

WIC Program Store Handbook & Policy and Procedure Manual



New Hampshire Department of Health and Human Services
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New Hampshire WIC Program

Store Handbook

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NH WIC Program
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NH WIC PROGRAM STORE HANDBOOK

THE WIC PROGRAM IN NEW HAMPSHIRE

WIC, the Special Supplemental Nutrition Program for Women, Infants and Children, is a nutrition program funded by the U.S. Department of Agriculture for the purpose of improving the health of pregnant women, new mothers, infants, and children under the age of five. In New Hampshire, the Department of Health & Human Services, Healthy Eating & Physical Activity Section administers WIC. About 200 New Hampshire retail stores presently are authorized to accept WIC voucher and/or the cash value vouchers for fruits and vegetables (CVV), which are used to purchase a variety of nutritious foods and infant formulas.

When a WIC participant presents a voucher and/or a CVV at your store, she or her child has been determined eligible for WIC Program benefits on the basis of income and nutritional need. A nutritionist has prescribed the foods on the WIC voucher and/or a CVV in order to improve the nutritional status of the participant.

After the voucher and/or CVV's are redeemed, retail stores forward them to the State WIC Agency in Concord for payment. Payments to vendors usually are made within four weeks, although this may be delayed by changes in state operational procedures.

HEALTHY WITH WIC

The purpose of the WIC Program is to provide nutritious foods to eligible women and young children during critical times of growth and development, and to provide access to health care services through coordination with other health and human service agencies. Local WIC Agencies work closely with health care providers to assure that New Hampshire children have a healthy start in life. Local WIC Agencies also provide individualized nutrition education so that participants can maximize the nutritional benefits derived from WIC foods. Breastfeeding promotion and support help to encourage breastfeeding as the healthiest way to feed new babies.

FOODS ALLOWED BY THE NEW HAMPSHIRE WIC PROGRAM

The WIC voucher and/or a CVV are a food prescription prepared by a nutritionist to help meet the nutritional needs of the WIC participant. It is necessary that only the name brands specified on the New Hampshire WIC Approved Foods List be provided because there are great variations in nutritional content among different products. For example, all WIC cereals are fortified with iron, as iron deficiency is a common health problem among the WIC population. In addition, WIC cereals were selected because they have low sugar content. WIC juices are similarly selected due to the high vitamin C and low sugar content.

All "WIC-Approved Foods" are listed by food category with specific brand and container size restrictions noted on the WIC Approved Food List. Copies of the WIC Approved Food List are provided to all vendors and participants. Only those foods specified may be purchased by participants and reimbursed by the WIC Program. Please refer to page 8 for further information on brand restrictions.

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MAJOR CONDITIONS FOR VENDOR PARTICIPATION

Vendors participating in the New Hampshire WIC Program shall:

1. not discriminate between WIC Program participants, parents, or caretakers of infant or child participants, or proxies and the general public in any way when redeeming vouchers and/or CVV's;
2. cooperate in reviews or audits of WIC Program operations conducted by the State WIC Agency, the U.S. Department of Agriculture (the federal agency responsible for administering the WIC Program) or authorized agents of these agencies;
3. acknowledge that ongoing compliance reviews may result in monitoring of the vendor's procedures with WIC Program participants and voucher and/or a CVV, verification of purchases made by participants, and the use of voucher and/or a CVV in covert compliance purchases;
4. repay funds improperly received from the WIC Program and change store WIC procedures when required by audit or review findings; and
5. not seek restitution from participants, parents or caretakers of infant or child participants, or proxies for costs rejected or partially rejected by the State Agency for improper or rejected vouchers and/or CVV's.

The above is only a partial list of conditions for vendor participation. (See Appendix VI).

IT IS IMPORTANT THAT . . .

Cashiers are familiar with the WIC Approved Food List & the handling of WIC transactions.

Only WIC-approved foods in authorized quantities are purchased.

No change or store credit is given to the WIC participant, parent or caretaker of an infant or child participant, or proxy.

Cashiers must allow alternate forms of payment for CVV's (fruit and vegetable) vouchers if the amount purchased exceeds the value of the voucher. Alternate forms of payment may be cash, credit cards, EBT card, check or any other form of payment the store allows.

Vouchers and/or CVV's are not accepted for payment on credit or charge accounts.

No rainchecks or merchandise credits are provided.

WIC participants, parents or caretakers of infant and child participants, or proxies are charged the same price for WIC foods as other customers, including allowing the use of manufacturers' coupons or promotional specials.

"WIC only" cash register lines are not allowed.

WIC participants, parents or caretakers of infant and child participants, or proxies are never to be contacted or asked to pay for all or part of foods that are issued on the voucher and/or a CVV or for costs rejected by the State Agency.

Altered vouchers or altered CVV's must not be accepted.

Vouchers or CVV's that are presented before the valid date or after the expiration date must not be accepted.

All vouchers and/or CVV's are billed within 30 days of redemption.

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CRITERIA FOR VENDOR SELECTION

Criteria used in accepting or denying a vendor's application shall include the following:

1. physical location within New Hampshire;
2. ability of an applicant vendor to meet Program requirements;
3. business integrity as defined in Federal Regulation 7 CFR 246.12(g)(3)(ii);
4. number, relative qualifications, and proximity of other authorized vendors in the geographical area;
5. inventory and price ranges of approved foods in relation to currently authorized vendors in the geographical area;
6. impact of an acceptance or rejection decision on the vendor, particularly if a small business;
7. days and hours of operation;
8. absence of any conflict of interest with the State or Local WIC Agency;
9. current authorization by the Food Stamp Program, including absence of any adverse actions pending or under appeal;
10. comments and recommendation of the Local WIC Agency, including participant complaints;
11. demonstrated ability to meet Program requirements, as evidenced by performance during the current or previous agreement periods including: sanction points, Category I violations, failure to attend face-to-face training as scheduled by the State Agency without good cause, and monitoring reports in accordance with the New Hampshire Administrative Rules, Section He-P 3206; and
12. patterns of participant use of a currently authorized vendor, including number of participants and monthly volume of business.

The above is only a partial list of conditions for vendor selection. (See New Hampshire Administrative Rule He-P 3205.01).

Prior acceptance or rejection shall not constitute sole grounds for approval or denial of authorization. Any pending or current disqualification from or sanction by other U.S. Department of Agriculture, Food and Nutrition Service programs shall constitute sole grounds for denial of authorization.

VENDOR INFORMATION AND TRAINING

Retail vendors are important partners in the delivery of supplemental foods to participants, parents and caretakers of infant and child participants, and proxies. Without the retail vendor, the WIC Program could not operate. The vendor plays an important role in monitoring WIC purchases to assure that the appropriate foods are provided in proper quantities. To assist vendors in this role, the State WIC Agency has established vendor training. At the time of enrollment, vendors are provided training on WIC operations by the State WIC Agency. In addition, at least once every three years, all vendors must participate in face-to-face training in accordance with federal regulations. Every effort will be made to accommodate all vendors when dates and locations are selected. These trainings will be conveniently scheduled throughout the state.

The Store Handbook is provided at initial enrollment and can also be found on the WIC Program website at <http://www.dhhs.nh.gov/dphs/nhp/wic/vendors.htm> and is an important resource for vendors. The State WIC Agency visits a number of stores annually, publishes a vendor newsletter, and notifies vendors through email when major changes are taking place. Stores are required to keep a training log that has proof of training on the following 3 topics: new hires, issues and updates. Vendors must present this log when requested.

STOCKING WIC FOODS

It is very important to maintain an adequate supply of WIC-approved foods in order to be able to completely "fill" a voucher and/or a CVV. Stores are required to carry approved varieties of cheese, juice, canned beans, peanut butter, whole, low-fat or skim milk in various approved container sizes, cold cereals, in approved sizes, eggs, tuna, bread, brown rice, fruits and vegetables. Refer to your Vendor Agreement for specific minimum quantities and the WIC Approved Foods List for specific brands. Additionally, vendors who are authorized to sell infant foods must stock the contract iron-fortified infant formula, infant cereals and infant foods in the brand specified. Vendors authorized to sell infant formula **must** purchase the formula from a list of authorized manufacturers, distributors and retailers maintained by the NH WIC Program and available upon request. Per your Agreement an adequate supply of these foods must be kept in stock, as a month's allotment is frequently purchased at the same time. Small stores may request a waiver of the infant food and formula requirement.

In order to reduce costs of WIC foods, two types of agreements are used in addition to the General Retail Vendor Agreement. Pharmacies may only provide special ordered formulas. Grocery stores whose prices for infant formula and infant foods exceed a statewide price ceiling and stores that do not maintain an adequate inventory of formula and infant foods will not be authorized to provide infant formula, and infant foods. This is a Restricted Agreement. Vendors should check their agreements to determine which foods they are required to stock. The WIC Program will not reimburse for unauthorized foods.

Failure to maintain an adequate inventory of WIC-approved foods may lead to sanctions and a denial of authorization or disqualification from the WIC Program, since this may cause inconvenience to participants or lead to the full amounts of food not being obtained. The Local WIC Agency can provide assistance in estimating necessary inventory by providing their schedule for voucher and/or a CVV issuance and offering other advice concerning potential WIC participant demand. A list of the Local WIC Agencies is provided in Appendix I.

WIC APPROVED SHELF TAGS

The New Hampshire WIC Program has chosen to let authorized WIC vendors use WIC approved shelf tags. Written approval must be provided by the State Agency and must be kept on file at the store location. WIC approved shelf tags must be under all WIC approved products in the food category. Stores are not allowed to promote one product over another in a food category. Vendors can decide which food categories in the store to use the shelf tags. For instance a vendor may find that the bread category needs shelf tags but the cheese category does not.

All WIC approved shelf tags must be approved by the New Hampshire WIC Program before being displayed in the store. Samples can be submitted to: Laurie Desmarais, Vendor Manager, New Hampshire WIC Program, 29 Hazen Drive, Concord, NH 03301-6527. **Revised 4/2016**

VOUCHER AND/OR CASH VALUE VOUCHER REDEMPTION PROCEDURES

The following procedures must be followed to assure full payment for each voucher and CVV (cash value voucher for fruits and vegetables). (A sample copy of a WIC voucher can be found in Appendix IV and a sample of a CVV can be found in Appendix V):

1. Check that WIC purchases are separate from personal purchases, so that only WIC foods are charged to the voucher and/or CVV.
2. If two or more vouchers or CVV's are presented, separate the WIC foods for each voucher and/or a CVV and ring them up separately. Do not total the entire purchase and enter on only one voucher or CVV, as this will cause the voucher and/or CVV to be rejected for high costs.
3. Check that the voucher and/or CVV are valid. Do not accept *before* the "**DO NOT USE BEFORE**" or *after* the "**DO NOT USE AFTER**" dates printed on the voucher and/or CVV. These vouchers and/or CVV's will not be paid.
4. Check for alterations. These vouchers and/or CVV's will not be paid.
5. Check that the foods are approved by brand, size, and quantities. The approved brands and sizes are listed on the New Hampshire WIC Approved Food List. Do not substitute brands, other foods, or non-approved sizes. Be sure that a current copy of the WIC Approved Food List is located at each cash register/checkout lane.
6. Manufacturer or store coupons, store rewards cards and in-store promotions must be accepted for WIC foods and their value deducted from the final purchase price.
7. The participant, parent, caretaker, or proxy must complete the redemption date and price information on the voucher and/or CVV, writing clearly in pen. . If your store has the ability to imprint the date and purchase amount on the voucher and/or CVV, for the participant you may do this for the participant.
8. Allow an alternate form of payment, such as Electronic Benefits Transaction (EBT) card, cash, credit card or check on a CVV (fruit and vegetable) voucher when the amount purchased exceeds the dollar value of voucher.
9. Have the participant, parent or caretaker of an infant or child participant, or proxy sign the voucher and/or CVV. Ask for a valid photo ID that has a photo, printed name or signature on it to compare the photo and the name to name under the signature line or the signature on the voucher. If the name does not match the authorized name(s) on the voucher, request a proxy card. See Example of new proxy card in Appendix VIII. Effective July 1, 2011 proxies will be required to show a valid photo ID along with their proxy card.
10. It is not required that a participant purchase all the foods listed on the voucher and/or a CVV.
11. Do not give change or exchange WIC foods for cash or credit.
12. Do not give rainchecks. A participant must select all desired foods at one time, including infant formula. If the store does not have all of the items which are listed on the voucher and/or the CVV, the participant must go to another store, wait until all items are available at the store, or may chose not to purchase them.
13. Record the vendor number on each redeemed voucher and/or CVV. If using a vendor stamp be careful not to cover the purchase amount located in the box above the vendor number. If the vendor number does not fit in the space provided stamp it on the back of the voucher. The vendor number is recorded on the signed Vendor Agreement. The State WIC Program does not provide rubber stamps with the vendor number.
14. Staple the register receipt to the voucher or CVV stub. This may be used to verify information if voucher or CVV costs are denied or adjusted. Vendors must retain voucher stubs and register tapes until payment is received.

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PRICE SURVEYS

The New Hampshire WIC computer system is programmed to verify all vouchers against an individual store's price and inventory information. In order to keep price information current in the computer system, price and inventory surveys are periodically sent to each store. Vendors are required to record the current price ranges for all WIC-approved foods that are carried by the store. If these surveys are not returned, the voucher costs may be checked against outdated price information, which may result in valid costs being rejected, and the vendor may be sanctioned accordingly. It is very important that vendors complete the surveys accurately (according to the instructions accompanying the surveys) and return them within 30 days. If the price for a specific WIC food increases, vendors should notify the State WIC Agency of this change immediately.

PEER GROUPS

Peer groups and how are they used.

State WIC Programs use peer groups as a way of grouping together similar vendors. Peer groups are used to set the maximum amount to reimburse for each authorized WIC food. We also use peer group pricing to review shelf prices of stores applying for authorization. New Hampshire's peer groups are based on a store's geographic location, store square footage, number of registers and sales volume.

If a store is unsure of which peer group they are in or believes the State WIC Agency has made an error in classifying their store, for instance, we have it in the wrong geographic location, please call or send a letter to New Hampshire WIC Program, 29 Hazen Drive, Concord, NH 03301 asking for a review. Include any information needed that may not have been considered in making our original decision. Our staff will then review the classification, correct any errors, and then respond to you about the final determination.

BRAND RESTRICTIONS

The New Hampshire WIC Program has several cost-reduction initiatives in place. For milk and eggs, the State Agency limits purchases to least expensive brands. For instance, a national brand of gallon skim milk may not be selected if there is a store brand of skim milk that is less expensive and available. In addition, a local dairy brand of milk that is less expensive may be provided rather than the store brand. Please note that if a WIC participant utilizes a manufacturers' or store coupon on a national or more expensive brand of milk or eggs, the national or more expensive brand may be purchased if the retail price (with coupon) is less than the store or least expensive brand. WIC infants will be receiving a contract brand of infant formula and infant foods due to a rebate contract with the manufacturer on these products. Infant formula and food rebates allow WIC to serve more participants. Participants who request or attempt to purchase infant formula or foods that are not specified on the voucher should be referred back to the Local WIC Agency that issued the voucher.

THE STATE PAYMENT PROCESS

Invoices come to the State WIC Agency and claims processing staff data-enter all redemption information and check for alterations and appropriate signatures. The computer edits for expired vouchers and/or CVV's, appropriate prices, and food items/quantities. The invoice is then processed through the Department of Health & Human Services fiscal office and the New Hampshire Division of Accounts. The New Hampshire State Treasury issues and mails the checks directly to vendors that do not have electronic deposits.

Invoices are processed on a "first-in, first-out" basis. Vendors may submit invoices to the State WIC Agency as frequently as is convenient or practical, depending on the volume of vouchers redeemed. However, invoices should not exceed 150 vouchers per invoice due to the difficulties in processing larger bills. Stores should allow a minimum of four weeks to receive payment.

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BILLING PROCEDURES

The WIC Program provides a four-part invoice form as a courtesy to WIC authorized vendors. Three copies of this invoice must be forwarded to the State WIC Agency by the vendor, along with the main body of each voucher and/or a CVV and a calculator/adding machine tape with an itemized total of all vouchers and/or CVVs being submitted. The calculator/adding machine tape is used to reconcile any discrepancies. The store should retain the goldenrod copy of the invoice and the voucher and/or CVV stubs with the register receipt stapled to them. WIC vouchers and the cash value vouchers for fruits and vegetables can be combined on one invoice. There is no need to separate them. **Please be certain that the information on the invoice is complete, including: (1) Store name and address; (2) Store name and address to which payments are to be mailed, if different; (3) Vendor number; (4) Invoice date; and (5) Total amount due. Vendor signature is required on the invoice. Failure to submit authorized signature will result in nonpayment of invoice, invoice will be returned to vendor and possible late billing penalty may occur.** Supplies of invoices are available upon request by phone or by including a request with a billed invoice.

The WIC Program will only process for payment those bills which are accompanied by properly, completed and appropriately signed vouchers. Errors or problems detected by the WIC Program will be adjusted or denied prior to submitting the invoice to the State Treasury. The vendor will be notified of any such adjustment and provided instructions for resubmitting if the costs are legitimate. The stub on each vendor payment check records the invoice number and date for vendors to reconcile final payments with their invoice records. Overcharges of more than \$50.00 will be reviewed and sanctions issued if required.

LATE BILLINGS

Invoiced vouchers and/or CVV's must be received at the State WIC Agency within 30 days of the redemption date. This is required due to the federally mandated financial reporting time frames. On the side of all vouchers and/or CVV's, it states: **"VOUCHERS MUST REACH THE NH WIC PROGRAM WITHIN 30 DAYS OF THE PURCHASE DATE"**. If vouchers are deemed late billed a vendor can submit justification for the late billing within 30 days of denial for reconsideration. To avoid nonpayment of vouchers and/or CVV's, stores should submit bills at least every 30 days.

RESUBMISSIONS

Vendors are notified of all invoice deductions. The Store Adjustment Letter that is mailed to the vendor states that the vendor has committed an error that affects payment of the invoice. The State WIC Agency denies payment, in the full amount, for vouchers and/or CVV's redeemed outside of the valid dates. Vouchers and/or CVV's that are rejected for high costs will either be denied and a copy of the receipt requested or will be paid at an amount based on the vendor's individual cost and redemption data. The voucher is adjusted to reflect the change in payment. The Store Adjustment Letter explains the (original) amount that the voucher and/or CVV were submitted for payment by the store, the adjusted amount being paid by the WIC Program, and the difference. Attached to this notice will be a copy of the voucher and/or CVV(s). If a vendor reviews the register receipt for the rejected or adjusted voucher and/or CVV(s) and is not in agreement with the WIC Program's decision, the vendor should contact the State WIC Agency. Vendors have the option of resubmitting these vouchers and/or CVV's for reconsideration. Resubmissions must be received by the State WIC Agency within 30 days of the date on the adjustment notice.

Under no circumstances can the WIC Program authorize payment for food quantities which exceed the amounts prescribed on the voucher and/or a CVV, for foods that the vendor is not authorized to provide based on their current WIC Vendor Agreement, for foods that were not purchased by the WIC participant, or for an invoice total that exceeds the total cost of authorized and incorrectly completed vouchers and/or CVV's.

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STORE NAME AND ID NUMBER

Under the State of New Hampshire's Integrated Financial System (IFS), a vendor-specific accounting and payment system is used. This means that all billing and payment processes occur under each vendor's unique vendor ID number, which is issued with the Vendor Agreement. The vendor's name and address are programmed in the system.

For this reason, it is essential that vendors consistently use the same name and address on each billing, and notify the State WIC Agency of any changes in the store or billing name or address. Similarly, if the proper vendor name is not consistently used, State Agency staff may not be sure whether a change is intended. Providing the correct name and address on invoices and notifying the State Agency of changes will assist in ensuring that payments are made to the proper store at the correct address.

CHAIN STORES AND CENTRALIZED BILLINGS

Many chain store outlets bill from a central office. Invoicing central billings requires special handling in order to meet State accounting procedures as well as USDA regulations. Federal WIC regulations require that each voucher be traceable to the outlet where redeemed, so that each outlet's participation (volume, redemption patterns, problems) can be reviewed individually. This federal requirement is met through assigning an outlet suffix number to the central office vendor number.

Chain store billing can be accomplished in one of two ways: 1) each outlet submits invoices separately, with payment going to the outlet. Or 2) each outlet submits vouchers and/or CVV's to a store central billing office, with payment going to the central billing office. All invoices received in one mailing will be paid as one check.

Whichever billing course is selected by a chain, the outlet number must be used on the invoice and the vouchers and/or CVV's. The billing information used by the State WIC Agency is preprogrammed and cannot be changed each time an invoice is submitted. Questions should be brought to the State Agency's attention before any changes are made so that the chain's needs in this area can be accommodated.

CHANGE OF OWNERSHIP

Ownership changes terminate the Vendor Agreement. A new owner should be encouraged to contact the State WIC Agency as early as possible so that a review visit may be scheduled and WIC business is not interrupted. Vouchers and/or CVV's accepted prior to approval of a new owner will not be paid. The seller is responsible for notifying the State WIC Agency of final billing address changes, and must write on the invoice that this is a final payment. The seller should write a letter of explanation (with store letterhead paper, if possible) stating that this is the last invoice, and include official documentation of the change of ownership. Highlight the new address where the check is to be sent for final payment and attach the letter of explanation.

STORE VISITS AND AUTHORIZATIONS

On-site visits are conducted by the State WIC Agency. This includes monitoring, investigations, and training. Site visits are more than a review of programmatic discrepancies; they are also an opportunity for enhancing vendor relations and evaluating the Program from the vendors' point of view.

The State WIC Agency is required to visit every store prior to initial authorization. In addition, vendors must be visited thereafter at least once before agreement expiration and at other times as needed. These contacts are intended to provide the vendor and the State WIC Agency with an opportunity to acquaint each other with the problems or concerns that may arise over time. Further, on-site visits provide the vendor and/or store employees with an opportunity to receive training and assistance regarding the proper use of WIC Program vouchers and/or CVV's.

As part of monitoring procedures, the State WIC Agency is required to review vendors for authorization using uniform criteria such as inventory, prices, location, participant usage, WIC volume, and previous

problems. A complete list of selection criteria can be found in the New Hampshire Code of Administrative Rules. An authorization decision is made by the State WIC Agency and a new Agreement issued if the vendor's participation is to continue.

The State Agency is responsible for representative and high risk monitoring. High-risk vendors will be monitored and visited as needed until problems are resolved. A high-risk vendor is one having recurring difficulties with Program rules or whose redemption practices are questionable. Representative monitoring is reserved for vendors not deemed high-risk and these visits are frequently performed at random. All State Agency visits are executed without prior notice.

Representative vendor monitoring may include review of State WIC Agency billing and payment records, observation of voucher and/or CVV redemption procedures, interviews with store staff, review of inventory and prices of WIC foods, review of redeemed vouchers and/or CVV's not yet forwarded to the State WIC Agency for payment, and educational compliance purchases. A summary of the visit will be forwarded to the vendor if other than informational discussions occurs. The summary will constructively comment on the vendors' procedures, clarify any questions, and confirm resolutions to problems.

Another method of vendor monitoring is continuously reviewing vouchers and/or CVV's redemption data obtained through the reconciliation and payment process. Since frequent errors are costly to stores and the Program, it is important that the cashier have the participant enter redemption information correctly.

PARTICIPANT REDEMPTION ERRORS

Participants are instructed in the use of WIC vouchers and/or CVV's by the Local WIC Agency. There may be instances, however, when participant's select incorrect foods because they do not fully understand Program procedures, would prefer a non-approved food, or proxies do their shopping and are unfamiliar with the Program. It is important that these situations be treated with courtesy, while not allowing the incorrect foods to be purchased. Participants can be referred back to the Local WIC Agency if necessary, or call the State WIC Agency at the telephone number on the cover of this Handbook.

FRAUD AND ABUSE OF THE PROGRAM

Every precaution is taken to prevent fraud and abuse of the WIC Program, both by participants and vendors. When instances of abuse are verified, disqualification from the Program of either the participant or the vendor may result and other penalties may be imposed according to federal/State statutes and rules.

Store personnel are frequently in a position to detect abuse or fraud on the part of WIC participants. Vendors who know of any such instance, should notify the State WIC Agency so that an investigation may be conducted. Participant abuse includes misrepresenting facts to obtain benefits, exchanging WIC foods for cash, altering a voucher and/or a CVV in order to receive more food than was authorized, or altering valid dates on a voucher and/or a CVV.

In addition, the store is considered responsible for the actions of its staff. Staff who allow unauthorized or abusive transactions to occur make the vendor liable for sanctions whether or not the owner or manager was aware of these actions. For this reason, it is important that store staff be kept up-to-date with changes in WIC Program rules and procedures to prevent errors from occurring. Additionally, managers need to monitor WIC redemption and handling to assure that store staff is following these rules.

Vendors occasionally question the need for this concern with fraud and abuse control. There are several reasons for this. If participants are permitted to select foods outside the Approved Food List, they are not receiving the full nutritional benefits that are intended. Similarly, if voucher and/or a CVV are redeemed outside the valid dates, participants are receiving foods for a period of time during which they may not be eligible or during which other vouchers and/or CVV's have been issued. Finally, failure to control vendor errors means that limited tax dollars are being diverted from legitimate purchases that may result in some eligible families being denied participation in this important preventive health program.

INVESTIGATIONS

Periodically, it may be necessary to carry the monitoring process further due to a suspected instance of Program abuse by a vendor. Such actions are more properly considered investigations and are the responsibility of the State Agency. Investigations may be initiated when:

A participant informs the State or Local Agency of possible or actual discrimination against WIC participants, incorrect reporting of food items or vouchers and/or CVV costs to the State Agency, or provision of non-approved foods;

A Local Agency informs the State Agency that a vendor may be abusing the Program, practicing discrimination, or engaging in questionable or fraudulent voucher and/or a CVV redemption or billing practices;

A possible abuse by a vendor is discovered by the State Agency during the voucher and/or a CVV payment process or in computer analysis of payment records; or

A vendor's payment history suggests a pattern of recurring errors.

Upon notification or suspicion of possible abuse or receipt of a specific complaint, the State WIC Agency will initiate an immediate investigation to determine whether the vendor is deliberately violating Program standards. Investigations of suspected violations may include, but not be limited to:

- on-site reviews;
- covert compliance purchases in which WIC staff transact vouchers and/or CVV's;
- audits of vendor inventory records;
- interview of Local Agency staff and participants;
- documentation of participant and Local Agency complaints; and/or
- referral to USDA for follow-up.

All WIC authorized vendors are required to keep proof of inventory purchases for three (3) years after the expiration of their Vendor Agreement. These include wholesaler records, receipts from retail stores and any other record that shows proof of purchase. Inventory records must show date of purchase, description of product purchased and quantity of product purchased. Inventory records must be in original condition and may not be altered in any way. Inventory records must be furnished when requested.

The State WIC Agency may also, depending upon the nature of the complaint, contact the vendor by mail to explain the concern and provide warning that a recurrence will result in further investigation and/or disqualification.

If it appears that the vendor is simply not careful in redeeming or billing vouchers and/or CVV's, every effort will be made to provide training and technical assistance before further action is taken. If the questionable practices continue after the State WIC Agency is satisfied that the vendor knows the proper methods to be employed, the vendor may be disqualified with the Agreement revoked.

These steps do not preclude further investigation by other agencies, which may result in legal actions and/or the recovery of funds paid to the vendor due to inaccurate or fraudulent charges. In addition, a retail vendor's disqualification from participation in the Food Stamp Program will result in disqualification from the WIC Program for the same length of time and will not be subject to administrative or judicial review under the WIC Program. Likewise, a vendor's disqualification from the WIC Program due to program abuse may result in the withdrawal of Food Stamp authorization from the vendor and will not be subject to administrative or judicial review under the Food Stamp Program. If the Food Stamp Program assesses a civil money penalty in lieu of disqualification, the vendor will be subject to WIC Program disqualification for a length of time equal to the period, for which the vendor would otherwise have been disqualified in the Food Stamp Program. WIC Program authorization will also be withdrawn if a vendor is disqualified from participation in another program administered by the U.S. Department of Agriculture/FNS, or any program administered by the State of New Hampshire, for an equal number of months as the other program disqualification.

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VENDOR SANCTIONS

Except for violations that have federally mandated sanctions, Federal regulations require the State WIC Agency to establish policies that determine the type and level of sanctions to be applied against vendors. The State Agency's decisions are based on the nature and severity of the program violations and such other factors as the state determines appropriate.

Offenses, which are subject to federal or state sanctions following investigations include but are not limited to:

1. Providing cash, unauthorized foods, or other non-food items to participants, parents or caretakers of infant or child participants, or proxies in lieu of WIC-approved foods;
2. Altering issuance or redemption information on vouchers and/or CVV's after the WIC transaction is complete;
3. Charging the New Hampshire WIC Program for foods not received by the participant, parent or caretaker of an infant or child participant, or proxy;
4. Charging the New Hampshire WIC Program more for food items than the shelf price or more than other customers are charged for the same foods; and
5. Repeated incidence of other offenses despite the State Agency education activities or letters of warning.

Depending upon the nature and severity of the offenses that do not have federally mandated sanctions, the State Agency may impose the following sanctions:

1. Disqualification, including revocation of the Agreement for up to one year. Upon completion of the period of disqualification, the vendor owner must reapply if he/she desires authorization. Payment shall not be made for any voucher and/or CVV accepted by a vendor during a period of disqualification. Application will not lead to automatic reauthorization.
2. Financial sanctions. Federal regulations provide that retail vendors may be subject to sanctions in addition to disqualification, such as claims for improper or overcharged vouchers and/or CVV's. State statutes provide for recovery of funds determined to have been fraudulently obtained and further provide that payment of these funds shall not relieve or discharge any person of criminal or civil liability.

In addition to the above, vendors may not be reimbursed for vouchers and/or CVV's determined to be improperly redeemed or billed.

The State employs a point schedule for tracking State Agency-established violations. Points are assessed and retained in accordance with the severity of the violation. If a vendor accrues six or more points, the store is disqualified for a specific length of time determined by the number of points accumulated.

A complete list of violations, sanctions and a copy of the Vendor Violations & Sanction Points schedule is included under Appendix II.

REMEDIES FOR GRIEVANCES

Federal regulations provide the vendor with opportunities for requesting and receiving remedies for grievances arising during participation in the New Hampshire WIC Program under a Fair Hearing procedure.

The State WIC Agency responsibilities are: to provide vendors with guidance concerning the authorized food items and applicable USDA Food and Nutrition Service guidelines and instructions; and to provide vendors who have been denied participation in the WIC Program, for whatever reason, or, who have been suspended from participation, with a hearing procedure which provides at a minimum:

- a. an opportunity for the aggrieved vendor or its representative to present its case;
- b. an opportunity for the vendor to confront and cross-examine witnesses;
- c. an opportunity for the vendor to be represented by counsel, or have an interpreter present if desired, at the vendor's expense;
- d. an impartial decision maker whose conclusion as to the vendor's eligibility shall rest solely on the evidence presented at the hearing and the statutory and regulatory provisions governing the Program. The basis for the conclusion shall be stated in writing, though it need not amount to a full opinion or contain formal finding of fact and conclusions of law; and
- e. the retail vendor will be notified in writing of the decision concerning the appeal within 90 days from the date of request for a hearing.

Please note that a request for a fair hearing must be submitted in writing within 15 days after the grievance or the vendor receives adverse action decision.

NON DISCRIMINATION

The U.S. Department of Agriculture prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. **(Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TTY).**

IN CONCLUSION

WIC has been proven to improve the health of young children and to enable parents to properly feed their children during critical periods of growth and development. Vendors play an integral role in the success of the WIC Program. By accepting WIC vouchers and/or CVV's and helping assure that participants receive the proper nutritious foods at the proper time, vendors are providing an important service to the community. Thank you for your assistance in helping families to Grow Healthy with WIC.

APPENDIX I

STATE WIC AGENCY

New Hampshire Department of Health & Human Services
Division of Public Health Services
Healthy Eating & Physical Activity Section
29 Hazen Drive, Concord, NH 03301-6504
603-271-4546
1-800-WIC-4321
Fax#: 603-271-4779
<http://www.dhhs.nh.gov/dphs/nhp/wic/vendors.htm>

LOCAL WIC AGENCIES

<u>Community Action Program of Belknap and Merrimack Counties</u> Belknap, Coos, Grafton and Merrimack Counties	225-2050 OR 1-800-578-2050
<u>Goodwin Community Health</u> Strafford County Carroll County	332-4358 OR 1-855-332-4358
<u>Southern New Hampshire Services</u> Hillsborough County	Manchester 668-8010 OR 1-800-322-1073
	Nashua 889-3440 OR 1-877-211-0723
Rockingham County	Derry 965-3029 OR 1-855-295-4105
<u>Southwestern Community Services</u> Cheshire and Sullivan Counties	352-7512 OR 1-800-529-0005

Revised 6/2013

APPENDIX II

VENDOR VIOLATIONS AND SANCTION POINTS

The Vendor is required to comply with all provisions of this Agreement as well as all rules, regulations, policies and procedures governing the WIC Program including Federal regulations at all times throughout the Agreement period. The WIC Program Administrative Rules are He-P 3200, which lists all violations and sanctions, including rules pertaining to, notices and appeals. The He-P 3200 Rules can be found on the WIC website at: <http://www.dhhs.nh.gov/dphs/nhp/wic/vendors.htm>.

REVISED 9/10

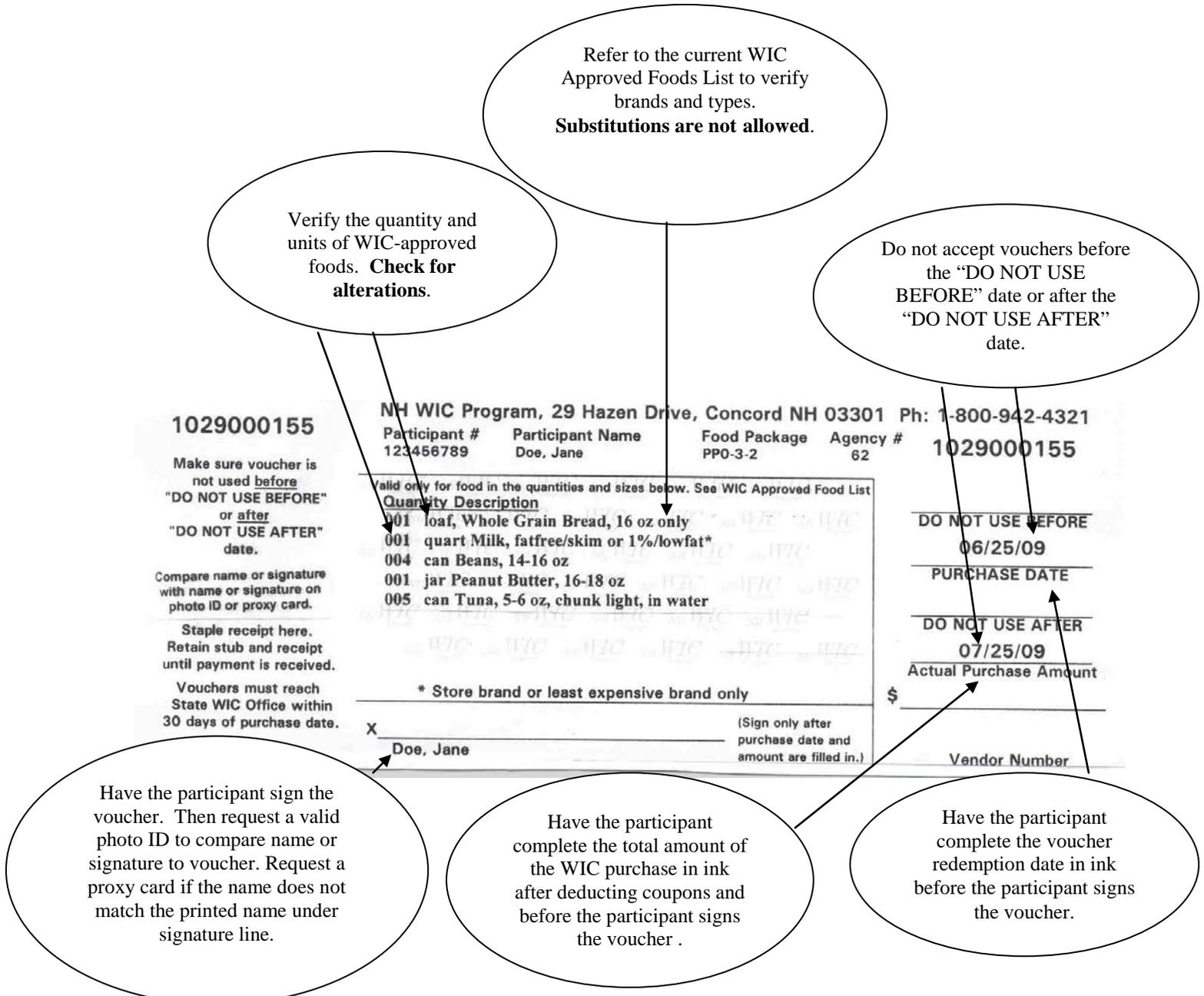
APPENDIX III

NOTICES AND APPEAL

The Vendor is required to comply with all provisions of this Agreement as well as all rules, regulations, policies and procedures governing the WIC Program including Federal regulations at all times throughout the Agreement period. The WIC Program Administrative Rules are He-P 3200, which lists all violations and sanctions, including rules pertaining to, notices and appeals. The He-P 3200 Rules can be found on the WIC website at: <http://www.dhhs.nh.gov/dphs/nhp/wic/vendors.htm>

Revised 9/10

SAMPLE WIC VOUCHER



1029000155

Make sure voucher is not used before "DO NOT USE BEFORE" or after "DO NOT USE AFTER" date.

Compare name or signature with name or signature on photo ID or proxy card.

Staple receipt here. Retain stub and receipt until payment is received.

Vouchers must reach State WIC Office within 30 days of purchase date.

NH WIC Program, 29 Hazen Drive, Concord NH 03301 Ph: 1-800-942-4321

Participant #	Participant Name	Food Package	Agency #
123456789	Doe, Jane	PP0-3-2	62

1029000155

Valid only for food in the quantities and sizes below. See WIC Approved Food List

Quantity	Description
001	loaf, Whole Grain Bread, 16 oz only
001	quart Milk, fatfree/skim or 1%/lowfat*
004	can Beans, 14-16 oz
001	jar Peanut Butter, 16-18 oz
005	can Tuna, 5-6 oz, chunk light, in water

DO NOT USE BEFORE
06/25/09

PURCHASE DATE

DO NOT USE AFTER
07/25/09

Actual Purchase Amount

* Store brand or least expensive brand only

\$

X

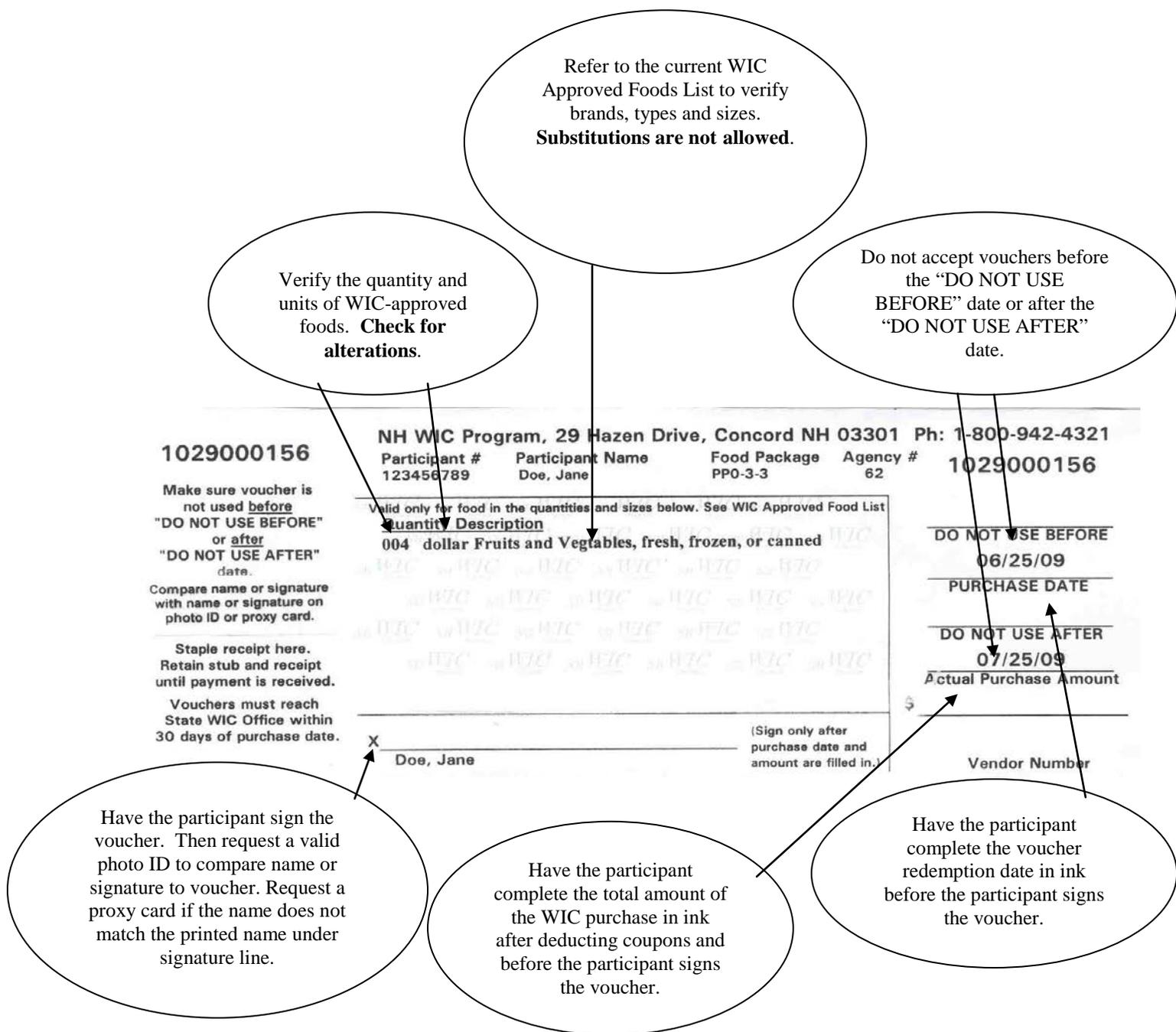
Doe, Jane

(Sign only after purchase date and amount are filled in.)

Vendor Number

APPENDIX V

CASH VALUE VOUCHER EXAMPLE



APPENDIX VI

VENDOR SELECTION CRITERIA

The Vendor is required to comply with all provisions of this Agreement as well as all rules, regulations, policies and procedures governing the WIC Program including Federal regulations at all times throughout the Agreement period. The WIC Program Administrative Rules are He-P 3200, which lists the vendor selection criteria. The He-P 3200 Rules can be found on the WIC website at: <http://www.dhhs.nh.gov/dphs/nhp/wic/vendors.htm>.

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APPENDIX VII

Sample Proxy ID Card

New Hampshire WIC Program
PROXY I.D. CARD

Name of proxy: _____

Signature of proxy: _____

Name of payee: _____

Issued by: _____

Issue Date: ____/____/20__

Expiration Date: ____/____/20__

The proxy named on this card is authorized to cash vouchers for WIC participant (s):

Phone: 1-800-WIC-4321 or 603-271-4546 WIC@dhhs.state.nh.us
Updated 10/2011

Revised 9/2014

APPENDIX VIII

This chart is provided for use as a store management tool to record NH WIC Program training.

STORE EMPLOYEE WIC TRAINING RECORD

STORE EMPLOYEE NAME	DATE OF TRAINING	STORE MANAGEMENT PROVIDING TRAINING	TRAINING TOPIC New Hire, Issue, Update

Revised 4/2016