



VENDOR MANUAL

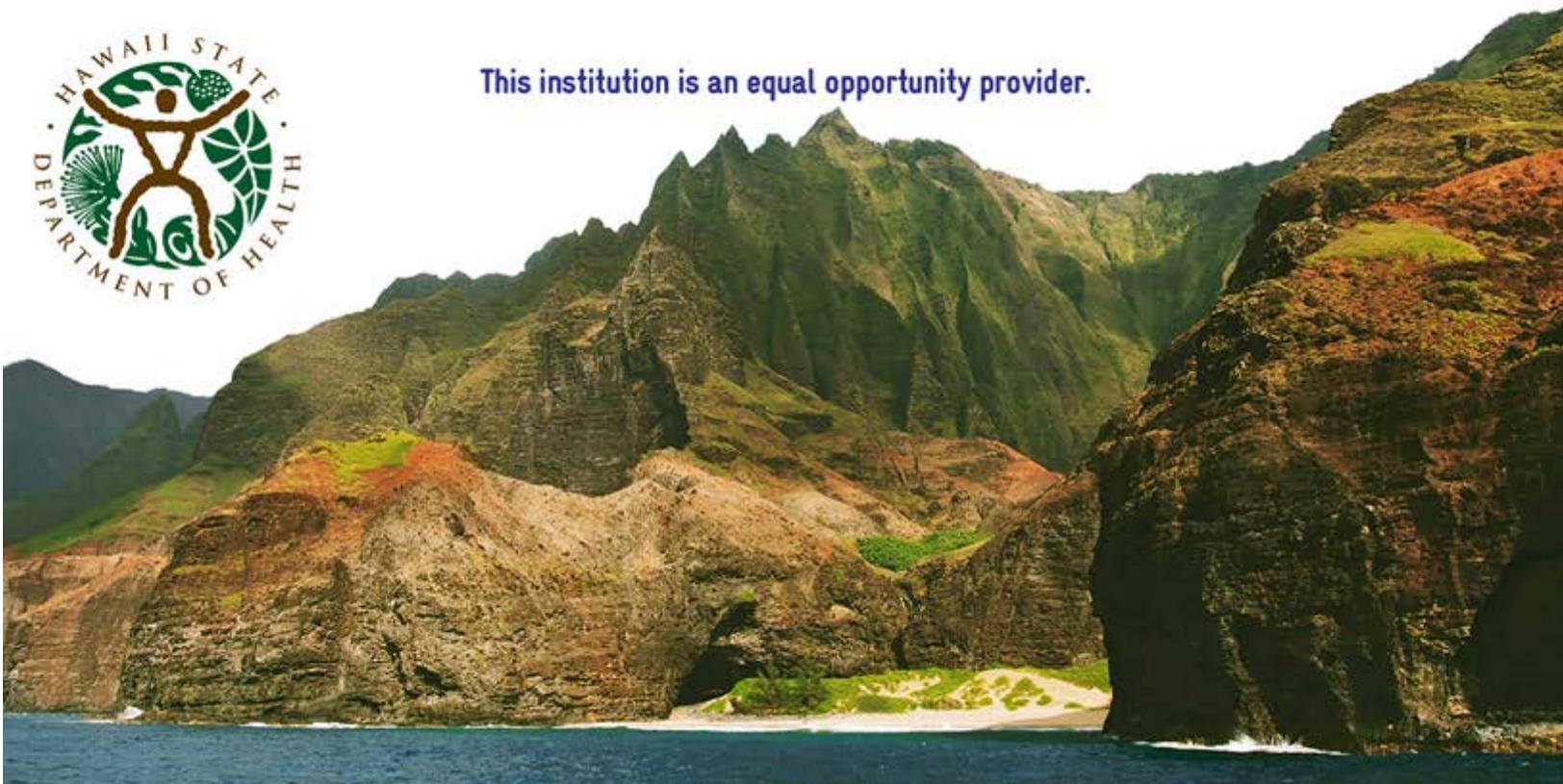
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This institution is an equal opportunity provider.



DEFINITIONS

Agreement or Vendor Agreement - the document or electronic record entered into by a vendor and Hawaii WIC that contains the terms and conditions under which a vendor is authorized to provide approved food.

Approved food - food identified by Hawaii WIC as an authorized food in accordance with 7 CFR 246.10 as acceptable for use under the federal special supplemental nutrition program for women, infants, and children under 42 USC 1786.

Approved Product List (APL) - Categorized list of UPCs and PLUs that are WIC allowed. WIC cards cannot be used to pay for any item that is not in the APL.

Authorized Infant Formula Supplier list - the publication listing wholesalers, distributors, retailers, and manufacturers approved by Hawaii WIC to provide approved infant formula to vendors.

Balance inquiry - a type of transaction initiated by the cardholder in the checkout lane or at a stand-beside device to check the household's available balance, including a description of the food category/subcategory, available benefits, unit of measure, and the last date to use the benefits.

Cash value benefits (CVB) - a fixed-dollar amount of fruit and vegetable benefits.

Clinic - a facility where WIC applicants are assessed for the WIC program eligibility.

Disqualification - the act of ending WIC participation of a vendor, or participant because of a program violation.

Electronic benefit transfer (EBT) - a method that permits electronic access to Women, Infants, and Children program benefits using a device, approved by Hawaii WIC, with payments made in accordance with ch.410 Stats.

EBT-capable - a cash register system or payment device, approved by Hawaii WIC, that can accurately and securely obtain the benefit balance associated with eWIC benefits, maintain the necessary files, such as the approved product list, and successfully complete WIC transactions.

eWIC benefit - the electronic food benefit issued to a WIC participant available for redemption at authorized vendors.

eWIC card - a type of food instrument that performs a series of real-time transactions between the Point-of-Sale device at the vendor location and the EBT card issuer processor to approve the WIC transaction. The eWIC card number and PIN link to an eWIC cardholder account that contains a benefit balance. The eWIC card is issued by a local WIC agency and used by the eWIC cardholder to purchase approved food at the vendor location.

eWIC Service Provider - Contractor whose software will connect cash registers to the WIC Information System and transfer payments between banks.

Food and Nutrition Service (FNS) - the agency within USDA that administers the WIC and SNAP Programs.

Food instrument - a voucher, check, eWIC card number and personal identification number, coupon, or other method used by a participant to obtain WIC approved foods.

Inventory audit - the examination of invoices or other proofs of purchase to determine whether a vendor has purchased sufficient quantities of approved foods compared to valid claims for payment.

Integrated Stores – Stores that can accept eWIC as a form of payment along with cash, credit/debit, and SNAP EBT.

Invoice - a non-negotiable commercial instrument issued by a seller to a buyer. It identifies both the seller and buyer and lists, describes, and quantifies the items sold, shows the date of shipment, prices and discounts (if any), and delivery and payment terms.

Local agency – a public or private, nonprofit health or human service agency which provides WIC services including preauthorization site visits, eligibility determination, eWIC benefit issuance, and nutrition counseling for participants.

Non-Integrated Stores – Stores that need a stand-beside terminal to process eWIC benefits. They may currently use separate machines to process credit/debit and/or SNAP EBT.

Not-To-Exceed (NTE) - an FNS-approved cost containment methodology that vendors are subject to price limitations. For approved foods exceeding the NTE, payments to vendors are adjusted (reduced) to ensure the price paid for individual food items may be equal to, but not in excess of the maximum, not-to-exceed price.



Participant - a person who is eligible for and receives WIC services including an infant, child under age 5, and a pregnant, breastfeeding, or postpartum woman within six months of delivery.

Participant access - criteria and procedures established by Hawaii WIC to evaluate the availability of other vendors in the same area and any geographic barriers to these vendors to ensure the lowest practicable food costs while ensuring adequate access.

Point-of-Sale (POS) Terminal - a computerized replacement for a cash register.

Produce Mapping - linking a UPC for WIC authorized fresh produce (fruit or vegetable) to a PLU.

Price Look Up (PLU) - a four or five-digit number defined by the International Federation for Produce Standards (IFPS) and used to identify products that are typically of variable measure.

SNAP - the federal Supplemental Nutrition Assistance Program.

Sanction - a penalty imposed on a vendor because of a violation.

Stand-Beside Terminal - A machine that allows non-integrated stores the ability to accept eWIC payments. The terminal connects to the internet over a dial-up connection or high-speed internet to get participants' benefits and download the APL. The stand-beside terminal has a barcode scanner and a PIN pad.

USDA - the United States Department of Agriculture.

Universal Product Codes (UPC) - a specific type of barcode used by retailers to identify products sold. Approved food UPC codes are included on the APL file.

Vendor - a sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more grocery stores or pharmacies authorized by Hawaii WIC to provide approved foods to participants under a retail food delivery system. Each location operated by a business entity constitutes a separate vendor and must be authorized separately from other stores operated by the business entity.

Vendor Authorization - the determination by Hawaii WIC that assesses, selects, and then enters into an agreement with a grocery store that applies or reapplies to be authorized as a vendor.

Vendor Manual - refers to this document and means the electronic or printed manual Hawaii WIC publishes that describes the WIC program and program policies related to the provision of approved food to participants, including program policies, periodic updates and amendments, applicable rules, and other requirements.

Vendor peer group - a group of two or more vendors determined by Hawaii WIC to have similar characteristics and used to set distinct competitive price criteria and allowable reimbursement levels.

WIC or WIC Program - the Special Supplemental Nutrition program for women, infants and children established pursuant to 42 USC 1786, 7 CFR 246.

WIC vendor number or X9 number - the unique number assigned by Hawaii WIC at the time of vendor authorization to identify the business entity.

WIC Vendor Unit - means the office responsible for vendor management and compliance.

LINKS

FORMS: <https://health.hawaii.gov/wic/vendor-forms-2/>

Here you will find:

WIC Vendor Complaint Form V-002

WIC Vendor Order Form V-003

WIC ALLOWED FOOD LIST

<https://health.hawaii.gov/wic/>

WIC SERVICES BRANCH AND LOCAL AGENCY LOCATIONS

<https://health.hawaii.gov/wic/clinic-locations/>

WIC MINIMUM STOCKING REQUIREMENTS

<https://health.hawaii.gov/wic/vendor-information/>



WIC AUTHORIZED INFANT FORMULA SOURCES

<https://health.hawaii.gov/wic/vendor-information/>

Authorized WIC Vendors must order infant formula from authorized sources only. Contact Hawaii WIC Vendor Management Unit to inquire about a source not listed on the above referenced website.

PARTICIPANT ACCESS DETERMINATION CRITERIA

Prior to disqualifying a vendor, WIC must determine if disqualification of the vendor or denial of a WIC Vendor Application would result in inadequate participant access.

See the criteria in full at:

<https://health.hawaii.gov/wic/vendor-information/>

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SECTION 1. OVERVIEW

BACKGROUND

In 1972 Congress established the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) under the United States Department of Agriculture (USDA) to address concerns over the high infant mortality rate and the health and nutritional status of pregnant women and young children. The cost-effective nutrition intervention program is designed to improve the nutritional status of income-eligible pregnant, breastfeeding and postpartum women, infants and children up to the age of five years who are determined to be medically at risk.

WIC operates through many Local Agencies (LAs) operating at various clinic sites, administered by designated State Agencies (SAs) or Indian Tribal Organizations, including the District of Columbia, and territories (Commonwealth of the Northern Mariana Islands, American Samoa, Guam, Puerto Rico, Virgin Islands). Approximately 22% of all pregnant women in the United States are in WIC, nearly 50% of all infants born in the United States are in WIC, and nearly 20% of all children in the United States are in WIC.

The Hawaii State Department of Health is the designated SA, administered by the WIC Services Branch. The Branch's Vendor Management Unit (VMU) is responsible for all Vendor functions. In Federal Fiscal Year 2019, Hawaii WIC served over 30,000 participants monthly, who redeemed approximately 700,000 WIC Food Instruments (FIs) and Cash Value Vouchers (CVVs) worth over \$21 million.

WIC's major components include nutrition education, breastfeeding support, health/social service referrals, and supplemental foods. WIC foods are only supplemental and are not intended to serve as a complete diet. Participants are examined by health care professionals to determine the need for supplemental foods and are provided with nutrition guidance.

Improved nutritional status and access to health care early in the life cycle prevents serious chronic health problems throughout life. Numerous studies have shown that pregnant women who participate in WIC have longer pregnancies leading to fewer premature and low weight babies; experience fewer fetal and infant deaths; seek prenatal care earlier in pregnancy and consume more key nutrients such as iron, protein, calcium, and Vitamin C. WIC helps to assure adequate growth rates, improved diets, reduced levels of anemia and access to regular health care and immunizations.

Every dollar spent on pregnant women in WIC produces approximately \$4.21 in



Medicaid savings for newborns and their mothers. It costs \$28,000 per pound to raise a low birth

weight baby to normal weight, but only \$50 per pound to provide WIC prenatal care benefits. WIC prenatal care benefits reduce the rate of low birth rate babies by 44%. Medicaid costs were reduced by an average \$12,000 to \$15,000 per infant for every low birth weight prevented.

VENDOR'S ROLE

Participants receive eWIC cards and use them at authorized stores which meet certain criteria and who have signed a Vendor Agreement to follow all WIC Services Branch rules and regulations.

The Vendor's role is vital to WIC's success. eWIC cards link to an eWIC cardholder account that contains the WIC participant's food benefit. The food benefit is a food prescription designed by a WIC nutritionist to supplement the participant's nutritional needs.

The Vendor may find that WIC makes a substantial contribution to overall food sales. Most participants select a Vendor that provides the remainder of their shopping needs. Current studies show WIC customers spend an additional three to four dollars in cash or Supplemental Nutrition Assistance Program (SNAP) benefits for every WIC dollar spent.

VENDOR RESPONSIBILITIES AND TRAINING

The Vendor is responsible to designate a person from each outlet who will be responsible to ensure Vendor compliance with the terms of the Agreement and this Manual. The Vendor and its designated representative will also be responsible for acceptance of in-store training, to provide training to all cashiers and other employees who handle WIC transactions, and to provide special or additional training to employees at the request of WIC. The Vendor is required to participate in interactive training at or before initial authorization and at least once every three years. The Vendor will be held accountable for the actions (or inactions) of its employees.

WIC Vendors are required to:

1. Designate a person from each outlet who will be responsible to ensure Vendor compliance with the terms of the Vendor Agreement and this Manual.
2. Stock an ample supply of WIC Foods as required by WIC.
3. Provide WIC Foods at the current price or less than the current price as charged to other customers.

4. Mark all WIC Foods with the current price or prominently display the price of the foods near the location of the WIC foods, in clear view of customers.
5. If posting WIC shelf talkers on shelves where WIC foods are displayed Vendor's must post all WIC eligible foods in the category. For example, if posting at any WIC eligible cereal then must post at all WIC eligible cereals.
6. Process WIC customers through the checkout counter in the same manner as other customers and offer them the same courtesies as offered to other customers. Vendors are prohibited by Federal WIC regulations from providing incentive items solely to WIC participants.
7. Accept Hawaii eWIC cards presented by eligible WIC customers.
8. Provide a mid-point and final receipt that includes a reference to the item purchased. Adding machine tape and written receipts are not acceptable.
9. Provide receipts that document that only WIC foods were paid for with the eWIC card
10. Provide receipts that document that the value of any discount coupon or other amount that was deducted from the total sales price of the WIC foods purchased with the eWIC card.
11. Attend WIC vendor training sessions.
12. Submit Price Surveys to WIC when requested by WIC.
13. Comply with unannounced on-site monitoring visits and compliance investigations conducted by WIC or its representatives. Vendors will be chosen randomly to receive routine monitoring and in response to any information received by WIC that indicates that a routine monitoring visit may be beneficial.
14. Notify the WIC Services Branch in writing not less than fifteen (15) calendar days prior to a store closing, any change in ownership, store name, store address, telephone number, store manager, or other conditions as stipulated in the Vendor Agreement.
15. Submit and maintain a Certificate of Insurance in accordance with Attachment 5, "Checklist for Certificate of Insurance," of this Vendor Manual.

SECTION 2. WIC ALLOWED FOODS

An enrolled WIC participant receives WIC food benefits from their WIC clinics. The food benefit specifies the amounts and types of foods that may be purchased (as determined by Federal regulations and tailored to their needs). The WIC authorized representative must go to a WIC authorized store to redeem their food benefits using an eWIC card.

WIC benefits are not the same as Supplemental Nutrition Assistance Program (SNAP) benefits. WIC benefits are given in specific amounts and types of allowed foods and WIC CVVs specify a dollar amount for allowed fruits and vegetables. WIC benefits also have a first and last date to use. In general, SNAP benefits do not specify amounts or types of food (in general) and do not expire.

WIC ALLOWED FOODS

WIC foods are carefully selected to meet certain nutritional requirements that provide vitamins, minerals, and protein to participants (see table below). **Therefore, no substitutions for WIC foods are allowed. Substitution of an item or size are a violation of Federal regulations and shall result in a mandatory sanction.**

Nutrient Provided	WIC foods which supply the nutrient.
Protein	WIC allowed milk, soy beverage, tofu, eggs, cheese, yogurt, canned fish, peanut butter, dried peas or beans, infant formula, infant meats.
Iron	WIC allowed brands of cereal, peanut butter, dried peas or beans, eggs, iron-fortified infant formula, 100% whole wheat bread.
Vitamin C	WIC allowed fruit juices, infant formula, fruits and vegetables, infant fruits and vegetables.
Vitamin A	WIC allowed milk, eggs, cheese, infant formula, fruits and vegetables, infant fruits and vegetables.
Calcium	WIC allowed milk, soy beverage, cheese, yogurt, infant formula, calcium fortified juice.

HAWAII WIC FOOD LIST (BROCHURE)



The WIC Food List contains foods allowed and specifies some foods that cannot be purchased. The WIC Food Package Committee revises the food list periodically. Vendors are notified whenever changes are made to the food list prior to the change going into effect.

Vendors must ensure that a **current** food list is available to each cashier. WIC provides a supply of updated or revised Food Lists. An additional supply may be requested from WIC VMU and is available on the website at <https://health.hawaii.gov/wic/>

WIC SHELF TALKERS (CHANNEL STRIPS)

WIC shelf talkers are used to assist WIC participants in identifying WIC foods. **The blue/white and red/white WIC shelf talkers are the only WIC shelf talkers authorized for use in Hawaii.** When necessary, stores may cut/trim the WIC provided shelf talkers to fit.



It is recommended that Vendors place the **WIC ALLOWED FOOD** shelf talkers on shelves where WIC foods are displayed. Shelf talkers that endorse a specific food or brand are not allowed. Posting shelf talkers assists WIC customers in bringing correct items to the cashier for checkout, thereby reducing checkout times.

WIC shelf talkers produced by the vendor must be approved by the Hawaii WIC Vendor Unit in advance

WIC DOOR SIGN

Re-applicable window clings are also available. They are a useful way to identify your store as a Hawaii WIC vendor.



COUPONS, DISCOUNTS, AND SPECIALS

WIC Vendors may not treat WIC customers differently from non-WIC customers by excluding them from in-store promotions – this includes disallowing the use of coupons or other store discounts in WIC transactions that are allowed in non-WIC transactions. Similarly, WIC authorized stores may not treat WIC customers differently by offering them incentive items, store discounts, coupons or other promotions that are not offered to non-WIC customers.

WIC participants are encouraged to purchase the least expensive brands or sale item of WIC foods. WIC requires Vendors to allow WIC participants to use coupons and to take advantage of promotional specials, for example:

Cents Off Coupons

1. Single, double, and other store or manufacturer's coupons (if applicable to the purchase) are acceptable.
2. The receipt must document that the value of the discount coupon was deducted from the total sales price of the WIC foods purchased with the eWIC card.
3. Do not give the reduced dollar amount to the WIC participant in the form of cash, credit or other goods.

Free Additional Ounces

The food with the free additional ounces must cost the same or less as the food sold in the WIC specified quantity. For example: A 22-ounce jar of peanut butter labeled as containing four free additional ounces of peanut butter must cost the same or less as the 18-ounce jar of the same brand of peanut butter.

Buy One Get One Free

1. Non-WIC allowed items are acceptable free items. For example: "Buy one 15-ounce box of Cheerios and get a free sample size box of detergent."
2. The receipt must document that only WIC foods were redeemed with the eWIC card.
3. The number of ounces of a free additional product is not counted towards the maximum number of ounces allowed by WIC. For example: "Buy one 28-ounce box of Cream of Wheat hot cereal and get one 14-ounce box free." The 14 ounces from the free box will not be counted against the quantity of 36 ounces in the customer's WIC benefit.

Store Membership Discount Cards and Programs

WIC customers are urged to use store discount cards also known as "clip-less coupons." Use of these cards is not required for a WIC transaction and is at the option of the WIC customer. Vendors may not require their use and may not continue to request a telephone number after a WIC customer declines to provide one.

SALES TAX/GENERAL EXCISE TAX ON MANUFACTURERS' COUPONS

Vendors are prohibited from collecting taxes on WIC transactions through either the WIC transaction or a charge to the WIC customer.

If the General Excise Tax (GET) must be collected on a manufacturer's coupon in a WIC transaction, the following procedure must be used in order to prevent WIC or the customer from being taxed:

1. Subtract the sales tax on the coupon from the face value of the coupon
2. Subtract the remainder of the coupon value from the retail price of the WIC authorized food

Using this process, the GET is effectively paid by the coupon itself. For example, if the GET is 4% and a WIC customer presents a coupon for \$1.00 off a WIC food that costs \$3.00, the transaction would be processed as follows:

1. Tax subtracted from the face value of coupon: $\$1.00 - \$0.04 = \$0.96$
2. Remainder of coupon value subtracted from retail price of food items: $\$3.00 - \$0.96 = \$2.06$

In this example, WIC would be charged \$2.06 for the food item.

CASH BACK

Cash back is not permitted as a result of vendor discounts in any WIC transaction. In a transaction that only includes WIC items, all vendor discounts, including manufacturers' coupons, must be applied to the WIC transaction, thus benefiting WIC. Cash back may not be given to the WIC customer.

WIC MINIMUM STOCKING REQUIREMENTS

WIC has established minimum stocking requirements for all WIC foods that must be maintained by WIC Vendors at all times. Failure to maintain the required minimum stock may result in Vendor disqualification.

Minimum quantities and varieties required are outlined in the WIC Minimum Stocking Requirements. The purpose is to ensure that the Vendor will be able to adequately service WIC customers when eWIC benefits are redeemed. Vendors are required to maintain minimum quantities and varieties of WIC foods either on shelves or stored at its location from the date of application.

The Vendor is responsible to stock shelves with an adequate supply and selection of WIC foods.

WAIVER FROM WIC MINIMUM STOCKING REQUIREMENTS

Vendors that serve a relatively low number of WIC customers may experience little or no demand for certain types of required WIC foods. Requiring these vendors to maintain the minimum quantities and varieties of WIC foods at the levels could result in a loss to the vendor if foods are stocked and not purchased by the expiration date. Vendors faced with this problem can apply to WIC for a waiver from the WIC Minimum Stocking Requirements. All waivers expire at the end of the current Memorandum of Agreement. A Vendor may reapply for a waiver beginning thirty (30) days prior to the expiration of the Memorandum of Agreement.

The following criteria must be met to qualify for a waiver from the WIC Minimum Stocking Requirements:

1. WIC VMU must determine that the Vendor's redemption of the food item in the past three (3) calendar months substantiates the Vendor's request to reduce the WIC Minimum Stocking Requirements.

2. WIC VMU will certify that there are no WIC families in the immediate area being issued the specific food items.
3. The Vendor must provide the WIC food item within one week (7 calendar days) of request from WIC or WIC customer.

The request must be submitted in writing to WIC VMU. The waiver will be effective the date the Vendor receives the written notification from WIC. Upon receipt of the notification, the Vendor will then be allowed to carry a reduced amount of the food item. Lower stocking requirements (amounts and/or food types) will be defined by WIC. The Vendor will be allowed to carry the reduced amounts of food until a need for the specific food type arises or upon notification from WIC. If a need for the food develops (e.g., new client requires food type), or the WIC Program revokes the waiver, the Vendor shall be required to stock the minimum amounts and varieties of WIC foods as listed in the WIC Minimum Stocking Requirements.

WIC VENDOR PRICE SURVEY

Vendors may be required to verify and complete a WIC Vendor Price Survey when requested. The Vendor must accurately complete and submit the survey to the Vendor Management Unit by the time specified by WIC.

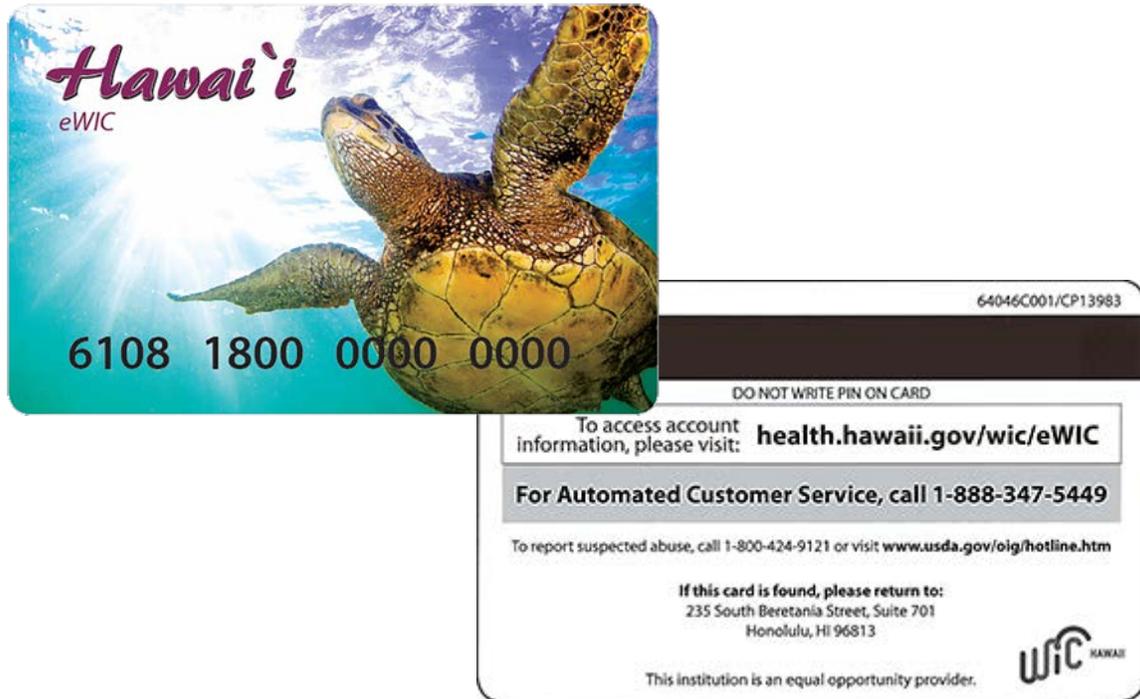
Vendor shelf price data is used to evaluate Vendor compliance to the price limitation and price competitiveness requirements of WIC. Vendor's prices shall not be more than a price approved by WIC based on market price information. WIC may make price adjustments to the purchase price on WIC foods to ensure compliance with the price limitations and price competitiveness applicable to the Vendor. Hawaii WIC assesses the effectiveness of its peer group system every 3 years.

Vendor stock information is used to monitor vendor compliance to the WIC Minimum Stocking Requirements and to increase awareness of the requirements.

HAWAII BOTTLE BILL

A 5¢ deposit and a 1¢ or 2¢ container fee per beverage container may be charged to WIC customers when making WIC purchases. WIC does not pay these fees

SECTION 3. eWIC



The Hawaii WIC Program utilizes electronic benefits transfer (EBT) for WIC, known as eWIC. WIC benefits are loaded into an electronic benefit account that combines the benefits for all participants in the family into one account. The eWIC card provides access to the family's account when the Personal Identification Number (PIN) is entered. This allows the WIC customer to purchase WIC approved foods with their benefits.

WIC customers can only purchase WIC approved foods that are issued to them and that are included in the Approved Product List (APL). If it is not in their benefits or in the APL, they cannot purchase the item.

APROVED PRODUCT LIST (APL)

The Approved Product List (APL) is an electronic file that has all approved Universal Product Codes (UPCs) and Price Look Up (PLUs) codes that are authorized by the Hawaii WIC Program. Vendors are required to download the APL daily to ensure that they are using the most current list. It is required to scan and identify WIC foods that can be bought with an eWIC card.

The APL will not allow an unauthorized UPC or PLU to be processed. If a product is not on the APL, the WIC customer cannot purchase it with their eWIC card. Also, Vendors cannot override or substitute products that are not in the APL.

PRODUCE MAPPING

Produce mapping is a functionality of your integrated Point of Sale (POS) software that allows you to link a UPC for a WIC authorized packaged fresh produce product (fruit or vegetable) to a PLU. Hawaii WIC's PLU list is taken from the International Federation for Produce Standards (IFPS) list.

IFPS codes can be found at: <https://www.ifpsglobal.com/PLU-Codes>

If your store uses stand-beside devices for Hawaii eWIC transactions, you do not need to take any action.

If your store uses an integrated POS for WIC Card transactions, you must ensure that the UPC for WIC authorized fresh packaged produce is mapped to a PLU that is on the APL. For example, this may be a bag of baby carrots from a distributor or a container of cut, mixed fruit from the deli section.

Never map frozen or canned fruits and vegetables or other types of WIC foods; only map fresh fruits and vegetables.

Please consult with your POS provider for specific details about how to complete PLU mapping on your system.

eWIC TRANSACTIONS

When redeeming eWIC transactions, the cashier must know:

- How to run a balance inquiry, if the WIC customer asks for it.
- Which foods are allowed to be purchased with eWIC

Vendor's employees should treat WIC customer with the same courtesy as any other customer.

eWIC Transaction Steps for Integrated Stores

1. Cashier Scans the food
2. Customer swipes the eWIC card BEFORE any other form of payment and enters their pin
 - The POS terminal determines if a food is WIC allowed and the benefit is available to the WIC customer.
3. POS prints out the beginning balance and the midpoint receipt.



- Cashier must hand these receipts to the WIC customer and customer verifies that WIC foods were purchased as expected
4. WIC customer approves WIC purchase using the card terminal or keypad.
 - WIC-allowed benefit items available to the customer are deducted from the balance on their eWIC card.
 - If an item did not deduct from the WIC balance as expected, the customer may request the cashier void that item from the purchase.
 - Cashiers cannot perform overrides or substitutions with eWIC.
 5. WIC customer uses other forms of payment next if non-WIC items are also purchased.
 6. Cashier gives WIC customer the final receipt.
 - After the eWIC purchase is complete, the cashier cannot void the transactions or put items back on the card.

Steps may vary from store to store. Cashier must know when WIC Participants swipe the eWIC card and if WIC foods need to be separated.

For Integrated Stores, the cashier will:

- **Scan the WIC food items.**
- **Identify any item that is not WIC approved or over the cash value amount.**
- **Allow the use of discounts and promotional specials.**
- **Review the mid-transaction receipt with the WIC customer.**
- **Ask the WIC customer to verify the amount and agree to the purchase.**
- **Provide the WIC customer with a detailed receipt of the eWIC transaction.**

eWIC Transaction Steps for Stand-Beside Stores

All Hawaii WIC stand-beside stores use the VeriFone Vx520 Stand-Beside Terminal.

1. WIC customer separates WIC foods from other items.
2. Cashier presses F2 to activate the WIC purchase option from the main menu.
3. Cashier or customer swipes the card through the card reader. Card number may be manually entered using the gray number keys (1-0) on the terminal and press ENTER.
4. WIC customer enters PIN.
5. Cashier scans barcodes and enters the prices of the WIC items into the stand-beside terminal starting with items that are not purchased with Cash Value Benefits (fresh/frozen/canned fruits and vegetables).
 - After scanning each item, enter the price and press ENTER

- Press F1 after all non-fruit and vegetable foods have been scanned.
 - The terminal will ask if there are any CVB items. If the WIC customer is purchasing fruits and vegetables with their eWIC card, the cashier presses F1 (Yes) and enter the price of each item and presses ENTER after each entry. If there are no CVB items, press F2 (No).
 - Press F1 after all WIC CVB items have been entered.
6. If coupons are being used, cashier enters coupon amounts, one at a time, and presses ENTER after each amount.
 7. Cashier presses F1 to complete the transaction. A receipt will print. Cashier hands receipt to WIC customer and press F1 to print a merchant copy.

Cashiers must be familiar with the “WIC Food List” to ensure that the WIC customer receives the correct foods.

The store must provide the WIC customer with a BALANCE INQUIRY when requested.

- **A balance inquiry is a separate function from a WIC sale**
- **Contact your POS provider/IT department for assistance in performing this action.**

Stores must ensure that the APPROVED PRODUCT LIST (APL) is current and perform updates daily.

- **Contact your POS provider/IT department for assistance in performing this action.**

eWIC only provides WIC ALLOWED FOODS that are in the customer’s benefits and in the Hawaii WIC APL.

- **No overrides.**
- **No substitutions or rain checks.**

DO NOT ASK for a second form of identification for a WIC purchase.

- **Just the eWIC Card and PIN are all that is needed.**
- **Anyone with the PIN can use the eWIC card.**

READING eWIC RECEIPTS

eWIC Beginning Balance

(Receipts will look slightly different from store to store)

- 1 List of WIC foods available to purchase by the customer this benefit period.
- 2 The last day WIC foods are available to the shopper during that benefit period.

eWic Beginning Balance		
PAN: *****7554		State: HI
QTY	UOM	Description
4.00	CTR	Tofu
2.00	LB	Cheese
2.00	DOZ	Eggs
36.00	OZ	Breakfast Cereal
4.00	CAN	Canned beans
1.00	CTR	Peanut Butter
15.00	OZ	Light tuna
15.00	OZ	Canned Fish
24.00	OZ	Infant Cereal
266.00	OZ	Infants F & V
77.50	OZ	Infant Meats
16.00	OZ	Whole Grains
11.00	\$\$\$	Fruit and Vegetables
1.00	CTR	Yosurt
4.00	GAL	1% or Fat Free Milk gal
3.00	CTR	Juice - 48 oz

These benefits expire at MIDNIGHT on
11/29/2019

eWIC Mid-Transaction Receipt

(Receipts will look slightly different from store to store)

List of foods that will be purchased (redeemed).

- Cashier must hand the beginning balance and mid-transaction receipt to the WIC Customer and the customer will verify that WIC foods were purchased as expected.
- Customer approves the WIC purchase and the WIC-allowed benefit items available to the customer are deducted from the balance on their eWIC card.
 - If an item did not deduct from the WIC balance as expected, the customer may request the cashier void that item from the purchase.
- Customer uses other forms of payment next if non-WIC items are also purchased.

eWic Benefits Redemption		
1.00	CTR	Tofu
		HOUSE TOFU 16OZ MED
0.50	LB	Cheese
		CF SHRED SHARP CHDR
1.00	CTR	Peanut Butter
		JIF PNTBTR CREAMY 16
15.00	OZ	Light tuna
		CORAL CL TUNA-WATER
3.75	OZ	Canned Fish
		BB SARDINES WATER
24.00	OZ	Infants F & V
		GERBER 2ND FOODS
20.00	OZ	Infant Meats
		GBR 2ND FOODS-BEEF
16.00	OZ	Whole Grains
		LOVES 100% WHOLE WHE
11.00	\$\$\$	Frozen F & V
		ESSN MIX VEGETABLES
1.00	CTR	Yosurt
		YOPLAIT GRANDE VANIL

eWIC Ending Balance

(Receipts will look slightly different from store to store)

List of foods that have been purchased (redeemed).

- Cashier gives customer final receipt
- After the eWIC purchase is complete, the cashier cannot void the transaction or put the items back onto the card.

***** eWic Ending Balance *****		
PAN: *****7564		State: HI
QTY	UDM	Description
3.00	CTR	Tofu
1.50	LB	Cheese
2.00	DOZ	Eggs
36.00	OZ	Breakfast Cereal
4.00	CAN	Canned beans
11.25	OZ	Canned Fish
24.00	OZ	Infant Cereal
232.00	OZ	Infants F & V
57.50	OZ	Infant Meats
4.00	GAL	1% or Fat Free Milk gal
3.00	CTR	Juice - 48 oz

These benefits expire at MIDNIGHT on 11/29/2019		
----- *****		

SECTION 4. PROBLEM SOLVING

Reasons a Food May Not Scan as Available to a WIC Customer

- The item is not WIC allowed.
- The item is not included in the WIC customer's benefits.
- There are not enough benefits left on the eWIC card to buy the item. Compare the beginning balance with the package size of the item.
- The UPC is not in the APL. If you think it should be added to the APL, email a full picture of the label, including the ingredients, nutrition info, and full UPC code to:

doh.wic.vendor@doh.hawaii.gov

Rude or Abusive WIC Customer

- Keep customer service in mind.

If a WIC customer is rude or abusive, cashier should do the following:

- If you cannot resolve the problem at the store level, report the customer to the WIC VMU using the *Hawaii WIC Vendor Complaint Form V-002*. Fax the form to the WIC VMU at (808) 586-8189.
- Call the WIC VMU at (808) 586-4776 if you do not have a *Hawaii WIC Vendor Complaint Form V-002* available or if the problem requires the immediate attention of the WIC VMU.
- Forms can be found online at <https://health.hawaii.gov/wic/vendor-information/>

SECTION 5. WIC Vendor VIOLATIONS AND SANCTIONS

FEDERALLY MANDATED SANCTIONS

Federal regulations at 7 CFR Part 246.12(l)(1) mandates that the violations included in the Mandatory Federal Sanctions chart in this section shall result in mandatory sanctions.

Incidents of a Federal violation are accrued over a three (3) year period starting on the date of the first incident, regardless of the date that the Vendor was notified. Violations remain on the Vendor's record for thirty-six (36) months and will be used when determining how many incidents have occurred.

A Vendor who is assessed a second mandatory sanction for violations numbered 2 -10 in the Mandatory Federal Sanctions chart below shall be assessed double the second mandatory sanction. Civil Money Penalties (CMP) may be doubled up to the limits allowed.

A Vendor who has previously been assessed two (2) or more mandatory sanctions for violations 2-10 listed below and receives another mandatory sanction shall be assessed a mandatory sanction that is double the second sanction and all subsequent mandatory sanctions. Civil Money Penalties may not be assessed in lieu of disqualification for third or subsequent sanctions for violations listed below.

WIC shall disqualify a Vendor who has been disqualified from the Supplemental Nutrition Assistance Program (SNAP). The length of disqualification shall be for the same amount of time as the SNAP disqualification but may start at a later date. Disqualification based on a SNAP disqualification shall not be subject to administrative or judicial review under WIC. WIC may disqualify a Vendor that has been assessed a Civil Money Penalty for hardship in SNAP. The length of such disqualification shall be for the same amount of time the Vendor would otherwise have been disqualified from SNAP.

A Vendor who commits fraud or abuse of the WIC Program is liable to prosecution under applicable Federal, State or local laws. Under 7 CFR Part 246.23, whoever embezzles, willfully misapplies, steals or obtains by fraud any program funds shall be fined not more than \$25,000 or imprisoned for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.

STATE VIOLATIONS AND SANCTIONS

Violations listed in the State Sanctions chart below include administrative, procedural, fraud, and abuse violations. Incidents of a State violation are accrued over a one (1) year period starting on the date of the first incident regardless of the date that the Vendor was notified. Violations remain on the Vendor's record for 12 months and will be used when determining how many incidents have occurred.

For both Federal and State violations, If WIC determines that disqualification of the Vendor would result in inadequate participant access, a Civil Money Penalty **may** be imposed in lieu of disqualification. This option will only be offered in cases where the WIC Program determines that disqualifying the Vendor would result in a hardship, not just an inconvenience, to participants. The Civil Money Penalty details and calculations are included at the end of this section.

MANDATORY FEDERAL SANCTIONS		
VIOLATION	MAXIMUM NUMBER OF INCIDENTS	LENGTH OF DISQUALIFICATION
1. Vendor convicted of trafficking WIC food instruments or cash-value vouchers 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 food instruments or cash-value vouchers.	One (1)	Termination of MOA and permanent disqualification
2. Selling firearms, ammunition, explosives or controlled substances [as defined in 21 U.S.C. 802] in exchange for WIC food instruments or cash-value vouchers.	One (1)	Termination of MOA and six (6) year disqualification.
3. Buying or selling WIC food instruments or cash-value vouchers for cash (trafficking).	One (1)	Termination of MOA and six (6) year disqualification

MANDATORY FEDERAL SANCTIONS		
VIOLATION	MAXIMUM NUMBER OF INCIDENTS	LENGTH OF DISQUALIFICATION
4. Sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC food instruments or cash-value vouchers.	One (1)	Termination of MOA and three (3) year disqualification.
5. A pattern of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802, in exchange for food instruments or cash-value vouchers.	Two (2)	Termination of MOA and three (3) year disqualification.
6. A pattern of charging for supplemental food not received by the WIC participant.	Two (2)	Termination of MOA and three (3) year disqualification.
7. A pattern of receiving, transacting, and/or redeeming WIC food instruments outside of authorized channels, including the use of an unauthorized vendor and/or an unauthorized person.	Two (2)	Termination of MOA and three (3) year disqualification.
8. A pattern of claiming reimbursement for the sale of an amount of a specific supplemental food item which exceeds the store's documented inventory of that supplemental food item for a specific period of time.	One audit (1)	Termination of MOA and three (3) year disqualification.
9. A pattern of vendor overcharges.	Two (2)	Termination of MOA and three (3) year disqualification.

MANDATORY FEDERAL SANCTIONS		
VIOLATION	MAXIMUM NUMBER OF INCIDENTS	LENGTH OF DISQUALIFICATION
10. A pattern of providing unauthorized food items in exchange for food instruments or cash-value vouchers, including charging for supplemental foods provided in excess of those listed on the food instrument.	Three (3)	Termination of MOA and one (1) year disqualification.
11. Vendor who has been disqualified from SNAP.	One (1)	Termination of MOA and disqualification for the same length of time as the SNAP disqualification. No administrative review is allowed.

STATE SANCTIONS		
VIOLATION	MAXIMUM NUMBER OF INCIDENTS	LENGTH OF DISQUALIFICATION
1. A pattern of failure to remove or allow the purchase of WIC food items after the manufacturer's expiration date printed on the food container.	Three (3)	Termination of MOA and six (6) month disqualification.
2. A pattern of requiring the purchase of all items listed on the WIC check or preventing the purchase of all items listed on the WIC food instrument.	Three (3)	Termination of MOA and six (6) month disqualification.
3. A pattern of requiring the purchase of specific brands (although other WIC-authorized	Three (3)	Termination of MOA and six (6) month disqualification.

STATE SANCTIONS		
VIOLATION	MAXIMUM NUMBER OF INCIDENTS	LENGTH OF DISQUALIFICATION
brands are available).		
4. A pattern of failure to document on receipt the value of any discount coupon or other amount that was deducted from the total sales price of the WIC foods purchased with the WIC food instrument.	Three (3)	Termination of MOA and six (6) month disqualification.
5. A pattern of obtaining the WIC customer's signature before the dollar amount and date is filled in on the WIC food instrument.	Three (3)	Termination of MOA and six (6) month disqualification.
6. A pattern of failure to maintain the minimum variety and inventory of WIC foods including, but not limited to, the required quantities of Least Expensive Brand (LEB) items as declared.	Three (3)	Termination of MOA and six (6) month disqualification.
7. A pattern of requiring participants to make additional purchases in order to redeem WIC food instruments	Two (2)	Termination of MOA and one (1) year disqualification.
8. A pattern of failure to clearly display prices or clearly mark the prices for all WIC foods on the shelf, product, or nearby area.	Two (2)	Termination of MOA and one (1) year disqualification.
9. A pattern of failure to maintain or provide purchase records for infant formula and other WIC foods as well as other records, including inventory records, relating to the performance of the WIC Vendor Agreement that	Two (2)	Termination of MOA and one (1) year disqualification.

STATE SANCTIONS		
VIOLATION	MAXIMUM NUMBER OF INCIDENTS	LENGTH OF DISQUALIFICATION
are required to be maintained for four (4) years after the expiration of the Agreement.		
10. A pattern of failure to remit payment for refunds requested by WIC.	Two (2)	Termination of MOA and one (1) year disqualification.
11. A pattern of obtaining infant formula from a source not included on the WIC Authorized Infant Formula Sources list.	Two (2)	Termination of MOA and one (1) year disqualification.

In the case of an outlet of a chain-store, only the violating outlet will be disqualified and removed from the list of outlets covered by the MOA.

WIC may assess multiple violations to the Vendor at the same time.

Disqualifications that extend past the end of an Agreement period shall continue in force into the new Agreement period until the end of the disqualification. Vendors may start the re-application, authorization and training process beginning ninety (90) days prior to the end of the disqualification, noting the disqualification on the application where indicated. Enrollment is open all year with the exception of July, August and September every third year when all authorizations expire. If the Vendor meets all application, training and contract requirements, the new WIC Agreement **may** become effective immediately after the end of the last month of disqualification.

SANCTION PROCESS

WIC shall disqualify a Vendor from participating in WIC for any of the violations listed above, including substantiated Vendor errors, abuse or fraud committed by the Vendor, its owners, officers, managers, employees, or agents. The imposition of disqualifications shall not be construed as excluding or replacing any other criminal or civil sanctions, penalties or remedies applicable under any Federal or State law.

Any method used by WIC to determine a violation is an investigation. An infraction of WIC regulations or other requirements is a violation. **An administrative action taken**



as a result of a violation is a sanction. All reference to days or years shall be calculated in calendar days or calendar years. Vendors will be notified in writing of the initial violation, prior to documenting another incidence of the violation, as notification is required for violations that require a pattern before a sanction is imposed, unless the State agency determines that notification will compromise the integrity of its investigation. Disqualification of the Vendor from WIC may result in disqualification from the Supplemental Nutrition Assistance Program (SNAP). The length of disqualification shall be for the same amount of time as the WIC disqualification, but may start at a later date. Such disqualification shall not be subject to administrative or judicial review under SNAP.

WIC shall disqualify a Vendor who has been disqualified from SNAP. The length of disqualification shall be for the same amount of time as the SNAP disqualification but may start at a later date. Disqualification based on a SNAP disqualification shall not be subject to administrative or judicial review under WIC.

A pattern of incidences is usually needed to warrant a mandatory sanction. In cases of extreme program abuse, only one incident of violation may warrant a Vendor disqualification. For example, a Vendor shall be disqualified from WIC for one incidence of buying or selling WIC food instruments for cash (trafficking) or one incidence of selling firearms, ammunition, explosives, or controlled substances in exchange for WIC food instruments. See the Federal and State Violations and Sanctions tables above for detailed information on number of incidences needed to impose sanctions.

Federal regulations establish the length of disqualification for mandatory sanctions appropriate to the severity of the violation. For mandatory Federal sanctions and for State sanctions, WIC must impose either disqualification or a Civil Money Penalty in lieu of disqualification.

In situations where a Vendor is found guilty of multiple violations during the course of a single investigation, the mandatory sanction against the Vendor shall be determined by the most severe violation or the assessment of multiple Civil Money Penalties.

Prior to being disqualified, the Vendor shall be sent a written notice of the disqualification. This notice shall include reasons for the disqualification, the effective date of the action (some disqualifications may be effective upon date of receipt of this notice), the Vendor's right to appeal, and the procedures to be followed to file an appeal. Vendors may receive a copy of the administrative hearing procedures upon request.

For mandatory Federal and State sanctions, WIC may not accept the Vendor's voluntary withdrawal from the WIC Program or non-renewal of the vendor agreement as an alternative to disqualification or payment of Civil Money Penalties.

CIVIL MONEY PENALTIES

Using the formula outlined below, WIC shall make the calculation of the CMP amount.

If WIC imposes CMPs in lieu of disqualification, the Vendor shall submit a written corrective action plan that indicates the steps the Vendor shall take to assure that the violations shall not reoccur.

CMPs do not relieve the Vendor of the financial liability for previous compliance issues such as outstanding overcharge recoveries or payments due for the sale of unauthorized foods. Such outstanding liabilities must be paid in addition to the CMP.

WIC shall not accept voluntary withdrawal by the Vendor or non-renewal of the vendor agreement to avoid payment of CMPs. If CMPs are not paid as required, WIC shall impose the disqualification corresponding to the violation for which the CMPs were assessed.

Procedure for Assessing a Civil Money Penalty

The Vendor shall be sent a written notice of the CMPs in lieu of disqualification. This notice shall include reasons for the disqualification, notice that WIC has decided to offer CMPs in lieu of disqualification, the effective date of the action, the Vendor's right to appeal, the procedures to file an appeal, , and notice that the Vendor will be contacted to schedule a meeting with WIC to discuss the CMP offer.

The meeting shall cover the following:

1. The amount of the CMP (as determined by the following procedure for calculating CMPs);
2. The method(s) of payment of the CMP available to the Vendor; and
3. Discussion of all non-compliance issues, not just those that brought about the disqualification.

Also, at the meeting, the Vendor shall be advised of the following:

- Payment of the CMP does not relieve the Vendor of its obligation to complete a corrective action plan approved by WIC to resolve identified problems or protect the Vendor from future sanctions or disqualification for continued non-compliance;
- Payment of the CMP does not settle all civil liabilities;

- When determining disqualifications, mandatory sanctions settled by CMPs must be used to double a second or subsequent mandatory sanction, even if the type/nature of violations resulting in the previous mandatory sanction differs; and
- The CMP settlement does not prohibit further WIC investigations.

Procedure for Calculating Civil Money Penalties

For all mandatory Federal and State sanctions listed above, unless otherwise specified in 7 CFR 3.91(b)(3)(v), WIC will use the following formula to calculate a Civil Money Penalty imposed in lieu of disqualification:

- Step 1:** Determine the vendor's average monthly redemptions for at least the 6-month period ending with the month immediately preceding the month during which the notice of adverse action is dated;
- Step 2:** Multiply the average monthly redemptions figure by 10 percent (.10); and
- Step 3:** Multiply the product of Step 2 by the number of months for which the vendor would have been disqualified to determine the amount of the Civil Money Penalty.

Note: The Civil Money Penalty shall not exceed the maximum amount specified in 7 CFR 3.91(b)(3)(v) for each violation. Instances of other violations that have not yet reached disqualification sanction shall not be used to calculate the CMPs.

For a subset of mandatory Federal violations, the following provisions will be used to calculate CMPs, in accordance with 7 CFR 3.91(b)(3)(v):

1. Civil penalty for violating a provision of the Food and Nutrition Act of 2008 (Act), or a regulation under the Act, by a retail food store or wholesale food concern, codified at 7 U.S.C. 2021(a) and (c), has a maximum of \$100,000 for each violation.
2. Civil penalty for trafficking in food coupons, codified at 7 U.S.C. 2021(b)(3)(B), has a maximum of \$32,000 for each violation, except that the maximum penalty for violations occurring during a single investigation is \$59,000.
3. Civil penalty for the sale of firearms, ammunitions, explosives, or controlled substances for coupons, codified at 7 U.S.C. 2021(b)(3)(C), has a maximum of \$32,000 for each violation, except that the maximum penalty for violations occurring during a single investigation is \$59,000.
4. Civil penalty for a vendor convicted of trafficking in food instruments, codified at 42 U.S.C. 1786(o)(1)(A) and 42 U.S.C. 1786(o)(4)(B), has a maximum of \$11,000 for each

violation, except that the maximum penalty for violations occurring during a single investigation is \$49,000.

5. Civil penalty for a vendor convicted of selling firearms, ammunition, explosives, or controlled substances in exchange for food instruments, codified at 42 U.S.C. 1786(o)(1)(B) and 42 U.S.C. 1786(o)(4)(B), has a maximum of \$11,000 for each violation, except that the maximum penalty for violations occurring during a single investigation is \$49,000.

Example of Calculating Civil Money Penalties

Vendor is notified of a one-year disqualification starting October of this year. CMPs in lieu of disqualification would be calculated as follows:

Monthly redemption for the most recent six (6) calendar months:

September	\$6,500
August	6,015
July	6,125
June	6,180
May	6,190
April	<u>6,250</u>
Total	<u>\$37,260</u>

$$\text{Step I} = \$37,260 \div 6 = 6,210.00 \times 10\% = \$621.00$$

$$\text{Step II} = \$621.00 \times 12 \text{ months} = \underline{\underline{\$7,452.00}}$$

Payment of Civil Money Penalties

The payment must be made by one of the following methods as determined by WIC.

1. A lump sum payment of the CMPs shall be received on or before the date the disqualification is to become effective; or
2. Installment payments of equal amounts, of which the total number of installments cannot exceed one-half the number of months of the disqualification and shall be paid with interest.

WIC must receive the first installment on or before the date the disqualification is to become effective. The subsequent payments must be received on or before the first day of the month for all subsequent months until final payment is received. If a Vendor fails to make any scheduled installment payment by the due date, WIC shall notify the Vendor that the balance of the CMPs are due within 20 calendar days or the full disqualification sanction period shall be implemented.

All payments (either lump sum or installment) shall be made by **certified check or money order** payable to the "**Hawaii State Director of Finance**" and must include the Vendor's name and Vendor ID Number. **Payments must be sent by certified mail to:**

**Hawaii WIC Services Branch
Vendor Management Unit
235 South Beretania Street, Suite 701
Honolulu, Hawaii 96813-2419**

A Vendor that does not pay, partially pays, or fails to pay on a timely basis shall receive the disqualification corresponding to the violation for which the CMP was assessed.

SECTION 6. WIC VENDOR RESPONSIBILITIES AND RIGHTS

REPORT OF CHANGES IN OWNERSHIP

The WIC Vendor must notify the WIC Services Branch not less than 15 calendar days prior to the date of ceasing operations, changing ownership or filing bankruptcy.

WIC Vendor authorization is not transferable. If there is a change in ownership, the new owner must complete an application and meet all enrollment criteria to become an authorized WIC Vendor. If the new owner would like to be authorized to be a WIC vendor, please advise them to contact the WIC VMU at (808) 586-4776 or toll free from the neighbor islands at 1-888-820-6425.

WIC Vendors must also report any change in store name, store address, telephone number, fax number or bank account to the WIC Services Branch in writing, not less than 15 calendar days before the change takes place.

ACCEPTING INFORMATION

WIC sends out important information that can assist WIC Vendors in maintaining compliance with the WIC Vendor Agreement. Therefore, it is essential that Vendors accept/pick up faxes, mail, or email sent from WIC. Examples of items that may be sent to Vendors via fax or mail are notices of ACH payments, Agreement-related items (including some WIC TACKS), sanctions, food update notices, and training notices.

CONFLICT OF INTEREST

The WIC Vendor ensures that no conflict of interest shall exist with either the WIC Services Branch or local agencies. A conflict of interest relates to the standard of ethical conduct that no officer or employee shall have any interest, financial or otherwise, direct or indirect, or engage in any business transaction or professional activity or incur any obligation of any nature which is in conflict with the discharge of a person's duties.

WIC shall have the right to cancel the WIC Vendor Agreement immediately upon notification to the parties should such conflict of interest arise after the acceptance of the Agreement by the parties.

BUSINESS INTEGRITY

The WIC Vendor and the Vendor's current owners, officers, and managers shall maintain standards of business honesty and maintain a reputation of following good business practices. WIC shall have the right to deny authorization for participation in WIC if during the last six (6) years the Vendor or any of the Vendor's current owners, officers, or managers have been convicted of or had a civil judgment entered against them for

any activity indicating a lack of business integrity.

Activities indicating a lack of business integrity include fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and obstruction of justice.

APPEAL RIGHTS AND HEARINGS

Key Definitions

Show Cause Meeting – meeting to require a party to provide reasons why a proposed action should not be taken. If Vendor does not appear or does not provide adequate reason why no action should be taken, action will be taken.

Fair Hearing – hearing held to provide a Vendor an opportunity to present reasons why a decision made on your case is wrong. Written decision will state whether the decision was right or wrong. The written decision may order a correction of the case.

Informal Settlement Conference – an opportunity for the Vendor to review the reasons for a decision and address information they feel is not properly represented. Through discussion and negotiation, it may be possible to resolve issues without a Fair Hearing.

Administrative Review – an Administrative Review by DOH may be requested in writing by a Vendor receiving an adverse action. It is an opportunity for the Vendor to appeal the adverse action by presenting its case. Witnesses may be presented and all of the State's evidence may be examined. Vendor may be represented by counsel if desired.

When WIC denies an application or suspends or disqualifies a WIC Vendor from participating as a sanction, the Vendor is entitled to request a show cause meeting or a fair hearing to dispute WIC's decision. A Vendor applicant or current Vendor may request a fair hearing in lieu of a show cause meeting if it follows the procedures described in this Section. Expiration of a WIC Vendor Agreement does not entitle a Vendor to a show cause meeting or a fair hearing. Federal Regulations govern what situations may and may not be eligible for an administrative review (7 CFR 246.18).

Except for violations that seriously affect public health, safety or welfare, a WIC Vendor whose Agreement is suspended or terminated before the expiration of the Agreement or who is disqualified from WIC may remain a Vendor until the effective date of the final order or the date that the Vendor Agreement expires, whichever occurs first. A request for a show cause meeting or a fair hearing (including the informal settlement

conference) does not extend the Vendor's Agreement beyond its expiration date nor does it require WIC to enter into a new Agreement with the Vendor. If the WIC Services Branch Chief finds that the Vendor has engaged in violations of the Agreement, Federal Regulations, State Regulations, or this Vendor Manual, and the activity affects the public health, safety or welfare, the WIC Services Branch Chief may issue an order terminating the Vendor's Agreement effective 15 calendar days from the date the Vendor receives the order. WIC shall provide the Vendor with the opportunity for a hearing. The order shall contain the hearing date and time.

APPEAL PROCEDURE

1. WIC shall provide a written notice to the Vendor Applicant of the denial of the Agreement application and to the current Vendor of suspension or disqualification and the effective date of the action. The written notice shall reflect all violations. WIC shall mail notification by certified mail to the Vendor Applicant or current Vendor at least 15 calendar days before the effective date of the suspension or disqualification.
2. The Vendor Applicant or current Vendor can request a fair hearing, which must be in writing and postmarked within 10 calendar days of receiving the notice of denial of its WIC Vendor application or when suspension or disqualification action is taken against it. The Vendor may also request an informal settlement conference during the fair hearing process. The request for a fair hearing or informal settlement conference shall include a statement of the facts asserted and the relief sought. If the Vendor Applicant or current Vendor intends to be represented by an attorney, the name, address and phone number of the attorney should be included in the request.
3. The request for a fair hearing or informal settlement conference shall be submitted to the WIC Services Branch, Vendor Management Unit, 235 South Beretania Street, Suite 701, Honolulu, Hawaii 96813. If a Vendor Applicant or current Vendor fails to request a fair hearing within the time and in the manner established in this Section, the Vendor Applicant or current Vendor shall waive its right to any administrative review to which it may otherwise be entitled. This waiver is construed as acceptance of WIC's action. WIC shall not accept fax copies in lieu of an original document.

SECTION 7. WIC VENDOR SELECTION AND AUTHORIZATION

WIC authorization of Vendors is restricted by its capacity to ensure that WIC staff can effectively monitor and review vendor performance. WIC allows participants to receive supplemental food from any authorized Vendor. Criteria have been established for Vendor selection, including qualifying criteria which limit the number of participating Vendors.

WIC Vendors are selected to meet program needs. Vendors do not automatically have the "right" to participate. If there are no authorized WIC Vendors within a ten (10) mile radius, denial based upon the selection criteria may be waived. A waiver may be considered for any of the criteria below, with the exception of criterion #1 (competitive prices), if WIC determines that an undue hardship for WIC participants would result if the Vendor were not approved.

The WIC Vendor shall comply with the selection criteria throughout the WIC Vendor Agreement period, including any changes to the criteria. WIC may reassess the Vendor for compliance to the selection criteria at any time. Failure to correct any deficiencies upon notification from WIC shall result in the termination of the Agreement. If the applicant provides false information in connection with the application, the application will be denied and/or the Agreement will be immediately terminated. The application must include all required documents as specified; incomplete applications may be denied. Vendor Applicants whose application is denied must wait 6 months from denial to reapply.

WIC will accept and process WIC Vendor applications outside the established timeframes and during any period of closed enrollment if WIC determines there will be inadequate participant access.

Consideration of applications is limited by the following:

Enrollment is open all year with the exception of July, August and September every third year when all authorizations expire. Contact the VMU at (808) 586-4776 to see if a store qualifies to apply and to request a **Retail WIC Vendor Application Form V-004**. WIC Vendors are required to maintain minimum stock and variety of all WIC foods either on its shelves or stored at its location from the date the application is submitted.

Mandatory Criteria

The following mandatory criteria are used to evaluate applications and throughout the WIC Vendor Agreement period:

1. **Supplemental Nutrition Assistance Program (SNAP) Authorization** - The Vendor Applicant shall have authorization from and operate in compliance with SNAP regulations. Applicants who are currently disqualified from SNAP or that have been assessed a SNAP civil money penalty for hardship, and the disqualification period that would otherwise have been imposed has not expired, shall not be considered to become a WIC Vendor.
2. **Competitive Prices** - The Vendor Applicant shall have shelf prices that are competitive. Prices will be compared with those of other Vendor Applicants and currently authorized

Vendors assigned to the same peer group. WIC shall group Applicants/Vendors by peer groups and will calculate the competitive prices for WIC eligible foods by peer group. Maximum prices are a calculation of the average shelf-price of WIC purchases type within a peer group plus a tolerance amount to account for variation of product availability, wholesale price changes, participant selection, and shelf prices. Exemptions from competitive price criteria and maximum allowable reimbursement levels are only allowed for contracted pharmacies that provide only exempt infant formula or WIC-eligible medical foods to participants and for non-profit WIC Vendors (other than health or human services agencies that provide food under contract with WIC.)

The WIC Least Expensive Brand (LEB) Declaration and Price Survey submittal in the Vendor Portal collects shelf prices from stores and is required as part of the initial application and upon request of WIC. This submission will be requested at least twice a year from all stores.

3. **Minimum Stock Requirements** - The Vendor Applicant shall have and maintain the minimum variety and quantity of WIC foods as required by WIC. Vendors are required to maintain minimum stock and variety of all WIC foods either on its shelves or stored at its location from the date the application is submitted.
4. **Authorized Infant Formula Sources** - Infant formula may only be purchased from authorized sources; the WIC Authorized Infant Formula Sources list is maintained on the Hawaii WIC website at: <https://health.hawaii.gov/wic/vendor-information/>. This listing includes instructions on inquiring about sources not listed. A pattern of purchasing infant formula from a source not listed will result in a one (1) year disqualification from WIC.

5. **Business Integrity** - The Vendor Applicant or any of the Applicant's current owners, officers, or managers shall not have been convicted of nor had a civil judgment entered against them for any activity indicating a lack of business integrity. Activities indicating a lack of business integrity include fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and obstruction of justice.
6. **Business Type** - The Vendor Applicant shall be located at a fixed permanent location and shall furnish WIC foods to WIC customers only at the site of the authorized location.

The Vendor shall be a grocery store with meat, produce, bread, cereals, and dairy goods.

The vendor must be primarily a retailer of groceries with fifty (50) percent or more of its sales from groceries and not from any combination of alcohol, tobacco products, hot or cold prepared foods, or gas. Hawaii WIC does not authorize convenience stores (primarily engaged in retailing a limited line of goods that generally includes staple groceries such as milk, bread, soda, and snacks, non-foods, and ready-to-heat and ready-to-eat foods.) Convenience stores are usually between 500 to 5,000+ retail square feet, with 500 to 1,500 Stock Keeping Units (SKUs), with primary emphasis placed on providing the public a convenient location to quickly purchase from a wide array of consumable products and services. Convenience stores generally have 2 or less cash registers. Convenience stores usually carry a limited selection of grocery items and are not primarily serving families seeking a full line of groceries. In addition to not providing all the food needed by a family, convenience stores typically do not provide shopping carts and have limited parking. Convenience stores may be authorized only if a participant need has been determined, they meet all the criteria and there are no full line grocery stores within a ten (10) mile radius.

The WIC Vendor may not derive, or be expected to derive, more than fifty (50) percent of their total annual food sales revenue from the sale of supplemental foods that are obtained with WIC purchases. WIC requires the total annual food sales data in order to determine, as required by law, whether a Vendor derives more than fifty (50) percent of their total annual food sales revenue from WIC purchases. Some WIC vendors may incur costs to compile this data.

7. **Volume of WIC Business** – Vendor Applicants that participated as WIC Vendors during the previous contract year that had an average of 90 or fewer WIC redemptions redeemed for the most recent fiscal quarter, may be considered to have too low a volume of WIC transactions, and may be evaluated as demonstrating a lack of demand for the Vendor Applicant in the area. The number of WIC redemptions transacted at new vendors will be evaluated after six (6) months, and Vendors with 90 or fewer WIC transactions for their second three (3) months may be terminated within 15 days due to a lack of demand.
8. **Accessibility to WIC Customers** - The Vendor Applicant shall be open for business at least 10 (ten) hours per day, six (6) days a week. When necessary, WIC applies Participant Access Determination Criteria (see Attachment 6) to its assessments of Vendor Applicants and existing Vendors.
9. **Sanitation** - The Vendor Applicant shall be in compliance with all State and local sanitation standards. The Applicant must have a current Food Establishment Permit posted in the store.
10. **Conflict of Interest** - There shall be no conflict of interest between the Vendor Applicant and the State agency or its Local agencies.
11. **Registration with the Hawaii State Department of Commerce and Consumer Affairs (DCCA)** – The corporation or business entity applying for WIC authorization must be registered with the Hawaii State DCCA.
12. **Proof of Insurance** - WIC Vendor Applicants must submit and maintain a Certificate of Insurance in accordance with the "Certificate of Insurance Checklist" of the WIC Vendor Manual.
13. **Americans with Disabilities Act (ADA)** – Vendor Applicants must comply with the applicable provision of the ADA of 1990. This includes an accessible parking space, accessible entrance, accessible doors, accessible shelves and maneuvering space, and accessible sales and service counters. Contact the Disability and Communication Access Board, 919 Ala Moana Boulevard, Room 101, Honolulu, Hawaii 96814 (808) 586-8121 (V/TTY) <https://health.hawaii.gov/dcab/> for further information about the ADA.
14. **Maintenance of Records**
WIC Vendors are required to maintain for inspection and audit by WIC, the State of Hawaii, the USDA Food and Nutrition Service, and the Comptroller General of the

United States, inventory records used for tax reporting purposes, all books, receipts, accounts, reports, files, purchase invoices and other records relating to the performance of the WIC Vendor Agreement for four (4) years after expiration. Failure to maintain or provide these purchase records for infant formula and other WIC foods will result in a one (1) year disqualification.



Minimum Stocking Requirements

Effective October 1, 2020

Required stocking levels must be maintained at all times. Failure to maintain the required minimum inventory of WIC allowed foods may result in the disqualification of the vendor from WIC.

Refer to the current Hawaii WIC approved Food List for WIC approved brands and other criteria. The Hawaii WIC Approved Food List can be found at:
<https://health.hawaii.gov/wic/>

For a list of authorized infant formula sources, please visit:
<https://health.hawaii.gov/wic/vendor-information/>

General Guidelines

- Always carry enough inventory so that a sudden rush of WIC shoppers doesn't put you below the minimum requirements.
- Expired food and spoiled produce do not count toward the minimum stocking requirements.
- Inventory on the store's shelves and in a storage area count towards the minimum stocking requirements.
- Some WIC approved foods have no minimum stocking requirement. For these products we ask that you stock enough to meet your WIC shoppers' needs.
- To help with your inventory planning and ordering, you can request reports from the Hawaii WIC Vendor Management Unit for data such as: total WIC foods sold, the number of WIC clients, and total WIC sales for a given month for your store. Please contact the Vendor Management Unit to request this info.
- Please post WIC shelf tags (shelf talkers) by all WIC approved foods. These tags help WIC shoppers find approved foods and will reduce problems at the check stand. Contact the Vendor Management Unit if you need more shelf tags.
- If you are unsure if a food is WIC eligible, contact the WIC Vendor Unit at:

DOH.wic.vendor@doh.hawaii.gov or call (808)586-8392
Monday – Friday, 7:00am to 3:45pm

Refer to the current Hawaii WIC Approved Food List for WIC approved brands and other criteria.

Food Category	Approved Sizes	Minimum Required Inventory
Breakfast Cereal	12 oz to 36 oz (cold cereal) 11.8 oz to 36 oz (hot cereal)	15 boxes total (can be mix of cold and hot cereals); 5 varieties
Cheese	8 oz or 16 oz sizes	6 pounds total; 3 varieties
Dried or Canned Beans/Peas/Lentils	8 oz to 16 oz bag 15 oz to 30 oz can	64 oz total; 2 varieties
Eggs	12-count carton (1 dozen)	6 cartons
Fish - Canned	Tuna, 5 oz can Pink Salmon, 7.5 oz can Mackerel, 15 oz can Sardines, 3.75 oz can	Tuna, 12 cans Pink Salmon, 10 cans Mackerel, 4 cans Sardines, 10 cans
Fresh Fruits and Vegetables	Bags or packages, whole or cut	\$18 worth in stock of fruits; 2 varieties, \$18 worth in stock of vegetables; 2 varieties
Frozen and Canned Fruits and Vegetables	Any	\$18 worth in stock of fruits; 2 varieties, \$18 worth in stock of vegetables; 2 varieties
Infant Cereal	8 oz container	6
Infant Food - Fruits and Vegetables	4 oz plastic container (2-packs allowed) or 4oz glass jar	Any combination of 96 total jars/containers; 4 varieties
Baby Food - Meats	2.5 oz glass jar	32 jars total; 2 varieties
Infant Formula	Similac Advance Powder 12.4 oz Similac Soy Isomil Powder 12.4oz	24 cans Similac Advance 8 cans Similac Soy Isomil
Juice for Women	11.5 oz to 12 oz can (frozen) 46 oz to 48 oz bottles	6 cans 10 bottles
Juice for Children	64 oz bottle	10 bottles
Milk - Whole, 1%, and Skim	Gallon container	10 gallons total; including a total of at least 5 gallons of 1% or skim milk
Peanut Butter	16 oz to 18 oz jar	4 jars; 2 varieties
Soy Beverages	Quart or half gallon	Any combination of 2 total gallons
Tofu	16 oz container	2 containers
Whole Grains	Brown rice, 16 oz bag; whole wheat pasta, 16 oz package; soft tortillas, 11 oz to 24 oz package; whole wheat bread 16 oz size	128 oz total; including at least 2 options, and at least 5 loaves of 100% whole wheat bread
Yogurt	32 oz container	3 containers
Evaporated Milk, Juice Packs, Powdered Milk, Shelf Stable Milk, Shelf Stable Tofu, Similac Advance Concentrate 13 oz, Similac Soy Isomil Concentrate 13 oz, 24 oz 100% Whole Wheat Bread	No Minimum Inventory Requirement	

WIC AUTHORIZED INFANT FORMULA SOURCES

October 1, 2020

Authorized WIC Vendors must order infant formula from authorized sources only.
Contact Hawaii WC Vendor Management Unit to inquire about a source not listed.

Wholesaler/Distributor/Retailers	Address	City	State	Zip	Phone
Amazon.com	410 Terry Ave. North	Seattle	WA	98109	(833)663-6600
AmerisourceBergen (HI)	238 Sand Island Access Rd.	Honolulu	HI	69819	(808)848-6566
Associated Grocers (WA)	3301 S. Norfolk St.	Seattle	WA	98118	(206)762-2100
C&S Wholesale Grocers	91-315 Hanua St.	Kapolei	HI	96707	(808)682-7300
Coastal Pacific Food Dist.	1520 Mission Blvd. #B	Ontario	CA	91761	(909)947-2066
Costco Wholesale	525 Alakawa St.	Honolulu	HI	96817	(808)526-6100
Direct Support Resources	91-241 Kalaleloa Blvd. #B	Kapolei	HI	96707	(808)682-2980
Hansen Food Service	96-1282 Waihona St.	Pearl City	HI	96782	(808)456-3334
Hawaii Agents Inc.	91-314 Komohana St.	Kapolei	HI	96707	(808)682-7377
Horizon Organic Dairy	12002 Airport Way	Broomfield	CO	80021	(888)494-3020
L.H. Gamble	3615 Harding Ave. #502	Honolulu	HI	96816	(808)735-8199
Machida, Inc.	620 Puuhale Rd.	Honolulu	HI	96819	(808)845-4844
Okimoto Corporation	85-863 Farrington Hwy.	Waianae	HI	96792	(808)696-3131
Safeway Central Buy	1801 W. 11th St.	Tracy	CA	95376	(209)830-2950
Sam's Club	750 Keeaumoku St.	Honolulu	HI	96814	(808)230-9841
Shimaya Shoten Ltd.	710 Kohou St.	Honolulu	HI	96817	(808)845-6691
Unified Western Grocers, Inc.	455 N. Canyon's Pkwy. #C	Livermore	CA	94551	(925)960-8455
WalMart	702 SW. 8th St.	Bentonville	AR	72216	(479)258-7208
Walgreens	780 Waukegan Rd.	Deerfield	IL	60015	(800)925-4733
Manufacturers					
Abbott Laboratories	3300 Stelzer Rd.	Columbus	OH	43219	(800)227-5767
Applied Nutrition Corporation	10 Saddle Rd.	Cedar Knolls	NJ	07927	(973)743-0047
Hormel Health Labs	3000 Tremont Rd.	Savannah	GA	31405	(912)651-5112
Mead Johnson	2400 W. Lloyed Expsrwy	Evansville	IN	47721	(800)222-9123
Novartis	31 Leslie Ct.	Whippany	NJ	07932	(844)422-2752
Nutricia North America	9900 Belward Campus Dr.	Rockville	MD	20850	(800)365-7354
PBM Nutritionals	POB 2109, 147 Industrial Park Rd.	Georgia	VT	05468	(802)827-0521
Prolacta Bioscience	757 Baldwin Park Blvd.	City of Industry	CA	91746	
Scandipharm	22 Inverness Center Pkwy.	Birmingham	AL	35242	
Solus Products, LLC	8910 Purdue Rd. Ste 230	Indianapolis	IN	46268	(336)886-6487
Wyeth Nutritionals, Inc.	12 Vreeland Rd., Box 697	Florham Park	NJ	07932	(844)422-2752
Pharmacies					
CVS/Longs Drug Stores	1025 Opakapaka St.	Kapolei	HI	96707	(808)690-8500
McKesson Drug Co.	80 Sand Island Access Rd.	Honolulu	HI	96819	(808)847-3911
Pharmacare	3375 Koapaka St., Ste G320	Honolulu	HI	96819	(808)836-0223

WIC VENDOR ORDER FORM

INSTRUCTIONS:

Indicate the amount requested for any of the following and mail, fax, or email to:

WIC Vendor Management Unit
235 South Beretania St., Suite 701
Honolulu, HI 96813-2419

Fax: (808)586-8189

Email: doh.wic.vendor@doh.hawaii.gov

SHELF TALKERS



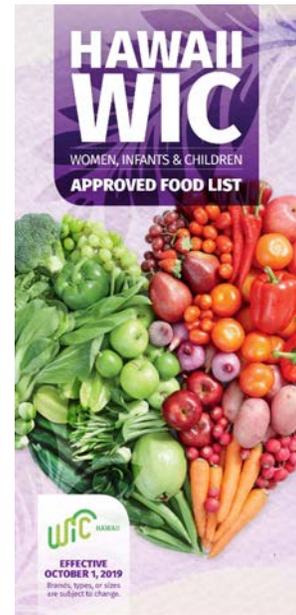
4" X 1.875" _____



2" X 2" _____



2" X 1.25" _____



Food List _____



Door Decal – approx. 6" X 825" _____