



# **Vendor Handbook**



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

NICK LYON  
DIRECTOR

September 12, 2018

RE: WIC Vendor Handbook

Dear Vendor,

Thank you for your participation in the WIC Program.

The Michigan WIC Program is dedicated to partnering with authorized grocery stores in order to provide healthy and nutritious foods for WIC clients, as well as to continually enhance the shopping experience for WIC clients.

In the following pages of this WIC Vendor Handbook, you will find many useful resources and important documents that outline your rights and responsibilities as a WIC Vendor. This Handbook is designed to help store owners, cashiers, managers, and bookkeepers understand the purpose of the WIC Program and your responsibilities as an authorized WIC Vendor.

This Handbook should be kept in your store at all times and made available to management, cashiers, and other staff as a training tool and general WIC resource. You will be sent periodic updates to the existing handbook which will serve to expand or replace existing pages.

If you have any questions regarding the WIC Vendor Handbook, please refer to the "Resources" page for appropriate contact information.

Sincerely,

A handwritten signature in blue ink, reading "Christina M. Herring".

Christina M. Herring  
WIC Division Director

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# **Purpose of the WIC Program**



**Together Growing Stronger Families**

## **INTRODUCTION**

The Michigan WIC Vendor Handbook is a training and reference guide for vendors (grocery stores and pharmacies) that are authorized to accept WIC benefits. The Vendor Handbook is designed to help store owners, cashiers, managers, and bookkeepers understand vendor responsibilities, WIC acceptable foods, minimum stock requirements, and how to process WIC benefits. Please use this handbook to help ensure that your store is in compliance with all policies, procedures, and federal and state rules and regulations.



### **Michigan Department of Health & Human Services – WIC Division**

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320 S. Walnut Street  
Lansing, MI 48913

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[https://www.michigan.gov/mdhhs/0,5885,7-339-71547\\_4910---,00.html](https://www.michigan.gov/mdhhs/0,5885,7-339-71547_4910---,00.html)

### **Issues with your Point of Sale (POS) Device**

Contact Conduent Customer Service at 888-529-1693

**THANK YOU FOR YOUR PARTNERSHIP WITH WIC, THE SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN. AS AN AUTHORIZED WIC VENDOR, YOU FULFILL THE IMPORTANT ROLE OF ENSURING WIC CLIENTS HAVE ACCESS TO THE NUTRITIONAL FOODS THEY ARE PRESCRIBED. IN PARTNERSHIP WITH THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES AND LOCAL HEALTH DEPARTMENTS, YOU WORK TO IMPROVE THE HEALTH OF CITIZENS THROUGHOUT YOUR COMMUNITY AND THE STATE OF MICHIGAN.**

WIC Vendors (Vendors) play an important role in the health of the community. The WIC food packages are designed to supplement the WIC participants' nutritional needs. WIC benefits are distributed using WIC EBT Cards that provide access to food benefits. Vendors ensure that the participants receive only what their benefits allow as indicated on their WIC EBT Card. Vendors act as the final step in the WIC process. The Vendor's role is vital to the success of the WIC Program because the nutritious WIC foods are designed to promote the healthiest possible birth outcomes, as well as improve the growth and development of the community's children.



Vendors may also find that the WIC program makes a substantial contribution to overall food sales. The Michigan WIC Program allows WIC participants/authorized representatives to choose where they shop from all authorized Vendors throughout the state. Most participants/authorized representatives select a Vendor that can also meet the remainder of their shopping needs.

The Michigan WIC Program is committed to partnering with grocery stores to improve access to wholesome food for eligible women, infants and children. To this end, Vendors are required to contract with the Michigan Department of Health and Human Services to accept WIC EBT Benefits at their location, during the regional contracting period. Vendors are responsible for (see WIC Vendor Contract for more information):

- Knowing their contract dates (start and completion)
- Notifying the State WIC office of ANY change in ownership, location, or operating ability (ie: fire, remodel, flood)
- Verifying foods are authorized for purchase. Selling authorized foods in the amounts specified by the WIC Point of Sale Device
- Following all WIC Program rules, regulations, policies, and procedures as outlined in the Contract, WIC Vendor Handbook, Vendor Bulletins, and any additional authorizing materials issued by the Michigan Department of Health & Human Services
- Being responsible for all actions of employees, owners, officers, managers, and agents of your store
- Not turning participants away for reasons other than abusive behavior
- Maintaining minimum stock in all food categories
  - We encourage WIC Vendors to stock as many WIC authorized food items as possible. However, at all times, including the time of the Preauthorization Site Visit and routine Monitoring Visits, the vendors must openly and visibly display in public view for sale the minimum quantities, sizes and types of WIC authorized supplemental food items.

**THANK YOU AND WE LOOK FORWARD TO CONTINUING OUR PARTNERSHIP!**

# Vendor Contracting

## **WIC Vendor Selection Criteria: Appendix A, Section B**

In order to be eligible for consideration an applicant must meet the following requirements:

1. Availability of mandatory minimum stock of specified items with the exception of special infant formulas and the availability of all categories of WIC supplemental foods. (Appendix G)
2. Variety of available WIC authorized foods and accessibility of a store to WIC participants.
3. Competitive prices as determined by the Department.

As a guide, the Department uses the peer group average price of foods as competitive price. In addition, prices for food categories may be compared among vendors serving the same geographic area. The Department may, at its discretion, allow some variation above the peer group average as the competitive price. A WIC Vendor Peer Group description is included in Appendix H.

4. Vendors must have a current valid license issued by the Michigan Department of Agriculture, except in the case of “formula only” pharmacies. Vendors must only purchase infant formula from wholesalers, distributors, and retailers licensed by the Michigan Department of Agriculture or from infant formula manufacturers registered with the Food and Drug Administration.
5. A WIC vendor must be authorized to accept and redeem food stamp benefits and provide documented proof of participation in the Food Stamp Program. A WIC vendor must be in good standing with the USDA Food and Nutrition Service.
6. Lack of any conflict of interest between the vendor and the local agency or the Department as defined by applicable State laws, regulations and policies.
7. Low volume of WIC transactions. A vendor that transacts less than \$2,400 per quarter of WIC EBT transactions will be considered as low volume of WIC transactions and will be treated as lack of demand for a particular store. New vendors will be evaluated after three (3) months of WIC authorization, and will receive a warning if not in compliance with this requirement. If not in compliance with the requirement following a six (6) month evaluation [that is 3 months after receiving the warning], the vendor will be terminated and disqualified.



8. Unless denying authorization of a vendor applicant would result in inadequate participant access the Department will not authorize a vendor applicant if during the past six years the vendor applicant or any of the vendor applicant's current owners, officers, or managers have been convicted of or had a civil judgment entered against them for any activity indicating a lack of business integrity. Activities indicating a lack of business integrity include but are not limited to fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and obstruction of justice.
9. Compliance history with WIC program policies, rules and regulations as applicable and compliance with any prior contract with the Department. In the case of stores owned jointly or by corporations, the Department may evaluate past performance of one or more of the same partners, shareholders, directors or officers at other locations.
10. Review and determination by the Department as to whether the store was sold by its previous owner in an attempt to circumvent a WIC sanction. The Department will consider such factors as to whether the store was sold to a relative by blood or marriage of the previous owner(s) or sold to an individual or organization for less than its fair market value. The Department may also consider other factors in making its determination.
11. Compliance with the price limitations in the amount the Department pays vendors for WIC food instruments.
12. A vendor's total WIC sales for any annual period cannot exceed 50% of the vendor's total annual food sales.
13. A vendor must be a full-line grocery store. A full-line grocery store is defined as:

A store that stocks, and has on hand at all times: In addition to WIC Minimum Stock requirements (Appendix G): (1) at least 1 additional variety of bread or tortillas with 6 or more units of said variety; (2) at least 1 additional variety of brown rice with 6 or more units of said variety; (3) at least 4 varieties of fresh fruits with 5 or more units of each variety; (4) at least 4 varieties of fresh vegetables with 5 or more units of each variety; and (5) at least 4 varieties of fresh meat, poultry or fish with 5 or more units of each variety.

# WIC Pharmacy Requirements



## Grocer with Pharmacy



THIS PHARMACY IS PART OF YOUR GROCERY STORE. IF YOUR STORE HAS AN IN-STORE PHARMACY, YOU SHOULD REFER WIC SHOPPERS THERE TO ORDER MEDICAL FORMULA OR MEDICAL FOOD THAT IS NOT FOUND ON THE GROCERY SHELF.

## Pharmacy Only

- This pharmacy is not associated with a grocery store.
- Stand-alone pharmacies are exempt from the Minimum Stock Requirements
- Stand-alone pharmacies may only accept WIC for infant, child and adult formula or medical food. Other WIC foods (milk,

## **Contract Cycles**

The Michigan WIC Program has separated the state into 3 contract cycles. Vendors in each cycle are issued contracts for a period of 3 years. Interested stores may apply for consideration for a Vendor contract during the Open Application Period commencing January 1 prior to the expiration of the existing contract cycle. While vendors may be issued a contract at times other than the start of a contract cycle, this does not change the contract end date. This means that at its sole discretion, the WIC Program may enter into a contract with a Vendor for a period of time shorter than 3 years. Below is a list of counties by their contract cycle.

Northern contract cycle includes the following counties (Current cycle July 2018-June 2021):

|            |                |              |
|------------|----------------|--------------|
| Alcona     | Gogebic        | Menominee    |
| Alger      | Grand Traverse | Midland      |
| Alpena     | Houghton       | Missaukee    |
| Antrim     | Iosco          | Montmorency  |
| Arenac     | Iron           | Newaygo      |
| Baraga     | Isabella       | Oceana       |
| Benzie     | Kalkaska       | Ogemaw       |
| Charlevoix | Keweenaw       | Ontonagon    |
| Cheboygan  | Lake           | Osceola      |
| Chippewa   | Leelanau       | Oscoda       |
| Clare      | Luce           | Otsego       |
| Crawford   | Mackinac       | Presque Isle |
| Delta      | Manistee       | Roscommon    |
| Dickinson  | Marquette      | Schoolcraft  |
| Emmet      | Mason          | Wexford      |
| Gladwin    | Mecosta        |              |

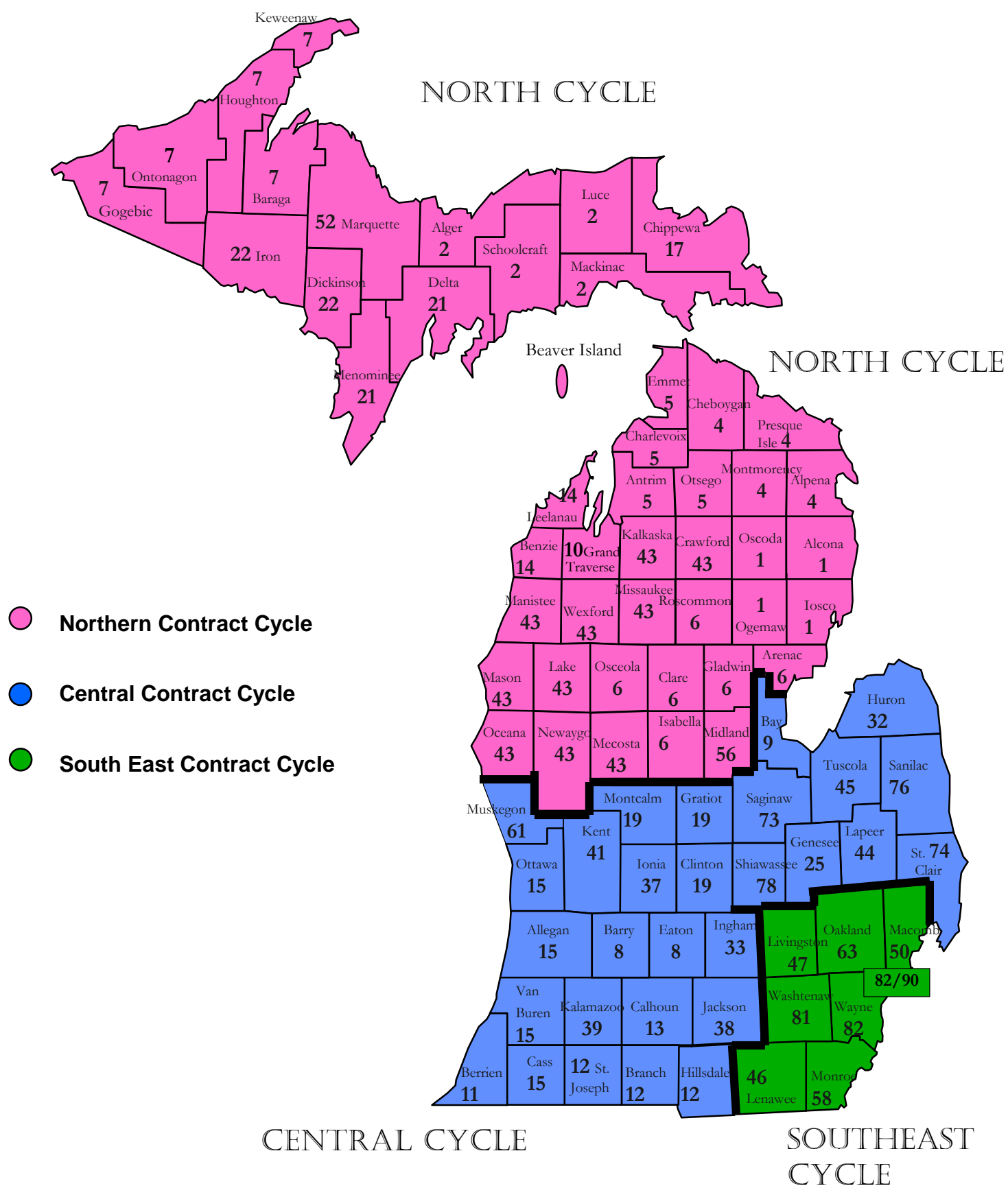
Central contract cycle includes the following counties (Current cycle July 2016- June 2019):

|         |           |            |
|---------|-----------|------------|
| Allegan | Gratiot   | Muskegon   |
| Barry   | Hillsdale | Ottawa     |
| Bay     | Huron     | Saginaw    |
| Berrien | Ingham    | Sanilac    |
| Branch  | Ionia     | Shiawassee |
| Calhoun | Jackson   | St. Clair  |
| Cass    | Kalamazoo | St. Joseph |
| Clinton | Kent      | Tuscola    |
| Eaton   | Lapeer    | Van Buren  |
| Genesee | Montcalm  |            |

South East contract cycle includes the following counties (Current cycle July 2017-June 2020):

|           |            |        |
|-----------|------------|--------|
| Lenawee   | Oakland    | Monroe |
| Washtenaw | Macomb     |        |
| Wayne     | Livingston |        |

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES  
WIC VENDOR CONTRACT CYCLES





## What is Open Application Period?



WIC VENDOR CONTRACTS ARE VALID FOR 3 YEARS. YOU MUST APPLY FOR A NEW CONTRACT AT THE END OF EACH 3 YEAR PERIOD. THIS PERIOD OF APPLICATIONS IS KNOWN AS OPEN APPLICATION PERIOD (OAP).

### How does reauthorization work?

Authorized WIC vendors and interested stores will be sent an application packet before the end of the current contract period. When applying for a new contract, you must complete the application packet with current store/business information. During the reauthorization process, some times that the WIC program will confirm are that you:

- Meet the Michigan WIC Vendor selection criteria
- Have provided current ownership and store information
- Have submitted all required documents with your application
- Maintain minimum stock and variety of WIC foods
- Operate with business integrity

### What happens if I don't complete the reauthorization application?

Failure to submit all necessary documents to the WIC program prior to the end of your contract date will result in expiration of your contract. If the contract expires, you will be unable to process WIC transactions. Contract expiration is not subject to the Administrative Review process.



MDHHS-WIC DIVISION  
WIC VENDOR RELATIONS UNIT  
**PRE-AUTHORIZATION REPORT**

MDARD Food Establishment License #

|  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|

**SITE VISIT VERIFICATION**

- ☐ **Based on an on-site inspection, I certify that the above named vendor is in compliance with the following:**
- All WIC requirements, including minimum stock requirements (MSR)
  - Has prices for all WIC approved foods properly displayed.
  - Based on items carried by vendor and types of transactions accepted, the vendor is not a "WIC only" vendor.
  - The Michigan Department of Agriculture and Rural Development (MDARD) license and the Federal ID number are current.
- ☐ **The vendor does NOT meet the minimum stock requirements as indicated below:**
- ☐ **Pharmacy Only Vendor - minimum stock requirements not applicable.**

| Category                   | Minimum Stock Requirement  |         |                      | Category                               | Minimum Stock Requirement |         |                      |
|----------------------------|--|---------|----------------------|--|---------------------------|---------|----------------------|
|                            | # Required   | Met (✓) | Not Met – # in stock |  | # Required                | Met (✓) | Not Met – # in stock |
| Milk whole                 | 4 gallons  |         |                      | Fresh Fruits                           | 2 varieties               |         |                      |
| Milk low fat/fat free      | 8 gallons  |         |                      | Fresh Vegetables                       | 2 varieties               |         |                      |
| Eggs                       | 5 dozen  |         |                      | Fresh Fruits/Vegetables                | \$25 or 10 lbs            |         |                      |
| Cheese 1 lb pkgs only      | 5 lbs  |         |                      | Peanut Butter 16-18 oz                 | 4 jars                    |         |                      |
| Cereal                     | 12 boxes/6 brands  |         |                      | Bread/Tortillas                        | 6 loaves/packages         |         |                      |
| Cereal                     | 3 brands Whl Grn   |         |                      | Juice 64 oz                            | 2 flavors/10 units        |         |                      |
| Infant Cereal 8 oz only    | 6 containers   |         |                      | Juice 48 oz/11.5/12 oz                 | 2 flavors/5 units         |         |                      |
| Infant Fruits & Vegetables | 72 units total.<br>Minimum 1 variety of single or mixed fruit and 1 variety single or mixed vegetable. |         |                      | Enfamil Infant and/or Gentlease Powder | 12 cans                   |         |                      |

**TRAINING CERTIFICATION** ( ☐ Check if a chain outlet – training to be provided by chain headquarters)

The following items have been explained to the vendor:

- |  |  |
|--|--|
| 1. <input type="checkbox"/> Purpose of the WIC Program<br>2. <input type="checkbox"/> Authorized WIC Foods<br>3. <input type="checkbox"/> Minimum stock requirements<br>4. <input type="checkbox"/> Competitive prices<br>5. <input type="checkbox"/> WIC transaction procedures<br>6. <input type="checkbox"/> Procedures for appealing a reduced payment<br>7. <input type="checkbox"/> Vendor complaint process<br>8. <input type="checkbox"/> Vendor training requirements | 9. <input type="checkbox"/> Responsibility for training employees<br>10. <input type="checkbox"/> Requirement to allow the store to be monitored by the Dept.<br>11. <input type="checkbox"/> Access to WIC records<br>12. <input type="checkbox"/> Infant formula purchase requirements<br>13. <input type="checkbox"/> Vendor survey requirements<br>14. <input type="checkbox"/> Terms of the WIC Vendor Contract<br>15. <input type="checkbox"/> Terms of the WIC Vendor Sanction Policy<br>16. <input type="checkbox"/> Admin. Hearing procedures and Review procedures |
|--|--|

**VENDOR CERTIFICATION** I (the vendor) certify the following:

The above items were explained to me to my satisfaction, and I have received a copy of this report, a copy of the Vendor Sanction Policy, a copy of both the Administrative Hearing Procedures and Administrative Review Procedures and a Vendor Training Kit. I understand I will receive a copy of the WIC Vendor Contract upon execution of the Contract by the Department of Health and Human Services.

|                         |                   |              |             |
|-------------------------|-------------------|--------------|-------------|
| <b>Vendor Signature</b> | <b>Print Name</b> | <b>Title</b> | <b>Date</b> |
|-------------------------|-------------------|--------------|-------------|

|                           |             |
|---------------------------|-------------|
| <b>WIC Vendor Analyst</b> | <b>Date</b> |
|---------------------------|-------------|

The Michigan Department of Health and Human Services (MDHHS) does not discriminate against any individual or group because of race, religion, age, national origin, color, height, weight, marital status, genetic information, sex, sexual orientation, gender identity or expression, political beliefs or disability.

This institution is an equal opportunity provider.



**MICHIGAN DEPARTMENT OF  
HEALTH AND HUMAN SERVICES  
WIC VENDOR CONTRACT AND CERTIFICATION**

**Vendor Number**

Vendor Name (Name of Store  
as it appears on  
building or sign): \_\_\_\_\_

Vendor Retail Address: \_\_\_\_\_  
\_\_\_\_\_

Vendor Mailing Address:  
(only if different than above) \_\_\_\_\_  
\_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

This contract by and between the Michigan Department of Health and Human Services, having a mailing address of 320 S. Walnut, Lansing, MI 48913 hereinafter referred to as the Department and the above named vendor is effective July 1, 2017 and ends June 30, 2020, subject to any amendments prescribed by the Department or until terminated by either party according to Section XV of this contract.

**I. PURPOSE**

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

**II. RETAIL PURCHASE FOOD DELIVERY SYSTEM**

The Michigan WIC Program operates a "Retail Purchase Food Delivery System." This enables WIC clients to go to an authorized store of their choice and shop to obtain supplemental WIC food benefits in exchange for food instruments and complete the transaction at the cash register in accordance with the terms of this contract. Food instruments are defined as WIC EBT transactions that are processed through the use of the Michigan WIC EBT Bridge Card, which includes the WIC shopping list produced by any WIC EBT point of sale device. This also includes Cash Value Benefits (CVB's), which are specific dollar amounts provided to the WIC client's account intended only for the purchase of WIC approved fresh fruits and vegetables. Each authorized store must have a single fixed location.

### **III. RESPONSIBILITIES – VENDOR**

The undersigned vendor agrees to comply with the terms and conditions of this contract, including:

- The WIC Vendor Sanction Policy hereby made a part of this contract
- Federal and State statutes, rules, regulations, policies and procedures, including USDA regulations at 7 CFR 246.1 et. seq.
- The State Plan of Program Operation and Administration governing the WIC Program, including any subsequent changes made during the contract period and hereby made a part of this contract.

In the instance of chain store ownership (multiple outlets on one contract), a list shall be attached to this contract containing the specific names and addresses of the outlets covered under this contract along with the store managers name and other pertinent information.

#### **THE VENDOR AGREES TO:**

1. Accept training of the storeowner, manager and/or an authorized representative such as the head cashier on WIC Program regulations, policies and procedures as required. Annual vendor training may be provided by the Department by newsletters, videos, letters, interactive training or through other formats. At least once during the contract period the vendor must send a representative to a group or interactive training scheduled by the Department. Vendors contracted as chain stores must also send a chain headquarter representative to group or interactive training. The chain headquarters is then responsible for providing required training to each authorized outlet.
2. Inform, train and update cashiers and other staff on WIC Program requirements and ensure that all cashiers and other staff are knowledgeable regarding procedures set forth in the most recent publication of the “Michigan WIC Program Vendor Guidebook” and Michigan WIC EBT Manual, hereby made a part of this contract and current State Plan of Program Operation, including any revisions or supplements issued by the Department.
3. Be responsible and accountable for its owners, officers, managers, agents and employees in the processing of WIC EBT transactions and the provision of WIC Program authorized supplemental foods (hereafter called WIC foods) and assure that they are in compliance with WIC Program requirements.
4. Be accountable for its owners, officers, managers, agents and employees who commit vendor violations.
5. Provide only currently authorized WIC foods in exchange for valid food benefits issued by any authorized Local or State Agency as designated by the Department, according to Federal and State requirements as follows:



- A. Stock WIC authorized foods as designated on the current approved Michigan WIC Vendor Food List except for pharmacies as set forth in Section IX of this contract. The vendor shall carry as many as possible of the WIC approved types and brands of foods in all categories and have in stock at minimum, at all times, all mandatory minimum stock items listed on the most current Mandatory Minimum Stock Requirements sheet provided with the application. (Note: The Department may issue revisions to the mandatory Minimum Stock Requirements as determined necessary.)
- B. Ensure that WIC authorized foods are not spoiled, expired or outdated and are sold to WIC clients before the expiration date for those foods.
- C. Provide only WIC authorized supplemental foods to WIC clients in exchange for WIC food benefits.
- D. Offer WIC clients the same courtesies offered to other customers.
- E. Requiring WIC clients to use special checkout lanes with exception of WIC EBT equipped lanes.
- F. Ensure all incentives (such as free merchandise) offered to WIC clients to redeem their WIC benefits at your store are also offered to all other customers.

Vendors are not allowed to offer ANY incentives for the purpose of attracting WIC clients only. Incentives offered to WIC clients must be the same as offered to all customers. Incentives may include in-store credit,

Vendors are strictly prohibited from offering cash, alcohol, tobacco or lottery to WIC clients as an incentive, even if these items are being offered to non-WIC customers.

- G. Never give WIC client's cash in exchange for redeeming their food benefits.
- H. Never demand that WIC clients purchase the full amount of WIC foods authorized on the food instrument (WIC EBT shopping list).
- I. Allow up to the full amount of WIC authorized foods specified on the WIC EBT shopping list.
- J. Never limit WIC clients in their choices of WIC authorized foods (e.g., never require purchase of a particular store brand).
- K. Never provide credit, rain checks, due bills or other similar receipts for WIC authorized foods not obtained at the time of the transaction.
- L. Never substitute one WIC authorized food for another (e.g., evaporated milk for infant formula).
- M. Never substitute a non-WIC food item for a WIC authorized food item.

- N. Never allow the return of food purchased with food instruments in exchange for cash.
  - O. Never allow the return of WIC authorized foods in exchange for food(s) not authorized by WIC or other WIC authorized food(s) except for exchanges of an identical WIC authorized food item when the original authorized food item is defective, spoiled, or has exceeded its "sell by", "best if used by" or other date limiting the sale or use of the food item. An identical WIC authorized food item is defined as the exact brand, type and size and UPC code (if available) of the original WIC authorized supplemental food item obtained and returned by the client (e.g., a one gallon container of X brand of whole milk that was spoiled at time of purchase for an identical one gallon container of X brand of whole milk).
  - P. Assure that only WIC approved fresh fruits and vegetables are sold in exchange for the cash value benefit amount listed on the WIC clients shopping list.
  - Q. Never buy or sell food instruments for cash (trafficking).
  - R. Never allow the sale of non-food items, alcohol, alcoholic beverages or tobacco products in exchange for food instruments.
  - S. Never allow the sale of firearms, ammunition, explosives or controlled substances as defined in 21 U.S.C. 802 in exchange for food instruments.
6. Clearly mark the price of WIC authorized foods on the item, container, shelf or sign, in compliance with all Federal and State laws regarding the pricing of food items.
7. Accept food instruments and redeem WIC food benefits in accordance with the procedures as set forth in the most recent publication of the "Michigan WIC Program Vendor Guidebook, the Michigan WIC EBT Manual including any revisions or supplements issued by the Department, and as set forth below:
- A. Vendor must allow only those food items specifically listed on the client's WIC EBT shopping list.
  - B. WIC clients must receive the food item that corresponds specifically to the UPC code scanned by the vendor during the transaction.
  - C. Vendor must scan (or manually enter) the actual UPC code that is affixed to the item actually being purchased by the WIC client.
  - D. Vendor is prohibited from scanning any UPC code that is not affixed to the actual item being purchased by the WIC client, or any UPC code as a substitute, replacement or otherwise not actually affixed to the actual item being purchased by the WIC client.

- E. Vendor must assure that the price affixed to the scanned UPC code in the point of sale device is not greater than the price displayed on the package, container, shelf or other signage in the store for the purchased item. This may be verified by a Department representative scanning the actual UPC code affixed to a WIC approved item and comparing that price to the price marked on the package, container, shelf or other signage of that same item.
  - F. Vendor is responsible for updating price changes in the point of sale device including, but not limited to, changes due to sales or other promotions, to ensure compliance with item E above.
- 8. Maintain prices for WIC foods which are competitive as determined by the Department.
  - 9. Provide each WIC food item at the “current shelf price” or at less than the “current shelf price” charged to other customers, and charge the WIC Program for only those food items actually received by the client. The “current shelf price” (UPC based) is the price marked on the item, shelf, container, or sign or “sale price” offered to non-WIC customers.
  - 10. The WIC logo or acronym may only be used in accordance with the following:

The WIC Logo is any stylized representation of a silhouette depicting a woman holding an infant, or other variations of silhouettes depicting various types of WIC clients. The WIC acronym are the letters W-I-C placed in sequence and represents the WIC Program as defined in Section I.

- A. Never place stickers, tags, or labels that include either the WIC logo or acronym on individual packages.
  - B. Never place stickers, tags, or labels that include either the WIC logo or acronym in a location to indicate or suggest that a non-WIC food item is WIC approved.
  - C. The WIC acronym or logo may not be used in manufacturer advertising or by vendors in their names or in advertising or promotional literature other than to inform the public that the vendor is WIC-authorized.
  - D. The WIC acronym or logo may not be used in manufacturer or vendor advertising in any manner likely to cause confusion, mistake, or deception as to the affiliation, connection, or association of a manufacturer or vendor with the WIC Program, or as to the sponsorship or approval of a manufacturer's or vendor's goods, services, advertising, or commercial activities, including nutritional message(s), by the WIC Program or USDA.
- 11. Always display to the public that the vendor is authorized to participate in the WIC Program and accept WIC food instruments.
  - 12. Submit the WIC Vendor Survey as required by the Department.

13. Ensure that no conflict of interest exists between the vendor and the Department or its Local Agencies as defined by applicable State laws, regulations and policies.
14. Notify the Department in writing immediately if there is a change in the vendor's Federal Identification Number, the vendor changes ownership, changes the name of the store, or changes their address or location.
15. Notify the Department in writing immediately if the vendor ceases business operation for any reason.
16. Never collect sales tax on WIC purchases.
17. Never allow total sales from WIC during any annual period to be greater than 50% of the annual gross food sales. Also, the vendor must notify the Department in writing immediately, if annual sales from WIC for any annual period is greater than 50% of the annual gross food sales.
18. Comply with all Federal Regulations including the United States Department of Agriculture Regulations at 7 CFR 246, State laws, rules and regulations as they relate to WIC vendors.
19. Never contact or seek restitution from clients for foods not paid by the Department or charge WIC clients for foods obtained with food instruments.
20. Maintain required records for three (3) years after final payment is received or after all pending matters are resolved, whichever time period is greater. This includes the vendor's purchase and inventory records for authorized WIC food items for which the vendor has claimed reimbursement from the WIC Program.
21. Make available to representatives of the Department of Health and Human Services, the United States Department of Agriculture, Department of the Attorney General, the Comptroller General of the United States, or any law enforcement agency at any reasonable time and place as determined by the Department, for inspection and audit, all food instruments and program related records, including electronic records.
22. Permit unannounced visits by Local, State or Federal Agency representatives to review adherence to WIC Program policy and procedures including prices of WIC food items.
23. Upon request, provide access to all WIC transaction information on hand, including receipts, shelf price records, vendor inventory records and any other WIC records during a monitoring visit by an authorized State or Federal Agency representative
24. Assure that WIC clients are not discriminated against on the basis of race, color, national origin, sex, age, or disability.
25. Be licensed as a Retail Food Establishment and be in good standing with the Michigan Department of Agriculture and Rural Development.
26. Have approval to redeem SNAP (Food Stamp) benefits and be in good standing with the USDA Food and Nutrition Service.

#### IV. PURCHASE AND INVENTORY RECORD REQUIREMENTS

Vendors must maintain purchase and inventory records as described below and make said records available to the Department upon request.

Purchase records or invoices shall reflect the following:

- name and address of the supplier or wholesaler
- date of the purchase
- list of the items purchased including, size, stock number, UPC code (if available), quantity and unit price.
- sales receipts for WIC foods purchased at retail grocer (for resale by the vendor) must include the name and address of the store, the date of purchase, description of the exact items purchased (e.g. 12 oz. Total cereal), the unit price of the items and the total quantity purchased.

The following criteria must also be met regarding the acceptability of purchase and inventory records for WIC review purposes.

1. Receipts, which do not completely describe the actual item, shall have computer codes, which can be verified by contacting the store at which the merchandise was purchased.
2. All receipts from purchases at retail establishments must be machine dated by the establishment. Hand dated retail store receipts are not acceptable.
3. Affidavits, Statements of Fact and oral statements shall not be accepted as evidence of inventory. Only purchase invoices or retail receipts as described in this section shall be accepted and constitute evidence of inventory.
4. Vendors must only purchase infant formula from wholesalers, distributors, and retailers licensed by the Michigan Department of Agriculture and Rural Development or from infant formula manufacturers registered with the Food and Drug Administration.

#### V. INDEPENDENT CONTRACTOR

The vendor shall be considered an independent contractor and not as an employee or agent of the Department in carrying out the terms of this contract.

#### VI. NOT A LICENSE/PROPERTY INTEREST

This Vendor Contract does not constitute a license or a property interest. If the vendor wishes to continue to be authorized beyond the period of its current contract, the vendor must reapply for authorization. If a vendor is disqualified, the Department will terminate this contract and the vendor must then re-apply in order to be considered for WIC authorization after the disqualification period is over. In all cases, the vendor's new request for WIC authorization will be subject to the Department's vendor selection criteria and any vendor limiting criteria in effect at the time of application.

**VII. COMPLIANCE WITH VENDOR SELECTION CRITERIA**

The vendor must comply with the vendor selection criteria throughout the contract period, including any changes to the criteria. Using the current vendor selection criteria, the Department may reassess the vendor at any time during the contract period. The Department may terminate the Vendor Contract and disqualify the vendor per the Sanction Policy if the vendor fails to meet the current vendor selection criteria.

**VIII. RESPONSIBILITIES – DEPARTMENT**

THE DEPARTMENT SHALL:

1. Supply the vendor with the most recent copy of the Michigan WIC Program Vendor Guidebook, the Michigan WIC EBT Manual, the WIC Vendor Sanction Policy and, as requested, the Administrative Review Procedures for Vendors.
2. Assure that WIC clients are informed of the proper food benefit redemption procedures and use of WIC food instruments through Local Agencies.
3. Maintain a system through Local Agencies to assure that WIC food benefits are provided only for qualified women, infants and children.
4. Keep the vendor informed of the requirements as set forth by the U.S. Department of Agriculture WIC Program regulations, the Michigan Department of Health and Human Services Policy regarding implementation of the WIC Program including vendor relations and compliance policy; and notify the vendor in writing of any changes in the current approved WIC foods or any other changes which affect food benefit redemption or program requirements.
5. Provide interactive training at least once during each contract period for the vendor to obtain information on WIC Program policies, procedures and updates.
6. Monitor the vendor for possible violations of Federal and State laws and WIC Program rules, regulations and procedures. Monitoring includes, but is not limited to, routine monitoring visits, undercover compliance buys and inventory audits.
7. Enforce compliance with Federal and State laws, rules, regulations, policy and procedures of the WIC Program through sanctions against the vendor as described in the Department's most recent WIC Vendor Sanction Policy or subsequent revisions that are incorporated as part of this contract or as prescribed by law.
8. Assure, through Local Agencies that each client is issued a valid Michigan WIC Bridge Card in accordance with procedures described in the most current publication of the Michigan WIC Program Vendor Guidebook and Michigan WIC EBT Manual, including any revisions or supplements issued by the Department.
9. Make payments to the vendor in accordance with the food benefit redemption procedures set forth in this contract, the Michigan WIC Program Vendor Guidebook and the Michigan WIC EBT Manual, and subsequent revisions.

IX. LIMITED CONTRACTS

Pharmacies may be issued a Limited Contract to provide infant formula only. If a vendor is contracted to provide infant formula only, any reference to "WIC foods" in this contract shall be interpreted as "infant formula only." All other provisions in this contract remain the same.

X. RENEWABILITY

This contract is in effect for the period indicated on page 1. Neither the Department nor the vendor is under any obligation to renew this contract. Expiration of this contract shall not be subject to Appeal or Administrative Review.

XI. NON-TRANSFERABILITY

This contract is between the Department and the vendor named herein, and is not transferable between owners or establishments. The vendor must notify the Department immediately of a change of ownership or change of location of retail operations.

XII. CHAIN STORES

Only those outlets specified on the attachment to this contract are authorized to accept WIC food instruments.

XIII. LIMITATION POLICY

The approval of this contract is subject to the availability of funds.

The Department reserves the right to limit the number of vendors authorized for the WIC Program in accordance with the most recent Limitation Policy and Selection Plan. The criteria applied to determine the number of vendors needed within a specified area may include, but are not limited to, the ratio of vendors to WIC clients, the distance between vendors and client accessibility.

XIV. VENDOR PAYMENTS AND CLAIMS

The Department, subject to the terms of this contract, shall provide payment for WIC food instruments validly transacted and redeemed. Payment may be denied for WIC food instruments including WIC EBT card benefits not completed, transacted or redeemed in accordance with Department policies and procedures outlined in this agreement and in the most recent publication of the "Michigan WIC EBT Vendor Manual" and the "Michigan WIC Program Vendor Guidebook", including any revisions or supplements issued by the Department.

The vendor must maintain prices for WIC foods which are competitive with other similar vendors. The Department shall not pay the vendor more than the competitive price limitations applicable to the vendor. Competitive price limitations will be determined by the maximum price calculated for that food item. If the requested price exceeds the max price, vendors will be paid the max price. The vendor will not be sent any notification when this occurs.

Should improper use or redemption of WIC food benefits be determined following payment, claims may be made against the vendor for amount(s) equal to the total price for which the vendor received payment on the WIC food benefit. If a claim is assessed against a vendor after an improper WIC food benefit has been paid, the Department may offset future payments to the vendor for the amount of the claim. In addition to denying a payment or assessing a claim, the Department may sanction a vendor for vendor overcharges or other violations or errors in accordance with the Vendor Sanction Policy.

The vendor shall register with Project Main upon request by the Department or other State, Federal or law enforcement agency.

XV. EXPIRATION, TERMINATION AND DISQUALIFICATION

Expiration is when a contract between the Department and the vendor ceases to be effective because the end date as specified in the contract has been reached. This is not subject to Appeal or Administrative Review.

Termination is the ending by either party of the contract between the Department and the authorized food vendor. Notification of the termination action shall be mailed to the affected party at least 21 calendar days in advance of the effective date of the action as appropriate (except in the case of 15 day termination orders as stated in the Administrative Hearing Procedures for Vendors).

Disqualification is an action taken by the Department for ending the vendor's eligibility to participate in the WIC Program for a specific period of time or permanently, for cause.

Reasons for termination or termination and disqualification by the Department include, but are not limited to:

1. Failure of the vendor to comply with conditions and responsibilities set forth in this contract, the most recent Federal Regulations at 7 CFR 246, the most recent State Plan of Program Operation and Administration and the most recent Vendor Sanction Policy and subsequent revisions to these documents.
2. Civil money penalty in lieu of disqualification

The Department may impose a civil money penalty in lieu of disqualification if it is determined that such disqualification will have an adverse impact on accessibility to WIC approved foods by area clients. The Department will not impose a civil money penalty in lieu of permanent disqualification for vendors convicted of trafficking in food instruments or selling firearms, ammunition, explosives, or controlled substances (as defined in Section 102 of the Controlled Substance Act (21 USC 802) in exchange for food benefits.



**XVI. ADMINISTRATIVE REVIEW PROCEDURES**

The vendor has the right to an Administrative Hearing or an Administrative Review of certain adverse actions by the Department which result in denial of an application, termination of this contract or disqualification from the WIC Program as stated in the Administrative Hearing Procedures for Vendors and the Administrative Review Procedures hereby made a part of this contract. Copies of the Administrative Hearing Procedures for Vendors and the Administrative Review Procedures are available upon written request to:

Michigan Department of Health and Human Services  
WIC Vendor Management and Operations Section  
320 S. Walnut  
Lansing, MI 48913

The Administrative Hearing Procedures for Vendors and the Administrative Review Procedures will be provided to the vendor, as applicable, along with an adverse action that is subject to an Administrative Hearing or an Administrative Review. Questions regarding the Michigan Department of Health and Human Services Administrative Hearing Procedures for Vendors or Administrative Review Procedures should be directed by telephone at 1-877-833-0870 or to:

State Office of Administrative Hearings and Rules  
For The Department of Health and Human Services,  
P.O. Box 30763  
Lansing, MI 48909

**XVII. PENALTY**

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

**XVIII. SEVERABILITY**

If any provision of this contract or any provision of any document attached to or incorporated by reference is waived or held to be invalid, such waiver or invalidity shall not affect other provisions of this agreement.

If this contract is terminated due to voluntary withdrawal or store closure, such termination is not subject to appeal. This includes ceasing operation for any reason except, upon written notification to the Department, temporary closure resulting from casualty losses, natural disaster, or renovation for improvements as set out in the State Plan of Program Operation and Administration and any subsequent revisions. In accordance with Federal Regulations, this contract shall not be eligible for termination due to voluntary withdrawal if it is determined by the Department that such termination is for the purpose of circumventing a sanction.

**XIX. ASSURANCES**

Assurance is hereby given to the Department that in accordance with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et. seq.), Section 504 of the Rehabilitation Act of 1973 (29 USC 706), the Regulations issued thereunder by the U.S. Department of Health and Human Services (45 CFR Parts 80, 84, 86 and 91), the Age Discrimination Act of 1975 (42 USC 6101 et. seq.), the Michigan Handicapper's Civil Rights Act (1976 PA 220), the Elliott-Larson Civil Rights Act (1976 PA 453), the United States Department of Agriculture regulations regarding nondiscrimination at 7 CFR Parts 15, 15a and 15b, assure that no individual shall be excluded from participation, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity provided by this vendor. on the basis of race, age, color, national origin, sex, age or disability.

Assurance is hereby given to the Department that the Vendor will comply with Federal Regulation 45 CFR Part 76 regarding debarment and suspension and certifies to the best of its knowledge and belief that the Vendor:

1. Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Agency or Contractor.
2. Within a three-year period preceding this contract, has not been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or Local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property
3. Is not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or Local) with commission of any offenses.
4. Within a three-year period preceding this contract, has not had one or more public transactions (Federal, State or Local) terminated for cause or default.

**XX. PREVIOUS CONTRACT VIOLATIONS – CARRY-OVER**

Violations of the WIC Program, which occurred during the previous contract period, if any, may be carried over and used as a basis for termination and/or disqualification or other sanctions under any subsequent contracts, in accordance with the most recent WIC Vendor Sanction Policy.

XXI. SPECIAL CERTIFICATION

The vendor, through signature of the owner or an authorized representative accepts all terms of this contract. The individuals signing this contract certify that they are authorized to sign the contract on behalf of the vendor and the Department, respectively, and that all information provided on the vendor application is true, accurate and complete. This contract becomes valid only upon signature by an authorized representative of the Department and receipt by the vendor of an executed copy along with a vendor number for each store.

**VENDOR – Please complete all 4 areas below marked with an X:**

|                                      |                  |
|--------------------------------------|------------------|
| <b>X</b> _____                       | <b>X</b> _____   |
| Print Your Name (NOT the store name) | Print Your Title |
| <b>X</b> _____                       | <b>X</b> _____   |
| Signature                            | Date             |

\*\*\*\*\* **WIC OFFICE USE ONLY** \*\*\*\*\*

***DO NOT WRITE IN THIS BOX***

**MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES:**

**Recommended By:**

|             |              |
|-------------|--------------|
| _____       | _____        |
| <b>Name</b> | <b>Title</b> |

|                  |             |
|------------------|-------------|
| _____            | _____       |
| <b>Signature</b> | <b>Date</b> |

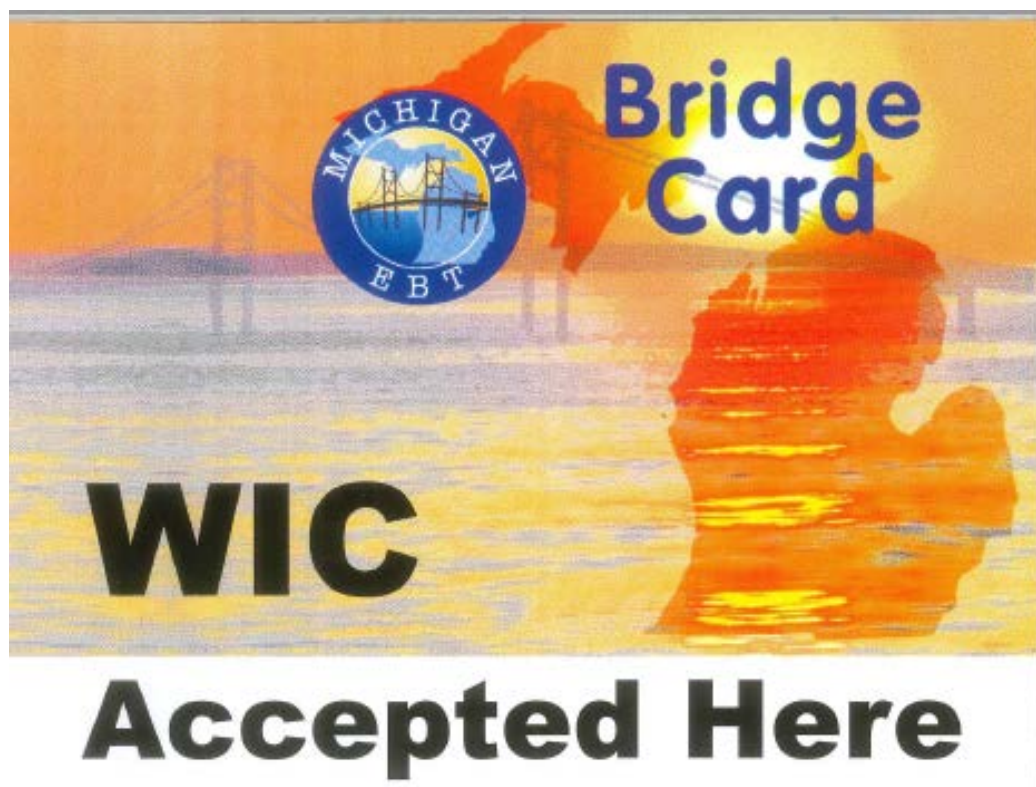
**WIC Vendor Management & Operations Approval By:**

|                  |             |
|------------------|-------------|
| _____            | _____       |
| <b>Signature</b> | <b>Date</b> |

# The WIC Decals/Window Stickers

The purpose of the WIC decal is to allow WIC participants/authorized representatives to easily identify your store as an authorized Michigan WIC Program Vendor. The decal is available in English and Spanish and must be posted in a location that is visible to the participants/authorized representatives. The Department will provide at least one English and one Spanish decal at the time of initial authorization. An additional supply may be requested.

An example of the WIC decal is shown below.





**Additional Option for Door/Window Decal notifying the public WIC benefits may be redeemed at this location**

# **WIC Authorized Foods**

## WIC VENDOR MINIMUM STOCK REQUIREMENTS

**EFFECTIVE 12-26-2018**

Vendors are strongly encouraged to stock as many varieties of WIC approved foods as possible. If possible, please make the following items available upon request:  
Infant meat, tuna, pink salmon, brown rice, whole wheat/whole grain pasta, 15-16 oz. canned beans, dry beans, lentils, or peas, soy beverage, lactose free milk, evaporated milk, non-fat dry milk, 2% reduced fat milk, low fat and nonfat yogurt.

### A WIC VENDOR MUST HAVE, AT A MINIMUM, THE FOLLOWING FOOD ITEMS IN STOCK AT ALL TIMES:

| CATEGORY                            | TYPE OR BRAND  | QUANTITY   |
|-------------------------------------|--|--|
| INFANT FORMULA                      | 12.5 oz. can powder Enfamil Infant AND/OR 12.4 oz. can powder Enfamil Gentlease.<br>13 oz. concentrate Enfamil Infant must be made available upon request.   | 12 Cans Total of Powder  |
| INFANT FRUITS AND INFANT VEGETABLES | 4 oz. glass jar AND/OR 4 oz. 2-pack plastic tub only.<br>WIC approved brands are Beech-Nut, Gerber, Meijer Baby or Tippy Toes.<br>-Any variety single fruit or vegetable (ex. apple sauce, sweet peas);<br>-Any variety mixed fruits and/or vegetables (ex. apples & bananas, mixed vegetables).<br>-Fruits and vegetables mixed in the same container <b>DO NOT</b> count toward the minimum stock requirements.<br>(For example, apples and sweet potatoes mixed together do not count for minimum stock purposes)<br><b>Not Allowed:</b> Organic; added meat, sugar, salt or DHA; dinners; desserts; yogurt blends, added cereal, flour or starches; squeeze pouches.   | 72 Units Total<br>At least one variety of single or mixed fruit <b>AND</b> one variety of single or mixed vegetable  |
| INFANT CEREAL                       | Any brand 8 oz. box/container, dry infant cereal without fruit, formula or DHA/ARA.  | 6 Boxes/Containers   |
| FRESH FRUITS & VEGETABLES           | Any combination of fresh fruits and vegetables except those listed in the WIC Food Guide as not allowed. Must carry at least 2 varieties of fresh fruits AND 2 varieties of fresh vegetables.<br>- Minimum stock requirements are measured as the total amount of all fresh fruits and vegetables on hand.<br>- Varieties of fruit within the same family count as one variety. For example: green and red grapes count only as grapes.<br>- For minimum stock purposes, white potatoes <b>DO NOT</b> count towards the minimum stock requirements. Yams and sweet potatoes DO count towards the minimum stock requirements. Lemons and limes count only as one variety.<br><b>Not Allowed:</b> Pre-cut fruits and vegetables with added preservatives (ex. sliced apples with ascorbic acid); fruit baskets; fruit or vegetable party trays; herbs or spices. | \$25 Retail Value<br>OR 10 Pounds<br>Vendors that prefer to only meet the 10 pound requirement must make equipment available to weigh fruits and vegetables. |
| MILK                                | Any brand of Whole, Low Fat (1%, ½%) or Fat Free (skim).<br><b>Not Allowed:</b> Chocolate or flavored milk, glass bottles, organic milk, Vitamite, Guernsey or value added milk.   | 4 Gallons Whole Milk <b>AND</b><br>8 Gallons Low Fat or Fat Free Milk  |
| CHEESE                              | Any brand U.S. made real cheese in the types listed in the WIC Food Guide. Must be pre-packaged in <u>16 oz. size only</u> . No other sizes allowed. Must be labeled with type of cheese, weight and price.<br><b>Not Allowed:</b> Individually wrapped slices (singles), sticks or strings; sliced cheese except American. See WIC Food Guide for other types of cheese that are not allowed.   | 5 Pounds   |
| EGGS                                | Any brand and size of eggs listed in the WIC Food Guide. <u>1 dozen size only</u> .  | 5 Dozen  |
| CEREAL                              | At least 6 brands in approved sizes only. At least 3 of the 6 brands must be whole grain.<br>See WIC Food Guide for allowed brands and sizes of cereal, including those that are whole grain.  | 12 Boxes   |
| BREAD                               | Any combination of 16 oz. loaves of whole grain bread and/or 16 oz. packages of tortillas.<br>See WIC Food Guide for allowed brands of bread and tortillas.  | 6 Loaves and/or Packages   |
| JUICE                               | At least 2 flavors in 64 oz. bottles AND 2 flavors in 48 oz. bottles and/or 11.5 – 12 oz. concentrate.<br>See WIC Food Guide for allowed brands, flavors and sizes.  | 10 Bottles 64 oz <b>AND</b> 5 Bottles 48 oz and/or 11.5-12 oz conc.  |
| PEANUT BUTTER                       | Any brand (smooth, creamy, crunchy, extra crunchy) 16-18 oz. jar only. No specialty brands.  | 4 Jars   |

See the Michigan WIC Food Guide to determine the specific WIC allowed brands, types and sizes.

Only those items listed on the most recent Michigan WIC Food Guide will be counted toward the mandatory minimum stock requirements listed above.





# Fresh Fruits & Vegetables

In 2008 changes were put into place by the U.S.D.A. by allocating a certain dollar amount to purchase fresh fruits and vegetables with each food benefit package.

This is referred to as cash value benefit or CVB.

The process of handling the purchase of these items is different than normal WIC items for vendors with stand alone POS devices.

## At the register:

- The cashier will key enter the generic **PLU #4469** in the WIC POS for ANY WIC approved fresh fruit and vegetable. The amount requested on the POS will be the price of the item or items in dollars and cents.
- Should the cost of the fresh fruits and vegetables entered into the POS exceed the dollar amount of benefits available to the client at that time, the client's remaining balance will display on the screen "Not Enough Benefits (\$X.XX) Left."
- In these instances, the cashier must then settle the excess amount with the client, either by returning products or **selecting alternate tender**
- This alternate tender can be whatever the vendor accepts (i.e. cash, check, Food Stamp Bridge Card, credit or debit card) and the client decides to use. **This is called split tender.**
- If the client is willing to tender the difference in cost, the available balance will be entered in the WIC POS terminal for payment by the WIC Program.

- **ALWAYS** use the **4469 PLU** code to ring up the dollar amount spent for fresh fruits and fresh vegetables, regardless of type of packaging. **NEVER** scan a UPC, even if there is one on the package.
- The **4469 PLU** code must be used for fresh fruits and vegetables **ONLY**. To use it for anything else is a violation of your WIC Contract.



## **FRESH FRUITS AND VEGETABLES – INFORMATION SHEET**

### **Authorized Products**

Any variety of fresh whole or cut fruit or vegetable without added sweetener or fat, except the following:

- No party trays with dip, dressing or other added food items
- No fruit baskets
- No fruit & nut mixtures,
- No fruit or vegetables from salad bars,
- No herbs, spices, edible blossoms or flowers (broccoli, cauliflower, artichoke are allowed),
- No ornamental or decorative fruits such as chili peppers or garlic on a string, gourds or painted pumpkins.

### **Processing a WIC EBT Transaction**

In the WIC EBT process, the sale of fresh fruits and vegetables for WIC clients will be based on the dollar amount of fresh fruits and vegetables being sold (known as Cash Value Benefits). WIC eligible clients will be issued a dollar amount each month on their WIC Bridge Card to be used only for purchasing authorized fresh fruits and vegetables. The procedures you will use to sell fresh fruits and vegetables using your existing EBT POS device will be sent to you by ACS in mid-July.

### **Minimum Stock Requirements**

Per the attached Minimum Stock Requirements sheet, you will be required to carry at least \$25.00 retail OR 10 pounds of authorized fresh fruits and vegetables at all times. You may select which requirement you will meet. If you only choose to meet the requirement of 10 pounds of fresh fruits and vegetables, you must have a weight scale available in your store. Estimating the weight of your fresh fruits and vegetables is not acceptable.

If you do not have a weight scale available in your store, you must carry at least \$25.00 worth (retail value) of fresh fruits and vegetables. You may want to consider pricing your items so that it is easy for WIC clients to determine the dollar value of their purchase. Please see the new Minimum Stock Requirements sheet regarding details for which items will be authorized.

USDA recently notified all states that they must now allow white potatoes to be eligible for purchase with the WIC cash value benefit. The Michigan WIC Program implemented this required change effective May 1, 2015. White potatoes include varieties like Idaho, russet, Yukon gold, yellow, red and fingerling.

White potatoes WILL NOT count toward the minimum inventory requirement.

### **Exchanges & Refunds**

The current policy states that the refunding of any food items purchased using WIC benefits is strictly prohibited. This policy will also apply to fresh fruits and vegetables. Exchanges will only be allowed if the original purchase included expired or spoiled fruits or vegetables. During the exchange, WIC clients should obtain the same items as originally intended. However, if that specific item is not available, they may select another WIC approved fresh fruit or vegetable in exchange for the spoiled/expired items.

Also, there should be no cash or EBT involved with an exchange. The dollar amount spent during the original transaction should be the identical dollar amount obtained by the WIC client in the exchange. As is currently the case, the issuance of credit or rain checks is prohibited. The exchange should occur as if the original transaction was successful and no exchange was needed.

# Responsibilities



# WIC at the Register

## Transaction

- Participant/Authorized Representative shops at an authorized WIC vendor
- Participant proceeds to checkout lane and identifies the form of tender as WIC
- Cashier swipes WIC card and prints benefit balance
- All items scanned in the POS and then cashier hits the key to tender WIC
  - Cashier must scan/manually enter the actual UPC code of the WIC items being purchased
- Cashier gives the WIC participant the choice to continue with the transaction, once approved by the participant/authorized representative, the food quantities are debited off the WIC EBT Card
- If the participant/authorized representative cancels the transaction, the cashier can remove these items from the transaction
- Cashier completes transaction
  - WIC is tendered first, and the food quantities are debited off the card.. Any remaining foods need to be tendered with another form of payment for the transaction to be completed.
    - **Split Tender- For fruits and vegetables:**
      - Should the cost of the fresh fruits and vegetables entered into the POS exceed the dollar amount of benefits available to the client at that time, the client's remaining balance will display on the screen "Not Enough Benefits (\$X.XX) Left."
      - In these instances, the cashier must then settle the excess amount with the client, either by returning products or selecting alternate tender
  - Cashier will give the participant the store receipt showing all items that were purchased and ending balance.
- If you believe that a food item is WIC approved, but is not scanning in your POS device, you may submit a UPC request form via Fax to 517-335-9514.

# Michigan Department of Health and Human Services

## WIC Division

### UPC Request Form

Instructions: Complete the items in the Vendor Information area. Print or type information, and Fax to: (517) 335-9206. Questions should be directed to 1-800-942-1636 for Vendor Assistance. If fax not available mail to: MDHHS, Lewis Cass Bldg - WIC, 320 S Walnut, Lansing, MI 48913. **Telephone requests will not be allowed.**

| <b>Vendor Information</b>   |           |                    |
|---|-----------|--------------------|
| Vendor Name:  |           | Vendor WIC Number: |
| Address:  |           | Phone Number:      |
| City:   | ZIP Code: | Fax Number:        |
| <b>Product Information</b>  |           |                    |
| Food Item:<br>(Example: Milk, cheese, tuna etc.)  |           | Item Price:        |
|   |           | Package Size (oz)  |
| Name of Manufacturer:   |           |                    |
| Food Brand Name:  |           |                    |
| UPC Code: (include all numbers)   |           |                    |
| Food Description: (Example: Flavor, Type, Added ingredient, Etc)                              |           |                    |
| Copy of UPC Code & Label of food item sent:      YES              NO      (Please Circle one) |           |                    |
| Authorized Vendor: <b>(PLEASE PRINT)</b>  |           |                    |
| Authorized Vendor Signature:  |           | Date:              |

| <b>STATE USE ONLY</b> |               |  |
|-----------------------|---------------|--|
| Date Received:        |               | Received By:                                   |
| Date Reviewed:        |               | Reviewed By:                                   |
| Decision:             |               | Approved      Not Approved      Review Pending |
| Reason:               |               |  |
|                       |               |  |
| Date UPC Entered:     |               | Entered By:                                    |
| Category:             | Sub Category: | Vendor Peer Group:                             |

This institution is an equal opportunity provider

# Michigan WIC Bridge Card



## Quick Reference Guide for VeriFone® Vx 570 Terminal

### Log On Terminal

|  |  |
|--|--|
| <pre> Fri 01/03/14 12:00am - TERMINAL LOGGED OUT - Logon Clerk F3 Retailer Options F4         </pre>                           | <p><b>F1</b> Select <b>Logon Clerk</b> <b>(F3)</b>.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>   |
| <pre> Logon Clerk Clerk ID: ____ Back Main         </pre>  | <p><b>F1</b> Enter clerk ID number (4 digit number) then press .</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>  |
| <pre> Logon Clerk Clerk ID: XXXX Password: _____ Back Main         </pre>  | <p><b>F1</b> Enter clerk password (4 to 8 numbers) then press .</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>   |
| <pre> Logon Clerk APPROVED Clerk XXXX Logged On Keep retailer receipt for records &lt;&lt;Press Any Key&gt;&gt;         </pre> | <p><b>F1</b> Press any key to begin transactions. Terminal is logged on and ready for operation.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p> <p><b>Note:</b> Prints a receipt with a logon message "Clerk XXXX is logged on".</p> |

### Supplies

The VeriFone Vx570 can use either of the following types of single-ply thermal-sensitive replacement paper:

- CRM0039 High Grade Thermal Paper 2 1/4 inch
- CRM0027 Medium Grade Thermal Paper 2 1/4 inch

### Balance Inquiry

|   |  |
|---|--|
| <pre> Fri 01/03/14 12:00am SWIPE CARD to Begin. Manual Entry F3 Retailer Options F4         </pre>        | <p><b>F1</b> Swipe EBT card or press <b>(F3)</b> <b>Manual Entry</b> to manually enter card number.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p> |
| <pre> Select Transaction 1-WIC Purchase 2-WIC Balance Inquiry Main         </pre>                         | <p><b>F1</b> Select <b>2</b> <b>ABC</b> for <b>WIC Balance Inquiry</b>.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>                             |
| <pre> WIC Balance Inquiry Waiting for Customer to ENTER PIN ... Main         </pre>                       | <p><b>F1</b> Customer enters PIN on the PINpad and presses .</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>  |
| <pre> WIC Balance Inquiry APPROVED Give receipt to CUSTOMER. &lt;&lt;Press Any Key&gt;&gt;         </pre> | <p><b>F1</b> Give the Balance Inquiry receipt to the customer.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>                                      |

### Log Off Terminal

|  |  |
|--|--|
| <pre> Fri 01/03/14 12:00am SWIPE CARD to Begin. Manual Entry F3 Retailer Options F4         </pre>                                       | <p><b>F1</b> Select <b>Retailer Options</b> <b>(F4)</b>.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>  |
| <pre> Retailer Options #1 1-Logon / Logoff Clerk 2-Reports 3-Shift Totals 4-Void Last Tran 5-Reprint Last Recpt Back Main         </pre> | <p><b>F1</b> Select <b>1</b> <b>OZ</b> for <b>Logon/Logoff Clerk</b>.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>   |
| <pre> Logon / Logoff Clerk Current Clerk: XXXX 1-Logon Clerk 2-Logoff Clerk Back Main         </pre>                                     | <p><b>F1</b> Select <b>2</b> <b>ABC</b> for <b>Logoff Clerk</b>.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>  |
| <pre> Logon Clerk APPROVED Clerk XXXX Logged Off Keep retailer receipt for records &lt;&lt;Press Any Key&gt;&gt;         </pre>          | <p><b>F1</b> Terminal prints clerk totals. Press any key.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p> <p><b>Note:</b> Prints a receipt with a logoff message and clerk logoff totals.</p> |
| <pre> Fri 01/03/14 12:00am - TERMINAL LOGGED OUT - Logon Clerk F3 Retailer Options F4         </pre>                                     | <p><b>F1</b> Terminal will not perform any transactions in this mode.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>   |

### Load/Change WIC Price(s)

|  |   |
|--|---|
| <pre> Fri 01/03/14 12:00am SWIPE CARD to Begin. Manual Entry F3 Retailer Options F4         </pre>   | <p><b>F1</b> Select <b>Retailer Options</b> <b>(F4)</b>.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>   |
| <pre> Retailer Options #2 1-Voucher Clear 2-Clerk Maintenance 3-Load WIC Prices 4-WIC DB Maintenance 5-Ret Receipt Copies Back Main         </pre> | <p><b>F1</b> Arrow down and select <b>3</b> <b>DEF</b> for <b>Load WIC Prices</b>.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>   |
| <pre> Load WIC Prices SCAN OR ENTER ITEM #         </pre>  | <p><b>F1</b> Scan or enter item #.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>   |
| <pre> ITEM DESCRIPTION QTY Price Not Set Enter Price: \$_____         </pre>   | <p><b>F1</b> Enter Price. Press green  key. Scan or enter new item # or press red  key to return to previous screen.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p>                           |
| <pre> Load WIC Prices ITEM DESCRIPTION QTY Price: 0.00 Change         </pre>   | <p><b>F1</b> To change price, press purple  button beneath <b>Change</b> and enter new price. Press green  key. When finished, press red  key.</p> <p><b>F2</b></p> <p><b>F3</b></p> <p><b>F4</b></p> |

## WIC Purchase With NO Cents-Off Coupons \*

Fri 01/03/14 12:00am  
SWIPE CARD to Begin.  
Manual Entry F3  
Retailer Options F4

Swipe EBT card or press **(F3)** **Manual Entry** to manually enter card number. Manual entry requires Supervisor password

Select Transaction  
1-WIC Purchase  
2-WIC Balance Inquiry  
Main

Select **(1)** **OZ** for **WIC Purchase**.

WIC Purchase  
Waiting for Customer to ENTER PIN ...  
Main

Customer enters PIN on the PINpad and presses **(←)**.

**WIC prescription is now loaded in POS.**

SCAN OR ENTER ITEM #  
Subtotal: 0.00  
Qty Totl

Scan or enter Item # to be purchased. (Qty key must be pressed first to enter multiple quantities of item and will always default back to "1" quantity.)

LOWFAT MILK  
1 GAL 1 Ea @ 3.99  
Tot Price: 3.99  
Subtotal: 3.99  
Qty Void Totl

Item Description and Price are displayed for 60 seconds. See **WIC Purchase Smart Keys** below for options available on this screen.

When finished scanning WIC items, press **TOTL** key.

WIC Purchase  
Subtotal: 3.99  
<Coupons>: 0.00  
WIC TOTAL: 3.99  
Qty Back Totl

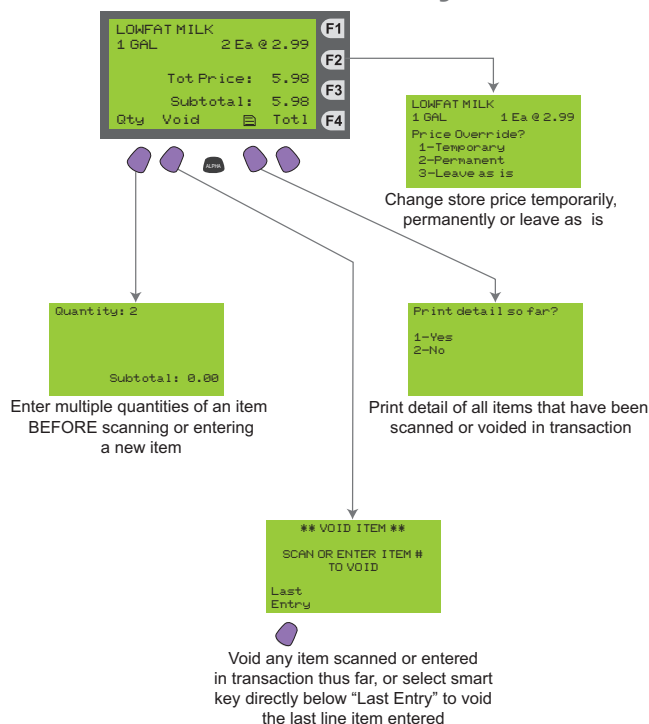
Subtotal amount is displayed. Press **TOTL** key.

Subtotal: 3.99  
<Coupons>: 0.00  
WIC TOTAL: 3.99  
All Finished?  
1-Yes  
2-No

Terminal prompts if transaction is "All Finished". Press **(1)** **OZ** to complete WIC Purchase.

\* For instructions on completing a WIC Purchase **WITH** Cents-Off Coupons, see pages 71-73 in the Michigan WIC EBT Vendor Manual.

## WIC Purchase Smart Keys



## Retailer Totals Report

Fri 01/03/14 12:00am  
SWIPE CARD to Begin.  
Manual Entry F3  
Retailer Options F4

Select **Retailer Options** **(F4)**.

Retailer Options #1  
1-Login / Logout Clerk  
2-Reports  
3-Shift Totals  
4-Void Last Tran  
5-Reprint Last Receipt  
Back Main

Select **(2)** **ABC** for **Reports**.

Reports  
1-Clerk Totals  
2-Terminal Totals  
3-Retailer Totals  
Back Main

Select **(3)** **DEF** for **Retailer Totals**.

Retailer Totals  
\* OVERRIDE REQUIRED  
Suprv ID: \_\_\_\_  
Back Main

Enter Supervisor ID. Press green **(←)** key.

Retailer Totals  
\* OVERRIDE REQUIRED  
Suprv ID: XXXX  
Password: \_\_\_\_\_  
Back Main

Enter Password. Press green **(←)** key.

Retailer Totals  
Settlement Date  
MM/DD  
Back Main

Enter Settlement Date (MM/DD). Press green **(←)** key.

## How to Fill Out a Manual Voucher

**MANUAL WIC VOUCHER** Important: Vouchers must be cleared on the POS device within 5 days of authorization or funds will not be reimbursed.

VOUCHER NO. 1234567

1 DATE (MM/DD-YY) 2 WIC EBT CARD NUMBER 3 AUTH/APPROVAL NO.

4 WIC Vendor Number: 5 PRINT CARDHOLDER NAME

6 Store Name: 7 CARDHOLDER SIGNATURE

8 Store Supervisor/Clerk Signature: 9

10 UPC #1: Qty: 11 In signing this voucher I believe that WIC benefits are available for the full amount of this transaction.

12 Requested Price: \$ 13 Approved Price: \$ 14 WIC vendors are required to obtain authorization for manual WIC vouchers by calling the WIC EBT Vendor Help Desk.

15 Transaction Total: \$

- Vendor prints date of the transaction.
- Vendor prints cardholder's WIC EBT card number.
- Vendor prints cardholder's name.
- Vendor prints store's WIC Vendor number.
- Vendor prints store name.
- Vendor prints UPC number(s), item quantity and requested purchase price.
- Vendor calls 1-888-529-1693 for voucher authorization/approval number.
- Vendor prints voucher authorization/approval number given by Xerox WIC EBT Vendor Help Desk.
- Cardholder signs voucher.
- Vendor (supervisor or clerk) signs voucher.
- Vendor gives top copy of voucher to cardholder and keeps bottom copy for store records.
- Vendor prints approved price (found on receipt) after clearing voucher on POS terminal.
- Vendor prints transaction total amount of approved items (found on receipt) after clearing voucher on POS terminal.

**Note:** Vendor must complete a Voucher Clear transaction on the POS to complete the transaction. If a Voucher Clear transaction is not processed or is processed after 5 days, Vendor will not be paid for items sold. To clear a manual voucher on the POS, please see pages 48-49 of the Michigan WIC EBT Vendor Manual.



# Maximum Pricing

At the conclusion of the transaction, your point of sale device compares the scanned price to the maximum price. If the scanned price exceeds the maximum price, an asterisk (\*) will appear on the sales receipt which indicates you will be paid only the max price indicated on the receipt.

You will not be otherwise notified of this payment difference. If you wish to pursue the difference between your scanned price and the maximum price you are reimbursed, you may submit a written appeal with detailed justification, along with a copy of the receipts with asterisks, to the following address:

MDHHS/WIC Vendor Operations  
Lewis Cass Building  
320 S. Walnut Street  
Lansing, MI 48913



Or fax the information to (517) 335-9514

If you have questions about maximum prices or appeals, call WIC at (517) 335-8937

- **Never enter the maximum price as the standard pricing in your Point of Sale (POS) device. The price that is shown in your system should be the current selling price of the product.**

# SHOPPING RECEIPTS

# BALANCE INQUIRY RECEIPT

RELIFER 230

Proc#: 42001002

Card#: T0000001 11/02/07  
Clerk: 0000 9:30:18am

HIC Balance Inquiry

Card Num: XXXXXXXXXXXX4739  
HIC Merchant ID: 2025002  
Settlement Date: 11/02

REMAINING HIC BENEFITS:

12.5 GALLON MILK  
4 POUND CHEESE  
9 DOZEN EGGS  
16 JUICE: 46 OZ OR 11.5-12 OZ CONC  
80.8 OUNCES CEREAL  
1 JAR 18 OZ PEANUT BUTTR OR 1 LB BEAN  
3 BAG 16 OZ DRY PEAS OR BEANS  
30 QUART GOAT'S MILK

USE YOUR HIC BENEFITS BY:

11/02/07

Result: Approved  
Auth #: 471236  
Trace#: 001013-000000018471235

V3.00 010 007 000 000 012 000 000 000

RETAILER COPY

Proc#: 42001002  
Card#: T0000001 10/19/07  
Clerk: 0000 10:45:20am

HIC Purchase

Card Num: XXXXXXXXXXXX4713  
HIC Merchant ID: 6554000  
Settlement Date: 10/20

Proc#: 42001002

Card#: T0000001 10/19/07  
Clerk: 0000 11:50:03am

HIC Purchase

Card Num: XXXXXXXXXXXX4713  
HIC Merchant ID: 6554000  
Settlement Date: 10/20

15 OZ. Cereal  
Item#: 041270019743 2.79  
19 OZ. Cereal  
Item#: 041270045704 3.99  
20 OZ. Cereal  
Item#: 041270051070 3.99  
20.4 OZ. Cereal  
Item#: 050700042145 2.59  
13 OZ. Cereal  
Item#: 050700251974 4.23  
11.8 OZ. Cereal  
Item#: 050700259405 3.09  
HIC SUBTOTAL 20.70  
HIC TOTAL 20.70  
TOTAL REQUESTED 21.46  
ITEMS PURCHASED: 6

REMAINING HIC BENEFITS:

16 GALLON MILK  
4 POUND CHEESE  
10 DOZEN EGGS  
16 JUICE: 46 OZ OR 11.5-12 OZ CONC  
80.8 OUNCES CEREAL  
1 JAR 18 OZ PEANUT BUTTR OR 1 LB BEAN  
3 BAG 16 OZ DRY PEAS OR BEANS  
30 QUART GOAT'S MILK

USE YOUR HIC BENEFITS BY:

11/02/07

Result: Approved  
Auth #: 470963  
Trace#: 002043-000000018470963

RETAILER COPY

V3.00 050 357 879 130 540 003 000 000

RETAILER COPY

REMAINING HIC BENEFITS:

12.5 GALLON MILK  
4 POUND CHEESE  
9 DOZEN EGGS  
16 JUICE: 46 OZ OR 11.5-12 OZ CONC  
80.8 OUNCES CEREAL  
1 JAR 18 OZ PEANUT BUTTR OR 1 LB BEAN  
3 BAG 16 OZ DRY PEAS OR BEANS  
30 QUART GOAT'S MILK

USE YOUR HIC BENEFITS BY:

11/02/07

Result: Approved  
Auth #: 478974  
Trace#: 002046-000000018478974

RETAILER COPY

V3.00 049 360 879 130 540 003 000 000

CUSTOMER COPY



## MANUAL WIC VOUCHER

*Important! Vouchers must be cleared on the POS device within 5 days of authorization or funds will not be reimbursed.*

0087181

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

DATE (MM-DD-YY)

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

WIC EBT CARD NUMBER

|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|

AUTH/APPROVAL NO.

WIC Vendor Number: \_\_\_\_\_

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

Store Supervisor/Clerk Signature: \_\_\_\_\_

PRINT CARDHOLDER NAME

CARDHOLDER SIGNATURE

UPC #1: \_\_\_\_\_ Qty: \_\_\_\_\_

Requested Price: \$ \_\_\_\_\_ Approved Price: \$ \_\_\_\_\_

UPC #2: \_\_\_\_\_ Qty: \_\_\_\_\_

Requested Price: \$ \_\_\_\_\_ Approved Price: \$ \_\_\_\_\_

Transaction Total: \$ \_\_\_\_\_

In signing this voucher, I believe that WIC benefits are available for the full amount of this transaction.

*WIC vendors are required to obtain authorization for manual WIC vouchers by calling the WIC EBT Vendor Help Desk.*

STORE COPY

# Manual Voucher

In the event your Point of Sale (POS) device is not functioning due to power loss or other error, you can sell up to 2 cans of WIC infant formula by using a WIC manual voucher form. This can only be done if the client has that amount of formula available on their WIC food balance. Manual vouchers can be used for FORMULA ONLY (no other food items) on an emergency basis. **BEFORE issuing the formula, you must call the Conduent Vendor help desk (1-888-529-1693)** to confirm that the client has up to two cans of formula available in their account. If so, you can complete the manual voucher and issue up to two cans of formula to the client. Failure to check the client's balance before issuing a manual voucher could result in not receiving reimbursement if the client did not have enough formula on their balance.

**You must clear the manual voucher on your WIC POS within 5 days of the transaction or you will not be reimbursed for the formula.** Instructions on how to clear a manual voucher on the stand-alone POS are in the Michigan WIC EBT Vendor Manual that came with your POS device.

**You may call the Conduent retailer help desk at 1-888-529-1693 with questions.**

**Manual Vouchers forms are available upon request to the WIC office at 517-335-8937**

Integrated stores should check with in-store IT staff or 3rd party processor on how to clear the voucher.





# Vendor Monitoring

## What is vendor monitoring?

As mandated by Federal Regulations, WIC Vendors are visited by WIC Vendor Analysts to verify compliance with contract requirements and provide additional training as needed. These monitoring visits are unannounced, and the outcome of the monitoring visit is documented on the Monitoring Visit Report.

## What can I expect during a vendor monitoring visit?

During a monitoring visit, you can expect the Vendor Analyst to:

- Request to speak with the store owner, manager, or another responsible representative.
- Make sure that the minimum stock requirements are met.
- Verification of current MDARD licensure.
- Scan items with the Point of Sale equipment to ensure shelf pricing matches stores pricing charged to the WIC program for redemption.
- Verify “expiration”, “best buy”, “best before” etc dates on WIC foods items have not passed.
- Provide the opportunity to communicate face to face and give guidance/training to help you understand all program requirements.
- Respond to claims of abuse from vendors, participants, or other sources, if necessary.
- Review completed monitoring documentation and summary report at the end of the monitoring and provide guidance when additional information is required. This allows the vendor the opportunity to respond to any documented violations cited.
- Request the vendor’s signature.



Following monitoring visits where contract violations are documented, vendors are sent either a warning regarding the violations that were documented for the first time or notification of violation points for violations for which the vendor has been previously warned. A follow up visit will then be scheduled to determine if violations from previous monitoring visits have been corrected.

**WIC Vendor Monitoring Visit Report**

|                              |   |            |                       | Arrival Time:               |                               | Departure Time:   |          |
|------------------------------|---|------------|-----------------------|-----------------------------|-------------------------------|---|----------|
|                              |   |            |                       | Date of Visit:              |                               | # of Registers:   |          |
|                              |   |            |                       | Name of Person Interviewed: |                               |   |          |
|                              |   |            |                       | MDARD Food Est. License #:  |                               |   |          |
|                              |   |            |                       | MDARD Expiration Date:      |                               |   |          |
| CATEGORY                     | Minimum Stock Requirements  |            | Prices Displayed      |                             | Spoiled Expired Outdated etc. | Does the vendor have any displays stating WIC is accepted? Yes <input type="checkbox"/> No <input type="checkbox"/> |          |
|                              | Required  | Met<br>(✓) | Not Met<br># in Stock | Yes<br>(✓)                  |                               | No<br>(✓)   | COMMENTS |
| Milk whole                   | 4 gallons   |            |                       |                             |                               |   |          |
| Milk low fat and/or fat free | 8 gallons   |            |                       |                             |                               |   |          |
| Eggs                         | 5 dozen   |            |                       |                             |                               |   |          |
| Cheese 1 lb pkgs only        | 5 lbs   |            |                       |                             |                               |   |          |
| Peanut Butter 16-18oz        | 4 jars  |            |                       |                             |                               |   |          |
| Juice 48oz or 11.5 or 12oz   | 2 flavors/5 units   |            |                       |                             |                               |   |          |
| Juice 64 oz                  | 2 flavors/10 units  |            |                       |                             |                               |   |          |
| Cereal                       | 12 boxes, 6 brands  |            |                       |                             |                               |   |          |
| Cereal                       | 3 whole grain   |            |                       |                             |                               |   |          |
| Bread/Tortillas 16 oz only   | 6 loaves/packages   |            |                       |                             |                               |   |          |
| Fresh Fruits                 | 2 varieties   |            |                       |                             |                               |   |          |
| Fresh Vegetables             | 2 varieties   |            |                       |                             |                               |   |          |
| Fruits/Vegetables            | \$25 or 10 lbs  |            |                       |                             |                               |   |          |
| Enfml Infant/Gntlse Pwdr     | 12 cans total   |            |                       |                             |                               |   |          |
| Infant Cereal 8 oz           | 6 containers  |            |                       |                             |                               |   |          |
| Infant Fruit/<br>Vegetable   | 72 units total.<br>Minimum 1 variety<br>single or mixed fruit<br>and 1 variety single<br>or mixed vegetable |            |                       |                             |                               |   |          |

|                  |  |             |  |               |  |
|------------------|--|-------------|--|---------------|--|
| SPECIFIC PRODUCT |  | SHELF PRICE |  | SCANNED PRICE |  |
|                  |  |             |  |               |  |
|                  |  |             |  |               |  |

☐ Split tender policies and procedures were reviewed with vendor    ☐ USDA requirement for purchase of infant formula reviewed with vendor

Comments:

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This report, including any violations cited, has been reviewed with me and I have received a copy.

Vendor Signature

Title

Date

WIC Vendor Analyst

Date

The Michigan Department of Health and Human Services (MDHHS) does not discriminate against any individual or group because of race, religion, age, national origin, color, height, weight, marital status, genetic information, sex, sexual orientation, gender identity or expression, political beliefs or disabilities.

This Institution is an equal opportunity provider.

# TRAINING

## What is the purpose of vendor training?

The purpose of vendor training is to make sure that you, your representatives, and your employees have a clear understanding of the rules and regulations of the Michigan WIC Program. The vendor training is designed to improve program service and prevent program errors and abuse. A representative from your store (for example, the owner, manager, head cashier, and/or bookkeeper) will participate in interactive training on WIC procedures at initial enrollment and at least one additional time during your contract period. The representative from your store must be the person responsible for training your other employees who do not attend training.



### Topics covered during routine training include:

- Purpose of the WIC Program
- Authorized WIC Foods
- Competitive prices
- Minimum stock requirements
- Procedures for appealing a reduced payment
- Vendor complaint process
- Vendor training requirements
- Responsibility for training employees
- Requirements to allow the store to be monitored by the Department
- Access to WIC records
- Infant formula purchase requirements
- Vendor survey requirements
- Terms of WIC Vendor Contract
- Terms of WIC Vendor Sanction Policy
- Administrative Hearing procedures and Review procedures

## When should I expect from a training?

- Initial training: provided to new vendors during the authorization process
- Routine interactive training, within your contact cycle
- Statewide annual WIC Vendor conference
- Training provided when problems are identified
- Training when vendors request assistance from the WIC office



## What is a Vendor Bulletin?

Vendor bulletins are announcements sent by the WIC Program by either email or regular mail, depending on the information being shared. Vendor bulletins provide important information to authorized WIC vendors, WIC local agencies, and other stakeholders. You **MUST** maintain an active physical address to receive Vendor bulletins.

### VENDOR BULLETINS MAY INCLUDE INFORMATION REGARDING:

- CHANGES TO (OR CLARIFICATIONS OF) THE WIC FOOD GUIDE
- CHANGES TO (OR CLARIFICATIONS OF) MINIMUM STOCKING REQUIREMENTS



- Information should be reviewed immediately and shared with all store employees that handle WIC transactions.
- If you need clarification on the information in the Vendor bulletin, please contact the WIC Vendor Unit for guidance.
- You may want to keep copies of all Vendor bulletins with this Vendor Handbook for future reference and review.



# Change of ownership or business structure



**You must report all changes of your business structure to the WIC Program immediately. All changes in business entity ownership, WIC vendor location, and/or operations must be reported to the WIC program in writing.**

**It is your responsibility to contact your Vendor Relation Unit and report changes.** Failure to provide notification immediately may result in the termination of your vendor contract, disqualification from WIC program participation and/or denial of future authorizations.



## **Can a WIC Vendor Contract be transferred?**

No, your WIC Vendor Contract is not transferable to another vendor or business entity. A store with new ownership cannot accept WIC benefits using another vendor's authorized vendor contract and Point of Sale equipment. These are serious violations of the WIC Vendor Contract and Michigan Regulations and may result in a monetary claim, civil money penalty (CMP) and/or disqualification from participating in the WIC program. Contact the WIC vendor unit with questions regarding any changes to store ownership and/or status.

## **What changes do I have to report?**

Changes to the business structure that you must report to the WIC program include but are not limited to:

- New sole owner, partner, or corporate officers
- Changes to existing corporate owners/officers
- Purchase of a corporation or LLC
- Incorporation
- Change in trade name or corporate name
- Change in corporate location
- Change in store location
- Change in store hours of operation
- Change in New Federal Employer Identification Number (FEIN)
- Change to Supplemental Nutrition Assistance Program (SNAP) Authorization
- Exceptional circumstances (for example; unanticipated change, such as the death of a sole owner, partner, or corporate officers, or a store closing due to damage)



## What are the recordkeeping requirements?



- Your invoices, purchase slips, and inventory records must be kept for 3 years as a condition of participation in the WIC Program.
- Your records must be made available to the Department of Health & Human Services and the Vendor Management Department upon request. The state reserves the right to review your store's records of inventory if necessary to make sure your store is in compliance.
- Failure to maintain records as described in this section may result in monetary claim, civil money penalty (CMP), termination of contract and/or disqualification from the WIC Program.
- Invoices/receipts for infant formula **MUST** be from a MDARD licensed infant formula supplier/wholesaler
- Cash register receipts must include specific identification such as:
  - Wholesaler/supplier information
  - Quantity
  - Unit price
  - Total price
  - WIC food items purchased
    - Receipts without specific identification will not be accepted as proof of WIC food and formula purchases
      - **Purchase Record Requirement information is found in this manual as well as in Section IV of your WIC Vendor Contract for additional information.**



# Purchase and Inventory Record Requirements

Vendors must maintain purchase and inventory records as described below and make said records available to the Department upon request.

**The following criteria must also be met regarding the acceptability of purchase and inventory records for WIC review purposes.**

- Receipts, which do not completely describe the actual item, shall have computer codes, which can be verified by contacting the store at which the merchandise was purchased.
- All receipts from purchases at retail establishments must be machine dated by the establishment. **(Hand printed retail store receipts are not acceptable).**
- Affidavits, Statements of Facts and oral statements shall not be accepted as evidence of inventory. Only purchase invoices or retail receipts as described in this section shall be accepted and constitute evidence of inventory.
- **Vendors must only purchase infant formula from wholesalers, distributors and retailers licensed by the Michigan Department of Agriculture and Rural Development (MDARD) or from infant manufacturers registered with the Food and Drug Administration.**

**Purchase records or invoices shall reflect the following:**

- Name and address of the supplier or wholesaler
- Date of purchase
- List of items purchased including size, stock number, UPC code (if available), quantity and unit price
- Sales receipts for WIC authorized foods that are purchased at a retail grocer (for resale by you the vendor) must include the name and address of the store, date of purchase, description of exact items purchased, the unit price of the items and the total quantity purchased







# DISTRIBUTORS & WHOLSALEERS

## WIC Approved Formula Distributors

Michigan WIC Program requires that all WIC authorized vendors **MUST** only purchase infant formula from wholesalers, distributors, and retailers licensed by the Michigan Department of Agriculture and Rural Development (MDARD) or from infant formula manufacturers registered with the Food and Drug Administration.

The MDARD is available to answer any questions as to whether a wholesaler, distributor, or retailer is properly licensed or general questions you may have regarding licensing requirements and procedures.

**You may contact the MDARD in a variety of ways:**

- Contact by phone: 1-800-292-3939
- Contact by e-mail: [mda-info@michigan.gov](mailto:mda-info@michigan.gov)
- Website: <http://michigan.gov/mdard>

Find a Licensed Michigan Business: MDA Licensing, Certification and Registration

[https://www.michigan.gov/mdard/0,4610,7-125-1569\\_2459---,00.html](https://www.michigan.gov/mdard/0,4610,7-125-1569_2459---,00.html)



If you are unable to confirm MDA licensure status or have any questions regarding this requirement, please call the WIC Vendor Relations Unit at 517-335-8937. This line will be answered by a live person from 8:00am – 5:00pm Monday through Friday. Also, you must retain all purchase records, receipts, and invoices for WIC approved foods for at least three (3) years.



## Inventory Audits

The Michigan WIC Program is required by federal regulations to conduct compliance investigations. One form of compliance investigation is an inventory audit. Inventory audits are conducted as a way to verify that WIC authorized vendors are:

- Only purchasing infant formula from a Michigan Department of Agriculture and Rural Development (MDARD) license.
- Maintaining required purchase records for a period of 3 years
  - Please note technical record requirements in Section IV of your WIC vendor contract
- Providing these purchase records within 21 days of request by the WIC Program

During an inventory audits, you will receive a request for legible copies of purchase records for WIC approved food items for a specified period of time ranging from 6 months to three years. You will have 21 days to submit the requested records. Upon receipt, the WIC Program will compare your WIC sales to your purchase to ensure that you have sufficient purchase to account for your WIC sales.

If you submit sufficient records, no further action will be taken.

If you do not submit sufficient records, the WIC Program may expand the scope and time for the audit. Once the WIC Program completes its review, it will determine whether there is a discrepancy, and issue a monetary claim. At this point the vendor will be provided a monetary claim in the full amount of the WIC foods for which the vendor claimed reimbursement but does not have inventory records as required by the Contract and will be given a final opportunity to submit additional records to account for WIC sales.

If you are unable to submit sufficient records after receiving this final opportunity, a monetary claim will be issued, your WIC Vendor Contract will be terminated, and you will be disqualified from the WIC Program. You may also be terminated from SNAP as a result of this termination and disqualification.



# Pricing and Sales



# WIC EBT Pricing & Promotions

## PRICING

Showing the Price for an Authorized WIC Item Vendors please remember that it is a WIC contract violation if you do not show the price of a WIC approved item. WIC clients have the right to see what you are charging for item before making the purchase with their WIC benefits. It doesn't matter if the product is a box of cereal, a 64oz bottle of juice or a can of infant formula powder. Each individual item must be priced, or the price must be displayed near the item. Even if for security purposes you store the infant formula in another location other than the shelf, the amount you are charging for the formula must be visible to the client, either by displaying a sign with the price, or by pricing each individual item. As mentioned above, failure to do this is a violation of the WIC vendor contract.

As a WIC Program vendor, your store will be assigned to a vendor peer group. Your store's shelf prices for WIC foods and formula will be compared to prices for the same types of products from other vendors in your peer group. This price comparison will be made:

- When you apply to be a WIC vendor, and
- When your store is monitored by WIC staff

## SPECIAL PROMOTION

WIC Vendors may sell WIC approved food items with special item pricing and/or promotional discounts that are generally available to all store customers. In addition, manufacturers and other organizations may offer all store customers promotional discounts based on satisfying certain purchase criteria via manufacturer coupons, electronic marketing and/or other marketing programs. Integrated and non-integrated systems must ensure that the Michigan WIC Program does not pay more for the redeemed product than the typical customer of the store in accordance with the Agreement established with the Michigan WIC Program. This includes item pricing, manufacturer coupons, loyalty cards and promotional discounts. Failure to provide the same courtesies to WIC participants is a violation of Federal WIC Regulations.



## **WIC participants cannot be treated differently by offering them incentive items that are not offered to non-WIC customers.**

The Michigan WIC Program requires that incentives offered to WIC participants are limited in value to a maximum value of \$2.00. Vendors are not allowed to add multiple transactions together to increase the value of the incentive being offered to the WIC participant.

Examples of items not allowed based on the \$2.00 limit are packages of diapers and/or additional cans of infant formula.

The following are allowable incentives that are exceptions to the \$2.00 limit. The exceptions listed here must be provided at no cost to the WIC Program, and are subject to documentation and verification upon request:

- Discounts applied directly to the total transaction amount being charged to the WIC Program.
- Loyalty programs or clubs that require participant enrollment and documented membership.
  - Also: Membership to the program or club must include proof of enrollment or some form of membership identifier issued to the member at the time of enrollment.
  - The program or club must meet all applicable state and federal regulations.
- Manufacturers' coupons
- Free ounces added to food item by manufacturer (bonus size items)
- Buy one, get one (BOGO) – the sale of one WIC food item as part of a normal WIC transaction and the provision of an additional item at no added cost, or a second item at a reduced price. **Infant formula may not be included as any part of a BOGO.**

Specific incentives that are **NOT** allowed under any circumstances:

- Cash or cash equivalent – such as debit cards (pre-paid or not), checks, money orders, phone cards, gas cards, gift cards.
  - This clarification of the definition of cash also applies to all references to cash found in the current WIC Vendor Contract and the WIC Vendor Sanction Policy.
- Lottery
- Alcohol
- Tobacco







## What are vendor peer groups?

WHEN YOU BECOME AN AUTHORIZED WIC VENDOR, YOUR STORE IS ASSIGNED TO A VENDOR PEER GROUP. VENDOR PEER GROUPS ARE GROUPS OF VENDORS WHO ARE ALIKE IN WAYS THAT IMPACT FOOD PRICES.

### **Vendor peer group assignment is based on:**

1. Your location
  - Geographic location
  - City size
2. Your store size
  - Number of cash registers
  - Number of outlets



### **What is the function of a vendor peer group?**

Vendor peer groups allow WIC to set maximum prices for each WIC eligible food, using a rolling calculation that relies on average prices across peer groups to promote fair market pricing.



## What is an above 50 percent vendor?

An “above 50 percent vendor” is an authorized WIC vendor that derives more than 50 percent of its annual Food Sales revenue from WIC food instruments. Above 50 percent vendors also include new vendor applicants who are expected to meet this criterion based on projected sales. Food Sales are defined as “the sales of all SNAP eligible foods intended for home preparation and consumption.” A description of Food Sales is included in this section. Please note that infant formula is included in Food Sales.

### **How does the Department of Health determine A50 status?**

Federal regulations require states that operate a retail food delivery system to evaluate vendors at the time of authorization and then each year to determine if the vendor should be designated as an above 50 percent vendor or regular vendor.

All authorized vendors must maintain a record of all documented Food Sales for a period of 3 years and must provide this information for evaluation purposes upon request. A documented Food Sales amount is an amount that is supported by written sales or financial statements, reports, tax forms, or other records sufficient for establishing eligible Food Sales.

If you are requested to provide documentation of your Food Sales amount and you are unable to prove that you are not an above 50 percent vendor or if you do not respond to the request for documentation, your store may be disqualified from the WIC Program.

### **Annual Gross Food**

**Sales** - include the total dollar amount of all food products you sold including but not limited to WIC approved food, food sales under the SNAP program, and all other food sales. This would include food items not authorized under WIC. e.g. meat, prepared foods, canned goods, packaged food, frozen food, sea food, deli products, etc.

Annual Gross Food Sales would **not** include the dollar amount of sales of non-food items such as liquor, tobacco, lottery, paper products, apparel, equipment rental, general merchandise, etc.



# Low Volume

The Michigan WIC Program is committed to partnering with grocery stores to improve access to wholesome food for eligible women, infants and children. In an effort to continually improve the selection and quality of WIC authorized food items made available to WIC Clients, the Michigan WIC Program has revised the existing low volume Selection Criteria to be applied to all approved WIC vendors as follows:



**A vendor that transacts less than \$2,400 per quarter of WIC EBT transactions will be considered as low volume and will be treated as lack of demand for a particular store.** New vendors will be evaluated after three (3) months of WIC authorization, and will receive a warning if not in compliance with this requirement. If not in compliance with the requirement following a six (6) month evaluation [that is 3 months after receiving the warning], the vendor will be terminated and disqualified.

As a reminder, WIC approved vendors must comply with the vendor selection criteria throughout the contract period (WIC Vendor Contract Section VII). However, WIC Vendors with existing contracts will continue to be subject to the previous selection criteria until expiration of their contract. All new contracts signed by the Michigan WIC Program will be subject to the revised selection criteria as outlined above and attached.

**Question: I have a contract that expires on 6/30/2019 does this change affect my existing contract?**

Answer: No, the new low volume requirement will only become effective if you are offered, and you sign, a new contract starting 7/1/2019. At that point you may make the determination whether or not to enter into a new contract under the revised selection criteria.



# Complaints and Abuse



# Reporting Program Complaints and Suspected Fraud and Abuse

**IT IS VERY IMPORTANT THAT AUTHORIZED WIC VENDORS AND PARTICIPANTS UNDERSTAND AND FOLLOW THE RULES AND REGULATIONS OF THE WIC PROGRAM. PARTICIPANTS AND AUTHORIZED WIC VENDORS WHO VIOLATE PROGRAM RULES AND REGULATIONS MAY BE SUSPENDED FROM THE PROGRAM.**



## **How can I file a complaint or report suspected fraud?**

When reporting suspected fraud or abuse, please provide as much detailed information as possible, including the following:

- Nature of suspected fraud or abuse
- WIC Vendor Name/Participant name
- Address or Approximate location of occurrence
- Date occurred
- Approximate time of occurrence

Report this information to 1-800-CALL-WIC or [wicfraudinvestigations@michigan.gov](mailto:wicfraudinvestigations@michigan.gov)

# **Violations and Sanctions**

# VENDOR VIOLATIONS AND SANCTIONS

**It is very important that you and all your employees understand and follow the rules and regulations of the WIC Program as it relates to authorized WIC vendors.**



**SANCTIONS**

## **Violations are specified in the WIC Vendor Sanction Policy.**

If you do not follow all rules and regulations you may be subject to sanctions including but not limited to warning letters, fine/civil money penalty, termination of contract, and disqualification from participating in the WIC Program. Civil money penalties are calculated according to a formula in the Federal Regulations. In addition, violations of WIC Program regulations can lead to loss of authorization in the Supplemental Nutrition Assistance Program (SNAP) - previously known as the Food Stamp Program.

## MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

# WIC VENDOR SANCTION POLICY

### **PURPOSE**

USDA Federal Regulations and Michigan Department of Health and Human Services (referred to as the Department) WIC vendor policy require the sanctioning of contracted WIC retail vendors determined to be violating program rules and procedures, engaging in abusive WIC food benefit redemption practices, and/or fraudulently obtaining program funds.

It is the responsibility of the WIC Division, Vendor Management and Operations Section, to determine the need for and application of appropriate WIC vendor sanctions. Vendor sanctions assigned in the preceding contract period may impact vendor qualification for subsequent authorization. Also, the violations of the WIC Program which occurred during the previous contract period, if any, may be carried over and used as a basis for termination and/or disqualification or other sanctions under any subsequent contracts in accordance with the Sanction Policy.

The Department may apply a variety of sanctions to vendors found to be violating program requirements. Sanctions may include monetary claims, civil money penalties, fines, termination of a WIC Vendor Contract or termination and disqualification of a vendor from the program, and denial of an application for a WIC contract. The Department may refer food vendors who commit fraud or abuse of the Program to Federal, State or Local authorities for prosecution under applicable statutes. These sanctions may be applied singly or in combination of two (2) or more sanctions.

The Department has identified two levels of violations: those violations which result in Department sanctions and violations which require Federally mandated sanctions. However, these two levels of violations are not all inclusive. In addition, the Department may sanction a vendor for a combination of violations or any other violations of the terms of the contract, State/Federal Regulations, State Plan of Program Operations and Administration and/or other applicable rules and regulations.

As referenced in this document, food instruments are defined as WIC EBT transactions that are processed through the use of the Michigan WIC EBT Bridge Card, which includes the WIC shopping list produced by any WIC EBT point of sale device. This also includes Cash Value Benefits (CVB's), which are specific dollar amounts provided to the WIC client's account intended only for the purchase of WIC approved fresh fruits and vegetables.

### **A. ADMINISTRATIVE AND PROCEDURAL VIOLATIONS - DEPARTMENT SANCTIONS**

Under this section, vendors who accumulate 35 or more violation points during a contract period may be subject to termination of their Vendor Contract and a one year period of disqualification. Sanction points assigned during a contract period may be carried over to the next contract period (see page 12, Section XX of the WIC Vendor Contract).

A vendor will be sent a warning letter prior to being assigned any violation points. However, vendors who fail to submit the vendor survey (see violation #16) as required will not receive a warning letter but will be issued violation points. Violation points accumulated under this section may also be used in determining a vendor's qualification for reauthorization as a WIC vendor.

| <b><u>VIOLATION</u></b>   | <b><u>POINTS</u></b>   |
|---|--|
| 1. Inadequate stock:  |  |
| a. Insufficient quantities to meet minimum stock.   | 5 points/food group<br>up to maximum of 15<br>points per visit.  |
| b. No stock.  | 10 points/food group<br>up to maximum of 30<br>points per visit. |
| c. Expired, stale, spoiled, or moldy WIC foods as part of<br>minimum stock requirements.  | 10   |
| 2. Failure to show the price of an authorized WIC food on the<br>package, container, shelf or sign.   | 3 points/food group<br>up to maximum of 15<br>points per visit.  |
| 3. Advertising a non-WIC food item as a WIC authorized food item<br>or other improper use of the WIC logo or acronym.   | 5 points/visit   |
| 4. Requiring WIC clients to show identification other than their<br>Michigan's WIC EBT Bridge Card.   | 10   |
| 5. Requiring other cash purchases or a minimum purchase as a<br>condition to use food instruments.  | 10   |
| 6. Requiring WIC clients to use WIC only checkout lanes.  | 5  |
| 7. Requiring WIC clients to purchase a single brand when other<br>WIC approved brands are available.  | 3  |
| 8. Failure to allow the purchase of up to the full amount of WIC<br>foods authorized on the food instrument, if such foods are<br>available and requested by the WIC client.  | 15   |
| 9. Failure to properly process WIC EBT transactions in accordance<br>with the procedures set forth in the most recent publication of the<br>Michigan WIC Program Vendor Guidebook and the Michigan<br>WIC EBT Manual, including any revisions or supplements issued<br>by the Department. | 5  |

| <b><u>VIOLATION</u></b>   | <b><u>POINTS</u></b> |
|---|----------------------|
| 10. Not allowing sales promotions such as cents off coupons, and/or not honoring any and all manufacturer's promotional specials to WIC clients but offered to other customers and not reducing the corresponding amount from the food benefit price.<br><br><b>This does not include sale prices as vendors are required to charge WIC clients the sale price or be considered to be overcharging.</b> | 5                    |
| 11. Providing incentive items or other free merchandise to only WIC clients and not offered to any other customers.   | 10                   |
| 12. Providing alcohol, tobacco, or lottery to WIC clients as an incentive to redeem WIC benefits in your store.   | 20                   |
| 14. Issuing "Rain Checks" in exchange for food benefits   | 10                   |
| 15. Contacting WIC clients in an attempt to recoup funds for food benefits not paid by WIC.   | 5                    |
| 16. Failure to submit or providing false information on the WIC Vendor Survey.  | 5                    |
| 17. Providing false information to Department representative during an on-site visit.   | 20                   |

### **NOTICE OF VIOLATION**

The Department will send the vendor notification of any violation points assigned to the vendor by certified mail or by first class mail to the last known address.

### **B. CHRONIC VIOLATIONS AND/OR ABUSE - DEPARTMENT SANCTIONS**

The Department has determined that one incidence of the violations outlined in this section will result in the immediate imposition of the sanctions indicated. The Department will not provide the vendor with prior warning that violations were occurring before imposing these sanctions.

The Department shall also terminate the vendor's WIC contract in addition to imposing the disqualification in this section. The Department may also deny a WIC vendor application in addition to termination and disqualification for any of the violations listed below.

| <b><u>VIOLATION</u></b>  | <b><u>POINTS</u></b>   |
|--|--|
| 1. Failure to attend the required training   | Termination of contract and one year disqualification  |
| 2. Accumulation of 35 or more administrative and procedural violation points within a single contract period. Sanction points assigned during a contract period may be carried over to the next contract period.                                       | Termination of contract and one year disqualification  |
| 3. Failure to provide access to store premises and/or in any manner to hinder or impede authorized WIC Program staff in the act of conducting an on-site education, monitoring, inventory audit or investigation visit.                                | Termination of contract and one year disqualification  |
| 4. Threatening and/or verbally abusing WIC clients and/or authorized WIC Program personnel in the conduct of legitimate WIC Program business.  | Termination of contract and one year disqualification  |
| 5. Making false statements on a WIC Vendor Application or Contract   | Termination of contract and one year disqualification  |
| 6. The existence of a conflict of interest between the vendor and the Department or Local Agency as defined by State law, regulations and/or policies.   | Termination of contract and disqualification from the WIC Program until the conflict of interest no longer exists.   |
| 7. Suspension or loss of a license or permit to operate a food establishment issued by the Michigan Department of Agriculture and Rural Development.   | Termination of contract and disqualification from the WIC Program until the vendor is properly licensed by the Michigan Department of Agriculture and Rural Development. |
| 8. Vendor ceasing operation for any reason except due to temporary closure from casualty losses, natural disaster, or renovations for improvements, as set out in the State Plan of Program Operation and Administration and any subsequent revisions. | Termination of Contract<br>(no period of disqualification)   |



| <b><u>VIOLATION</u></b>  | <b><u>POINTS</u></b>  |
|--|---|
| 9. Change of ownership or change of location.  | Termination of Contract<br>(no period of disqualification)  |
| 10. Assessment of a civil money penalty for hardship in SNAP (Food Stamp Program).   | Termination of contract and disqualification from the WIC Program for the period for which the vendor would otherwise have been disqualified by SNAP. |
| 11. Failure to maintain inventory records or other records the Department requires in the vendor contract for a period of three years after final payment has been received by the vendor for redeemed food benefits or after all pending matters have been resolved.  | Termination of contract and one year disqualification.  |
| 12. Failure to make available to the Department, the United States Department of Agriculture, or the comptroller General of the United States, upon request, at a reasonable time and place for inspection and audit or to provide legible copies to the Department within 21 calendar days of the date of the request, all WIC transaction information in the vendor's possession and all program related records, including purchase and inventory records for authorized WIC food items for which the vendor has claimed reimbursement from the Department. | Termination of contract and one year disqualification.  |
| 13. Failure to purchase infant formula from licensed wholesalers, distributors and retailers listed with the Michigan Department of Agriculture and Rural Development or from infant formula manufacturers registered with the Food and Drug Administration.   | Termination of contract and one year disqualification.  |
| 14. Failure at any time during the contract period to meet all of the most current WIC program vendor selection criteria.  | Termination of contract and one year disqualification   |
| 15. Failure to immediately notify the Department when total WIC sales exceed more than 50% of total store food sales.  | Termination of contract and one year disqualification   |

C. **VIOLATIONS REQUIRING A MANDATORY SANCTION UNDER FEDERAL REGULATIONS AT 7 CFR 246.12**

Federal Regulations at 7 CFR 246.12 require mandatory sanctions be imposed for the violations listed in this section and also require that a pattern of incidences of a violation be established before imposing a mandatory sanction for violations numbered 1, 2, 3, 4, 5 listed in this section. For violations of numbers 3, 4 or 5 listed in this section, the Department may send a warning letter after the first incident.

The Department shall terminate the vendor's WIC Contract in addition to imposing the mandatory disqualification sanctions listed in this Section. The Department may also deny a WIC Vendor Application for any of the violations listed in this section.

The WIC Program continues to work with the vendor community to eliminate fraud and abuse. We believe violations relating to overcharging WIC are very serious and jeopardize the integrity of the WIC Program. USDA provides the State Agency discretion to decide which factors to consider in determining if a notice of a violation would compromise an investigation.

On a case by case basis, when investigations are covert in nature, and on vendors that have a high risk indicator, the State Agency will review the initial violation relating to overcharging to determine if a warning letter should be sent. If the notice of an overcharging violation would compromise the investigation, this will be documented in the file and no warning letter will be sent to the vendor. However, failure to issue a warning letter shall not be a basis to contest a documented violation.

Also, covert investigations of vendors being conducted by SNAP (Food Stamp Program), the USDA Office of Inspector General, the State Police or other authorities do not provide any notice of such investigations. It is our common goal to strengthen the integrity of the WIC Program, contain costs, and serve clients. When overcharging (charging WIC more than the shelf price) happens, this serious violation will not be tolerated.

| <b><u>Violation</u></b>  | <b><u>Number of Incidences of the Violation Which Will Result in the Indicated Sanction</u></b> | <b><u>Sanction and Length of Disqualification</u></b>   |
|--|---|---|
| 1. Overcharging, which is defined as charging the WIC Program more for supplemental food than non-WIC customers or charging the WIC Program more than the current shelf price. | 3   | Termination of contract and three year disqualification |
| 2. Charging the WIC Program for food (by UPC code) not received by the client.   | 3   | Termination of contract and three year disqualification |

| <b><u>Violation</u></b>  | <b><u>Number of Incidences of the Violation Which Will Result in the Indicated Sanction</u></b> | <b><u>Sanction and Length of Disqualification</u></b>    |
|--|---|--|
| 3. Receiving, transacting and/or redeeming WIC EBT benefits outside of authorized channels, including the use of unauthorized vendors and/or unauthorized persons. This also includes an unauthorized vendor passing food instruments to an authorized vendor for redemption.  | 2   | Termination of contract and three year disqualification  |
| 4. Providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products cash, firearms, ammunition, explosives or controlled substances as defined in 21USC 802, in exchange for food instruments.  | 2   | Termination of contract and three year disqualification. |
| 5. Providing unauthorized food items in exchange for food instruments, including charging for supplemental food provided in excess of those listed on the food instrument.   | 3   | Termination of contract and one year disqualification.   |
| 6. Vendors convicted of trafficking in WIC EBT Food instruments or selling firearms, ammunition, explosives or controlled substances as defined in Section 102 of the Controlled Substance Act (21 USC 802), in exchange for WIC EBT food instruments. A vendor shall not be entitled to receive any compensation for revenues lost as a result of such a violation. | 1   | Termination of contract and permanent disqualification   |
| 7. Vendors buying or selling WIC EBT food instruments for cash (trafficking), or selling firearms, ammunition, explosives, or controlled substances as defined in Section 102 of the Controlled Substance Act (21 USC 802), in exchange for WIC EBT food instruments.  | 1   | Termination of contract and six year disqualification    |
| 8. The sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC EBT food instruments.  | 1   | Termination of contract and three year disqualification  |

| <u>Violation</u>   | <u>Number of Incidences of the Violation Which Will Result in the Indicated Sanction</u> | <u>Sanction and Length of Disqualification</u>          |
|--|--|---|
| 9. Claiming reimbursement for the sale of an amount of a specific supplemental food item which exceeds the store's documented inventory of that supplemental food item for a specific period of time.  | 2 or more months   | Termination of contract and three year disqualification |
| 10. Vendors who have been disqualified from SNAP (Food Stamps) shall be disqualified, and/or terminated from the WIC Program. The disqualification shall be for the same length of time as the SNAP disqualification and may begin at a later date than the SNAP disqualification. The disqualification is not subject to Administrative or Judicial Review under the WIC Program. |  |   |

**D. MULTIPLE VIOLATIONS DURING SINGLE INVESTIGATION**

When during the course of a single investigation the Department determines a vendor has committed multiple violations (which may include violations subject to Department sanctions) the Department shall disqualify the vendor for the period corresponding to the most serious mandatory sanction.

**E. CIVIL MONEY PENALTY**

The Department will not impose a civil money penalty in lieu of permanent disqualification for vendors convicted of trafficking or illegal sales as Stated in Section C, item 6, of this Sanction Policy. If the Department determines that disqualification of a vendor would result in inadequate client access, the Department shall impose a civil money penalty in lieu of disqualification for those violations listed in Section C of this Sanction Policy, items 1, 2, 3, 4, 5, 7, 8 and 9 and for violations as listed in Sections A and B of this Sanction Policy which would result in disqualification. The civil money penalty amount shall be determined using the formula in USDA Federal Regulations at 7 CFR 246, RA of 2004, PL 108-265, Final Rule. The total amount of civil money penalties for violations investigated as part of a single investigation shall not exceed \$44,000.

A civil money penalty shall not be imposed in lieu of disqualification for third or subsequent sanctions for violations listed in Section C, items 1, 2, 3, 4, 5, 7, 8 and 9 of this Sanction Policy.

Vendors that have been convicted of trafficking (Section C-6) in food instruments or selling firearms, ammunition, explosives or controlled substances in exchange for food instruments will be permanently disqualified from the WIC Program. A civil money penalty in lieu of disqualification will not be considered if disqualification of the vendor would result in inadequate client access or if the vendor had at the time of the violation an effective policy and program in affect to prevent trafficking and the ownership of the vendor was not aware of it.

A vendor who does not pay, only partially pays, or fails to timely pay a civil money penalty assessed in lieu of disqualification will be disqualified from the WIC Program for the length of the disqualification corresponding to the violation for which the civil money penalty was assessed (for a period corresponding to the most serious violation in cases where a mandatory sanction included the imposition of multiple civil money penalties as a result of a single investigation).

**F. SECOND MANDATORY SANCTION**

A vendor who previously has been assessed a sanction for any of the violations listed in Section C, items 1, 2, 3, 4, 5, 7, 8 and 9, and receives another sanction for any of these violations, the second sanction will be doubled.

**G. THIRD OR SUBSEQUENT MANDATORY SANCTION**

A vendor who previously has been assessed two or more sanctions for any of the violations listed in Section C, items 1, 2, 3, 4, 5, 7, 8 and 9, and receives another sanction for any of these violations, the third sanction and all subsequent sanctions will be doubled.

**H. NO VOLUNTARY WITHDRAWAL OR NONRENEWAL OF CONTRACT**

The Department shall not accept voluntary withdrawal of the vendor from the WIC Program as an alternative to disqualification for the violations requiring a mandatory sanction under Federal regulations listed in Section C of this Sanction Policy. In addition, the Department shall not use nonrenewal of the Vendor Contract as an alternative to disqualification for the mandatory sanctions in Section C.

**I. CRIMINAL OR CIVIL PROSECUTION**

A vendor who commits fraud or abuse of the Program is liable to prosecution under applicable Federal, State or Local laws. In accordance with Federal Regulations, those who have willfully misapplied, stolen, or fraudulently obtained program funds shall be subject to a fine of not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.

**J. CHANGE OF LOCATION**

If a vendor changes his business location and is authorized at the new location under the change of location policy, any violations which occurred under the previous contract will carry over to the contract at the new location and may be used as a basis for termination and/or disqualification action or other sanctions.

**K. CHANGE OF BUSINESS ENTITY THAT IS THE OWNER**

If a vendor changes ownership at the same location by reason of a change in business entity or the addition or deletion of partners, associates or principals, then any violations which occurred under the previous contract will carry over to the new contract and may be used as a basis for termination and/or disqualification action or other sanctions. By way of example, such changes in ownership may include, but are not limited to, a change from a sole proprietorship or partnership to a corporation where the previous individual owner(s) or one or more partner(s) remain as an officer or shareholder of the new corporation.

**L. TERMINATION/DENIAL/DISQUALIFICATION**

Vendors may appeal denial, termination, termination and disqualification, or a civil money penalty according to the most recent Administrative Hearing Procedures issued by the Department. However, a termination and disqualification which is based on a SNAP disqualification **is not subject to Administrative or Judicial Review.**

For those cases where a vendor has timely appealed a termination or termination and disqualification action, and the vendor was allowed to continue on the program, all provisions of the WIC Vendor Contract will continue to apply, including sanctions for noncompliance, during the time period the contract is in effect.

Vendors whose contracts are terminated, denied and/or disqualified and wish to become authorized again must reapply (if disqualified, after the disqualification period) for a WIC Vendor Contract. The vendor must meet all requirements in force at that time for a WIC Vendor Contract including the selection plan and limitation policy requirements. The Department will not consider contracting with a vendor during any disqualification period from the WIC Program.

**M. SNAP (FOOD STAMP) DISQUALIFICATION**

Disqualification from the WIC Program for any of the mandatory sanctions listed in Section C of this Sanction Policy may result in disqualification as a retailer in SNAP. Such disqualification is not subject to Administrative or Judicial Review under SNAP.

# KNOW YOUR RIGHTS

If the WIC Program takes adverse action against your store, you may have the right to an administrative review or administrative hearing. If the action taken falls under the “Actions Subject to Administrative Review” or “Actions Subject to Administrative Hearing”, you will have the opportunity to review the documents which the action was based on as well as request that a decision be reviewed by an Administrative Tribunal or heard by an Administrative Law Judge.

**Deadline:**

*A request for an administrative review or an administrative hearing must be received by the department within **21 days** of the date of the Notice of Adverse Action*



## **Administrative Review:**

The “Administrative Review Procedures” establishes a procedure to request an administrative review of certain adverse actions taken by the Department of Health and Human Services.

An administrative review is a review by an impartial decision maker of the documents upon which the Department’s adverse action is based and the vendor’s written response to the adverse action. There will not be an administrative hearing or any adversarial hearing conducted during an administrative review. There will be no opportunity to present oral testimony or examine witnesses.

## **Administrative Hearing;**

The “Administrative Hearing Procedures for Vendors” establishes a process for vendors to appeal certain adverse actions of the Michigan Department of Health and Human Services to an Administrative Hearing, also called Full Administrative Reviews.

Following timely receipt of a written request for an administrative hearing, the Department shall provide the vendor with an opportunity for a hearing at the offices of the Michigan Department of Health and Human Services.

## **15 Day Termination Action**

Upon issuance of a 15-Day Termination Order, the Department shall provide the vendor with an opportunity for a hearing within five business days after the service of the Order. “Business day” means a day of the year, exclusive of a Saturday, Sunday or a State holiday. The hearing date, time and location shall be specified in the 15-Day Termination Order. Except as modified by this section, the hearing shall be conducted in accordance with the Administrative Hearing Procedures for Vendors.

The conduct of a hearing under this section shall not suspend the effectiveness of the Department’s 15-Day Termination Order.

**Michigan Department of Health and Human Services  
ADMINISTRATIVE REVIEW PROCEDURES  
for the  
Special Supplemental Food Program  
for Women, Infants and Children (WIC)**

**Section 1. PURPOSE**

This establishes a procedure to request an administrative review of certain adverse actions taken by the Department of Health and Human Services (hereinafter referred to as the Department), specified in Section 2.

**Section 2. LEGAL AUTHORITY**

42 USC 1786, 7 CFR 246.18

**Section 3. DEFINITION OF ADMINISTRATIVE REVIEW**

An administrative review is a review by an impartial decision maker of the documents upon which the Department's adverse action is based and the vendor's written response to the adverse action. There will not be an administrative hearing or any adversarial hearing conducted during an administrative review. There will be no opportunity to present oral testimony or examine witnesses.

**Section 4. RIGHT TO ADMINISTRATIVE REVIEW**

A vendor has the right to appeal the following actions taken by the Department.

- A. Denial of the vendor's application for authorization based on the vendor selection criteria for business integrity or for a current Food Stamp Program disqualification or civil money penalty for hardship.
- B. Denial of the vendor's application based on the Department's established vendor selection criteria if the basis of the denial is a WIC vendor sanction or a Food Stamp Program withdrawal of authorization or disqualification.
- C. Denial of authorization based on the Department's vendor limiting criteria.
- D. Denial of the vendor's application for authorization because a vendor submitted its application outside the time frame during which applications are being accepted and processed as established by the Department.
- E. Termination of the vendor's contract because of a change in ownership or location or cessation of operations.



- F. Disqualification based on a trafficking conviction.
- G. Disqualification based on the imposition of a Food Stamp Program civil money penalty for hardship.
- H. Disqualification or a civil money penalty imposed in lieu of disqualification based on a mandatory sanction imposed by another WIC state agency.

**Section 5. ACTIONS NOT SUBJECT TO ADMINISTRATIVE REVIEW**

The following adverse actions taken by the Department are not subject to an abbreviated administrative review.

- A. The validity or appropriateness of the Department's vendor limiting or selection criteria.
- B. The validity or appropriateness of the Department's participant access criteria and the Department's participant access determination.
- C. The Department's determination whether a vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.
- D. Denial of authorization if the Department's vendor authorization is subject to the procurement procedures applicable to the Department.
- E. The expiration of a vendor's agreement.
- F. Disputes regarding food instrument payments and vendor claims.
- G. Disqualification of a vendor as a result of disqualification from the Food Stamp Program.

**Section 6. PROCEDURE TO REQUEST AN ADMINISTRATIVE REVIEW**

- A. A request for an administrative review of the adverse action shall be in writing and shall be received by the Department within 21 calendar days of the date of mailing of the notice of adverse action by the Department. Any request for an administrative review received by the Department after 21 calendar days of the date of mailing of the adverse action notice is untimely and an administrative review will not be conducted.

- B. A request for an administrative review and the vendor's written response to the adverse action shall be addressed to:

State Office of Administrative Hearings and Rules For the  
Department of Health and Human Services  
P.O. Box 30763  
Lansing, MI 48909

**Section 7. NOTIFICATION OF ADVERSE ACTION, EFFECTIVE DATE AND RESPONSE**

- A. The Department shall provide to the vendor written notification of the adverse action that includes: (1) the reason for the proposed action, (2) the effective date of the action and (3) the procedure to file for an administrative review and the opportunity to provide a written response to the adverse action.
- B. Notification of the adverse action shall be mailed at least 21 calendar days in advance of the effective date of the action.
- C. A vendor who has timely appealed an action by the Department to terminate his or her contract prior to the expiration of the contract may remain on the WIC Program until the effective date of the final decision or the contract expires, whichever occurs first. An appeal shall not require that the Department enter into a new contract with the vendor after the expiration of the current contract.

**Section 8. SERVICE OF DOCUMENTS**

Unless otherwise specified, service of a document upon any party shall be made by personal delivery or mailing by registered, certified or first class mail to the last known address of the party or the authorized representative of a party as indicated on the records of the Department. Proof of service shall be filed with the Department.

**Section 9. COMPUTATION OF TIME**

If any filing deadline falls on a Saturday, Sunday or state holiday, the filing deadline shall be extended to the next business day following the Saturday, Sunday or state holiday.

**Section 10. STIPULATION; DISPOSITION OF CASES; METHODS**

Except as otherwise provided by law, disposition may be made of the controversy by stipulation, agreed settlement, consent order, waiver, default or other method agreed upon by the parties.

**Section 11. FINAL ORDER**

The decision maker upon conclusion of his or her review will issue a final order stating the determination of the appeal.

The decision maker shall be someone other than the person who rendered the initial decision on the adverse action and whose determination is based solely on whether the Department has correctly applied Federal and State statutes, regulations, policies and procedures governing the program according to the information provided to the vendor concerning the cause(s) for the adverse action and the vendor's written response.

The final order shall be sent to the vendor by certified mail or served personally upon the vendor. The final order becomes effective on the date the vendor receives it.

**Section 12. JUDICIAL REVIEW**

Disqualification of a vendor from the WIC Program as a result of disqualification from the Food Stamp Program is not subject to judicial review.

The vendor may be able to pursue judicial review of the final order in accordance with MCL 600.631; MCR 7.101; 7.103 and MCR 7.104(A).

**Section 13. ADDITIONAL INFORMATION – MDCH ADMINISTRATIVE HEARINGS POLICY AND PROCEDURES**

For additional information or for questions on the Administrative Review Procedures, please contact the State Office of Administrative Hearings and Rules For the Department of Health and Human Services, P.O. Box 30763, Lansing, Michigan 48909 or by telephone at 1-877-833-0870. A copy of the Michigan Department of Health and Human Services' Administrative Hearings Policy and Procedures can be obtained at the above address and telephone number or contact them for their web site address.

**Michigan Department of Health and Human Services  
ADMINISTRATIVE HEARING PROCEDURES FOR VENDORS**

**Special Supplemental Food Program  
for Women, Infants and Children (WIC)**

**Section 1. PURPOSE**

To establish a process for food vendors to appeal certain adverse actions of the Michigan Department of Health and Human Services to an Administrative Hearing (also called Full Administrative Reviews).

**Section 2. LEGAL BASIS**

42 USC 1786, 7 CFR 246.18

**Section 3. RIGHT TO APPEAL TO AN ADMINISTRATIVE HEARING**

A vendor has the right to appeal the following adverse actions taken by the Department.

- A. Denial of the vendor's application for authorization based on the vendor selection criteria for competitive price or for minimum variety and quantity of authorized supplemental foods or on a determination that the vendor is attempting to circumvent a sanction.
- B. Termination of an agreement for cause.
- C. Disqualification from the WIC Program.
- D. Imposition of a fine or a civil money penalty in lieu of disqualification.

**Section 4. ACTIONS NOT SUBJECT TO ADMINISTRATIVE HEARING**

The following adverse actions taken by the Department are not subject to an administrative hearing:

- A. The validity or appropriateness of the Department's vendor limiting or selection criteria.
- B. The validity or appropriateness of the Department's participant access criteria and the Department's participant access determinations.
- C. The Department's determination whether a vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware, did not approve of, and was not involved in the conduct of the violations.

- D. Denial of authorization if the Department's vendor authorization is subject to the procurement procedures applicable to the Department.
- E. The expiration of a vendor's agreement.
- F. Disputes regarding food instrument payments and vendor claims.
- G. Disqualification of a vendor as a result of disqualification from the Food Stamp Program.

**Section 5. NOTIFICATION OF ADVERSE ACTION AND EFFECTIVE DATE**

- A. The Department shall provide to the vendor written notification of the adverse action that includes: (1) the procedures to follow to obtain an administrative hearing; (2) the reasons for the adverse action; (3) the effective date of the adverse action, if applicable.
- B. Notification of the adverse action shall be mailed to a vendor at least 21 calendar days in advance of the effective date of action except as provided in Section 6 below for 15-day Termination Orders.
- C. The effective date of the termination and permanent disqualification of a vendor as the result of a conviction of the vendor for trafficking in food instruments or selling firearms, ammunition, explosives, or controlled substances (as defined in Section 102 of the Controlled Substance Act – 21 USC 802) in exchange for food instruments shall be on the date of receipt of the notice of adverse action by the vendor. A vendor shall not be entitled to receive any compensation for revenues lost as a result of such termination and disqualification.
- D. Except as provided in paragraph C above and in Section 7 below, a vendor who has timely appealed an adverse action by the Department may be allowed to remain on the WIC Program until the effective date of the final order or the contract expires, whichever occurs first. An appeal shall not require that the Department enter into a new contract with the vendor after expiration of the current contract.

**Section 6. PROCEDURE FOR REQUESTING AN ADMINISTRATIVE HEARING**

- A. An appeal is commenced by filing a request for an administrative hearing with the Department. The request shall be addressed to:

State Office of Administrative Hearings and Rules  
For the Department of Health and Human Services  
Michigan Department of Health and Human Services  
P.O. Box 30763  
Lansing, MI 48909

- B. A request for an administrative hearing shall be made in writing and shall include a statement of the facts asserted, the relief sought, and if the vendor is represented by legal counsel, the name, address and telephone number of the attorney.
- C. A request for an administrative hearing shall be received by the Department within 21 calendar days of the date of mailing of the notice of the adverse action by the Department. Any request for an administrative hearing received later than 21 days after the date of mailing of the adverse action notice is untimely and an administrative hearing will not be conducted.

**Section 7. 15-DAY TERMINATION ORDERS**

- A. Upon a finding that the vendor has violated its contract, the regulatory or statutory provisions governing the WIC Program or the State Plan of Program Operation and Administration approved by the United States Department of Agriculture which seriously affect the public health, safety or welfare or the integrity of the WIC Program, the Department may issue an order terminating a vendor's WIC contract effective 15 days from the date of service of the order. The order shall incorporate the Department's findings.
- B. Upon issuance of a 15-Day Termination Order, the Department shall provide the vendor with an opportunity for a hearing within five business days after the service of the Order. "Business day" means a day of the year, exclusive of a Saturday, Sunday or a State holiday. The hearing date, time and location shall be specified in the 15-Day Termination Order. Except as modified by this section, the hearing shall be conducted in accordance with these Administrative Hearing Procedures for Vendors.
- C. The conduct of a hearing under this section shall not suspend the effectiveness of the Department's 15-Day Termination Order.
- D. A 15-Day Termination Order may include sanctions in addition to contract termination, such as disqualification of the vendor from the WIC Program.

**Section 8. INITIATION OF HEARINGS**

- A. Following timely receipt of a written request for an administrative hearing, the Department shall provide the vendor with an opportunity for a hearing at the offices of the Michigan Department of Health and Human Services.
- B. Notification of the hearing shall be sent certified mail and shall include
  - 1. The time and location of the hearing.
  - 2. The name of the presiding Hearing Officer.

- C. The notice of hearing must be mailed at least 10 calendar days prior to the scheduled administrative hearing date.

**Section 9. SERVICE OF DOCUMENTS**

Unless otherwise specified, service of a document upon any party shall be made by personal delivery or mailing by registered, certified, or first class mail to the last known address of the party or the authorized representative of a party as indicated on the records of the Department. Proof of service shall be filed with the Department.

In order to maintain a complete record of the administrative proceedings, copies of all documents and correspondence sent to the presiding officer shall also be sent to the Department at the address stated in Section 6 above.

**Section 10. APPEARANCES**

A party may appear in person, or by legal counsel.

**Section 11. PLEADINGS**

All pleadings, including a request for appeal, must be in writing and shall contain the vendor's name and vendor number, if any.

**Section 12. COMPUTATION OF TIME**

If any filing deadline falls on a Saturday, Sunday or State holiday, the filing deadline shall be extended to the next business day following the Saturday, Sunday or State holiday.

**Section 13. PRESIDING OFFICER**

The individual presiding during the appeal shall not have participated in making the decision that is under appeal.

**Section 14. VENDOR'S RIGHTS AT AN ADMINISTRATIVE HEARING**

- A. The opportunity to be represented by legal counsel.
- B. The opportunity prior to the administrative hearing to examine the evidence upon which the Department's action is based.
- C. The opportunity to present its case and at least one opportunity to reschedule the administrative hearing date upon specific request.
- D. The opportunity to cross-examine adverse witnesses. When necessary to protect the identity of WIC Program investigators, such examination may be



conducted behind a protective screen or other device (also referred to as an “in camera” examination).

- E. An impartial decision-maker, whose determination is based solely on whether the State agency has correctly applied Federal and State statutes, regulations, policies and procedures governing the Program, according to the evidence presented at the review.
- F. Written notification of the hearing decision, including the basis for the decision, within 90 days from the date of receipt of a vendor’s request for an administrative hearing. The time frame of 90 days is only an administrative requirement for the Department and does not provide a basis for overturning the Department’s adverse action if a decision is not made within the specified time frame.

**Section 15. FINAL ORDER**

The Final Order constitutes the Department’s final decision on the appeal. A copy of the Final Order shall be sent by certified mail or served personally upon the vendor. If the adverse action under review has not already taken effect, the Final Order becomes effective on the date of receipt of the Final Order.

**Section 16. JUDICIAL REVIEW**

Disqualification of a vendor from the WIC Program as a result of disqualification from the Food Stamp Program is not subject to judicial review.

The vendor may be able to pursue judicial review of the Final Order in accordance with MCL 600.631; MCR 7.101; 7.103 and MCR 7.104(A).

**Section 17. ADDITIONAL INFORMATION - MDCH ADMINISTRATIVE HEARINGS POLICY AND PROCEDURES**

For additional information or for questions on the Administrative Hearing Procedures for Vendors, please contact the State Office of Administrative Hearings and Rules For the Department of Health and Human Services, P.O. Box 30807, Lansing, Michigan 48909 or by telephone at 1-877-833-0870. A copy of the Michigan Department of Health and Human Services Administrative Hearings Policy and Procedures can be obtained at the above address and telephone number or contact them for their web site address.

# Resources



# Resources

## **Michigan Department of Health & Human Services – WIC Division**

Lewis Cass Building, 6<sup>th</sup> Floor  
320 S. Walnut Street  
Lansing, MI 48913

Phone: 517-335-8937

Fax: 517-335-9514

[HTTPS://WWW.MICHIGAN.GOV/WIC](https://www.michigan.gov/wic)



## **Issues with your Point of Sale (POS) Device**

Contact Conduent Customer Service at 1-888-529-1693

## **Reporting Fraud and/or abuse:**

Report this information to 1-800-CALL-WIC or

[WICFRAUDINVESTIGATIONS@MICHIGAN.GOV](mailto:WICFRAUDINVESTIGATIONS@MICHIGAN.GOV)

## **Contacting Michigan Department of Agriculture and Rural Development (MDARD)**

Contact by phone: 1-800-292-3939

Contact by e-mail: [MDA-INFO@MICHIGAN.GOV](mailto:MDA-INFO@MICHIGAN.GOV)

[HTTP://MICHIGAN.GOV/MDARD](http://michigan.gov/mdard)

## **SNAP Retailer Information**

Toll Free information Number: 1-877-823-4369

[HTTPS://WWW.FNS.USDA.GOV/SNAP/RETAILER-TOLL-FREE-INFORMATION-  
NUMBER-1-877-823-4369](https://www.fns.usda.gov/snap/retailer-toll-free-information-number-1-877-823-4369)