

## **FOOD DELIVERY**

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**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.00  
Effective Date: October 1, 1996  
Revised Date: October 1, 2014**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Food Delivery Definitions**

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**A. Policy**

For the purpose of these procedures and all contracts, guidelines, instructions, forms and other documents related to the operation of the WIC Program, the following definitions shall apply:

Above-50 percent vendor	A vendor that derives more than 50 percent of the vendor's annual food sales revenue from WIC food instruments.
Appeal	Written request made through the State WIC Office to the Office of Administrative Hearings for review of a Program action.
Authorization	Approval by the State Agency for a food store, pharmacy, food store/pharmacy combination, or a military commissary to redeem WIC food instruments.
Authorized Foods	The types and brands of foods approved by the State agency for purchase by Program participants.
Change of Ownership	The transfer of majority control or ownership of a store.
Check	A type of WIC food instrument.
Complaint	Unsolicited accusation or charge of alleged abuse or violations.

Compliance Buy	A covert, onsite investigation in which a representative of the Program: (a) poses as a participant, parent or caretaker of an infant or child participant or proxy; (b) presents one or more food instruments to be redeemed for food; and (c) does not reveal during the visit that he or she is a Program representative.
Day	A calendar day.
Designee	An individual who is designated by a participant or a child or infant participant's parent, guardian, or caretaker to receive WIC checks and to redeem WIC checks for the participant, who is able to sign, and whose name is on file at a local agency.
Disqualification	A revocation of a vendor's WIC authorization.
Educational Buy	The same procedure as the compliance buy with the exception that upon completion of the WIC transaction, the buyer will identify him/herself, the results of the buy will be reviewed with the appropriate store personnel and the buyer will return the items purchased.
Excess charges	The amount above the maximum price payable for the food instrument charged by a vendor to the Program.
First Business Day	The first day of a month that is not a Saturday, Sunday, or State holiday.
Food Delivery	The method used by the State and local agencies to systematically provide supplemental foods to participants.
Food Instrument	A voucher, check, coupon or other document that is used by a participant to obtain supplemental foods.
Food Instrument Type	A food instrument designation based on the type and amount of WIC food items specified on the food instrument.

Food Package	A grouping of specified types and amounts of foods provided to a Program participant and used for the purpose of evaluating vendor prices.
Food Supplement Program	The Maryland designation for the Supplemental Nutrition Assistance Program, formerly known as Food Stamps, an assistance program under the Food Stamp Act of 1977, as amended.
Food Store	A grocery or supermarket licensed under COMAR 10.15.03 that ordinarily has, for sale to the public, authorized foods and does not have a pharmacy under the same ownership on its premises.
Food Store/Pharmacy Combination	A food store and a pharmacy under the same ownership on the same premises.
FNS	Food and Nutrition Service of the U.S. Department of Agriculture.
High-Risk Vendor	A vendor identified as having a problem in need of follow-up or who presents the potential for abuse of the Program, a vendor with significant scores on the Program's computerized high risk vendor report, a vendor that has broken, or continues to break WIC Program rules and has been warned and/or penalized by the Program.
In Compliance	To follow the rules, regulations, policies and procedures of the WIC Program.
Local Agency	A public or private, non-profit health, or human service agency which provides health services, either directly or through contract, in accordance with Section 246.5 of the Federal Regulations (Selection of local agencies).
Maximum Price Payable	The maximum amount of money the Program will pay a vendor for the WIC food items listed on the food instrument.

Medical Foods	Exempt formulas authorized for children and women with special dietary needs.
Military Commissary	A food store located on a military installation and/or operated by the Department of Defense.
Minimum Required Stock	The specific types and amounts of WIC authorized foods that must be in a vendor's store during business hours.
Minor Violation	State-established sanctions listed in the State's sanction schedule that are in addition to the federally mandated sanctions listed in §246.12(l)(1).
Participant	A pregnant woman, breastfeeding woman, postpartum woman, infant, or child receiving supplemental foods or food instruments from the Program.
Monitoring	An inspection by a Program representative of an authorized vendor's premises and any redeemed food instruments in the vendor's possession.
Peer Group	A breakdown of comparable stores by size within designated geographic regions.
Peer Group Average	The arithmetic mean of prices charged by vendors within a peer group for food items.
Pharmacy Only	An establishment that has been issued a permit to operate by the State Board of Pharmacy, does not have a food store under the same ownership on its premises, and only redeems WIC food instruments that prescribe infant formula.
Positive Buy	A compliance buy in which any violations (serious or minor) occur.
Program	The Special Supplemental Nutrition Program

for Women, Infants, and Children (WIC) authorized by 42 U.S.C. § 1786, the Child Nutrition Act of 1966, as amended, including the local, state, and federal entities that administer it.

Proration

The process of issuance the appropriate number of checks to a participant that corresponds with the period of eligibility.

Proxy

An individual who is designated by a participant or a child, or infant participant's parent, guardian, or caretaker to receive food instruments and to redeem food instruments for the participant and whose name is on file at a WIC local agency.

Recovery of Excess Charges

The process by which the State agency recoups money paid to the vendor in excess of the maximum price payable for the food instrument type.

Region

A designated area of the State, set forth in COMAR 10.54.03.03B for administration of the WIC Program.

Sanction

The penalty for violating Maryland WIC Program rules, regulations, policies and/or procedures.

Serious Violation

Federally-mandated sanctions listed in §246.12(l)(1); also included on the State's sanction schedule.

SNAP

Supplemental Nutrition Assistance Program, formerly known as Food Stamps, an assistance program under the Food Stamp Act of 1977, as amended.

State Agency

The Maryland Department of Health and Mental Hygiene's WIC Program.

Store

A food store, pharmacy, food store/pharmacy combination, or military commissary.

beneficial for pregnant, breastfeeding, and postpartum women, infants and children, as required by Federal Regulations (246.10) and the Maryland WIC Program.

Supplemental foods are also called WIC foods, or WIC authorized or WIC approved foods. They are supplemental because they are not intended to meet all the nutritional needs of participants. They add specific nutrients to the diets of participants.

Trafficking

Buying, selling, submitting for reimbursement, redeeming, or exchanging a food instrument with the intent to defraud the WIC Program.

USDA

The United States Department of Agriculture, which provides the funding and federal oversight for the WIC Program.

Vendor

A sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores authorized by the State agency to provide authorized supplemental foods to participants under a retail food delivery system.

Vendor Agreement

A written agreement between the State Agency and a vendor concerning the duties and responsibilities of the vendor and the State Agency with respect to a vendor's participation in the WIC Program.

Vendor Applicant

A sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores that has applied to the State agency for authorization.

WOW

WIC on the Web – The Maryland Program's management information system software application.

Federal Regulations 7 CFR 246.2  
Federal Regulations 7 CFR 246.5  
COMAR 10.54.03

Revisions:

8/05 to add definition of 50% Vendor.  
2/07 to amend the definition of 50% Vendor.  
10/09 to add the definition of SNAP.  
10/13 to add additional definitions and to modify  
existing definitions.  
10/14 added definition of a positive buy

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.01  
Effective Date: October 1, 2013  
Revised Date: June 1, 2015**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Conflict of Interest**

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**A. Policy**

The State Agency and local agencies are required to take measures to ensure that State Agency or local agency staff who are participants, proxies, or employed by WIC authorized vendors do not pose a conflict of interest.

**B. PROCEDURE:**

1. Local WIC Agencies shall:
  - a. Ensure that local agency employees are aware of the requirement to report possible conflicts of interest to include participation in the WIC Program, serving as a proxy of a WIC participant; employment at a WIC authorized vendor, and ownership of, or relationship to an owner of a WIC authorized store.
  - b. Ensure that local agency employees who are WIC participants or proxies of WIC participants or who have family members or relatives who are WIC participants do not certify themselves, or those for whom they serve as proxies.
  - c. Ensure that local agency employees who are WIC participants or proxies of WIC participants do not issue food instruments or identification folders to themselves, or to the participants for whom they serve as proxies.
  - d. Ensure that a local agency employee who is employed by, has ownership of, or is a family member or relative of an owner of a WIC authorized vendor is not responsible for routine monitoring of that vendor.
  - e. Obtain a signed WIC Employee Conflict of Interest Statement (Attachment 4.01A) annually and when an employee's status

changes to warrant documentation of participation in the WIC Program, serving as a proxy of a WIC participant, employment at a WIC authorized vendor, and ownership of, or relationship to an owner of a WIC authorized store.

- f. Request guidance from the State Agency should it not be immediately clear if an employee's status represents a conflict of interest.
- g. Ensure that the signed 4.01 A forms are available for review during the local agency management evaluation or upon request by the State Agency.
- h. Submit to the State Agency, annually in conjunction with the new state fiscal year, a signed Conflict of Interest Acknowledgement Form (4.01B) confirming that that the local agency is in compliance with Local Agency Policy and Procedures 4.01.

2. The State Agency shall:

- a. Ensure that a State Agency employee who is employed by, has ownership of or a relationship to an owner of a WIC authorized vendor is not responsible for routine monitoring, compliance Investigation, or authorization of that vendor.
- b. Obtain a signed WIC Employee Conflict of Interest Statement (Attachment 4.01A) for all State Agency employees annually and when an employee's status changes to warrant documentation of participation in the WIC Program, serving as a proxy of a WIC participant, employment at a WIC authorized vendor, and ownership of, or relationship to an owner of a WIC authorized store.
- c. Provide guidance to the local agency if necessary if the local agency is not able to ascertain if a possible conflict of interest exists.
- d. Maintain, on file, a copy of all local agencies' 4.01B forms.
- e. Verify local agency compliance with this procedure through the Management Evaluation process.

Attachment: 4.01A Employee Conflict of Interest Statement

#### 4.02B Conflict of Interest Acknowledgement Form

Revisions:

1. 4/13 Changed the policy from Local Agency Responsibilities to Conflict of Interest and added Attachment 4.01A (Employee Conflict of Interest Statement)
2. 5/15 Added Attachment 4.02B

### **WIC Employee Conflict of Interest Statement**

I certify that I am an employee of the WIC Program and that I also:

*(Please check all of the following that apply)*

- am a WIC Participant
- am a WIC Proxy
- have a family member or relative who is a WIC participant
- work for a Maryland WIC authorized vendor

Vendor Name: \_\_\_\_\_

- own or have relatives that own a WIC authorized grocery store or have a family member or relative that works at a WIC authorized grocery store. (This statement should be selected even if the store is authorized in another state.)

Relationship: \_\_\_\_\_

Store Name: \_\_\_\_\_

- None of the above.

\_\_\_\_\_  
Employee Name (Please Print)

\_\_\_\_\_  
Employee Signature Date

A new form must be signed annually in conjunction with the employee's annual performance appraisal. If an employee's status changes before the next performance appraisal, a new form must be completed at the time of the employee's notification of the change.

This form shall be maintained in a file and will be subject to review by the State Agency during local agency management evaluations.

**MEMORANDUM**

TO: Jacqueline Marlette-Boras  
Director, Maryland WIC Program

FROM: \_\_\_\_\_  
\_\_\_\_\_

DATE: \_\_\_\_\_

RE: Compliance with Conflict of Interest Policy 4.01

This memorandum is to advise that my local agency is in compliance with Local Agency Policy and Procedures:

- 4.01 Conflict of Interest
- 4.01A WIC Employee Conflict of Interest Statement

Compliance includes completion of the *WIC Employee Conflict of Interest Statement* (4.01A) for all WIC employees. Submission of this memorandum also confirms that all staff in my Local Agency who are participants, proxies, or employed by WIC authorized vendors do not pose a conflict of interest, as described in Policy and Procedure 4.01.

This form (4.01B) shall be signed annually in conjunction with the new state fiscal year and sent to the State Agency by July 30<sup>th</sup> to be maintained on file. This form will be subject to review during local agency management evaluations.

cc: Maura Shea/Vendor Unit

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.02  
Effective Date: October 1, 1990  
Revised Date: October 1, 2013**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Food Instrument System**

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**A. Policy**

To ensure a uniform and efficient method by which participants, caregivers, or designees obtain prescribed WIC foods:

1. The State Agency shall design and provide the local agency, through the management information system, with uniform, serialized system generated, and manual food instruments (checks) for distribution to WIC participants, caregivers, or designees to insure the accountable receipt of the prescribed supplemental foods.
2. The local agency shall instruct participants, caregivers, or designees to use valid system-generated and/or manual food instruments at retail food vendors and pharmacies authorized by the State WIC Office in the manner prescribed by the Program.
3. The State Agency shall ensure that only authorized vendors redeem valid food instruments and that redemption is carried out in the manner prescribed by the Program.

**B. Procedure**

1. The local agency shall issue valid Maryland WIC Program system-generated and/or manual food instruments to authorized participants, caregivers, or designees and obtain signatures for their receipt. (See Check Examples - Attachment 4.02A).
2. The State/local agency shall ensure that participants, guardians, or designees process their WIC checks in accordance with the procedure for vendors described on the following pages.
3. The State/local agency shall ensure that food instruments are redeemed properly and that vendors who have been denied or delayed payment for food instruments are instructed in and follow the procedures described in Policy & Procedure 4.08.

4. The State/local agency shall ensure that participants, caregivers, designees, and vendors process WIC checks in accordance with the below-listed procedure:

a. Identifying WIC Participant

- (1) WIC participants, caregivers, or designees shall be instructed to tell clerks/cashiers they are using a WIC check when they reach the check-out counter. Because the redeemer of the check is often the parent, guardian or designee of the WIC participant, the name of the person signing for the food frequently will not be the same as the name of the participant listed at the top of the check.
- (2) If the WIC Participant Identification Folder is not presented with the check, the vendor shall ask the participant, guardian, or designee for it. The folder contains the signatures of all persons authorized to purchase WIC foods with the check and must be presented whenever a WIC transaction occurs.
- (3) A vendor may not ask for additional identification such as driver's license, telephone number, etc., in order to complete a WIC transaction.

b. Separating WIC Foods

- (1) WIC participants, caregivers, or designees shall be instructed to redeem checks as indicated in Policy and Procedure 4.12.
- (2) WIC participants, caregivers, or designees shall be instructed to separate WIC foods from the rest of their groceries to take less time at the retailer's check-out counter.

c. Food Instrument Redemption Procedures

At the check-out counter, when the participant, caregiver, or designee presents a valid WIC Participant Identification Folder with a corresponding valid WIC check for food items, the vendor shall:

- (1) The vendor must accept the check as full payment for the total list of items shown on the check in the specified sizes and quantities. The check should not be accepted if the participant, guardian, or designee wants the entire order and the vendor cannot fill it. **Rain checks are not to be given for items not available. Participants do not have to buy everything listed on the check.**
- (2) Each WIC check must be transacted separately and participants may not combine food items from two or more checks into a single purchase
  - (a) If the participant, caregiver, or designee is redeeming a fruit and vegetable check (FVC), the total purchase amount written on the check may not exceed the FVC denomination.
  - (b) The participant, caregiver, or designee shall either pay the difference from any form of tender available, or reduce the amount of the purchase. If the participant, caregiver, or designee purchases less than the denomination of the FVC, no change may be received.
- (3) Food instruments may only be redeemed within the **First Date To Spend/Last Date To Spend dates** shown on the check. Food instruments may not be used before or after those dates. Any checks used prior to or after the last date to spend will not be paid by the State Agency and the participant will be sanctioned according to Policy and Procedure 4.23.
- (4) If a scanner is used, the vendor must scan each item (such as cans of infant formula) when the check is being redeemed for more than one item. Batch scanning (e.g. scanning 1 item from a group of the same item and entering the total number via the register) is prohibited. The participant should only be charged for the number of items presented.
- (5) The vendor must write in the total costs of the food items, in black or blue ink only.
- (6) If the order is correct and the check is accepted, the vendor should have the WIC customer sign the check and compare the signature on the check with the signatures on the WIC Participant Identification Folder.
- (7) If the signature does not match one of the signatures on the

identification folder or if the check has been signed in advance, the vendor should accept the check. Before returning it to the individual, the vendor should note the check number, the name and identification number of the recipient and advise the local or State WIC agency as soon as possible.

- (8) If the check signature matches one of the signatures on the Participant Identification Folder, the vendor should accept the check.
- (9) The vendor should give the participant, caregiver, or designee a receipt that identifies the WIC purchase, and **"WIC" or "W"** may be written on the receipt.

d. Endorsing the Check

- (1) The vendor shall:
  - (a) Firmly apply the WIC vendor stamp in the space provided on the front of the check. (Re-ink or replace stamps as required) .
  - (b) Enter the store name and bank account number on the back of the check.
  - (c) Not endorse the check over to anyone. Third party endorsement of the WIC check is prohibited by Federal WIC Regulations.

e. Depositing the Check

The vendor shall deposit the properly completed and endorsed check in the bank within forty-five days of the **First Date To Spend**.

f. Bank Rejections

- (1) The bank handling the Maryland WIC Program account will perform various edits on WIC checks presented for payment. WIC checks will be rejected and returned to the vendor if any of the following conditions exist:
  - (a) Dollar amounts exceed maximum allowed value;
  - (b) Checks are deposited prior to the first date to spend or after the expiration date;

- (c) Alterations are made to any part of the check except that the vendor may correct an error made in entering the price by drawing a single line through the incorrect price and entering the correct price in the same area above the mistake. The vendor should then have the same person who signed the check sign in the designated area at the top of the check next to the correction;
- (d) Price or Authorized signature is in pencil;
- (e) Price or Authorized signature is not on the check;
- (e) Authorized WIC vendor stamp is missing, invalid, or illegible;
- (f) Endorsement with vendor's name and bank account number is missing from the back of the check;
- (g) Stop payment has been placed on the check;
- (h) Checks are accepted by an unauthorized vendor.

(2) The vendor shall observe the procedure in Section 4.08 of this manual for handling redeemed checks with problems.

Attachments:

402A WIC Check Samples

Revisions      10/09 added instructions for the Fruit and Vegetable Check (FVC).  
                  10/13 corrected the name of the policy and to correct the policies cited.

THIS CHECK IS VOID WITHOUT A BLUE & RED BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

	AGENCY	PARTICIPANT ID NO.	NAME OF PARTICIPANT (LAST, FIRST, M.I.)			CHECK NUMBER
	323215	200 751 409	Brown, Tyrell			53385075
	FIRST DATE TO SPEND	June 13, 2011	DATE REDEEMED	STORE USE ONLY	LAST DATE TO SPEND	July 13, 2011
CATEGORY: IFF TO BE USED FOR THESE ITEMS & QUANTITIES ONLY: _____ PARTICIPANT OR PROXY SIGN FOR PRICE CORRECTION ONLY						CASHIER FILL IN EXACT AMOUNT OF SALE DOLLARS      CENTS \$
16 Similac Advance (with iron), Concentrate, 13 ounce can  <h1>Formula</h1>						CHECKS NOT VALID UNLESS STAMPED BY AUTHORIZED WIC VENDOR
Maryland WIC Program Payable through FSMC An Affiliate of Security State Bank Howard Lake, MN 55349 Account Number: 806610	75-1248 919	SIGNATURE OF PARTICIPANT OR AUTHORIZED PROXY			X	VENDOR MUST DEPOSIT WITHIN 30 DAYS OF LAST DATE TO SPEND

⑈ 53385075⑈ ⑆091912482⑆ 806610⑈

THIS CHECK IS VOID WITHOUT A BLUE & RED BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

	AGENCY	PARTICIPANT ID NO.	NAME OF PARTICIPANT (LAST, FIRST, M.I.)			CHECK NUMBER
	323215	200 617 541	Brown, Justin			53384886
	FIRST DATE TO SPEND	June 13, 2011	DATE REDEEMED	STORE USE ONLY	LAST DATE TO SPEND	July 13, 2011
CATEGORY: C2 TO BE USED FOR THESE ITEMS & QUANTITIES ONLY: _____ PARTICIPANT OR PROXY SIGN FOR PRICE CORRECTION ONLY						CASHIER FILL IN EXACT AMOUNT OF SALE DOLLARS      CENTS \$
1 59-64 ounce container juice 1 gallon 1% (lowfat) or fat-free (nonfat) fluid milk 1 pound whole wheat bread OR brown rice OR whole wheat or soft corn tortillas 1 quart 1% (lowfat) or fat-free (nonfat) fluid milk 16 ounces or less domestic cheese 36 ounces or less cereal						CHECKS NOT VALID UNLESS STAMPED BY AUTHORIZED WIC VENDOR
Maryland WIC Program Payable through FSMC An Affiliate of Security State Bank Howard Lake, MN 55349 Account Number: 806610	75-1248 919	SIGNATURE OF PARTICIPANT OR AUTHORIZED PROXY			X	VENDOR MUST DEPOSIT WITHIN 30 DAYS OF LAST DATE TO SPEND

⑈ 53384886⑈ ⑆091912482⑆ 806610⑈

THIS CHECK IS VOID WITHOUT A BLUE & RED BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

	AGENCY	PARTICIPANT ID NO.	NAME OF PARTICIPANT (LAST, FIRST, M.I.)			CHECK NUMBER
	323215	200 617 541	Brown, Justin			53384888
	FIRST DATE TO SPEND	June 13, 2011	DATE REDEEMED	STORE USE ONLY	LAST DATE TO SPEND	July 13, 2011
CATEGORY: C2 TO BE USED FOR THESE ITEMS & QUANTITIES ONLY: _____ PARTICIPANT OR PROXY SIGN FOR PRICE CORRECTION ONLY						CASHIER FILL IN EXACT AMOUNT OF SALE DOLLARS      CENTS \$
6 (Six) dollars for Fruits and Vegetables  <h1>Also accepted by WIC Farmers</h1>						CHECKS NOT VALID UNLESS STAMPED BY AUTHORIZED WIC VENDOR
Maryland WIC Program Payable through FSMC An Affiliate of Security State Bank Howard Lake, MN 55349 Account Number: 806610	75-1248 919	SIGNATURE OF PARTICIPANT OR AUTHORIZED PROXY			X	VENDOR MUST DEPOSIT WITHIN 30 DAYS OF LAST DATE TO SPEND

⑈ 53384888⑈ ⑆091912482⑆ 806610⑈

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.03  
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Revised Date: October 1, 2013**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Prorating Checks**

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**A. Policy**

1. Proration of checks is the process of issuing the appropriate number of checks to a participant who:
  - misses the scheduled check pick-up appointment for a reason other than a hardship as defined in COMAR 10.54.01.18 C(5);
  - is a new participant;
  - wants to have their schedule day or interval adjusted to coincide with other family members on WIC;
  - presents a valid VOC card; or
  - transfers to another distribution site and the receiving site uses a different schedule day.

The number of checks issued to a participant should be those needed for the number of weeks remaining until the participant's next schedule day.

2. All checks reported lost by a participant due to an external disaster shall be replaced as per Policy and Procedure 4.10. Checks lost, stolen or destroyed as a result of negligence on the part of the participant or designee shall not be replaced per Policy and Procedure 4.10.
3. The WIC management information system will automatically prorate checks based on the current date, the participant's schedule day and the food items in the participant's food package.
4. Local agencies may turn the proration checkbox off in the WIC information system if the delay in food issuance is not a result of negligence on the part of the participant/caregiver/designee (i.e., inclement weather, building closure, participant hardship, computer failure, etc.).

5. Local agencies issuing manual checks must manually prorate checks in accordance with the schedule listed under B.1 of this policy.

**B. Procedure**

1. The WIC Information System automatically prorates system generated checks based on the current date and the participant's schedule day.

There are two proration periods:

- a. If a participant is between **11** and **20** days late for their scheduled pick-up, approximately one third of the quantity of the food items\* in the package is taken away. Note: The same number of checks of the original food package will be issued.
- b. If a participant is between **21** and **31** days late for their scheduled pick-up, two thirds of the quantity of the food items\* in the package is taken away. Note: The number of checks issued for this proration period may vary.

\*NOTE: Some food items are never prorated. The prorated food items are determined at the State level.

2. The local agency shall prorate manual checks as follows:

**Food packages with 2 checks:**

1 – 15 days late	2 checks provided
16 – 31 days late	1 check provided

**Food packages with 3 checks:**

1 – 10 days late	3 checks provided
11 – 20 days late	2 checks provided
21 – 31 days late	1 check provided

**Food packages with 4 checks:**

1 - 8 days late	4 checks provided
9 - 15 days late	3 checks provided
16 – 23 days late	2 checks provided
24 – 31 days late	1 check provided

NOTE: The local agency shall select the checks to be provided based on the participant category and nutritional needs.

3. The local agency shall instruct the applicant/participant at certification about the importance of picking up checks at the appointed time. Reminders should be distributed, or included on calendars or other handouts.
4. When a significant number of participants in a Local Agency demonstrate an inability to pick up checks in a timely manner, the local agency should:
  - a. assess the need to revise check pick-up hours or site locations; and
  - b. ensure that participants are educated on the proper utilization of designees.
5. The local agency shall inform participants at certification about the lost, stolen or destroyed food instrument policy (Policy and Procedure 4.10).

Attachment(s):

References:

1. COMAR 10.54.01.18 C(5)

Revisions:

1. 10/10 Updated proration methodology used by WIC information system and COMAR reference for hardship definition.
2. 12/12 Changed policy reference in B.2.4 from 4.08 to 4.10.
3. 10/13 Corrected the policy referenced in A1 to 4.10. Modified B.3. and B.4.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.04  
Effective Date: October 1, 1990  
Revised Date: October 1, 2013**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Food Instrument Mailing**

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**A. Policy**

Food instruments may be mailed or otherwise delivered to participants on a local agency-wide basis only if approved by State agency.

The local agency may mail or otherwise deliver food instruments to an individual if a participant and his/her proxies cannot pick up checks.

**B. Procedure**

1. The local agency shall mail food instruments to participants in accordance with Section 246.12 (r) (4) of the U.S.D.A. Federal Regulations and COMAR 10.54.01.18 C (5).
2. The local agency shall ensure that the distribution of food instruments by mail is compatible with other WIC benefits.
3. The local agency shall ensure that its control and accountability over all aspects of its handling of food instruments is in accordance with Policy and Procedure 4.09.
4. The local agency shall utilize the following guidelines for mailing food instruments:
  - a. All food instruments must be mailed via First Class mail.
    - (1.) Food instruments must be mailed in a standard business size "check security" type envelope (OPAQUE) which contains the return address of the local WIC agency and the statement "Address Correction Requested."
    - (2.) Food instrument mailings may not be automatically forwarded by the Post Office to participants who have had a recent change of address; instead, the envelope must be returned to the local agency for the appropriate follow-up.

- b. Every effort should be made to mail checks with adequate leeway so that they are received by the participants prior to the "First Date To Spend".
- c. The local agency must include a notice in the food instrument mailing reminding the participant not to sign the food instruments until they are redeemed at the authorized stores.
- d. The following information must be recorded in the management information system participant notes for all food instruments that are mailed.
  - a. The fact that the food instrument was mailed.
  - b. The actual date the food instrument was mailed.
  - c. The reason the food instrument was mailed (e.g. endorser was ill or lacked transportation).
- e. The local agency shall follow Policy and Procedure 4.10 for lost food instruments for all mailed food instruments reported to the local agency as "not received."

5. Periodic Reviews of Local Agency Compliance

- 1. The State agency shall review, as part of all local agency management evaluations, the overall accountability and performance of the mailing systems to ensure compliance with Federal and State WIC regulations, policies and procedures.
- 2. The State agency shall monitor, as needed any areas found to be deficient during the management evaluation process to document that corrective action has been taken.

References:

Federal Regulations CFR 246.12 (r) (4)

COMAR 10.54.01.08 (B) (2)

Revisions

- 1. 10/07 Revised to change WOW to WIC information system.  
Revised to change Federal Regulation citation to CFR 246.12(r)(4)
- 2. 10/10 Changed reference CFR 246.12 (r)(8) to 246.12 (r)(4)
- 3. 10/13 Revised B.3. to reflect the correct procedure.

MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE WIC PROGRAM  
POLICY AND PROCEDURE MANUAL

Policy and Procedure Number 4.05  
Effective Date: October 1, 1994  
Revised Date: October 1, 2014

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SECTION: **FOOD DELIVERY SYSTEM**

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SUBJECT: **Voiding of Food Instruments and Verification of Voided Checks**

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**A. Policy**

To ensure a one-to-one reconciliation of food instruments, local agencies shall void food instruments in the management information system that have been printed but are no longer suitable for the participant to use for the current certification period.

1. A food instrument cannot be voided unless the local agency staff person has the actual check in hand. The only exception to this policy is checks that are voided as "Lost or Stolen."
2. When at all possible, local agency staff shall ensure separation of duties when voiding food instruments.

**B. Procedure**

1. **Upon receiving a food instrument that needs to be voided, the local agency staff person shall immediately write or stamp VOID across the front of the food instrument, or by other means render it unusable.**
2. Local agencies shall void food instruments in the management information system using one of the following, pre-established void reason codes:
  - a. Educational Buy: To void checks for an Educational Buy that has been completed.
  - b. Damaged: To void checks that are torn or otherwise damaged.
  - c. Lost or Stolen: To void checks that are:
    - (1) lost or stolen at the local agency prior to issuance to the participant;
    - (2) reported lost or stolen by the participant and, following the guidelines in Policy & Procedure 4.10, the local agency has determined the need to re-issue checks (i.e, the participant presents an official governmental agency report in which the loss of the food instruments is verified the food instrument is lost in the mail, etc); and
    - (3) reported lost or stolen by the participant and, although not re-issued, the local agency and/or participant would like to receive a copy of the food instruments should they appear on the

- voided redeemed check report.
  - d. Food Package Change: To void checks for a food package that has been changed by a CPA or CPPA.
  - e. Client Terminated: To void unused checks for a participant that is moving or otherwise terminated.
  - f. Unused (Unredeemed): To void unused checks returned by the participant with a "Last Date to Spend" that is in the past or to void unused manual checks.
  - g. Other: To void checks for any "other" reason. The staff person voiding the check must enter a Note in the participant's record documenting the reason.
  - h. Agency Error: To void checks issued as a result of agency error (e.g. name misspelled, incorrect food package, etc.).
  - i. Name Change: To void checks issued with the prior name of a participant who had a name change.
  - j. No Show: To void checks that were printed, but the family missed their appointment and did not pick up the checks.
  - k. Printer Error: To void checks that contain errors resulting from a problem with the printer, including illegible checks and duplicate checks.
  - l. Proration: To void checks in an effort to prorate a participant's benefits. This may be to align a participant with their family's check pick-up day.
3. Once a food instrument has been voided in the management information system by a local agency, it must be:
    - a. shredded immediately (retaining the signature receipts); or
    - b. marked "void" and shredded/destroyed within 24 hours of being voided.
  4. If a food instrument is being voided in the management information system at the time of issuance, the check number(s) being voided must be identified as "Void" on the corresponding check receipt.
  5. The local agency shall counsel staff who have voided food instruments in the management information system that have also been redeemed (Policy and Procedure 4.27) and provide appropriate follow-up to the State Agency.
  6. The local agency shall periodically verify that checks that are identified as voided on a check receipt are likewise voided in the management information system.

Revisions: 8/04 Modified for WOW  
2/04 Modified B1., 2, and 4  
10/1 Modified B.2.c. and 4. to reflect the correct policies.  
10/14 Added void codes i-l.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.06  
Effective Date: July 16, 1993  
Revised Date: January 1, 2013**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Non-Negotiable Food Instruments**

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**A. Policy**

The WIC information system may generate non-negotiable food instruments for participants for each issuance month they are eligible. A non-negotiable food instrument is an additional check that is computer generated with a promotional message imprinted in the "To Be Used For These Items & Quantities Only" section of a WIC check (see attachment 4.06 A). This check was developed to create a mechanism for counting breastfed infants and mothers, and participants who only receive special-order formulas who previously did not receive a check.

**B. Procedure**

1. Agencies shall be accountable for non-negotiable food instruments as specified in Policy & Procedure #4.09, Food Instrument Accountability and Security. This means that the check should be given to and signed for by the parent or designee.
2. Participants should be counseled that non-negotiable checks are not for use at WIC vendors and advised that attempting to do so will result in sanctions.

Attachments: 4.06 A – Non-Negotiable Food Instrument

References:

Revisions

1. August 2004 for WOW
2. August 2003 for WIC WINS
3. August 2011 Changed Policy number from 4.05A to 4.06
4. January 2013 Removed reference to infant cereal and changed policy reference from 4.07 to 4.09.

THIS CHECK IS VOID WITHOUT A BLUE &amp; RED BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

	AGENCY	PARTICIPANT ID NO.	NAME OF PARTICIPANT (LAST, FIRST, M.I.)			CHECK NUMBER
	010101	200 671 729	Test, Sample			62581436
FIRST DATE TO SPEND	December 20, 2012	DATE REDEEMED	STORE USE ONLY	LAST DATE TO SPEND	January 10, 2013	CASHIER FILL IN EXACT AMOUNT OF SALE
<b>CATEGORY: BP</b> TO BE USED FOR THESE ITEMS & QUANTITIES ONLY: _____ PARTICIPANT OR PROXY SIGN FOR PRICE CORRECTION ONLY <div style="border: 1px solid black; padding: 5px; margin: 5px 0;">           1 *** NON - NEGOTIABLE FOOD INSTRUMENT ***            1 Contact Your Local WIC Office for Breastfeeding Assistance         </div>					DOLLARS	CENTS
					\$	
Maryland WIC Program	Payable through FSMC An Affiliate of Security State Bank Howard Lake, MN 55349 Account Number: 806610	75-1248 919	SIGNATURE OF PARTICIPANT OR AUTHORIZED PROXY			VENDOR MUST DEPOSIT WITHIN 30 DAYS OF LAST DATE TO SPEND
		X				

⑈ 6 258 1436 ⑈ ⑆ 09 19 1 248 2 ⑆ 8066 10 ⑈

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.07  
Effective Date: October 1, 1995  
Revised Date: January 1, 2013**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Missing Issuance Report**

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**A. Policy**

Local agencies are responsible for documenting the issuance of all checks using the WIC information system.

**B. Procedure**

1. Upon receipt of the Missing Issuance Report (See Attachment #4.07A), local agencies will assign the check to the participant using the Manual Check Entry screen in the WIC information system. The following information is required:
  - a. Participant ID #
  - b. Participant Name (defaults based on ID #)
  - c. First Date to Spend
  - d. Last Date to Spend
  - e. Issue Month
  - f. Issue Year
  - g. Issue Date
2. Checks appearing on the Missing Issuance Report are to be researched and assigned to the participant receiving the checks within 5 business days of receipt of the Missing Issuance Report.

**C. State Agency actions for reports not submitted**

1. Local agencies will be contacted by telephone if they fail to assign the checks within 5 business days of receipt of the report.
2. A letter will be sent to the Coordinators of those local agencies that fail to assign the checks within 10 days of receipt of the report.
3. If the checks are not assigned within 30 days, the State agency may impose an administrative fine. The administrative fine will be 100% of the total Missing Issuance redemptions for the 30 days not assigned. Local Agencies will be sent a bill for the administrative fine.

Attachments: 4.07A Missing Issuance Report

Reference: 7 CFR 246.12 (q)

Revisions: August 2004 for WOW

August 2011 Changed Policy number from 4.06 to 4.07

January 2013 Changed reference from WOW to WIC Information System and changed Federal Reference.

Report: FR\_MISSING\_ISSUANCE      **Maryland WIC Program**

Report Date: 07/14/2003

MISSING ISSUANCE

Page 1

Agency: 08 Southern Maryland WIC Program

<u>FI Number</u>	<u>Process Date</u>	<u>Disposition</u>	<u>Vendor ID</u>	<u>Paid Amount</u>
10154784		Printed, Not Issued		
10154785		Printed, Not Issued		
10154786		Printed, Not Issued		
<b>Agency Totals:</b>			<u>FI Count</u>	<u>Paid Amount</u>
			3	

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.08  
Effective Date: April 1, 2006  
Revised Date: October 1, 2011**

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**SECTION: FOOD DELIVERY SYSTEM**

---

**SUBJECT: Food Checks Rejected Report**

---

**A. Policy**

Local agencies are responsible for reviewing the Food Checks Rejected Report not less than monthly and taking appropriate corrective action against participants.

**B. Procedure**

1. The Food Checks Rejected Report shall be reviewed monthly for checks rejected due to improper use by participants.
2. WIC information system generated Education, Warning, and or Disqualification Notices are to be issued to participants in accordance with sanction procedures specified in Policy and Procedure 4.23 no later than 30 days after the month in which the violation is reflected.

**C. State Agency Actions**

1. The State Agency will regularly monitor the Foods Checks Rejected Report to ensure Local agency follow-up of violations. Compliance or non-compliance with this procedure will be documented in the Food Delivery Management Evaluation.

Attachments:

4.08A Food Checks Rejected Report

Revisions:

1. February 2007 Revised B.1.2. (WOW to WIC information system)
2. October 2011 Changed Policy number from 4.06B to 4.08



Maryland WIC Program

Reject Checks  
STATE

Rejected from: 11/01/2005 to 11/30/2005

Report Date: 12/13/2005

**000000 Your Local Agency**

Participant Full Name	FC Number	First Date To Use	Reject Date	Rejected Amt	Vendor ID	Reject Reason
Doe Jane	23000000	12/01/2005	11/29/2005	\$21.13	A30000	Used before 1 <sup>st</sup> date to spend

MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE WIC PROGRAM  
POLICY AND PROCEDURE MANUAL

Policy and Procedure Number: 4.09  
Effective Date: October 1, 1994  
Revised Date: October 1, 2011

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**SECTION: FOOD DELIVERY SYSTEM**

---

**SUBJECT: Food Instrument Accountability and Security**

---

**A. Policy**

The local agency shall ensure the accountability and security of all printed food instruments.

**B. Procedure**

1. Accountability of Food Instruments

- a. All types of food instruments (manual, WIC information system generated checks) shall be accounted for by the State and local agencies.
- b. There shall be separation of duties with adequate documentation to account for all checks printed, issued, and voided.

2. Food Instrument Security

- a. All types of printed food instruments (manual checks and system generated checks that haven't been issued to the participant) shall be stored in a secure place under lock and key. Food instruments are negotiable instruments that require stringent internal controls. They are to be stored in a locked safe, if possible. If a safe is not available, the checks must be stored in a locked file or storage cabinet within a locked room.
- b. When food instruments are out of secure storage, at least one staff person must remain physically with them at all times.

3. Separation of Duties at Local Clinic Sites

In order to have a strong internal control system at the local agency clinic site, it is very important that there be a separation of duties, **whenever possible**. For example, each of the following duties should be performed by a separate clinic staff member in order to ensure separation of duties:

- a. Certification of participant;
- b. Issuance of WIC Participant I.D. Folders;
- c. Issuance of checks to participants;
- d. Voiding of checks.

Separation of duties may not always be possible because of limited staff. In certification clinics where only two staff members are working, duties 1 and 2 above should be performed by one staff member and duty 3 by the second staff member. When only one staff member is available to certify and issue checks, a monitoring system should be in place to review certification and check issuance activities.

WIC employees shall not certify themselves or any family member.

#### 4. Separation of Duties at Check Distribution

The disposition of each check generated (system and manual) is to be documented on the appropriate check receipt or register. Documentation shall include authorized participant signature and issue and/or void dates.

Initiation of the check generation process and custody of the checks should be given to two separate staff members. During check distribution, the participant or designee shall give staff member (1) their WIC Participant I.D. Folder. Staff member (1) marks the participant's attendance, initiates the check generation process and gives the WIC Participant I.D. Folders to staff member (2). Staff member (2) shall retrieve the checks from the printer, ask the participant or designee to sign the check receipt (or manual check register), check the signatures against the WIC Participant I.D. Folders and give the checks to the participant or designee.

#### 5. Manual Check Accountability

Local agencies shall maintain a Manual Check Log to document the generation of manual checks at the central office and the distribution of checks to clinic sites. The beginning and ending numbers of each check type generated shall be captured on the log as the checks are printed. The staff person printing the checks should sign and date in the "Generated By" column. As checks are distributed to clinics, the staff person responsible for issuing the checks to the clinic should sign and date the "Issued By" column, and the clinic staff person receiving the checks should sign and date the "Received By" column.

#### 6. Documentation of Missing Signatures

In the event that a participant or designee signature is not obtained at the time of check issuance, the staff member who issued the check should document on the check receipt and in the participant's WIC information system Note or Alert that the checks (list numbers, date of issue, etc.) were issued to the participant or designee, that the required signatures were not obtained in the check register and/or receipt at the time of issuance. This documentation must be signed and dated by the issuing staff member. A supervisor shall sign and date the receipt and/or register verifying knowledge of the incident.

In the signature area for the checks in the check receipt and/or register, the issuing employee should write "checks issued, no signature" with the employee initialing and dating the register when the notation is made.

7. Issuance of checks to any WIC employee, who is a WIC participant, shall be in accordance with this policy.

Issuance of checks to any WIC employee, who is a designee for any WIC participant, shall be in accordance with Policy & Procedure Number 2.20.

8. All activities which deviate from the check issuance process must be documented in participant's Notes or Alerts in the WIC information system as well as in the check receipt and/or register.

References:

Policy & Procedure Number: 4.10

7 CFR 246.4 (a)(xii)

Revisions:

1. 8/04 Revised to change WOW to WIC information system.
2. 10/11 Changed Policy number from 4.07 to 4.09

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number 4.10  
Effective Date: October 1, 1994  
Revised Date: October 1, 2011**

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**SECTION: FOOD DELIVERY SERVICE**

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**SUBJECT: Replacement and Over-issuance of Food Instruments**

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**A. Policy**

A Local Agency may issue a replacement or an over-issuance of food instruments under the following conditions:

1. A participant presents a damaged food instrument for replacement prior the "Last Date To Spend" on the food instrument.
2. Prior to issuance to the participant, the original food instruments are lost, stolen, missing, destroyed or damaged or are printed by the clinic containing incorrect information.
3. The food instruments or foods are destroyed in a disaster such as fire or flood and the participant presents an official police, fire, or other governmental agency report in which the loss of the food instruments is reported.
4. The participant requires a change in food prescription and presents a food instrument(s) or formula food item(s) for replacement prior to the "Last Date to Spend" on the food instrument.
5. The participant requires a combination of formulas to be prescribed for the issue month.
6. The participant's name has changed during the issue month and the participant has redeemed one or more food instruments from the initial set of food instruments that were issued.
7. The participant is new to the program or Local Agency and requires a short-set of checks to be issued to provide food benefits until the participant's designated schedule day.
8. There is an error in the food package prescribed and the Local Agency must over-issue benefits to correct the error.

The local agency shall issue WIC information system generated or manual food instruments to replace or over-issue food instruments to participants, in sequential order, either totally or on a prorated basis (Policy & Procedure Number 4.03).

## B. Procedure

Local agencies shall abide by the following procedures when replacing or over-issuing food instruments:

1. Damaged food instruments presented prior to the “Last Date to Spend” on the food instrument:
  - a. If a participant presents one or two food instruments from the same issue month that have been damaged, the local agency shall void the damaged food instrument in the participant’s record using the appropriate void code (Policy and Procedure 4.05) and follow the WIC information system procedure for reissuing a check. The reissue feature will generate a check with identical food items and quantities as the food instrument that was voided. It should only be used in instances where you need to re-print one or two food instruments from a package.
  - b. If all food instruments for a food prescription are damaged, the local agency shall void all of the food instruments in the participant’s record using the appropriate void code (Policy and Procedure 4.05). In this situation, since all previously issued benefits for the issue month have been voided in the record, the local agency will be able to print an additional set of benefits for the participant following normal WIC information system check issuance procedures.
2. Food instruments that are lost, stolen, missing, destroyed or damaged prior to issuance to the participant shall be reported to the State Agency and handled by the local agency as follows:
  - a. The food instruments shall be voided in the participant’s record using the appropriate void code (Policy and Procedure 4.05).
  - b. The local agency shall document in a note in the participant’s record the circumstances surrounding food instruments that are lost, stolen or missing.
  - c. Replacement food instruments shall be issued using the same “Last Date to Spend” as the original, voided food instruments.
3. When checks or previously purchased food items are reported destroyed in a disaster, the local agency shall replace them only if written documentation is provided in the form of a report from a fire department, police department or some other governmental agency.
  - a. The local agency shall void the food instruments that were reported to be destroyed in the participant’s record using the appropriate void code (Policy and Procedure 4.05) and document the incident including a police or other report number (if present) as a note in the participant’s record.
  - b. The local agency shall advise participants reporting destroyed food instruments that:

1. If the food instruments are found, they must be returned to the local agency;
  2. If the food instruments are redeemed, sanctions may be imposed, and
  3. If the participant has violated the law by falsely reporting a loss, criminal penalties may be imposed.
- c. The local agency shall issue new food instruments using the same "Last Date To Spend" as the original, voided food instruments.
  - d. The local agency shall issue new food instruments for foods that were destroyed by disaster using the over-issuance reason of "Foods Destroyed by Disaster."
4. Local agencies must document the over-issuance of food instruments in the WIC information system by selecting the appropriate over-issuance reason when initiating the request to print an additional set of benefits for the issue month. Authorized over-issuance reasons are:
    - a. Food Package Change
    - b. Combination of Formulas Needed
    - c. Food Destroyed by Disaster
    - d. Short-Set of Checks Issued
    - e. Participant Name Change
    - f. Agency Error
5. State Agency Actions
    - a. The State Agency shall maintain a record of voided food instruments in the WIC information system.
    - b. The State Agency shall advise the local agency of any additional actions necessary, if checks voided in the WIC information system have been redeemed (Policy and Procedure 4.27 (Voided and Redeemed Checks Report)).
    - c. The State Agency shall investigate food instruments reported as lost, stolen, missing, destroyed or damaged prior to issuance to participants and take any appropriate action against the local agency.
    - d. The State Agency shall monitor over-issuance of food instruments on a local agency basis and shall contact the local agency if it suspects fraud or abuse of this policy.

References:

1. Policy and Procedure 4.05
2. Policy and Procedure 4.27

Revisions:

1. August 2004 – Modified for WOW
2. August 2003 – Modified for WIC WINS
3. October 2011 – Changed Policy number from 4.08 to 4.10

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.11  
Effective Date: October 1, 1996  
Revised Date: October 1, 2011**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Check Reimbursement**

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**A. Policy**

The State/local agency shall ensure that vendors who have been denied or delayed payment for food instruments are instructed in and follow the procedures described below:

Authorization to participate in the Maryland WIC Program gives vendors the right to accept valid WIC checks issued by the Maryland WIC Program only. Vendors may not accept WIC checks/drafts from any state other than Maryland unless the vendor has a contract with that state to do so. The Maryland WIC Program has no financial responsibility for, or involvement with, any other state's checks/drafts.

Prior to depositing WIC checks, vendors must review them to ensure that they have been processed properly. Checks will be rejected by the Program's banking service and will be returned to the vendor through their bank if the proper redemption procedures are not followed. The Maryland WIC Program reserves the right to deny reimbursement to vendors for checks rejected by the bank or not deposited in the bank because of vendor error. The information below describes the procedures vendors are to follow and the vendor's liability.

Vendors should keep a copy of the check(s) that are being sent for reimbursement. Checks for which reimbursement is requested must be received in the State WIC Office within 45 days of the "Last Date To Spend" date on the check in order to be considered for reimbursement. Vendors should use Attachment 4.11A "Check Reimbursement Form" when submitting checks for reimbursement.

**B. Procedure**

The State/local agency shall ensure that vendors are informed of and instructed in the following procedures when payment for their redeemed WIC checks is denied or delayed.

**Reason for Check Rejection**

**Procedure to Follow/Extent of Vendor's Liability**



a legal copy with an explanation of the problem and the shelf prices for the WIC foods purchased to the State WIC Office for reimbursement review.

6. **Missing Participant/Proxy Signature/Signature in Pencil**

Checks should never be accepted without proper signatures. Checks with missing signatures or signatures in pencil cannot be negotiated by the bank or replaced by the Maryland WIC Program.

7. a. **Altered Check**

The vendor should not accept any check that has been obviously tampered with or changed, nor should he/she make any changes to WIC checks, except for the one allowable price correction.

b. **Mistake in Price Entered on the Check Due to Cashier or Participant Error**

If an incorrect amount has been entered on the check, the cashier is allowed to draw a line through the incorrect amount and write the correct amount above it, just once. Then the participant or proxy must sign their full name in the space to the left of the amount of sale box to verify the correction. This signature must be the same as the signature at the bottom of the check. The vendor can then submit the check to the bank for deposit.

If a check is rejected for not following this procedure, the vendor should send the original check with an explanation of the problem and shelf prices for the WIC foods purchased to the State WIC Office for reimbursement review.

c. **Missing Price/ Price in Pencil**

Checks with missing prices or prices in pencil cannot be negotiated by the bank. Vendors may forward the original check with an explanation of the problem to the State WIC Office for reimbursement review.

8. **Checks Accepted By An Unauthorized Vendor**

The State WIC Agency will not honor check reimbursement requests by an unauthorized vendor. If an

unauthorized vendor redeems WIC checks, the vendor is liable and will not be reimbursed for the checks.

**9. Checks Previously Rejected**

The appropriate procedures listed above must be followed.

**Reimbursement Requests Are To Be Mailed To:**

Department of Health and Mental Hygiene  
Maryland WIC Program  
201 W. Preston Street, 1st. Floor  
Baltimore, Maryland 21201

**Attachments:**

1. 4.11A – Check Reimbursement Form
2. 4.11B – Check Reimbursement Form – Exceed Max Amount

**References:**

1. Federal Regulations 7 CFR 246.12 (2) (ii, iii, iv, & v)
2. Federal Regulations 7 CFR 246.12 (5) (iii)

**Revisions:**

1. August 2008 Revised to increase the number of days for rejected check submission from 30 to 45 days.
2. October 2011 Changed Policy number from 4.09 to 4.11



## Maryland WIC Program Check Reimbursement Cover Sheet

TO: Maryland WIC Program  
201 W. Preston Street, 1<sup>st</sup> floor  
Baltimore, MD 21201

DATE: \_\_\_\_\_

FROM: \_\_\_\_\_  
Store Name

\_\_\_\_\_   
WIC Vendor ID #

\_\_\_\_\_   
Contact Person Name (Printed)

\_\_\_\_\_   
Contact Person Phone Number

**Checks that have not been deposited and rejected by the bank will be returned to vendor.**

Some checks rejected by the bank may be submitted to the State WIC Office for review. Please refer to the rejected reasons listed below to determine if your checks can be submitted for review.

**Checks with the following rejected reasons may be sent to the State WIC Office for review:**

Rejected Reason:	Before submitting to State WIC, the vendor must:
Deposited Past 30 Days from Last Date to Spend	Submit to State WIC Within 45 Days of Last Date to Spend
Exceeds Maximum Value*	Attach Form 4295-B (Request for Payment for Check Exceeding Max)
Illegible Vendor Stamp	Re-Stamp Checks with Vendor Stamp
Missing Signature	Obtain Signature of Participant/Proxy by calling the local WIC office
Missing Vendor Stamp	Stamp Checks with Vendor Stamp
Payment Amount Altered Incorrectly	
Payment Amount is Missing	Enter Payment Amount
Price Correction Signature Missing/Mismatched	Obtain Signature of Participant/Proxy by calling the local WIC office

\* Fruits and Vegetables checks may be submitted without attaching Form 4295-B. The State WIC Office will pay the dollar amount printed on the check – such as \$6.00, \$10.00, or \$15.00

**WIC WILL NOT PAY checks with the following rejected reasons:**

- Altered Item
- Previously Paid
- Unauthorized Vendor
- Used Before 1st Date to Spend
- Used After Last Date to Spend
- Checks that have not been deposited in the bank

Enter the total # of checks submitted for all of your stores for reimbursement: \_\_\_\_\_  
**(Required)**

If you have any questions, please contact **Ms. Sharon Gibbs** at 410-767-5241.



## Maryland WIC Program Request for Reimbursement Check Exceeding Maximum Amount

To: Maryland WIC Program

Date: \_\_\_\_\_

FROM: \_\_\_\_\_ & \_\_\_\_\_ & \_\_\_\_\_  
                     NAME  STORE NAME  VENDOR ID#

CHECK # \_\_\_\_\_ REQUESTED AMOUNT \$ \_\_\_\_\_

PLEASE ENTER THE INFORMATION BELOW FOR ITEMS THAT HAVE BEEN PURCHASED.

ITEM:	SIZE:	QTY:	PRICE:
DRY AND CANNED BEANS	_____	_____	\$ _____
WIC CEREAL	_____ OZ OR LESS	_____	\$ _____
INFANT FRUIT & VEGETABLES	4 OZ	_____	\$ _____
INFANT MEATS	2.5 OZ	_____	\$ _____
KOSHER INFANT MEATS	2.5 OZ	_____	\$ _____
GERBER INFANT CEREAL	8 OZ.	_____	\$ _____

**STAPLE CHECK HERE**

THIS CHECK IS VOID WITHOUT A BLUE & RED BACKGROUND AND AN ANTI-FACAL WATERMARK ON THE BACK. HOLD AT ANGLE TO VIEW.																							
EGGS	1 DOZEN				\$ _____																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; font-size: x-small;">AGENCY</td> <td style="width: 15%; font-size: x-small;">PARTICIPANT ID NO.</td> <td colspan="2" style="width: 40%; font-size: x-small;">NAME OF PARTICIPANT (LAST, FIRST, MI)</td> <td style="width: 25%; font-size: x-small;">CHECK NUMBER</td> </tr> <tr> <td>010101</td> <td>200 411 280</td> <td colspan="2">DOE, JOHN M.</td> <td>44649224</td> </tr> <tr> <td style="font-size: x-small;">FIRST DATE OF PURCHASE</td> <td style="font-size: x-small;">DATE RECEIVED</td> <td style="font-size: x-small;">LAST DATE RECEIVED</td> <td colspan="2"></td> </tr> <tr> <td>January 26, 2010</td> <td></td> <td>February 11, 2010</td> <td colspan="2"></td> </tr> </table>		AGENCY	PARTICIPANT ID NO.	NAME OF PARTICIPANT (LAST, FIRST, MI)		CHECK NUMBER	010101	200 411 280	DOE, JOHN M.		44649224	FIRST DATE OF PURCHASE	DATE RECEIVED	LAST DATE RECEIVED			January 26, 2010		February 11, 2010				
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CATEGORIES	DOLLARS	CENTS																					
KOSHER	5	89																					
TO BE USED FOR THESE ITEMS & QUANTITIES ONLY																							
JUICE (x) dollars for Fruits and Vegetables		PARTICIPANT OR PROXY SIGN FOR PRICE CORRECTION ONLY																					
MILK				CHECKS NOT VALID UNLESS STAMPED BY AN AUTHORIZED WIC STAFF MEMBER																			
EVAPORATED FLUID		12 OZ. CAN																					
KOSHER LACTOSE REDUCED UHT																							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; font-size: x-small;">Maryland WIC Program</td> <td style="width: 15%; font-size: x-small;">75-1248 919</td> <td colspan="2" style="font-size: x-small;">SIGNATURE OF PARTICIPANT OR AUTHORIZED PROXY</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td></td> <td></td> <td colspan="2" style="text-align: center;"><i>[Signature]</i></td> <td></td> <td></td> </tr> </table>		Maryland WIC Program	75-1248 919	SIGNATURE OF PARTICIPANT OR AUTHORIZED PROXY						<i>[Signature]</i>													
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		<i>[Signature]</i>																					

PEANUT BUTTER	_____ OZ OR LESS	_____	\$ _____
100% WHOLE WHEAT BREAD			
BROWN RICE SOFT CORN/WHOLE WHEAT TORTILLAS			\$ _____
TUNA, SALMON, OR SARDINES			\$ _____
FORMULA (ENTER TYPE, SIZE, QUANTITY, AMOUNT)			\$ _____

**GRAND TOTAL \$ \_\_\_\_\_**

**Do not submit this form for Fruit and Vegetable checks rejected for "Over Max \$ Amount"**

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.12  
Effective Date: October 1, 1994  
Revised Date: October 1, 2011**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Instructions to Participants, Guardians, and Designees**

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**A. Policy**

The Local Agency shall insure that participants, guardians, and designees receive instructions on the proper use of food instruments, and on the procedures for receiving supplemental foods. Participants, guardians, and designees shall also be informed that they have the right to complain about improper vendor practices with regard to Program responsibilities.

The Local Agency shall ensure that participants, guardians, and designees are informed of their rights and responsibilities for participation in the Program, participant violations and sanctions so that procedural errors, and Program fraud and abuse are minimized.

**B. Procedure**

1. The local agency may either use the instructional material provided by the State as it is, or adapt the contents for use in informing participants, guardians, and designees. Adaptations must have State agency approval before use.
2. The local agency shall ensure that all newly certified participants, parents or caregivers of infant and child participants and designees/proxies receive instructions on the proper use of food instruments. It is recommended that the "My WIC" instructional video be used for this purpose.
3. The local agency shall include a list of all authorized WIC vendors located within the local agency's region or state wide as an addendum to these instructions and inform participants that they may only redeem their WIC checks at WIC authorized stores in Maryland.
4. The local agency shall distribute to, discuss and review the instructional material as well as the agency's complaint procedure with each participant, guardian, and designee at certification time, as required by the participant sanction policy, and at anytime thereafter when deemed necessary.
5. The local agency shall maintain a file with examples of instructional material

distributed to and discussed with participants, guardians, and designees.

Attachment:

1. 4.12A Instructions for Using Checks
2. 4.12B Participant Flyer “Instructions for Using Your WIC Checks

References:

3. Federal Regulations 7 CFR 246.12 (r) (3)

Revisions:

1. 8/04 Added attachment 4.09A
2. 10/09 Revised attachments 4.09A and 4.10A to include fruit and vegetable check instructions.
3. 10/10 Changed “WIC and You” to “My WIC”
4. changed federal citation to 7 CFR 246.12 (r) (3)
5. 10/11 Changed Policy number from 4.10 to 4.12. Revised section B 2 to clarify to procedure for providing instructions to Participants.
6. 10/13 to modify B.3. to stipulate informing participants that WIC checks may only be redeemed in Maryland. And B.4.

## INSTRUCTIONS FOR USING CHECKS

1. Never keep or accept from local agency staff or any Program staff more checks than you are certified to receive. If you do, you may be asked to pay the Program the cost of the checks or for the foods that were bought with them.
2. Only those food items listed on the check in the sizes indicated may be purchased. Brand names must conform to the ones listed on the current Authorized Foods List. You may not substitute non-WIC foods for those listed on your checks.
3. At the checkout counter, group all WIC foods together in front of your other groceries so the checker can total them separately. **Do not go through "Express-Cash Only" checkout counters.** Foods for each check must be grouped and totaled separately.
4. Present your check and WIC I.D. Folder to the cashier before the cashier begins to total your WIC purchases.
5. You must cash your checks within the **FIRST DATE TO SPEND** and the **LAST DATE TO SPEND** shown on the check. If you are not using all of your checks, **OR** not purchasing all of the food items listed on your checks, notify your local WIC office to have the food package evaluated and changed.
6. You should cash the checks for each WIC recipient in the family as you need them to avoid waste and spoilage. However, you may use more than one check at a time, if necessary. If you are redeeming a fruit and vegetable check (FVC), the total purchase amount written on the check may not exceed the FVC denomination. You will be required to pay the difference with another form of payment or reduce the amount of the purchase. If you spend less than the denomination of the fruit and vegetable check, you may not receive change back.
7. After the cashier has entered the total amount in ink on the check and returned the check to you, check the amount for accuracy and sign your name on the check in the lower right corner. **Do not sign your check before this time. The cashier will refuse your check if it was signed before this time or if your signature does not match one of the signatures on the I.D. Folder.**
8. When redeeming a check, you should NEVER accept cash or attempt to obtain cash from store employees or others. These are illegal acts and could result in disqualification and/or prosecution. Also, you should not pay any additional money for WIC check items.
9. You may use store or manufacturer's coupons when redeeming your WIC check(s). The value of these coupons will be deducted from the cost of the check(s). **No money will be given to you when you use coupons with your**

## **WIC checks.**

10. Do not accept rain checks for WIC foods that are not available.
11. Up to 2 additional people may be designated as designees and thus be eligible to purchase WIC foods for you. All proxies must be on file and must receive prior approval from the local WIC office before attempting to redeem WIC checks. **Do not allow unauthorized persons to cash your checks.**
12. WIC checks are like personal checks and **money**. They should, therefore, be handled with the same care. If you lose them or they are stolen they will not be replaced. But, if your checks are damaged or destroyed contact your local WIC office immediately to find out if replacements can be issued.
13. WIC foods are never to be exchanged for cash or for non-WIC food items. This is fraud and could threaten the existence of the entire WIC Program and subject you to disqualification from WIC and/or legal prosecution.
14. **You are responsible for teaching your authorized designees how to select correct WIC foods from the approved WIC food list and how to redeem your checks.** If you or your proxies need additional instructions, call your local WIC office. The staff members will be glad to help you.
15. If you or your designated proxies fail to pick up checks for two consecutive issue months, you will be automatically terminated from WIC and you will not receive further benefits.
16. You have the right to lodge complaints against vendors and the local agency. The WIC staff will explain the procedure for doing so.
17. Use your checks correctly. Vendors are told to notify the Program of any improper actions of participants/proxies in the conduct of WIC business.
18. You may only redeem your WIC checks at groceries or pharmacies that have a contract with the State of Maryland WIC Program. These stores have been trained in how to redeem the WIC check. **Shop only at the stores listed as approved on the list your local agency gives you. You may never redeem Maryland WIC checks in another state.**
19. If you become ill for an extended time, or the birth of your child is near, or you have a handicapping condition, or you have difficulty getting to the local agency to pick up your checks, it may be possible for you to receive your checks in the mail. If one of these conditions develops, tell a local agency staff person. The local agency will determine if it is necessary for your checks to be mailed.
20. Do not make any changes to your WIC check

## Steps For Using Your WIC CHECKS

**1.**

Take your WIC ID Folder and WIC Foods List to the store.



**2.**

Spend your checks on or between the dates on them.



**3.**

Only choose foods on the check and WIC Foods List.



**4.**

Separate foods into groups for each WIC check.

## Pasos para utilizar sus cheques WIC

**1.**

Lleve al supermercado La Lista de Alimentos y la Carpeta de Identificación WIC.



**2.**

Gaste sus cheques entre las fechas que están marcadas en éstos.



**3.**

Sólo debe elegir productos de acuerdo a la Lista de Alimentos WIC y a los que se les dan en sus cheques.

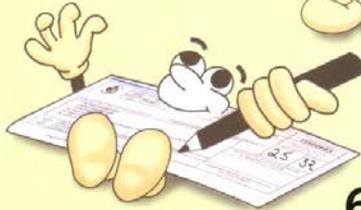


**4.**

Separe los alimentos en grupos para cada cheque WIC.

**5.**

Give the cashier your WIC ID Folder and checks you are spending.



**6.**

Sign the check after the cashier writes in the price.

**7.**

Pay the extra or buy less if you go over your Fruit and Vegetable Check limit.



Office of the Maryland WIC Program  
1-800-242-4WIC (4942)  
[www.mdwic.org](http://www.mdwic.org)

Martin O'Malley, Governor  
Anthony G. Brown, Lt. Governor  
John M. Colmers, Secretary, DHMH

*This institution is an equal opportunity provider and employer.*

Leaflet design adapted from artwork created by the California Department of Health Services, WIC Supplemental Nutrition Branch.

**5.**

Entréguele al cajero su Carpeta de Identificación WIC y los cheques con los que está pagando.

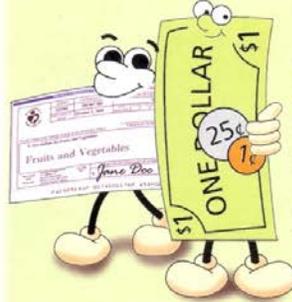


**6.**

Firme el cheque después de que el cajero escriba el precio.

**7.**

Pague el monto adicional o compre menos si sobrepasa su límite del Cheque de Frutas y Vegetales.



Oficina del Programa WIC de Maryland  
1-800-242-4WIC (4942)  
[www.mdwic.org](http://www.mdwic.org)

Martin O'Malley, Gobernador  
Anthony G. Brown, Vicegobernador  
John M. Colmers, Secretario, DHMH

*Esta institución es un proveedor y empleador que ofrece igualdad de oportunidades.*

Diseño del Folleto adaptado de las obras de arte creadas por el Departamento de Servicios de Salud de California y la Agencia de Nutrición Suplementaria WIC.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.13  
Effective Date: October 1, 1997  
Revised Date: October 1, 2015**

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**SECTION: FOOD DELIVERY SYSTEM**

---

**SUBJECT: Vendor Authorization**

---

**A. Policy**

The State Agency shall ensure that only vendors authorized by the State Agency redeem WIC checks or otherwise provide supplemental foods to participants. The State Agency shall establish criteria for the selection and denial of vendors for authorization in the Maryland WIC Program.

The State Agency shall ensure that the food delivery system within the jurisdiction of the State Agency is procedurally uniform and in compliance with federal regulations.

The Local Agency shall assist the State Agency, as required, in the vendor authorization process.

**B. Procedure**

1. Vendor Agreement and Authorization Period
  - a. The authorization of retail vendors shall be the responsibility of the State WIC Agency.
  - b. All vendor agreements for the food delivery system are between the vendor and the State WIC Agency.
  - c. The State WIC Agency can make changes to the vendor agreement, if necessary. Vendors will receive 30 days advance notice of any changes to the Agreement.
  - d. Vendors may apply or reapply for authorization at any time during the year. However, a vendor applicant denied authorization three times in a 12 month period may not reapply until 365 days after the last denial date.
  - e. The State agency, in accordance with 7 CFR 246.12, may not authorize a vendor for a period exceeding 3 years. The State

Agency, at its discretion, may authorize a vendor for a period less than 3 years.

## 2. Vendor Authorization Process

- a. To participate in the WIC Program as a vendor, the interested vendor must submit an application using the forms provided by the State Agency. Mobile stores or direct delivery services are not eligible to apply. Any entity that wishes to become an authorized WIC vendor must:
  - (1) Hold a current food service facility license issued by the local health department or department of environment and, if a food store/ pharmacy combination or pharmacy only vendor, hold a current permit to operate as a pharmacy issued by the State Board of Pharmacy;
  - (2) Be authorized to participate in the Supplemental Nutrition Assistance Program (SNAP);
  - (3) Operate at a fixed location;
  - (4) Be accessible to persons with disabilities;
  - (5) Maintain the store's premises in a sanitary condition;
  - (6) Have in its store from the time of application, the minimum required stock as set forth in COMAR 10.54.03.04C and COMAR 10.54.03.14;
  - (7) Comply with applicable federal and State laws and regulations;
  - (8) Except for pharmacy only or military commissaries, a vendor applicant shall have actual highest current shelf prices that are less than or equal to 125% of the peer group average in the vendor applicant's region during the month of application, as determined by the State Agency for each of the four food packages utilized to analyze prices.
  - (9) Not derive more than 50 percent or more of its total food sales from WIC food items or intend to operate as a WIC only retailer.
  - (10) Pharmacies authorized as pharmacy only vendors are only permitted to sell WIC infant formula. In order to sell other

food items, pharmacies must be authorized as a food/pharmacy vendor.

- b. The State Agency shall ensure that all vendors considered for authorization in the program meet the qualification criteria as stated in the current Vendor Agreement Application Packet and in State regulations.
- c. The State agency shall conduct an unscheduled on-site review of a vendor applicant's store within 60 days of receipt of an application to ensure that the store meets the requirements for authorization. However, if the following circumstances are present in the applicant store's region, the on-site review shall be delayed until the following circumstances have been resolved
  - (1) Severe weather conditions such as snow or flooding, or
  - (2) Labor strike, civil unrest, or other conditions that prevent consistent delivery of food stock, or
  - (3) Vendor notification that delivery of food stock has been delayed.

This information will be documented and used to determine if a delay in conducting the on-site reviews is necessary or such that they may resume.

- d. Vendors disqualified or sanctioned by SNAP or assessed a civil money penalty by that Program within the past 24 months from the date they apply to WIC for a vendor agreement will not be awarded an agreement.
- e. Upon completion of a period of disqualification and a successful completion of the authorization requirements set forth in COMAR 10.54.03.04 and 10.54.03.07, .08 and .09, a vendor shall regain authorization. The State agency may not deny authorization based on previous violations once the applicable penalty has been satisfied. However, a vendor with previous violations may be considered a high risk vendor upon authorization.
- f. The State Agency shall grant or deny authorization to a vendor applicant within 60 days of receipt of an application.
- g. The State Agency shall notify vendors whose applications for authorization are denied that they have the right to an appeal. The vendor applicant must request a hearing within 10 days of receipt of the notice of denial as set forth in COMAR 10.54.03.18.

- h. Written notification of the Program actions, the reasons for the action, the right to appeal and the method for filing the appeal shall be provided to the vendor within 15 days of the denial.
- j. The State Agency shall ensure that vendors granted Program authorization enter into a vendor agreement with the State Agency (attachment 4.13C).
- k. Vendor agreements are not transferable. Any change in ownership, or rights of ownership, or relocation of a store terminates the vendor agreement. Vendors cannot appeal agreement termination due to change in ownership, rights of ownership, or relocation of a store.
- l. The State Agency, at its option, may refuse to negotiate a WIC Vendor Agreement with any vendor against which the Program has an outstanding monetary claim or with a vendor convicted of fraudulent business practices.
- m. The State Agency shall ensure that vendors selected for Program authorization and/or their representative(s) attend vendor training before actual Program participation begins unless training has been waived by the State Agency.

3. Vendor Confidentiality

- a. The State Agency shall ensure the confidentiality of Vendor information with exception of the vendor's, name, address, telephone number, web-site/e-mail address, store type, and authorization status.
- b. The State Agency may, at its discretion, identify sanctioned vendors to other vendors or vendor applicants, including some of the related details pertaining to the sanction to include the vendor's name, address, length of the disqualification or amount of the civil money penalty, and a summary of the reason(s) for such sanction provided in the notice of adverse action.
- c. Should the State Agency, at its discretion, identify sanctioned vendors to other vendors, or vendor applicants, it will only do so following the exhaustion of all administrative and judicial review, in which the State agency has prevailed, or the time period for requesting such review has expired.

4. The Local Agency shall:

- a. Designate a Local Agency Liaison Staff Person who will be the Local Agency contact person during and after the vendor authorization process.
- b. Provide an appropriate number of staff to assist the State Agency in the vendor authorization process.
- c. Ensure that appropriate staff attends required training(s) on the vendor authorization process.
- d. Conduct on-site reviews of applicant vendors, as required by the State Agency using the Retail Vendor On-Site Review Form and instructions as found in Attachment 4.13A and B. The completed on-site review forms shall be submitted to the State Agency.
- e. Assist the State Agency in the vendor training process, as required.
- f. Distribute lists of authorized vendors to participants.

Attachments:

1. 4.13A Retail Vendor Onsite Review Form
2. 4.13B Retail Vendor Onsite Review Form Instructions
3. 4.13C Standard Vendor Agreement

References:

1. Federal Regulations 7 CFR 246.12 (g)
2. COMAR 10.54.03-Retail Food and Pharmacy Vendors
3. Maryland WIC Program Fiscal Year 2012 Retail Vendor Application Packet

Revisions:

1. 8/05 to exclude 50 percent vendors and decrease the number of times in a year an applicant can apply after denial from 4 to 3
2. 10/08 to include the requirements contained in CFR §246.26(e) regarding the confidentiality of Vendor information.
3. 10/09 to reflect revised a Vendor Agreement prohibiting the use of the WIC logo and acronym (Att 4.11B-2) and a revised Onsite Review Form (Att 4.11A)
4. 10/10 Changed federal citation to 7 CFR 246.12 (g)

5. 10/11 Changed Policy number from 4.11 to 4.13
6. 10/12 Revised Attachment 4.13B-2 to reflect prohibition against providing incentives solely to WIC Participants, to use the term disqualification rather than suspension, to restrict pharmacy only vendors from selling anything other than WIC infant formula, and to clarify the conditions under which a previously disqualified vendor may obtain authorization.
7. 10/13 New format and signature on 4.13B-2.
8. 10/15 Clarified the process for vendors applying after disqualification.  
Corrected “calendar year” to “12 month period”  
Revised the procedure on the need for delayed on-sites  
Added to authorization requirements as stated in COMAR  
Renumbered the attachments  
Revised attachment 4.13B to read like instructions and not a policy.  
Revised attachment 4.13C to reflect name change of new Vendor Manager.

# Maryland WIC Program

## Retail Vendor On-Site Review Form

1. Store Name		2. Date		2a. Vendor/Applicant ID	
3. Street Address				4. Phone #	
5. City		6. County		7. Zip Code	
8. Check One: Food Store <input type="checkbox"/> Pharmacy <input type="checkbox"/> Combination <input type="checkbox"/>				8a. Number <input type="checkbox"/>	
9. Answer A-F Yes or No		Circle Type of License(s):		Food Store	Pharmacy
A. Current License? _____		Issuing Agency: DHMH		State Board of Pharmacy	
B. Handicapped Access? _____			C. Fixed Location? _____		
D. Minimum Stock ? (From 11 Below) _____			If No, was the Store Room Checked? _____		
E. Sanitary? _____ If not, list conditions in #14			F. STARS Check O.K.? _____		

**10. Minimum Stock:**

**11. Food Item Prices:**

	O.K?	If No, enter how much was there	Brand/Type/UPC	Quantity	Max Price
Milk, Whole (4 Gallons), 1% Or Fat-Free, 1 Gallon (10 Gallons)	<input type="checkbox"/>	___	___	<u>GAL</u>	___
Eggs, Large, 1 Dozen (6 Dozen)	<input type="checkbox"/>	___	___	<u>DOZ</u>	___
Cereal, 18 Oz Or Larger, (6 Box Whole Grain, 6 Box Other)	<input type="checkbox"/>	___	___	<u>OZ</u>	___
Juice, 64 Oz Container (6 Bottles, 2 Varieties)	<input type="checkbox"/>	___	___	<u>OZ</u>	___
Juice, Frozen, 11.5-12 Oz Size (9 Cans, 2 Varieties)	<input type="checkbox"/>	___	___	<u>OZ</u>	___
Peanut Butter, 16-18 Oz Cont (6 Jars)	<input type="checkbox"/>	___	___	<u>OZ</u>	___
Beans, Canned, 15 - 16 Oz Can (12 Cans, 3 Varieties)	<input type="checkbox"/>	___	___	<u>OZ</u>	___
Fish, Canned, 3.75 - 7.5 Oz Can, (30 Ounces, 2 Varieties)	<input type="checkbox"/>	___	___	<u>OZ</u>	___
Cheese, Domestic, 16 Oz, (6 Lbs, 4 Varieties)	<input type="checkbox"/>	___	___	<u>OZ</u>	___
Infant Foods, Fruit Or Vegetable, 2nd Stage, 3.5-4 Oz Jar (32 Jars, 2 Varieties Fruit & Veg)	<input type="checkbox"/>	___	___	<u>OZ</u>	___
Infant Foods, Meats 1 <sup>st</sup> or 2 <sup>nd</sup> Stage, 2.5 Oz Jar (31 Jars, 2	<input type="checkbox"/>	___	___	<u>OZ</u>	___

## Maryland WIC Program

### Retail Vendor On-Site Review Form

10. Minimum Stock:	O.K?	If No, enter how much was there	Brand/Type/UPC	Quantity	Max Price
Varieties)					
Gerber Dry Infant Cereal, 8 Or 16 Oz Container (6 Boxes, 2 Varieties (1 Rice)	<input type="checkbox"/>	—		___ OZ	___
Similac Advance (With Iron), Concentrate, 13 Ounce (17 Cans)	<input type="checkbox"/>	—		___ OZ	___
Similac Advance (With Iron), Powder, 12.4 Ounce (27 Cans)	<input type="checkbox"/>	—		___ OZ	___
Gerber Good Start Soy, Concentrate, 12.1 Oz (19 Cans)	<input type="checkbox"/>	—		___ OZ	___
Gerber Good Start Soy, Powder, 12.9 Oz (10 Cans)	<input type="checkbox"/>	—		___ OZ	___
Bread (15-16 Oz), Rice (16 Oz), Tortillas (16 Oz) (4 Lbs, 2 Varieties)	<input type="checkbox"/>	—		___ OZ	___
\$32 Fruits And Vegetables, 2 Varieties	<input type="checkbox"/>	—		___ Penny	___
Dry Beans, 1 Lb Bag (3 Lbs, 2 Varieties)	<input type="checkbox"/>	—		___ OZ	___

12. I have reviewed this report of the on-site review and I agree \_\_\_/disagree \_\_\_ with its accuracy.

13. Store Representative's Comments: \_\_\_\_\_

Printed Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

14. WIC Representative's Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Printed Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

## **Retail Vendor Onsite Review Form Instructions**

### **Instructions:**

The WIC representative designated to perform the on-site review shall make his/her presence and purpose known to the store and complete form DHMH 4568 (Attachment #4.13A) as follows:

1. Answer questions 1-11.
2. Check the minimum stock and answer if there is sufficient quantity of each in the "OK" column. If there is not enough of a product, enter in the next column how much was on the store's premises. In the next column enter the brand, type, and UPC of the product. In the next column enter the size of the highest unit priced item. In the last column, enter the price of the highest unit priced item.
3. A store representative must review form DHMH 4568 and indicate either agreement or disagreement with its accuracy.
4. The store representative may enter any comments and must sign and date the form. If a store representative refuses to sign the form, please make note of it.
5. The WIC representative may enter comments and must sign and date the form.

PLEASE RETURN **BOTH** COPIES OF THE VENDOR AGREEMENT!

**STATE OF MARYLAND  
DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
VENDOR AGREEMENT**

This Agreement, dated \_\_\_\_\_, is made by and between \_\_\_\_\_, hereinafter called "Vendor," and the **Special Supplemental Nutrition Program for Women, Infants and Children**, a unit of the Maryland Department of Health and Mental Hygiene, Prevention and Health Promotion Administration (PHPA), hereinafter called "Program" or "WIC," and shall commence on \_\_\_\_\_ and shall terminate on \_\_\_\_\_  
(to be filled in by the Program) (to be filled in by the Program)

This Agreement, which concerns the store's or entity's authorization to operate as a WIC Vendor, shall continue in effect until the above-stated termination date or unless it is terminated as provided in this Agreement. The Program reserves the unilateral right to order in writing changes in the work within the scope of the Agreement and the unilateral right to order in writing a temporary stop or delay in performance.

Now, therefore, in consideration of the mutual promises and covenants herein contained, the parties agree as follows:

**A. The Parties agree to these General Provisions:**

1. This Agreement is not transferable. Any change in ownership or rights of ownership, cessation of operation, or relocation of a store terminates this Agreement and the vendor's authorization to operate as a WIC vendor is ended. This Agreement does not constitute a property interest. If the vendor wishes to continue to be authorized beyond the period of its current Agreement, the vendor must reapply for authorization. If a vendor is disqualified from being a WIC vendor, the Program will terminate this Agreement, and the Vendor will have to reapply in order to be authorized after the disqualification period has ended. In all cases, the Vendor's new application will be subject to the Program's vendor selection criteria and any vendor limiting criteria in effect at the time of the reapplication. Termination of this Agreement due to change in ownership or relocation of a store may not be appealed.
2. The Program will immediately terminate this agreement if it determines that the Vendor has provided false information in connection with its application for authorization. Either the Program or the Vendor may terminate this Agreement for cause after providing written notice to the other party at least 15 days in advance of the termination date.

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3. The Program, as well as officers, agents, and employees of the Program, are not responsible for losses incurred by the Vendor as a result of investigation into an alleged violation, termination of or disqualification from authorization, and/or denial of application for authorization.
4. Payment obligation by the Program is contingent upon the availability of Federal or State funds allocated for payment of such an obligation. If funds are not available for continuance of service, this Agreement shall become void, and services shall be terminated by the Program. Payment will be made on all valid instruments in circulation with an issue date prior to the voiding of this Agreement. The Program shall notify the Vendor at the earliest possible time of any service that will or may be affected by lack of availability of Federal or State funds.
5. The Program, including its representatives at local jurisdiction WIC offices, may conduct monitoring of WIC vendors to determine the vendor's compliance with applicable federal and state policies and regulations, the WIC Vendor Manual, and the WIC State Plan of Operations. The monitoring may include random monitoring, educational buys, and covert compliance buys without the knowledge of the vendor. The Program has sole discretion as to whether or not 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 pursuant to 7 CFR § 246.12(I)(3) and COMAR 10.54.03.16.
6. Should the Vendor lose the Vendor's business due to a fire or natural disaster and the business is able to reopen within thirty (30) days, the Vendor shall retain the Vendor's WIC authorization. However, if more than thirty (30) days are needed to reopen, the Program shall terminate this Agreement, and the store must reapply for authorization and be approved as a WIC vendor in order to obtain authorization to operate as a WIC Vendor.
7. The Vendor Sanction Policy, as detailed in COMAR, the Vendor Manual, and the Program's State Plan of Operations, shall be a part of this Agreement. The current version of the Vendor Sanction Policy, Vendor Manual, Application Packet, and the State Plan of Operations is incorporated by reference into this Agreement. The WIC Program will update these documents as required, and the Vendor is subject to the requirements of the most recent update. In addition, the Vendor is subject to the terms of the Sanction Policy in effect at the time the Vendor violates a provision of the Agreement.
8. Except as provided elsewhere in this agreement, a store has the right to appeal a Program decision pertaining to a denial of application for authorization or a termination of or disqualification from authorization within 10 days of the date of the Vendor's receipt of the notice of denial or notice of termination.

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9. The Program may terminate a Vendor's authorization to operate as a WIC Vendor or disqualify a Vendor from authorization for reasons of program abuse, failing to adhere to WIC policies and procedures, failing to adhere to applicable State and Federal statutes and regulations, the WIC Vendor Manual, the State Plan of Operations, and/or failing to adhere to the provisions of this Agreement. The Program may also impose a civil monetary penalty in accordance with the formula outlined in 7 CFR § 246.12, in lieu of disqualification.
10. A disqualification from the Supplemental Nutrition Assistance Program (SNAP) or disqualification from any other Food and Nutrition Service (FNS) Program will result in an automatic termination from the WIC Program for the same, but not necessarily concurrent, amount of time. Vendor disqualifications resulting from SNAP disqualification are not subject to administrative or judicial review.
11. The Program may disqualify a Vendor that has been issued a civil money penalty under the SNAP pursuant to 7 CFR § 246.12 of the WIC Program Regulations.
12. Notice of a store's termination of or disqualification from authorization from the WIC Program will be forwarded to the United States Department of Agriculture (USDA) and may be grounds for disqualification of the Vendor from other FNS Programs, including the SNAP. Such disqualification may not be subject to Administrative or Judicial Review under the Supplemental Nutrition Assistance Program.
13. The relocation of a WIC store terminates this Agreement, and the vendor must reapply for a new period of authorization and be authorized as a WIC Vendor by the WIC Program before it may operate as a WIC Vendor at the new location.
14. A Vendor who commits fraud or abuse of the Program is liable for prosecution under applicable Federal, State, or local laws, and may be, if convicted, subject to a fine of not more than \$25,000 or imprisonment for not more than 5 years or both in accordance with 7 CFR § 246.12(h)(3)(xx) and 7 CFR § 246.23(d).
15. The provisions of this Agreement are governed by Maryland law.
16. The Program may terminate this Agreement for cause after providing 15 days advance written notice of the decision to do so if it determines that such a termination would be in its best interest. The Program will pay all reasonable costs associated with this Agreement that the Vendor has incurred to the date of the termination. These costs are limited to properly redeemed food instruments. However, the Vendor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of the termination.

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17. The Program may amend this Agreement upon 15 days notice to the Vendor in order to comply with any new Federal or State laws or regulations or policies issued by the USDA. In all other instances, the Agreement may only be modified as the Program and the Vendor mutually agree in writing.
18. The Program will terminate the Agreement if the Program identifies a conflict of interest. It is unlawful for any State officer, employee, or agent to participate personally in his official capacity through decision, approval or disapproval, recommendation, advice, or investigation in any contract or other matter in which he, his spouse, parent, minor child, brother, or sister has a financial interest or to which any firm, corporation, association, or other organization in which he has a financial interest or in which he is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, is a party, unless such officer, employee or agent has previously complied with the provisions of State Government Section 15-501 et seq. of the Annotated Code of Maryland.
19. The Program may reassess the Vendor at any time during the Agreement period using the current selection criteria. The Program will terminate the Agreement if the Vendor fails to meet the current Vendor selection criteria.
20. The Program has sole discretion to designate the date, time, and location of all interactive Vendor training.

**B. The Vendor agrees to:**

1. Adhere to all applicable existing laws and regulations of the Program and any subsequently enacted as a result of State or Federal legislation.
2. Adhere to all policies and operating procedures of the Program, including those found in the WIC Application Packet, the WIC Vendor Manual, and the WIC State Plan of Operations, and including updates of these policies and procedures.
3. Process all WIC checks and fruit and vegetable checks (here and thereafter defined as food instruments) in accordance with Program regulations, policies, and procedures and make available for inspection during routine monitoring visits all food instruments in the vendor's possession at the time of the routine monitoring visit.
4. Submit food instruments for payment within the allowed time period as set forth in the Vendor Manual and request payment from the Program for problem or bank-rejected food instruments, certifying thereto that the represented service has been performed, that payment for the service has not been received, and that the amount specified is due and owing.

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5. Include in a request for payment:
  - a. The Program assigned WIC Vendor Identification Number, which is \_\_\_\_\_;
  - b. The Vendor's Federal Tax Identification, which is \_\_\_\_\_;
  - c. The Vendor's address, which is \_\_\_\_\_  
\_\_\_\_\_
  
6. Address all requests for payment to:

Maryland WIC Program  
Fiscal Unit 201 W. Preston Street, 1st Floor  
Baltimore, Maryland 21201
  
7. Accept food instruments from a participant (here and thereafter defined as including any parent, caretaker of an infant or child participant, and proxy) only within the allowed time period as set forth on the food instrument.
  
8. Provide to the participant only the supplemental foods specified on the food instrument submitted by the participant.
  
9. Hold the Program forever harmless for any WIC transaction completed prior to the Vendor's being authorized to operate as a WIC Vendor.
  
10. Provide supplemental foods at the current prices or at less than the current prices charged to other customers.
  
11. Not seek restitution from any participant in connection with the negotiation of a WIC food instrument or for food instruments not paid for by the Program.
  
12. Provide the Program with the name of the bank and the account number in which WIC food instruments are to be deposited and inform the Program immediately in writing of any change in either item.
  
13. Return to the Program within 15 days of termination of this Agreement all WIC Vendor Identification Stamps issued to the Vendor by the Program.

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14. Obtain, at its expense, all licenses, permits, insurance, and government approvals, if any, necessary for the Vendor's performance under the Agreement.
15. Accept responsibility for WIC food inventory of the Vendor at the termination of the Agreement or upon the termination of the Vendor from the Program.
16. Inform cashiers and other staff about Program requirements and train cashiers and other staff on Program requirements.
17. Be accountable and responsible for vendor violations committed by owners, officers, managers, agents, and employees of the vendor.
18. Offer Program participants the same courtesies offered other customers, including giving rewards to WIC participants for purchases made with WIC food instruments if rewards are given for cash purchases, allowing the use of store bonus or savings cards which provide price savings, and offering WIC customers in store promotions such as "buy 1, get one free." However, vendors may not offer incentive items solely to WIC participants.
19. Provide access, on the day of a monitoring visit, to any food instruments negotiated on the day of any monitoring reviews, at the request of the monitor.
20. Provide to WIC representatives access to all program-related records in accordance with 7 CFR § 246.12(h)(3)(xv) of the WIC Regulations.
21. Comply with the nondiscrimination provisions of 7 CFR Parts 15, 15a, and 15b and:
  - a. Not discriminate in any manner against an employee or applicant for employment because of race, color, sex, creed, national origin, age, marital status, religion, ancestry, or disability of a qualified individual with a disability;
  - b. Include a provision similar to that contained in subsection a above in any subcontract except a subcontract for standard commercial supplies or raw materials; and
  - c. Post and cause subcontractors to post in conspicuous places, available to employees and applicants for employment, notices setting forth the substance of this nondiscrimination provision.
22. Not collect sales tax on WIC food purchases.

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23. Pay all excess charges assessed by the Program in accordance with applicable regulations.
24. Notify the Program as soon as the Vendor has knowledge that it will cease operation or that there will be a change in ownership, and notify the Program immediately when a store cannot operate due to fire or other natural disaster.
25. Maintain inventory records used for Federal tax reporting purposes and all other WIC records for a period of three (3) years.
27. Participate in Annual Vendor Training sessions offered by the Program and any other Vendor training deemed appropriate by the Program.
28. Not charge the Program for foods not received by a WIC Participant.
29. Refrain from use of the WIC logo and Acronym, or close facsimiles, in the name of the vendor, store front signage, and advertising and other promotional materials. Vendor developed shelf talkers/tags must be submitted to the State WIC office for approval before use. WIC shelf talkers/tags must be accurately placed and must not misidentify food items as WIC authorized. Vendors may not apply stickers, tags or labels that have the WIC logo or acronym on WIC-approved products. Violation of this prohibition is subject to the sanction contained in COMAR 10.54.03.16 which are incorporated by reference.
30. Comply with all applicable vendor practices in accordance with COMAR 10.54.03.15.
31. Surrender improperly handled food instruments to WIC personnel upon request.

**C. The Program Agrees To:**

1. Advise participants of the location or locations of the store or stores that the Vendor has been authorized to operate under this Agreement.
2. Provide for the payment of the actual purchase price of WIC foods listed on properly redeemed valid Maryland WIC food instruments provided that purchase price is within the "not to exceed limits" established by the Program.
3. Provide the Vendor with annual training and materials to support the Vendor's efficient operation as a WIC Vendor in the Program, and provide the Vendor with at least one alternative date on which to attend such training.

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4. Notify the Vendor of any changes in Program regulations and operating procedures.
5. Undertake appropriate monitoring, auditing, and review of the Vendor as required by Federal and State Program rules, regulations, policies, and procedures.
6. Provide prompt and courteous assistance to the Vendor when problems or questions arise concerning the Vendor's operation as a WIC Vendor.
7. Maintain records associated with this Agreement.
8. Impose sanctions in accordance with the provisions of this Agreement, the WIC Vendor Manual and State Plan of Operations, and Federal and State regulations and laws.
9. Disqualify the Vendor for reasons of Program abuse or violation of this Agreement, the WIC Vendor Manual, the State Plan of Operations, or federal or state WIC laws or regulations, or disqualification from the Supplemental Nutrition Assistance Program or from any other FNS Program.
10. Bill for excess charges as set forth in COMAR 10.54.03.12.
11. After providing an opportunity to correct or justify such payments, deny payment to the Vendor for improperly processed food instruments and demand refunds for payments already made on improperly processed food instruments.

**D. The Program's Agreement Monitor is the primary point of contact for the Program for matters relating to this Agreement. The Vendor shall contact this person immediately if the Vendor is unable to fulfill any of the requirements of the Agreement or has any questions regarding the interpretation of the provisions of the Agreement.**

The Agreement MONITOR for the Program is:

Maura Shea, Chief,  
Vendor Operations & Program Support  
Maryland WIC Program  
201 W. Preston Street, Room 103  
Baltimore, Maryland 21201  
410 767-5258

**E. The Vendor's primary point of contact is responsible for matters relating to the Vendor's performance under this Agreement.**

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**The Vendor's primary point of contact is:**

\_\_\_\_\_  
Name (Print or Type)

\_\_\_\_\_  
Title (Print or Type)

\_\_\_\_\_  
Business Address (Print or Type)

\_\_\_\_\_  
Business Telephone Number (Print or Type)

**F. The Vendor represents and warrants that:**

1. It is qualified to do business in the State of Maryland and that it will take all necessary action to remain so qualified; and
2. It is not in arrears with respect to the payment of monies owed to the State of Maryland, or any unit thereof, and that it will not become in arrears during the term of the Agreement.

**G. The Agreement is between Maryland's Special Supplemental Nutrition Program for Women, Infants and Children (WIC)**

and \_\_\_\_\_  
**Name of Vendor**

and covers the following store:

STORE NAME

STORE ADDRESS

MARYLAND WIC ID#

PLEASE RETURN **BOTH** COPIES OF THE VENDOR AGREEMENT!

H. Both parties agree that the documents listed are hereby incorporated into this Agreement and made an integral part thereof:

Maryland WIC Program Vendor Application Packet

Maryland WIC Program Vendor Manual

Maryland WIC Program State Plan of Operations

Title 10 Department of Health and Mental Hygiene, Subtitle 15 Special Supplemental Nutrition Program for Women, Infants, and Children

7 CFR Section 246 Supplemental Nutrition Program for Women, Infants, and Children

In Witness Whereof, the parties hereto have set their hands and seals:

(Signatory for the Vendor)

(Signatory for the Department)

By: \_\_\_\_\_  
(Vendor's Signature)

By: \_\_\_\_\_  
Secretary of Health and Mental Hygiene

Or

\_\_\_\_\_  
Name (Typed or Printed)

By: \_\_\_\_\_  
(Designee of the Secretary of Health and Mental Hygiene)

\_\_\_\_\_  
Title (Typed or Printed)

\_\_\_\_\_  
Date  
Approved as to Form and Legal Sufficiency

\_\_\_\_\_  
Date of Signing by Secretary or Designee

This \_\_\_\_\_ Day of \_\_\_\_\_ 2015

By: \_\_\_\_\_

Claire Pierson  
Assistant Attorney General

MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL

Policy and Procedure Number: 4.14  
Effective Date: January 1, 2003  
Revised Date: October 1, 2014

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Special Formula Distribution Center**

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**A. Policy**

High cost or difficult to obtain formulas may be ordered from the Community Action Program (CAP) of Lancaster County, the State contracted Formula Distribution Center, through the management information system (MIS). Local agency staff may request that the Distribution Center ship requested special formula to either the Local Agency clinic or the participant's home.

**B. Procedure**

The Local Agency shall:

1. Review and document the participant's need for the special formula according to Policy and Procedure 3.02, Provision of Formulas for Infants; 3.02D, Guidelines for Issuing Infant Formulas; 3.03, Provision of WIC-Eligible Nutritionals for Children and Women; and 3.03A, Guidelines for Issuing WIC-Eligible Nutritionals for Women and Children;
2. Determine the availability of the formula at WIC authorized vendors within a reasonable distance from the participant's home;
3. If the special formula will be obtained from CAP, the certifier will determine the location to which the special formula will be shipped. All products packaged in glass containers must be shipped to the Local Agency clinic or other administrative offices designated by the Local Agency.

**a. If shipping to the participant's home, the certifier will:**

- 1) Inform the participant that the formula will be shipped to their physical address. A PO Box is not an acceptable shipping address. A physical address must be documented in WOW for the participant.
- 2) Instruct the participant to contact the clinic if the formula is **not** received within five (5) business days. The clinic will contact the Distribution Center regarding the order. **The Distribution Center phone number should not be given to the participant.** Inform the participant that if the Distribution Center delivery tracking system

shows that the shipment has been delivered to the participant's home, all future shipments for this family will be to the clinic.

- 3) Instruct the participant to contact the clinic if the formula is no longer needed or another formula is prescribed. The unused portion of the discontinued formula must be returned to the clinic before checks can be reissued for another formula. Refer to Policy and Procedure 3.05, Distribution of Formula by Local Agencies for guidance for handling returned formula.
- 4) Instruct the participant not to sign for or accept any formula that appears to be damaged or out-of-date and to immediately notify the clinic that the shipment was refused. If the damaged or expired date was noticed after the formula was delivered, the participant must return the formula to the clinic for replacement.

**b. If shipping to the WIC clinic, the certifier will:**

- 1) Inform the participant when to expect the formula to arrive at the clinic (normally within 2-4 business days). The clinic can arrange to call the participant when the formula has been received or to have the participant call prior to picking it up on the anticipated delivery date.
  - 2) Enter received formula into the Formula Inventory/Tracking Log, Policy and Procedure 3.05A.
  - 3) Check to make sure the formula is not out-of-date or damaged before signing for it or before issuing it to the participant.
  - 4) Assure that the participant signs the Formula Inventory/Tracking Log when the formula is picked up.
  - 5) Instruct the participant to contact the clinic if the formula is no longer needed or another formula is prescribed. The unused portion of the discontinued formula must be returned to the clinic before checks can be reissued for another formula. Refer to Policy and Procedure 3.05, Distribution of Formula by Local Agencies for guidance for handling returned formula.
4. CAP formula orders for future months will be automatically sent to CAP five calendar days prior to the First Date to Spend of the next benefit period.
  5. If the need for special formula has changed or discontinued, checks for future month(s) benefits should be voided in the MIS. **Checks for future months cannot be voided if the order has already been sent to CAP.**

References:

1. Delaware WIC Program Policy and Procedure - Food Delivery

Revisions:

1. 12/2010 Eliminated the need for the Damaged Formula Replacement form Att 4.11 F (MD WIC 55).
2. Revised the policy to eliminate section H. (Damaged Formula Replacement).
3. Removed the sections pertaining to the procedures followed by the Special Formula Distribution Center.
4. Att 4.11 F renumbered to 4.11E.
5. Request for Special Formula Form renamed WIC 396.
6. Request for Replacement of Special Formula Form renamed WIC 397.
7. 10/2011 Changed the Policy number from 4.11C to 4.14.
8. 10/2014 Removed manual ordering process and inserted references to ordering CAP formula through the information system.

Attachment 4.14A  
has been removed.

Attachment 4.14B  
has been removed.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.15  
Effective Date: October 1, 1996  
Revised Date: October 1, 2011**

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**SECTION: FOOD DELIVERY SYSTEM**

---

**SUBJECT: Food Delivery System Training and Guidelines**

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**A. Policy**

Local agencies shall receive training from the State Agency in order to assist the State Agency in training and providing technical assistance to local agency staff, authorized vendors, and participants on WIC Program policies and procedures. The training shall be designed to prevent program errors or abuse and to improve program service.

**B. Procedure**

1. The State Agency shall provide Food Delivery System training and technical assistance to Local agencies regarding their Food Delivery responsibilities as detailed in Policy & Procedure Number 4.01.
2. The State Agency shall train local agency staff on effective methods of planning and conducting local agency staff, vendor and participant training sessions.
3. The Local agency shall designate a Local Agency Vendor Liaison Staff Person who will be the Local agency contact person for Food Delivery System matters.
4. The State Agency will provide each authorized vendor with a minimum of one training session per year. The State Agency may request that the Local Agency provide the required training for vendors in their areas.
  - a. At least one representative of each authorized vendor scheduled for training must attend the session.
  - b. Additional training sessions may be provided when requested by the vendor or when indicated by Program changes or vendor errors or abuse.
  - c. Training sessions will be held at times and places mutually convenient to the vendor and WIC agency conducting the training.

5. The State agency shall develop and provide standard **Vendor Manuals** to local agencies and authorized vendors.
6. The State/local agency shall provide training to Local agency and vendor staff based on the requirements listed below:
  - a. Initial training shall include, at a minimum, an explanation and discussion of:
    - WIC Program purposes, goals and background, and definitions
    - Vendor regulations, vendor authorization, denials, and suspensions.
    - Responsibilities of State Agency, Local agency, vendor and participant
    - Current authorized foods list
    - Required minimum stock
    - Check redemption procedures
    - Check reimbursement procedures
    - Check overcharge procedures
    - Vendor monitoring
    - Vendor abuses
    - Vendor sanctions
    - Commonly asked questions and answers
    - Fair hearing/ vendor appeal procedures.
  - b. On-Going training shall include, at a minimum, an explanation and discussion of:
    - Current **WIC** policies and procedures
    - Review of current authorized foods list
    - Review of check redemption procedures
    - Review of check reimbursement procedures
    - Program updates
    - Problem areas and concerns
  - c. Cashier training sessions shall include, at a minimum, an explanation and discussion of:
    - WIC Program purposes, goals and background
    - Responsibilities of State Agency, Local agency, vendor and participant
    - Current authorized foods list
    - Check reimbursement procedures
    - Vendor monitoring
    - Vendor abuses

- Vendor sanctions
  - Program updates
  - Problem areas and problem solving
  - Commonly asked questions and answers
7. The State/local agency shall provide training to participants, guardians and designees based on the requirements as described in Policy & Procedure Number 4.12, "Instructions to Participant's, Guardians, and Designees" of this document.
  8. The State/local agency shall maintain documentation of all training conducted.
  9. In the event that the local agency conducts training, the local agency shall forward copies of all forms to the State Agency.

References:

1. Federal Regulations 7 CFR 246.3 (b)
2. Federal Regulations 7 CFR 246.12 (h)

Revisions:

1. 10/10 Deleted federal citation subpart (p)
2. 10/11 Changed Policy number from 4.12 to 4.15

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.16  
Effective Date: October 1, 1996  
Revised Date: October 1, 2011**

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**SECTION: FOOD DELIVERY SYSTEM**

---

**SUBJECT: Vendor Monitoring**

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**A. Policy**

The State agency shall ensure that food vendors within its jurisdiction are monitored by both State and Local Agency staff. The State agency shall provide training to Local Agency staff in effective methods of vendor monitoring. Vendor monitoring shall be conducted to ensure that vendors comply with Federal and State agency regulations, policies and procedures. Monitoring shall also be carried out to prevent fraud, waste and abuse. Educational buys are conducted to verify complaints and identify areas requiring training and or remedial action.

**B. Procedure for Routine Monitoring.**

1. The State agency shall conduct a review of the qualifications of each authorized vendor under its jurisdiction at least once every two years.
2. The Local Agency shall conduct on-site monitoring visits to at least 10 percent of its authorized food vendors annually on a representative basis. (See attachment 4.13B for Instructions on Monitoring)
  - a. The Retail Vendor Monitoring Form, DHMH 4296 (Rev. 10/02) (See attachment 4.16C) shall be utilized to conduct on-site vendor monitoring:
  - b. The Local Agency shall immediately submit to the State agency copies of all monitoring forms and any subsequent communications to and from the vendors.
  - c. The Local Agency shall complete and submit to the State agency the "Maryland Quarterly Vendor Monitoring Log". This report is due quarterly in January, April, July, October (conforming with the Federal Fiscal Year). (See Attachment #4.16B)
3. The Local Agency shall monitor potential high-risk and high-risk vendors in accordance with Section 4.17 of this manual.

4. The State/Local Agencies shall document all monitoring activities on DHMH 4296 (Rev. 10/02).
  - a. Documentation shall be maintained by the State Agency in the WIC information system.
  - b. Documentation shall be subject to review by the State and Federal agencies.

**C. Procedure for Educational Buys**

1. The State agency shall conduct educational buys in instances involving complaints against vendors where the alleged abuse may constitute a violation of Required Vendor Practices listed in COMAR 10.54.03.15B(1)(a)-(f), C(1)(a)-(h), and (2)(a)-(c), and D(2)(a), and on a routine basis. All WIC vendors shall have at least one educational buy biennially. (Local Agency Staff may be asked to assist in this effort in areas where State Staff may not be able to operate inconspicuously). Educational buys also assist the Program in determining the effectiveness of vendor training. The procedure to be followed is the same as the compliance buy (P&P 4.18) with the exception that after the WIC transaction is completed, the buyer will identify herself/himself to store personnel. The buyer will discuss the results of the buy with the store manager, owner, head cashier, or assistant manager. If violations were observed, a corrective action plan must be implemented. The State agency shall provide a written corrective action plan to the vendor.
2. The buyer will return all items purchased and will secure the return of the redeemed food instrument.
3. The Retail Vendor Monitoring Form, DHMH 4296 (Rev. 10/02) (See attachment 4.16C) shall be utilized to document Educational buys and their results. The Educational buy, results, and any corrective action shall be documented by the State Agency in the WIC information system.

Attachments:

1. 4.16A Quarterly Vendor Monitoring Log
2. 4.16B Instructions for Vendor Monitoring
3. 4.16C DHMH 4296 Retail Vendor Monitoring Report

Revisions:

1. 8/04 Revised for WOW
2. 10/10 Revised to change WOW to WIC information system
3. 8/11 Changed Policy Number from 4.13 to 4.16



## **INSTRUCTIONS FOR VENDOR MONITORING**

### **OFFICE OF THE MARYLAND WIC PROGRAM VENDOR OPERATIONS & COMPLIANCE UNIT**

#### **INSTRUCTIONS FOR USING THE RETAIL VENDOR MONITORING REPORT (DHMH 4296)**

The Retail Vendor Monitoring Report is shall be utilized by the State Agency and Local Agencies to document all vendor monitoring activities. The report resembles a police citation book and should fit easily into a purse or coat pocket for easy carrying. There are 5 NCR copies for easy distribution. The front inside cover has an index to vendor requirements and citations to the appropriate section, subsection and paragraph<sup>1</sup> of COMAR 10.54.03.15 (Required Vendor Practices). The back of each report copy provides the sanction policy and contact information.

#### **Monitoring Procedures:**

The Monitor should identify his or herself as a WIC representative to a store representative.

Check minimum stock and, while walking the aisles, look for unsanitary conditions, outdated or spoiled WIC foods, etc. Under the remarks area of the report form, note stock shortages, etc.

Check the WIC food instruments if any, that have been redeemed that day.

Note the number of checkout aisles.

Visually inspect the store's food service facility license and note the Food Stamp Program (FSP) number (The FSP number should be recorded on the report form).

If violations are observed, note the same on the Retail Vendor Monitoring Report using the index provided on the inside front cover. The violation should also be written out under description.

Note in the "Remarks" section the date by which the vendor will correct any violation found.

The Monitor and the vendor representative must sign and date the report.

If the store requests materials (e.g. WIC signs, food lists, etc.) note what is needed.

Provide the store representative with copy 2 of the report, and return copies 1 and 3 to the State Agency. Retain copies 4 and 5 for Local Agency files.  
If violations occurred, a follow-up monitoring visit shall be performed within 2 weeks of the original monitoring visit.

**MARYLAND DEPARTMENT OF HEALTH AND  
MENTAL HYGIENE  
OFFICE OF THE MARYLAND WIC PROGRAM  
RETAIL VENDOR MONITORING**

REPORT # 08826

Vendor Name _____		WIC ID _____
Street Address _____		
City _____	Zip _____	
Date _____	Phone _____	
Number of Check Out Aisles _____	Local Agency _____	
Food Stamp Program ID# _____		
Reason for Visit (Circle One)	Random	Follow-up
If Follow-up, Previous Report Number _____		

Violation of the following required practices specified in COMAR 10.54.03.15 were observed:

<u>Citation</u>	<u>Description</u>
____ ( ) _____	_____
____ ( ) _____	_____
____ ( ) _____	_____
____ ( ) _____	_____
____ ( ) _____	_____

Number of Food Instruments Inspected \_\_\_\_\_

Number of Food Instruments with Errors \_\_\_\_\_

Does the vendor require a receipt for exchange of food items? \_\_\_\_\_

Remarks \_\_\_\_\_

Vendor Representative: I have read this report and have received a copy of it.

Printed Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

WIC Representative: I certify that this report is accurate.

Printed Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Vendor Materials Requested (Circle):

Vendor Manual  WIC Signs  Food List  Other \_\_\_\_\_

**IMPORTANT INFORMATION IS ON THE OTHER SIDE OF THIS FORM**

COPY 1 FOR THE STATE WIC OFFICE

DHMH 4296 (Rev. 10/02)

FAST FORMS TOLL FREE 1-888-513-6767 WICPRSM-5 (10/01)

**INDEX TO SELECTED VIOLATIONS**

<u>Citation</u>	<u>Description:</u>
C(2)(a) C(1)(c)	Altered Food Instrument Amount of Purchase in Ink
C(2)(d) C(2)(f) D(1)(d) C(1)(i) C(1)(h)	Cash, etc., Redeem FI for Change, Giving for FI Charge Only for Food Received Choice, Allow Coupons, Accept
B(2)(c) C(2)(a)	False Information Food Instrument, Altered
C(1)(d) C(1)(c) C(1)(b)	I.D., WIC I.D. Folder Only Ink, Purchase Amount Ink, Signature
B(1)(d)	License Displayed
C(2)(c)	Outdated, Spoiled Food
C(2)(b) C(1)(n) B(1)(f) C(1)(c) C(1)(n)	Presigned Food Instrument Price, Enter Only at Register Price, Shelf Displayed Purchase Amount in Ink Purchaser Price, Enter at Register
C(2)(e) C(1)(f) D(2)(b)	Rain Check Receipt Required Return of WIC Food
C(1)(g) C(2)(g) B(1)(c) D(2)(a) C(1)(b) C(1)(e) B(1)(b) C(2)(c) B(1)(a)	Sale of Only Auth. Foods Sales Tax, Collect Sanitary Premises Signature, False Signature on Food Inst Signature, Verify Sign, Display Spoiled, Outdated Food Stock, Minimum

**USE A BALL POINT PEN AND PRESS FIRMLY  
YOU ARE MAKING 5 COPIES OF EACH REPORT  
PLACE THE FLAP BETWEEN REPORTS**

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.17  
Effective Date: October 1, 1996  
Revised Date: October 1, 2013**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: High Risk Vendors**

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**A. Policy**

The State agency shall provide and maintain a system to identify actual and potential high-risk vendors. The State agency shall ensure on-site monitoring, further investigations, and appropriate sanctioning of these vendors to prevent and curtail program abuse.

**B. Procedure**

1. The State agency shall identify as potential high-risk, vendors who meet any of the following criteria:
  - (a) Vendors designated high risk by the Supplemental Nutrition Assistance Program (SNAP).
  - (b) High rate of errors on redeemed checks.
  - (c) Complaints of abuse or violations, verified by local or State agency.
  - (d) Vendors identified by validated Applied Research on Vendor Abuse (ARVA) analysis.
  - (e) Vendors that have received warnings or civil money penalties from SNAP.
2. The State agency shall conduct a compliance investigation on any vendor identified as potentially high risk. If violations are observed, the State agency will conduct follow-up buys and apply appropriate sanctions.
3. The State Agency shall apply the high-risk designation in accordance with the following:
  - (a) Any vendor who has been disqualified from the program and granted reauthorization, shall be designated a high-risk vendor for one year from the date of the reauthorization.
  - (b) Any vendor who has been the subject of a compliance investigation by the State agency, has been cited for a pattern of violations of the sanction policy and has not been disqualified from the program

shall be designated a high-risk vendor for one year from the date the State agency closes its investigation.

4. High risk vendors shall be monitored as follows:
  - (a) Vendors designated high-risk as a result of past disqualification shall be monitored by the State or local agency. Routine monitoring visits shall be made every three months. If violations occur, the State agency shall resume monitoring the vendor through compliance investigations. If violations are uncovered, appropriate sanctions will be imposed by the State agency.
  - (b) Vendors designated high-risk following a closed State agency compliance investigation shall be monitored by the State or local agency through high risk monitoring visits every three months. If violations occur, the State agency shall resume monitoring of the vendor through compliance investigations. If violations are uncovered, appropriate sanctions will be imposed by the State agency.

Revisions:

1. 10/11 Changed Policy Number from 4.14 to 4.17.
2. 10/13 Added SNAP high risk as a risk identification method.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.18  
Effective Date: October 1, 1997  
Revised Date: October 1, 2014**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Compliance Buys**

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**A. POLICY**

The State agency shall conduct covert compliance buy purchases as an integral part of vendor investigations and high-risk vendor monitoring. The purpose of compliance buys is to monitor and investigate Program performance of authorized vendors; to confirm the possible Program involvement of unauthorized vendors; to monitor vendor corrective activities and to confirm the presence of Program violations by collecting evidence of improper vendor practices.

**B. PROCEDURE**

1. The State Agency shall conduct or shall provide for the performance of all compliance buy activities. Compliance buys shall be conducted in accordance with the procedures described herein.
2. The State Agency will select vendors for compliance buys based on high-risk vendor reports, complaints and at random.
3. A compliance buy in which no violations occur is a negative buy. A compliance buy in which any violations (serious or minor) occur is a positive buy.
4. A minimum of two (2) compliance buys shall be conducted on all selected vendors. If no violations occur during the first two compliance buys, the State Agency shall close the investigation with appropriate documentation to the vendor file and notification to the local agency. However, at the discretion of the State Agency, a compliance investigation can be closed if only minor violations are observed. Compliance buys may be reactivated if the Program has reason to believe the vendor may be violating policies and procedures.
5. Vendors shall be sent a warning letter regarding violations of required practices as required by COMAR 10.54.03.16A and B during a compliance investigation only to the extent such warning does not compromise the integrity of the investigation (i.e. trafficking). A case-by-case determination shall be made to determine if written notice would compromise an investigation. A copy of this letter shall be sent to the local agency serving the area where the vendor is located.
6. After the investigation is completed, if any violations are found, the State Agency

shall send the vendor either a Warning Letter (Attachment 4.18C) or a Notice of Disqualification (Attachment 4.18D). A copy of either the Warning Letter or Notice of Disqualification notice shall be sent to the local agency serving the area where the vendor is located.

## **7. What Is A Compliance Buy?**

A compliance buy is a covert onsite investigation in which a representative of the Program: (a) Poses as a participant, parent or caretaker of an infant or child participant or designee; (b) Presents one or more food instruments to be redeemed for food; and (c) Does not reveal during the visit that he or she is a Program representative. The purpose of the compliance buy is to confirm the presence of Program violations by collecting evidence of improper vendor practices. "Positive Compliance Buys" are buys during which Program violations occur. Compliance Buys/Investigations are covert activities. Vendors are not to be advised of activities in advance, while the cases are in progress or open. Confidentiality of all investigative matters and information is required of all local and State WIC agency staff. A variation of the compliance buy is the educational buy. See food delivery definitions in Policy and Procedure 4.00.

## **8. Requisite Characteristics of Compliance Buyers**

Staff members and contractors who conduct compliance buys must be oriented to the WIC Program and must receive instructions on how to buy unauthorized items or identify other violations that are suspected in a store without resorting to entrapment. It will be necessary to create cover stories as to where they live or are staying, where they and/or their spouses work, how long they've been in the area and so forth in case they are questioned.

The compliance buyer must present the appearance of a WIC shopper. Commonly, a person shopping with WIC food instruments will be an adult participant (i.e., a pregnant or breastfeeding woman) or the parent of an infant or child participant. However, in many cases, shopping will be done by a designee, selected by the WIC participant (or by a parent, guardian, or caretaker in the case of infants or children). Friends, parents, grandparents, siblings, and spouses often serve as designees. While not completely necessary, it is preferred that females be used to conduct the buys, as most WIC participants are females, and store personnel generally seem to be less suspicious of a female using food instruments.

The clientele of some vendors consists almost exclusively of a particular race or ethnic group. Since the staff or contractor conducting the compliance buy should be able to fit in with other persons in the store and in the neighborhood, the buyer should be of the same ethnic/racial background.

## **9. Selection of Stores for Compliance Buys**

It is very important to have uniform procedures for the selection of stores to be investigated. The Maryland WIC Program uses the following criteria to select the stores for investigation:

- a. High rate of errors on redeemed checks,
- b. Complaints of suspected abuse or violations,
- c. Management Information System Reports,
- d. Vendors reauthorized after a Program disqualification,
- e. Vendors previously investigated for violations and sanctioned by the Program but retaining authorization.
- f. State Agency random selection for vendor sampling,
- g. Vendors designated as potentially high risk or high risk, and
- h. Local agency request for investigation.

**10. Assignment of Compliance Buys to an Outside Contractor**

- a. The State agency shall prepare a work order (Form 4.18A) and forward it to the contractor.
- b. The contractor shall perform the compliance buy as instructed, donate the purchased food as appropriate and return a transaction report and record of donated food to the State agency.

**11. Conducting the Compliance Buy**

The compliance buy should appear as normal as possible so the shopper must act as if she or he were an actual WIC customer. This means that the compliance shopper cannot take notes or linger in any one section of the store for too long a period of time.

Observe the appropriate following steps when performing compliance buys:

- a. When entering the store, take no papers with you other than the WIC check(s) and WIC Participant I.D. Folder.
- b. Once you have entered the store, do not take any notes.
- c. Make your selections. Try to select containers that have the prices marked on them.
- d. Take the items to the checkout counter.
- e. Display the WIC check and the WIC Participant I.D. Folder to the cashier or clerk. Inform him or her that a WIC transaction will take place.
- f. Follow all instructions given to you by the cashier, but say nothing during the transaction, unless asked a question. Always be pleasant when speaking to store personnel.

- g. Observe carefully store employees who participate in the transaction and remember any conversation.
- h. Obtain, if possible, cash register tapes or receipts itemizing the dollar value of the items purchased.
- i. Immediately after the compliance buy, the compliance shopper shall complete a "Transaction Report." (Attachment #4.18B).

The importance of accurately and completely documenting every purchase cannot be overemphasized. Every effort should be made to record the information as soon as possible after leaving the store. However, do not complete the report on the store's premises. Move and park your vehicle a reasonable distance from the store before beginning to work on the report. Every statement on the report must be able to withstand intense scrutiny. The correct number of the check used is crucial. In the report's section on items purchased, it is important to be precise about brands, quantities and shelf prices. These descriptions, in addition to the receipts for the items, can make or break the case against an abusive vendor. Staff members who conduct compliance buys are not expected to become involved in dangerous situations, and they will only be identified to the vendor in rare cases.

## **12. The Compliance Investigation**

Since the purpose of the investigation is to gather evidence of abuse and to determine the appropriate sanction, a compliance investigation may involve from two to five compliance buys, depending on the nature of the violations uncovered and the sanctions required.

If the first two compliance buys are negative, the investigation may be terminated. If either of the first two buys are positive, an additional buy is, or buys are, required to complete an investigation. The investigation will be closed after the store has two negative buys, or if the store has enough violations to disqualify the vendor. Before a vendor is disqualified, the DHMH Office of the Attorney General staff attorney reviews violations and the appropriate sanction is imposed.

If a violation of a required practice other than those specified in COMAR 10.54.03.15B(1)(a)-(f), C(1)(a)-(h), and (2)(a)-(c), and D(2)(a) occurs, the investigation must be completed within 120 days of that violation.

If the violations do not warrant disqualification, a Warning Letter (Attachment 4.18C) is sent to the vendor with copies of the Transaction Reports. Corrective Action is recommended.

If the violations warrant disqualification, a Notice of Disqualification (Attachment 4.18D) is sent to the vendor.

## **13. Conducting the Vendor Compliance Investigation**

Compliance buys are an integral part of vendor compliance investigations and two (2) to five (5) compliance buys shall be conducted at each store outlet under investigation to establish compliance or non-compliance. The following are descriptions of the types of buys that can be made:

**a. Controlled Buy:**

Like an experiment that uses a control group as a standard to which results of an experimental group can be compared, the controlled buy makes use of a cash purchase to establish the store's price of certain items. Then a second buy of the identical items is made with a WIC check. The purpose of this buy is to detect over charges and Program discrimination.

**b. Minor Substitution Buy:**

This is the attempt to purchase non-WIC food items with a WIC check. Examples of this would be fruit punch instead of 100% juice, cheese food instead of cheese, etc.

**c. Major Substitution Buy:**

Major substitutions would be the purchase of cigarettes, alcoholic beverages, Pampers, etc. with a WIC check.

**d. Trafficking:**

Examples of trafficking would be selling a WIC check for cash or an unauthorized store accepting a WIC check. The only way for an unauthorized vendor to gain by accepting a WIC check is to launder it through an authorized vendor.

**e. Under Buy:**

Purchasing less than the amount of food prescribed on a check to test if the vendor charges for the entire check.

**f. Out of Date Check:**

The undercover buyer attempts to purchase food with a check either after the last date to spend or before the first date to spend. If the purchase is refused, the buyer leaves the check. Then the State Office detects if the vendor attempts to redeem the check.

Buyers are not limited to the above and types of buys can be combined.

**14. Disposition of Items Purchased During Compliance Buys**

The disposition of all items purchased during compliance buys shall be properly documented on the "Donated/Destroyed/Retained Items" form. (Attachment #4.18B).

Items purchased during compliance buys may not be retained, consumed or used personally by the compliance shopper/investigator, contractor or WIC Program staff. To permit otherwise would cast doubts on the entire compliance process and damage Program credibility in hearings and in civil actions.

Food items in edible condition shall be photographed and donated as soon as possible after the compliance buy is completed. These items are to be donated to recognized community non-profit charitable organizations such as food banks, soup kitchens, etc. Since all compliance information is confidential, the receiving organization shall not be advised of the origin of the donated items. The person receiving for the organization shall initial next to each item received and sign for the entire donation on the "Donated/Destroyed/Retained Items" form.

In instances when perishable items become unfit for human consumption before donation is possible, or when a container for a perishable item is needed for future evidence, the food shall not be donated but shall be photographed and destroyed in the presence of at least one witness and documented on the above-named form.

Non-perishable items may be retained as evidence for the case against the vendor or photographed and donated. Retained items must be clearly marked to identify the compliance buys with which they are connected and documented as indicated on the above-named form. After the time period for any appeal/civil activity has elapsed and retention is no longer necessary, the items shall be donated or destroyed, as appropriate. This subsequent donation or destruction of items shall be documented as indicated earlier in this section.

All money received or given during compliance buys shall be documented as indicated on the above-named form.

#### Attachments

1. 4.18A Confidential Order for Investigation
2. 4.18B Transaction Report
3. 4.18C Warning Letter
4. 4.18D Notice of Disqualification

#### References:

1. Federal Regulations 7 CFR 246.12 (j)

#### Revisions:

1. 8/05 (Procedure 5. Vendor notification of violations).
2. 10/10 Changed federal citation to 7 CFR 246.12 (j)
3. 10/11 Changed Policy Number from 4.15 to 4.18.
4. 10/13 Changed named of 4.18D *Notice of Suspension* to *Notice of Disqualification*
5. 8/14 Added information in B.5 case-by-case determination, and B.12.to clarify process to close investigations.



STATE OF MARYLAND

**DHMH**

Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor - Anthony G. Brown, Lt. Governor - Joshua M. Sharfstein, M.D., Secretary

**TO:** { INVESTIGATIVE ENTITY }

**FROM:** Chief, Vendor Operations and Program Support  
Office of the Maryland WIC Program

**Case#**

**DATE:**

Please proceed to «STORE» «VENDOR» located at «ADDRESS».

Using check(s) «CHECK» please perform the following tasks before «DATE2».

Instructions:

---

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Please donate the purchased foods as necessary and forward a transaction report and other documentation to this office as soon as possible. Thank you.

Authority: { Name of Compliance Officer }

410-767-5258 • Fax 410-333-5683

Toll Free 1-877-4MD-DHMH • TYY for Disabled - Maryland Relay Service 1-800-735-2258

Web Site: [www.dhmh.state.md.us](http://www.dhmh.state.md.us)



**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
OFFICE OF THE MARYLAND WIC PROGRAM**

**Compliance Investigation Transaction Report**

Store Name \_\_\_\_\_ Case Number \_\_\_\_\_

Street \_\_\_\_\_ WIC I.D. \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_

**Investigator's Statement:**

I, \_\_\_\_\_, on \_\_\_\_\_ received WIC check  
Investigator Date

Number(s): \_\_\_\_\_ from \_\_\_\_\_ of the Maryland WIC

Program. At the direction of the Maryland WIC Program, I proceeded to the above  
named store on \_\_\_\_\_. At \_\_\_\_\_ **AM/PM**, I entered the store and  
(Date) (Time)  
made the following transaction:

A. The store representative sold me the following items in exchange for the (WIC  
check described above/cash) in the amounts listed below:

**Eligible Items:**

<u>Quantity</u>	<u>Description</u>	<u>Price</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
	Total	_____

B. Ineligible Items:

<u>Quantity</u>	<u>Description</u>	<u>Price</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
	Total	_____

C. The store representative refused to sell me the following items:

<u>Quantity</u>	<u>Description</u>	<u>Price</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

D. A purchase price of \$\_\_\_\_\_ was/was not entered on the check.

E. I was/was not given a receipt for the transaction.

F. I was/was not asked to sign the check before the price was entered.

G. I was/was not able to return WIC foods for exchange/cash.

H. The store representative who made this transaction was Male/Female,  
 approximately \_\_\_\_\_ years old, \_\_\_\_\_ in height, \_\_\_\_\_ pounds, and his/her race  
 was \_\_\_\_\_. Other identifying information: \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_



MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
LOCAL AND FAMILY HEALTH ADMINISTRATION  
OFFICE OF THE MARYLAND WIC PROGRAM

FOOD DONATION/DESTRUCTION RECORD

Type or print legibly. A separate form is to be used for each transaction report.

Date \_\_\_\_\_ Case Number \_\_\_\_\_

I, \_\_\_\_\_, destroyed the following item(s) or  
donated them to \_\_\_\_\_ at \_\_\_\_\_:

(Name of Organization)

(Address)

<u>Quantity</u>	<u>Item</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

I have received the above items as charitable contributions.

Name \_\_\_\_\_ Title \_\_\_\_\_  
(Printed)

Signature \_\_\_\_\_ Date \_\_\_\_\_

**Note: If items were destroyed, the signature above by the individual destroying the food items serves as affirmation that food items were, in fact, destroyed.**

**WARNING LETTER**

{DATE}

{VENDOR}  
{VENDOR ADDRESS}

**REF: {Vendor I.D.} {CASE #}**

Dear Sir:

fied above. Additionally, sanctions for violation of the aforementioned practices as outlined in COMAR are as follows:

Your store has been the subject of a compliance investigation by the Maryland WIC Program. WIC representatives posing as WIC participants made purchases at your store from {DATE} through {DATE}.

- On {DATE} a WIC representative entered the store and made a purchase. A signature was requested prior to entering the purchase amount in violation of Code of Maryland Regulations (**COMAR 10.54.03.15C(1)(c)**), the signature was not compared with the WIC folder in violation of **COMAR 10.54.03.15C(1)(e)**. The amount of the purchase was \$30.00. The check was redeemed for \$59.21 and **overcharge of \$29.21** and a violation of **COMAR 10.54.03.15D(1)(d)** which specified that the vendor may only charge the State agency for food actually received by the participant.
- On {DATE}, a WIC representative entered the store and made a purchase. No violations were noted.
- On {DATE}, a WIC representative entered the store and made a purchase. The WIC representative attempted exchange the WIC check for cash and was denied. However, the attempted misuse of the WIC check was not reported to the State agency as required by **COMAR 10.54.03.15D(1)(b)**.

- On {DATE}, a WIC representative entered the store and made a purchase. No receipt was provided as required by Code of Maryland Regulations (**COMAR**) **10.54.03.15C(1)(f)**.

This serves as a warning letter for violation of the COMAR regulation speci  
COMAR 10.54.03.15C(1)(c), 10.54.03.15C(1)(e), and 10.54.03.15C(1)(f). - (1) Written warning following each violation; and (2) Suspension of authorization for 1 year for five violations of the same provisions within a 2-year period; and (3) Suspension of authorization for 12 months for a combination of 15 violations within a 2-year period.

For COMAR 10.54.03.15D(1)(b) - Written warning following each violation; and (2) Suspension of authorization for 12 months for two violations of the same provision within a 12-month period.

For COMAR 10.54.03.15D(1)(d); (1) Suspending the vendor's authorization for 3 years for two or more violations in any one year period; or (2) A written warning if one violation is detected in any 12-month period.

Follow-up monitoring visits may be made to ensure that violations have been corrected. Please correct the cited violations immediately upon receipt of this letter and ensure that all other WIC requirements are complied with. If you have any questions, please call me at 410-767-5258.

Sincerely,

Compliance Chief  
Vendor Operations and Program Support  
Maryland WIC Program

cc: {Local Agency}  
{DHMH OAG}  
File

**NOTICE OF DISQUALIFICATION**

{Date}

**CERTIFIED RESTRICTED DELIVERY AND REGULAR MAIL**

{Owner Name}  
{Store name and address}

Ref: Vendor I.D.

Dear Vendor:

**A. THE VENDOR AGREEMENT.**

On {Date}, {Owner Name} on behalf of {Store Name}, (referred to hereafter as the "Vendor" or "{Store Name} ") executed an agreement (the "Vendor Agreement") with the Special Supplemental Nutrition Program for Women, Infants and Children (the "WIC Program") a component of the Prevention and Health Promotion Administration, a unit of the Maryland Department of Health and Mental Hygiene. The Vendor Agreement expires on {Date of Expiration} and allows the Vendor to operate as a WIC provider for the WIC Program if the Vendor complies with certain terms. In part, the Vendor agreed:

- To adhere to all applicable State and federal laws and regulations of the Program. Vendor Agreement at Section B.1.
- To adhere to all policies and operating procedures of the WIC Program, including those found in the WIC Application Packet, the WIC Vendor Manual, and the WIC State Plan of Operations, and updates of these policies and procedures. Vendor Agreement at Section B.2.
- That the WIC Program, including its representatives at local jurisdiction WIC offices, may conduct monitoring of WIC vendors to determine the vendor's compliance with applicable federal and state policies and regulations, the WIC Vendor Manual, and the WIC State Plan of Operations. This monitoring may include random monitoring, educational buys, and covert compliance buys without the knowledge of the vendor. Vendor Agreement at Section A5.

- That {Store Name} is subject to the Vendor Sanction Policy, contained in the Vendor Manual and the Program's State Plan of Operations and any updates thereof. The Vendor Agreement incorporates by reference the Vendor Sanction Policy. Vendor Agreement at paragraph A.7.
- That the WIC Program may disqualify the Vendor's authorization to operate as a WIC Vendor for reasons of program abuse, failing to adhere to WIC policies and procedures, failing to adhere to applicable state and Federal statutes and regulations, the WIC Vendor Manual, the State Plan of Operations, and/or failing to adhere to the provisions of this Agreement. Vendor Agreement at paragraph A.9.

### **B. The WIC Program's Covert Compliance Investigation of {Store Name}**

As detailed in Sections A.5 of the Vendor Agreement, and required by State and federal statutes and regulations, the WIC Program conducted covert compliance buys of {Store Name}. Covert Compliance Buys were conducted on {Dates of Buys or Monitoring}. As further detailed below, compliance buys revealed that {Store Name} failed to comply with various applicable State regulations on numerous occasions.

**On {Date} {Store Name}:**

***[examples of possible violations are provided]***

- Did not display the shelf price of a WIC food at or near the item.  
This is a violation of COMAR 10.54.03.15B(1)(f).
- Did not, at time of purchase, give a participant a receipt for items purchased with a food instrument.  
This is a violation of COMAR 10.54.03.15C(1)(f).
- Did not verify the signature of the individual obtaining the authorized foods by comparing the signature with those on the WIC identification folder.  
This is a violation of COMAR 10.54.03.15C(1)(e).

A Warning Letter dated {Date}, was transmitted advising of the violations that took place.

**On {Date} {Store Name}:**

- Did not display the shelf price of a WIC food at or near the item.

This is a violation of COMAR 10.54.03.15B(1)(f).

- Did not, at time of purchase, give a participant a receipt for items purchased with a food instrument.

This is a violation of COMAR 10.54.03.15C(1)(f).

- Did not verify the signature of the individual obtaining the authorized foods by comparing the signature with those on the WIC identification folder.

This is a violation of COMAR 10.54.03.15C(1)(e).

- Did not record the purchase amount on a food instrument in ink before obtaining a signature of the individual redeeming the food instrument.

This is a violation of COMAR 10.54.03.15C(1)(c).

A Warning Letter dated {Date}, was transmitted advising of the violations that took place.

A written warning is required for each violation of COMAR 10.54.03.15. COMAR 10.54.03.16 requires a disqualification of authorization for 1 year for a combination of 5 violations within a 1-year period. Because {Store Name} violated a total of 7 COMAR violations as further detailed below, its authorization to operate as a WIC vendor is disqualified for one year.

COMAR VIOLATION	DATE OF COMAR VIOLATION
10.54.03.15B(1)(f)	{Date}
10.54.03.15BC(1)(f)	{Date}
10.54.03.15C(1)(e)	{Date}
10.54.03.15B(1)(f)	{Date}
10.54.03.15C(1)(f)	{Date}
10.54.03.15C(1)(e)	{Date}
10.54.03.15C(1)(c)	{Date}

You may appeal this action by filing a written request for an appeal hearing within 10 days of receipt of this letter to {Name of Director}, Director, Maryland WIC Program, 201 W. Preston Street, Baltimore, Maryland 21201. Your request for an appeal should briefly state the grounds for the request, and it should include a copy of this Notice of Disqualification.

Unless a hearing is requested, the termination of your WIC Vendor Agreement will become final on the 16th day after your receipt of this notice. You may not accept WIC checks after that date and you are requested to return your WIC vendor stamps to this office. If a hearing is requested, the agency has the authority to hold the hearing pursuant to Md. Code Ann., State Government Title 10, Subtitle 2, and COMAR 10.54.03.18. The hearing will be scheduled and conducted by the Office of Administrative Hearings, 11101 Gilroy Road, Hunt Valley, Maryland 21031, in accordance with the hearing regulations in COMAR 10.01.03 and 28.02.01.

In accordance with Section A.12. of the Vendor Agreement, and by reciprocal agreement, all WIC vendor disqualifications are reported to the U.S. Department of Agriculture, and the Supplemental Nutrition Assistance Program (SNAP). In accordance with 7 Code of Federal Regulations § 278.6 (e)(8) of the SNAP Regulations, disqualification from the WIC program could result in the disqualification of your firm from participation in the SNAP Program. Such a disqualification is not subject to SNAP administrative or judicial review. If you have any questions, please contact {Vendor Chief}.

Sincerely,

Director  
Maryland WIC Program

cc: Ass't Attorney General  
(Chief of Vendor Operations)  
(Supplemental Nutrition Assistance Program)  
Local Agency Coordinator

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.19  
Effective Date: October 1, 2011  
Revised Date: October 1, 2015**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Vendor Sanction Policy**

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**A. Policy**

The state agency shall sanction a vendor that fails to comply with all required vendor practices stated in Code of Maryland Regulations (COMAR) 10.54.03.15. A sanction may be a Warning Letter or disqualification of authorization as specified in 10.54.03.16, or civil money penalty as specified in COMAR 10.54.03.19.

The State agency shall notify the USDA of a disqualification or civil money penalty.

Upon completion of a period of disqualification and a successful completion of the authorization requirements set forth in COMAR 10.54.03.04 and 10.54.03.07, .08 and .09, a vendor shall regain authorization. The State agency may not deny authorization based on previous violations once the applicable penalty has been satisfied. However, a vendor with previous violations may be considered a high risk vendor upon authorization.

The Program may not sanction a military commissary for Program violations and shall report a sanctionable offense committed by a military commissary to the commanding officer of the installation. If the commanding officer takes no action to assure the violation does not reoccur, the Program shall report the violation to the USDA.

**B. Procedure**

1. The state agency shall:
  - a. Monitor vendors as outlined in WIC Policy & Procedure 4.16.
  - b. Impose sanctions as required by COMAR 10.54.03.16.

**References:**

1. Federal Regulations 7 CFR 246.12 (I)  
Code of Maryland Regulations 10.54.03.

<http://www.dsd.state.md.us/comar/comarhtml/10/10.54.03.16.htm>

Revisions:

1. 8/05 (Infant formula listing & 50% exclusion)
2. 10/1 2. b. Revised to prohibit the unauthorized use of the WIC acronym and logo.
3. 10/10 Changed federal citation to 7 CFR 246.12 (l)
4. 10/11 Changed the Policy Number from 4.16 to 4.19. Revised the sanctions in section B 1.
5. 10/15 Changed the procedure section to refer to the Code of Maryland Regulations (COMAR) 10.54.03.16 titled Vendor Sanctions. It is updated annually or as needed, and is also used as the legal reference in the event of vendor appeals due to disqualification of authorization.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.20  
Effective Date: October 1, 1996  
Revised Date: October 1, 2011**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Participant Hardship and Civil Money Penalties**

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**A. Policy**

The State Agency shall determine if disqualification of a vendor will create undue hardship for participants. If such a determination is made, the State Agency may offer the vendor a monetary penalty in lieu of disqualification. Continued violations will result in application of the disqualification. (See Policy & Procedure Number 4.19).

**PARTICIPANT HARDSHIP**

1. Participant hardship shall not be taken to mean participant inconvenience or preference and shall be determined to exist if one of the following conditions is indicated:
  - a. At least ten participants have to travel more than 2 miles to reach a vendor.
  - b. A physical barrier or condition exists that would make normal travel to another vendor impossible.
  - c. Ten or more participants can only be served by a particular vendor because of a language barrier or religious dietary needs.
  - d. A participant has a physical handicap that cannot be accommodated by alternative vendors. For this condition to apply, the handicapped participant must do the WIC shopping.
2. Vendors may not appeal or protest Program decisions based on participant access or preference.

**CIVIL MONEY PENALTIES**

1. Civil money penalties will **only** be offered to a vendor in lieu of disqualification when participant hardship would otherwise occur.
2. The vendor must provide documentation indicating that the identified abuse or violations that led to the disqualification have been corrected.
3. The vendor must remit any outstanding payments to the State Agency (i.e. overcharge recoveries).
4. If the State Agency determines to impose a monetary penalty, the State Agency shall calculate the amount of the monetary penalty for each violation by multiplying 10 percent of the vendor's average monthly food instrument redemptions by the number of months the suspension would have been in effect.
5. The State Agency shall calculate the average monthly redemption by using:
  - a. the 6 months immediately preceding notice to the vendor of the suspension or disqualification; or
  - b. up to 6 months' data if the vendor has not redeemed food instruments for a full 6 months before notice of the suspension or disqualification.
6. The maximum monetary penalty for each:
  - a. violation that would have resulted in a suspension or disqualification is \$25,000; and
  - b. investigation that detected violations that would have resulted in suspension or disqualification is \$44,000.

#### **VENDOR MONETARY PAYMENT**

1. A vendor that owes a monetary penalty shall pay the monetary penalty either in a lump sum within 1 month from the date of billing by the State Agency, or in installments.
2. The State Agency shall calculate the number of installment payments by dividing the amount due by 1/2 the number of months the suspension would have been in effect.
3. The vendor shall pay the first installment not later than the date the suspension would have been effective had there been no

participant hardship and remaining payments on the first day of each succeeding month.

4. If a vendor fails to pay the monetary penalty in accordance with the payment schedule as provide, the State Agency shall suspend the vendor's authorization for the full period of the sanction and may not refund any partial payments.
5. The State Agency may not impose a monetary penalty in lieu of disqualification for a vendor that has been disqualified by the Food Stamp Program.

## **B. Procedure**

1. The State Agency may solicit input from the Local Agency in determining participant hardship.
2. The Local Agency may be asked assist in determining if a participant hardship exists.
3. The State Agency shall make the determination and shall notify the Local Agency of its decision.
4. If the State Agency determines that no participant hardship exists or would develop, the vendor shall be disqualified.
5. If the State Agency determines that participant hardship exists or would develop should the vendor be disqualified, the State Agency shall notify the vendor that a monetary penalty is being offered in lieu of disqualification. The notification shall also inform the vendor that he is to be the subject of additional monitoring and cashier training as a result of the disqualification waiver. The vendor shall also be advised that the occurrence of any additional violations shall result in disqualification.
6. Participant hardship shall remain in effect for the duration of the Vendor Agreement or until the vendor is disqualified for subsequent violations or the State Agency determines that the participant hardship no longer exists.

### References:

1. Federal Regulations 7 CFR 246.12 (3) (xviii)

### Revisions:

1. 8/05 to reflect increased maximum fines established by USDA effective May 24, 2005.

2. 10/10 Changed federal citation to 7 CFR 246.12 (3) (xviii)
3. 10/11 Changed Policy Number from 4.16A to 4.20.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.21  
Effective Date: October 1, 1996  
Revised Date: October 1, 2011**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Vendor Files**

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**A. Policy**

Since vendor agreements are awarded by the State Agency, the responsibility for maintaining vendor files shall rest with the State WIC Office. However, one Local Agency in each jurisdiction shall maintain a separate file for each vendor authorized within its jurisdiction; these files shall contain all Local Agency vendor contacts and activities conducted by that agency.

**B. Procedure**

1. The State Agency shall maintain all Vendor related documentation and information stored in the WIC information system
2. The Local Agency shall conduct, document and maintain documentation of vendor monitoring and training in accordance with Policy and Procedure Numbers 4.15, 4.16 and 4.17.
3. The Local Agency shall forward copies of documentation of all vendor related contacts and activities to the State Agency in a timely manner.
4. In accordance with federal guidelines, all vendor and Food Stamp Program information is considered confidential. Any use or disclosure of vendor information is restricted to:
  - a) Persons directly connected with the administration or enforcement of the WIC Program or the Food Stamp Program who the State Agency determines to have a need to know the information for purposes of these programs.
  - b) Persons directly connected with the administration or enforcement of any Federal or State law.
  - c) A vendor that is the subject of an adverse action. Only information pertaining to the subject vendor may be released.
5. All vendor related files are subject to State and Federal review.

References:

1. Federal Regulations 7 CFR 246.26

Revisions:

1. 8/04 Revised to change WOW to WIC information system.
2. 10/11 Changed Policy Number from 4.17 to 4.21.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.22**

**Effective Date: October 1, 1992**

**Revised Date: October 1, 2011**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Dual Participation**

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**A. Policy**

The local agencies shall be responsible for the prevention and identification of dual participation within their local agency, between local agencies in Maryland, and between other contiguous State WIC Agencies. The State Agency will enter into agreements with other contiguous State WIC Agencies to identify suspected instances of dual participation at least semi-annually and provide reports to local agencies that identify possible dual participation. The local agency shall review reports that identify possible dual participation in Maryland and the other contiguous State WIC Programs and take follow-up action within 30 days of detecting instances of suspected dual participation. Cases of intentional dual participation resulting from intentional misrepresentation or through the collection of improperly issues benefits shall be sanctioned as described in Policy and Procedure 4.23.

**B. Procedure**

1. Each time a new participant record is created in the Precertification section of the WIC information system, the system performs a statewide search to see if the participant already exists (please refer to the Dual Participation Section of the WOW Procedures Manual). If the system finds a potential match, a pop-up appears on the screen indicating that there is a possibility that the record being added is a dual participant.
  - a. The local agency must review the list of potential matches identified and, to the best of their ability, determine if the enrollee they are adding exists in the WIC information system, prior to saving the new record.
2. Each week, the WIC information system performs comparisons of all participants statewide to see if there are any potential dual participants.
  - a. The Local Agency shall review the dual participation section of the WIC information system not less than monthly for each clinic to detect and resolve possible dual participants (please refer to the

Dual Participation Resolution section of the WOW Procedures Manual).

- b. If a participant appears to be enrolled in more than one agency, the Local Agency shall contact the other agency to verify the enrollment and, if indicated, to decide the course of action to be taken. The Local Agency shall rule out staff error before initiating any adverse action against the participant.
- c. The Local Agency shall initiate the appropriate action as indicated in the participant sanction policy (Policy & Procedure Number 4..23).

References:

- 1. WOW Users Manual
- 2. Federal Regulations 7 CFR 246.7 (l)
- 3. COMAR 10.54.01.03.B (ii)
- 4. COMAR 10.54.01.09 D (5)

Revisions:

- 1. 8/04 Revised to change WOW to WIC information system
- 2. 8/10 Changed citation in Reference from Federal Regulations 7 CFR 246.7 (k) to read 7 CFR 246.7 (l)
- 3. 10/11 Changed Policy Number from 4.18 to 4.22 and revised Policy A. as suggested by MARO FY 2012 State Plan comments.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.23  
Effective Date: October 1, 1994  
Revised Date: October 1, 2012**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Applicant, Parent, Guardian, or Designee Program Abuse and Sanctions**

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**A. POLICY**

The State agency shall establish procedures designed to control participant, parent, caretaker and designee fraud and abuse of the Program. The State Agency shall provide a hearing procedure through which any individual may appeal a State or Local Agency action which results in a claim against the individual for repayment of the cash value of improperly issued benefits or results in the individual's denial of participation or disqualification from the Program.

In accordance with federal and state regulations, the State Agency shall establish uniform procedures and sanctions to be applied in cases of program abuse by a participant, parent, caretaker, or designee of an infant or child participant or applicant. A sanction, which is based on the severity of the Program violation, may range from education and warning letters, to disqualification from the program for a maximum of one year. Also, a participant, parent, caretaker, or designee of an infant or child participant or applicant who misrepresents their circumstances in order to receive food benefits may be required to pay the cash value of improperly received benefits to the State WIC Office. In addition to the sanctions listed in (Attachment 4.23| *Program Abuses and Sanctions*), any abuse may result in civil or criminal sanction or a combination of the two per federal or state regulation or statute.

**B. PROCEDURE**

1. The State or Local Agency has the right to remove a designee at any time for violation of any of the participant abuses (Attachment 4.23| *Program Abuses and Sanctions*).
2. In an effort to control abuse of the program and to comply with Section 246.7 (i) of the current WIC Federal Regulations, applicants, participants, parents, caretakers, or designees must be informed of program rights and responsibilities.
3. When more than one kind of infraction, actual or attempted, is involved in

an instance of abuse, the sanction shall be based on the more serious infraction.

4. The list of types of participant, parent, caretaker, or designee abuses and their sanctions to be imposed by the Local Agency, can be found in Attachment 4.23I *Program Abuses and Sanctions*.
5. All offenses under this policy shall be kept active in the participant's WIC Information System record for two years from the date of sanction. No sanction issued over two years prior to the current violation shall be considered in issuing a subsequent sanction.
6. For abuses that involve a caretaker or designee, refer to the procedures in section B.9 and B.13, respectively, prior to initiating sanctions.
7. The State/Local Agency shall encourage vendors to lodge complaints against participants, parents, caretakers, or designees who violate or attempt to violate Program Procedures and Regulations.
  - a. The State/Local Agency shall direct the vendor where to find the Vendor Complaint Form (Attachment 4.23G *Vendor Complaint Form*). This form can be found in the Vendor Manual or on on-line at [www.mdwic.org](http://www.mdwic.org).
  - b. The Local Agency shall encourage the vendor to return the completed complaint forms to the Local Agency so that they can be documented and the necessary action be taken.
  - c. The Local Agency shall investigate each complaint and initiate the appropriate action.
  - d. The State/Local Agency shall maintain full documentation of each complaint and submit to the State Agency copies of said documentation. This documentation shall be subject to review by State and Federal agencies.
8. Documentation Requirements
  - a. The Local Agency must notify the participant, parent, caretaker, or designee in writing of any alleged abuse.

The Local Agency shall use the Education and Warning Letters generated by the WIC information system (Attachment 4.23A *Education/Warning Letter*). This notification must be documented in the participant's WIC information system file.

- b. Each alleged situation must be investigated and documented within 30 days of its occurrence.
- c. Anonymous tips of alleged participant, caretaker, or designee abuse must be investigated within 30 days of receipt of such tips. If the alleged abuse cannot be verified, a sanction cannot be imposed. In such cases, counseling may be the only appropriate option.
- d. In those cases involving possible misrepresentation of income, the Local Agency shall use a standard Verification of Employment Letter, (Attachment 4.23B *Verification of Employment Letter*), to request information, provided consent has been obtained from applicant/participant for the release of that information (Attachment 4.23C *Release of Information Form*).

9. Restrictions of Sanctioning

- a. If the participant is an infant or a child, he/she should not be disqualified for the abuses of his/her parent, caretaker or designee until all other avenues for remedying the offense have been exhausted, i.e., education, warning letter (Attachment 4.23A *Education/Warning Letter*), change of designee or monthly food instrument pick-up. For example, the Local Agency has sufficient evidence that an infant's parent, caretaker, or designee has been selling the WIC foods. In this case the Local Agency shall disqualify the parent, caretaker, or designee rather than disqualify the infant. If the abuse committed by an infant or child's parent, caretaker, or designee cannot be corrected, then the infant or child must be disqualified. For further guidance in specific cases, contact the State WIC Office.
- b. This restriction on the application of sanctions for infant and child participants does not apply in cases of deliberate misrepresentation of circumstances to obtain benefits or dual participation.

10. Participant Notification Requirements

- a. A participant, caretaker, or designee or applicant who is to receive a warning shall be notified via the use of the WIC information system generated Education and Warning letters (Attachment 4.23A *Education/Warning Letter*).
- b. Section 246.7 (i)(6) of the WIC Federal Regulations requires that the participant receive a written advance notice of disqualification at any time during certification not less than 15 days before the

disqualification, stating the reasons for this action and the participant's right to a fair hearing (Attachment 2.11B *Request for a Fair Hearing*).

- c. All warning or sanction letters shall be sent via both Certified Mail-Return Receipt Requested and regular mail.
- d. Participants who appeal the disqualification within the 15-day advance adverse action notification period shall continue to receive benefits until the hearing official reaches a decision adverse to the participant, or the certification period expires, whichever occurs first.
- e. Participants who have requested a fair hearing must be advised of the time and place of the hearing at least 10 days prior to the hearing date.
- f. For participants who are being disqualified for misrepresentation of circumstances and are also being requested to pay back in cash the over-issued food benefits, refer to B.14.

#### 11. Applicant Abuse

- a. As described in U.S.D.A. WIC Correspondence 85-075, the standards applied for cases of abuse by participants may also be applied to abusive applicants, e.g., applicants who knowingly and deliberately misrepresent their circumstances in an attempt to obtain program benefits, or who physically abuse, or threaten to abuse, program staff.
- b. While “applicants” cannot be disqualified, a warning or denial of application, which includes the necessary appeal notification, must be sent. (Attachment 4.23F *Notification of Eligibility Form*).
- c. Sanctions imposed on applicants must be comparable to and cannot exceed sanctions applied to participants for similar abuses.
- d. Since one year is the maximum period for disqualification of abusive participants, abusive applicants who are denied participation cannot be denied the right to reapply for a period longer than three months.

#### 12. Physical Abuse

Incidents of physical abuse towards the vendor, clinic or agency staff, and/or property should be reported to the police. Civil suits might also

be initiated; otherwise, participant abuse must be handled via the sanctioning process.

13. Designee Abuse

The adult participant or caretaker of an infant or child participant is responsible for the actions of a designee. In cases of program abuse by a designee, the minimum action is to disqualify the designee and to issue a warning letter to the participant or the caretaker.

14. Monetary Claims

a. General Information

- 1) Section 246.23 (c) of the WIC Federal Regulations requires that if the State Agency determines that food benefits have been improperly issued as a result of a participant caretaker, or designee intentionally making a false or misleading statement or intentionally misrepresenting, concealing, or withholding facts, the State Agency shall recover, in cash, an amount that is determined to be equal to the over-issued food benefits, unless the State Agency determines that the recovery of the benefits would not be cost-effective.
- 2) If cases involving minors occur, the state office shall consult with Legal Counsel for guidance concerning possible exceptions.

b. Local Agency Activities

- 1) In those disqualification cases where monetary claims might be assessed, the Local Agency shall:
  - (a) Ensure that the participant's Notices of Eligibility/Ineligibility (Attachment 4.23F *Notification of Eligibility Form*) bear the signature of the adult participant, caretaker, or designee and (b) submit a list of food instrument numbers and issue dates to the State WIC office. This list may be via a telephone call, but, for documentation purposes, a letter must also be submitted to the State WIC Office. In the event Eligibility/Ineligibility form (Attachment 4.23F *Notification of Eligibility Form*) is missing the signature of the adult participant/parent/designee, the Local Agency must advise the State WIC Office. In this case, recovery

of the cash value would probably not be possible.

- 2) The Local Agency will send the disqualification notice (Attachment 4.23H *Disqualification Notice*). This notice will also advise the participant that he or she may have to pay the cash value of food benefits improperly received.
- 3) The Local Agency must forward the documentation surrounding cases of misrepresentation, a copy of the disqualification notice, and copies of the Eligibility/Ineligibility forms to the State Agency.

c. State Agency Activities

- 1) The State WIC office will not pursue the recovery of funds if the hearing officer decides in favor of the participant. However, if the participant loses the appeal, the State will continue its recovery efforts as required by U.S.D.A. MARO letter of August 27, 1987.
- 2) If the criteria listed in B.8. are met, the State Agency will send a letter (Attachment 4.23D *Notice of Payment Due*) to the participant requesting the individual to pay the cash value of benefits improperly received.
- 3) A second dunning letter - 30 days past due - will be sent to the participant.
- 4) If no response to those letters is received and recovery is cost-effective, the State Agency will prepare a claim (Attachment 4.23E *Claim Letter*) along with supporting documentation to the State Attorney General's Office.

15. Reinstatement

- a. A disqualified participant may reapply for Program benefits at the end of the disqualification period or when full restitution of any remittance due is made or a repayment schedule is agreed upon. A participant who is an infant, child, or under age 18 may reapply for program benefits if the State or local agency approves the designation of a non-sanctioned parent, caretaker, or designee.
- b. Screening data from the original certification prior to the disqualification can be reused if the applicant is still within the valid certification period, i.e., the original certification end date has not expired. In this case, the original certification date does not change.

- c. When an infant, child, or postpartum or breast feeding woman reapplies after disqualification and the original certification period has expired, new screening data must be obtained.

References:

Federal Regulations 7 CFR 246.7 (i)  
Federal Regulations 7 CFR 246.12(u)(2)  
Federal Regulations 7 CFR 246.23 (c)

Attachments:

4.23A Warning/Education Letter  
4.23B Verification of Employment Letter  
4.23C Release of Information Form  
4.23D Notice of Payment Due  
4.23E Claim Letter  
4.23F Notification Form (Eligibility)  
4.23G Vendor Complaint Form  
4.23H Disqualification Notice  
4.23I Program Abuses and Sanctions

Revisions:

1. 8/04 Revised to change WOW to WIC information system
2. 10/11 Changed Policy Number from 4.19 to 4.23 and added Federal Regulations 7 CFR 246.12(u)(2) as a reference .
3. 10/12 Added the one year disqualification when claims are over \$100 or for a second offense of any monetary amount and reinstatement when full restitution is made or repayment plan accepted. Clarified dual participation; added (Attachment 4.23I *Program Abuses Sanctions*).



## Maryland WIC Program Education/Warning Letter

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Dear Participant:

This letter is to let you know that you or a person you have designated to act on your behalf has broken the rules for participating in the WIC Program in the following way(s):

(If Educational) The correct procedure(s) is/are:

Unless you follow the rules for enrolling and participating in WIC, you may be disqualified from the WIC Program, asked to repay in cash the value of food benefits or items improperly received, and prosecuted under applicable Federal, State, or local laws. Additionally, parents, caretakers or designees breaking program rules may be restricted from participation or acting on behalf of WIC Participants.

If you have any questions regarding this letter, please contact the agency at the telephone number listed below.

Sincerely,

---

WIC Local Agency

Verification of Employment Letter

(Local Agency Letterhead)

(Name, Address, Phone #)

Employer's Name:

Street Address:

City, State, Zip

Dear Sir or Madam:

This letter is a request to verify the employment of Mr./Mrs./Ms. \_\_\_\_\_ . Please find enclosed permission for the release of information. Please complete the bottom portion and return the entire letter to the \_\_\_\_\_ WIC Program at the address listed above.

Thank you for your cooperation.

Sincerely,

\_\_\_\_\_  
WIC Coordinator

\_\_\_\_\_  
Name \_\_\_\_\_ Salary \$ \_\_\_\_\_ per \_\_\_\_\_

Dates of Employment – From \_\_\_\_\_ To: \_\_\_\_\_

\_\_\_\_\_  
Signature of Employer or  
Representative

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

*Larry Hogan, Governor - Boyd Rutherford, Lt. Governor - Van Mitchell, Secretary*

**RELEASE OF INFORMATION FORM**

I understand that the State of Maryland WIC Program requires proof of residency, income, nutritional risk, and family status of all applicants or participants.

I understand that the State of Maryland WIC Program will attempt to verify all of the information provided to the Program by me when applying for WIC Program certification and benefits.

I understand that at any time if any information provided by me proves to be false or cannot be verified, the Maryland WIC Program may deny me Program certification or remove me from the Program, or bill me for the cost of any WIC foods received by me, or prosecute me under applicable State and Federal statute, or any combination thereof.

I understand that the WIC Program may verify information provided by me. I understand that my refusal to sign this release form or my refusal to provide any required document may result in the denial or withdrawal of approval for participation in the Maryland WIC Program.

I \_\_\_\_\_, hereby authorize the State of Maryland WIC Program to verify my work record, income, residency, family status, and any other information provided in requesting Program certification and benefits to myself and/or my child or a child in my care.

I understand that the State of Maryland WIC Program will contact my employers, landlords, service agencies, physicians, or other persons or agencies that can verify information provided by me. I also authorize the State of Maryland WIC Program to photocopy this release of information form signed by me and enclose it with any request for verification of information. I understand that a photocopied form serves the same function as the original.

Applicant/Participant/Parent/Guardian \_\_\_\_\_

Signature

Address \_\_\_\_\_

Telephone Number \_\_\_\_\_ Date \_\_\_\_\_

WIC: October, 2015



# Maryland Women, Infants and Children Program Payment Due Letter

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{Today's Date}

Dear «ParticipantName»  
Participant/Guardian Name

This letter is to advise you that you must repay the State of Maryland WIC Program the amount of \$«Amount» for checks redeemed during the period «Dates». An invoice will be mailed to you. You are being billed for this amount because:

«Reason»

Arrangements can be made to make partial payments. If you want to make any partial payments, please contact the State WIC Office at 410-767-5258.

You have the right to appeal this action. You may do so by calling the local WIC agency at 1-800-242-4WIC or by completing the enclosed request for a fair hearing and sending the completed form to the address listed on the form by «Date1».

Sincerely,

---

Compliance Officer  
Office of the Maryland WIC Program

In accordance with Federal law and U.S. Department of Agriculture (USDA) policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, disability or retaliation. To file a complaint alleging discrimination, write USDA, Director, Office of Adjudication, 1400 Independence Avenue SW, Washington, DC 20250-9410 or call, toll free, (866) 632-9992 (Voice). USDA is an equal opportunity provider and employer.

TO:

FROM:

RE: Case Referral for Litigation or Judgment Enforcement

THIS CLAIM IS REFERRED TO YOU FOR SUIT AND/OR SUCH OTHER ACTION AS YOU DEEM APPROPRIATE TO EFFECT COLLECTION. THE DOCUMENTATION REQUIRED TO PROVE THE STATE'S CLAIM IS ANNEXED HERETO.

Required Information  
Debtor(s)

1. Debtor Name:
2. Date of Birth:
3. Social Security Number:
4. Present Address:
5. Date of Claim:
6. Amount Due: \$
7. Point of Contact: Phone:
8. Judgment #:

CLAIM

9. Date of Default:
10. Date of Last Demand:
11. Brief description of claim:

ACCOUNT INFORMATION

12. Original debt:
13. Present Balance Due: \$ Interest: \$
14. Date of last contact with debtor:
15. Certificate of Indebtedness: \$ as of

{Agency\_Name}  
{Agency\_Address}

Date: {Letter\_Date}  
To: {Household\_Name}  
{Household\_Address}

Subject: Ineligible for the WIC Program

WIC Applicant/Participant: {Participant\_Name} (ID #{Participant\_ID}) Birth Date: {Part\_DoB}

Based on the information we have, it has been determined that you are not eligible to receive food from the WIC Program at this time for the following reason(s):

- Your income is too high to be on the Program.
- You do not live in the Agency's service area.
- You are not considered by the Agency's certifying staff to have a required nutritional need.
- You are placed on the waiting list for participation.
- You have not picked up checks for two consecutive months and will not receive any food benefits after \_\_\_\_\_. If you ask for a hearing before that date, you will still receive food benefits until the court decides your case.
- Other:

If you think that this is not correct, please call {Agency\_Name} at {Agency\_Phone}.

You have the right to a fair hearing. If you think you should be on the program and you want a hearing, fill in the Participant's Request for Fair Hearing form which has been included with this letter and give it to the WIC clerk or mail it to the address below by {By Date}.

Office of Administrative Hearings  
Administrative Law Building, Greenspring Station  
11101 Gilroy Road  
Hunt Valley, MD 21031-1301  
ATTN: DHMH Docket Specialist, Unit A, WIC Hearing

At the hearing, you and anyone else you want, such as a relative, friend or lawyer will be able to tell the hearing officer why you think you should be on the program.

If you are denied food benefits when you first apply or at a recertification, you can ask for a hearing, but you will not receive any food while you wait for the hearing.

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Local WIC Representative

**PARTICIPANT'S REQUEST FOR FAIR HEARING**

**I am requesting a fair hearing pursuant to WIC Program regulations.**

My reason(s) for requesting a hearing is (are): (Give any information which you think is important to your appeal).

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Date: \_\_\_\_\_

Signature: \_\_\_\_\_

WIC Applicant/Participant:	Please make any corrections here (print clearly):
{ Participant_Name }	_____
{ Household_Address }	_____
WIC Participant ID: { Participant_ID }	_____
WIC Family ID: { Family_ID }	_____
	Telephone Number: (_____) _____
	Date of Birth: { Part_DoB }

Specific information concerning Fair Hearing procedures and scheduling will be provided by the Office of Administrative Hearings upon receipt of this form. Complete this form and mail it to:

Office of Administrative Hearings  
Administrative Law Building, Greenspring Station  
11101 Gilroy Road  
Hunt Valley, MD 21031-1301

In accordance with Federal law and U.S. Department of Agriculture (USDA) policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, disability or retaliation. To file a complaint alleging discrimination, write USDA, Director, Office of Adjudication, 1400 Independence Avenue SW, Washington, DC 20250-9410 or call, toll free, (866) 632-9992 (Voice). USDA is an equal opportunity provider and employer.

ATTN: DHMH Docket Specialist, Unit A, WIC Hearing

## VENDOR COMPLAINT FORM

Instructions: If you have a complaint against a WIC participant, complete all of this form (except for the section below the double lines at the bottom of the page) and mail or fax it to your local agency. A list of local agencies is on pages 8 and 9 of your vendor manual. If more room is needed, use the back of this form.

Participant name \_\_\_\_\_ Family ID number \_\_\_\_\_

Customer's name \_\_\_\_\_ Date and time of incident \_\_\_\_\_

Abused staff by \_\_\_\_\_

---

Bought/tried to buy unauthorized items: \_\_\_\_\_

Redeemed/tried to redeem an invalid check. Explain: \_\_\_\_\_

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Returned/tried to return WIC foods: \_\_\_\_\_

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Other: \_\_\_\_\_

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What action did your staff take? \_\_\_\_\_

Witnesses: \_\_\_\_\_

Store name: \_\_\_\_\_ WIC Vendor ID number: \_\_\_\_\_

Person making this report: \_\_\_\_\_ Title \_\_\_\_\_

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### For local agency use only:

Instructions: Explain any action taken and note the same in WIC WINS.

Action taken:

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Local Agency Staff signature: \_\_\_\_\_ Title: \_\_\_\_\_





# Maryland Women, Infants and Children Program Disqualification Notice

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Dear (Parent, Participant, Guardian, Proxy):

You are being disqualified from the Maryland WIC Program for a period of    months for the following reason(s):

If you disagree with this action, please contact the agency at the telephone number listed below to discuss this matter.

You have a right to a fair hearing. If you want a hearing, fill out the enclosed form, Participant's Request for Fair Hearing, and mail it to the address on the form. At the hearing you and anyone else you want, such as a relative, friend, or lawyer, will be able to tell the hearing officer why this action should not be taken.

Sincerely,

In accordance with Federal law and U.S. Department of Agriculture (USDA) policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, disability or retaliation. To file a complaint alleging discrimination, write USDA, Director, Office of Adjudication, 1400 Independence Avenue SW, Washington, DC 20250-9410 or call, toll free, (866) 632-9992 (Voice). USDA is an equal opportunity provider and employer.

## Program Abuses and Sanctions

### Misrepresentation of Eligibility Information

- A. If a participant or a child or infant participant's parent, guardian, or caretaker, has deliberately misrepresented the participant's income, residence, family size, health status, medical data, or date of birth, the:
- (1) Program shall:
    - (a) Disqualify the participant from the Program for 3 months; or
    - (b) Disqualify the participant for one year if the State agency assesses a monetary claim of \$100 or more and for subsequent infractions; or,
    - (c) Terminate the participant from the Program if Program eligibility standards are not met; and
  - (2) Offending party shall pay to the State agency, in cash, the value of food benefits improperly received.

### Excess Food Instruments

- B. If a participant or a child or infant participant's parent, guardian, caretaker, or proxy obtains or attempts to obtain food instruments to which the participant is not entitled, sanctions shall be applied according to the following:
- (1) If the offending party is a participant or a child or infant participant's parent, guardian, or caretaker:
    - (a) For the first offense, the Program shall counsel the individual and issue a warning letter;
    - (b) For a subsequent offense, the Program shall disqualify the participant from the Program for:
      - (i) 3 months, or
      - (ii) One year if the State agency assesses a monetary claim of \$100 or more; and
    - (c) In either case, the offending party shall pay to the State agency, in cash, the value of the food benefits obtained; or
  - (2) If the offending party is a proxy, the:
    - (a) Program shall remove the proxy; and
    - (b) Proxy shall pay to the State agency, in cash, the value of the food benefits obtained.

### Dual Participation

- C. If a participant engages in dual participation, that is, participates in more than one WIC Program at a time:
- (1) For the first offense, the Program shall counsel the participant or a child or infant participant's parent, guardian, or caretaker, and disqualify the participant from the appropriate WIC Programs; and
  - (2) Disqualify the offending party if the State agency assesses a monetary

- penalty of \$100 or more; and
- (3) For a subsequent offense, the Program shall disqualify the participant from the Program enrollment for one year and the offending party shall pay to the State agency, in cash, the monetary value of the items received.

### **Check Theft**

- D. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy steals or attempts to steal a food instrument, the:
- (1) Program shall:
- (a) Report the incident to the police;
  - (b) Disqualify the participant from the Program for 3 months if the offending party is a participant or a child or infant participant's parent, guardian, or caretaker; or
  - (c) Disqualify the offending party for one year if the State agency assesses a monetary claim of \$100 or more;
  - (d) Remove the proxy if the offending party is a proxy; and
- (2) Offending party shall pay to the State agency, in cash, the monetary value of the stolen but unreturned food instrument or return the stolen food instrument to the Program.

### **Physical Abuse**

- E. If a participant or a child or infant participant's parent, guardian or caretaker, or a proxy physically abuses or threatens abuse of WIC or vendor staff, the Program shall:
- (1) Report the incident to the police;
  - (2) Disqualify the participant from the Program for 3 months if the offending party is a participant or a child or infant participant's parent, guardian, or caretaker; and
  - (3) Remove the proxy if the offending party is a proxy.

### **Verbal Abuse**

- F. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy verbally abuses or harasses WIC or vendor staff, or disrupts the peaceful and orderly conduct of business at a WIC or vendor facility, the Program shall:
- (1) Counsel the individual and issue a warning letter if the offending party is a participant or a child or infant participant's parent, guardian, or caretaker;
  - (2) Remove the proxy if the offending party is a proxy; and
  - (3) For a subsequent offense, disqualify the participant from the Program for 3 months.

## **Selling Foods**

- G. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy sells or exchanges supplemental food purchased with a food instrument or sells a food instrument to another individual or entity, the:
- (1) Program shall:
    - (a) Counsel the individual and issue a warning letter if the offending party is a participant or a child or infant participant's parent, guardian, or caretaker
    - (b) For subsequent offenses, disqualify the participant for 3 months if the offending party is a participant, or a child infant participant's parent, guardian, or caretaker; or
    - (c) Disqualify the offending party for one year if the State agency assesses a monetary claim of \$100 or more; or
    - (d) Remove the proxy if the offending party is a proxy; and
  - (2) Offending party shall pay to the State agency, in cash, the monetary value of food or food instruments sold or exchanged.

## **Unauthorized Foods/Quantities**

- H. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy attempts to redeem or redeems a food instrument for unauthorized foods or for quantities of food in excess of that indicated on the food instrument, if the offending party is a:
- (1) Participant or a child or infant participant's parent, guardian, or caretaker:
    - (a) For the first offense, the Program shall counsel the individual and issue a warning letter; and
    - (b) For a subsequent offense, the Program shall disqualify the participant from the Program for 3 months; or
    - (c) Disqualify the offending party for one year if the State agency assesses a monetary claim of \$100 or more; and
  - (2) Proxy, the Program shall remove the proxy.

## **Cash or Credit/Unauthorized Exchange**

- I. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy receives cash or credit toward the purchase of unauthorized food or other items of value instead of or in addition to authorized supplemental foods or exchanges, or attempts to exchange or returns or attempts to return authorized WIC food to the vendor for cash or non-WIC items, the:
- (1) Program shall:
    - (a) Disqualify the participant from the Program for 3 months if the offending party is a participant or a child or infant participant's parent, guardian, or caretaker; or

- (b) Disqualify the offending party for one year if the State agency assesses a monetary claim of \$100 or more; and
- (c) Remove the proxy if the offending party is a proxy; and
- (2) Offending party shall pay to the State agency, in cash, the amount indicated on the food instrument with which the items were initially obtained, if the items were obtained.

### **Redemption of Food Instruments Reported Lost or Stolen**

- J. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy attempts to redeem or redeems a food instrument that was reported lost or stolen, the:
  - (1) Program shall:
    - (a) Disqualify the participant from the Program for 3 months if the offending party is a participant or a child or infant participant's parent, guardian, or caretaker; or
    - (b) Disqualify the offending party for one year if the State agency assesses a monetary claim of \$100 or more; and
    - (c) Remove the proxy if the offending party is a proxy; and
  - (2) Offending party shall pay to the State agency, in cash, the amount for which the lost or stolen food instrument was redeemed, or, if it is in the party's possession, return the lost or stolen food instrument.

### **Altered Food Instruments**

- K. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy alters a food instrument the:
  - (1) Program shall:
    - (a) Disqualify the participant from the Program for 3 months if the offending party is a participant or a child or infant participant's parent, guardian, or caretaker; or
    - (b) Disqualify the offending party for one year if the State agency assesses a monetary claim of \$100 or more; and
    - (c) For subsequent offenses, disqualify the offending party for one year if the State agency assesses a monetary claim in any amount; and
    - (d) Remove the proxy if the offending party is a proxy; and
  - (2) Offending party shall pay to the State agency, in cash, the monetary value of the items received through the use of an altered food instrument.

### **Early/Late Redemption**

- L. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy redeems a food instrument before or after the valid dates:
  - (1) If the offending party is a:
    - (a) Participant or a child or infant participant's parent, guardian, or caretaker:

- (i) For the first offense, the Program shall counsel the individual and issue an education letter; and
- (ii) For the second offense, the Program shall issue a warning letter; and
- (iii) For a subsequent offense, the Program shall disqualify the participant from the Program for 3 months; or
- (b) Proxy, the Program shall remove the proxy; and
- (2) The Program shall require a monthly food instrument pick up.

### **Unauthorized Redeemer**

- M. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy allows an unauthorized individual to redeem a food instrument, if the offending party is a:
- (1) Participant or a child or infant participant's parent, guardian, or caretaker:
    - (a) For the first offense, the Program shall counsel the individual and issue an education letter or a warning letter; and
    - (b) For a subsequent offense, the Program shall disqualify the participant from the Program for 3 months; or
  - (2) Proxy, the Program shall remove the proxy.

### **Unauthorized ID Folder Use**

- N. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy allows an unauthorized individual to use the Maryland WIC participant identification folder, if the offending party is a:
- (1) Participant or a child or infant participant's parent, guardian, or caretaker:
    - (a) For the first offense, the Program shall counsel the individual and issue an education letter or a warning letter; and
    - (b) For a subsequent offense, the Program shall disqualify the participant from the Program for 3 months; or
  - (2) Proxy, the Program shall remove the proxy.

### **Unsigned Food Instruments**

- O. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy fails to sign a food instrument at the time of the WIC purchase, if the offending party is a:
- (1) Participant or a child or infant participant's parent, guardian, or caretaker:
    - (a) For the first offense, the Program shall counsel the individual and issue an education letter or a warning letter; and
    - (b) For a subsequent offense, the Program shall disqualify the participant from the Program for 3 months; or
  - (2) Proxy, the Program shall remove the proxy.

**Unauthorized Vendor**

- P. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy redeems a food instrument at a store not authorized by the Program, if the offending party is a:
- (1) Participant or a child or infant participant's parent, guardian, or caretaker:
    - (a) For the first offense, the Program shall counsel the individual and issue an education letter; and
    - (b) For a second offense, the Program shall issue a warning letter; and
    - (c) For a subsequent offense, the Program shall disqualify the participant from the Program for 3 months; or
  - (2) Proxy, the Program shall remove the proxy.

**Benefits Issues in Error**

- Q. If a participant or a child or infant participant's parent, guardian, or caretaker, or a proxy redeems a food instrument to which a participant is not entitled (due to local agency error), if the offending party is a:
- (1) Participant or a child or infant participant's parent, guardian, or caretaker:
    - (a) For the first offense, the Program shall counsel the individual and issue an education letter; and
    - (b) For the second offense, the Program shall issue a warning letter; and
    - (c) For a subsequent offense, the Program shall disqualify the participant from the Program for 1 month and the participant or a child or infant participant's parent, guardian, or caretaker shall pay to the State agency, in cash, the monetary value of the items received; or
  - (2) Proxy, the Program shall remove the proxy and the proxy shall pay to the State agency, in cash, the monetary value of the items received.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.24  
Effective Date: May, 1996  
Revised Date: October 1, 2011**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Resource Library**

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**A. Policy**

Each local WIC agency shall have available a resource library of reference materials noted below.

**B. Procedure**

The local WIC agency should have access to the following documents:

1. Federal Regulations:
  - a. 7 CFR 246.4 (a)(14)
  - b. 7 CFR 246.7 (i)
  - c. 7 CFR 246.12 (a) - 246.12 (r)
  - d. 7 CFR 246.23 (c)
  - e. 7 CFR 246.25 (a)
  - f. 7 CFR 271 and 278 (amdt. No. 280)
2. Maryland WIC Vendor Manual - Revised: 2011
3. Maryland WIC Program Vendor Agreement Application - Revised May 2009
4. State Regulations:
  - a. COMAR 10.01.03
  - b. COMAR 10.54.03

References:

1. 7 CFR 246
2. COMAR 10.01.03
3. COMAR 10.54.03

Revisions:

1. 10/07 – Updated Vendor Manual and Vendor Agreement Application.
2. 8/09 Maryland WIC Vendor Manual 2009.
3. 10/11 Maryland WIC Vendor Manual 2011. Changed Policy Number from 4.20 to 4.24.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.25  
Effective Date: October 1, 1994  
Revised Date: October 1, 2011**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Internal Investigations for Fraud and/or Abuse**

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**A. Policy**

An internal investigation will be conducted whenever WIC Program employee is suspected of fraud and/or abuse. Examples of fraud and/or abuse include, but are not limited to:

1. Misuse of program funds
2. Receiving WIC benefits to which one is not entitled
3. Knowingly certifying ineligible or fictitious persons
4. Knowingly certifying friends or relatives
5. Knowingly making a false or misleading statement concerning certification
6. Theft of any WIC property
7. Receiving anything of value in exchange for providing special consideration for vendors, prospective vendors, applicants, participants or any other person or agency associated with WIC.
8. Intentionally circumventing or disabling WIC MIS safeguards designed to prevent fraud and or theft.

**B. Procedure**

1. Whenever a WIC employee in a Local Agency is suspected of program fraud and/or abuse, the Local Agency coordinator shall conduct the initial investigation.
2. When a Local Agency uncovers evidence of employee fraud and/or abuse, the State WIC Director will be notified immediately by telephone, and in writing within five days of the telephone contact. Telephone contact shall be considered the first official notice required by Policy and Procedure 4.01, Local Agency Responsibilities, Policy 1 (d).
3. In order to ensure coordination and consistency, the State WIC Director may delegate supervision of the investigation by designating a lead investigator from either the State Office or the Local Agency to supervise the investigation. Primary written findings **shall be completed within ten working days.**

4. All evidence concerning an employee's suspected fraud and/or abuse shall be preserved. If the evidence is in the form of an automated file, a hard copy will be obtained and kept in a secure place. In the case of a paper file, the originals will be secured and copies, if necessary, will be maintained in the file. Any other physical evidence will be secured in the custody of the Local Agency coordinator. Statements by witnesses will be in writing, signed by both the witness and the person taking the statement and dated.
5. A chain of custody of the evidence shall be documented in writing. The original of the Chain of Custody, Form 4.25A, shall be kept with the evidence.
6. The WIC Staff Attorney shall be kept informed of all matters concerning the investigation as they develop and shall determine if criminal charges or civil action will be sought. The WIC Staff Attorney shall also determine what information related to criminal or civil actions will be released to any agency or person outside WIC.
7. The DHMH Employee Relations Representative shall be kept informed as needed of all matters concerning any personnel action.

Attachments:

1. Attachment 4.25A Chain of Custody Form

Revisions:

1. 10/11 Changed Policy Number from 4.21 to 4.25.

**OFFICE OF THE MARYLAND WIC PROGRAM**  
**CHAIN OF CUSTODY**

**COMPLETE DESCRIPTION OF EVIDENCE:**

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GATHERED BY \_\_\_\_\_ SIGNATURE \_\_\_\_\_

DATE/TIME \_\_\_\_\_ LOCATION \_\_\_\_\_

RECEIVED BY \_\_\_\_\_ DATE/TIME \_\_\_\_\_

1. The original of this form must stay with the evidence. Copies may be made and kept by persons in the chain of custody.
2. If the evidence is stored, enter the storage place after, "Received By." When the evidence is taken from storage, enter the person removing it after, "Received By."

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.26  
Effective Date: October 1, 1996  
Revised Date: October 1, 2015**

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**SECTION:       FOOD DELIVERY SYSTEM**

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**SUBJECT:       Vendor Appeals**

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**A.       POLICY**

The Maryland WIC Program shall receive requests for appeals of Program action against vendors and vendor applicants. The Office of Administrative Hearings shall have jurisdiction over these appeals.

All appeals by retail food or pharmacy vendors and vendor applicants shall be governed by COMAR 10.01.03.

**B.       PROCEDURE**

1.       Not less than 15 days in advance of the effective date of any proposed Program action, the Program shall provide notice to a vendor applicant or vendor whose application is proposed to be denied or authorization is proposed to be suspended, on the right to a hearing on the proposed denial or disqualification.
2.       A written request for a hearing with the Director of the Program within 10 days of the receipt of the notice of proposed denial or disqualification.
3.       The Program shall consider a request for a hearing filed on the earlier of the dates it is:
  - a. Received by the Program; or
  - b. Postmarked by the United States Postal Service.
4.       The Program shall forward requests for appeals to the Office of Administrative Hearings for scheduling.
5.       Upon receipt of notification of a scheduled appeal, the Vendor Operations and Compliance Unit personnel shall prepare 4 copies of all relevant documents and forward them to the Assistant District Attorney assigned to the Maryland WIC Program no later than 5 days before the scheduled appeal.

Attachments:

Revisions:

1. 10/11 Changed Policy Number from 4.22 to 4.26.
2. 10/15 Corrected title of the Program and corrected the language from suspension to a disqualification.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.27  
Effective Date: October 1, 2012  
Revised Date: October 1, 2013**

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**SECTION: FOOD DELIVERY SERVICE**

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**SUBJECT: Voided and Redeemed Checks Report**

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**A. Policy**

Local agencies are responsible for ensuring that food instruments in the management information system are voided when the food instrument is in-hand or, reported as lost or stolen (see Policy & Procedure 4.05), or destroyed due to fire/flood. Once voided, the food instrument (if available) is shredded or destroyed immediately. A report of food instruments that have a status of voided but that have also been redeemed will be generated by the local agency on a monthly basis and investigated by the local agency coordinator and the findings reported to the State Agency for investigation.

**B. Procedure**

1. On a monthly basis, the State Agency will notify local agencies to generate the Redemption of Non-State Dated Checks report which lists the following information about any food instrument that has been voided in the management information system and subsequently redeemed:
  - a. Check Number
  - b. Participant Name
  - c. Participant Number
  - d. Void Reason
  - e. Void Date
  - f. User Name (who last modified the food instrument)
  
2. Upon generation of the report, the local agency coordinator or designee shall perform an investigation of all food instruments listed on the report to determine if checks were improperly voided, or if there are any indications of fraud or abuse. The local agency shall:
  - a. Take corrective action if checks were improperly voided.
  - b. Immediately contact the State Agency if there appears to be intentional fraud and or abuse committed by a participant or local agency staff person.
  - c. Report all findings to the State Agency by the requested due date.

3. Local agencies shall ensure that staff are appropriately trained and monitored to prevent over-issuance of benefits and that participants are counseled in the event that an over-issuance occurs.
4. Local agencies with redeemed voided checks in 3 consecutive months will be required to submit a corrective action plan to the State Agency. The corrective action plan must include, at a minimum, a summary of the actions taken by the local agency to reduce or prevent to the recurrence of the redemption of voided checks.
5. Local agencies which have not eliminated, or significantly reduced the recurrence of the redemption of voided checks will be found to be non-compliant with this policy as a component of the State Agency's Food Delivery Management Evaluation.

References:

1. Policy & Procedure 4.05.- Voiding of Food Instruments and Verification of Voided Checks

Revisions:

1. 10/11 Changed Policy Number from 4.23 to 4.27.
2. 10/12 Changed to reflect Local Agency responsibility for generating the report at the request of the State Agency.
3. 10/13 Add procedure 4 to indicate the need to submit a corrected action plan to the State Agency. Add procedure 5 to advise that failure to significantly reduce or eliminate the recurrence of redeemed voided checks will be added as a finding to the local agency management evaluation.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.28  
Effective Date: October 1, 2012  
Revised Date: October 1, 2015**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Monitoring for WIC Infant Food and Formula Fraud**

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**A. POLICY**

In order to combat and prohibit the resale of food benefits obtained through the Maryland WIC Program, the state agency and local agencies shall monitor on-line marketplaces in order to detect any advertising of infant foods, formula, or other WIC food benefits for sale.

**B. PROCEDURE**

1. Local agency staff shall remind participants that any unused infant food or infant formula should be returned to the local WIC clinic and that it may not be sold or given away.
2. Not less than weekly, a search of on-line marketplaces such as Craigslist, Ebay and social media shall be performed by the state agency Vendor Unit staff to identify advertisements offering infant foods, formula, or other WIC food benefits for sale.
3. Not less than monthly, the local agency shall monitor local social media and on-line marketplaces to identify advertisements offering infant foods, formula, or other WIC food benefits for sale.
4. If an infant food, formula, or other WIC food advertisement is discovered, the management information system (MIS) shall be used to match the seller's name, phone number, email address, or any other identifying fields to determine if the seller is a WIC participant or proxy for a WIC participant.
5. If the local agency confirms that the seller is a WIC participant or proxy, the State agency will be notified.
6. If the state agency confirms that the seller is a WIC participant or proxy, the state agency will place an administrative alert in the notes section of the participant's MIS record and the local agency will be notified.

7. The State agency or local agency will follow the procedures below:
  - a. The state agency will contact the WIC participant to provide notification that he, she or a proxy:
    - i. May not sell or give away infant foods or infant formula purchased with WIC benefits
    - ii. In a timely manner, must return to the local agency/clinic any non-perishable food and/or formula provided by WIC that they do not need or are not able to use
    - iii. Must immediately remove the advertisement from the applicable site(s)
    - iv. If applicable, will be sanctioned in accordance with Policy and Procedure 4.23
  - b. The state agency shall document the contact with the participant in the notes section of the participant's MIS record.
  - c. Once the WIC items have been returned to the local agency/clinic, it shall be documented in the notes section of the participant's MIS record and a notice be sent to the State agency via email. If formula is returned, it shall be entered into the Formula Inventory/Tracking Log (Policy and Procedure 3.05A). Nonperishable food should be donated to a food bank or shelter.

Attachments:

Revisions:

1. 10/15 Changed policy to direct all findings to the state office for follow up. Clarified the procedure for handling the WIC food items once they are returned to the local agency/clinic.

**MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
POLICY AND PROCEDURE MANUAL**

**Policy and Procedure Number: 4.29  
Effective Date: January 8, 2016  
Revised Date:**

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**SECTION: FOOD DELIVERY SYSTEM**

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**SUBJECT: Compliance Inventory Audits**

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**A. POLICY**

A compliance inventory audit is conducted when a store is suspected of buying WIC checks, allowing substitutions or non-allowable WIC foods to be purchased with WIC checks, or suspected of redeeming WIC checks for another store. An inventory audit of a store's WIC authorized infant formula is conducted to determine if the store is accepting WIC checks without having adequate WIC authorized infant formula in stock to satisfy the WIC checks that are redeemed.

**B. PROCEDURE**

1. A compliance inventory audit encompasses a multi-month period. The initial compliance inventory audit monitoring visit will be conducted as close to the time the store opens for the business day as possible. The follow up compliance inventory audit monitoring will be conducted two months from the initial review date or the first workday after two months from the initial review date, as close to the time the store opens for the business day as possible.
2. A WIC Program representative will conduct the initial and follow up compliance inventory audit monitoring. Each inventory audit visit will also encompass a routine monitoring visit.
3. The following forms will be used:
  - a. Inventory Audit Monitoring Form Instructions
  - b. Inventory Audit Monitoring Form
  - c. Inventory Audit Analysis Form
  - d. WIC Retail Vendor Monitoring Report. (4.16C)
4. At each inventory audit visit, a count of all WIC authorized infant formula inventory located anywhere on the premises of the store including the sales floor, stock rooms, and storage areas will be documented on the

Inventory Audit Monitoring Form, according to the Inventory Audit Monitoring Form Instructions.

3. After the follow up compliance inventory audit, the Program representative will request the store's WIC infant formula purchase records for the inventory audit time frame. The Program representative will also obtain any copies of the WIC checks that are present in the store and were transacted by the store for WIC authorized infant formula during the inventory audit time frame. The Program representative will:
  - (a) Complete the Inventory Audit Analysis Form by entering the beginning inventory, purchases and ending inventory numbers from the inventory audit.
  - (b) Add the beginning inventory and inventory purchases of infant formula.
  - (c) Subtract the ending inventory from the sum found in (b)
  - (d) Compare (c) to the store's applicable redeemed WIC checks and inventory records.
4. If the analysis of the inventory audit indicates that the store did not have enough WIC authorized infant formula during the inventory audit period to provide the quantity of WIC authorized infant formula redeemed on WIC checks by the store, the store shall be notified by the Program that the store is disqualified from the Program and that the deficiency balance of undocumented inventory shall be paid back to the Maryland WIC program.
5. The store may be offered a civil money penalty if it is determined that there would be a participant hardship if the store is no longer accepting WIC checks. For policy on participant hardship, refer to COMAR 10.54.03.19.
6. If the results of the inventory audit analysis show the store to be in compliance, a notification will be sent to the store and the file closed.
7. If the routine monitoring review identifies program violations, a formal warning letter will be sent to the store outlining the results from the review. A follow up review will be conducted by the Program representative within 2 weeks of the monitoring review.

Attachments:

1. 4.29A Inventory Audit Monitoring Form
2. 4.29B Inventory Audit Monitoring Form Instructions
3. 4.29C Inventory Audit Analysis Form

References: COMAR 10.54.03.15

Revisions:

# Maryland WIC

Better Nutrition Brighter Future

## INVENTORY AUDIT MONITORING FORM

**Date of Review:** 01/01/2016

**WIC Authorization Number:** A11111

Test Vendor  
Address  
Somewhere, MD  
20000

Maryland WIC Program  
201 West Preston Street  
Room 103  
Baltimore, MD 21201

Vendor Number (000)000-0000

(410) 767-5258

**Participant Count:**

**Vendor Peer Group:**

**Monthly Store Volume:** \$

**Vendor Type:** Food/Pharmacy Combination

**Year To Date Volume:** \$

**Reviewer:** Test Reviewer

Quantity (#of cans)	Type of Formula
	8 oz. Boost
	14.1 oz. EleCare Infant DHA/ARA, Powder, Unflavored
	14.1 oz. EleCare Jr., Powder, Any flavor
	14.1 oz. EleCare Jr., Powder, Unflavored
	32 oz. EnfaCare, RTF
	12.8 oz. EnfaCare w/Iron, Powder
	15.1 oz. EnfaCare w/Iron, Powder
	21 oz. Enfagrow Toddler Transitions Soy, Powder
	8 fl. oz. Ensure Plus (6 pack)
	8 fl. oz. Ensure (6 pack)
	12.9 oz. Good Start Soy, Powder
	12.1 oz. Good Start Soy, Concentrate
	4 Pack Good Start Soy, RTF
	14 oz. Neocate Infant, Powder
	14.1 oz. Neocate® Junior, Powder
	12.6 oz. Nutramigen, Powder
	13 oz. Nutramigen, Concentrate (1 quart can)
	32 oz. Nutramigen, RTF
	12.6oz. Nutramigen Toddler, Powder
	8 oz. Pediasure w/Iron, RTF (6 pack)
	8 oz. Pediasure w/Fiber, RTF (6 pack)
	8 oz. Pediasure Peptide 1.0 cal, RTU, any flavor
	1 pound can, Pregestimil, Powder
	14.1 oz. PurAmino
	12.4 oz. Similac Advance, Powder

Attachment 4.29A

	13 oz. Similac Advance, Concentrate
	32 oz. Similac Advance, RTF
	32 oz. Similac Expert Care Alimentum, RTF
	16 oz. Similac Expert Care Alimentum, Powder
	32 oz. Similac Expert Care Neosure, RTF
	13.1 oz. Similac Expert Care Neosure, Powder
	2 oz. bottle Similac Special Care Advance w/iron, 24 cal/oz

IF ANY OF THESE FORMULAS ARE NOT IN STOCK OR THE STORE DOES NOT STOCK THESE ITEMS AT THE TIME OF THIS REVIEW, ENTER "N/A" IN "QUANTITY".

By initializing this form, I attest that I am the store representative responsible for serving the WIC participants. I confirm that the inventory above accurately states the total quantity of formula located anywhere on the store premises at the time of the review, and total formula available for sale to WIC participants. This total does not include expired formula/stock.

Initial: \_\_\_\_\_

This form and its contents has been explained to me

Initial: \_\_\_\_\_

COMMENTS:

\_\_\_\_\_  
Store Personnel Name/Title

\_\_\_\_\_  
Store Personnel Signature

\_\_\_\_\_  
Reviewer's Name

\_\_\_\_\_  
Signature



## FORMULA INVENTORY MONITORING FORM INSTRUCTIONS

### Complete the heading information as follows:

Retail Store Number:	Self-explanatory
Date of Review:	Date the on-site review is being
conducted. Retail Store Name and Address:	Self-explanatory
Store Personnel Name/Title:	Print the name & title of the store personnel who accompanied you on the review and/or the manager on duty.
Store Personnel Signature:	Signature of store personnel who accompanied you on the review and/or the manager on duty.
Reviewer's Name:	Printed name of the on-site
reviewer. Reviewer's Signature:	Signature of the on-site reviewer.

- 
- This form is completed on-site by a Program representative during both the initial and follow-up Infant Formula Inventory Audit reviews.
  - This inventory will include formula stock on the sales floor, in stock rooms and storage areas for the formulas specified on the Formula Inventory Monitoring Form.
  - Do not include any outdated or damaged infant formula that was not or will not be for sale in the store.
  - Enter the TOTAL number of cans in the "Quantity" section of this form (list out cases by "number of cans"; add together inventory found in a different location, etc. to come up with one TOTAL).
  - If there is no current inventory for a formula listed on this form, document "N/A" in the Quantity section of this form.
  - After all inventory has been documented, secure store personnel signature(s).
  - After store personnel have signed, the on-site reviewer signs the form.
  - The original of this form is filed in the WIC vendor file. A copy is maintained in the WIC Inventory Audit file. The same colored ink must be used by Program staff in completion of this form. White out is not permitted.
  - Any form corrections/changes must be made by drawing a single line through the error; writing the correct information above or below the error and securing the initial of store personnel prior to leaving the Retail Store premises.
  - Findings must be discussed with store personnel. Store personnel must sign the form acknowledging that the findings were discussed with them. If obtaining a signature from store personnel is not possible, explain why in the comments section.
  - Ensure all information is appropriately completed prior to leaving the store premises.

Effective 01/01/2016

## INVENTORY AUDIT ANALYSIS FORM

Retail Store #: 00000  
Retail Store Name & Address:Test Store 1  
101 Market Street  
Baltimore, MD 21201Initial Inventory Audit Review Date: 1/1/2016  
Follow-up Inventory Audit Review Date: 3/1/2016

FORMULA	Beginning Inventory 01/01/2016	Inventory Purchases	Ending Inventory 03/01/2016	Difference Between Beginning Inventory and Ending Inventory	Redeemed Check Quantity	Redemptions which exceed the Store's Documented Inventory Sold
8oz. Boost	0	0	0	0	0	0
14.1 oz. EleCare Infant DHA/ARA, Powder, Unflavored	0	0	0	0	0	0
14.1 oz. EleCare Jr., Powder, Any flavor	0	0	0	0	0	0
14.1 oz. EleCare Jr., Powder, Unflavored	0	0	0	0	0	0
32oz. EnfaCare RTF	0	0	0	0	0	0
12.8oz. EnfaCare w/Iron Powder	0	0	0	0	0	0
15.1oz. EnfaCare w/Iron Powder	0	0	0	0	0	0
21oz. Enfagrow Toddler Transitions Soy, Powder	0	0	0	0	0	0
8 fl. oz. Ensure Plus (6 pack)	0	0	0	0	0	0
8 fl. oz. Ensure (6 pack)	0	0	0	0	0	0
12.1oz. Good Start Soy Concentrate	0	0	0	0	0	0
33.8oz. Good Start Soy RTF - Blue-4 count, 8.45oz.	0	0	0	0	0	0
12.9oz. Good Start Soy Powder	0	0	0	0	0	0
14 oz. Neocate Infant, Powder	0	0	0	0	0	0
14.1 oz. Neocate® Junior, Powder	0	0	0	0	0	0
12.6oz. Nutramigen Toddler, Powder	0	0	0	0	0	0
13oz. Nutramigen Lipil Concentrate	0	0	0	0	0	0
32oz. Nutramigen Lipil RTF	0	0	0	0	0	0
12.6oz. Nutramigen Lipil w/Enflora Powder	0	0	0	0	0	0
8oz. Pediasure w/Iron RTF	0	0	0	0	0	0
8oz. Pediasure w/Fiber RTF	0	0	0	0	0	0
8 oz. Pediasure Peptide 1.0 cal, RTU, any flavor	0	0	0	0	0	0
1 pound can, Pregestimil, Powder	0	0	0	0	0	0
14.1 oz. PurAmino	0	0	0	0	0	0
12.4oz. Similac Advance w/Iron Powder	0	0	0	0	0	0
13oz. Similac Advance Concentrate	0	0	0	0	0	0
32oz. Similac Advance RTF	0	0	0	0	0	0
32oz. Similac Alimentum Advance RTF / 32oz. Similac Expert Care Alimentum RTF	0	0	0	0	0	0
16oz. Similac Alimentum Advance Pwd / 16oz. Similac Expert Care Alimentum Pwd	0	0	0	0	0	0
13.1 oz. Similac Expert Care Neosure, Powder	0	0	0	0	0	0
32oz. Similac NeoSure Advance RTF / 32oz. Similac Expert Care NeoSure RTF	0	0	0	0	0	0
2 oz. bottle Similac Special Care Advance w/iron, 24 cal/oz	0	0	0	0	0	0

Effective 01/01/2016

## INVENTORY AUDIT ANALYSIS FORM

Retail Store #: 00000  
Retail Store Name & Address:

Test Store 1  
101 Market Street  
Baltimore, MD 21201

Initial Inventory Audit Review Date: 1/1/2016  
Follow-up Inventory Audit Review Date: 3/1/2016

	Beginning Inventory 01/01/2016	Inventory Purchases	Ending Inventory 03/01/2016	Difference Between Beginning Inventory and Ending Inventory	Redeemed Check Quantity	Redemptions which exceed the Store's Documented Inventory Sold
FORMULA						

## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

(Please indicate) State Agency: Maryland for FY 2017 ▾

Food delivery and food instrument (FI) (*Food instrument* means a voucher, check, electronic benefits transfer card (EBT), coupon or other document which is used by a participant to obtain supplemental foods) accountability and control involve the production, issuance, redemption, and monitoring of automated and manual food instruments through retail systems and the delivery of WIC Program foods by non-retail methods, i.e., home delivery and direct distribution.

### Retail Food Delivery Systems

**A. Food Instrument Control Overview - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi), and (a)(14)(xii):** describe the policies and procedures used by the State agency in producing, monitoring and accounting for the use of food instruments.

**B. Food Instrument Pick-up and Transaction - 246.4(a)(11)(iii) and (a)(14)(vi):** describe the State agency's procedures for issuing food instruments to participants, including procedures for verification, prorating food packages, training and proxy policies.

**C. Food Instrument Redemption and Disposition - 246.4(a)(14)(vi):** describe the procedures used to reconcile food instruments as either issued or voided, and as either redeemed or unredeemed, and redeemed food instruments as either validly issued, lost/stolen/damaged, expired, duplicate, or not matching issuance records.

**D. Manual Food Instruments - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi) and (a)(14)(ix):** describe the procedures for issuing and accounting for manual food instruments, including the procedures for documentation and disposition.

**E. Special Food Instrument Issuance Accommodations - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi), (a)(14)(ix), (a)(14)(xiv) and (a)(21):** describe alternatives to participant food instrument pick-up for issuance (e.g., mail or electronic issuance) and how the integrity of program services and fiscal accountability is ensured.

**F. Vendor Cost Containment System Certification - 246.4(a)(14)(xv), 246.12(g)(4)(vi):** describe the competitive pricing and reimbursement methods that the State agency will implement to ensure that average payments per food instrument to above-50-percent vendors do not exceed average payments per food instrument to comparable regular vendors.

### Non-Retail Food Delivery Systems

**G. Home Food Delivery Systems - 246.4(a)(11)(iii), 246.4(a)(14)(i), (a)(14)(vi), (a)(14)(vii) and (a)(14)(xii):** describe how the State agency's home delivery system operates including but not limited to the types of authorized home food delivery contractors, the frequency of deliveries, and the procedures for documenting deliveries and ensuring safe food delivery of WIC foods, if applicable.

**H. Direct Distribution Food Delivery Systems - 246.4(a)(11)(iii), (a)(14)(i), and (a)(14)(vi), (a)(14)(vii), and (a)(14)(xii):** describe the methodology and procedures used in the direct distribution of supplemental foods, including types of foods distributed, warehouse and distribution centers, the verification process, and assurance of food safety, as applicable.

### Electronic Benefit Transfer (EBT) Implementation and Management

**I. Electronic Benefit Transfer (EBT): 246.4(a)(1), (a)(14)(xix), (a)(14)(xx), (a)(19), 246.12(h)(3), (w)-(bb):** describe the policies and procedures the State agency is using to implement and operate EBT

# IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

## A. Food Delivery and Food Instrument Control Overview

### 1. Food Instruments - General

#### a. The State agency uses the following types of FIs (check all that apply):

- Automated-point of certification
- Manual-individual prescription
- Pre-printed manual-standard prescription
- Automated-central generation
- EBT
- Other (specify): \_\_\_\_\_

#### b. The State agency conducts FI inventories (Place an S=[State agency] or L=[Local agency] under the appropriate column to designate primary responsibility):

- | Automated - EBT Cards      | Physical - Paper FIs                          |
|----------------------------|---|
| ___ Daily/perpetually      | ___ Daily                                     |
| ___ Other (specify): _____ | ___ Weekly                                    |
|                            | ___ Monthly                                   |
|                            | S ___ Other (specify): <u>N/A Blank Stock</u> |

#### c. The FI contains/allows for the following information (check all that apply):

- |   |   |
|---|---|
| <input type="checkbox"/> Not applicable                         | <input checked="" type="checkbox"/> Local agency identifier       |
| <input checked="" type="checkbox"/> Participant WIC ID number   | <input checked="" type="checkbox"/> Vendor/farmer endorsement     |
| <input type="checkbox"/> Countersignature for participant/proxy | <input checked="" type="checkbox"/> Authorized supplemental foods |
| <input checked="" type="checkbox"/> First date of use           | <input checked="" type="checkbox"/> Last date of use              |
| <input checked="" type="checkbox"/> Redemption period           | <input checked="" type="checkbox"/> Serial number                 |
| <input checked="" type="checkbox"/> Purchase price              | <input checked="" type="checkbox"/> Signature space               |

#### Provide a facsimile or FI in Appendix or cite Procedure Manual:

See P & P 4.02 Attachment A

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#### d. The EBT system allows for the following (check all that apply):

- A unique and sequential number benefit issuance identifier
- Each EBT purchase is matched to an authorized vendor, farmer, or farmers' market prior to authorizing payment per 7 CFR 246.12(x)(3)
- System contains authorized supplemental foods
- System contains first and last dates of use for electronic benefits

#### e. The State agency provides a toll-free number for participant/vendor/farmer inquiries on:

- Paper Food Instrument     Cash-value voucher     EBT Card/Sleeve     None

#### ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):

A toll-free number is on the Participant ID Folder, Auth Foods List, and State Website. A 24/7 Customer Service Line for participant/vendor/farmer inquiries will be available with the implementation of eWIC.

---

### 2. Food Instrument Accountability

#### a. FIs are delivered to local agencies by:

- State agency staff                       Local agency staff

**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**A. Food Delivery and Food Instrument Control Overview**

- US Postal Service                       On-demand printing
- Contracted service (e.g., UPS, Purolator, etc.)
- Other (specify): Blank FI stock is ordered from our Distribution Center.

**b. FIs (blank stock and preprinted ready for issuance) are delivered to the local agency (check all that apply):**

**Blank**

- Not applicable
- Weekly
- Twice a month
- Once a month
- Once every two months
- Other (specify): LAs order as needed

**Preprinted**

- Not applicable
- Weekly
- Twice a month
- Once a month
- Once every two months
- Other (specify):

**c. The State agency uses the following procedures to ensure that unclaimed FIs are not being used fraudulently (check all that apply):**

- Signatures on the documentation of receipt are compared for similarities in writing style implying one person signed for multiple participants
- Local agencies conduct an initial review to void food instruments for participants known to have been terminated from the Program
- Inventories of food instruments are not conducted by the same local agency staff responsible for issuing/voiding food instruments
- Procedures are in place to ensure the proper disposal of unused/duplicate/voided FIs
- Other (specify):

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

---

**3. The State agency has established food delivery procedures in cases of natural disaster and emergencies for the following (check all that apply):**

- Manual Issuance                       Automated issuance
- Mailing                                       Home food delivery
- Direct distribution                       Other (specify):

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

See P & P 4.04 (Food Instrument Mailing) and 2.02 (Manual Cert Form)

---

**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**B. Food Instrument Pick-up**

**1. Food Instrument Pick-Up Policy and Procedures**

**a. Food instruments are issued by (check all that apply):**

	All Locals	Most Locals	Some Locals
Local agency director	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Local agency nutritionist	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Local agency paraprofessional	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Clerical staff	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (specify): _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**b. The State agency utilizes a participant identification card:**

Yes     Yes, with photo     No

**If yes, issuance is controlled numerically and each card is accounted for:**

Yes     No

**c. The State agency requires the following proof of receipt when issuing automated food instruments:**

- Participant/parent/caretaker/proxy signature block on register confirming receipt
- Carbon copy of food instrument
- Local agency staff initials
- Date of food instrument pick-up
- Stub with participant signature or initials
- Other (specify): Check receipt signed on paper or electronically.

**d. The State agency has a policy to prorate food packages for the following:**

- Late FI pick-up                       Certification due to expire within 30 days
- Mid-month certification               Other (specify): To synch schedule day with other family members.

**e. The State agency requires local agency staff to provide each new participant/parent/caretaker/proxy with training in (check all that apply):**

- Authorized vendors/farmers               Selecting WIC-approved foods
- FI transaction procedures               Signature on FIs
- Use of proxy                                   Reporting problems/requesting assistance
- Participant violations (i.e. selling or offering to sell WIC benefits)
- Other (specify): \_\_\_\_\_

**f. The State agency requires local agency staff to provide participants with a list of authorized vendors/farmers/farmers' markets:**

Yes     No

**g. The State agency permits a participant to transact food instruments with any authorized vendor or farmer/farmers' market in the State:**

Yes     No

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

See P & P 4.12, Instructions to Participants, Guardians and Designees

---

## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

### B. Food Instrument Pick-up

#### 2. The State agency's proxy policy includes the following:

- Limits the number of participants a single proxy may sign for, except that a proxy may pick up FIs for all homeless WIC participants in a facility
- Limits proxy to a specified number of FI pick-ups
- Limits proxy to a minimum age
- Limits proxy assignment to local WIC staff
- Other (specify): Limits the number of proxies a participant may designate.

#### **ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

See P & P 2.20 - Designee/Proxy Authorization

---

**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**C. Food Instrument Redemption and Disposition**

**1. Food Instrument Disposition Procedures**

**a. The State agency system assures 100% disposition of all issued FIs**

Yes     No

**If no, specify the circumstances that prevent 100% disposition:**

---

**b. Local agencies are supplied with a report on the final disposition of its FIs:**

Yes (specify period): \_\_\_\_\_  No

**c. The State agency monitors each local agency's:**

- Number of manual FIs utilized
- Number of unclaimed FIs
- Number of voided FIs
- Number of redeemed FIs with no issuance record

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

See P & P 4.07 - Missing Issuance Report

---

**2. Unclaimed, Voided, Prorated FIs**

**a. The State agency requires local agencies to return "unclaimed/not picked up" FIs:**

Not applicable     Daily     Weekly     Monthly

Other (specify): \_\_\_\_\_

---

**b. The State agency requires local agencies to return "voided" FIs:**

Not applicable     Daily     Weekly     Monthly

Other (specify): \_\_\_\_\_

---

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

See P & P 4.05 Voiding Checks

---

**3. Lost/Stolen/Damaged Food Instruments**

**a. The State agency requires local agencies to report lost/stolen/damaged FIs to (check all that apply):**

State agency     Police department     State agency's banking institution

EBT Coordinator

Other (specify): Void FI as Lost/Stolen in the MIS (See P & P 4.05)

---

**b. Replacement/duplicate FIs Issuance**

**(1) Replacement/duplicate FIs are issued when FIs are reported lost:**

No

Depends on the circumstances

Yes (If FIs are reissued, it is done):

Immediately

Following notification of State agency/bank agency

After a \_\_\_\_\_ day waiting period (specify number of days)

**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**C. Food Instrument Redemption and Disposition**

**(2) Replacement/duplicate FIs are issued when FIs are reported stolen:**

- No
- Depends on the circumstances
- Yes (If FIs are reissued, it is done):
  - Immediately
  - Following notification of State agency/bank agency
  - After a \_\_\_\_\_ day waiting period (specify number of days)

**(3) Replacement/duplicate FIs are issued when FIs are reported damaged:**

- No
- Depends on the circumstances
- Yes (If FIs are reissued, it is done):
  - Immediately
  - Following notification of State agency/bank agency
  - After a \_\_\_\_\_ day waiting period (specify number of days)

**c. Is a police report required before replacement benefits are issued when reported stolen?**

- Yes
- No

**d. The State agency or its banking institution takes the following action after it is notified by the local agency of lost/stolen/damaged FIs (check all that apply):**

- Stops payment on the lost/stolen/damaged FIs
- Notifies vendor or farmer
- Other (specify):  voids check in MIS (See P & P 4.05)

**Please provide a copy/citation of the State agency's policy and procedures that ensure that lost/stolen FIs cannot be redeemed OR lost/stolen/damaged EBT cards will be replaced and associated benefits transferred (7 CFR 246.4(a)(14)(xix)).**

See P & P 4.05 and P & P 4.23I Item J

**e. The local agency documents in the participant's file that replacement FIs were issued:**

- Yes     No

**f. If it is established that lost/stolen/damaged FIs are transacted by the participant who reported them lost/stolen/damaged, the following actions are taken:**

- A claim for cash repayment is issued to participant
- Participant is disqualified; specify the period of time: 3 months if less than \$100; 1 year for claims =>\$100
- Participant receives a warning
- Other (specify): \_\_\_\_\_

**g. If lost/stolen/damaged FIs are transacted by someone other than the participant, the following actions are taken, check all that apply:**

- Reported to police for investigation
- State agency or local agency does an investigation
- State agency or local agency notifies the participant

**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**C. Food Instrument Redemption and Disposition**

Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

See P & P 4.27

**h. The State agency monitors the level of reported lost/stolen/damaged FIs by local agency:**

Yes  No

**4. Food Instrument Redemption Screening (7 CFR 246.12(k)(1))**

**a. Describe in detail how the State agency sets maximum allowable reimbursement levels for for payment of food instruments (including whether the State agency uses vendors' shelf prices to set maximum reimbursement levels and how reimbursement levels are linked to competitive price criteria). If the State agency sets maximum allowable reimbursement levels differently for above-50-percent vendors and regular vendors, please explain the different methods used.**

**(1) The State agency establishes maximum allowable reimbursement levels for:**

- (a) Each peer group  Yes  No
- (b) Each food instrument or food category  Yes  No
- (c) Other (please specify): \_\_\_\_\_  Yes  No

**(2) The State agency establishes maximum allowable reimbursement levels using:**

(a) Standard deviations  Yes  No

If yes, specify the standard deviation number and explain how the State agency determined the standard deviation it used is appropriate:

(b) A percentage above the average redemption amount  Yes  No

If yes, specify the percentage and explain how the State agency determined that this percentage is appropriate.

25% The state has used this percent for many years. 20% returns too many valid requested check amounts and 30% allowed too many excessive amounts to process

(c) Other (please specify): \_\_\_\_\_  Yes  No

**(3) The maximum allowable reimbursement levels include a factor to reflect:**

- Yes  No Wholesale price fluctuations; explain:  
Maximum levels are based on price collections. Vendors are required to submit prices twice per year but are allowed to submit monthly prices for price fluctuations.
- Yes  No Inflation; explain:  
Maximum levels are based on price collections. Vendors are required to submit prices twice per year but are allowed to submit monthly prices for price fluctuations.
- Yes  No Other (please specify): \_\_\_\_\_

**b. The State agency screens FI through a pre-edit (before payment) or post-edit (after payment) process to detect the following:**

Not Applicable	Pre-Edit Screen	Post-Edit Screen	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Purchase price exceeds price limitations (FI only)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Purchase price missing
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Altered purchase price

**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**C. Food Instrument Redemption and Disposition**

- |                          |                                     |                          |  |
|--------------------------|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Vendor/farmer identification missing             |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Invalid/counterfeit vendor/farmer identification |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Transacted before specified period               |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Transacted after specified period                |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Redeemed after specified period                  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Altered dates                                    |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Missing signature                                |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Mismatched signature                             |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Altered signature                                |
| <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | Other (specify): _____                           |

**c. When the payment amount on a food instrument exceeds the maximum allowable reimbursement amount, what action does the State agency take?**

- Reimburses the vendor for amounts up to the maximum allowable reimbursement amount
- Reimburses the vendor at the peer group average
- Rejects the food instrument, but allow the vendor to resubmit
- Rejects the food instrument without allowing the vendor to resubmit
- Other (please specify): \_\_\_\_\_

**d. Where pre-edit screens are used, the proportion of FIs reviewed includes:**

- All FIs
- Percentage of FI ( \_\_\_\_\_ %)
- Other (please specify): \_\_\_\_\_

**e. The edit system(s) that use(s) maximum allowable reimbursement levels to screen for vendor overcharges rejects food instruments based on:**

- | <b>Pre-Edit</b>                     | <b>Post-Edit</b>         |                                     |
|-------------------------------------|--------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Not To Exceed or Maximum Prices     |
| <input type="checkbox"/>            | <input type="checkbox"/> | Percentage above average ( _____ %) |
| <input type="checkbox"/>            | <input type="checkbox"/> | Amount above average (\$ _____ )    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Other (specify): _____              |

**f. The following actions are used to control against unauthorized stores redeeming FIs:**

- Provide up-to-date list of authorized vendors to participants at certification and/or FI issuance
- Recover vendor/farmer/farmers' market stamp when vendor/farmer/farmers' market is no longer authorized
- Conduct compliance buy to verify if unauthorized store redeems FIs
- State agency or its banking institution checks vendor/farmer/farmers' market ID numbers on food instruments submitted for redemption against the authorized vendor/farmer/farmers' market list before paying vendors/farmers/farmers' markets for FIs submitted for redemption
- Inform all participants who might use the unauthorized store
- Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix: and/or Procedure Manual (citation):**

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## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

### C. Food Instrument Redemption and Disposition

#### 5. Price Lists

##### a. Price list information is routinely collected from vendors:

Yes     No; Explain: \_\_\_\_\_ (Proceed to item #6)

##### b. Price list data are collected:

Real Time or Daily via EBT system     Monthly     Quarterly     Semiannually

Other (specify): \_\_\_\_\_

##### c. Price data are collected by:

State agency staff

Local agency staff

Reports are submitted by vendors

EBT system

Other (specify): \_\_\_\_\_

##### d. The data collected has food prices for (check all that apply):

All brands and sizes of supplemental foods

Highest price supplemental food items within food categories

Most commonly redeemed food items; please specify:

\_\_\_\_\_

All authorized vendors

A sample of authorized vendors (please describe the sampling method used):

\_\_\_\_\_

Other (specify): \_\_\_\_\_

##### e. The State agency/local agency verifies price data provided by vendors:

During routine monitoring visits

Does not verify on a routine basis

Other (explain): \_\_\_\_\_

If the vendor is identified as a high-risk vendor; please explain the method:

\_\_\_\_\_

##### f. The State agency/local agency analyzes price data:

Manually on a routine or as needed basis

On an Automatic Data Processing system and uses it to:

Generate estimated food instrument values

Help inform WIC staff on vendor selection decisions

Develop vendor peer groups

Flag individual food instruments that appear to be overcharges

Other (specify): \_\_\_\_\_

#### 6. System to Detect Suspected Overcharges

##### a. Does the State agency screen for suspected overcharges:

Yes, vendor claims are issued for overcharges

## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

### C. Food Instrument Redemption and Disposition

- No, the State agency makes price adjustments to food instruments submitted for redemption at amounts above edit limits.
  - No, the State agency does not identify overcharges and/or issue claims for overcharges. (Proceed to section D. *Manual Food Instruments*.)
  - Other (specify): FIs submitted above max amount are rejected by the bank and the vendor has the option to lower their price and resubmit for payment review by the State Agency.
- 

#### b. The methods used to identify vendor overcharges are:

- Comparison of vendor's reported prices to charged prices
- Comparison of redemption values of vendor with other vendors in the vendor's peer group
- Comparison of redemption values of vendor with all vendors
- Other (specify): \_\_\_\_\_

#### c. To receive payment or justify and correct a claim for a price adjustment or vendor overcharge, the vendor must: (Check all that apply)

- Provide an updated price list
  - Provide written justification for the higher prices
  - Provide receipts
  - Other (specify): Provide any or all of the above.
- 

#### d. What action(s) is/are taken when a vendor overcharge occurs? (Check all that apply)

- Routine monitoring or remedial vendor training is conducted
  - Vendor is designated as high-risk and scheduled for compliance investigation
  - Vendor is provided with a written warning of potential sanction for overcharging
  - Vendor is terminated for cause
  - Vendor is sanctioned
  - Other (specify): Vendor overcharges are not permitted.
- 

#### ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):

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**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**D. Manual Food Instruments**

DOES NOT APPLY (PROCEED TO NEXT SECTION)

**1. Manual FIs Policy**

**a. Manual FIs are utilized for the following reasons:**

- New participants
- Automated FIs not available
- Mutilated automated FIs
- Wrong food package on automated FI
- Wrong dollar amount on automated FI
- Provide for the special needs of the homeless
- Food package tailoring
- Routine monitoring visits (i.e., educational buys) of vendors/farmers
- Compliance buys of vendors/farmers
- Special conditions, e.g., disasters
- Other (specify): \_\_\_\_\_

**b. The State agency requires the following for completing the manual FI register:**

- Participant/proxy signature       Local agency staff initials
- Date of FI pick-up       Other (specify): \_\_\_\_\_

**c. Manual FIs have a "Not to Exceed Value" of:**

- Same dollar amount for all manual food instruments \$ \_\_\_\_\_
- Variable dollar amount depending on type of prescription on manual FI
- Variable dollar amount depending on participant category on manual FI
- No limit
- Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

\_\_\_\_\_

**2. Manual FI Documentation and Disposition**

**a. A report containing the serial numbers of manual FIs issued by local agencies is sent to the State agency:**

- Not applicable     Weekly     Monthly
- Other (specify): Available from the MIS, if needed. \_\_\_\_\_

**b. Local agencies are required to provide documentation to substantiate a valid or invalid certification record for manual FIs issued and redeemed but for which no participant record currently exists by utilizing:**

- Turnaround documents to establish valid certification records
- Telephone calls to the State/local agency on irregularities
- Other (specify): Manual checks can only be attached to valid certification records in the MIS. \_\_\_\_\_

**c. If the manual FI inventories do not achieve 100% reconciliation of all issued and unissued FIs, the local agency (check all that apply):**

- Reports the FI serial numbers to the State agency

**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**D. Manual Food Instruments**

Provides the FI serial numbers to local vendors/farmers

Other (specify): \_\_\_\_\_

**(Provide a copy/citation of the State agency's prescribed procedures if the manual FI inventory cannot be reconciled.)**

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**E. Special FI Issuance Accommodations**

**1. Alternative FI Issuance**

**a. The State agency has implemented the following FI issuance policy (check all that apply):**

- All participants are required to pick up FIs at the clinic or local agency, except in unusual circumstances
- Participants/proxies are required to show identification at FI card pick up
- FI cards are routinely mailed to participants except (1) when the participant is scheduled for nutrition education (including breastfeeding promotion and support activities) or a certification appointment and (2) in areas where SNAP benefits are not mailed, as these areas are known to have experienced high mail issuance losses
- Benefits are provided electronically to a location such as a grocery store under certain conditions; thus participants may not always pick up FIs at the clinic
- Other (specify): \_\_\_\_\_

**2. Mailing Policy/Procedures**

**a. The State agency provides local agencies with guidelines/procedures for mailing FIs to individual participants:**

- Yes     No

**b. Policy requires participants to pick up FIs whenever certification appointment is due or nutrition education (including breastfeeding promotion and support activities) is scheduled:**

- Yes     No

**c. The State agency has implemented the following policy regarding mailing FIs (check all that apply):**

- FIs are sent first class mail \*(first class is considered **regular** mail)
- FIs are sent registered mail
- FIs are sent certified mail
- FIs are sent restricted mail
- Return receipt is requested on FIs sent certified mail
- Envelope specifies, "Do not forward, return to sender" or "Do not forward, address correction requested"
- Other (specify): \_\_\_\_\_

**d. The State agency approves mailing FIs under the following conditions (check all that apply):**

	State-Wide	LA with SA Approval	Case by Case
Participant hardship	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Travel-related issues	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Better clinic management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Participant safety	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Participant convenience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost effectiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(if other, specify): Unexpected clinic closure due to weather, utility failure, etc.

**e. When mailing FIs, documentation of FI issuance is:**

- Signed by the participant at the following FI pick-up/visit
- Noted "mailed" and initialed/dated by local agency staff

**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**E. Special FI Issuance Accommodations**

Signed and dated by local agency staff after return receipt is received

Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

See P & P 4.04 Food Instrument Mailing

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**3. Participants who receive FIs by mail are sent:**

One month of FIs

Two months of FIs

Three months of FIs

Other (specify): Depends on circumstance

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**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

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## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

### F. Vendor Cost Containment System Certification

If the State agency has authorized or plans to authorize any above-50% vendors, FNS must certify the State agency's vendor cost containment system. The State agency that has not yet received FNS certification must submit a request for certification/recertification that contains the following information.

**DOES NOT APPLY (PROCEED TO SECTION G)**

#### 1. Calculation of new competitive price levels

Describe how the State agency derived or will derive new competitive price levels for regular vendors, which exclude the prices of above-50-percent vendors.

---

#### 2. Maximum allowable reimbursement levels for regular vendors and above-50-percent vendors

a. Explain how the State agency will ensure that average payments to above-50-percent vendors do not exceed average payments to comparable regular vendors.

---

b. The State agency plans to exempt above-50-percent vendors from the calculated competitive price criteria and maximum allowable reimbursement levels.

Yes  No If yes, how many vendors will be exempted? \_\_\_\_\_

Are these vendors needed to ensure participant access to supplemental foods?

Yes  No

c. The State agency applies peer-group-specific maximum allowable reimbursement levels to food instruments during the food instrument redemption process.

Yes  No If yes, describe the procedure or process used:

---

3. Describe the State agency's methodology for grouping above-50-percent vendors in its peer group system (i.e., separately or in peer groups with regular vendors) and the criteria the State agency uses to identify comparable vendors for each group of above-50-percent vendors.

---

4. The State agency plans to exempt *non-profit* above-50-percent vendors from competitive price criteria and maximum allowable reimbursement levels.

Yes  No If yes, provide the following information in detail :

a. Describe the reason the State agency has decided to exempt such vendors (i.e., the benefits to the program) and the number of non-profit vendors to be exempted.

---

b. Describe the reason the non-profit above-50-percent vendors are needed to ensure participant access to supplemental foods.

---

c. Does the State agency collect shelf prices from non-profit vendors?

Yes  No

d. Describe how the prices of the non-profit vendors compare to those of other vendors in their geographic area that are subject to competitive price criteria and allowable reimbursement levels.

---

e. Describe how the State agency establishes the level of reimbursement for the non-profit above-50-percent vendors that it has exempted.

## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

### F. Vendor Cost Containment System Certification

---

5. **The State agency has fully implemented the competitive price criteria and maximum allowable reimbursement methodologies described in items 1 and 2 above.**

Yes     No

If the State agency has not fully implemented the revised competitive price and maximum allowable reimbursement methodologies, describe the current status of this effort and include the timetable for achieving full implementation.

---

6. **The State agency plans to exempt *pharmacy* vendors from competitive price criteria and maximum allowable reimbursement levels.**

Yes     No

If yes, the State agency has confirmed that these pharmacies provide **only** exempt infant formula and/or WIC-eligible medical foods to program participants.

7. Does the State agency collect shelf prices from pharmacies that provide only exempt infant formula?

Yes     No

8. **Complete the three tables on the following pages to demonstrate that the State agency's procedure for establishing and implementing competitive price criteria and maximum allowable reimbursement levels ensures that average payments per food instrument or food item to above-50% vendors do not exceed average payments to regular vendors.**

9. **Please attach and cite of a copy of the report(s) that the State agency will use to monitor average payments per food instrument to above-50% vendors and regular vendors. If the State agency does not have such a report, describe the State agency's plans to develop and implement a report(s) for monitoring purposes, including the report contents or fields.**
-

## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

### F. Vendor Cost Containment System Certification

Table 1. Data for WIC Vendor Cost Containment Certification – Overview

Please provide the following information on the regular vendors and the above-50-percent vendors authorized by the State agency as of June 30th. If data are not available through June 30th, the State agency should enter data for the period for which data are available, replacing “June” with the month to which the data are applicable.

<b>1. How many authorized regular vendors did the State agency have as of June 30th? (or month of: _____ )</b>	<b>1.</b> _____
<b>2. For all of these regular vendors combined, what was the total amount of WIC redemptions paid in June 30?</b>	<b>2.</b> _____
<b>3. How many above-50-percent vendors did the State agency have as of June 30th?</b>	<b>3.</b>
<b>a. Non-pharmacy above-50-percent vendors</b>	<b>a.</b> _____
▪ <b>Number of WIC-only stores</b>	▪ _____
▪ <b>Number of other types of above-50-percent vendors (excluding pharmacies)</b>	▪ _____
<b>b. Above-50-percent pharmacy vendors</b>	<b>b.</b> _____
<b>c. Total above-50-percent vendors (sum of a and b)</b>	<b>c.</b> _____
<b>4. What was the total amount of redemptions paid to these above-50-percent vendors as of June 30th?</b>	<b>4.</b>
<b>a. Non-pharmacy above-50-percent vendors</b>	<b>a.</b> _____
<b>b. Above-50-percent pharmacy vendors</b>	<b>b.</b> _____
<b>c. Total above-50-percent vendors (sum of a and b)</b>	<b>c.</b> _____
<b>5. How many peer groups of above-50-percent vendors (either separate peer groups or groups with regular vendors) has the State agency identified?</b>	<b>5.</b> _____
<b>6. How many above-50-percent vendors and regular vendors has the State agency authorized that do <u>not</u> meet competitive price criteria, but are needed to ensure participant access to supplemental foods?</b>	<b>6.</b> above-50%: _____ regular vendors: _____

## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

### F. Vendor Cost Containment System Certification

*(Note: If the State agency has completed the peer group table in the Vendor Management section of this Guidance, skip the following table.)*

Table 2: Data for WIC Vendor Cost Containment Certification – Peer Group Structure

*Please describe all vendor peer groups and identify the regular vendors that are comparable to each group of above-50-percent vendors. The information provided should refer to the peer group system as structured to comply with regulatory vendor cost containment requirements.*

Peer Group					Comparable Vendors Peer Group No. (from Col1) (Col6)
Peer Group No. (Col1)	Description (e.g., supermarkets, chain stores, pharmacies) (Column 2)	Number of Vendors in Peer Group			
		Regular Vendors (Col3)	Above-50% Vendors (Col4)	Total (Col5)	
1					
2					
3					
4					

***Instructions:***

**Column 1 – Assign a sequential number to each peer group.**

**Column 2 – Describe the vendors in the peer group.**

**Column 3 – Insert the number of authorized vendors that are regular vendors.**

**Column 4 – Insert the number of above-50-percent vendors currently authorized.**

**Column 5 – Insert the total number of authorized vendors. This number should be the sum of columns 3 and 4, since the State agency must identify each vendor as being either a regular vendor or an above-50-percent vendor.**

**Column 6 – For each peer group that contains above-50-percent vendors, insert the number of the peer group that contains comparable regular vendors. The comparable vendor peer group is the peer group that the State agency uses to derive the competitive price criteria and maximum reimbursement levels that it applies to the above-50-percent vendors. If above-50-percent vendors are placed in a peer group with regular vendors, then the number in column 1 should be the same as that in column 6. If above-50-percent vendors are in separate peer groups, then the number in column 1 will be different from that in column 6.**



## **IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

### **F. Vendor Cost Containment System Certification**

#### ***Instructions :***

**Begin by identifying the above-50-percent vendors to which the data in the chart refer. Insert the peer group number for the above-50-percent vendors and write it on the line at the top of the chart. All data in the chart should pertain only to the above-50-percent vendors in the peer group and the comparable regular vendors. Complete a separate table for each group of above-50-percent vendors and comparable regular vendors identified in the table 2.**

**Column 1 – Insert the food instrument (FI) type or number and list the foods included on the FI. Include no more than two infant formula food instrument types, but complete the chart using the next most frequently redeemed food instrument types.**

**Column 2 – For each type of FI identified in column 1, insert the number of food instruments redeemed (paid) in June (the calendar month). If the State agency implemented competitive price criteria and allowable reimbursement levels that comply with the new vendor cost containment requirements before June, then select the calendar month before the State agency applied the new competitive price criteria and allowable reimbursement levels.**

**Columns 3 & 4 – Insert the average food instrument redemption amount and the standard deviation for the above-50-percent vendors and for the regular vendors that the State agency has identified in Table 2 as comparable vendors. As an alternative to providing average payments to comparable regular vendors, the State agency may enter average payments to all regular vendors. If the State agency provides data for all regular vendors rather than average payment to comparable vendors, indicate this on the table or in the accompanying narrative.**

**Column 5 – Subtract the amount in column 4 from the amount in column 3 and enter the difference here. If the amount in column 3 is less than that in column 4, enter the difference as a negative dollar amount.**

**Column 6 – Insert the average food instrument redemption amount for above-50-percent vendors *after* the State agency has applied the revised competitive price criteria and allowable reimbursement levels. If the State agency has implemented new competitive price criteria and allowable reimbursement levels before submitting its request for certification to FNS, then the data in column 6 should be actual redemption data for the above-50-percent vendors and comparable regular vendors. Insert the calendar month(s) to which the data pertain. If the State agency does not have actual redemption data, then the State agency must estimate the new average redemption amounts.**

**Column 7 – Insert the average redemption amounts for the corresponding group of comparable vendors. If the State agency has not yet implemented its revised methodologies, insert the target date to which the estimated average redemption amounts would apply. In the narrative that accompanies this data, discuss in detail the rationale for the State agency's estimated average redemption amounts in columns 6 and 7. The average redemption amount for above-50-percent vendors may not exceed the average redemption amount for comparable vendors.**

**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**G. Home Food Delivery Systems**

**DOES NOT APPLY (PROCEED TO NEXT SECTION)**

**1. Home Food Delivery Systems Overview**

**a. Home delivery vendors include (check all that apply):**

- Dairies
- Private delivery service doing WIC business only
- Private delivery service
- Other (specify): \_\_\_\_\_

**b. Participants who receive home food delivery:**

- Are notified in writing of the types and quantities of foods
- Are issued FIs that they sign and provide to the vendor when the food is delivered
- Are delivered not more than a one-month supply of supplemental foods at any one time.
- Indicate by authorized signature on a FI, receipt or signature document, the supplemental foods received
- Other (specify): \_\_\_\_\_

**c. Supplemental foods may be delivered:**

- Only to the participant of record
- To the participant of record or proxy of record
- To any adult at home during time of delivery
- To anyone at home at the time of delivery
- Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

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**2. Documentation**

**a. The forms verifying delivery are reconciled against vendor invoices:**

- Weekly
- Monthly reconciliation of the signed FIs or other signed receipts or signature documents from participant or proxies.
- Other (specify): \_\_\_\_\_

**b. Signatures of participants who sign the food receipt document/FIs are compared to the signature on file.**

- No     Yes, sample     Yes, 100%

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

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## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

### H. Direct Distribution Food Delivery Systems

	Local Agency	Other Sources
Home delivery	<input type="checkbox"/>	<input type="checkbox"/>
Cost-free transportation	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>

(if other, specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix: and/or Procedure Manual (citation):**

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### 3. Warehouse Insurance and Inspections

#### a. Insurance for the warehouse covers (check all that apply):

Theft     Fire     Infestation     Spoilage

Other (specify): \_\_\_\_\_

#### b. Warehouses are inspected by a public authority responsible for enforcing:

Fire safety laws and regulations (specify date and grade of last inspection): \_\_\_\_\_

Sanitation laws and regulations (specify date and grade of last inspection): \_\_\_\_\_

Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix: and/or Procedure Manual (citation):**

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### 4. Monitoring and Inventory Control

**Please describe the State agency's methods for ensuring WIC supplemental foods are under proper inventory control (separation of duties for intake and inventory; stock rotation; performance of perpetual and physical inventory duties; reconciliation against issuance records; etc.).**

**IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL**

**I. Electronic Benefit Transfer (EBT)**

**1. Is EBT implemented statewide?**

- Yes (*Proceed to question 2*)
- No (*Continue to 1.a.*)

**a. Does the State agency have an active EBT Project as of July 31, 2016?**

- Yes     No

**b. Does the State agency follow APD requirements for EBT management and reporting?**

- Yes     No

**c. Does the State plan to meet the October 1, 2020 EBT implementation deadline?**

- Yes     No

**2. What is the State agency policy for permitting replacement cards and transfer of balances per 7 CFR 246.12(bb)(2)?**

A request for a replacement card can be made to the eWIC Processor 24/7. Cards will be mailed no more than 24 hours, M-F, from the time of the request. Cards not received within 7 days of the request, or for other reasons outlined in the State's policy, will be replaced in the clinic. Existing benefits will transfer to the replacement card at the time of issuance.

---

**3. What are the State agency procedures for providing customer service during non-business hours for EBT cards per 7 CFR 246.12(bb)(3)?**

The eWIC Processor will provide customer service 24 hours per day/7 days per week.

---

**4. Does the State agency use the formula for EBT terminal minimum lane coverage in 7 CFR 246.12(z)?**

- Yes     No

**a. If no, please provide the date of the approval as describe the FNS approved alternative installation formula as required per 7 CFR 246.12(z)(2).**

**5. Does the State agency use the NUPC database?**

- Yes     No