

**TENNESSEE DEPARTMENT OF HEALTH
DIVISION OF NUTRITION AND WELLNESS
WIC VENDOR HANDBOOK
2010 - 2012**



FORWARD

This revision of the “Tennessee WIC Vendor Handbook” will be in effect from October 1, 2010 through September 30, 2012. It contains recent updates to the WIC Food List, Minimum Stock Requirements and the Vendor Agreement.

As in the past, this handbook is considered part of the current Tennessee WIC Vendor Agreement between authorized WIC vendors and the Tennessee Department of Health. Vendors are required to be in compliance with the policies and procedures presented, else face possible termination of the agreement and possible disqualification from the program.

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VENDOR INTRODUCTION TO THE WIC PROGRAM

WHAT IS THE WIC PROGRAM?

The Special Supplemental Nutrition Program for Women, Infants and Children, commonly known as the WIC Program, is a part of the Food and Nutrition Service of the United States Department of Agriculture. Congress allocates the program's funding and the Department of Health administers the WIC Program throughout Tennessee in conjunction with the regional health offices. The local county health departments directly provide program benefits to qualified participants.

WHAT DOES THE WIC PROGRAM DO?

The WIC Program provides nutrition education and supplemental nutritious foods to eligible pregnant, postpartum, and breastfeeding women whose diets may lack important nutrients essential to the development and growth of healthy babies. Supplemental nutritious foods are also provided to infants and young children up to age five to give the best start for growth and development. Standards for participation in the WIC Program are the same for everyone regardless of race, color, national origin, sex, age, or disability. Program eligibility is determined by an assessment of nutritional and/or medical risk and meeting WIC Program residency, identity, and income guidelines. WIC Program eligibility does not affect eligibility in the Supplemental Nutrition Assistance Program (SNAP) or school feeding programs.

WHY ARE ONLY SPECIFIC FOODS INCLUDED IN THE WIC FOOD PACKAGES?

The foods provided by the WIC Program help participants get nutrients they need during important growth periods. The WIC Program also encourages mothers to breastfeed their infants. Because the WIC Program is a supplemental nutrition program, the prescribed foods provided are not all the foods a pregnant or breastfeeding woman, or a child, needs to eat. It does, however, supplement the foods needed to insure a healthy diet. The WIC Program provides some foods from each of the basic food groups and nutrition education to assist participants in making good choices for the family.

The current WIC food packages reflect the major health and nutrition risks faced by WIC's target population. This includes diets lacking in whole grains and fruit and vegetables, mom's stopping breastfeeding too early and an increase in being overweight and obesity. There have also been increases in the ethnic composition of the WIC population at both the national and State levels. In Tennessee, this includes the Hispanic, Middle Eastern and Asian populations.

HOW DOES THE WIC PROGRAM WORK?

After a health professional has completed the nutritional/medical assessment, a specific food package is prescribed. These prescribed foods can help prevent mental retardation, birth defects, and other health problems commonly associated with poor nutrition. The following are commonly prescribed types of WIC approved foods and their benefits.

WIC FOOD	MAJOR NUTRIENTS	FUNCTIONS
Iron Fortified Formula	Iron.....	Helps build blood and prevents anemia
Milk, Cheese, Soy Beverage and Tofu	Calcium.....	Helps builds strong bones and teeth and improves muscle and nerve function

	Protein.....	Helps growth and development
	Vitamin A.....	Helps keep eyes and skin healthy
	Vitamins.....	Helps body make use of other nutrients and improves nervous system functions
Eggs	Protein.....	Helps growth and development and building muscles and blood
	Iron.....	Helps build blood and prevent anemia
	Vitamin A.....	Helps keep eyes and skin healthy
Cereal, particularly whole wheat and whole grain, and other whole grain products such as bread, various grains and tortillas.	Iron.....	Helps build blood and prevent anemia
	Fiber.....	Helps regulate body functions
	B Vitamins.....	Helps body make use of other nutrients Helps nervous system function
Fruit Juice	Vitamin C.....	Helps prevent body function breakdown, strengthens blood vessels, fights infection, and speeds healing
Fresh Fruits and Vegetables	Vitamins & Minerals.....	Helps keep the body healthy
	Fiber.....	Helps regulate body functions

IMPORTANT TERMS FOR WIC VENDORS

“Above-50-percent” vendor: A for-profit vendor that receives, or is expected to receive, more than fifty (50) percent of their annual food sales revenue from FIs.

Alternate: Person whose name and signature on FI folder identifies them as having permission from the program participant to transact FIs and CVVs.

Administrative review process: How a vendor appeals actions taken against them by the WIC Program.

Approved foods: Types, brands, sizes, and varieties of foods that WIC Program participants can receive.

Cash Value Voucher (CVV): A fixed-dollar amount check used to buy eligible fruits and vegetables.

Civil Money Penalty (CMP): Payment to the WIC Program in lieu of disqualification.

Claim: The WIC Program’s denial of a FI or CVV payment or request for reimbursement of a previous payment.

Competitive prices: Regular approved foods prices compared to local vendors of similar ownership and sales.

Disqualification: Ending a vendor’s WIC Program authorization because of fraud, abuse, and/or violations.

Food instrument: A negotiable check used by a program participant to purchase approved foods. Previously known as a “voucher”.

Food package: Specific types and amounts of approved foods listed on the FI.

Food sales: Total amount of the sales of items eligible for purchase under the SNAP.

Incentive Items: Food, non-food, cash, or services offered free to program participants as incentive to transact FIs or CVVs at a particular vendor.

Grocery store: Retail store that sells both approved foods and a full market basket of staple food items.

Minimum stock requirement: The required quantities of approved foods that a grocery must carry.

Overcharge: Intentionally or unintentionally charging WIC more than the WIC Vendor Agreement allows.

Pattern: Act that occurs two (2) or more times.

Peer group: Group of vendors of similar ownership and total sales volume located in the same area.

Pharmacy: Retail establishment licensed by the State of Tennessee to operate as a pharmacy.

Price adjustment: Changing the purchase price on a FI or requesting reimbursement of a portion of a previous payment to comply with price limitations.

Program participant: WIC participant, parent/caretaker of an infant or child participant or a designated proxy.

Redemption: Process by which correctly transacted FIs and CVVs are paid.

Sanction: Disciplinary action given to the vendor for not following the WIC Vendor Agreement requirements.

Staple foods: Variety of unprepared foods carried by grocery stores that represents various food categories.

Supplemental Nutrition Assistance Program (SNAP): Formerly the Food Stamp Program.

Transaction: Procedure involving the exchange of a FI or CVV for approved foods.

Vendor: A grocery store or pharmacy authorized to accept FIs and CVVs and provide the approved foods allowed for that type of business.

Violation: Act of non-compliance that occurs or a series of acts that together equate to a violation.

Vendor stamp: Stamp given to the vendor to imprint name and assigned number on FIs and CVVs before deposit.

Food Instrument/Cash Value Voucher (FI/CVV) Folder: Folder which identifies person(s) eligible to transact the FIs and CVVs being presented.

WIC Food List: The current list of approved foods.

WIC Grocer Price Report: Form used to report prices of specific approved foods.

WIC Vendor Agreement: Standard written agreement specifying the terms and conditions to be a WIC vendor.



TENNESSEE DEPARTMENT OF HEALTH
DIVISION OF NUTRITION SERVICES
WIC VENDOR AGREEMENT
FOR 2010 - 2012

TENNESSEE DEPARTMENT OF HEALTH

and

(vendor name)

for

AUTHORIZATION TO PARTICIPATE IN THE TENNESSEE WIC PROGRAM

WHEREAS, the Tennessee Department of Health and _____
(Vendor Name)
desire to enter into an agreement beginning on _____
(Month, Date, Year)
relating to participation in the Tennessee WIC Program.

NOW, THEREFORE, the parties hereby agree as follows:

I. THE TENNESSEE WIC PROGRAM AGREES:

- (1) to reimburse authorized vendors for Food Instruments (FIs) and Cash Value Vouchers (CVVs) properly negotiated according to this agreement and the WIC Vendor Handbook;
- (2) to provide annual training and updated materials to at least one representative of the vendor to support their proper participation in the WIC Program;
- (3) to supply WIC Program changes to the vendor in writing; and
- (4) to use the same standards for vendor participation in the WIC Program for everyone regardless of race, color, national origin, sex, age, or disability.

II. THE VENDOR AGREES:

- (1a) to stock sufficient quantities of approved foods as defined by the mandatory minimum stock requirement, as presented in the WIC Vendor Handbook, that are within the manufacturer's product eligibility dates at the time FIs and CVVs are transacted;
- (1b) to purchase infant formula by selecting from a list of wholesalers, distributors, and retailers licensed in the State and formula manufacturers registered with the Food and Drug Administration (FDA), as clarified in the WIC Vendor Handbook.
- (2a) to provide only approved foods as specified on the FIs and CVVs except as pertaining to clause (15a) of this section; presented only by program participants; only at the time of the transaction at the vendor's authorized location, and not to provide cash or credit (including rain checks) in exchange for FIs and CVVs;
- (2b) to not allow refunds or exchanges for approved foods provided, except exchanges for food items that are defective, spoiled, or exceed their sell/use by date and only for the exact same brand, type and size approved food item obtained and returned;

- (3a) to charge the WIC Program for approved foods at the current price or less than the current price charged to all other customers, except that sales tax shall not be charged for approved foods. Current prices shall be marked on the item or shelf or in a clearly visible location.
- (3b) to not charge the WIC Program for approved foods not received by program participants.
- (4) to have prices competitive with and not exceed the average shelf price of other vendors in the same peer group and market area by more than fifteen percent (15%);
- (5) to properly transact and complete FIs and CVVs on the vendor's premises during their valid month, to submit FIs and CVVs for redemption within thirty (30) days from the last day valid, to abide by procedures of the WIC Program and WIC Vendor Handbook, in order not to abuse, misuse, or defraud the WIC Program;
- (6) to properly train and inform store employees of the firm's obligations to the WIC Program, to be accountable for the actions of owners, officers, managers, agents, and employees, and to have in place an effective policy and program to prevent trafficking, which is the exchange of FIs and CVVs for cash, and, in addition, the vendor agrees to accept training offered by the WIC Program;
- (7) to allow any authorized WIC Program representative to inspect FIs, CVVs and all program related records on hand at any reasonable time and place at the discretion of the WIC Program and to withhold deposit of FIs and CVVs for a period not to exceed seven (7) days upon request of an authorized WIC Program representative;
- (8a) to produce, upon request of an authorized WIC Program representative, bills of lading or invoices for a period not to exceed the previous ninety (90) days and/or pertinent inventory records used for federal tax reporting purposes, as proof of purchase of merchandise represented as being provided to program participants by redeemed FIs and CVVs ;
- (8b) to produce upon request of an authorized WIC Program representative, annual food sales information based on sales of all the USDA Supplemental Nutrition Assistance Program (SNAP) eligible foods as clarified in the WIC Vendor Handbook.
- (9) to accurately complete and return the WIC Grocer Price Report by the fifth day of the reporting period, and to update price changes, both increases and decreases, as necessary;
- (10) to have available the current WIC Food List at all registers, and to post other applicable materials at the request of an authorized WIC Program representative;
- (11a) to participate in USDA SNAP and acknowledge that the WIC Program shall disqualify a vendor who has been disqualified from USDA SNAP, and there shall be a Civil Money Penalty (CMP) imposed in lieu of disqualification due to inadequate participant access when solely determined by the WIC Program; voluntary withdrawal from USDA SNAP shall result in termination of the WIC Vendor Agreement;
- (11b) to acknowledge that a CMP imposed by USDA SNAP in lieu of disqualification due to inadequate participant access may result in disqualification from the WIC Program;
- (11c) to acknowledge that disqualification from the WIC Program may result in disqualification as a retailer in USDA SNAP, and such disqualification may not be subject to administrative or judicial review under USDA SNAP;
- (12a) to acknowledge that the WIC Program shall permanently disqualify a vendor convicted of trafficking in FIs and CVVs or selling firearms, ammunition, explosives, or controlled substances, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802), in exchange for FIs and CVVs, and that a vendor shall not be entitled to receive any compensation for revenues lost as a result of such violations;
- (12b) to acknowledge that, upon one incidence of investigative finding of trafficking, the WIC Program shall disqualify a vendor for trafficking in FIs and CVVs or selling firearms, ammunition, explosives, or controlled substances, as defined in (12a) above;
- (12c) to acknowledge that, upon one incidence of investigative finding of illegal sales, the WIC Program shall disqualify a vendor for conducting illegal sales, which is the exchange of FIs and CVVs for alcohol, alcoholic beverages, or tobacco products;
- (13) to not charge Program participants or attempt to seek reimbursement from Program participants for FIs and CVVs not paid or partially paid by the WIC Program;
- (14) to acknowledge that Program participants may not be discriminated against based on race, color, national origin, sex, age, or disability;

- (15a) to provide suitable hours and environment for participant access, and to offer Program participants any courtesies offered other customers, including, but not limited to: bonus cards, cents off coupons, multiplying of coupon values, and additional products for free;
- (15b) that vendors deriving more than fifty (50) percent of their annual food revenue from WIC FIs are prohibited from offering incentive items to WIC participants and if found violating this provision shall not receive payment from the WIC Program, as clarified in the WIC Vendor Handbook;
- (16) to serve as or to designate a responsible contact person for this establishment's WIC Program procedures and to notify the WIC Program of management changes in writing;
- (17) to authorize the Tennessee Department of Revenue to disclose the vendor's revenue figures, as applicable to the collection of sales tax, to the WIC Program for the purpose of administering the WIC Program;
- (18) to grant the WIC Program the right to collect any claims (due to overcharges), as assessed in the negotiation of a FI or CVV due to error, negligence, or fraud;
- (19) to declare that all of the statements in this agreement are true and correct, and to not intentionally provide false information on the WIC Grocer Price Report;
- (20) to notify an authorized WIC Program representative of changes of name, location, ownership, management, and business structure or ending of operations;
- (21a) to acknowledge that patterns of non-compliance with clauses (2a), (2b), (3a), (3b), and (18) of this section of this agreement shall result in disqualification from the WIC Program. (The vendor shall be warned following the first act of non-compliance, unless such notification would compromise an investigation or as further clarified in the WIC Vendor Handbook);
- (21b) to acknowledge that non-compliance with clauses (1a), (4) through (8b), (13) through (15b) and (19) of this section of this agreement may result in disqualification from the WIC Program. (The vendor shall be warned following the first act of non-compliance that could result in a pattern of non-compliance, unless such notification would compromise an investigation or as further clarified in the WIC Vendor Handbook.)
- (22) to comply with this agreement and federal and state statues, regulations, polices, and procedures governing the WIC Program, including changes made during the agreement period;
- (23) to comply with the vendor selection criteria throughout the agreement period, including any changes. Using current criteria, the WIC Program may reassess the vendor at any time during the agreement period and terminate the agreement if the vendor fails to meet the current criteria; and
- (24) to acknowledge that decisions regarding sanctions resulting from violations of the WIC Program are based on the Vendor Sanction Procedures as presented in the WIC Vendor Handbook.

III. BOTH PARTIES AGREE AS FOLLOWS:

- (1) This agreement shall be terminated, if ownership of the vendor's business changes, if the WIC Program identifies a conflict of interest as defined by applicable state laws, regulations, and policies, between the vendor and any WIC Program staff, or may be terminated by either party for negligence, fraud, abuse, violation of the agreement, or for any other reason after providing not less than fifteen (15) days advance notice, unless otherwise stated within the WIC Vendor Handbook.
- (2) This agreement shall be immediately terminated, if it is determined that the vendor has provided false information on the Vendor Application for Authorization to Participate in the Tennessee WIC Program.
- (3) The vendor agreement does not constitute a license or a property interest as clarified in the WIC Vendor Handbook.
- (4) A vendor who commits fraud or abuse of the Program is liable to prosecution under applicable Federal, State or local laws. Under Section 246.12 of the federal regulations, those who have willfully misapplied, stolen or fraudulently obtained WIC Program funds shall be subject to a fine of not more than \$25,000 or imprisonment for not more than five (5) years or both.
- (5) The WIC Program has the sole right to determine if inadequate participant access exists and impose a Civil Money Penalty (CMP) in lieu of disqualification regarding clauses (12a), (12b), (12c), and (21a) of "THE VENDOR AGREES" section, except where sanctions are issued for the third or greater time.

- (6) The WIC Program has the sole right to determine if inadequate participant access exists and impose a CMP in lieu of disqualification regarding clause (21b) of "THE VENDOR AGREES" section.
- (7) There shall be a CMP imposed in lieu of disqualification regarding clause (12a) of "THE VENDOR AGREES" section, when the vendor had an effective policy and program to prevent trafficking at the time of the violation and the vendor must also not have been aware of, did not approve of, and were not involved in the conduct of the violation.
- (8) The WIC Program shall ensure the vendor the right to request a hearing or administrative review from the State on actions they disagree with affecting their ability to participate in the WIC Program, except for expiration of this agreement, disqualification as a result of USDA SNAP disqualification, and WIC Program decisions regarding participant access.
- (9) The WIC Program shall undertake appropriate monitoring, auditing, and review of the vendor at least twice a year.
- (10) The WIC Vendor Handbook is part of this agreement and is incorporated by reference.
- (11) This agreement shall be considered amended upon notice from the WIC Program, should federal or state laws or regulations require or permit amendments.

NOW, THEREFORE, I have read and do understand and agree to the above terms and conditions. The undersigned represents that he/she is either the sole proprietor of the firm or is legally authorized to enter in this agreement on behalf of the ownership of the firm.

Signature of WIC Vendor or Designee	Title	Date
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Signature of Regional Office Designee	Title	Date
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THIS AGREEMENT STARTS _____ AND ENDS SEPTEMBER 30, 2012.
Date

Owner	Manager	WIC Contact Person
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Street Address	City	State	Zip Code
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Phone Number	VENDOR STAMP:
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TENNESSEE DEPARTMENT OF HEALTH
DIVISION OF NUTRITION SERVICES
WIC VENDOR AGREEMENT
FOR PHARMACIES
FOR 2010 - 2012

TENNESSEE DEPARTMENT OF HEALTH

and

(Pharmacy Name)

for

AUTHORIZATION TO PARTICIPATE IN THE TENNESSEE WIC PROGRAM

WHEREAS, the Tennessee Department of Health and _____
(Pharmacy Name)
desire to enter into an agreement beginning on _____
(Month, Date, Year)
relating to participation in the Tennessee WIC Program.

NOW, THEREFORE, the parties hereby agree as follows:

I. THE TENNESSEE WIC PROGRAM AGREES:

- (1) to reimburse authorized pharmacies for Food Instruments (FIs) for therapeutic infant formulas and medical foods as specifically stated on the FI and that are properly negotiated according to this agreement and the WIC Vendor Handbook;
- (2) to provide annual training and updated materials to at least one representative of the vendor to support their proper participation in the WIC Program;
- (3) to supply WIC Program changes to the vendor in writing; and
- (4) to use the same standards for vendor participation in the WIC Program for everyone regardless of race, color, national origin, sex, age, or disability.

II. THE PHARMACY AGREES:

- (1) to transact FIs for therapeutic infant formulas and medical foods as specifically stated on the FI, that are within the manufacturer's product eligibility dates at the time FIs are transacted;
- (2a) to provide only therapeutic infant formulas and medical foods as specified on the FIs except as pertaining to clause (12a) of this section; presented only by program participants; only at the time of the transaction at the vendor's authorized location, and not to provide cash or credit (including rain checks) in exchange for FIs;
- (2b) to not allow refunds or exchanges for therapeutic infant formulas and medical foods provided, except exchanges for items that are defective, spoiled, or exceed their sell/use by date and only for the exact same brand, type and size approved item obtained and returned;
- (3a) to charge the WIC Program for therapeutic infant formulas and medical foods at the current price or less than the current price charged to all other customers, except that sales tax shall not be charged.
- (3b) to not charge the WIC Program for approved foods not received by program participants.

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- (4) to properly transact and complete FIs on the vendor's premises during their valid month, to submit FIs for redemption within thirty (30) days from the last day valid, to abide by procedures of the WIC Program and WIC Vendor Handbook, in order not to abuse, misuse, or defraud the WIC Program;
- (5) to properly train and inform store employees of the firm's obligations to the WIC Program, to be accountable for the actions of owners, officers, managers, agents, and employees, and to have in place an effective policy and program to prevent trafficking, which is the exchange of FIs and CVVs for cash, and, in addition, the vendor agrees to accept training offered by the WIC Program;
- (6) to allow any authorized WIC Program representative to inspect FIs and all program related records on hand at any reasonable time and place at the discretion of the WIC Program and to withhold deposit of FIs for a period not to exceed seven (7) days upon request of an authorized WIC Program representative (since pharmacies are not authorized to transact Cash Value Vouchers (CVVs) for fresh and frozen fruits and vegetables, none should ever be accepted or deposited for payment by an authorized pharmacy);
- (7a) to produce, upon request of an authorized WIC Program representative, bills of lading or invoices for a period not to exceed the previous ninety (90) days and/or pertinent inventory records used for federal tax reporting purposes, as proof of purchase of merchandise represented as being provided to program participants by redeemed FIs ;
- (7b) to produce upon request of an authorized WIC Program representative, annual food sales information based on sales of all the USDA Supplemental Nutrition Assistance Program (SNAP) eligible foods as clarified in the WIC Vendor Handbook.

(The following clauses, 8a through 8c are applicable to those pharmacies who are SNAP authorized. Such pharmacies must provide the WIC Program their current SNAP authorization number and are subject to the federal requirements contained in these clauses.)

- (8a) to participate in USDA SNAP and acknowledge that the WIC Program shall disqualify a vendor who has been disqualified from USDA SNAP, and there shall be a Civil Money Penalty (CMP) imposed in lieu of disqualification due to inadequate participant access when solely determined by the WIC Program;
- (8b) to acknowledge that a CMP imposed by USDA SNAP in lieu of disqualification due to inadequate participant access may result in disqualification from the WIC Program;
- (8c) to acknowledge that disqualification from the WIC Program may result in disqualification as a retailer in USDA SNAP, and such disqualification may not be subject to administrative or judicial review under USDA SNAP;
- (9a) to acknowledge that the WIC Program shall permanently disqualify a vendor convicted of trafficking in FIs and CVVs or selling firearms, ammunition, explosives, or controlled substances, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802), in exchange for FIs and CVVs, and that a vendor shall not be entitled to receive any compensation for revenues lost as a result of such violations;
- (9b) to acknowledge that, upon one incidence of investigative finding of trafficking, the WIC Program shall disqualify a vendor for trafficking in FIs and CVVs or selling firearms, ammunition, explosives, or controlled substances, as defined in (9a) above;
- (9c) to acknowledge that, upon one incidence of investigative finding of illegal sales, the WIC Program shall disqualify a vendor for conducting illegal sales, which is the exchange of FIs and CVVs for alcohol, alcoholic beverages, or tobacco products;
- (10) to not charge Program participants or attempt to seek reimbursement from Program participants for FIs not paid or partially paid by the WIC Program;
- (11) to acknowledge that Program participants may not be discriminated against based on race, color, national origin, sex, age, or disability;
- (12a) to provide suitable hours and environment for participant access, and to offer Program participants any courtesies offered other customers, including, but not limited to: bonus cards, cents off coupons, multiplying of coupon values, and additional products for free;
- (12b) that vendors deriving more than fifty (50) percent of their annual food revenue from WIC FIs are prohibited from offering incentive items to WIC participants and if found violating this provision shall not receive payment from the WIC Program, as clarified in the WIC Vendor Handbook;

- (13) to serve as or to designate a responsible contact person for this establishment's WIC Program procedures and to notify the WIC Program of management changes in writing;
- (14) to authorize the Tennessee Department of Revenue to disclose the vendor's revenue figures, as applicable to the collection of sales tax, to the WIC Program for the purpose of administering the WIC Program;
- (15) to grant the WIC Program the right to collect any claims (due to overcharges), as assessed in the negotiation of a FI or CVV due to error, negligence, or fraud;
- (16) to notify an authorized WIC Program representative of changes of name, location, ownership, management, and business structure or ending of operations;
- (17a) to acknowledge that patterns of non-compliance with clauses (2a), (2b), (3a), (3b), and (15) of this section of this agreement shall result in disqualification from the WIC Program. (The vendor shall be warned following the first act of non-compliance, unless such notification would compromise an investigation or as further clarified in the WIC Vendor Handbook);
- (17b) to acknowledge that non-compliance with clauses (1), (4) through (7b) and (10) through (12b) of this section of this agreement may result in disqualification from the WIC Program. (The vendor shall be warned following the first act of non-compliance that could result in a pattern of non-compliance, unless such notification would compromise an investigation or as further clarified in the WIC Vendor Handbook.)
- (18) to comply with this agreement and federal and state statutes, regulations, polices, and procedures governing the WIC Program, including changes made during the agreement period;
- (19) to comply with the vendor selection criteria throughout the agreement period, including any changes. Using current criteria, the WIC Program may reassess the vendor at any time during the agreement period and terminate the agreement if the vendor fails to meet the current criteria; and
- (20) to acknowledge that decisions regarding sanctions resulting from violations of the WIC Program are based on the Vendor Sanction Procedures as presented in the WIC Vendor Handbook.

III. BOTH PARTIES AGREE AS FOLLOWS:

- (1) This agreement shall be terminated, if ownership of the vendor's business changes, if the WIC Program identifies a conflict of interest as defined by applicable state laws, regulations, and policies, between the vendor and any WIC Program staff, or may be terminated by either party for negligence, fraud, abuse, violation of the agreement, or for any other reason after providing not less than fifteen (15) days advance notice, unless otherwise stated within the WIC Vendor Handbook.
- (2) This agreement shall be immediately terminated, if it is determined that the vendor has provided false information on the Vendor Application for Authorization to Participate in the Tennessee WIC Program.
- (3) The vendor agreement does not constitute a license or a property interest as clarified in the WIC Vendor Handbook.
- (4) A vendor who commits fraud or abuse of the Program is liable to prosecution under applicable Federal, State or local laws. Under Section 246.12 of the federal regulations, those who have willfully misapplied, stolen or fraudulently obtained WIC Program funds shall be subject to a fine of not more than \$25,000 or imprisonment for not more than five (5) years or both.
- (5) The WIC Program has the sole right to determine if inadequate participant access exists and impose a Civil Money Penalty (CMP) in lieu of disqualification regarding clauses (9a), (9b), (9c), and (17a) of "THE VENDOR AGREES" section, except where sanctions are issued for the third or greater time.
- (6) The WIC Program has the sole right to determine if inadequate participant access exists and impose a CMP in lieu of disqualification regarding clause (17b) of "THE VENDOR AGREES" section.
- (7) There shall be a CMP imposed in lieu of disqualification regarding clause (9a) of "THE VENDOR AGREES" section, when the vendor had an effective policy and program to prevent trafficking at the time of the violation and the vendor must also not have been aware of, did not approve of, and were not involved in the conduct of the violation.

TENNESSEE WIC PROGRAM MINIMUM STOCK REQUIREMENTS

EFFECTIVE OCTOBER 1, 2010 – SEPTEMBER 30, 2012

GENERAL INFORMATION:

- 1. Minimum quantities must be stocked at all times regardless of the number of WIC transactions at any given time. Failure to do so may result in termination of the WIC Vendor Agreement and/or disqualification as an authorized WIC vendor.**
- 2. Only approved foods within the manufacturer's product eligibility dates and priced in a clearly visible location will be counted towards meeting minimum stock.**
3. Three (3) lists have been developed for the new WIC Food Packages. They are based on the kind of store (Major Chain, Large Independent, Small Independent, etc.). Regional Vendor Representatives will notify each vendor applicant or authorized vendor as to which list (Large, Medium, or Small) applies to their location.
4. Each list is based on the vendor's ability to transact a specific number of WIC food instruments (FIs) for many food categories. This includes four (4) FIs for "Large", three (3) FIs for "Medium", and two (2) FIs for "Small". However, where appropriate, some categories have been adjusted to require a lesser amount.
5. Remarks in the "Comments" column provide general information for stocking each food category. Refer to the "Tennessee WIC Food List" for specifics.
6. Where it says "Optional", vendors using that minimum stock list do not have to carry that category or item. However, if they do, minimum stock must be stocked at all times.
7. Each list includes the federal requirement that at least one (1) variety of eligible cereal stocked must be a whole grain cereal.
8. Each list includes minimum stock for Cash Value Vouchers (CVVs) to be used for purchasing fruits and vegetables. This includes the federal requirement that at least a minimum of two (2) varieties of eligible fruits and two (2) varieties of eligible vegetables must be stocked at all times.

FOOD FOR WOMEN AND CHILDREN—FOOD INSTRUMENTS (FIs)

CATEGORY	MINIMUM REQUIREMENT			COMMENTS
	Large	Medium	Small	
Fluid Milk	16 gallons with at least 12 in other than whole milk	12 gallons with at least 9 in other than whole milk	8 gallons with at least 6 in other than whole milk	May include combination of whole, skim, low-fat, fat-free, or sweet acidophilus in gallon containers.
Lactose Reduced Milk; Lactose Free Milk	16 quarts or 8 half-gallons (cannot be combination of size but can be combination of “Reduced” and “Free”)	Optional: 12 quarts or 6 half-gallons (cannot be combination of size but can be combination of “Reduced and “Free”)	Optional: 4 quarts or 2 half-gallons (cannot be combination of size but can be combination of “Reduced and “Free”)	
Eggs	8 dozen Grade A Large	6 dozen Grade A Large	4 dozen Grade A Large	White eggs only in cartons of 12.
Cheese	8 lbs.	6 lbs.	4 lbs.	May include combination of eligible varieties or blends thereof in 8 oz. or 16 oz. packages; Store brand/private label only unless none is carried.
Tofu	4 (14-16 oz) packages	Optional: 3 (14-16 oz) packages	Optional: 2 (14-16 oz) packages	Must be calcium-set (made with calcium salts). Food List & Cashier Card state eligible brands.
Non-fat Dry Powderd Milk	Optional: 4 (9.6 oz) packages	Optional: 3 (9.6 oz) packages	Optional: 2 (9.6 oz) packages	The 9.6 oz package is the only eligible size. It constitutes to the allowed amount of 3 qts.
Buttermilk	4 quarts low-fat (any additional can be whole or low-fat)	3 quarts low-fat (any additional can be whole or low-fat)	2 quarts low-fat (any additional can be whole or low-fat)	Although most available buttermilk is low-fat, both whole and low-fat are allowed unless Food Instrument says “low-fat”.
Evaporated Milk	4 (12 oz.) cans	3 (12 oz.) cans	2 (12 oz.) cans	
Soy Beverage	12 quarts or 6 half-gallons (not in combination)	Optional: 12 quarts or 6 half-gallons (not in combination)	Optional: 8 quarts or 4 half-gallons (not in combination)	Food List & Cashier Card state eligible brands and sizes.
Dried Beans/Peas	4 (1 lb) bags	3 (1 lb) bags	2 (1 lb) bags	May include packages of mixed beans.
Juice	12 (11.5-12 oz) frozen and/or 12 (46-48 oz) shelf containers or combination thereof representing at least 4 flavors; 8 (64 oz) plastic containers representing at	9 (11.5-12 oz) frozen and/or 9 (46-48 oz) shelf containers or combination thereof representing at least 3 flavors ; 6 (64 oz) plastic containers representing at least 2 flavors	6 (11.5-12 oz) frozen and/or 6 (46-48 oz) shelf containers or combination thereof representing 2 flavors and 4 (64 oz) plastic containers representing at	May include combination of eligible flavors and brands; Calcium fortified juices are eligible; No bottle or carton juice from dairy cases.

	least 3 flavors		least 2 flavors	
Peanut Butter	4 (16 – 18 oz) jars	3 (16 – 18 oz) jars	2 (16 – 18 oz) jars	May include combination of smooth or crunchy.
Tuna	12 (5-6 oz) cans	12 (5-6 oz) cans	6 (5-6 oz) cans	Light tuna only. May include combination of oil or water packed. No albacore.
Salmon	4 (14.75 oz) cans	4 (14.75 oz) cans	Optional: 2 (14.75 oz) cans	May include products with bones or skin.
Sardines	16 (3.75 oz) cans	8 (3.75 oz) cans	Optional: 8 (3.75 oz) cans	May include products in tomato or mustard sauce.
Cereals	12 packages representing at least 4 kinds	10 packages representing at least 3 kinds	6 packages representing at least 2 kinds	May include combination of eligible cold and hot cereals. Must include at least one (1) eligible whole grain cereal.
Whole Wheat/ Whole Grain Breads and/or Other Whole Grain Options	4 (12 -16 oz) bread, buns, and/ or rolls representing at least 2 varieties;4 (12-16 oz) other grains or tortillas representing at least 2 varieties	3 (12-16 oz) bread, buns, and/or rolls representing at least 2 varieties; 3 (12-16 oz) other grains or tortillas representing at least 2 varieties	2 (12- 16 oz) bread, buns, and/or rolls representing at least 2 varieties; 2 (12-16 oz) other grains or tortillas representing at least 2 varieties	Breads include bread, buns and rolls with whole wheat or whole grain as first ingredient. Food List & Cashier Card state eligible brands; other options include brown rice, bulgur, oatmeal, barley, soft corn tortillas or whole wheat tortillas. Food List & Cashier Card state eligible brands of tortillas.

FOOD FOR WOMEN AND CHILDREN—CASH VALUE VOUCHERS (CVVs)

CATEGORY	MINIMUM REQUIREMENT			COMMENTS
	Large	Medium	Small	
Fruits	At least 4 varieties	At least 3 varieties	At least 2 varieties	Can combine eligible fresh and frozen.
Vegetables	At least 4 varieties; Minimum of \$40 worth of eligible fruits & vegetables	At least 3 varieties; Minimum of \$30 worth of eligible fruits & vegetables	At least 2 varieties; Minimum of \$20 worth of eligible fruits & vegetables	Can combine eligible fresh and frozen.

FOOD FOR INFANTS

CATEGORY	MINIMUM REQUIREMENT			COMMENTS
	Large	Medium	Small	
Concentrate Infant Formula	31 (13 oz) cans of milk based and 31 (13 oz) cans of soy based or 62 of the same	Optional: 31(13 oz) cans of milk based and 31 (13 oz) cans of soy based or 62 of the same	Optional: 31(13 oz) cans of milk based and 31 (13 oz) cans of soy based or 62 of the same	WIC standard concentrate formulas: Gerber Good Start Gentle Plus (milk based) Gerber Good Start Soy Plus (soy based)
Powder Infant Formula: Milk and Soy Base	40 (12 oz) cans of milk based and 18 (12.9 oz) cans of soy based	Required: 30 (12 oz) cans of milk based Optional: 9 (12.9 oz) cans of soy based	Required: 20 (12 oz.) cans of milk based Optional: 9 (12.9 oz) cans of soy based	WIC standard powder formulas: Gerber Good Start Gentle Plus (milk based-12 oz) Gerber Good Start Soy Plus (soy based-12.9 oz)
Gerber Good Start Protect Plus	20 (12 oz.) cans	Optional: 20 (12 oz.) cans	Optional: 10 (12 oz.) cans	
Infant Cereals	12 (8 oz) boxes representing at least 3 kinds	9 (8 oz) boxes representing at least 2 kinds	6 (8 oz) boxes representing at least 1 kind	May include boxes of mixed grains. Food List & Cashier Card state eligible brands.
Infant Fruits	64 (4 oz), 72 (3.5 oz), or 64 (mixture of 3.5 & 4 oz) containers or jars representing at least 3 kinds	48 (4 oz), 54 (3.5 oz), or 48 (mixture of 3.5 & 4 oz) containers or jars representing at least 3 kinds	32 (4 oz), 36 (3.5 oz), or 32 (mixture of 3.5 & 4 oz) containers or jars representing at least 2 kinds	Single food only, no mixed foods. Food List & Cashier Card state eligible brands. Two-packs are allowed.
Infant Vegetables	64 (4 oz), 72 (3.5 oz), or 64 (mixture of 3.5 & 4 oz) containers or jars representing at least 3 kinds	48 (4 oz), 54 (3.5 oz), or 48 (mixture of 3.5 & 4 oz) containers or jars representing at least 3 kinds	32 (4 oz), 36 (3.5 oz), or 32 (mixture of 3.5 & 4 oz) containers or jars representing at least 2 kinds	Single food only, no mixed foods. Food List & Cashier Card state eligible brands. Two-packs are allowed
Infant Meat	42 (2.5oz) jars representing at least 2 kinds	21 (2.5 oz) jars representing at least 2 kinds	Optional: 21 (2.5 oz) jars representing at least 2 kinds	Single type or plain meat or poultry in gravy or broth. Food List & Cashier Card state eligible brands.

TENNESSEE WIC FOOD LIST FOR
OCTOBER 1, 2010 – SEPTEMBER 30, 2012

MILK

Fluid Milk (Gallon container only) in the following:

Reduced fat
Low fat
Fat free
Sweet Acidophilus

When Listed On FI:

Whole Milk (Ages 12-23 months only)
Lactose Reduced or Lactose-Free Milk (Largest available size including quarts or half-gallons)
Ultra High Temperature Milk (UHT)
Non Fat Dry Powdered Milk
Goat's Milk
Buttermilk
Evaporated Milk

(Buttermilk and Evaporated Milk can be whole, low-fat or fat-free unless stated otherwise on FI)

(No chocolate milk)
(No non-dairy beverages except soy beverage when allowed on FIs)
(None labeled organic)

CHEESE

The following are allowed in 8 or 16 oz packages up to the number of ounces stated on the FI. They must be purchased in store brand/private label only unless none is carried:

Block, sliced, string, or stick (including eligible cheese which is individually wrapped) of:
Mozzarella, Cheddar, Colby, Monterey Jack and Process American in 8 or 16 oz size packages.

(Blended cheeses of any of the above are allowed)
(Cheeses that are labeled low, free, reduced, less or light in sodium, fat or cholesterol are allowed)

(No shredded or cubed cheeses)
(No added ingredients or seasonings)
(No flavored cheeses such as smoked)
(No cheese foods, spreads, or products)
(No imitation cheeses)
(No imported cheeses)
(No cheese from store delicatessen or cheese shop unless cheese is not sold elsewhere in the store)
(None labeled organic)

TOFU

Allowed when specified on the FI

Please Note: Eligible tofu must be calcium-set prepared with calcium salts [e.g. calcium sulphate]), have no added fats, sugars, oils or sodium and not labeled "Seasoned Tofu".

Only the following brands and types in 14 – 16 oz packages:

Nasoya: Firm, Soft, Silken, Lite Firm, Lite Silken and Cubed Super Firm, (Nasoya Extra Firm not eligible)
Azumaya: Firm, Extra Firm, Silken, Lite Extra Firm, Lite Silken and Super Firm Cubed

(Organic products are allowed.)

SOY BEVERAGE

Allowed when specified on the FI

Only the following brands and flavors:

Pacific Natural: Ultra Soy Plain, Ultra Soy Vanilla in quarts (non-refrigerated)

8th Continent: Soymilk Original in half-gallon (refrigerated)

(Organic products are allowed.)

EGGS

Dozen, Grade A Large White eggs

(No brown eggs)

(No specialty eggs including those labeled organic)

(No dried eggs mix or hard boiled eggs)

JUICES

(Juices fortified with calcium are allowed)

(No sweetened juices, fruit drinks, or juice cocktails)

(None labeled organic)

(No bottle or carton juice from dairy case)

46-48 oz. Can or Plastic Bottle

Apple	Lucky Leaf, Seneca
Grape	Welch's
White Grape	Welch's
Grapefruit	Any Brand
Orange	Any Brand
Pineapple	Dole
Juicy Juice	All Flavors
Tomato	Campbell's Regular, Campbell's Low Sodium, Campbell's Healthy Request,
V8	100% Vegetable Juice (Regular), Calcium Enriched, Essential Antioxidants, High Fiber, Low Sodium, Spicy Hot

64 oz. Plastic Bottle

Apple	Lucky Leaf, Old Orchard, White House
Grape	Welch's
White Grape	Welch's
Grapefruit	Any Brand
Orange	Any Brand
Pineapple	Langer
Juicy Juice	All Flavors
Tomato	Campbell's Regular, Campbell's Low Sodium
V8	100% Vegetable Juice (Regular), Low Sodium
Cranberry	Northland

11.5/12 oz. Frozen

Apple	Seneca
Pineapple	Dole
Grapefruit	Any Brand
Orange	Any Brand
Grape	Welch's Grape or Welch's White Grape Welch's White Grape Blends: Cranberry, Raspberry, Peach, Pear

CEREAL (11 oz. minimum package)

(Cereal with added pieces such as nuts or clusters is not recommended for children under 3)

(*) Indicates Whole Grain

General Mills

- *Cheerios
- *Multi-Grain Cheerios
- *Whole Grain Total (Wheat)
- *Wheaties
- Corn Chex
- Rice Chex
- *Wheat Chex
- *Kix
- *Fiber One Frosted Shredded Wheat

Kellogg's

- *All-Bran Complete Wheat Flakes
- Rice Krispies
- Crispix
- Corn Flakes
- Corn Flakes Touch of Honey
- Product 19
- Special K
- Special K – Protein Plus
- *Mini Wheats – Frosted Little Bites
- *Mini-Wheats – Frosted Bite-size
- *Mini-Wheats – Frosted Big Bites
- *Mini- Wheats – Unfrosted Bite Size

Post

- *Bran Flakes
- *Grape-Nuts
- *Grape-Nuts Flakes
- Honey Bunches of Oats – Honey Roasted
- Honey Bunches of Oats – Almonds
- Honey Bunches of Oats – Cinnamon Bunches
- *Honey Bunches of Oats – Vanilla Bunches
- *Banana Nut Crunch
- *Shredded Wheat – Vanilla Almond

Quaker

- *Life
- *Oatmeal Squares – Hint of Brown Sugar
- *Oatmeal Squares – Cinnamon
- King Vitaman

Malt-O-Meal

- Crispy Rice
- *Frosted Mini Spooners
- *Strawberry Cream Mini Spooners
- Honey and Oat Blenders
- Honey and Oat Blenders with Almonds

Store Brands/Private Label

Eligible Varieties:

- Corn Flakes
- Crisp Rice, Crispy Rice
- *Toasted Oats, Tasteeo's, Rollin' Oats

(All store brand/private label products of these varieties in at least 11 oz. package size are eligible.)

HOT CEREAL

B & G -- Cream of Wheat

- Cream of Wheat – Regular in 1, 2 ½ or 10 minute (box)
- *Cream of Wheat – Whole Grain
- Cream of Wheat – Original (1 oz pks)

Quaker Oats

- *Instant Oatmeal – Regular (.98 oz pks)
- Instant Grits – Original
- Instant Grits – Original (1 oz pks)
- Instant Grits – Butter (1 oz pks)

PEANUT BUTTER

16 oz. through 18 oz. Glass or Plastic Jar:

(Peanut Butter is not provided for children under the age of 3)

- (Smooth or Crunchy)
- (Can be refrigerated or non-refrigerated)
- (Regular or reduced amounts of sodium are allowed)
- (Added vitamins are allowed)

- (No reduced fat)
- (No spreads)
- (No added jelly, honey, or store ground)
- (None labeled organic)

DRIED BEANS/PEAS

Any type of mature dry beans, peas or lentils in 16 oz. bag:

(Available varieties include, but not limited to black beans, black-eyed peas, garbanzo beans, great northern beans, kidney beans, lima beans, navy beans, pinto beans, soy beans, split peas and lentils)

(Cans are allowed when listed on FI.)

- (None with seasoning packets)
- (None labeled organic)

CANNED FISH (LIGHT TUNA, SALMON and SARDINES)

Chunk Light Tuna:

Any brand in 5-6 oz cans.

(No Albacore)

Pink or Red Salmon:

Any brand in 14.75 oz cans.

Sardines:

Any brand in 3.75 oz cans.

(Allowed in tomato or mustard sauce)

For all of the above:

(Packaging may include bones or skin)

(May be regular or lower in sodium)

(Can be oil or water packed)

(No smoked products)

(None labeled organic)

FRUITS AND VEGETABLES

All fruits and vegetables are to be purchased with the fruit and vegetable Cash Value Voucher (CVV) except juices, dried beans or peas, which must be purchased with FIs.

Any variety of:

Fresh whole or cut fruit without added sugars

Frozen fruits without added sugars

Fresh whole or cut vegetables without added sugars, fats or oils

Frozen vegetables without added sugars, fats, oils or breading, in regular or low sodium

(Organic products are allowed.)

(Orange yams and sweet potatoes are allowed in fresh or frozen)

(Broccoli, cauliflower and artichokes are allowed, although edible blossoms or flowers [e.g. squash blossoms] are not allowed)

(No white potatoes)

(No dried fruits or vegetables)

(No ketchups or other condiments, pickled vegetables or olives)

(No soups)

(No fruit leathers or fruit roll-ups)

(No herbs or spices)

(No vegetable-grain [pasta or rice mixtures], breaded vegetables or creamed or sauced vegetables)

(No fruit/nut mixtures, fruit basket, party trays, or fruits or vegetables from salad bars)

(No peanuts)

(No ornamental or decorative fruits or vegetables [e.g. chili peppers on a string], garlic on a string or gourds,

(No baked goods [e.g. blueberry muffins])

**WHOLE WHEAT BREAD/ WHOLE GRAIN BREAD/
AND OTHER WHOLE GRAIN PRODUCTS**

Whole Wheat/Whole Grain Bread in 12 – 16 oz Packaging

Please Note: Eligible bread products must have whole wheat or whole grain as their first ingredient, cannot be purchased from in-store bakery or be labeled sugar-free.

(Seeds are allowed.)

(No swirls such as cinnamon or honey)

(No added fruit or nuts such as raisins)

100% Whole Wheat: Bimbo, Bunny, Healthy Life Soft Style ½ Loaf, Merita Small Bread, Pepperidge Farm Very Thin Sliced Soft, Roman Meal Sungrain, Sara Lee Classic, Wonder Soft
100% Whole Wheat Store Brand/Private Label: Food Lion, Best Choice, Kern's (Food City), Great Value (Wal-Mart), Bi-Lo, Schnucks
Stone Ground 100% Whole Wheat: Arnold, Orowheat, Pepperidge Farm

Whole Wheat Buns, and Rolls in 12-16 oz Packaging

Please Note: Eligible bread products must have whole wheat or whole grain as their first ingredient, cannot be purchased from in-store bakery or be labeled sugar-free.

(Seeds are allowed.)

(No swirls such as cinnamon or honey)

(No added fruit or nuts such as raisins)

100% Whole Wheat Sandwich Buns: Cobblestone Mill, Healthy Life Soft Style,
Whole Wheat Sandwich Rolls: Arnold Select, Orowheat Select
100% Whole Wheat Hamburger Buns: Nature's Own, Pepperidge Farm Soft, Sara Lee Soft & Smooth
100% Whole Wheat Hot Dog Buns: Cobblestone Mill, Healthy Life Soft Style, Nature's Own, Sara Lee Soft & Smooth
100% Whole Wheat Sandwich Rounds: Nature's Own
100% Whole Wheat Sandwich Thins: Arnold, Orowheat
100% Whole Wheat Thin Buns: Earthgrains Natural

Tortillas in 12-16 oz Packaging

Please Note: Eligible tortillas must have whole grain (corn or whole wheat) as the first ingredient, and have no added sugars, fats, oils or sodium.)

Whole Wheat: Chi Chi's Fajita Style, Manny's Fajita Style, Don Pancho Soft Taco & Wraps Style, La Banderita, Tam-i-xico 's 100% Stone Ground, Wrap-Itz 100% Stone Ground
Soft Yellow Corn/White Corn: Don Poncho White Corn, La Banderita White Corn, La Burrita Yellow Corn, Tia Rosa Yellow Corn Taco Size

Other Whole Unprocessed Grains in 12-16 oz Packaging

Any brand of brown rice, bulgur (cracked wheat), oatmeal and whole grain barley

(Can be instant, quick or regular cooking)

INFANT FORMULA

The brand of standard infant WIC formula in Tennessee is determined through the State's competitive bid process. The currently available infant formula each participant is to receive will be stated on their FI.

INFANT CEREAL

The following commercial brands in 8 oz. boxes: Beech-Nut, Gerber, and Nature's Goodness

(Can be regular or Whole Wheat/Whole Grain)

(No added ingredients such as infant formula, milk, fruit or other non-cereal ingredients)

(None with DHA or ARA)

(None labeled organic)

INFANT FRUITS

The following commercial brands of 2nd stage products consisting of single ingredient in 3.5/4 oz glass or plastic jars: Beech-Nut, Gerber, and Nature's Goodness

(Any texture from strained through diced)

(Two-packs are allowed)

(No added sugars, starches or sodium)

(No added cereal)

(No infant food desserts [e.g. fruit cobbler])

(None with DHA or ARA)

(None labeled organic)

INFANT VEGETABLES

The following commercial brands of 2nd stage products consisting of single ingredient in 3.5/4 oz glass or plastic jars: Beech-Nut, Gerber, and Nature's Goodness

(Any texture from strained through diced)

(Two-packs are allowed)

(No added sugars, starches or sodium)

(None with DHA or ARA)

(None labeled organic)

INFANT MEAT

The following commercial brands of meat or poultry as a single major ingredient, with added broth or gravy in 2.5 oz. jars: Beech-Nut, Gerber, and Nature's Goodness

(Any texture from pureed through diced)

(No added sugars or sodium)

(No infant food combinations [e.g. meat and vegetables])

(No infant dinners [e.g. spaghetti and meatballs])

(None with DHA or ARA)

(None labeled organic)

(7/12/10)

FOOD INSTRUMENT AND CASH VALUE VOUCHER
INFORMATION FOR VENDOR

- Valid month: Local health departments and clinics issue three (3) months of FIs and CVVs at a time. However, each FI and CVV is valid only for the month printed. Accept FIs and CVVs for the current valid month only! It is program policy to not pay any FIs or CVVs transacted out of the valid month.
- Dollar amount: The amount to be entered in the "PAY THIS AMOUNT" box is the price of the approved foods being purchased at the time of the transaction without sales tax. This is the amount of money that shall be paid on the FI or CVV. Change, credit, "due bills" or "rain checks" are not to be given for either FIs or CVVs. However, if the total amount of fruits and vegetables purchased with a CVV exceeds the dollar value on the CVV, the participant can pay the difference using cash, SNAP benefits or other means. These forms of payment are subject to collection of sales tax except SNAP transactions.
- Maximum FI and CVV amount: The FI or CVV shall be rejected and returned to the vendor by the WIC Program's bank contractor if the dollar amount entered is over the maximum payment that can be made by the banking contractor.
- FI or CVV signature: A FI/CVV folder must be presented along with the FI or CVV by a program participant or alternate at the time of the transaction. Any person whose name and signature appears on the front of the folder is eligible to transact the FI or CVV. The signature on the FI/CVV folder must match the one signed on the FI's or CVV's signature line during the transaction. Do not accept the FI or CVV if the signature line is pre-signed. Questionable matches can be verified by driver's license or other valid ID. The cashier must complete the date and dollar amount before the signature is obtained.
- Alterations: FIs and CVVs altered (changed, rewritten or erased) for date, dollar amount, vendor name/number, and signature may not be paid. For mistakes, the FI or CVV (and cash receipt if possible) should be held and the regional WIC Program representative contacted prior to deposit at your local bank.
- Food package description: The FI is to be transacted for only the types, brands, sizes, and varieties of approved foods listed on the WIC Food List and the FI. No substitutions allowed. However, changes in packaging, product name and/or available varieties are allowed following notification by an authorized WIC Program representative. The CVV is to be transacted for eligible fruits and vegetables as described on the WIC Food List and the CVV.
- Customer courtesies: Except at "above-50-percent" vendors, the transaction must include promotions available to all customers such as bonus cards, coupons, etc. Additional quantities of food are not to be provided, unless the transaction involves a customer courtesy available to all customers such as "buy one, get one free" or a free item available with the purchase of an approved food. Promotions available only to WIC transactions are not allowed.
- Timeframe to deposit FIs and CVVs: FIs and CVVs are to be processed by the WIC Program's bank contractor within thirty (30) days from the last day of the valid month.
- Out of State FIs and CVVs: **Do not accept FIs or CVVs from another state.** Refer the person to the local health department or clinic.

VENDOR'S TRAINING RESPONSIBILITIES

- Once a vendor has received their first training by an authorized WIC Program representative and entered into their first WIC Vendor Agreement, it is the vendor's responsibility to have at least one representative of their business receive annual training.
- The date, time, location, and appropriate representative(s) for this annual training shall be scheduled at the discretion of the authorized WIC Program representative, but at least one alternative date shall be offered.
- It is the vendor's responsibility to ensure cashiers and other staff are informed and trained on WIC Program requirements. This may be conducted by an authorized WIC Program representative. Such training shall be required if needed for improved compliance with the WIC Vendor Agreement.

FOOD INSTRUMENT AND CASH VALUE VOUCHER PROCEDURES FOR CASHIERS

The following steps must be performed in the indicated order and at the time of the transaction unless otherwise noted:

- Verify the FI or CVV is for the valid month printed on the top right side of its front.
- Separate the foods to be purchased with the FI or CVV from any other items. If both FIs and CVVs are part of the WIC transaction the WIC eligible foods need to be separated accordingly. (See current WIC Food List and FI or CVV being presented.)
- Review the food package description on the left side of the front of the FI. It describes the types and quantities of approved foods to which the program participant is entitled. Acknowledgment of an item's eligibility by the vendor's scanning system does not guarantee the program participant is entitled to it.
- Review the description and dollar amount on the left side of the front of the CVV. This indicates the amount of eligible fruits and vegetables that can be purchased without the participant making additional payment.
- Compare foods presented for purchase with a FI to the WIC Food List to assure the proper foods have been selected in the correct sizes and specified brands. All items due on the FI do not have to be purchased.
- Compare fruits and vegetables presented for purchase with a CVV to the description of eligible products on the WIC Food List. **You must also assure no excluded items are allowed. (Refer to p. 21 in this handbook or the Cashier Card provided for your registers.)** No change is to be given if the full value of the CVV is not purchased.
- Total the dollar amount of the approved foods without charging sales tax. Except at "above-50-percent" vendors allow applicable customer courtesies offered to all customers such as a bonus card, coupons and buy-one-get-one free offers.
- Complete the right side of the front of the FI in ink (no pastel or gel inks) and in the following order (see example FI on following page for number comparison):
 1. The month, date, and year (numeric) in the "DATE TRANSACTED" box. This must be within the valid month printed at the top of the FI.
 2. The dollar amount of the WIC transaction in the "PAY THIS AMOUNT" box. Do not include sales tax. The "PAY THIS AMOUNT" must be less than the maximum value of the FI.
 3. The program participant or alternate signs the FI's signature line. If this signature does not match a signature on the WIC FI/CVV folder, or it is pre-signed, do not accept the FI. Driver's license or other ID with signature may be used to verify questionable matches. If unsuccessful, instruct that the program participant must return the FI to the local health department or clinic.
 4. Stamp the FI with your authorized WIC vendor stamp as assigned to you by the State. (Does not have to be done during the transaction.)

The FI should be completed as in the sample below (The numbers on the FI correspond to those above.):

If you have questions call your local Health Department or 1-800-342-5942 (1-800-DIAL WIC)			
2	015	01	0000004228 WIC, ADMIN B.
REG. NO.	CO.	CL.	PARTICIPANT NO. LAST NAME FIRST NAME MI
ISSUING CLM. REF.		WV KY	TENNESSEE WIC PROGRAM 20028157
Pay The Authorized TN WIC Vendor			64-1968 611
VALID ONLY FOR THE PURCHASE OF WIC APPROVED FOODS:			VALID ONLY DURING JUNE 2009
FOOD PACKAGE: 055TD VOUCHER CODE: E			DATE TRANSACTED
ONE (1) GALLON OF MILK (REDUCED FAT, LOW FAT, FAT FREE OR SWEET ACIDOPHILLUS) SIXTEEN(16)OZ STORE BRAND CHEESE(8 OR 16 OZ SIZE) ONE (1) DOZEN LARGE GRADE A WHITE EGGS TWO (2) 46 OZ CONTAINERS OF JUICE OR TWO (2) 11.5-12 OZ FROZEN CANS THIRTY-SIX (36)OZ OF CEREAL(BUY 11 OZ OR LARGER)			PAY THIS AMOUNT \$
*MOO'VE TO FAT FREE AND LOWFAT MILK!			Signature below must match signature on voucher folder.
# 200 28 1 5 7 #			# 250 55 3 5 #

- Complete the right side of the front of the CVV in ink (no pastel or gel inks) and in the following order (see example CVV for number comparison):
 - The month, date, and year (numeric) in the “DATE TRANSACTED” box. This must be within the valid month printed at the top of the CVV.
 - The dollar amount of the WIC transaction in the “PAY THIS AMOUNT” box. Do not include sales tax. No change is to be given if the paid amount is less than the value of the CVV. If the paid amount is greater than the value of the CVV, the difference can be paid using cash, SNAP benefits or other means. These forms of payment are subject to collection of sales tax except SNAP transactions.
 - The program participant or alternate signs the CVV’s signature line. If this signature does not match a signature on the WIC FI/CVV folder, or it is pre-signed, do not accept the CVV. Driver’s license or other ID with signature may be used to verify questionable matches. If unsuccessful, instruct that the program participant must return the CVV to the local health department or clinic.
 - Stamp the CVV with your authorized WIC vendor stamp as assigned to you by the State. (Does not have to be done during the transaction.)

The CVV should be completed as in the sample below (The numbers on the CVV correspond to those above.):

If you have questions call your local Health Department or 1-800-342-5942 (1-800-DIAL WIC)

2	015	01	0000004228	WIC, ADMIN B.				VKKV	TENNESSEE	20028156
REG.	CD.	CL.	PARTICIPANT ID#	LAST NAME	FIRST NAME	MI.	ISSUING CLK. ID#	ISSUING CLK. ID#	WIC PROGRAM	VALID ONLY DURING
VALID ONLY FOR THE PURCHASE OF WIC APPROVED FOODS: FOOD PACKAGE: 05STD VOUCHER CODE: CVV6										Pay The Authorized TN WIC Vendor 64-1968 611 JUNE 2009
THIS VOUCHER IS VALID FOR UP TO \$6 (SIX DOLLARS) OF FRESH OR FROZEN FRUITS AND VEGETABLES MUST BE USED AT A WIC AUTHORIZED GROCERY STORE										DATE TRANSACTED
NO CHANGE MAY BE GIVEN IF TOTAL VALUE NOT USED IF TOTAL VALUE EXCEEDED, PARTICIPANT MAY PAY THE DIFFERENCE OR REDUCE THE AMOUNT OF FOOD										PAY THIS AMOUNT \$
Not valid unless legibly stamped with authorized vendor stamp and deposited within 30 days from last day valid. Payable through United Community Bank, Marietta, GA 30060.										Signature below must match signature on voucher folder. x _____
® 200 28 56 ® :06 9684: 2505535 ®										

Diagram annotations: Number 4 points to the 'Pay The Authorized TN WIC Vendor' stamp area. Number 1 points to the 'DATE TRANSACTED' box. Number 2 points to the 'PAY THIS AMOUNT' box. Number 3 points to the signature line.

NON-PAYMENT OF FOOD INSTRUMENTS AND CASH VALUE VOUCHERS

- Pre-editing FIs and CVVs for errors before depositing will help prevent loss of payment and return check charges from the local bank. The WIC Program's bank contractor shall deny payment and return FIs and CVVs to the vendor for any of the following reasons (Number references are to the FI and CVV examples on the previous pages.). FIs and CVVs may be validated or replaced by your regional WIC representative with valid justification before their initial deposit to the local bank or following return by the bank contractor.
 - Date left blank or altered (#1).
 - Dollar amount not legible, left blank, altered or greater than the maximum value (#2).
 - Signature line not signed by the program participant or alternate (#3).
 - Assigned WIC vendor stamp left off or illegible or vendor number is invalid (#4).
- FIs and CVVs shall also be returned without payment for these reasons. It is WIC Program policy that validations or replacements are not to be made for:
 - FIs and CVVs transacted outside the valid month.
 - FIs and CVVs not processed within thirty (30) days from the last day of the valid month
- A pattern of excessive validations or replacements may result in termination of the WIC Vendor Agreement.

PRICE COLLECTION

- Grocery vendors are required to submit a WIC Grocer Price Report showing their highest regular shelf prices on a select group of approved foods by the 5th day of the reporting period.
- Changes to the reported prices during the intervals between required price submissions must be reported to the regional WIC Program representative.
- It is required that the vendor's maximum reported prices for commonly issued food packages shall be no greater than fifteen percent (15%) above the average package prices reported for all other authorized vendors in their peer group.
- When one or more of the food packages exceed the fifteen percent (15%) average, the vendor shall be contacted to discuss this pricing situation. The vendor shall be given opportunity to justify. They shall be expected to lower their prices if determined necessary. Failure to comply with a request to lower prices shall result in disqualification.

CLAIMS

- FI or CVV payment shall be denied or a request for reimbursement of a previous payment made when it is determined that the vendor committed an error, either intentional or unintentional, that affects the payment of a FI or CVV. In these situations, the vendor shall be given an opportunity to justify or correct the error. The WIC Program's decision whether to uphold the claim is considered final, and vendors may not appeal any payment disputes.
- Refusal to validate or replace a FI or CVV is considered a claim. Reasons include: (Number references are to the FI and CVV examples on the previous pages.):
 - FIs and CVVs transacted outside of valid month. (#1).
 - FIs and CVVs not signed during the WIC transaction. (#3).
 - FIs and CVVs not processed within thirty (30) days from the last day of the valid month.
- A request for reimbursement shall be made when a vendor is found to have a pattern of overcharging as the result of a compliance investigation. The investigation will consist of a series of covert compliance buys or

the results of an inventory audit. The pattern can include charging Program participants more for approved foods than non-Program participants, charging for approved food not received by Program participants, charging for non-approved foods, or charging more than the current shelf price for approved foods. When questioned by the WIC Program, the vendor shall have the opportunity to justify or correct the claim.

- Reimbursements are to be made payable to the Tennessee WIC Program.
- A pattern of overcharging shall result in disqualification.

PRICE ADJUSTMENTS

- The amount to be paid on FIs presented for validation or replacement shall be adjusted if it is determined that the amount is greater than the maximum amount to be charged for that FI based on the vendor's reported prices.
- The amount to be paid on FIs or CVVs presented for validation or replacement shall be adjusted if it is determined that an enclosed sales receipt indicates that the vendor charged for non-approved food or an excessive quantity of approved food.
- FIs and CVVs returned by the bank contractor for the dollar amount exceeding the maximum amount shall not be validated. They shall be replaced and the dollar amount adjusted to the vendor's reported prices for FIs and to the maximum dollar amount for CVVs.
- Reimbursements shall be requested from grocery vendors for FIs redeemed over the vendor's reported prices. The opportunity to justify will be considered in such situations. Failure of vendors to make these reimbursements will result in termination of the Vendor Agreement and/or denying a subsequent application for Vendor Authorization.

VENDOR SANCTION PROCEDURES

- The Vendor Sanction Procedures are based on the federal regulations in 7 CFR Part 246 for violations of the WIC Vendor Agreement. Except as noted as follows, the WIC Program shall notify a vendor in writing when an investigation to determine a vendor's compliance with their agreement first reveals an act of non-compliance. This applies to situations for which a pattern or non-compliance must be established in order to sanction a vendor for violating their agreement. This notification shall occur before another such act of non-compliance is documented.
- However, notification is not required if:
 - The WIC Program determines that notifying the vendor would compromise the investigation.
 - If the violation would involve a vendor's redemptions exceeding its' inventories.
 - If the violation only requires one act of non-compliance before a sanction is to occur.
 - There is a WIC Program sanction based on a SNAP sanction.

I. Federally Mandated Vendor Sanctions That Shall be Issued.

A. Permanent Disqualification:

1. conviction by a court of competent jurisdiction of trafficking in WIC FIs or CVVs; or
2. conviction by a court of competent jurisdiction of selling firearms, ammunition, explosives, or controlled substances, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802), in exchange for WIC FIs or CVVs.

B. Six-year Disqualification:

1. one or more incidences of investigative finding of trafficking in WIC FIs or CVVs; or
2. one or more incidences of investigative finding for selling firearms, ammunition, explosives, or controlled substances.

C. Three-year Disqualification:

1. one or more incidences of investigative finding of the sale of alcohol, alcoholic beverages or tobacco products in exchange for WIC FIs or CVVs;
2. a pattern of claiming reimbursement for more of a WIC food item than the vendor's documented inventory shows was on hand for a specific time period;
3. a pattern of overcharging;
4. a pattern of receiving, transacting and/or redeeming WIC FIs or CVVs outside of authorized channels including a vendor's location not contracted to accept WIC FIs or CVVs and/or from someone other than the person who signed the WIC FI or CVV at the WIC Clinic;
5. a pattern of charging for WIC foods not provided to the participant at the time of the transaction; or
6. a pattern of providing credit or non-food items (e.g., paper towels, tissues), in exchange for WIC FIs or CVVs, (other than alcohol, explosives, or controlled substances, which only require one (1) incidence).

D. One-year Disqualification:

1. a pattern of providing non-WIC foods and/or a quantity of WIC food greater than allowed on the WIC food FIs or CVVs;
2. a pattern of an "above-50-percent" vendor providing prohibited incentive items in accordance with the WIC Program's policies and procedures.

- The WIC Program shall not accept the vendor’s voluntary withdrawal as an alternative to disqualification for any violation in this section. Non-renewal of the WIC Vendor Agreement as an alternative to disqualification is not allowed.
- If there are multiple violations requiring federally mandated sanctions described in the sanction notice, the vendor shall be disqualified for the most serious violation. However, if a Civil Money Penalty (CMP) is to be imposed in lieu of disqualification, as described below in Section IV, it shall include each of the violations up to the limits of \$11,000 per single violation and \$44,000 maximum for multiple violations. These amounts are subject to future increases based on periodic revisions for inflation.
- When a vendor previously assessed a federally mandated sanction for any of the one, three, or six-year periods is to be sanctioned again for any of these violations, the disqualification period shall be doubled. If a CMP is to be imposed, the amount of the CMP shall be doubled up to the maximum amounts described in Section IV.
- When a vendor previously assessed a federally mandated sanction twice for any of these violations commits any one of them for the third time or greater, the disqualification period shall be doubled. A CMP shall not be imposed in these situations.

II. Disqualification Based on SNAP Disqualification or Another State’s WIC Program.

- When a vendor is disqualified from SNAP or another state’s WIC Program, the WIC Program in Tennessee shall disqualify the vendor for the same length of time, but may start the disqualification at a later date. Disqualification from the WIC Program based on a SNAP disqualification shall not be subject to administrative or judicial review under the WIC Program. In lieu of disqualification from either SNAP or another state’s WIC Program, there shall be a CMP imposed, as described in Section IV.
- The WIC Program may disqualify a vendor who has been imposed a CMP for participant access hardship in the SNAP or another state’s WIC Program. This disqualification shall be for the same length of time the vendor would have been disqualified from the SNAP or another State WIC agency.

III. State Sanctions Established by the Tennessee WIC Program.

A. One-Year Disqualification for First Violation for:

1. providing false information on the “Vendor Application for Authorization to Participate in the Tennessee WIC Program”
2. providing false information on the WIC Grocer Price Report;
3. failing to allow any authorized WIC representative the right to inspect FIs or CVVs on hand;
4. failing to withhold deposit of WIC FIs or CVVs for up to seven (7) days upon request of an authorized WIC representative;
5. failing to produce bills of lading or invoices upon request of an authorized WIC representative; or
6. failing to provide food sales information upon request of an authorized WIC representative.

B. Six-month Disqualification for First Violation and One-Year Disqualification for Second Violation for:

1. failing to reimburse the WIC Program for a claim of reimbursement regarding one or more WIC FIs or CVVs;
 2. failing to lower prices on approved WIC foods upon request of an authorized WIC representative;
 3. failing to allow employee training on WIC procedures including having in place an effective policy and program to prevent trafficking;
 4. failure of ownership/management to be knowledgeable of WIC procedures and be accountable for employee actions;
 5. collecting reimbursement from a WIC participant(s) for a FI(s) or CVV(s) returned unpaid from the WIC Program's bank contractor;
 6. failing to treat all WIC participants the same regardless of race, color, national origin, sex, age, or disability;
 7. failing to meet minimum stock requirements for approved WIC foods including having stock within eligible product dates;
 8. failing to provide suitable hours and environment for participant access including, but not limited to, not restricting the hours to redeem WIC FIs and CVVs, not keeping WIC participants from using a check-out available to all other customers, and not acting in a way that abuses or embarrasses a WIC participant;
 9. failing to offer WIC participants any courtesies offered other customers including, but not limited to, bonus cards, multiplying of coupon values and additional products for free;
 10. requiring WIC participants to sign WIC FIs or CVVs without first entering the redeemed date and/or redeemed amount;
 11. failing to obtain a signature on WIC FIs or CVVs at the time of the transaction;
 12. transacting WIC FIs or CVVs not valid for the month in which they are transacted; or
 13. failing to conduct WIC transactions only on the vendor's premises.
- The total disqualification period for a sanction notice with only State established sanctions shall not be more than one year. A CMP may be imposed in lieu of disqualification, as described in Section IV below.
 - If the sanction notice describes multiple violations requiring both federally mandated and State established sanctions, the vendor shall be disqualified for the most serious violation. However, if the federally mandated sanction is not upheld on a vendor appeal, the WIC Program may impose a State sanction described in the State's sanction notice.

IV. Civil Money Penalty (CMP) in Lieu of Disqualification.

- The WIC Program shall impose a CMP in lieu of disqualification for all of the above actions that result in disqualification:
 - If, for any disqualification described in sections I through III above, it solely determines and documents that disqualifying the vendor would cause inadequate participant access. A CMP shall be based on 10% of the vendor's average WIC redeemed dollar amount for the previous six-month period multiplied by the number of months the vendor would have been disqualified. However, the CMP shall not exceed \$11,000 for each violation or \$44,000 total for multiple violations described in the sanction notice. These amounts are subject to future increases based on periodic revisions for inflation, or
 - If, for paragraph A. of Section I above, the vendor had in place at the time of the violation an effective policy and program to prevent trafficking, and the ownership was not aware of, did not approve of, and was not involved in conducting the violation, the CMP in lieu of permanent disqualification shall be \$11,000.

- The CMP shall be doubled up to the limits stated above for the second sanction and shall not be imposed in lieu of disqualification for third or subsequent sanctions.
- The WIC Program has the option to allow an installment plan for the payment of a CMP.
- If a WIC vendor does not pay, only partially pays, or fails to timely pay a CMP imposed in lieu of disqualification, the WIC vendor shall be disqualified for the length of the disqualification corresponding to the violation for which the civil money penalty was assessed.

V. Appeals.

- Vendors may request a hearing or administrative review (see as follows for when which is applicable) to appeal any adverse action taken against them, except for:
 - how valid or appropriate are the WIC Program’s criteria for selecting vendors for authorization;
 - how valid or appropriate are the WIC Program’s criteria for determining participant access hardship and final determinations made;
 - the WIC Program’s decision as to whether a vendor had an effective policy and program to prevent trafficking and that the ownership of the vendor did not know of, approve of and was not involved in such conduct;
 - the WIC Program’s decision as to whether to notify a vendor in writing when an investigation to determine a vendor’s compliance with their agreement first reveals an act of non-compliance;
 - expiration of the WIC Vendor Agreement;
 - disputes regarding FI or CVV payments and vendor claims (other than the opportunity to justify or correct a vendor overcharge or other error);
 - disqualification as a result of disqualification from the SNAP;
 - how valid or appropriate are the WIC Program’s criteria for prohibiting incentive items and for the denial of an “above-50-percent” vendor’s request to provide an incentive item;
 - the WIC Program’s decision as to whether or not to include an infant formula manufacturer, wholesaler, distributor, or retailer from the required annual list;
 - how valid or appropriate are the WIC Program’s vendor peer group criteria; or
 - how valid or appropriate are the WIC Program’s criteria used to identify “above-50-percent” vendors or vendors comparable to “above-50-percent” vendors.
- The WIC Program shall provide fifteen (15) calendar days prior notice of an adverse action being taken against a vendor, except where a sanction is to be permanent disqualification for conviction of trafficking WIC FIs/CVVs or selling firearms, ammunition, explosives, or controlled substances [as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)] in exchange for WIC FIs or CVVs. For instances of permanent disqualification, this sanction shall go into effect upon the vendor’s receipt of the notice.
- The WIC Program shall provide a written notice containing the adverse action being taking, violation(s) used for the decision, the procedure to file for a hearing or administrative review, the effective date of the action(s), the time period allowed to request a hearing or administrative review, and any other pertinent information. For notices containing a federally mandated sanction, the vendor shall be told that disqualification from WIC may result in disqualification from the SNAP without the right to appeal to the SNAP.
- The vendor’s request for a hearing or an administrative review in order to appeal the actions of the WIC Program must be received within fifteen (15) calendar days from the date of receipt of the notice. The appeal letter is to be sent to the Food Delivery Administrator of the Tennessee WIC Program at the address provided.

- Appealing an adverse action by the WIC Program does not relieve the vendor from the responsibility of continued compliance with the WIC Vendor Agreement while permitted to continue as an authorized vendor during the appeals process.
- Adverse actions for which the vendor may request a hearing before an administrative judge from the Administrative Procedures Division of the Tennessee Secretary of State's office are:
 - denial of authorization as a vendor because their prices on approved foods were not competitive, they did not have the required minimum stock of approved foods, the majority of annual total gross sales are not derived from staple foods, or they were trying to circumvent a previous sanction;
 - the WIC Vendor Agreement was terminated for cause by the WIC Program;
 - disqualification from the WIC Program; or
 - the validity of the charges resulting in a civil money penalty in lieu of disqualification.
- WIC Program staff shall make the hearing arrangements and provide the vendor with:
 - adequate advance notice of the time and place of the hearing with at least one opportunity to reschedule the hearing date upon the vendor's specific request;
 - opportunity to present its case and cross-examine adverse witnesses;
 - opportunity to be represented by counsel;
 - opportunity to examine before the hearing the evidence upon which the WIC Program based its action;
 - an impartial decision maker (the administrative judge) who shall base their decision solely on whether the WIC Program correctly applied federal and State statutes, regulations, policies, and procedures governing the WIC Program, according to the evidence presented at the hearing; and
 - written notification of the hearing decision, including why the decision was made, within ninety (90) days from the date of receipt of a vendor's request for a hearing. (However, this timeframe is only an administrative requirement for the WIC Program to follow and is not a reason for overturning the Program's adverse action if the decision is not made within that time period.)
- Adverse actions for which the vendor may request an administrative review are:
 - denial of authorization as a vendor because of inability to meet the WIC Program's business integrity requirement as defined by the Vendor Application for Authorization to Participate in the Tennessee WIC Program or for a current SNAP disqualification or CMP for participant access hardship;
 - denial of authorization as a vendor because of a previous WIC Program sanction or a SNAP withdrawal of authorization or disqualification;
 - termination of a WIC Vendor Agreement by the WIC Program because of a change in ownership or location or operations cease;
 - disqualification because of a trafficking conviction;
 - disqualification because the SNAP imposed a CMP for participant access hardship;
 - imposing of a CMP by the WIC Program in response to disqualification by the SNAP;
 - disqualification because another state's WIC Program disqualified the vendor or imposed a CMP for participant access hardship;
 - denial of authorization as a vendor because of the WIC Program's determination they would be an "above-50-percent" vendor;
 - denial of authorization as a vendor for not having SNAP authorization; or
 - determinations of peer group or "above-50-percent" vendor status unrelated to denials of authorization or terminations
- WIC Program staff shall arrange the administrative review and provide the vendor with:
 - a decision maker, appointed by the Commissioner of the Tennessee Department of Health, who is someone other than the person who rendered the initial decision on the action. Their determination is to be based solely on whether the WIC Program correctly applied federal and State statutes, regulations,

policies, and procedures governing the WIC Program, according to the information provided to the vendor concerning the cause(s) for the adverse action and the vendor's response; and

- written notification of the administrative review decision, including why the decision was made, within ninety (90) days from the date of receipt of a vendor's request for an administrative review. (However, this timeframe is only a federal administrative requirement for the WIC Program to follow and is not a reason for overturning the Program's adverse action if the decision is not made within that time period.)
- The WIC Program shall accept the final decision from a hearing or administrative review as the final action to be taken. If this decision supports the WIC Program's adverse action against the vendor, and the vendor has been permitted to remain authorized during the appeals process, the effective date of the adverse action shall be the date the vendor receives notice of this decision.
- If the final decision from a hearing or administrative review upholds the WIC Program's adverse action against the vendor, the vendor shall be informed that it may pursue judicial review in the Chancery Court for Davidson County, Tennessee.

ADDITIONAL FACTS REGARDING WIC VENDOR AUTHORIZATION

- A potential vendor shall not be authorized and an agreement entered into if the WIC Program determines that the previous ownership sold the store in order to circumvent a sanction issued against them. This includes selling to a relative by blood or marriage or to any individual or organization for less than the fair market value. The subsequent buyer cannot be authorized as a vendor, unless such sale was conducted as an “arms length” transaction (none of the parties are related to each other or have common financial interests).

Federal regulations give the WIC Program authority to not authorize any “above-50-percent” vendors including those previously authorized. Therefore, the WIC Program will not authorize a new for-profit vendor expected to derive more than fifty (50) percent of their annual food sales revenue from WIC FIs, unless that vendor is necessary to assure participant access to WIC Program benefits. In addition, if a vendor applicant is already considered “above-50-percent” for another authorized location they own, that status would also automatically apply to the new one as well.

Within six months of authorizing any new vendor, both regular and “above-50-percent”, the WIC Program will assess the accuracy of its determination to verify whether the vendor should have been authorized and/or to ensure the vendor has been placed in the appropriate peer group. The WIC program has the authority to terminate the vendor agreement or reassign the vendor to the appropriate peer group, if necessary.

For those “above-50-percent” vendors allowed to be authorized:

- payments to such vendors may not result in higher food costs than if program participants purchased their WIC foods at regular vendors; therefore, their payments may not be higher than average payments per FI type to comparable regular vendors
- they shall not be allowed to offer incentive items to WIC participants.; vendors found violating this provision shall not receive payment from the WIC Program

Items referred to as incentive items in the clause above shall include, but are not limited to:

- selling items at cost or below
 - giving free food items
 - offering cash or free food as an enticement for participants to bring new customers into the vendor’s location
 - offering services of greater than nominal value
 - anything made available in a public area as a complimentary gift that can be consumed or taken without charge
 - merchandise or food items involved in raffles or similar promotions
 - lottery Tickets
 - transportation of participants to and from vendor premises or delivery of WIC food to the participant’s residence
 - services resulting in a conflict of interest or the appearance of such conflict, e.g., assistance in applying for WIC benefits
 - any kind of incentive item which incurs a liability for the WIC Program or violates any federal, State, or local law or regulations
 - for-profit goods or services offered to WIC participants at a fair market value based on comparative for-profit goods or services but constitutes a conflict of interest or results in a liability for the WIC Program
- It is the vendor’s responsibility to notify an authorized WIC Program representative of changes of:
 - name, location, ownership, management and/or business structure
 - the decision to no longer participate in the WIC Program
 - the voluntary ending of all business operations

Name changes are to be reported at least thirty (30) days prior to such change being completed.

When participation in the WIC Program ends, either voluntarily or because of a WIC Program disqualification, it is the vendor's obligation to return the State of Tennessee Vendor Stamp to the authorized WIC Program representative.

Relocations to another county or change of ownership shall result in the agreement being terminated and a new application for authorization must be submitted.

- The agreement is not considered a license or property interest. The vendor must reapply for authorization as a WIC vendor following expiration of the agreement. However, neither the WIC Program nor the vendor has an obligation to enter into a subsequent agreement. Such an agreement may not be entered into if either party has failed to comply fully with the previous agreement.

Participation in the WIC Program as an authorized grocery vendor is dependent upon:

- Submission of proof of SNAP authorization through providing a valid copy of the current SNAP authorization upon request of a WIC representative (applicable to all initial authorizations, discretion of WIC representative for subsequent authorization). The applicant shall have fifteen (15) days following receipt of the application denial to request an administrative review.
 - Participation as a retailer in the SNAP. Participation means having available proof of authorization in the SNAP upon the request of a WIC Program representative and conducting SNAP transactions as verified by the SNAP. If the vendor's SNAP participation terminates due to inactivity or voluntary withdrawal, the WIC Program shall terminate the WIC Vendor Agreement. This is termination for cause. The vendor shall have fifteen days following receipt of the termination notice to request a hearing before an administrative judge.
 - Receiving at least 51% of its annual gross sales from staple foods as defined in Part I, Section (17B.) of the "2010-2012 Vendor Application for Authorization in the Tennessee WIC Program". (An exception is allowed for department store supercenters which contain a complete full-service grocery store within their building.) This verifies the vendor's intent to provide WIC Program participants with both a selection of Program approved foods that meet the minimum stock requirements and a full market basket of foods to provide opportunity for price comparison shopping and for nutrition information comparison. Failure to maintain the staple foods requirement may result in termination of the WIC Vendor Agreement for cause. The vendor shall have fifteen days following receipt of the termination notice to request a hearing before an administrative judge.
 - One other form of payment (i.e. bank debit or credit card, personal check, or cash) must be accepted in addition to SNAP transactions and Tennessee WIC FIs and CVVs. Failure to maintain this requirement may result in termination of the WIC Vendor Agreement for cause. The vendor shall have fifteen days following receipt of the termination notice to request a hearing before an administrative judge.
- Vendors are required to purchase infant formula by selecting from a list of wholesalers, distributors, and retailers licensed in the State and formula manufacturers registered with the Food and Drug Administration (FDA). The WIC Program will provide this annually to all authorized vendors. The current list is effective October 1 of each year through September 30 of the following year.

This requirement applies only to contract brand formulas, currently the Gerber Good Start products. Vendors are required to maintain invoices or receipts to show the source of formula purchases applicable to this requirement.

Vendors shall not purchase infant formula via the Internet unless the entity from which the formula purchased is licensed by the State as noted above.

For any questions or information regarding the infant formula list, or to request a paper copy of retailers in your immediate area, please contact the WIC Vendor Management Unit at (615) 741-7218 or 1 (800) 342-5942.

- Per United States Department of Agriculture (USDA) policy, authorized vendors shall not use the acronym “WIC” or the WIC logo, including close likenesses, in total or in part, either in the official name under which the store is authorized or in the name under which it does business, if different. In addition, primary signs promoting the business as well as advertisements and educational materials aimed at customers may not use the acronym “WIC” or “W.I.C”. A vendor may identify themselves as authorized to accept WIC FIs and CVVs on secondary signs and in staff training materials. Shelf signing identifying a product’s WIC eligibility not provided by the WIC Program may be used if approved by the Tennessee Department of Health. Such requests are to be made through the vendor’s regional WIC Program representative who will refer it to WIC Program Central Office staff for approval.
- Per 7CFR Part 246 the WIC Program may release for general information the name, address, authorization status, phone number, website, email address and store type (e.g. grocery store, chain store, independently owned store). All additional information, except noted as follows will remain confidential for release only for specific individuals directly connected with the administration or enforcement of local, federal and State laws and ordinances.

The WIC Program may at its discretion release information regarding disqualification or a CMP in lieu of disqualification on a specific previously authorized vendor to other authorized vendors or to vendor applicants. However, there must be completion of the vendor’s right to appeal through the judicial, as well as administrative procedures before such information can be released. Information that can be released is limited to vendor’s name, address, length of the disqualification or amount of the CMP and a summary of the reason(s) for the sanction as stated in the notice of adverse action sent to the vendor.

- Federal regulations require the WIC Program to inform vendors of the criteria for each of the program’s peer groups and inform each individual vendor of their specific peer group assignment. This information has been provided to vendors authorized under the previous Vendor Agreement by their regional WIC Program representative. Newly authorized vendors will receive this information at the time of initial authorization. The assignment will be effective until the vendor is notified of a change.

In addition, each authorized grocery vendor will be notified of the minimum stock list applicable to their peer group assignment by their regional WIC Program representative.

WHAT IF...

...A program participant presents a FI or CVV already signed on the signature line?

Do not accept the FI or CVV and tell the program participant to return it to the local health department or clinic to be replaced.

...You are unable to fill a complete food package for a FI or have enough fruits and vegetable on hand to reach the maximum value of a CVV ?

Do not accept the FI or CVV. "Rain checks", "due bills", and credit are not allowed.

...The program participant refuses a portion of the food package?

The program participant is not obligated to accept all items due them on a FI nor the full dollar value of a CVV. The FI or CVV should be completed for the exact amount of the actual food purchased.

...A customer requests a refund on what you suspect to be WIC approved foods?

You should refuse to refund and contact your regional WIC Program representative as soon as possible.

Obtain the program participant's name or the participant number if possible.

...A program participant attempts to buy unauthorized food or formula?

Try to obtain their name or the participant number and report it to the regional WIC Program representative as soon as possible.

...A program participant becomes abusive?

Try to obtain their name or the participant number and report it to the regional WIC Program representative as soon as possible.

...A program participant presents a FI or CVV from a state other than Tennessee?

Refuse it and refer participant to the local health department or clinic.

...A program participant is unable to sign their name and must make an "X"?

Any program participant who cannot sign his/her name must make an "X" and have at least one (1) witness at the grocery store (e.g., store manager, clerk, etc.). The witness should sign the name of the person making the "X" and then follow it with "witnessed by...name of witness..." The same procedure should have been used at the issuing local health department or clinic regarding the FI folder.

...A bank returns a FI or CVV to you?

If the FI or CVV has been returned for missing or unreadable vendor number, you may stamp it and re-deposit once. You should contact your regional WIC Representative as soon as possible on all other FIs and CVVs returned to you. You can reduce payment losses and return check charges by pre-editing FIs and CVVs for errors and contacting your regional WIC representative before they are initially deposited.

WIC PROGRAM REGIONAL CONTACTS

- | | | |
|--|--|---|
| <p>1. Northeast Region
1233 Southwest Avenue,
Extension
Johnson City, TN
37604-6519
423-979-3200</p> | <p>5. Mid-Cumberland
Region
710 Hart Lane
Nashville, TN 37243
615-650-7000</p> | <p>10. Davidson County
311 23rd Avenue
North
Nashville, TN 37203
615-880-2212</p> |
| <p>2. East TN Region
1522 Cherokee Trail
P.O. Box 59019
Knoxville, TN 37950-
9019
865-545-3351</p> | <p>6. South Central Region
1216 Trotwood
Avenue
Columbia, TN 38401
931-380-2532</p> | <p>11. Knox County
140 Dameron Avenue
Knoxville, TN 37917
865-215-5050</p> |
| <p>3. Southeast Region
540 McCallie Avenue,
Suite 450
Chattanooga, TN 37402-
2013
423-634-3124</p> | <p>7. West TN Region
Union City Office
P.O. Box 190
1010 Mt. Zion Road
Union City, TN 38261
731-884-2645</p> | <p>12. Chattanooga/Hamilton
County
921 East Third Street
Chattanooga, TN 37403
423-209-8220</p> |
| <p>4. Upper Cumberland
Region
1100 England Drive
Cookeville, TN
38501
931-528-7531</p> | <p>8. West TN Region
Jackson Office
295 Summar Avenue
Jackson , TN 38301
731-423-6600</p> | <p>13. Sullivan County
P.O. Box 630
Blountville, TN 37617
423-279-2739</p> |
| | <p>9. Shelby County
757 Galloway
Memphis, TN 38105
901-528-0044</p> | <p>14. Madison County
804 North Parkway
Jackson, TN 38305
731-423-3020</p> |

Tennessee Health Department Regions



