vendor personnel.

**Sanctions**

Actions taken by the state agency when an authorized vendor fails to comply with WIC program rules, regulations, policies and/or procedures. Actions include, but are not limited to, CAPs, training requirements, termination of agreements, disqualifications or civil money penalties (CMPs), and fines.



**State Agency**

The state of Louisiana, Louisiana Department of Health, Office of Public Health, Center for Community and Preventive Health.

**State Plan**

A plan of program operation and administration that describes the manner in which the state agency intends to implement and operate all aspects of program administration within its jurisdiction in accordance with 7 CFR §246.4.

**Supplemental Foods**

Those foods containing nutrients determined by nutritional research to be lacking in the diets of pregnant, breastfeeding and postpartum women, infants, and children, and foods that promote the health of the population served by the WIC program as indicated by relevant nutrition science, public health concerns, and cultural eating patterns, as prescribed by the secretary in 7 CFR §246.10.

**Vendor Agreement**

A document that is a legally binding agreement between an authorized vendor and the WIC program.

**Vendor Authorization**

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

**Vendor Limiting Criteria**

Criteria established by the state agency to determine the maximum number and distribution of vendors it authorizes pursuant to 7 CFR §246.12(g)(2).

**Vendor Number**

A distinctive five-digit number assigned to each authorized vendor.

**Vendor Overcharge**

Any intentional or unintentional charge for supplemental foods to the state agency for more than is permitted under the vendor agreement. It is not a vendor overcharge when a vendor submits a food instrument for redemption in accordance with the vendor agreement and the state agency makes a price adjustment to the food instrument.

**Vendor Selection Criteria**

The criteria established by the state agency to select individual vendors for authorization consistent with the requirements in 7 CFR §246.12(g)(3) and (g)(4) and found in §4503 of LAC 48:V.Subpart 15.

**Vendor Violation**

Any intentional or unintentional action of a vendor's current owners, officers, managers, agents, or employees (with or without the knowledge of management) that violates the vendor agreement or federal or state statutes, regulations, policies, or procedures governing the program.

**WIC Benefit**

A Food Instrument (FI) and/ or a Cash Value Voucher (CVV) issued to a WIC participant through a food package prescription.

**WIC Transaction**

An electronic benefit transfer (EBT) of a WIC Benefit.

## **Background about the WIC Program**

The Special Supplemental Nutrition Program for Women, Infants and Children (the “WIC Program”) is administered by State agencies, which receive federal grants to provide supplemental foods, health care referrals, breastfeeding promotion and support, and nutrition education for low-income pregnant, breastfeeding and non-breastfeeding postpartum women, infants, and children up to age five, who are found to be at nutritional risk. WIC supplemental foods promote good health and nutrition during critical times of growth and development by providing target nutrients (e.g., iron, fiber, calcium, protein, and vitamins A, D and C). WIC Program benefits include health care referrals, support of breastfeeding as optimal for baby and mom, and nutrition education that has a practical relationship to the participant’s nutritional needs, household situation, and cultural preferences.

In order to qualify for the WIC Program, applicant household gross income cannot exceed 185 percent of the U.S. Poverty Income Guidelines (about \$3,349 a month for a family of three). Applicants that currently receive SNAP, Medicaid, or Temporary Assistance for Needy Families (TANF), also meet the income eligibility requirements for WIC.

Since 1974, research has shown that WIC participation has resulted in cost savings to the American public due to improved birth outcomes, and healthier babies and moms. Vendors play an important role in the WIC Program since participants obtain nutritious, competitively priced foods from WIC authorized retail stores.

## **Your Role as a WIC Vendor**

Participation as a vendor in The Louisiana WIC Program (“LA WIC” or “The WIC Program”) is a privilege. LA WIC authorization does not constitute a license or property interest.

LA WIC vendors are an essential part of providing WIC Benefits to participants. Louisiana authorized WIC vendors (Vendors) are chosen carefully to ensure that our participants are provided with an adequate selection of WIC foods and that LA WIC pays the lowest possible prices for foods that meet federal nutrition guidelines.

The WIC Program is federally regulated by the United States Department of Agriculture’s Food and Nutrition Service (FNS) and is not an entitlement program. This means that LA WIC must operate within the parameters of an annual grant. As such, federal regulations require LA WIC to select only those vendors who offer foods at competitive prices so that the Program is able to serve as many eligible individuals as possible. Your role in providing WIC foods at competitive prices is important to the operations of LA WIC.

This Louisiana WIC Vendor Guide is designed to inform owners, managers and vendor staff about the nutritional aspects of LA WIC and about important procedures regarding participation as a Vendor. Use this Vendor Guide to help train staff about WIC Program procedures.

Changes to Federal or State statutes, regulations, policies, or procedures governing LA WIC may occur periodically. LA WIC will provide advance notice before such changes are implemented. If a Vendor does not wish to continue to participate in LA WIC as a result of such changes, the Vendor may choose to terminate the Vendor Agreement. Upon Vendor termination of the WIC Vendor Agreement, a store must immediately stop accepting WIC EBT Cards. If a store wishes to regain WIC authorization, it must submit a new WIC Vendor Application and meet all application requirements in place at that time.

## **Your Responsibilities as a WIC Vendor**

In order to maintain WIC authorization, your store must, at all times during authorization and the period of the agreement, continue to be in compliance with all WIC Vendor Selection Criteria (see the [Vendor Selection Criteria](#) and [Sanction Schedule](#) sections of this guide). In addition to those requirements, the Vendor must:

1. Submit accurate prices to the State Agency when requested.
2. Connect the Vendor's in-store system to the State agency's WIC EBT System at least once every 48 hours to download the Approved Product List (APL), the current Invalid Primary Account Number (PAN) Hot Card List file, Error file, and Auto-Reconciliation (settlement) file.
3. Understand that the State agency, as part of the redemption process, will make price adjustments to the purchase price of WIC transactions submitted by the Vendor for redemption to ensure compliance with all price limitations and MARLs applicable to the Vendor. The MARL is the reimbursement level above which the State agency will make price adjustments during month end processing to ensure the food item is not paid above the MARL. Notification of overpayments will be submitted to vendors and manual adjustments will be entered in the EBT system by LA WIC staff to recover the overpayment.
4. Accept, transact, and redeem WIC-approved foods from WIC EBT cards properly using the processes described in this WIC Vendor Guide
5. Allow the purchase of all WIC-approved foods in the full amount specified on any WIC EBT card presented by a WIC participant.
6. Allow a WIC participant to use another form of payment (e.g., cash, SNAP benefits, credit or debit card, etc.) to pay the difference if the purchase price exceeds the dollar value of a cash-value benefit on a WIC EBT card. Vendors must allow WIC participants to choose from the tender types accepted from all other customers.
7. Provide WIC-approved foods that are fresh and have not exceeded their "sell by," "best if used by," or other date limiting the sale or use of the food item.
8. Display the prices of WIC-approved foods on the foods or on the shelves/display area in immediate proximity to the foods.
9. Maintain the establishment in a clean, orderly, and safe condition, with no current sanctions for violations of local health code ordinances, and comply with applicable Federal, State and local health protection laws and ordinances.
10. Keep on file in the store a copy of the Vendor Guide, the Vendor Agreement, and any memos, updates, and amendments received from the State agency.
11. Display a WIC decal or other notice of authorization as a WIC Vendor as furnished by the State agency, on or near the main entrance in an area visible to WIC participants.
12. Have the current WIC Approved Food List (WIC-23) readily available at each register.
13. Provide, by due dates established by the State agency, all information requested by the State agency or its designee during the agreement period.
14. Maintain, during and after any WIC authorization, for a period of four (4) full Federal Fiscal years after the date the record was created and upon request provide to the State agency, paper or electronic records used for State or Federal tax reporting purposes and other WIC Program records including: inventory records showing all WIC purchases, wholesale and retail, in the form of invoices that identify the vendor's name, date of purchase, supplier's name, invoice number, WIC

item size, quantity and brand, if applicable, of each specific WIC-approved food purchased (Note: Wholesaler or supplier invoices that do not contain the above information are not acceptable during an inventory audit and could lead to required recoupment from the vendor and/or sanctions), books of accounts, shelf price records, records of total food sales revenue, based on the definition of SNAP-eligible food items (see The Food Sales Fact Sheet) which must be verifiable or documented; and other pertinent documents.

15. Make available upon the request of the State Agency (or its designee), the USDA, or the Comptroller General of the United States, all EBT transaction records in the Vendor's possession and all required inventory and accounting records for inspection or audit.
16. Allow authorized personnel to monitor the Vendor through announced and unannounced visits for compliance with WIC, the Vendor Agreement, and/or Federal or State rules, regulations or policy governing LA WIC and provide access to EBT transaction records available in the store at the time of the visit.
17. Allow authorized State agency personnel to conduct announced and unannounced audits of Vendor's inventory and records.
18. Maintain a State agency-certified WIC EBT system on an on-going basis that ensures system compliance with WIC policies and procedures, transacts Cash Value, and ensures the accuracy of data.
19. Request State agency re-certification of the Vendor's in-store ECR system if Vendor alters/revises the system in any manner that impacts the EBT redemption/claims processing system after initial certification.
20. Return any WIC EBT card found in the store and unclaimed for 24 hours to the State agency.
21. Notify the State agency immediately upon the loss of the Vendor's ability to perform WIC EBT functions or to transact LA WIC EBT cards.
22. Accept financial liability for any WIC Transaction submitted for payment after the 15<sup>th</sup> day following the month during which the Transaction occurred.
23. Submit WIC EBT transaction batch files no more often than once every 24 hours nor less frequently than the 15<sup>th</sup> day of the month following the month in which the transaction occurred.
24. Accept financial liability for EBT benefit redemptions resulting from Hot Card transactions if the Vendor and any of its outlets covered by the Vendor Agreement have not connected to the State agency's WIC EBT System within a contiguous 48-hour period of time and updated the Invalid PAN Hot Card List file information at each of the Vendor's retail outlets covered by the Vendor Agreement
25. Accept EBT transactions only from WIC participants, parents or caretakers of infant and child WIC participants, or proxies, as indicated by entry of a valid PIN.
26. Notify the State agency in writing at least fifteen (15) days prior to or immediately upon knowledge of (whichever occurs first): the loss or relinquishment of SNAP authorization; cessation of Vendor operations; a change in Vendor ownership, management, corporate officers or majority stakeholders, merger, acquisition or change in form of business, legal standing, or authority to do business in Louisiana; a change of location; store name (including d/b/a); or, a change in mailing address, email address, or telephone number. Such notification must be mailed or emailed to the mailing or email (whichever is appropriate) address found in the "Contacting LA WIC" section of this vendor guide. Note: The Vendor Agreement shall become null and void on the date of the loss or relinquishment of SNAP authorization, unless participant access is an issue, cessation of Vendor operations, a change in Vendor ownership, or a change in store location of two or more

- miles walking distance from the previous store location. Once the Vendor Agreement becomes null and void, WIC business shall immediately cease and all EBT claims shall be submitted promptly.
27. Use the Vendor/Participant Complaint Forms, which are available online at <http://ldh.louisiana.gov/index.cfm/page/990> (click on “File a WIC Complaint”), to immediately notify the State Agency of any instance in which a participant or proxy fails to comply with WIC requirements. Participants will face participant sanctions for substantiated participant violations.
  28. Ensure that at least one representative participates in annual training on WIC Program requirements and any other training sessions, as identified in the “WIC Vendor Training Requirements” section of this Vendor Guide.
  29. Ensure that employees who process WIC transactions, and all other relevant staff who may handle or account for WIC EBT transactions, are trained in WIC Program requirements, including EBT processing procedures.
  30. Be fully responsible for violations of the Vendor Agreement committed by its owners, officers, managers, employees, agents, representatives or other individuals who directly or indirectly participate in the Vendor’s operations.
  31. Implement in full a Corrective Action Plan, if imposed by the State agency.
  32. Maintain the confidentiality of any participant information gathered as a result of WIC vendor authorization.
  33. Supply only the least expensive brand (LEB) for WIC purchases on food items designated as a LEB category.
  34. Otherwise comply in full with all the provisions of this Vendor Guide.

## **WIC Approved Foods**

WIC Approved Foods have been carefully chosen to provide good sources of vitamins, minerals, and protein most often lacking in the diets of women, infants and children at nutritional risk. The following chart shows these nutrients and the WIC Approved Foods that provide them.

<b>Nutrient</b>	<b>WIC Approved Foods that Supply the Nutrient</b>
Calcium	cheese, milk, infant formula, soy beverage
Protein	infant formula, milk, eggs, cheese, peanut butter, legumes (beans), canned fish
Iron	WIC-approved brands of cereal, legumes (beans), eggs, iron-fortified infant formula
Fiber	fruits, vegetables, whole grains, whole grain cereal
Vitamin A	milk, eggs, infant formula, fruits and vegetables, canned fish
Vitamin C	WIC-approved juices (citrus fruit juice, fruit juices fortified with Vitamin C), infant formula, fruits and vegetables
Vitamin D	canned fish, eggs, milk

The types and quantities of WIC Approved Foods prescribed to WIC participants vary according to individual need. Exact amounts and types of WIC Approved Foods prescribed to WIC participants are determined by a competent professional authority at a WIC clinic. These WIC Approved Foods are electronically listed on the EBT card that the WIC participant utilizes at a Vendor.

A complete list of WIC Approved Foods can be found in the current WIC Approved Food List (WIC-23), which is available online at <http://ldh.louisiana.gov/index.cfm/page/990>. The Vendor must keep a copy of the WIC-23 posted at each register.

### **Least Expensive Brand**

It should be noted when reviewing the WIC Approved Food List (WIC-23) that milk, cheese, and eggs require the use of the Least Expensive Brand (LEB). Refer to <http://ldh.louisiana.gov/index.cfm/page/990>.

### **Shelf Talkers**

Vendors may use shelf talkers to help WIC participants identify WIC-approved foods. A vendor must seek approval from the WIC State agency before using shelf talkers or before making any changes to currently approved shelf talkers. If a vendor uses approved shelf talkers, the shelf talkers must be placed at the exact spot on the shelves that contain the WIC-approved food item, next to the price of the item. Shelf talkers are not allowed to appear on the item packaging. The vendor is responsible for maintaining appropriate placement of any shelf talkers during the authorization period and must insure that any food items tagged are listed on the current Louisiana Dept. of Health - Bureau of Nutrition Services - WIC Approved Foods List. If shelf talkers are used for food items that require purchase of the least expensive brand (LEB), the shelf talker must be placed by the lowest cost LEB item that the store has on the shelf and should not be placed by any other items in that category. For food items to which LEB rules do not apply, a vendor can place shelf talkers by *all* or *none* of the eligible items.



## Minimum Stock Requirements (MSR) for All Vendors

Vendors must agree to maintain the following WIC Approved Food Item(s) in the store (on the store shelves or in storage areas within the physical structure of the authorized store) at all times.

Infant formula minimum inventory requirements are dependent on the vendor's peer group except for an A50 Vendor which must meet minimum stock requirements that correspond to its number of cash registers.






### Infant Formula Minimum Stock Requirements by Peer Group

## Infant Formula

Must be on the eWIC shopping list.

**No Substitutions**

Minimum Stock Requirements are Based on Vendor Peer Group Assignment (see below)

Infant Formula	Peer Group 1 1-3 Registers	Peer Group 2 4-7 Registers	Peer Group 3 8-11 Registers	Peer Group 4 12-15 Registers	Peer Group 5 16+ Registers
Similac Advance Powder – <b>12.4oz. can</b> (6 cans per case) 	12	12	24	24	24
Similac Soy Isomil Powder – <b>12.4oz. can</b> (6 cans per case) 	12	12	12	12	24
Similac Total Comfort Powder – <b>12.0oz. / 12.6oz. can</b> (6 cans per case) 	12	12	24	24	24
Similac For Spit-Up Powder – <b>12.0oz. / 12.5oz. can</b> (6 cans per case) 	12	12	12	12	24
Similac Sensitive Powder – <b>12.0oz. / 12.5oz. can</b> (6 cans per case) 	12	12	24	24	24

#### A50 Vendors: Peer Group 6

Minimum stock will be based on corresponding non-A50 peer group requirement

*Note: A Vendor with infant formula theft concerns may keep infant formula in a secure area to meet the minimum stock requirement. A notice of the location and prices of infant formula must be posted in the area where shoppers would expect to find infant formula.*

## Non-Infant Formula Minimum Stock Requirements

### Minimum Stock Requirements At-A-Glance

Food Item	Size	Min Stock	Food Item	Size	Min Stock
Cold Breakfast Cereal <sup>1,2</sup>	12oz. box 18oz. box	15 boxes, 3 varieties (1 variety must be whole grain)	Whole Grains <sup>1</sup> <i>(rice, bread, tortillas, pasta)</i>	16oz. package	10 - 16oz. packages, any variety
Beans/Lentils/Peas <i>(dried and canned<sup>1</sup>)</i>	16oz. bag 15-16 oz. can	6 bags, any variety 6 cans, any authorized variety	Peanut Butter	16 - 18oz. jar	5 jars
Infant Cereal <sup>1</sup>	8oz. container	10 containers	Canned Fish <i>(Tuna, Salmon, Sardines)</i>	All eligible sizes	10 cans
Infant Fruits <sup>1</sup>	4oz. container	32 containers, 2 varieties	Fresh Fruit	N/A	20 units, 3 varieties
Infant Vegetables <sup>1</sup>	4oz. container	32 containers, 2 varieties	Fresh Vegetables	N/A	20 units, 3 varieties
Infant Meats <sup>1</sup>	2.5oz. container	16 containers, 2 varieties	<b>Cheese - LEB</b>	8oz. package 16oz. package	5 - 8oz. packages 5 - 16oz. packages
Infant Formula	12 - 12.6oz. can	See page 6	<b>Eggs - LEB</b>	Dozen -lg, white	5 dozen
Single Strength Juice <sup>1</sup>	64oz. container	6 containers, 2 flavors	<b>Whole Milk - LEB</b>	Gallon Quart	5 gallons 2 quarts
Single Strength Juice <sup>1</sup>	48oz. container and/or 11.5-12oz. frozen concentrate	6 containers, 2 flavors	<b>Low Fat Milk: Low-Fat (1%) Milk and/or Skim Milk - LEB</b>	Gallon Quart	10 gallons* 2 quarts* <small>(*any combination of low-fat milk and/or skim milk)</small>

1. Brand and/or Variety specific. See WIC Approved Food List (WIC-23) for allowable Brands and Varieties.

2. At least one Variety must be whole grain.

**Information:**

- For current Louisiana WIC Approved Food List (WIC-23), see: <http://ldh.louisiana.gov/index.cfm/page/990>
- When a specific number of varieties or flavors are identified in the Minimum Stock Requirement column, listed above, the total required quantity does not need to be carried for **each** variety. Instead, the total quantity required must consist of at **least** the number of varieties or flavors indicated in the Minimum Stock Requirement column. For example, a Vendor with six bottles of approved 48oz. Single Strength Juice (2 apple flavored and 4 grape flavored) meets the minimum stocking requirements for 48oz. container and/or 11.5-12oz. frozen concentrate Single Strength Juice.
- Any WIC Approved Food Item(s) that has exceeded its “sell by,” “best if used by,” or other date limiting the sale or use of the food item will not be considered for minimum stock purposes.
- Any WIC Approved Food Item(s) stocked by a Vendor with pricing that exceeds CPC established by the State agency will not be considered for the purposes of meeting minimum stock requirements. The last quarter’s statewide average CPC for each WIC Approved Food Item can be found at <http://ldh.louisiana.gov/index.cfm/page/990>.
- All Authorized WIC Vendors must meet Infant Formula and Non-Infant Formula Minimum Stock Requirements listed above.

## Vendor Selection Criteria

Federal Regulations at 7 CFR Section 246.12 mandate that State WIC agencies must develop and implement selection criteria to select only qualified vendors to provide WIC supplemental foods to WIC participants. Federal Regulations at 7 CFR Section 246.12(g)(3) mandate that specific selection criteria must be addressed while allowing WIC State agencies to identify additional selection criteria to further enhance services to WIC participants.

After authorization, all vendors shall continue to meet the selection criteria of this Policy and Procedure and any changes thereto, at all times. **A vendor found to be out of compliance with LA WIC regulations, the Vendor Agreement, or vendor selection criteria, at any time during the authorization period, is subject to termination of LA WIC authorization.** The State agency may reassess any authorized vendor at any time during the vendor's agreement period using the vendor selection criteria in effect at the time of the reassessment and must terminate the agreements with those vendors that fail to meet them.

The vendor selection criteria are published in the Louisiana Administrative Code (LAC 48:V.4503) and are also provided in the LA WIC Vendor Guide. Louisiana WIC Vendor Selection Criteria are:

1. Vendor must submit a complete and notarized application, including any required supporting documentation, to the WIC State agency within applicable timeframes set by the WIC State agency.
2. Vendor must be currently authorized and participating in the USDA Supplemental Nutrition Assistance Program (SNAP) and cannot have received a SNAP Civil Money Penalty (CMP) for which the disqualification period, if it had been imposed, would not yet have expired.
3. Vendor must have a grocery class permit to operate issued under the Bureau of Sanitarian Services of the Office of Public Health for the current State fiscal year.
4. Vendor must maintain the establishment in a clean, orderly and safe condition, with no current sanctions for violations of the Louisiana State Sanitary Code (LAC 51), the International Plumbing Code as amended by the Louisiana State Uniform Construction Code Council (LAC 17:I.111), or local health code ordinances.
5. Vendor must be open a minimum of six days and at least 48 hours, per week.
6. Vendor must have prices that do not exceed the current competitive price criteria (CPC) for each food item within the vendor's peer group.
7. Vendor must display prices for WIC-approved foods on the foods or on the shelves/display area in immediate proximity to the foods.
8. Vendor must stock and maintain sufficient quantities and varieties of all WIC-approved foods in accordance with Louisiana WIC's minimum stock requirements, which can be found in the Minimum Stock Requirements section of the WIC Vendor Guide.
9. Vendor must purchase infant formula only from vendors included on Louisiana WIC's list of infant formula manufacturers registered with the Food and Drug Administration (FDA) that provide infant formula, and licensed infant formula wholesalers, distributors, and retailers. This list can be found at <http://ldh.louisiana.gov/index.cfm/page/990>.
10. Vendor must not have been denied WIC authorization or had a prior WIC authorization terminated by the State agency within the past year for any reason other than the expiration of the Vendor Agreement, store closing, or store relocation.
11. Vendor current owners, officers, or managers shall not have been formerly employed by any vendor that was disqualified from any USDA food program within the past year.

12. Vendor current owners, officers, or and managers shall not have been convicted of any felony within the past six (6) years.
13. Vendor current owners, officers, or and managers shall not have been convicted of any federal, state, or local tax violations within the past six (6) years.
14. Vendor owners, officers, or managers shall not have a criminal conviction or civil judgment entered against them within the past six (6) years for any activity indicating a lack of business integrity (including but not limited to 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).
15. Vendor must be in good standing with no unpaid or overdue balances owed to the Louisiana WIC Program.
16. Vendor must not have had any WIC Vendor Agreement terminated due to false or inaccurate information provided to the WIC Program within the past six (6) years.
17. Vendor must have access to a computer, with internet access, and shall have an e-mail account that can be used to send messages to and receive messages from the Louisiana WIC Program, and shall be able to download and upload electronic documents sent/received via email or posted/requested on the Vendor Portal or any other online application used by the WIC Program.
18. Vendor must utilize a cash register system that is EBT capable and at a minimum, performs split tender transactions and produces itemized receipts showing date of purchase, items purchased, price of items purchased, and the total sale amount.
19. Vendor must redeem or expect to redeem at least fifty (50) WIC transactions per month within six months of authorization.
20. Unless necessary for participant access, vendor must not derive or expect to derive more than 50% of annual food sales revenue from WIC transactions.
21. When the Louisiana WIC Program determines a vendor is necessary for participant access, vendors deriving or expecting to derive more than 50% of their annual food sales revenue from WIC transactions must agree to be placed in a vendor peer group with other above-50-percent vendors. Vendors within this peer group shall maintain WIC-approved food prices at a level such that the average payment per FI for above-50-percent vendors does not exceed the average payment per FI to regular vendors.
22. When the Louisiana WIC Program determines a vendor is necessary for participant access, vendors deriving or expecting to derive more than 50% of their annual food sales revenue from WIC transactions must agree to neither provide nor advertise nor indicate an intent to provide customers with any incentive items. The State agency shall make a determination on what constitutes a violation of the intent of the previous sentence; however, incentive items definitively prohibited include but are not necessary limited to:
  - a. services which result in a conflict of interest or the appearance of such conflict for the above-50-percent vendor, such as assistance with applying for WIC benefits;
  - b. lottery tickets at no charge or below face value;
  - c. cash gifts in any amount for any reason;
  - d. anything made available in a public area as a complimentary gift which may be consumed or taken without charge;
  - e. food, merchandise or services of any value provided to the customer;
  - f. food, merchandise sold to customers below cost, or services purchased by customers below fair market value;

- g. any kind of incentive item which incurs a liability for the WIC Program; and
  - h. any kind of incentive item which violates any federal, state, or local law or regulations.
23. Vendor must be a full-line grocery store, as defined by the State agency. The Louisiana WIC definition of a full-line grocery store can be found in the “Definitions” section of the Vendor Guide or the Louisiana Administrative Code (LAC).

All stores seeking authorization must meet the selection criteria in order to be authorized. All stores seeking reauthorization must meet the selection criteria in order to be reauthorized.

## Competitive Prices

Federal Regulations at 7 CFR Section 246.12(g)(4) require the State agency to develop a vendor peer group system and distinct Competitive Price Criteria (CPC) and allowable reimbursement levels for each peer group.

Louisiana vendor peer groups are identified as follows:

1. Peer Group 1 – stores with 1-3 cash registers (Small Store)
2. Peer Group 2 – stores with 4-7 cash registers (Small Grocery)
3. Peer Group 3 – stores with 8-11 cash registers (Medium Grocery)
4. Peer Group 4 – stores with 12-15 cash registers (Large Grocery)
5. Peer Group 5 – stores with 16+ cash registers (Super Market)
6. Peer Group 6 – stores that derive or expect to derive more than 50 percent of their annual food sales revenue from WIC FIs or transactions (above-50-percent criterion store or A50). State agency policy is to prohibit authorization of A50s unless the State agency determines a vendor is needed to ensure adequate participant access to WIC supplemental foods.

The CPC is the price level at or below which WIC Approved Foods must be priced in order for a vendor applicant to be considered for authorization. If during authorization, a Vendor's prices are found to be outside of the CPC for their appropriate peer group, the Vendor Agreement may be terminated due to the violation of CPC Selection Criteria (see the Sanctions Section of this Vendor Guide).

The State agency determines CPC for WIC-approved food items based on redemption amounts gathered from the WIC data system.

## **Maximum Allowable Reimbursement Levels (MARLs)**

### **Initial Pre-Payment MARL**

Federal Regulations at 7 C.F.R. Section 246.12.h.3.viii requires the State agency to establish and apply limits on the amount of reimbursement allowed for food items based on a vendor's peer group and competitive price criteria.

The Initial (prepayment) MARL is the reimbursement level above which the State agency will make price adjustments on EBT transactions at the subcategory level to ensure no food item is paid above a reasonable level.

The Initial (prepayment) MARL will be applied to each food item at subcategory level during the transaction settlement process.

Any food item presented for payment during the settlement process that exceeds the initial (prepayment) MARL will have the reimbursement for that particular food item reduced to the initial (prepayment) MARL level.

### **Post-Recoupment MARL**

The MARL is the reimbursement level above which the State agency will make price adjustments during month end processing to ensure the food item is not paid above the MARL.

Overage amounts will be totaled by vendor. Notification of overpayments will be submitted to vendors with overpayments and a manual adjustment will be entered in the EBT system by LA WIC staff to recover the overpayment.

## **Vendor Authorization**

Vendors must maintain a copy of the Vendor Agreement and this Vendor Guide in authorized stores at all times. The length of authorization is identified in the Vendor Agreement. Throughout the full length of the authorization period, Vendors must continue to meet WIC Vendor Selection Criteria and abide by all WIC Program guidelines in order to remain eligible to be authorized WIC vendors.

### **Initial Authorization**

Prospective vendors must submit a complete and notarized Vendor Application including all supplemental documents required to be submitted with the Vendor Application. A vendor applicant must meet all selection criteria in order to be WIC authorized. A vendor applicant must undergo an on-site preauthorization monitoring visit by LA WIC before becoming WIC authorized. Approved vendor agreements will be assigned an expiration date according to the vendor's Trade Area.

Any store interested in participating in LA WIC must apply for WIC vendor authorization and may not accept WIC EBT Cards until all application requirements are met—including the submission of a complete WIC Vendor Application and any required supporting documentation, passing a pre-authorization on-site review, completion of a training program, signing a formal Vendor Agreement binding the vendor applicant to follow all WIC rules and policies, and receipt of an authorization letter from LA WIC. The WIC Vendor Application requires identification of the applicant vendor store type as a grocery, convenience or hypermarket. Definitions of these store types can be found in the Definitions section of this guide. Submission of false or incomplete information will result in denial of an application (or termination of the WIC Vendor Agreement if the false or incomplete information is discovered after authorization).

A store seeking Louisiana WIC Authorization may elect to provide service to homeless WIC participants in addition to traditional participants by selecting that option in Part 4 of the Vendor Application.

WIC authorization does not transfer to a new owner when a change of ownership occurs, nor does authorization extend to new store locations opened or acquired by an existing Vendor. Each store location operated by a business entity constitutes a separate Vendor and must be authorized separately from other stores operated by the business entity. Each store must have a single, fixed location.

### **Re-Authorization**

All vendor authorizations in a Trade Area will expire on September 30<sup>th</sup> of a three-year cycle. All authorized vendors in a Trade Area whose agreements expire in the current calendar year must undergo a reauthorization process to maintain WIC-authorized vendor status. A vendor seeking reauthorization must meet all selection criteria in order to be LA WIC-authorized.



## **Change of Ownership**

Louisiana WIC (LA WIC) authorization does not transfer to a new owner when a change of ownership occurs.

- I. A change of ownership occurs when all of the assets of the store are sold or transferred to a new owner or business entity, as follows:
  - a. Sole Proprietorship (unincorporated): Transfer of title and property to another party;
  - b. Corporation:
    1. The merger of a corporation that owns the Vendor into another corporation;
    2. The consolidation of two or more corporations, one of which is owner of the Vendor, resulting in the creation of a new corporation;
    3. The acquisition of the corporation that owns the Vendor by another entity whereby the corporation that owns the Vendor ceases to exist;
  - c. Limited Liability Company: The removal or addition of a member in a limited liability company which changes the majority ownership of the LLC;
  - d. Partnership (including limited partnerships and limited liability partnerships): The addition of a partner or the dissolution of the partnership.
- II. Authorized Vendors must notify the State agency in writing at least fifteen (15) days prior to or immediately upon knowledge of (whichever occurs first) a change in Vendor ownership.
- III. Authorized Vendors are not required to notify LA WIC when the following occurs in a Corporation, as this does not constitute a change of ownership:
  1. Transfer of corporate stock;
  2. The acquisition of the corporation that owns the Vendor by another entity whereby the corporation that owns the Vendor continues to exist under ownership of the acquiring entity;
  3. Admission or dismissal of an officer to the board of directors of a corporation.

In any instance where a change of ownership occurs, the Vendor Agreement shall be null and void as of the date the change occurred. Neither the previous owner nor the new owner will be authorized to conduct WIC Transactions.

LA WIC will recoup any and all payments transacted after a change of ownership.

### **Change in Availability or Location**

WIC authorization does not extend to new store locations opened or acquired by an existing Vendor. Each store location operated by a business entity constitutes a separate Vendor and must be authorized separately from other stores operated by the business entity. Each store must have a single, fixed location.

A WIC Vendor must notify the State Agency in writing at least fifteen (15) days prior to or immediately upon knowledge of (whichever occurs first) cessation of Vendor operations, a change of store location or change of business hours.

The Vendor Agreement shall become null and void on the date of the cessation of Vendor operations, or a change in store location of two or more miles walking distance from the previous store location.

Once the Vendor Agreement becomes null and void, WIC business shall immediately cease and WIC transactions shall be promptly processed.

## **WIC Vendor Training Requirements**

Newly authorized WIC vendors will receive training from either State or WIC clinic staff prior to accepting WIC EBT cards. Vendors must attend interactive training and agree to train the managers and all employees involved in WIC transactions or processing in the proper procedures for accepting and processing WIC EBT cards. This training is done before or at initial authorization, in interactive format, and at least once every three years thereafter. LA WIC will designate the date, time and location of the training. LA WIC will provide the Vendor with at least one alternative date on which to attend training.

Annual training is conducted through a variety of means. Formats of annual training may include online webinars, newsletters, videos, and interactive training. At least one representative of the Vendor must participate in training annually.

Vendors already authorized to accept EBT cards may be required to receive additional training if compliance issues arise.

All existing store personnel and future hires responsible for handling WIC transactions MUST:

1. Read the “WIC EBT Transaction Procedures” (WIC-33 EBT).
2. Sign the Transaction Procedure Signature Log (WIC-33L) form to indicate that the information has been read and understood within seven (7) calendar days of store authorization and new hire.

A Vendor must keep a copy of the WIC-33 EBT and the WIC Approved Food’s List (WIC-23) posted at each register. The vendor must also keep copies of the signed WIC-33L forms available for inspection by WIC staff during routine store visits.

**Failure to participate in vendor training may result in termination of the Vendor Agreement or disqualification, in accordance with the Sanction Schedule.**

## **Use of WIC Acronym and Logo**

Vendors may only use the acronym “WIC” or the WIC logo to identify themselves as an authorized WIC vendor, to identify WIC-approved foods in the store, and on tender type signs that alert customers of the types of payment accepted by the store. The WIC logo and acronym are not permitted to be attached or affixed to any products, including those placed in the store by a distributor.

The purpose of these restrictions is to avoid giving the erroneous impression to WIC customers that the business is affiliated with or sponsored by the State agency, USDA, or LA WIC. The acronym “WIC” and logo are registered service marks of the USDA for USDA’s WIC Program, Registration Nos. 1,630,468 and 1,641,644, respectively, hereinafter referred to collectively as the “service marks.”

Vendors may not use the service marks in ways likely to cause confusion with regard to their involvement with LA WIC. It is USDA policy to avoid endorsements, directly or indirectly, of any commercial product, service, or enterprise. Vendors are not permitted to use the service marks, including close facsimiles thereof, in total or in part, either in the official name in which the Vendor is registered or in the name under which it does business.

An example of prohibited use of the service marks include using the letters “W,” “I” and “C”, in that order, next to one another in the vendor’s name, or these letters in that order but not next to one another, with the letters made to stand out in some fashion, such as with a different color or size than other letters. There may be other examples of inappropriate use of the service marks. Inappropriate use of service marks shall be as determined by the State agency.

WIC vendors may describe themselves as such only with the use of the WIC decal or other notice of authorization as a WIC Vendor distributed by LA WIC. The WIC decal or other notice of authorization as a WIC Vendor must be placed in the front window of the store and is the only sign that is allowed to be used to identify the store as WIC authorized. Vendor noncompliance is cause for termination of the Vendor Agreement and/or possible sanctions.

## WIC EBT Cards

WIC participants and cashiers were previously required to complete WIC transactions using paper vouchers (much like a check). Now, WIC benefits are loaded onto an EBT (Electronic Benefits Transfer) Chip Card, more like the debit cards used today by most Americans.

WIC EBT cards are provided at the WIC clinic to participants, parents and caretakers of infant and child participants, and proxies. The WIC EBT card has an imbedded electronic chip that contains the WIC-approved foods prescribed to the WIC participant(s) in the quantities prescribed. As WIC EBT cards are used to acquire WIC-approved foods at the vendor, the quantities of WIC-approved foods are decremented from the EBT card and only the remaining balance for the current time period will remain electronically available on the WIC EBT card. The Louisiana WIC Program uses WIC vendors and its EBT processor/banking system to provide WIC-approved foods to WIC participants. WIC participants transact WIC EBT cards at WIC vendors. The WIC Vendor must transact the WIC EBT card for only those WIC-approved foods identified on the WIC EBT card and in the quantity specified.

WIC vendors receive payment for WIC-approved food items purchased with WIC EBT cards by connecting the Vendor's in-store system to the State agency's WIC EBT System at least once every 48 hours to download the Approved Product List (APL), the current Invalid Primary Account Number (PAN) Hot Card List file, Error file, and Auto-Reconciliation (settlement) file. Acceptance of the WIC EBT card by the store represents a financial transaction between the Louisiana WIC Program (payer) and the Vendor (payee), not between the WIC participant and the Vendor.

### **At the WIC Clinic:**

1. WIC EBT cards are generated and reloaded at WIC clinics.
2. The WIC participant or proxy determines and the clinic electronically records a PIN for that EBT card, which must be entered when transacting WIC EBT cards at the Vendor. **Entering the PIN is like a signature; it must be safeguarded and entered only by the participant, parent, caregiver, or authorized proxy when conducting a WIC transaction.**

## WIC EBT Transaction Procedures

### Understanding your EBT System

It is important for cashiers to know how to properly conduct a WIC Transaction using EBT. Each vendor's POS system is different, so please review any and all training materials provided to you by your POS provider to best understand how your system operates. Once you understand your system, you'll be able to help Participants have a smooth checkout and avoid delays at the register.

### Transaction Processing Procedures using an LA WIC EBT Card (eWIC Card)

Vendors must comply with EBT Transaction Processing procedures as outlined in the LA WIC Vendor Agreement and Vendor Guide.

**1. The WIC Participant must enter the eWIC Card PIN.**

The Participant must enter their PIN to authorize the transaction. If the Participant or proxy does not remember their PIN, refer them to their WIC clinic for assistance. Cashiers may NOT enter the PIN for the participant.

**2. The Cashier must not request any additional form of ID.**

The PIN authorizes the WIC transaction. Participants are not required to produce any additional form of identification to complete the WIC EBT transaction.

**3. The Cashier must scan all items in the transaction.**

Scan all items selected by the Participant for purchase. An item may not scan as a WIC Approved Food Item if:

- The item is not a WIC Approved Food Item (see the WIC-23 WIC Approved Food List, which must be posted at each cash register); or
- The item is a WIC Approved Food Item, but the Participant does not have sufficient benefits for that specific food item available on their eWIC Card (check the Participant's Beginning Balance Receipt to determine whether or not the eWIC Card has the necessary benefits available for the purchase).
- If the item does not scan as a WIC Approved Food item and it is a WIC Approved Food Item that the Participant has sufficient benefits to purchase, contact the manager and the UPC/POS team to have the item added to the store's Approved Product List (APL).
- Note: Vendors shall not perform overrides for WIC Approved Food Items (except for fruits and vegetables as needed).

**4. The Cashier must deduct coupons and in-store promotions.**

Deduct applicable coupons and in-store promotions in accordance with the requirements of the Handling of In-Store Promotions section of the Vendor Guide.

**5. The Participant must accept/update benefits to approve the transaction.**

Store personnel must NOT accept or approve the transaction on behalf of the Participant, unless directed to do so by the Participant. Once the Participant presses "Accept" or "Update", the transaction is finalized and the Ending Balance Receipt will print. Note: If the Participant presses "Reject" or "Do Not Update" or if the transaction is voided, the transaction will not process, and a receipt will print that shows that the WIC Benefits did not update.

**6. The Cashier must provide the Participant copies of all receipts printed during the transaction.**

At a minimum, all POS systems are required to print the following types of receipts:

- Balance Inquiry Receipt – an opening or ending benefit balance receipt

- If provided at the beginning of the transaction, this receipt reflects the opening benefits balance
  - If provided at the end of the transaction, this receipt reflects the ending benefits balance
  - WIC Purchase Receipt that includes transaction benefits utilization/redemption data
    - Includes the items purchased in the transaction
    - Identifies which items were purchased with WIC benefits
    - Includes the WIC benefits remaining after the transaction
  - If the Cashier or the Participant voids the transaction, a WIC Purchase Receipt or a sales receipt reflecting the voided transaction must be provided.
- 7. The Cashier must provide all items deducted from the Participant's WIC Benefits to the Participant.**
- 8. The Cashier must allow other forms of payment.**  
 Participants may use another payment method (SNAP, cash, debit or credit card, etc.) to pay for WIC Approved Food Items that exceed their available WIC Benefits (such as paying the difference for fruits and vegetables) or for any non-WIC items purchased.

**LA WIC EBT Transaction Reminders:**

- **The eWIC Card is a chip card** and must be inserted into the card reader (not swiped) by the Participant.
- **Avoid a possible Card Wipe Error** by reminding the Participant to leave the eWIC Card in the card reader until they are prompted to remove it. If the eWIC Card is removed too soon, an error known as a “card wipe” may occur. A card wipe removes all benefits from the eWIC card. If this happens, reach out to your manager to confirm the card wipe and direct the Participant to their local WIC clinic to have their benefits restored.
- **Practice discretion** and do not announce that the transaction involves WIC Benefits.
- **Provide the same courtesies** to Participants as to all other customers. Courtesies may include, but are not limited to, bagging of grocery items, the use of manufacturer's coupons, and participation in store promotions, including buy-one-get-one-free offers and/or store loyalty program discounts.
- **Allow WIC Approved Food Items on eWIC Card.** If the item is a WIC Approved Food Item and the Participant has benefits for that specific food item available on their eWIC Card, the cashier must allow the sale of the WIC Approved Food Item if it is in the vendor's inventory (regardless of whether the WIC Approved Food Item is a required minimum stock item). The cashier may not deny a Participant a WIC Approved Food Item listed on the Participant's eWIC Card due to Vendor error.
- **Allow only the purchase of the Least Expensive Brand (LEB) item** for WIC Approved Food Items designated as LEB – milk, eggs, and cheese. If the LEB food item is temporarily out of stock, the vendor must allow the purchase of the next lowest cost LEB food item available.
- **No Credit Allowed.** Vendors are not permitted to give Participants cash, change, rain checks, or store credit. Vendors cannot give Participants:
  - Cash back as a result of discounts or coupons used in a WIC Transaction;
  - Money or store credit in exchange for eWIC Cards; or
  - Money or change back or store credit for purchases using eWIC Cards.
- **Strict Limits on Refunds/Exchanges.** Vendors cannot provide Participants with refunds or exchanges for WIC Approved Food Items purchased with eWIC Cards, except for exchanges of an

identical WIC Approved Food Item when the purchased WIC Approved Food Item is defective, spoiled, or has exceeded its “Sell by”, “Best if Used by”, or other date limiting the sale or use of the food item.

- **No Restitution.** The Vendor must never seek restitution from Participants, parents, caregivers, or proxies for claims not paid or only partially paid by LA WIC.
- **Accountability for Employee Actions.** LA WIC will hold the Vendor accountable for the actions of its employees in the transaction and processing of eWIC Cards and the provision of WIC Approved Food Items.
- **Return lost LA WIC EBT Cards** to your store manager to be returned to the Louisiana WIC Program.



## **WIC EBT Processing**

Only stores that are authorized by LA WIC may transact WIC EBT cards.

Once LA WIC completes L3 Certification of a Vendor's EBT system, LA WIC will maintain record of the name of the Vendor's POS System (e.g., MobiWic), the POS System Type (Integrated or Stand-Beside) and the POS System Provider (e.g., DuMac). Vendors must notify LA WIC of any planned POS system or provider change. Changes to the POS system or changes in POS providers may require additional in-store certification.

If it has been confirmed that an item should be approved but is not scanning as a WIC approved item, management should complete the Request to Add a UPC Form, unless the item is produce, in which case management must map the produce item using the Mapping Instructions. The Request to Add a UPC Form and Mapping Instructions are available at <http://www.ldh.la.gov/index.cfm/page/990>.

After a WIC sale is completed in the store lane, that sale is automatically stored ("bundled") in a claim file by the store's cash register system and automatically submitted to the State for payment electronically. The claim file is normally submitted at a pre-determined time of day, directly by the store's cash register system, to the State's claims server. The State's claims server performs certain edits and verifications on the claim file to ensure its validity and integrity.

At the same time that the vendor's claim is submitted to the State, the vendor's system also downloads the current authorized product list, the hot-card list for EBT cards reported as lost or stolen, and the auto-reconciliation file ("ARF"), which tells the vendor what they will be paid for the claim submitted the day before. Following the edits/verifications, the State's server forwards payment directly to the vendor's bank account through the Louisiana contracted EBT processor/bank. Separately, the next time that same vendor's system connects to the State, the State downloads an auto-reconciliation file (ARF) that advises the vendor of the specific amount of the claim paid, if there was any part of the claim not paid, and/or the reason for any nonpayment.

These claims transactions are all handled electronically without human intervention. How often a vendor is paid depends on how often a vendor submits a claim – but typically one claim is submitted per day. Final payment to the vendor is typically completed within three to five (3-5) days.

The amount submitted by a Vendor may be adjusted by Louisiana WIC's EBT processor/bank so as not to exceed the peer group appropriate MARL. For FI transactions that are EBT, MARL is calculated as the highest reimbursement amount the State agency may pay for each WIC food item for each peer group in accordance; the State agency determines a MARL for every WIC food item. ACH is used to adjust for food items that have been transacted in an amount above the MARL. ACH may also be used for collecting any unpaid claims or fines by offsetting the claim against current and subsequent amounts to be paid to the vendor.

## **EBT Transaction Disputes**

An Authorized WIC Vendor may dispute the payment for EBT transactions (hereinafter sometimes “Dispute”) resulting from late submission of WIC EBT transaction batch files and/or submission of malformed transactions.

Each Dispute will be evaluated based on its merit as provided in this policy. There is no guarantee that the Dispute will be resolved in favor of the vendor. The burden of proof rests with the Vendor. Louisiana WIC Program (LA WIC) is the sole arbiter of Disputes submitted for resolution under this policy. LA WIC’s assessment and determination of the Dispute are final and not subject to further appeal.

Authorized Vendors must use the EBT Transaction Dispute Form (available at <http://www.ldh.la.gov/index.cfm/page/990>). LA WIC requires that all Disputes must be received within 60 days of the transaction date.

Disputes involving \$500 or more require approval from the USDA before payment can be authorized.

- I. LA WIC will consider Disputes that fall into two categories:
  - a. Disputes related to the submission of Late Claims. A Late Claim is a Vendor’s failure to submit its WIC EBT transaction batch files by the 15th day of the month following the month in which the transaction occurred.
  - b. Disputes related to the submission of Malformed Claims. A Malformed Transaction is a transaction in the WIC EBT transaction batch files that contains incorrect or incomplete information.
  
- II. LA WIC will not consider Disputes relative to either of the following:
  - a. EBT transactions, for which no electronic record exists on either the Vendor’s or LA WIC’s EBT systems.
  - b. Payments of EBT transactions adjusted by LA WIC due to vendor overcharge, sales that exceed the maximum allowable reimbursement levels (MARLs), and sales that exceed the Not to Exceed amounts (NTE).

Solely at its discretion, LA WIC reserves the right to consider reimbursements for circumstances other than those identified above, and/or make adjustments to vendor payments in the vendor’s favor when it comes to LA WIC’s attention that a vendor(s) has been underpaid.

## Handling of In-Store Promotions for WIC Participants

Vendors often offer in-store promotions. For the purpose of this section, in-store promotions include vendor and manufacturer discounts, and vendor incentive items.

Vendors are required to offer WIC Program participants, parents or caretakers of infant and child participants, and proxies, the same courtesies that are offered to other (non-WIC) customers. Vendors may not treat WIC customers differently from non-WIC customers by excluding them from in-store promotions—this includes disallowing the use of coupons or other vendor discounts in WIC transactions that are allowed in non-WIC transactions. Similarly, Vendors may not treat WIC customers differently by offering them incentive items, vendor discounts, coupons or other promotions that are not offered to non-WIC customers.

### A. Regular (non-A50) Vendors must adhere to the following:

#### Discounts by Type

Vendor and manufacturer discounts generally provide either a greater quantity (quantity discount) of, or a lower price (price discount) for, a food item. The most common types of discounts and applicable policies are described below:

- a. **Buy One, Get One Free (BOGO)** - In this promotion, the Vendor sells one WIC food item and provides a second identical food item or a different item at no additional cost. If the free item in a buy one, get one free promotion is a WIC food item, it should not be deducted from the participant's WIC benefit balance. For example, a vendor offers a free box of cereal with each box of cereal that is purchased. In this case, if the WIC participant has an FI authorizing 36 ounces of cereal, the WIC participant may choose two 18 ounce boxes of WIC-approved cereal, which would be charged to the EBT card, and receive two additional 18 ounce boxes of cereal for free.
- b. **Buy One, Get One at a Reduced Price** - In this promotion, the Vendor sells one WIC food item at full price and sells either a second identical WIC food item or a different food item at a reduced price. This discount type only applies when the second, reduced price item is a WIC food item and the participant has two of the item on his or her EBT card. In this case, the participant should receive the second item at the discounted price and the total EBT card settlement should reflect this discount.
- c. **Free Ounces Added to Food Item by Manufacturer (Bonus Size Items)** - In this promotion, a food manufacturer adds extra ounces to a product at no extra cost to the consumer. For example, instead of offering 16 ounces of cereal in a box, a manufacturer may temporarily offer a bonus size 18-ounce box of cereal at the same price. When a bonus size food item is purchased by a WIC participant, the Vendor should redeem the WIC EBT card as if the original size (16 ounce) item were purchased.
- d. **Transaction Discounts** - In this type of promotion, the Vendor applies a fixed amount discount or a discount percentage to the total dollar amount of the purchase. For example, the offer may be for \$10 off or 10% off when \$50 or more in groceries are purchased. This type of discount must be applied to WIC transactions when applicable.

- e. **Store Loyalty/Rewards Cards** - Vendors may provide a card or token that provides additional vendor discounts for frequent or regular customers. WIC participants and proxies are not required to use loyalty/rewards cards, nor are Vendors required to scan a “dummy” card for WIC participants who do not have their own cards. Store loyalty/rewards cards may provide a variety of discounts. These vendor discounts should be processed by Vendors as outlined above, according to type.
- f. **Manufacturers’ Cents Off Coupons** - Manufacturers’ cents off coupons allow customers to purchase certain items at a lower price. For example, a coupon may offer a discount of 50 cents off a box of cereal. The value of coupons presented by WIC participants and proxies must be applied to the WIC transaction. If sales tax must be collected on a manufacturer’s coupon in a WIC transaction, the following procedure must be used in order to prevent LA WIC or participant from being taxed:
  - i. Subtract the sales tax on the coupon from the face value of the coupon
  - ii. Subtract the remainder of the coupon value from the retail price of the WIC-approved food.

**B. Above-50-Percent (A50) Vendors must adhere to the following:**

**Vendor Incentive Items (Prohibited for A50 Vendors)**

Vendors deriving or expecting to derive more than 50% of their annual food sales revenue from WIC transactions must agree to neither provide nor advertise nor indicate an intent to provide customers with any incentive items, as determined by the State agency, including the following prohibited incentive items:

- a. Services which result in a conflict of interest or the appearance of such conflict for the Above-50-Percent Vendor, such as assistance with applying for WIC benefits.
- b. Lottery tickets at no charge or below face value.
- c. Cash gifts in any amount for any reason.
- d. Anything made available in a public area as a complimentary gift which may be consumed or taken without charge.
- e. Food, merchandise or services of any value provided to the customer.
- f. Food, merchandise sold to customers below cost, or services purchased by customers below fair market value.
- g. Any kind of incentive item which incurs a liability for LA WIC.
- h. Any kind of incentive item which violates any Federal, State, or local law or regulations.

**Discounts by Type**

Above-50-percent vendors may only provide manufacturer discounts to customers, as these are not considered vendor incentive items. Applicable policies for manufacturer discounts are described below:

- a. **Free Ounces Added to Food Item by Manufacturer (Bonus Size Items)** - In this promotion, a food manufacturer adds extra ounces to a product at no extra cost to the consumer. For example, instead of offering 16 ounces of cereal in a box, a manufacturer may temporarily offer a bonus size 18-ounce box of cereal at the same price. When a bonus

size food item is purchased by a WIC participant, the Vendor should redeem the WIC EBT card as if the original size (16 ounce) item were purchased.

- b. Manufacturers' Cents off Coupons** - Manufacturers' cents off coupons allow customers to purchase certain items at a lower price. For example, a coupon may offer a discount of 50 cents off a box of cereal. The value of coupons presented by WIC participants and proxies must be applied to the WIC transaction. If sales tax must be collected on a manufacturer's coupon in a WIC transaction, the following procedure must be used in order to prevent LA WIC or participant from being taxed:
  - i. Subtract the sales tax on the coupon from the face value of the coupon.
  - ii. Subtract the remainder of the coupon value from the retail price of the WIC-approved food.

### **C. Cash Back**

Cash back is not permitted as a result of any type of in-store promotion in any WIC transaction at any type of vendor. All discounts must be applied to the transaction.

## **Infant Formula Supplier List**

Vendors must purchase infant formula only from a source that appears on the Infant Formula Supplier List (Supplier List) (available at <http://www.ldh.la.gov/index.cfm/page/990>). A Vendor that fails to purchase from a source on the Supplier List is in violation of selection criteria. WIC vendors must provide infant formula to WIC participants only in exchange for WIC Benefits specifying infant formula.

The Supplier List will only include infant formula manufacturers registered with the Food and Drug Administration (FDA) and wholesalers, distributors and retailers (herein sometimes referred to as “suppliers”) that sell LA WIC’s contract-brand infant formula. LA WIC will also verify that the Supplier List is comprised of only infant formula suppliers permitted by the State of Louisiana or, otherwise, authorized by another state’s WIC program as indicated on that state’s infant formula supplier list.

Annually and as needed, Louisiana WIC (LA WIC) will update and provide to WIC Vendors its LA WIC Supplier List, from which WIC Vendors are authorized to purchase infant formula.

If a Vendor requests that a supplier be added to the Supplier List, LA WIC will consider that request.

## **High-Risk Vendors**

A high-risk vendor is defined as a vendor who has a high probability of committing a vendor violation.

According to federal regulation at 7 C.F.R. § 246.12.j.3, the State agency must evaluate and identify high-risk Vendors at least once a year. Outside of the annual evaluation period, if a vendor is found to meet high-risk indicators during the course of a year, that vendor may be identified as high-risk at the discretion of the State agency.

As mandated by USDA FNS, the State agency must conduct compliance investigations of at least 5% of all vendors each federal fiscal year based on high-risk indicators or by random selection.

Any store identified as high-risk shall be subject to a compliance investigation and/or routine monitoring in the current federal fiscal year (October 1 through September 30).

## **Routine Monitoring**

Routine monitoring means overt, on-site monitoring during which program representatives identify themselves to vendor personnel.

The Louisiana WIC Program shall conduct routine monitoring visits on a minimum of five percent of the number of vendors (less commissaries) authorized as of October 1 of each federal fiscal year in order to survey the types and levels of abuse and errors among authorized vendors and to take corrective actions, as appropriate.

Routine monitoring reviews will be conducted on the vendor either until the vendor is determined to be compliant or until the vendor has been determined to have established a pattern of a particular abuse.



## **Compliance Investigations – Compliance Buys**

A Compliance Buy is a covert, on-site investigation in which a representative of the State agency poses as a participant, parent or caretaker of an infant or child participant, or proxy to conduct one or more WIC transactions, and does not reveal during the visit that he or she is a State agency representative.

Compliance buys will be conducted on the vendor either until the vendor is determined to be compliant (a minimum of two clean buys), until the vendor has been determined to have established a pattern of a particular abuse, if the first three Compliance Buys contain only non-federally mandated violations which collectively do not establish a pattern of abuse, or until an inventory audit of the vendor is begun.

Vendors will be provided notice of and given an opportunity to correct violations occurring during a compliance buy unless the WIC Vendor Manager determines, in their discretion, on a case-by-case basis, that notifying the Vendor would compromise an investigation.

## Compliance Investigations – Inventory Audit

An Inventory Audit is the examination of food invoices or other proofs of purchase to determine whether a vendor has purchased sufficient quantities of supplemental foods to provide participants the quantities specified on food instruments redeemed by the vendor during a given period of time.

LA WIC shall use inventory audits to examine food invoices to determine whether a vendor has purchased sufficient quantities of supplemental foods to provide participants the quantities specified on food instruments redeemed by the vendor during a given period of time.

If an inventory audit finds a vendor claimed reimbursement for a quantity of a specific WIC supplemental food not received by the participant in at least two out of three months and in an amount that exceeds \$200 per specific WIC supplemental food item, the vendor will have been determined to have established a pattern of charging for supplemental foods not received by the participant.

Examples using an audit period of January through March:

1. If the vendor had a \$50 deficiency in juices in February and a deficiency of \$160 in juices in March, the vendor would have established a pattern because it had a deficiency for the same specific WIC supplemental food item in at least two of the three months **and** the total deficiency for the specific WIC supplemental food item exceeded \$200.
2. If the vendor had a \$50 deficiency in juices in January and a deficiency of \$260 in whole grains in March, the vendor would **not** have established a pattern because the two deficiencies were not the same specific WIC supplemental food item. Note that even though the deficiency in whole grains exceeded the \$200 threshold, it did not occur in at least two months, therefore a pattern has not been established.

Reviews of vendor reimbursement requests and inventory stocking to satisfy such requests will review food items that could be purchased to satisfy a particular food item prescribed in the food package. Examples of this policy are as follows:

- In cases where the food prescription is specific to a particular food product, such as Similac Advance Powder 12.4 oz., the audit will consider vendor purchase invoices showing only the purchase of Similac Advance Powder in 12.4 ounce containers.
- In cases where the food prescription is for a particular food category, such as whole grains the audit must consider all vendor purchase invoices showing the purchase of any food items in that category (brown rice; whole wheat bread; whole wheat tortillas; corn tortillas; or whole wheat pasta) only in the size authorized for WIC purchase (16oz.)

## Sanction Schedule

Vendors must always adhere to all Program policies and requirements. Sanctions may be imposed for instances of non-compliance. Some of these sanctions are mandated in federal regulations governing LA WIC while others are in the Louisiana Administrative Code (LAC).

Certain sanctions from LA WIC may result in a disqualification from the Supplemental Nutrition Assistance Program (SNAP). Such disqualification is not subject to administrative or judicial review under SNAP.

The Sanction Schedule applicable to Vendors in the Louisiana WIC Program is as follows:

<b>Federal Mandatory Vendor Sanction Violation (See LAC §4509.A.-A.4.b)</b>	<b>Pattern of Violations Required?</b>	<b>Federal Sanction - Disqualification Period</b>	<b>SNAP Notification Required?</b>
Conviction of trafficking in Food Instruments (FIs) or Cash-Value Vouchers (CVVs) 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 FIs or CVVs.	No	Permanent	Yes
Buying or selling a WIC FI or CVV for cash (trafficking).	No	6 years	Yes
Selling firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802, as amended, in exchange for a WIC FI or CVV.	No	6 years	Yes
Sale of alcohol, alcoholic beverages, or tobacco products in exchange for a WIC FI or CVV.	No	3 years	Yes
Claiming reimbursement for the sale of an amount of a specific supplemental food item that exceeds the store's documented inventory of that supplemental food item for a specific period of time.	Yes	3 years	Yes
Vendor overcharges.	Yes	3 years	Yes
Receiving, transacting and/or redeeming FIs or CVVs outside of authorized channels, including the use of an unauthorized vendor and/or an unauthorized person;	Yes	3 years	Yes
Charging for supplemental foods not received by the participant.	Yes	3 years	Yes
Providing credit or non-food items—other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802, as amended — in exchange for FIs or CVVs.	Yes	3 years	Yes

<b>Federal Mandatory Vendor Sanction Violation, cont. (See LAC §4509.A.-A.4.b)</b>	<b>Pattern of Violations Required?</b>	<b>Federal Sanction - Disqualification Period</b>	<b>SNAP Notification Required?</b>
Providing unauthorized food items in exchange for FIs or CVVs, including charging for supplemental foods provided in excess of those listed on the FI.	Yes	1 year	Yes
An above-50-percent Vendor providing prohibited incentive items to participants as set forth in Federal Regulations, 7 CFR § 246.12(g)(3)(iv) and LAC Title 48:V.4503.B.21.	Yes	1 year	Yes

<b>State Agency Vendor Sanction Violation (See LAC §4509.D.-D.9)</b>	<b>Pattern of Violations Required?</b>	<b>State Agency Sanction - Disqualification Period</b>	<b>SNAP Notification Required?</b>
Providing cash for returned WIC-approved foods purchased with WIC FIs/CVVs.	Yes	1 year	No
Failing to comply with FI and CVV processing and redemption procedures, as described in the Vendor Agreement (also outlined in this WIC Vendor Guide).	Yes	1 year	No
Stocking or selling WIC-approved foods that are expired or otherwise not fresh, as determined by the State agency.	Yes	1 year	No
Failing to participate in and complete training, as scheduled and required by the State agency.	Yes	1 year	No
Failing to maintain or provide the State agency with required information by the due date identified by the State agency.	Yes	1 year	No
Failing to notify the State agency of instances in which a participant or proxy has failed to comply with WIC Program requirements.	Yes	1 year	No
Failing to provide to WIC participants or proxies the same courtesies as offered to other customers.	Yes	1 year	No
Failing to implement a corrective action plan imposed by the State agency.	Yes	1 year	No
Failing to adhere to any other requirements of the Vendor Agreement or this Vendor Guide except those for which a longer disqualification period is required by federal regulation.	Yes	1 year	No

<b>State Agency Selection Criteria (Must be met at all times) Violation (See LAC §4503.B.-B.23)</b>	<b>Pattern of Violations Required?</b>	<b>State Agency Agreement Termination Period</b>	<b>SNAP Notification Required?</b>
Failure to be currently authorized and participating in the USDA Supplemental Nutrition Assistance Program (SNAP) and cannot have received a SNAP Civil Money Penalty (CMP) for which the disqualification period, if it had been imposed, would not yet have expired.	No	1 year	No
Failure to have a grocery class permit to Operate issued for the current state fiscal year (the Louisiana state fiscal year runs from July 1 – June 30).	No	1 year	No
Failure to maintain the establishment in a clean, orderly and safe condition and comply with applicable health protection laws and ordinances as defined by Louisiana Department of Health’s Office of Public Health, located at <a href="http://ldh.louisiana.gov/index.cfm/page/448">http://ldh.louisiana.gov/index.cfm/page/448</a> .	No	1 year	No
Failure to be open a minimum of six (6) days and at least 48 hours per week.	No	1 year	No
Failure to have prices that are competitive with other Vendors in the Vendor’s State agency-designated peer group, as determined by the State agency’s CPC.	No	1 year	No
Failure to display prices for WIC-approved foods on the foods or on the shelves/display area in immediate proximity to the foods.	No	1 year	No
Failure to stock and maintain sufficient quantities and varieties of all WIC-approved foods in accordance with Louisiana WIC’s Minimum Stock Requirements.	No	1 year	No
Failure to purchase infant formula only from sources included on Louisiana WIC’s list of infant formula manufacturers registered with the Food and Drug Administration (FDA) that provide infant formula, and infant formula wholesalers, distributors, and retailers licensed via a permit to operate.	No	1 year	No
Owners or management personnel have been formerly employed by vendors disqualified from any USDA food program within the past six years.	No	1 year	No
Owners or management personnel have been convicted of any felony within the past six years.	No	1 year	No
Owners or management personnel have been convicted of any Federal, State, or local tax violations within the past six years.	No	1 year	No

<b>State Agency Selection Criteria, cont. (Must be met at <i>all</i> times) Violation (See LAC §4503.B.-B.23)</b>	<b>Pattern of Violations Required?</b>	<b>State Agency Agreement Termination Period</b>	<b>SNAP Notification Required?</b>
Owners or management personnel have had a criminal conviction or civil judgment entered against them within the past six years for any activity indicating a lack of business integrity (including but not limited to 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).	No	1 year	No
Failure to be in good standing with no unpaid or overdue balances owed to the Louisiana WIC Program.	No	1 year	No
Failure to provide truthful and accurate information to LA WIC or have had any WIC vendor agreement terminated due to false or inaccurate information provided to LA WIC within the past 6 years.	No	1 year	No
Failure to have access to a computer, with internet access, have an e-mail account that can be used to send messages to and receive messages from LA WIC, and be able to download and upload electronic documents sent/received via email or posted/requested on the Vendor Portal or any other online application used by LA WIC.	No	1 year	No
Failure to utilize a cash register system (with EBT capability) that performs split tender transactions and produces itemized receipts showing, date of purchase, items purchased, price of items purchased and the total sale amount, at a minimum.	No	1 year	No
Failure, after six months of Program authorization, to redeem at least fifty (50) WIC FIs per month.	No	1 year	No
Vendor derives or expects to derive more than 50% of annual food sales revenue from WIC Transactions.	No	1 year	No
Failure to be a full-line grocery store, as defined in this vendor guide.	No	1 year	No
Failure of an A-50 Vendor that is needed for participant access to agree to be placed in a vendor peer group with other above-50-percent vendors. Vendors within this peer group shall maintain WIC-approved food prices at a level such that the average payment per FI for above-50-percent vendors does not exceed the average payment per FI to regular vendors.	No	1 year	No

<b>State Agency Selection Criteria, cont.</b> <b>(Must be met at <i>all</i> times)</b> <b>Violation (See LAC §4503.B.-B.23)</b>	<b>Pattern of Violations Required?</b>	<b>State Agency Agreement Termination Period</b>	<b>SNAP Notification Required?</b>
Failure of an A-50 Vendor that is needed for participant access to agree to neither provide nor advertise nor indicate an intent to provide customers with any incentive items, including the following prohibited incentive items: <ul style="list-style-type: none"> <li>i. Services which result in a conflict of interest or the appearance of such conflict for the Above-50-Percent Vendor, such as assistance with applying for WIC benefits.</li> <li>ii. Lottery tickets at no charge or below face value.</li> <li>iii. Cash gifts in any amount for any reason.</li> <li>iv. Anything made available in a public area as a complimentary gift which may be consumed or taken without charge.</li> <li>v. Food, merchandise or services of any value provided to the customer.</li> <li>vi. Food, merchandise sold to customers below cost, or services purchased by customers below fair market value.</li> <li>vii. Any kind of incentive item which incurs a liability for LA WIC.</li> <li>viii. Any kind of incentive item which violates any Federal, State, or local law or regulations.</li> </ul>	No	1 year	No

**Second Mandatory Sanction:** When a Vendor that has previously been assessed a sanction for any of the Federal Mandatory Vendor Sanctions, receives another sanction for any of the Federal Mandatory Vendor Sanctions, the State agency must double the second sanction. Civil money penalties (CMPs) may only be doubled up to the limits allowed under federal regulations.

**Third or Subsequent Mandatory Sanction:** When a Vendor that previously has been assessed two or more sanctions for any of the Federal Mandatory Vendor Sanctions, receives another sanction for any of the Federal Mandatory Vendor Sanctions, the State agency must double the third sanction and all subsequent sanctions. The State agency may not impose a Civil Money Penalty (CMP) in lieu of disqualification for third or subsequent sanctions for Federal Mandatory Vendor Sanctions.

**State Agency Vendor Sanctions:** The State agency identifies State Agency Vendor Sanction Violations, with the exception of failure to implement a Corrective Action Plan, as being subject to a Corrective Action Plan for an initial violation. Corrective Action Plans must be implemented by Vendors when required by the State agency and can include, but are not limited to, store employee training, stock rotation training, and/or training on WIC FI/CVV processing procedures. If the Vendor fails to implement a Corrective

Action Plan for failure to adhere to selection criteria, the State agency shall terminate the Vendor Agreement.

**Civil Money Penalty:** Except where prohibited by federal regulation or in those cases of permanent vendor disqualification, if the State agency determines in its sole discretion that disqualification of the Vendor would result in inadequate participant access to supplemental foods, the State agency shall impose a civil money penalty (CMP) in lieu of disqualification. Such CMP will be calculated in accordance with federal regulations. If a Vendor does not pay, only partially pays, or fails to make timely payment in lieu of disqualification, the State agency shall disqualify the Vendor for the length of the disqualification corresponding to the violation for which the CMP was assessed.

**Recoupment of Excess Payment:** The State Agency will recoup excess payments made to the Vendor resulting from the Vendor's violation of the Vendor Agreement. Recoupment may include offset of excess payment against any current or subsequent amounts to be paid to the Vendor.

**SNAP Disqualification:** The State agency will disqualify from LA WIC a Vendor who is disqualified from SNAP. The disqualification shall be for the same length of time as SNAP disqualification, may begin at a later date than SNAP disqualification, and is not subject to administrative or judicial review under LA WIC.

**SNAP CMP:** The State agency will disqualify a Vendor who receives a CMP for hardship by SNAP. The length of such disqualification will correspond to the period for which the Vendor would otherwise have been disqualified in SNAP.

**Mandatory Sanction by Another WIC State Agency:** The State agency will disqualify a Vendor that has been disqualified or assessed a CMP in lieu of disqualification by another WIC State agency for a Federal Mandatory Vendor Sanction. The length of the disqualification will be for the same length of time as the disqualification by the other WIC State agency or, in the case of a CMP in lieu of disqualification assessed by the other WIC State agency, for the same length of time for which the Vendor would otherwise have been disqualified. The disqualification may begin at a later date than the sanction imposed by the other WIC State agency.

**Voluntary Withdrawal Not Accepted:** Voluntary withdrawal of a Vendor and non-renewal of the Vendor Agreement as alternatives to WIC disqualifications will not be accepted, and the disqualification will be entered on the record.

**Comprehensive Inclusion of Vendor Documents:** Violations of the requirements of this Vendor Guide and WIC Vendor Agreement not covered elsewhere in this sanction schedule may result in termination or disqualification, following provision to the Vendor of reasonable notice and opportunity to correct, where permitted by WIC regulations. Violations may give rise to the State agency's assessment of vendor claims, fines, and penalties. Termination of the Vendor Agreement does not relieve the Vendor of the obligation to pay such assessments.

**State Agency Actions:** The State agency will determine the action to be taken whenever vendor fraud, abuse, or administrative violations are discovered. If the State agency determines that the Vendor has



violated WIC rules or regulations, the Vendor may be required to develop and submit a Corrective Action Plan, the Vendor Agreement may be terminated, and/or the Vendor may be disqualified from participation in LA WIC for a period of no more than the maximum period allowed under federal regulations at 7 CFR part 246. To obtain reauthorization, Vendors who are disqualified or whose Vendor Agreement has been terminated must reapply and meet all current requirements for authorization.

**Vendor Notification:** 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, in its discretion, on a case-by-case basis, that notifying the Vendor would compromise an investigation. Notification will not be provided for a pattern of claiming reimbursement for the sale of an amount of a specific supplemental food item that exceeds documented inventory.

**Effect on Other Stores Under Same Ownership:** If an individual, partner, corporation, limited liability company, or other business structure is convicted of a criminal offense involving WIC, SNAP, or any other program funded and administered by the Food and Nutrition Service of the U.S. Department of Agriculture, all grocery stores wholly or partially owned or managed by the convicted individual, partnership, corporation, limited liability company, other business structure, or by a partner of a convicted partnership or an officer, director of a convicted corporation or a convicted limited liability company, shall be terminated from WIC vendor authorization and shall be ineligible for future WIC vendor authorization for the maximum period allowed by federal law and regulations. This termination and period of ineligibility shall occur whether or not the grocery store was the location at which the crime occurred, and regardless of any penalty imposed upon the convicted party by the court of competent jurisdiction. In accordance with the Vendor Agreement, the vendor has a duty to notify the State agency of such conviction and of the names and locations of all grocery stores wholly or partially owned or managed by the convicted party.

**Legal Remedies Not Precluded by Sanction:** The State agency sanctions for vendor violations or Program abuse shall not be construed as excluding or replacing any criminal or civil sanctions or other remedies that may be applicable under any Federal and State statute or local ordinance. A Vendor who commits fraud or abuse of the Program is liable to prosecution under applicable Federal, State or local laws. Those vendors who have willfully misapplied, stolen or fraudulently obtained Program funds will be subject to a fine of not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

**Prosecution Referral:** The State agency will, where appropriate, refer Vendors who abuse the Program to Federal, State and local authorities for prosecution.

## **Disqualification**

LA WIC may disqualify a vendor that commits a Federal Mandatory Sanction Violation or State Agency Sanction Violation. See LAC 48:V.4509. Unless otherwise noted, disqualification shall be effective as of the date of the notification. If a vendor is disqualified, the State agency will terminate the vendor's agreement.

Disqualification from LA WIC for any federally mandated sanction may result in disqualification from the Supplemental Nutrition Assistance Program (SNAP); such SNAP disqualification is not subject to administrative or judicial review under SNAP. SNAP will be notified of any vendor disqualified for a federally mandated sanction after all appeal rights of the vendor have been exhausted.

Voluntary withdrawal of a vendor and non-renewal of the Vendor Agreement as an alternative to a LA WIC disqualification, will not be permitted. Documentation of the disqualification shall be entered into the record.

A vendor that has been disqualified will not be automatically reinstated. Vendors who are disqualified must reapply after the disqualification period and meet all LA WIC requirements for authorization.

A vendor that has been disqualified shall not transact WIC Benefits during the disqualification period. WIC Transactions that take place after the effective date of the disqualification and that have resulted in payment to the vendor are subject to recoupment.

Disqualification of a vendor does not relieve the vendor of the obligation to repay any monies claimed by and owed to LA WIC, such as inventory audit deficiencies, WIC Transaction for Foods Not Received, a Vendor Overcharge, allowing the purchase of an Unauthorized Food Item, etc.

## **Termination**

Vendors whose agreements are terminated will not be able to accept WIC transactions effective the date of their termination. A vendor whose agreement is terminated for reasons other than expiration of the agreement, store closing or store relocation will be provided a fifteen (15) day notice prior to such termination.

A vendor whose agreement is terminated for reasons other than expiration of the agreement, store closing or store relocation cannot reapply to become an authorized WIC Vendor until one year has passed from the agreement termination. The termination of a vendor agreement does not relieve the vendor of the obligation to repay any monies owed to the Louisiana WIC Program.

## **Participant Access**

When a Vendor Applicant or an Authorized WIC Vendor fails to meet any of the following specific vendor selection criteria, the Louisiana WIC Program (LA WIC) may assess the adequacy of participant access to supplemental foods when considering the denial of Vendor Applicant's application for authorization or reauthorization and/or termination of its Vendor Agreement with an Existing Vendor:

- SNAP authorization
- Store condition
- Hours of operation
- Competitive prices
- Shelf prices
- Business integrity (USDA program disqualification, felony, taxes and conviction or judgement)
- Good standing
- WIC Transactions
- A50 prohibited
- Full-line grocery
- Cash register system (EBT capability)

When an Existing Vendor is being considered for disqualification, the State agency may assess the adequacy of participant access, except where such disqualification results from a conviction for WIC transaction trafficking or conviction for illegal sales or from a third or subsequent sanction for federally mandated violations.

Inadequate participant access will be determined at the sole discretion of LA WIC. LA WIC's Participant Access Determinations is not subject to appeal.

### **Civil Money Penalties (CMPs)**

If the State agency determines a vendor's disqualification from the WIC Program would result in inadequate participant access, a Civil Money Penalty (CMP) may be imposed in lieu of the disqualification.

Calculation of the CMP shall be according to the Code of Federal Regulations (C.F.R.) § 246.18. When during the course of a single investigation a vendor has committed multiple violations, the State agency must impose a CMP for each violation.

If the vendor does not timely pay or only partially pays the CMP, the full-length disqualification shall be imposed with no return of any monies already paid by the vendor.

## **Administrative Review of State Agency Adverse Actions**

Adverse actions taken by the Louisiana WIC Program that affect Vendors or vendor applicants may be subject to administrative review, if appealed.

The Louisiana WIC Program will provide written notification of the adverse action, the procedures to follow to obtain an administrative review, and the cause(s) for and the effective date of the action. If the Vendor is disqualified as a result of federal mandatory vendor violations in 7 C.F.R. §246.12.1.1, such notification will include the following statement: “This disqualification from WIC may result in disqualification as a retailer in SNAP. Such disqualification is not subject to administrative or judicial review under SNAP.” If the Vendor or applicant vendor wishes to appeal the decision, the Vendor or applicant vendor must submit a request for appeal stating the reason for the appeal. The request must be submitted in writing and mailed to the Louisiana WIC Program within fifteen (15) calendar days after the receipt of the State agency’s written notification of the adverse action.

The adverse action will be imposed on the effective date noted in the written notification and will remain in place during the administrative review unless the Louisiana WIC Program determines, at its sole discretion, that the adverse action would result in inadequate participant access to supplemental foods.

### **Adverse actions subject to administrative review include the following:**

1. Denial of authorization based on the application of the vendor selection criteria for minimum variety and quantity of approved supplemental foods.
2. Denial of authorization based on a determination that the Vendor is attempting to circumvent a sanction.
3. Termination of an agreement for cause.
4. Disqualification, except as a result of a disqualification from SNAP.
5. Imposition of a fine or a civil money penalty in lieu of disqualification.
6. Denial of authorization based on the vendor selection criteria for business integrity.
7. Denial of authorization based on the selection criteria for a current SNAP disqualification or civil money penalty for hardship.
8. Denial of authorization based on the application of the vendor selection criteria for competitive price.
9. The application of the State agency’s vendor peer group criteria and the criteria used to identify Vendors that are above-50-percent Vendors or comparable to above-50-percent Vendors.
10. Denial of authorization based on a State agency-established vendor selection criterion if the basis of the denial is a WIC vendor sanction or a SNAP withdrawal of authorization or disqualification.
11. Denial of authorization based on the State agency’s limiting criteria, if any.
12. Denial of authorization because a vendor submitted its application outside the timeframes during which applications are being accepted and processed, as established by the State agency.
13. Termination of an agreement because of a change in ownership or location or cessation of operations.
14. Disqualification or a civil money penalty imposed in lieu of disqualification based on a mandatory sanction imposed by another WIC State agency
15. Denial of an application based on a determination of whether an applicant vendor is currently authorized by SNAP.

**A Vendor or vendor applicant who files a proper appeal request for those actions subject to administrative review will be provided:**

1. Adequate advance notice of the time and place of the administrative review to provide all parties involved sufficient time to prepare for the review and at least one opportunity to reschedule the administrative review date upon specific request.
2. The opportunity to examine, prior to the review, the evidence upon which the Louisiana WIC Program's action is based.
3. The opportunity to be represented by counsel.
4. The opportunity to cross-examine adverse witnesses (when necessary to protect the identity of witnesses, they may be cross-examined behind a protective screen or other device).
5. The opportunity to present its case.
6. An impartial decision-maker, whose determination is based solely on whether the Louisiana WIC Program has correctly applied Federal and State statutes, regulations, policies, and procedures governing the Program, according to the evidence presented at the review.
7. Written notification of the review decision, including the basis for the decision, within ninety (90) days from the date of receipt of a vendor's request for an administrative review; however, this timeframe is only an administrative goal for the Louisiana WIC program and, should a decision of the appeal review not be made within the specified time frame, such delay shall not provide a basis to overturn the adverse action.

**Actions not subject to administrative review include:**

1. The validity or appropriateness of the Louisiana vendor limiting criteria, if any.
2. The validity or appropriateness of Louisiana's vendor selection criteria for minimum variety and quantity of supplemental foods, business integrity, and current SNAP disqualification or civil money penalty for hardship.
3. The validity or appropriateness of the Louisiana selection criteria for competitive price, including, but not limited to, vendor peer group criteria and the criteria used to identify Vendors that are above-50-percent Vendors or comparable to above- 50-percent Vendors.
4. The validity or appropriateness of the State agency's participant access criteria and the State agency's participant access determinations.
5. The State agency's determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the list of businesses from which a Vendor may purchase infant formula.
6. The validity or appropriateness of the State agency's prohibition of incentive items and the State agency's denial of an above-50-percent Vendor's request to provide an incentive item to customers.
7. The State agency's determination whether to notify a Vendor in writing when an investigation reveals an initial violation for which a pattern of violations must be established in order to impose a sanction.
8. The State agency's determination whether a Vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the Vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.
9. Denial of authorization if the State agency's vendor authorization is subject to the procurement procedures applicable to the State agency.
10. The expiration of a vendor's agreement.

11. Disputes regarding food instrument or cash-value voucher payments and vendor claims (other than the opportunity to justify or correct a vendor overcharge or other error).
12. Disqualification of a Vendor as a result of disqualification from SNAP.

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 Louisiana WIC Program. Administrative review decisions of the Division of Administrative Law are the final action of the Louisiana WIC Program. If the review decision upholds the adverse action against the Vendor, the Vendor may be able to pursue judicial review of the decision.



## Contacting LA WIC

Retail stores are encouraged to contact LA WIC whenever questions or problems arise. Questions regarding the operation of LA WIC should be directed to the State agency's office:

Louisiana Department of Health  
Office of Public Health  
Nutrition Services  
WIC Vendor Management Unit  
P.O. Box 60630  
New Orleans, LA 70160-0630  
(504) 568-8229  
Email: [LAWICVendor@la.gov](mailto:LAWICVendor@la.gov)

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To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (AD-3027), which can be found online at: <https://www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer>, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992.

Submit your completed form or letter to USDA by:

- (1) Mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;
- (2) Fax: (202) 690-7442; or
- (3) Email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

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## **WIC Document Links**

Latest versions of documents, including the following, are available at <http://ldh.louisiana.gov/index.cfm/page/990>:

- WIC Vendor Agreement
- WIC Vendor Application
- WIC Vendor EBT Transaction Dispute Form
- WIC-23: WIC Approved Food List
- WIC-33 EBT: WIC EBT Transaction Procedure
- WIC-33L EBT: WIC EBT Transaction Procedure Training Log

The Louisiana Administrative Code (LAC) is available at <https://www.doa.la.gov/osr/LAC/48v2/48v2.doc> (See Subpart 15. Special Supplemental Nutrition Program for Women, Infants and Children (WIC)).