

# HAWAII WIC PROGRAM VENDOR MANUAL



**Hawaii State Department of Health  
Special Supplemental Nutrition Program  
For Women, Infants and Children**

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# **Section 1**

## **OVERVIEW**

## ***OVERVIEW***

### **Background**

In its concern over the high infant mortality rate in the United States and the health and nutritional status of pregnant women and young children, the United States Congress in 1972 established the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) under the authority of the United States Department of Agriculture. 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.

The WIC Program operates through 2,000 local agencies in 10,000 clinic sites, in 50 State health departments, 34 Indian Tribal Organizations, the District of Columbia, and five territories (Northern Mariana, American Samoa, Guam, Puerto Rico, and the Virgin Islands). Hawaii WIC clinics are operated under the auspices of the Hawaii WIC Services Branch of the Hawaii State Department of Health.

The WIC Program has three major components: nutrition education, health services, and supplemental foods. The foods supplied through the WIC Program are not intended to serve as a complete diet, but to supplement the foods already being consumed by the participant. Participants are examined by health care professionals to determine the need for supplemental foods and are provided with nutrition guidance.

Studies have shown that inadequate nutrition and health care represent a threat to the physical and mental well being of certain individuals. Proper nutrition at the beginning of life can help prevent serious health problems. Infants and preschoolers go through a period of rapid growth, as well as intellectual and social development. Their nutrition status and the health care they receive may have a major impact on their ability to function as happy, healthy children.

In Federal Fiscal Year (FFY) 2004, over 7.9 million participants were served by WIC. 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 WIC Program, in FFY 2005, served over 32,500 participants, who redeemed approximately 1.2 million WIC checks worth over \$27 million.

Numerous studies have shown that pregnant women who participate in WIC have longer pregnancies leading to fewer premature births; have less low birth weight babies; experience fewer fetal and infant deaths; seek prenatal care earlier in pregnancy and consume more of such key nutrients as iron, protein, calcium, and Vitamin C. WIC also helps to assure children's normal growth, reduces levels of anemia, increases immunization rates, improves access to regular health care and improves diets.

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.

Participants receive checks for specific kinds and amounts of nutritious foods. Participants redeem these checks at authorized grocery stores which meet certain criteria and who have signed a Vendor Agreement to follow all WIC Program rules and regulations.

## Vendor's Role

The Vendor's role is vital to the success of the WIC Program, because the Vendor provides nutritious WIC foods that are designed to promote the healthiest possible birth outcomes, as well as the growth and development of children. **The WIC check contains a food prescription designed by a WIC Nutritionist to supplement the WIC participant's nutritional needs. The Vendor fills the prescription, ensuring that the participant receives what is prescribed on the WIC check.**

The Vendor may also find that the WIC Program 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 participants spend an additional three to four dollars in cash or food stamps for every WIC dollar spent.

## Vendor Responsibilities

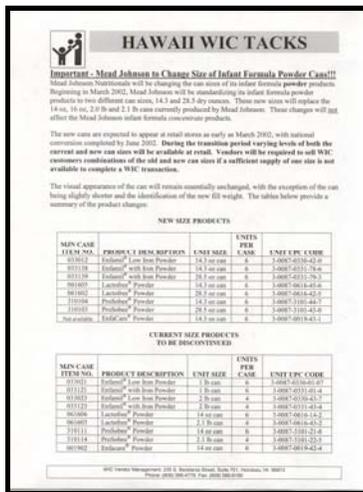
It is the responsibility of the Vendor to designate a person from each outlet who will be responsible to ensure Vendor compliance with the terms of the Agreement and this Manual. The Vendor and its designated representative will also be responsible for acceptance of in-store training, to provide training to all cashiers and other employees who handle WIC transactions, and to provide special or additional training to employees at the request of the WIC Program. 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 in-actions of its employees.

Any Vendor participating in the WIC Program shall be required to:

- Designate a person from each outlet who will be responsible to ensure Vendor compliance with the terms of the Vendor Agreement and this Manual.
- Visibly post the "Hawaii WIC Checks Accepted Here" sign on or near the store entrance.
- Stock an ample supply of WIC Allowed foods as required by the WIC Program.
- Provide WIC Allowed foods at the current price or less than the current price as charged to other customers.
- Mark all WIC Allowed foods with the current price, or prominently display the price of the foods near the location of the foods, in clear view of customers.
- Post Hawaii WIC shelf markers on shelves where WIC allowed foods are displayed.
- 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.
- Accept Hawaii WIC checks presented by eligible WIC customers.
- Provide to participants only the kind and quantity of foods specified on the WIC checks and within the allowed dates.
- Fill in the check at time of redemption with the date and the amount in permanent ink before asking the WIC participant to sign it.
- Reject any check on which signatures do not match with those on the WIC ID Folder, or if the check has been altered with the rare exception of when Vendor Management Unit instructs customer to show photo ID in place of WIC ID Folder.

- Provide no cash refunds, rain checks, or credit in exchange for WIC checks.
- Accept no payment from participants for WIC checks not reimbursed by the bank.
- Refund to the WIC Program monies for any overcharged WIC checks.
- Attend WIC vendor training sessions.
- Submit Price Surveys to the WIC Program when requested by WIC.
- Comply with unannounced on-site monitoring visits and compliance investigations conducted by the WIC Program or its representatives.
- Notify the WIC Program 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.

## WIC TACKS



WIC TACKS are informational bulletins faxed or mailed periodically to each vendor's central location. WIC TACKS often contain updates to the *WIC Allowed Food List*, changes in WIC procedures, and recommended solutions to common problems. Vendors are responsible for distributing information contained in the WIC TACKS on a timely basis to cashiers, managers, and all other store personnel who handle WIC transactions.

## WIC Vendor Sign



WIC Vendors must post the "WIC Checks Accepted Here" sign on or near the store entrance. The sign must be posted in a location that is visible to WIC customers to assist them in identifying the store as an authorized Hawaii WIC Vendor. The WIC Program will provide, at minimum, two (2) signs at the beginning of each Agreement period. Additional signs may be obtained from the WIC Vendor Management Unit.

## WIC Vendor Order Form

**HAWAII WIC PROGRAM**  
Vendor Order Form

If you would like copies of any of the following training materials, please indicate the amount you need of each item and add to the bottom of your order to:

WIC Services Vendor Management Unit  
235 S. Beretania St., 80813  
Honolulu, HI 96813  
Fax: (808) 586-8189

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**Order Section:**

Request WIC Allowed Foods Brochure (Please indicate the amount of each language)  
 English \_\_\_\_\_ Chinese \_\_\_\_\_ Spanish \_\_\_\_\_ Vietnamese \_\_\_\_\_

WIC ALLIANCE "FOOD" Tags (Blue and White Shelf Markers & read side for WIC participants)

Vendor Complaint Form (July 2001)

Vendor Price/Stock Report (Revised October 2002)

Vendor Stamp(s) (used to validate WIC checks)

Hawaii WIC Vendor Manual (October 2001)

WIC Check (sample use to educate cashiers)

CD Folder (sample use to educate cashiers, Revised July 2001)

WIC Vendor Sign-Off to identify your store as a Hawaii WIC Vendor - Revised June 2001)

WIC Vendor Training PowerPoint Presentation (CD-ROM)

WIC Vendor Manual (WIC Manual document on CD-ROM)

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Please mail supplies to:

Store Name \_\_\_\_\_ DIF \_\_\_\_\_ ATN \_\_\_\_\_  
 Address \_\_\_\_\_ Phone \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

\* Should you have any questions regarding your order, please contact the Vendor Management staff at (808) 586-4776.

WIC Form 1-03-0001

Vendors should use the *WIC Vendor Order Form* to order WIC Vendor supplies such as WIC Allowed Food List (brochure), WIC Shelf Markers, Complaint Forms, Vendor Stamps, etc. Vendors should submit their completed forms to the WIC Vendor Management Unit at: (808) 586-8189 (fax) or 235 S. Beretania Street, Suite 701, Honolulu, Hawaii 96813.

Additional forms may be obtained from the WIC Vendor Management Unit.

## WIC Vendor Complaint Form

**Hawaii WIC Program**  
Vendor Complaint Form

On \_\_\_\_\_ Day \_\_\_\_\_, Year \_\_\_\_\_ at \_\_\_\_\_

Customer's Name and Telephone \_\_\_\_\_ Clerk ID # \_\_\_\_\_

Using WIC Checks: (Check Number) \_\_\_\_\_ Total \$ \_\_\_\_\_

Purchase unauthorized food with a WIC check (please describe food below)

Purchase more food than allowed (please describe food below)

Use a WIC check to purchase non-WIC items (please describe food below)

Purchase WIC foods with an invalid WIC identification number (please or non-WIC items)

Purchase non-WIC items with WIC check (please describe items below)

Exchange WIC check for cash, credit (please describe items below)

Use an altered WIC check (please describe alteration below)

Use a non-issued WIC check

Other (please describe below)

Customer was abusive toward store personnel (please describe below)

Vendor comments/observations \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Did transaction get through?  Yes  No  After corrections

Copy of WIC check attached?  Yes  No

Additional comments attached?  Yes  No

Vendor Name and WIC Vendor # \_\_\_\_\_ Address/Zip \_\_\_\_\_

Vendor Signature Name \_\_\_\_\_ Phone Number \_\_\_\_\_

Mail to: WIC Vendor Management Unit, 235 S. Beretania Street, Suite 701, Honolulu, HI 96813  
 Phone: (808) 586-4776 or 1-888-823-6423

WIC Customer - please \_\_\_\_\_

WIC customers who do not follow WIC policies and procedures, or who are suspected of committing fraud or abuse should be reported to the WIC Program immediately. When reporting incidents of WIC customer noncompliance, or to file a complaint against a WIC customer, Vendors should fill out and submit a *Hawaii WIC Vendor Complaint Form* to the WIC Program. Complaint forms should be faxed to (808) 586-8189, or mailed to: WIC Vendor Management Unit, 235 S. Beretania Street, Suite 701, Honolulu, Hawaii 96813. Use of the complaint form will help expedite the processing of the complaint. If additional information is available (i.e., copies of WIC checks, statements of witnesses, etc.), please attach them to the complaint form.

Additional forms may be obtained from the WIC Vendor Management Unit.

## **Section 2**

### **FOODS**

## ***FOODS***

Once enrolled in the WIC Program, a participant receives checks that specify the types of foods that may be purchased. The amounts and types of food are determined by Federal regulations and are tailored according to the individual's needs. The participant must go to an authorized store to redeem the checks. WIC checks are not used in the same manner as food stamps. The WIC Program reimburses the Vendor **when WIC checks are redeemed for very specific WIC foods**, deposited at a bank, and credited to a Vendor's bank account. Exchanging WIC checks for cash, store credit, or rain checks is strictly forbidden.

### **WIC Foods**

WIC foods are carefully selected to meet certain nutritional requirements that provide vitamins, minerals, and proteins to WIC participants. Therefore, no substitutions for WIC foods are allowed. Listed below are categories of WIC foods:

Nutrient Provided	WIC Foods Which Supply the Nutrient
Protein:	Milk, eggs, cheese, salmon, tuna fish, peanut butter, dried peas or beans, infant formula.
Iron:	WIC Allowed brands of cereal, peanut butter, dried peas or beans, eggs, iron-fortified infant formula.
Vitamin C:	WIC Allowed fruit juices, infant formula.
Vitamin A:	Milk, eggs, cheese, carrots, infant formula.
Calcium:	Milk, cheese, infant formula, calcium fortified juice.

### **Hawaii WIC Allowed Food List**



The Hawaii WIC Allowed Food List contains the foods allowed by the Hawaii WIC Program. In addition, the WIC Allowed Food List specifies foods that cannot be purchased. The Hawaii WIC Program Food Package Committee revises this 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. The Hawaii WIC Program will provide a supply of the food list at the beginning of each Agreement period. An additional supply may be requested from the Hawaii WIC Program.

### **WIC Shelf Markers (Channel Strips)**



WIC shelf markers are used to assist WIC participants in identifying WIC Allowed foods. Vendors should place the blue and white WIC shelf markers on shelves where WIC Allowed foods are displayed. **The blue and white WIC shelf marker is the only WIC shelf marker authorized for use in Hawaii.** WIC shelf markers that endorse a specific food or brand are not allowed.



Stores are required to tag specific foods, as indicated on the Hawaii WIC Program Food List, as their least expensive types with the uniform Hawaii WIC issued red-colored "**WIC ALLOWED FOOD LEAST EXPENSIVE**" shelf markers. By identifying the Least Expensive Brand (LEB) allowed, the WIC participant will choose the correct item and reduce the WIC transaction time at check-out.

## **Coupons, Discounts, and Specials**

WIC participants are encouraged to purchase the LEB or sale item of WIC Allowable Foods. The WIC Program requires Vendors to allow WIC participants to use coupons and to take advantage of promotional specials, for example:

### **1. Cents off coupons**

- a) Single, double, and other store or manufacturer's coupons (if applicable to the purchase) are acceptable.
- b) 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 WIC check.
- c) Do not give the reduced dollar amount to the WIC participant in the form of cash, credit or other goods.

### **2. 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.

### **3. Buy one get one free**

- a) Non-WIC allowed items are acceptable free items. For example: Buy a 15 ounce box of Cheerios, and get a free sample size box of detergent.
- b) The receipt must document that only WIC allowed foods were paid for with the WIC check.
- c) The number of ounces of a free additional product are not to be 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 a 14 ounce box free. The 14 ounces from the free box will not be counted against the quantity of 36 ounces specified on the WIC check.

### **4. Store membership discount cards**

WIC participants are urged to use store discount cards also known as "clip-less coupons".

## **Minimum Inventory Requirements**

The Hawaii WIC Program has established minimum inventory requirements for all WIC Allowed Foods that must be maintained by WIC Vendors at all times. The minimum stock and varieties required are outlined in the Hawaii WIC Program Minimum Inventory Requirements. The purpose is to ensure that the Vendor will be able to adequately service WIC participants when WIC checks are redeemed. Vendors are required to maintain minimum stock and variety of all WIC Allowed Foods either on its shelves or stored at its location address from the date the application is submitted.

If your store is temporarily out of a WIC item, call the Hawaii WIC Program, at (808) 586-4776 on Oahu or toll free, at 1-888-820-6425 from the neighbor islands, for approval to make substitutions. It is the Vendor's responsibility to stock shelves with an adequate supply and selection of WIC foods.

These stock requirements 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 the WIC Program. The specific Minimum Stocking Requirements are included in the Vendor Price Survey, WIC FORM V-003.

### **WIC Vendor Price Survey**

The WIC Program requires Vendors to verify and complete a WIC Vendor Price Survey when requested. The Vendor must accurately complete and return the survey by the time specified by the WIC Program. Additional surveys may be submitted when there is a wholesale price change or a change in any item or type of food on the LEB Declaration part of the Price Survey.

Vendor shelf price data is used to evaluate Vendor compliance to the price limitation and price competitiveness requirements of the WIC Program. Vendor's prices shall not be more than a price set by WIC based on market price information. Some of the set prices are a calculation of the average redemption amount by food instrument type within a peer group plus a tolerance amount to account for variation of product availability, wholesale price changes, participant selection, and shelf prices. The WIC Program may make price adjustments to the purchase price on WIC checks submitted by the Vendor for redemption to ensure compliance with the price limitations applicable to the Vendor. The State Agency assesses the effectiveness of its peer group system every year.

Vendor shelf price data is also used as a tool to determine or substantiate the dollar amount to reimburse a Vendor for rejected WIC checks submitted for second level review.

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

Chain stores should submit one consolidated Price Survey for all outlets unless prices vary for each outlet or region. If prices vary for each outlet or region, a separate Price Survey must be submitted for each outlet or region.

### **Exception from Minimum Inventory Requirements**

Vendors that serve a relatively low number of WIC clients may experience little or no demand for certain types of required WIC foods. Requiring these vendors to maintain the minimum amounts and varieties of WIC foods at the levels required by WIC 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 the Hawaii WIC Program for an exception/reduction to the minimum inventory requirements.

If it is determined by the Vendor that there is little or no demand for certain types of WIC foods (e.g., soy based infant formula), the Vendor may apply in writing to the Hawaii WIC Program for an exception from the required minimum inventory requirements.

In order to qualify for an exception from the minimum inventory requirements, the following criteria must be met:

1. The Vendor must provide documentation (correspondence from supplier, shipping schedule, etc.) of the ability to procure the WIC food item within one week (7 calendar days) if the need for the food item arises.
2. The Hawaii WIC Program must determine that the Vendor's redemption of the food item in the past six (6) calendar months substantiates the Vendor's request to reduce the minimum inventory requirements.
3. The Hawaii WIC Program must determine that there are less than eight (8) woman/child participants or less than four (4) infant participants which reside in the area served by the Vendor, that require the food item.
4. The Vendor must provide the WIC food item within one week (7 calendar days) of request from the WIC Program or WIC customer.

The request must be submitted in writing to the Hawaii WIC Program. The exception will be effective the date the Vendor receives the written notification from the Hawaii WIC Program. Upon receipt of the notification, the Vendor will then be allowed to carry a reduced amount of the food item. Lower inventory requirements (amounts and/or food types) will be defined by the Hawaii WIC Program. 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 the WIC Program. If a need for the food develops (e.g., new client requires food type), or the Hawaii WIC Program revokes the exception, the Vendor shall be required to stock the minimum amounts and varieties of WIC foods as listed in the WIC Vendor Price Survey, WIC FORM V-003.

### **Hawaii Bottle Bill**

Bottle Bill requirements for WIC Vendors are attached in Section 14.

## **Section 3**

# **IDENTIFICATION**

**THE WIC (PINK) IDENTIFICATION FOLDER**

  
 State of Hawaii  
 Special Supplemental Nutrition Program for  
 Women, Infants and Children (WIC)  
**WIC IDENTIFICATION FOLDER**

Family ID Number: **1**

**Do Not Shop Without This Folder**

Participant Name	Client ID Number
1.	
2.	
3. <b>2</b>	<b>3</b>
4.	
5.	
6.	

Authorized Representative Signature(s) & Printed Name(s)

1. **4**

Printed Name: **5**

2.

Printed Name:

**INVALID WITHOUT SIGNATURE(S)**

Local Agency Address & Telephone Number:

**6** 

WIC Form 920 (Revised 07/2001)

WIC local agencies (main clinics) issue a Hawaii WIC Identification (ID) Folder to all Hawaii WIC participants. The ID Folder is used for identification during clinic visits and for the redemption of WIC checks. **Vendors should not accept WIC checks without comparing the signature on the check against the signature on the ID folder.** No other form of identification is necessary including a driver’s license or telephone.

- Family ID No.** – Participant’s family ID number.
- Participant’s Name(s)** – The WIC ID Folder may list up to a maximum of six (6) participant names. The participant’s name(s) may not match the authorized representative’s name, because the participant may be an infant or a child.
- Client ID Number(s).** – Each WIC participant is issued a unique WIC client ID number.
- Authorized Representative Signature(s)** – The individual(s) authorized to redeem WIC checks will sign the WIC ID Folder on lines 1 and 2. WIC authorized representatives must sign the WIC (pink) ID Folder prior to entering the store and using their WIC checks. A maximum of two individuals may be designated as authorized representatives.
- Authorized Representative (Printed Name)** – The name of the individual(s) authorized to redeem WIC checks will be printed below their signatures.
- Local Agency Address and Telephone Number** – A WIC clinic employee will type, write, stamp, or label the local agency (clinic) address on to the WIC ID Folder prior to releasing the folder to the participant.

## **Section 4**

# **THE WIC CHECK**



## **Section 5**

# **CASHING WIC CHECKS**

## WIC CHECK REDEMPTION PROCEDURES

The Hawaii WIC Program relies on its Vendors to ensure that only WIC Allowed Foods are purchased. When proper checkout procedures are followed, WIC participants receive the nutrients they need to improve their health. The cashiers play an important role as part of the Vendor’s responsibility to the WIC Program.

Vendor’s employees should treat WIC participants with the same courtesy as any other customer. Separate lines or checkout counters for only WIC customers are not allowed.

The WIC staff instructs participants to separate WIC foods from their other purchases. This will reduce the check out time for all parties involved. Sometimes the cashier may need to assist a participant in separating WIC foods from other items. The cashier should check the items before starting the transaction to ensure that the participant has the proper WIC foods as listed on the WIC check.

**Cashiers must be familiar with the “Hawaii WIC Program Allowed Food List” to ensure that the participant receives the correct foods. Cashiers are responsible for following the check redemption procedures as follows:**

**1 Examine the check for Alterations.**

- Altered checks are checks that have any preprinted information changed in any way. Dates changed, erased or white out, items written over or items scratched out.

<b>HAWAII WIC PROGRAM</b> <small>235 S. Beresania Street, Suite 701, Honolulu, HI 96813                      566-8175 (Oahu), 1-888-820-6425 (Toll Free for Neighbor Islands)</small>					
NAME OF CLIENT			FIRST DAY TO USE	LAST DAY TO USE	CHECK NUMBER
JUST, TESTING			04/09/2007	05/09/2007	4660720
CLIENT I.D.	AGENCY	CLINIC	FOOD PATTERN	FI TYPE	PAY TO THE ORDER OF WIC VENDOR NO.
18014650	80	01	SS001439	002871SS	
<small>FOR PURCHASE OF APPROVED WIC FOODS ONLY (NO SUBSTITUTIONS ALLOWED)</small>					
1 GALLON	MILK-WHOLE, SKIM, LOW/REDUCED FAT				
1 LB	BEANS, PEAS, LENTIL - DRIED				
2 ITEMS	JUICE, APPROVED BRANDS & FLAVORS ONLY (10 OZ TO 12 OZ FROZEN CONCENTRATE OR 46 OZ PLASTIC BOTTLE)				
1 36 OZ	WIC APPROVED CEREAL				
					<small>VENDOR MUST DEPOSIT WITHIN SIXTY (60) DAYS OF FIRST DAY TO USE</small> <b>DATE OF USE</b> <hr/> <b>AMOUNT</b> <hr/> \$
					<small>NOT VALID WITHOUT WIC VENDOR AUTHORIZATION STAMP</small> <div style="text-align: center; border: 1px solid black; width: 50px; height: 20px; margin: 0 auto;">X</div>
WIC CUSTOMER SIGNATURE AT TIME OF PURCHASE					

**2 Verify the dates on the check.**

- Verify that the date of the food purchase is within the “FIRST DAY TO USE” and the “LAST DAY TO USE” on the check.
- Checks are valid from the “FIRST DAY TO USE”, up to midnight on the “LAST DAY TO USE.”
- **DO NOT ACCEPT** WIC checks from WIC customers before the “FIRST DAY TO USE” or after the “LAST DAY TO USE” on the check. The bank will not pay post-dated checks and expired checks.

HAWAII WIC PROGRAM					FIRST DAY TO USE	LAST DAY TO USE	CHECK NUMBER
NAME OF CLIENT					05/06/2007	06/05/2007	4660510
CLIENT I.D.	AGENCY	CLINIC	FOOD PATTERN	FI TYPE	PAY TO THE ORDER OF WIC VENDOR NO.	VENDOR MUST DEPOSIT WITHIN SIXTY (60) DAYS OF FIRST DAY TO USE	
18014654	80	01	SS002429	001416SS		DATE OF USE	
(ON PURCHASE) <b>3</b> WIC APPROVED FOODS ONLY (NO SUBSTITUTIONS ALLOWED)					NOT VALID WITHOUT WIC VENDOR AUTHORIZATION STAMP  X	AMOUNT	
1 GALLON	MILK-WHOLE, SKIM, LOW/REDUCED FAT					\$ <b>6</b>	
2 ITEMS	JUICE, APPROVED BRANDS & FLAVORS ONLY (10 OZ TO 12 OZ FROZEN CONCENTRATE OR 46 OZ PLASTIC BOTTLE)						
1 36 OZ	WIC APPROVED CEREAL				WIC CUSTOMER SIGNATURE AT TIME OF PURCHASE		

**3** Verify selected food items.

- WIC checks may be used only for the WIC Allowed Food(s) in the type and quantities as listed on the check.
- Verify cereal brands are authorized by checking the “Hawaii WIC Program Allowed Food List” brochure.
- Add the ounces of cereal to verify the total ounces.
- If an item is missing or incorrect, politely bring it to the customer’s attention.
- The customer is **NOT** required to purchase all items listed, but is encouraged to in order to receive the maximum benefits. WIC customers should not be charged for items not purchased.
- Rain checks, IOU’s, and credit are **not** allowed.

4. Ring Up the Sale.

- Handle each WIC check separately.
- WIC participants may receive several checks per month and may choose to redeem more than one check at the time of purchase. Each check must be handled as a separate transaction. **Do not combine** the total purchase amounts of several checks onto one check. A separate corresponding receipt must be generated for each WIC check accepted.

**5** Enter the Date of Use.

- The cashier must enter in permanent ink the date the check was used in the box marked “DATE OF USE”. WIC checks with a missing “Date of Use” will not be paid.

**6** Enter the total purchase price.

- The cashier must write in permanent ink, the total dollar amount of the WIC food purchased in the space marked “Amount”. Enter whole dollars (\$) on the left of the dashed line and cents (¢) on the right.
- Sales tax **must not** be added to the WIC purchase.

- The WIC customer should be allowed to use discount coupons. The amount should be deducted from the purchase price. The participant is eligible for all in-store sales, specials and bonus offers.

 <b>HAWAII WIC PROGRAM</b> <small>235 S. Berenice Street, Suite 701, Honolulu, HI 96813  586-8175 (Oahu), 1-888-820-6425 (Toll Free for Neighbor Islands)</small>							
NAME OF CLIENT				FIRST DAY TO USE	LAST DAY TO USE	CHECK NUMBER	
JUST, NOW				05/06/2007	06/05/2007	4660509	
CLIENT I.D.	AGENCY	CLINIC	FOOD PATTERN	FI TYPE	PAY TO THE ORDER OF WIC VENDOR NO.	VENDOR MUST DEPOSIT WITHIN SIXTY (60) DAYS OF FIRST DAY TO USE	
18014654	80	01	SS002429	001414SS		<b>DATE OF USE</b> 05/15/07	<b>AMOUNT</b> \$23.65
<small>FOR PURCHASE OF APPROVED WIC FOODS ONLY (NO SUBSTITUTIONS ALLOWED)</small>							
1 GALLON	MILK-WHOLE, SKIM, LOW/REDUCED FAT					<small>NOT VALID WITHOUT WIC VENDOR AUTHORIZATION STAMP</small> <input checked="" type="checkbox"/> <i>Now Just</i>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">7</div>
1 LB	CHEESE - DOMESTIC, WIC APPROVED						
1 DOZ	EGGS, MEDIUM OR LARGE WHITE ONLY						
2 ITEMS	JUICE, APPROVED BRANDS & FLAVORS ONLY (10 OZ TO 12 OZ FROZEN CONCENTRATE OR 46 OZ PLASTIC BOTTLE)						
WIC CUSTOMER SIGNATURE AT TIME OF PURCHASE							

**7** Witness the signature and compare against the signature on WIC ID Folder.

- At check out, the WIC customer must sign the WIC check next to the “X” in the box marked “WIC CUSTOMER SIGNATURE AT TIME OF PURCHASE”.

**Note:** The signature is not obtained until after the cashier has entered the date and purchase price on the check.

- Verify that the signature on the check matches Authorized Representative Signature #1 or #2 on the (pink) WIC ID Folder. If the signatures do not match, or the WIC ID Folder is not signed, **do not** accept the check. Politely ask the WIC customer to return to the WIC clinic for assistance.
- **If the cashier fails to obtain the signature, contact the WIC Vendor Management Unit for assistance.**

**8. Ask the customer to sign the receipt.**

- The cash register receipt must be legible and list only the items authorized on the WIC check and purchased by the WIC customer.
- Ask the WIC customer to sign the register receipt.
- Write “WIC” across the front or back of the receipt.
- Place all WIC receipts in an envelope marked with each day’s date. This will identify WIC receipts for WIC audits. WIC recommends that vendors write the WIC check number on the cash register receipt (to match checks to their receipts). Should a vendor need to appeal a rejected check, that check accompanied with a copy of the corresponding receipt, must be sent to the Hawaii WIC Program.

**9. Verify that the WIC check has not been reported by the WIC Program as either lost or stolen.**

The WIC Program will notify vendors of any checks that have been reported as lost or stolen via fax. Vendors who do not have access to a fax machine will be notified by phone or by mail. The Vendor must immediately notify the WIC Program of person(s) presenting fraudulently obtained check(s).

## **Section 6**

# **CORRECTING ERRORS ON THE WIC CHECK**

**CORRECTING ERRORS ON THE WIC CHECK**

The “Date of Use” and “Amount” are the only areas of the WIC check that can be **changed**. If changes are made to preprinted dates, serial numbers, client names, food quantities and descriptions, etc., the check will be considered altered and WIC’s banking contractor will reject the check.

Proper procedures must be followed when making corrections to the “Date of Use” and “Amount” or the check will be considered altered, and WIC’s banking contractor will reject the check.

**Correcting the “Date of Use”**

HAWAII WIC PROGRAM 235 S. Beresford Street, Suite 701, Honolulu, HI 96813 586-8175 (Oahu), 1-888-820-6425 (Toll Free for Neighbor Islands)						
NAME OF CLIENT				FIRST DAY TO USE	LAST DAY TO USE	CHECK NUMBER
JUST, BABY				05/16/2007	06/15/2007	4660829
CLIENT I.D.	AGENCY	CLINIC	FOOD PATTERN	FI TYPE	PAY TO THE ORDER OF WIC VENDOR NO.	VENDOR MUST DEPOSIT WITHIN SIXTY (60) DAYS OF FIRST DAY TO <b>DATE OF USE</b>
18014600	80	01	SS006415	000924SS		<b>05/20/07</b>
FOR PURCHASE OF APPROVED WIC FOODS ONLY (NO SUBSTITUTIONS ALLOWED)						<b>05/20/06 SP</b>
9 12.9 OZ SIMILAC ADVANCE WITH IRON-POWDER (NO LOW IRON) XXX XXXXX XXXX XX						<b>AMOUNT</b>
						\$
NOT VALID WITHOUT WIC VENDOR AUTHORIZATION STAMP						
X						
						WIC CUSTOMER SIGNATURE AT TIME OF PURCHASE

**1** Correcting the “Date of Use”.

**If the cashier makes an error when entering the “Date of Use” on the WIC check, the CASHIER may correct the error by:**

1. Drawing a **single straight line** (in ink) through the incorrect date;
2. Entering the correct date clearly and legibly (in ink) in the space next to or above the wrong date; and
3. Initialing next to the correction.

When making a correction to the date written on the check:

1. **DO NOT** write over the incorrect date;
2. **DO NOT** scratch out the error so that it cannot be read;
3. **DO NOT** use correction fluid (white-out) to cover over the error.

## Correcting the “Amount”

 <b>HAWAII WIC PROGRAM</b> <small>235 S. Beresiana Street, Suite 701, Honolulu, HI 96813                      586-8175 (Oahu), 1-888-820-6425 (Toll Free for Neighbor Islands)</small>						
NAME OF CLIENT				FIRST DAY TO USE	LAST DAY TO USE	CHECK NUMBER
JUST, BABY				05/16/2007	06/15/2007	4660829
CLIENT I.D.	AGENCY	CLINIC	FOOD PATTERN	FI TYPE	PAY TO THE ORDER OF WIC VENDOR NO.	
18014600	80	01	SS006415	000924SS	VENDOR MUST DEPOSIT WITHIN SIXTY (60) DAYS OF FIRST DAY TO USE	
FOR PURCHASE OF APPROVED WIC FOODS ONLY (NO SUBSTITUTIONS ALLOWED):					DATE OF USE	
9 12.9 OZ SIMILAC ADVANCE WITH IRON-POWDER (NO LOW IRON)					05/20/07	
XXX XXXXX XXXX XX					AMOUNT	
					176.57	
					\$ 6.57 sp	
					NOT VALID WITHOUT WIC VENDOR AUTHORIZATION STAMP	
					X	
WIC CUSTOMER SIGNATURE AT TIME OF PURCHASE						

## 2 Correcting the Dollar Amount.

If the cashier makes an error when entering the “Amount” of the purchase on the WIC check, the cashier may correct the error by:

1. Drawing a **single straight line** (in ink) through the incorrect amount;
2. Entering the correct dollar amount clearly and legibly (in ink) in the space next to or above the wrong amount; and
3. Initialing next to the correction.

When making a correction to the dollar amount written on the check:

1. **DO NOT** write over the incorrect amount;
2. **DO NOT** scratch out the error so that it cannot be read;
3. **DO NOT** use correction fluid (white-out) to cover over the error.

## **Section 7**

# **PROBLEM SOLVING**

## ***PROBLEM SOLVING***

WIC encourages Vendors to complete a *Hawaii WIC Program Vendor Complaint Form* each time a participant or authorized representative does not follow correct procedures when redeeming WIC checks. By reporting the problems encountered by your cashiers, WIC will be able to reduce the number of program errors or abuse committed by WIC participants and authorized representatives.

### **1. Expired Checks and Post Dated Checks**

- The valid dates on the WIC check must always be verified by the cashier prior to ringing up the WIC sale.
- The “First Day to Use” on the check is the first day the Vendor may accept the check.
- The “Last Day to Use” on the check is the last day the Vendor may accept the check.
- The check is good through 11:59 p.m. of the last day to use.
- **DO NOT ACCEPT WIC CHECKS BEFORE OR AFTER THE VALID DATES**

⇒ **If you are presented with a WIC check with an expired date or a check that is post dated, do the following:**

- Politely give the check back to the customer.
- Politely let the customer know you cannot accept checks that are expired or post dated.
- For post dated checks, ask the customer to come back when the check is valid.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

### **2. Check is Post Dated and “Date of Use” or “Amount” Has Been Entered**

- The valid dates on the WIC check must always be verified by the cashier prior to ringing up the WIC sale.
- **DO NOT ACCEPT WIC CHECKS BEFORE OR AFTER THE VALID DATES.**

⇒ **If you have entered the “Date of Use” or “Amount” on a post dated (not yet valid) check, do the following:**

- Politely give the check back to the customer.
- Politely let the customer know you cannot accept checks that are post dated.
- Point out your error (“Date of Use” or “Amount” written in) to the customer.
- Explain to the customer that the check can still be used.
- Ask the customer to come back when the check is within the valid dates.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

**NOTE: This problem can be avoided by doing the following:**

- Looking at the WIC check and verifying the dates before beginning to ring up the WIC food.
- Handling each check separately.

### **3. Wrong Food Purchased and “Date of Use” or “Amount” Has Been Entered**

- Cashiers must always check that the customer is receiving the proper quantity and type foods.
- **DO NOT ACCEPT WIC CHECKS IF THE FOODS BEING PURCHASED ARE NOT LISTED ON THE CHECK.**

⇒ **If you have entered the “Amount” or “Date of Use” on a check which does not list the foods the customer is purchasing, do the following:**

- Politely give the check back to the customer.
- Politely let the customer know that the foods on the check do not match the foods being purchased.
- Point out your error (“Amount” or “Date of Use” written in) to the customer.
- Explain to the customer that the check can still be used.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

**NOTE: This problem can be avoided by doing the following:**

- Looking at the WIC check and verifying the foods before beginning to ring up the WIC food.
- Ringing up the food in the order it appears on the check.
- Handling each check separately.

### **4. Check’s “Date of Use” or “Amount” Already Filled In**

- Checks with pre-written “Date of Use” or “Amount” information should be accepted.
- The “Date of Use” and “Amount” are the only areas of the WIC check that can be corrected.

⇒ **If you are presented with a WIC check and the “Date of Use” or “Amount” information is already filled in, do the following:**

- Review the “Date of Use” and “Amount” information previously entered. Do **not** accept the check if the “Date of Use” or “Amount” has been scratched out, erased, scribbled over, written over, or corrected with white-out.
- Accept the check if the information written in previously has not been altered or tampered with.
- Process the sale following the procedures outlined in Section five (5) *Cashing WIC Checks*.
- Draw a single straight line (in ink) through the incorrect “Date of Use” or “Amount”.
- Write in the correct “Date of Use” or “Amount” (in ink).
- Initial the correction.
- For instructions on how to correct errors on the WIC check, refer to Section six (6) *Correcting Errors on the WIC Check*, of this Manual.

### **5. Cashier Forgot to Get Customer’s Signature**

- Cashiers are required to witness the signature at the time of purchase.
- Cashiers are required to verify the client’s signature by comparing the signature on the check with the signature on the WIC ID Folder.

⇒ **If you forget to get the customer's signature do the following:**

- Payment may be made. Submit the unsigned check and a copy of the receipt for second level review as described in Section 8, Payments.
- Vendors are not allowed to contact WIC clients.
- Do not deposit an unsigned check. Federal Regulations prohibit payment if an unsigned check is deposited and rejected for payment.

## **6. Signatures Do Not Match**

- The customer's signature on the WIC check should always match the customer's signature on the WIC ID Folder.
- The cashier or person in charge determines if the signatures are a reasonable match.
- The signatures do not have to be exactly the same, but they should have the same characteristics.
- If one of the signatures is missing a middle initial, the check should still be accepted.

⇒ **If the customer signs the check and the signature does not match the signature on the WIC ID Folder, do the following:**

- If possible, make a copy of the check.
- Politely give the check back to the customer.
- Politely let the customer know you cannot accept checks when the signature does not match the signature on the WIC ID Folder.
- Ask the customer to take the check to the WIC clinic and ask for assistance.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

## **7. Customer's Signature Does Not Appear on the WIC ID Folder**

- The customer's WIC ID Folder should be signed prior to entering the store.
- Do not accept WIC checks if the customer's signature does not appear on the WIC ID Folder.

⇒ **If you are presented with a WIC ID Folder that does not have the customer's signature, do the following:**

- Politely give the check and WIC ID Folder back to the customer.
- Politely let the customer know you cannot accept checks if their signature does not appear on the WIC ID Folder.
- Ask the customer to take the check and WIC ID Folder back to the WIC clinic.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

⇒ **If you are presented with a WIC ID Folder that does not have the customer's signature and the customer voluntarily shows you their driver's license or other form of identification, you may do the following:**

- Compare the customer's name on their driver's license (or other form of identification) against the "Authorized Representative's" printed name on the customer's WIC ID Folder.
- Compare the customer's signature on their driver's license (or other form of identification) against the customer's signature on the WIC check.
- If the names and signatures match, politely inform the customer that you have to contact the WIC State Office for approval to process the sale.
- Call WIC Vendor Management Unit at (808) 586-4776 or toll free from the neighbor islands at 1-888-820-6425.
- Inform WIC of the problem and give them the customer's name, client's name, and client's WIC ID number.
- WIC will verify if the customer is authorized to redeem WIC checks for client.
- If WIC validates that the customer is an authorized representative, ask the customer to sign the WIC ID Folder.
- Compare customer's signature on their driver's license (or other form of identification) against the signature on the WIC ID Folder and the check.
- If signature's match, you may complete the sale.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

## **8. Ripped or Torn Checks**

- WIC's banking contractor requires the following key information to process WIC checks: MICR information (bank routing number, account number, and check number), the WIC Vendor Stamp/Number, the date of the transaction, the customer's signature, and the amount of the transaction.

⇒ **If you are presented with a ripped or torn check, do the following:**

- Tape the check together, and review the check for all of the necessary information.
- If the check contains all of the required information, proceed to process the check as outlined in the WIC Vendor Manual.
- If the check is missing any of the required information, ask the customer to take the check back to the WIC clinic.

## **9. Checks Marked With a Pen, Pencil, or Highlighter**

- WIC customers and WIC Vendors may use a pencil, pen or highlighter to check, circle, or highlight the preprinted information on WIC checks to assist them while shopping or processing a WIC sale.
- If a highlighter is used, it must be light in color (i.e., yellow) so as not to block the printed information.
- Do **NOT** accept or process WIC checks where the MICR information (bank routing number, account number, check number) has been written over or altered.
- WIC's banking contractor will **NOT** accept checks that have information altered. Altered checks are checks that appear to have any preprinted information changed (i.e., dates, client name, food quantities and description, etc.). Also, any additions to the printed information would be considered an alteration.

## 10. Altered Checks

- Altered checks are checks that appear to have any preprinted information changed (i.e., dates, client name, food description, etc.).
- **DO NOT ACCEPT CHECKS THAT APPEAR TO HAVE BEEN ALTERED.**
- WIC will not accept checks that have printed information (dates, client names, food quantities and descriptions, etc.) that has been altered or changed.
- The WIC banking contractor looks for alterations before paying any WIC check.

*Examples of alterations:*

- Dates changed (First Day to Use, Last Day to Use)
- Erasures
- White-out
- Items written over (client name, dates, food quantities and descriptions, etc.)
- Items scratched out (client name, dates, food quantities and descriptions, etc.)

⇒ **If you are presented with a WIC check that is altered, do the following:**

- If possible, make a copy of the check.
- Politely give the check back to the customer.
- Do not accuse the customer of altering the check.
- Ask the customer to take the check back to the WIC clinic.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

## 11. Check is Pre-signed

- Cashiers must witness the customer signing the WIC check.
- **DO NOT ACCEPT WIC CHECKS IF THEY HAVE BEEN PRE-SIGNED.**

⇒ **If you are presented with a WIC check that has been pre-signed, do the following:**

- Politely give the check back to the customer.
- Politely inform the customer that you cannot accept pre-signed checks.
- Ask the customer to take the check back to the WIC clinic.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

## 12. WIC Checks From Another State

- Each state WIC program contracts with WIC retailers authorized to take WIC checks in their state.
- **DO NOT ACCEPT WIC CHECKS ISSUED BY ANOTHER STATE.**

⇒ **If you are presented with a check from another state, do the following:**

- Politely give the check back to the customer.
- Politely inform the customer that you cannot accept out of state WIC checks.
- Refer the customer to the nearest WIC clinic. The customer may be eligible to receive WIC benefits from the Hawaii WIC Program.

### **13. WIC Customer Wants a Rain Check or Credit**

- Vendors are not allowed to issue rain checks or credit.
- **DO NOT ACCEPT THE CHECK.**

⇒ **If the customer wants a rain check or credit for WIC foods, do the following:**

- Explain that you are not allowed to issue rain checks or credit.
- Ask the customer to go back to the WIC clinic for assistance.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

### **14. WIC Customer Asks for a Cash Refund for WIC Food**

- Vendors are not allowed to give cash refunds for food purchased with WIC checks.
- **REFUSE THE REQUEST.**

⇒ **If a customer asks for a cash refund, do the following:**

- Politely explain that you are not allowed to give refunds for food purchased with WIC checks.
- Ask the customer to go back to the WIC clinic for assistance.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

⇒ **If you are unable to determine that the food items were purchased with a WIC check, or if your store policy does not require customers to provide a copy of the sales receipt (and the customer does not have a sales receipt), do the following:**

- Politely ask the customer if the food was purchased with a WIC check (record customer's response on WIC complaint form), and politely explain that you are not allowed to give refunds for food purchased with WIC checks.
- Follow store procedures for documenting cash refunds or store credits issued to customers.
- If you obtain a copy of the customer's driver's license or other form of identification, and/or require the customer to fill out a form in order to receive a cash refund or store credit, forward a copy of that information to the WIC Vendor Management Unit as an attachment to the *Hawaii WIC Program Vendor Complaint Form*.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it (along with pertinent information) to the WIC Vendor Management Unit at (808) 586-8189.

### **15. Substitutions: WIC Customer Wants Non-WIC Food or Foods Not Listed on the Check**

- Substitutions are not allowed. Only the food listed on the WIC check may be purchased with the check.
- Only the issuing clinic can change the types of food a WIC participant should receive.

⇒ **If the customer wants to purchase a non-WIC food or food that is not listed on the check, do the following:**

- Politely tell the customer that substitutions are not allowed.
- If the customer seems confused, or appears not to understand, ask the client to go back to the WIC clinic for assistance.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

### **16. WIC Customer Wants to Exchange WIC Food or Infant Formula**

- Vendors are not allowed to exchange food (including infant formula) purchased with a WIC check for other brands or types of food.
- Vendors are only allowed to make exchanges for an identical WIC food item when the original WIC food item is defective, spoiled, or has exceeded its “sell by” or “best if used by” or other date limiting the sale or use of the food item. An identical food item means the exact brand and size as the original WIC food item obtained and returned by the WIC customer.

⇒ **If a customer asks to exchange infant formula for another brand or type, do the following:**

- Infant formula exchanges must be for the **exact same brand and size of infant formula** originally purchased. Providing exchanges for **alternative brands or sizes** of infant formula is **strictly prohibited** and is a vendor violation.
- **An exchange of flavor is allowed**, where the WIC customer may exchange one flavor of an infant formula for another. Example: WIC customer purchases 24 cans of strawberry Pediasure and discovers that the child does not like strawberry, the parent/caretaker may return to the Vendor and exchange the unused cans of strawberry Pediasure for cans of chocolate Pediasure.
- **For all other infant formula exchange requests**, ask the customer to go back to the WIC clinic (the customer must return the formula to the clinic, and the clinic will issue a replacement check).
- If the customer brings in a physician's prescription, refuse the request and ask the customer to go to the WIC clinic with the prescription.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

⇒ **If a customer asks to exchange WIC food for another brand or type, do the following:**

- Refuse the request.
- Politely explain to the customer that exchanges are not allowed.
- Complete a *Hawaii WIC Program Vendor Complaint Form* and fax it to the WIC Vendor Management Unit at (808) 586-8189.

## **17. Rude or Abusive WIC Customer**

- Keep customer service in mind.

⇒ **If a WIC customer is rude or abusive, do the following:**

- If you cannot resolve the problem at the store level, report the customer to the WIC Vendor Management Unit using the *Hawaii WIC Program Vendor Complaint Form*. Fax the form to the WIC Vendor Management Unit at (808) 586-8189.
- Call the WIC Vendor Management Unit if you do not have a *Hawaii WIC Program Vendor Complaint Form* available or if the problem requires the immediate attention of the WIC Vendor Management Unit.

## **Section 8**

# **PAYMENTS**

## WIC CHECK DEPOSIT

The Vendor must provide WIC training to cashiers and all employees who are involved with WIC transactions. The Hawaii WIC Program will not pay WIC checks that are incorrectly completed. Therefore, prior to deposit, it is recommended that the Vendor review the checks to ensure that payment will be made.

Prior to depositing a WIC check, vendors must stamp the check with their authorized WIC vendor identification stamp. Each vendor receives a rubber stamp with an identifying number for each WIC authorized store. Stamp numbers are exclusive to one store. Checks redeemed at one store may only be stamped with that store's stamp. Use sufficient ink and be careful not to smear or misalign stamps. Keep WIC stamps clean and in a safe place. Vendors must notify WIC in the event that a stamp is lost or stolen. Replacement stamps may be ordered from the WIC Program, but delays in ordering new stamps may compromise payment. **Do not attempt to replace these stamps by any other means other than ordering them through the WIC Program. Stamps are the property of the WIC Program and must be returned to WIC upon termination from the WIC Program.**

The Vendor's financial institution routes the checks through the Federal Reserve System to Hawaii WIC Program's banking contractor. Checks received for payment by the banking contractor are reviewed according to standardized criteria. Checks that meet all criteria are accepted for payment and the funds are credited to the Vendor's account through standard banking procedures (< 60 days).

To process a WIC check for payment the Vendor should:

HAWAII WIC PROGRAM <small>215 S. Beresford Street, Suite 701, Honolulu, HI 96813 508-8175 (CASH), 1-888-420-6425 (Toll Free for Neighbor Islands)</small>					
NAME OF CLIENT JUST, BABY			FIRST DAY TO USE 05/16/2007	LAST DAY TO USE 06/15/2007	CHECK NUMBER 4660829
CLIENT I.D. 18014600	AGENCY 80	CLINIC 01	FOOD PATTERN SS006415	FJ TYPE 000924SS	PAY TO THE ORDER OF WIC VENDOR NO. <b>151</b>
FOR PURCHASE OF APPROVED WIC FOODS ONLY. NO SUBSTITUTIONS ALLOWED.					VENDOR MUST DEPOSIT WITHIN SIXTY (60) DAYS OF FIRST DAY TO USE DATE OF USE 05/20/07
9 12.9 OZ SIMILAC ADVANCE WITH IRON-POWDER (NO LOW IRON) XXX XXXXX XXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX					AMOUNT 176.57
NOT VALID WITHOUT WIC VENDOR AUTHORIZATION STAMP					<div style="border: 1px solid black; padding: 2px; display: inline-block;">1</div>
X <i>Maw Just</i> WIC CUSTOMER SIGNATURE AT TIME OF PURCHASE					

### 1 Validate the WIC check with the Hawaii WIC Vendor Stamp.

- The Vendor must stamp each check with their authorized WIC Vendor stamp in the box marked "PAY TO THE ORDER OF WIC VENDOR NO."
- Align the stamp properly. Blurred, upside-down, and illegible stamps may be rejected by the bank. If the Vendor number is unreadable, carefully write in the number in ink.
- **WIC checks with missing or unreadable Vendor stamps will be returned unpaid by the bank.** The Vendor should then stamp the returned check and redeposit it within 60 days from the check's "FIRST DAY TO USE". If the vendor number is unreadable, carefully write in the number in ink.

### 2. Deposit the WIC check on a timely basis.

- The Vendor must deposit WIC checks in the bank within sixty (60) days of the "FIRST DAY TO USE".

**REJECTED CHECKS**

Checks that do not meet all of the designated criteria are rejected for payment by the Hawaii WIC Program’s banking contractor and are returned to the Vendor through standard banking procedures. The cost incurred for processing a rejected check may be due WIC by the Vendor. For any checks rejected, due to an error on part of the WIC Program or its bank, the Vendor will not be subject to a processing charge. The designated criteria for rejecting checks for payment are listed below:

1. The Vendor is not authorized to accept WIC checks;
2. The “Date of Use” is illegible, missing, or improperly corrected;
3. The “Amount” is illegible, missing, or improperly corrected;
4. The check dollar amount exceeds the reasonable dollar amount for that check type (based on the average redemption value for that check type). Checks will be rejected if the amount is above an established percentage of the State average cost for that check type and Vendor’s class;
5. Stale dated (bank processed after sixty (60) calendar days from the “FIRST DAY TO USE”);
6. Check redeemed before or after the valid dates for use;
7. Vendor ID stamp errors;
  - a) Missing Vendor stamp
  - b) Unreadable Vendor number
  - c) Unauthorized Vendor number
8. Missing participant’s signature;
9. Other (e.g., stop payment placed on the check or the check was previously voided).

When a WIC check is rejected, a reject/return reason will be stamped across the face of the check. The table below shows how the different reject reasons affect reimbursement.

REJECT/RETURN STAMP	REJECT REASON	REIMBURSEMENT CRITERIA
MISSING VENDOR STAMP Stamp and redeposit	Vendor forgot to stamp check prior to deposit.	Payment will be made. Clearly stamp the check with your authorized Vendor ID stamp and redeposit the check within sixty (60) calendar days of the “First Day to Use”. Vendor ID number <b>MUST</b> be legible.
ILLEGIBLE VENDOR STAMP Stamp and redeposit	Vendor stamp is illegible, stamped outside box, or blurred.	Payment will be made. Clearly re-stamp the check with your authorized Vendor ID stamp or carefully write in the Vendor Number if number is unreadable, and redeposit the check within sixty (60) calendar days of the “First Day to Use”. Vendor ID number <b>MUST</b> be legible.
MISSING SIGNATURE Void - Do Not Redeposit	Check was not signed prior to deposit.	Payment will <b>NOT</b> be made. A check rejected for payment due to a missing signature, will <u>not</u> be paid. Vendors must obtain the signature <u>before</u> depositing the check for payment.
ILLEGIBLE/MISSING AMOUNT Void - Do Not Redeposit	Amount is illegible, or cashier did not follow proper procedures when correcting amount.	Payment may be made. Cashiers must enter the dollar amount legibly. If a cashier is required to make a correction to the dollar amount, the cashier must follow proper procedures as outlined on page 6-2. Submit for second level review.

MISSING/ALTERED DATE OF USE Void - Do Not Redeposit	"Date of Use" is illegible, or cashier did not follow proper procedures when correcting date.	Payment may be made. Cashiers must enter the "Date of Use" legibly. If a cashier is required to make a correction to the "Date of Use", the cashier must follow proper procedures as outlined on page 6-1. Submit for second level review.
ALTERED Void - Do Not Redeposit	Name, date, quantity, and/or foods has been changed.	Payment may be made. Cashiers must review the check for alterations prior to accepting it for payment. Submit for second level review.
USED BEFORE ISSUE DATE Void - Do Not Redeposit	Check accepted prior to "First Day to Use".	Payment will <b>NOT</b> be made. Checks rejected for payment due to early redemption will <u>not</u> be paid. Cashiers must verify the dates as valid <u>before</u> redeeming the check.
DEPOSITED PAST 60 DAYS Void - Do Not Redeposit	Vendor failed to deposit check within sixty (60) calendar days of the "First Day to Use".	Payment will <b>NOT</b> be made. Vendor must submit the check within sixty (60) calendar days of the "First Day to Use" printed on the check.
EXCEEDS MAXIMUM VALUE Void - Do Not Redeposit	Price is greater than allowed.	Payment may be made. Vendor will be paid based on the Vendor redemption average for that check type or prices reflected on the sales receipt and on the vendor's Price Survey. Submit for second level review.
INVALID/VOIDED FI Void - Do Not Redeposit	Check was voided prior to being redeemed.	Payment will be made. Submit for second level review.
UNAUTHORIZED VENDOR	Vendor stamp was not complete. Vendor ID number (stamp) was not recognized by the bank as a valid vendor number.	Payment will be made. Clearly re-stamp the check with your authorized Vendor ID stamp or carefully write in the Vendor number if number is unreadable, and redeposit the check within sixty (60) calendar days of the "First Day to Use". Vendor ID number <b>MUST</b> be legible.
STOP PAYMENT Void - Do Not Redeposit	Check was reported as lost or stolen, and was voided prior to being redeemed.	Payment may be made. Payment will be made only if the WIC Program determines that the check was redeemed prior to Vendor receiving proper notification. Submit for second level review.
PREVIOUSLY REJECTED Void - Do Not Redeposit	Check was previously rejected, voided by the bank, and resubmitted for processing.	Payment may be made. Vendor must submit rejected checks stamped "Void - Do Not Redeposit" for second level review to the WIC Program. WIC's banking contractor will not process previously rejected checks stamped "Void - Do Not Redeposit".

## ***SECOND LEVEL REVIEW***

Upon written request, the WIC Program will provide authorized Vendors with the opportunity for a second level review of checks initially rejected for payment. Rejected checks may be reimbursed when acceptable evidence for reimbursement is provided by the Vendor. **Vendors should submit rejected checks, copies of the register receipts and a written request for a second level review (on company letterhead) to the WIC Vendor Management Unit at 235 South Beretania Street, Suite 701, Honolulu, Hawaii, 96813. The written appeal must include the rejected check numbers, dollar amounts, reject reasons, and reason the rejected checks should be paid.** Vendors should submit one request letter for multiple rejected checks, and should include the necessary information for each check being appealed.

The second level review will use the payment criteria established in this Manual to determine if the rejected check qualifies for no, partial or full payment. However, bank charges for returned checks will not be reimbursed. Vendors will be notified in writing of the decision made after the second level review.

### **Vendor responsibilities**

The second level review is conducted by the Hawaii WIC Program. The Vendor is responsible to:

1. Submit the rejected checks, a copy of the register receipts and a written appeal (on company letterhead) to the WIC Program within ninety (90) calendar days of the "First Day to Use". Checks submitted after ninety (90) calendar days of the "First Day to Use" will not be accepted for consideration.
2. Submit a written explanation of all extenuating circumstances related to the rejection of the checks.
3. Notify the WIC Program in writing if necessary to change the bank account for reimbursements.
4. Deposit "replacement" checks within thirty (30) calendar days of the "First Day to Use".

### **WIC Program review responsibilities**

The WIC Program will review the check and determine if it can be paid.

1. Any check submitted to the WIC Program for review more than ninety (90) calendar days after the "First Day to Use", will not be considered. The WIC Program will notify Vendors of checks denied for payment by mail.
2. If the check was submitted within ninety (90) calendar days of the "First Day to Use", the WIC Program will determine if any of the rejection criteria apply.

## **Section 9**

# **VIOLATIONS AND SANCTIONS**

## ***VIOLATIONS AND SANCTIONS***

The WIC Program shall disqualify a Vendor from participating in the WIC Program for substantiated Vendor error, abuse or fraud committed by the Vendor, its owners, officers, managers, employees, or agents. The WIC Program shall suspend or disqualify the Vendor from further participation in the WIC Program for a period of not less than thirty (30) calendar days. The imposition of sanctions, suspension, or disqualification 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 the WIC Program 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. The WIC Program is not required to provide the Vendor with prior warning that violations are occurring before imposing a sanction. Vendors will be notified of the initial violation, for violations requiring a pattern of occurrences in order to impose a sanction, prior to documenting another violation, unless the State Agency determines that notifying the Vendor would compromise an investigation. Notification is not required for violations that warrant disqualification without a pattern of occurrences or for violations that only require one incidence before a sanction is imposed. Disqualification of the Vendor from the Hawaii WIC Program may result in disqualification from the Food Stamp Program. Such disqualification shall not be subject to administrative or judicial review under the Food Stamp Program.

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

A pattern of incidences is usually needed to warrant a mandatory sanction. The pattern is influenced by both the severity and number of incidences. In cases of extreme program abuse, only one violation may warrant a Vendor disqualification. For example, a Vendor shall be disqualified from the WIC Program for one incidence of buying or selling WIC checks for cash (trafficking) or one incidence of selling firearms, ammunition, explosives, or controlled substances in exchange for WIC checks. The WIC Program shall permanently disqualify a Vendor convicted of trafficking or illegal sale of WIC checks or selling firearms, ammunition, explosives, or controlled substances in exchange for WIC checks.

Federal regulations establish the length of disqualification for mandatory sanctions appropriate to the severity of the violation. For mandatory sanctions, the WIC Program 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.

After determining that a WIC Vendor should be disqualified from the program, the WIC Program shall review the case to determine participant hardship. This review shall take place prior to notification of disqualification so that the Vendor shall be made aware of its alternatives at the time of notification.

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, 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.

## **VIOLATIONS**

### **Vendor Category I Violations [One (1) sanction point assessed per infraction]:**

- A. Failure to visibly post the “WIC Checks Accepted Here” sign on or near the store entrance so that WIC customers may identify the store as an authorized Hawaii WIC Vendor.
- B. Acceptance of a WIC check which is pre-signed, altered, or reported as lost or stolen;
- C. Failure to check a WIC ID Folder at time of purchase (failure to validate WIC participant’s name and authorized representative’s signature);
- D. Obtaining the WIC participant's signature before the dollar amount and date is filled in on the WIC check;
- E. Failure to use permanent ink when filling in the date and amount on a WIC check;
- F. Failure to clearly display prices or clearly mark the prices for all WIC Allowed Foods on the shelf, product, or nearby area;
- G. Failure to remove or allow the purchase of WIC Allowed Food items after the manufacturer's expiration date printed on the food container;
- H. Failure to allow a Vendor Site Review or to provide food instruments for review;
- I. Failure to provide requested inventory records.

### **Vendor Category II Violations [Five (5) sanction points assessed per infraction]:**

- A. Failure to maintain the minimum variety and inventory of WIC Allowed Foods;
- B. Failure to submit a WIC Vendor Price Stock/Report upon request of the WIC Program;
- C. Failure to remit payment for refunds requested by the WIC Program;
- D. Require additional purchases to redeem WIC checks;
- E. Require the purchase of all items listed on the WIC check or prevent the purchase of all items listed on the WIC check;
- F. Require the purchase of specific brands (although other WIC allowed brands are available);
- G. Collection of sales tax or excise tax on WIC items;
- H. Treat a WIC participant or authorized representative discourteously. For example: Not allowing WIC participants or authorized representatives access to all check-out lanes (excludes "Cash Only" check out lanes);
- I. Failure to attend mandatory training;
- J. Failure to ensure WIC Program compliance to matters listed in Vendor Agreement, Vendor Manual, and Federal Regulations but not specifically itemized in this listing of violations and sanctions;
- K. Failure to inform and train cashiers and other employees on WIC Program requirements.

### **Vendor Category III Violations [Fifteen (15) sanction points assessed per infraction]:**

- A. Seek restitution, either full or partial payment from WIC participants or authorized representatives for the value of unauthorized items purchased. WIC checks rejected for payment, damaged WIC checks, or the difference in value of the cost of foods which exceeds the maximum value of the WIC check, even if the WIC check was not deposited;
- B. Hinder or prevent authorized WIC personnel from entering the store or impeding on-site education, monitoring, or authorized investigation.

**Vendor Category IV Violations [One Hundred Fifty (150) sanction points assessed per infraction]:**

- A. Discriminate on the basis of race, color, national origin, gender, religion, age, disability; political beliefs, sexual orientation, marital or family status.
- B. Submission of false information in connection with the Vendor application.
- C. Obtain infant formula from a source not included on the Hawaii WIC Authorized Infant Formula Sources list.
- D. Failure to maintain or provide purchase records for infant formula and other WIC Allowed Foods as well as other records relating to the performance of the WIC Vendor Agreement that are required to be maintained for four (4) years after the expiration of the Agreement.

**Penalty Points**

The WIC Program uses a method of penalty points to monitor Vendor violations and assign suspensions, disqualification or termination. The WIC Program shall maintain records of penalty points assessed against Vendors. One time only, the first forty-five (45) penalty points resulting in the first suspension shall not accrue against the Vendor's record. All other penalty points will continue on the Vendor's record for a period of two (2) calendar years from the date the Vendor receives its first violation sanction letter. Penalty points shall accrue and may accumulate to provide suspensions of greater length than the initial suspension. If ownership and control changes, accrued penalty points will be dropped from the WIC Program's records. Federally mandated sanctions are exempt from this provision.

The WIC Program shall assess penalty points based on the following values:

- A. Category I Violations = 1 point per violation
- B. Category II Violations = 5 points per violation
- C. Category III Violations = 15 points per violation
- D. Category IV Violations = 150 points per violation

The WIC Program may assess multiple penalty points to the Vendor at the same time, based on the existence of multiple violations at the time of inspection, compliance buy or site review. The WIC Program shall assign notices, warnings, and mandatory trainings on the following penalty point schedule:

- A. 1 point = Written Notice of Sanction
- B. 15 points = Written Warning of Mandatory Training
- C. 30 points = Mandatory Training
- D. 40 points = Written Warning of Suspension

The WIC Program shall assign suspensions on the following penalty point schedule:

- A. 45 points = 30 day Suspension
- B. 60 points = 90 day Suspension
- C. 75 points = 180 day Suspension
- D. 90 points = 270 day Suspension

Vendor suspensions that extend past the end of the Agreement period shall continue in force into the new Agreement period until the termination date of the suspension period. Vendors shall complete the application, authorization and training process as though the suspension were not in effect, noting the suspension on the application where indicated. If the Vendor meets all application, training and contract requirements, the new WIC Agreement shall be issued with the suspension in place. The suspension shall end on its appointed termination date.

The WIC Program shall assign disqualifications on the following penalty point schedule:

150 points = Disqualification for one (1) calendar year

Vendor suspensions of one (1), two (2) or three (3) years are disqualifications. The Vendor who is disqualified shall not be authorized to enter into an Agreement with the WIC Program during the period of the disqualification. At the end of the disqualification period, the Vendor may reapply for the upcoming Agreement period. No early applications or contracting outside the normal contracting open enrollment period shall be permitted.

### SANCTION POINTS

		Number of Violations			
Violation Category	Number of Points	1	2	3	4
Category I	1	1	2	3	4
Category II	5	5	10	15	20
Category III	15	15	30	45	60
Category IV	150	150	300	450	600

### SUSPENSIONS

Number of Days	Number of Points
30 Days	45 Points
90 Days	60 Points
180 Days	75 Points
270 Days	90 Points

### DISQUALIFICATIONS/TERMINATIONS

Time Period	Number of Points
1 Year	150 Points

## Federally Mandated Sanctions

Federal regulation 7 CFR Part 246 mandates that the following violations shall result in mandatory sanctions of not less than one (1) year disqualification up to permanent disqualification:

1. Vendors convicted of trafficking or illegal sale of WIC checks;
2. Administrative finding of trafficking or illegal sale of WIC checks;
3. Selling alcoholic beverages or tobacco products in exchange for checks;
4. Claiming reimbursement in excess of documented inventory;
5. Charging WIC participants more for food items than non-WIC customers or charging more than the current shelf or contract price;
6. Receiving, transacting, or redeeming WIC checks outside of authorized channels, including the use of an unauthorized Vendor or an unauthorized person;
7. Charging for supplemental food items not received by the participant;
8. Providing credit or non-food items in exchange for WIC checks;
9. Providing unauthorized food items in exchange for WIC checks, including charging for supplemental food items provided in excess of those listed on the WIC check.

A Vendor who is assessed a second mandatory sanction, shall be assessed double the second mandatory sanction. Civil money penalties may be doubled up to the limits allowed.

A Vendor who has previously been assessed two (2) or more mandatory sanctions for any of the above violations 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 above.

A pattern of incidences is needed to warrant a mandatory sanction. The pattern is influenced by both the severity and number of incidences. For example, a pattern may be a short period of disproportionately large shortfalls or an extended period of small shortfalls. Exceptions to the requirement to demonstrate a pattern of incidence include the sale of alcohol, alcoholic beverages or tobacco products in exchange for WIC checks, buying or selling of WIC checks for cash (trafficking), and selling firearms, ammunition, explosives, or controlled substances in exchange for WIC checks. A single event of these violations will trigger the mandatory sanction.

The WIC Program shall disqualify a Vendor who has been disqualified from the Food Stamp Program. The length of disqualification shall be for the same amount of time as the Food Stamp Program disqualification, but may start at a later date. Disqualification based on a Food Stamp Program disqualification shall not be subject to administrative or judicial review under the WIC Program. The WIC Program may disqualify a Vendor that has been assessed a civil money penalty for hardship in the Food Stamp Program. The length of such disqualification shall be for the same amount of time the Vendor would otherwise have been disqualified from the Food Stamp Program.

## Violations and Federal Mandatory Sanctions

### **Violation:**

A pattern of providing unauthorized food items in exchange for WIC checks, including charging for WIC food provided in excess of those listed on the WIC check.

**Sanction: One (1) year disqualification.**

**Violation:**

- A. One (1) incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC checks;
- B. A pattern of claiming reimbursement for the sale of an amount of a specific WIC food item which exceeds the store's documented inventory of that WIC food item for a specific period of time;
- C. A pattern of charging WIC customers more for WIC food than non-WIC customers or charging WIC customers more than the current shelf or contract price;
- D. A pattern of receiving, transacting and/or redeeming WIC checks outside of authorized channels, including the use of an unauthorized Vendor and/or an unauthorized person;
- E. A pattern of charging for WIC food not received by the WIC customer;
- F. A pattern of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances in exchange for WIC checks.

**Sanction: Three (3) years disqualification.**

**Violation:**

- A. One (1) incidence of buying or selling WIC checks for cash (trafficking);
- B. One (1) incidence of selling firearms, ammunition, explosives, or controlled substances in exchange for WIC checks.

**Sanction: Six (6) years disqualification upon first offense.**

**Violation:**

- A. Conviction of trafficking or illegal sale of WIC checks;
- B. Conviction of selling firearms, ammunition, explosives, or controlled substances in exchange for WIC checks.

**Sanction: Permanent disqualification upon first offense.**

A Vendor who commits fraud or abuse of the Program is liable to prosecution under applicable Federal, State or local laws. Under Sec. 246.23 of the regulations, those who have willfully misapplied, stolen or fraudulently obtained program funds shall be subject to a fine of not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.

## ***CIVIL MONEY PENALTIES***

Civil money penalties shall be used only in those situations in which the disqualification of the Vendor would cause a hardship, not just an inconvenience to participants if there are no currently authorized WIC Vendors in the disqualified Vendor's geographic area.

Procedures used in assessing civil money penalties against a WIC Vendor in lieu of WIC Program disqualification and the method to determine the amount of the civil money penalties as described. Determination of eligibility for civil money penalties is at the sole discretion of the WIC Program. The WIC Program shall make the calculation of the civil money penalties amount.

If the WIC Program authorizes civil money penalties 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.

Civil money penalties 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 civil money penalty.

The WIC Program shall not accept voluntary withdrawal by the Vendor to avoid payment of civil money penalties. If civil money penalties are not paid as required, the WIC Program shall impose the disqualification corresponding to the violation for which the civil money penalties were assessed.

Any civil money penalties imposed shall not exceed \$10,000 per violation and \$40,000 per investigation, The civil money penalties levels for convictions of trafficking or illegal sales shall not exceed \$11,000 per violation and \$44,000 per investigation. All monies collected as a result of civil money penalties are WIC Program income.

### **When to Offer a Civil Money Penalty**

Civil money penalties may only be offered to a Vendor in lieu of disqualification when inadequate participant access would otherwise occur. Participant access is not a static condition. After determining that a WIC Vendor should be disqualified from the program, the WIC Program shall review the case to determine participant hardship. The determination of inadequate participant access may require renewed review of the disqualification status of all Vendors in the area. Only the WIC Program has the option of offering civil money penalties to the Vendor, no option is given to the Vendor.

### **Procedure for Assessing a Civil Money Penalty**

After determining that a WIC Vendor should be disqualified from the program, the WIC Program shall review the case to determine participant hardship. If the WIC Program establishes participant hardship and determines that civil money penalties are an appropriate alternative, the Vendor shall be sent a written notice of the disqualification sanction. This notice shall include reasons for the disqualification, the effective date of the action, the Vendor's right to appeal, the procedures to be followed to file an appeal, notice that the WIC Program has decided to offer civil money penalties in lieu of disqualification, and notice that the Vendor will be contacted to schedule a meeting with the WIC Program to discuss the civil money penalties offer.

The meeting shall cover the following:

1. The amount of the alternative civil money penalties (as determined by the following procedure for calculating civil money penalties);
2. The method of payment of the civil money penalties 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:

1. Payment of the civil money penalty settles all past non-compliance issues, but does not relieve the Vendor of its obligation to complete a corrective action plan approved by the WIC Program to resolve identified problems or protect the Vendor from future sanctions or disqualification for continued non-compliance;
2. Payment of the civil money penalty does not settle all civil liabilities;
3. When determining disqualifications, mandatory sanctions settled by civil money penalties 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
4. The civil money penalties settlement does not prohibit further WIC investigations.

#### **Procedure for Calculating Money Payment**

1. All civil money penalties issued by the WIC Program shall be calculated using a standard formula. However, the penalty shall not exceed \$10,000 per violation and \$40,000 per investigation even if the formula indicates that a higher penalty is warranted. The civil money penalties levels for convictions of trafficking or illegal sales shall not exceed \$11,000 per violation and \$44,000 per investigation. The formula is as follows:

Step I: Multiply 10% (.10) times the average monthly redemptions for the most recent six (6) calendar months period prior to the date of notification of violations.

Step II: Multiply the product of Step I by the number of months of the disqualification period.

Note: Instances of other violations that have not yet reached disqualification sanction shall not be used to calculate the civil money penalties. The calculation for civil money penalties shall be based solely on the disqualification period that brought about the action.

#### **Example of calculating Civil Money Penalties:**

Vendor is notified of a one-year disqualification starting October of this year. Civil money penalties 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>

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

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

### **Payment of Penalties**

The payment of the civil money penalties must be made by one (1) of the following methods as determined by the WIC Program.

1. A lump sum payment of the civil money penalties 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.

The WIC Program 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, the WIC Program shall notify the Vendor that the balance of the civil money penalties are due within twenty (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 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**

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 civil money penalties were assessed.

## **Section 10**

# **RESPONSIBILITIES AND RIGHTS**

## ***RESPONSIBILITIES AND RIGHTS***

### **WIC ID Stamp**

The Hawaii WIC Program will provide each Vendor with two (2) Vendor ID stamps when authorized to become a Hawaii WIC Program Vendor for the first time. The Vendor is responsible for maintaining the Vendor ID stamp and must store them in a secure location. If the stamp is lost, worn or stolen, contact the WIC Vendor Management Unit at (808) 586-4776 or toll free from the neighbor islands at 1-888-820-6425 for a replacement.

The Vendor ID stamp is the property of the Hawaii WIC Program and must be returned to the WIC Vendor Management Unit if:

1. There is a change in ownership;
2. Bankruptcy is filed;
3. The business is sold;
4. The WIC Vendor Agreement is not renewed or is terminated.

### **Report of Changes**

Upon ceasing operations, changing ownership or filing bankruptcy, the Vendor must notify the WIC Services Branch not less than fifteen (15) calendar days prior to the date that the change will occur.

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 accept Hawaii WIC checks, please advise him/her to contact the Hawaii Vendor Management Unit at (808) 586-4776, or toll free from the neighbor islands at 1-888-820-6425.

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

### **Appeal Rights and Hearings**

When the Hawaii WIC Program denies an application, or suspends or disqualifies a Vendor from participating as a sanction, the Vendor is entitled to request a show cause meeting or a fair hearing to dispute the Hawaii WIC Program'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 or termination of a Vendor Agreement does not entitle a Vendor to a show cause meeting or a fair hearing.

Except for violations that seriously affect public health, safety or welfare, as described below, a Vendor whose Agreement is suspended or terminated before the expiration of the Agreement or who is disqualified from the WIC Program may remain on the Program 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 (includes the informal settlement conference) does not extend the Vendor's Agreement beyond its expiration date nor does it require the Hawaii WIC Program 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 Policy and Procedure 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 fifteen (15) calendar days from the date the Vendor receives the order. The Hawaii WIC Program shall provide the Vendor with the opportunity for a hearing. The order shall contain the hearing date and time. The hearing shall be conducted according to the standards established below.

A Vendor may not request an administrative review of a WIC disqualification based upon a Food Stamp Program disqualification. Other instances not subject to an administrative review include:

- a. The validity or appropriateness of the WIC Program's Vendor limiting or selection criteria;
- b. The validity or appropriateness of the WIC Program's participant access criteria and the WIC Program's participant access determination;
- c. The WIC Program's determination whether a Vendor had an effective policy and program in effect to prevent trafficking and the ownership of the Vendor was not aware of, did not approve of, and was not involved in the conduct of the violation;
- d. The expiration of this Agreement;
- e. Disputes regarding WIC check payments and Vendor claims (other than the opportunity to justify or correct a Vendor overcharge or other error as permitted by Federal regulations);
- f. Disqualification as a result of disqualification from the Food Stamp Program.
- g. The validity or appropriateness of the State Agency's Vendor peer group criteria and the criteria used to identify Vendors that are above-50-percent Vendors or comparable to above-50-percent Vendor.

A Vendor may request an administrative review of a WIC disqualification based upon a Food Stamp Program civil money penalty.

The Hawaii WIC Program sends out important information that can assist you (Vendors) in maintaining compliance with your Hawaii WIC Program Vendor Agreement. Therefore, it is essential that you accept/pick up faxes or mail sent to you from the Hawaii WIC Services Branch. Examples of items that may be sent to you via fax or mail are replacement WIC checks, Agreement related items (including some WIC Tacks), sanctions, lost/stolen check notices, food update notices, and training notices.

## **Procedure**

1. The Hawaii WIC Services Branch 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. The Hawaii WIC Services Branch shall mail notification by certified mail to the Vendor Applicant or current Vendor at least fifteen (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 ten (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 Hawaii WIC Services Branch, Vendor Management Unit, WIC Vendor Manager, 235 S. 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 the Hawaii WIC Services Branch action. The Hawaii WIC Services Branch shall not accept fax copies in lieu of an original document.

### **Conflict of Interest**

The Vendor ensures that no conflict of interest shall exist with either the Hawaii 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.

The Hawaii WIC Services Branch shall have the right to cancel this Agreement immediately upon notification of the parties should such conflict of interest arise after the acceptance of this Agreement by the parties.

### **Business Integrity**

The 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. The Hawaii WIC Services Branch shall have the right to deny authorization for participation in the WIC Program 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.

# **Section 11**

## **Selection and Authorization Criteria**

## **Selection and Authorization Criteria**

The Hawaii WIC Program authorizes a limited number (150) of Vendors to ensure that WIC Program staff can effectively monitor and review vendor performance. Hawaii WIC Program 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. Only stores authorized by the Hawaii WIC Program may redeem Hawaii WIC checks.

Vendors are selected to meet the needs of the WIC Program and its participants. Vendors do not automatically have the “right” to participate. If there are no WIC authorized 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 below criteria, with the exception of criterion #1 (competitive prices) and criterion #2 (stock requirements), if WIC determines that an undue hardship for WIC participants would result if the Vendor were not approved as a Hawaii WIC food Vendor.

The Vendor shall comply with the selection criteria throughout the Agreement period, including any changes to the criteria. The WIC Program may reassess the Vendor for compliance to the selection criteria at any time. Failure to correct any deficiencies upon notification from the WIC Program shall result in the termination of the Vendor’s Agreement. If the applicant provides false information in connection with the application, the application will be denied and/or the Vendor will be disqualified for up to one year.

Hawaii WIC Program will accept and process Vendor applications outside the established timeframes if the State Agency determines there will be inadequate participant access to the WIC Program. This includes instances in which a previously authorized Vendor sells a store under circumstances that do not permit timely notification to the State Agency of the change in ownership.

### **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. Application forms are on-line at [www.hawaii.gov/health/family-child-health/wic/vendor/forms/ven-appl.pdf](http://www.hawaii.gov/health/family-child-health/wic/vendor/forms/ven-appl.pdf).

The WIC State Agency will review all applications received and will prioritize applications based on needs assessment. If the number of applicants exceeds the needs of the WIC Program, Vendors will be authorized according to their relative rank. Applications will not be ranked according to the date received. Only vendors submitting a complete application within 30-days of notice from WIC will be considered. The application must include all the documents required as specified in the package. Incomplete applications may be denied.

Geographic regions will be used to assess the need for Vendors (geographic regions are marked on Hawaii WIC Vendor maps on-line at [www.hawaii.gov/health/family-child-health/wic/vendor/ven\\_maps.html#ven\\_maps](http://www.hawaii.gov/health/family-child-health/wic/vendor/ven_maps.html#ven_maps)). Applicants will be advised, prior to investing the time and resources in training and stocking of WIC items, if the Participant/Vendor Ratio for the geographical area indicates a sufficient number of participants to support the applicant’s location. The following calculations are used in this assessment:

Rural	(4 or less authorized vendors)	shall be greater than 50:1.
Suburban	(5 to 10 authorized vendors)	shall be greater than 200:1.
Urban	(11 or more authorized vendors)	shall be greater than 300:1.

The following mandatory criteria will be used when evaluating applications and throughout the Agreement period:

1. **Competitive Prices** - The applicant shall have shelf prices that are competitive. Vendor applicants' prices will be compared with those of other vendor applicants and currently authorized Vendors who are to be assigned to the same peer group. The WIC Program shall group applicants/Vendors by peer groups, and will calculate the average price for the most frequently redeemed food packages by Vendor peer group. Vendor's prices shall not be more than a price set by WIC based on market price information. Some of the set prices are a calculation of the average redemption amount by food instrument 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 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 the State Agency.) Shelf prices are manually recorded by the State Agency at an on-site preauthorization visit for initial applications, when change in ownership and during Routine Monitoring visits. Only Vendors meeting competitive pricing requirements will continue to be authorized.
2. **Stock Requirements** - The applicant shall have and maintain the minimum variety and quantity of WIC foods as required by the Hawaii WIC Program. Infant formula may only be purchased from sources listed on Hawaii WIC Authorized Infant Formula Sources. This listing includes instructions on inquiring about sources not listed. Purchasing from a source not listed may result in a one (1) year disqualification from WIC. The Hawaii WIC Authorized Infant Formula Sources list is maintained on the Vendor Management website at: <http://www.hawaii.gov/health/family-child-health/wic/vendor/index.html>. Vendors are required to maintain for inspection and audit by the WIC Program, 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 this Agreement for four (4) years after the expiration of this Agreement. Failure to maintain or provide these purchase records for infant formula and other WIC Allowed Foods will result in a one (1) year disqualification. Exemptions from the Stock Requirements' criterion are not allowed.
3. **Business Integrity** - The applicant or any of the applicant's current owners, officers, or managers shall not 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.
4. **History of Compliance** - The applicant shall not have been sanctioned or disqualified from participating in any Food Stamp Program or WIC Program for a period of six (6) Federal Fiscal Years prior to the application to participate in the Hawaii WIC Program.
5. **Food Stamp Authorization** - The applicant shall have authorization from and operate in compliance with Food Stamp Program regulations. Applicants who are currently disqualified from the Food Stamp Program or that have been assessed a Food Stamp Program 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.

6. **Business Type** - The Vendor shall be located at a fixed permanent location, and shall furnish WIC Allowed Foods to participants only at the site of the authorized Vendor location. The Vendor shall be a full line/service grocery store with a fresh meat, produce, dairy, and canned goods section. The Vendor shall have a well-stocked line of grocery items featuring three (3) or more brands to choose among for most food lines. The Vendor shall be primarily a retailer of groceries with fifty (50) percent or more of its sales from groceries and not from alcohol, tobacco products or gas. The 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 food instruments. Hawaii 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 food instruments. Some WIC vendors may incur costs to compile this data. Convenience stores may be authorized only if they meet all of the criteria and there are no full line grocery stores within a ten (10) mile radius. "Super" stores may be authorized only if they meet all of the criteria and the grocery area is separated from the rest of the store's goods and services.
7. **Volume of WIC Business** - Applicants that participated as WIC Vendors during the previous contract year that had an average of 90 or fewer food instruments 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 food instruments transacted at new vendors will be evaluated after six (6) months, and Vendors with 90 or fewer food instruments for their second three (3) months may be terminated within 15 days due to a lack of demand.
8. **Accessibility to WIC participants** - The applicant shall be open for business at least 10 (ten) hours per day, six (6) days a week.
9. **Sanitation** - The 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 and the Hawaii WIC Program or its clinics.
11. **Registered with the Hawaii State Department of Commerce and Consumer Affairs** – The corporation or business entity applying for WIC authorization must be registered with the Hawaii State Department of Commerce and Consumer Affairs.

## **Section 12**

# **HAWAII WIC VENDOR FORMS**

# Hawaii WIC Program VENDOR COMPLAINT FORM

On \_\_\_\_\_ at \_\_\_\_\_ : \_\_\_\_\_ am/pm  
Date (Month, Day, Year) Time (Hour : Minutes)

Client I.D. # \_\_\_\_\_  
 Customer's Name and/or Description \_\_\_\_\_

Using WIC Check(s) \_\_\_\_\_ tried to:  
(Black) Check Number(s)

- Purchase unauthorized food with a WIC check *(please describe food below)*
- Did not sign check
- Use a WIC check before/after valid date *(circle "before" or "after")*
- Purchase WIC foods with an invalid WIC Identification Folder *(missing or mis-matched signatures)*
- Return WIC food for cash, credit, or non-WIC items
- Purchase non-food items with WIC check *(please describe items below)*
- Exchange WIC check for cash, credit (includes rain checks), or non-WIC items
- Use an altered WIC check *(please describe alteration below)*
- Use a pre-signed WIC check
- Other *(please describe below)*
- Customer was abusive toward store personnel *(please describe below)*
- Store has prohibited customer from store; will be refused if returns to store

**Vendor comments/statement:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Did transaction go through?     Yes     No     After corrections  
 Copy of WIC check attached?     Yes     No  
 Additional comments attached?     Yes     No

Vendor Name and WIC Vendor # \_\_\_\_\_ Address/City \_\_\_\_\_

Vendor Employee Name \_\_\_\_\_ Phone Number \_\_\_\_\_

Fax to: (808) 586-8189  
 Mail to: WIC Vendor Management Unit, 235 S. Beretania Street, Suite 701, Honolulu, HI 96813  
 Phone: (808) 586-4776 or 1-888-820-6425

WIC Distribution: Liaison PHN  
 Clinic Ops

**HAWAII WIC PROGRAM  
Vendor Order Form**

If you would like copies of any of the following training aids/materials, please indicate the amount you need of each item and **mail** or **fax** your order to:

WIC Services Vendor Management Unit  
235 South Beretania Street, Suite 701  
Honolulu, Hawaii 96813  
Fax: (808) 586-8189

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**Order Section:**

- \_\_\_\_\_ Vendor Cashier Training Video on CD
- \_\_\_\_\_ Hawaii WIC Allowed Food List (brochure) *Please indicate the amount*
- \_\_\_\_\_ "WIC ALLOWED FOOD" Tags *(Blue and White Shelf Markers & visual aid for WIC clients)*
- \_\_\_\_\_ "WIC ALLOWED FOOD LEAST EXPENSIVE" Tags *(Red and White Shelf Markers & visual aid for WIC clients)*
- \_\_\_\_\_ Vendor Complaint Form
- \_\_\_\_\_ Vendor Price Survey and Least Expensive Brand (LEB) Declaration
- \_\_\_\_\_ Vendor Stamp(s) *(used to validate WIC checks)*
- \_\_\_\_\_ Hawaii WIC Vendor Manual
- \_\_\_\_\_ WIC Check *(sample used to educate cashiers)*
- \_\_\_\_\_ ID Folder *(sample used to educate cashiers)*
- \_\_\_\_\_ WIC Vendor Sign *(post to identify your store as a Hawaii WIC Vendor  
5 ½" X 8 ½" Laminated / 4" X 5" Static Cling)*
- \_\_\_\_\_ WIC Vendor Training PowerPoint Presentation *(CD-ROM)*
- \_\_\_\_\_ WIC Vendor Manual *(MS-Word document on CD-ROM)*
- 
- 

**Please mail supplies to:**

Store Name: \_\_\_\_\_ ID# \_\_\_\_\_ Attn: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

- Should you have any questions regarding your order, please contact the Vendor Management Unit staff at (808) 586-4776.

**• WIC VENDOR PRICE SURVEY  
INSTRUCTIONS**

Complete all sections, documenting the price and quantity of each WIC food item currently on the shelf AND in inventory housed at your store location. If a space is left blank, the WIC Program will assume that your store does not have that particular food item in stock. Do not estimate or project prices or stock. The WIC Vendor Price Survey must reflect actual shelf prices and actual stock on hand at the time of completion.

**Changes must be submitted to WIC.** When your highest price for a WIC approved food changes or the price for the **Least Expensive Brand** of a milk type changes, you must update the changed price(s). Vendor shelf price data is used to evaluate vendor compliance to the price limitation and price competitiveness requirements of the WIC Program. Vendor shelf price data is also used as a tool to determine or substantiate the dollar amount to reimburse a Vendor for rejected WIC checks submitted for second level review.

1. Carefully review the WIC Minimum Inventory Requirements on pages 8 through 10.
2. Where requested, Indicate if your store meets the minimum inventory requirement for each food item by checking "Yes" or "No". If you answer "No", indicate the amount of the food item in stock by filling in the corresponding blank. Although the price requested is for your highest price, the stock available, when requested, must include all WIC eligible units not just the highest priced brand.
3. List the shelf price for each food item in stock. Fill in the price for the exact size listed.
4. When more than one brand is available, list your highest price. This includes the highest price for milk except when the lowest price is requested for the **Least Expensive Brand (LEB) Declaration**.
5. **Least Expensive Brand (LEB) milk declaration.** The lowest price of each type of WIC approved milk is to be submitted. *If that price changes, that section is required to be updated, signed, dated, and submitted to WIC.*
6. Fax the completed and dated WIC Vendor Price Survey to (808) 586-8189, or mail to: WIC Vendor Management Unit, 235 South Beretania Street, Suite 701, Honolulu, HI 96813.

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**CERTIFICATION**

I certify that:

1. I am authorized to act on behalf of the Vendor;
2. I have verified that the quantities of WIC inventory listed are either on the shelves or in inventory housed at the Vendor's store location;
3. I have verified that the prices listed are true and correct.

Signature: \_\_\_\_\_ Date of Inventory: \_\_\_\_\_

Name (Print): \_\_\_\_\_ Phone: \_\_\_\_\_

Title: \_\_\_\_\_ Fax: \_\_\_\_\_

Store Name/Number: \_\_\_\_\_

Store Address: \_\_\_\_\_

## WIC VENDOR PRICE SURVEY

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

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

Store Location: \_\_\_\_\_

### MILK - Fluid, fresh, pasteurized, acidophilus, lactose free, evaporated and powdered milk Least Expensive Brand (LEB) Declaration

	LEAST EXPENSIVE PRICE		# of Gallon in stock
<b>Type</b>	<b>Gallon</b>	<b>Brand</b>	
Whole	\$		
Fat Free (Skim/Nonfat)	\$		
Low Fat (1%)	\$		
Reduced Fat (2%)	\$		
*****	<b>½ Gallon</b>	*****	*****
Whole	\$		N/A
Fat Free (Skim/Nonfat)	\$		N/A
Low Fat (1%)	\$		N/A
Reduced Fat (2%)	\$		N/A
Acidophilus	\$		N/A
Lactose Free Whole	\$		N/A
Lactose Free Fat Free (Skim/Nonfat)	\$		N/A
Lactose Free Low Fat (1%)	\$		N/A
Lactose Free Reduced Fat (2%)	\$		N/A
Lactose Free – Calcium fortified or enriched Whole	\$		N/A
Lactose Free – Calcium fortified or enriched Fat Free (Skim/Nonfat)	\$		N/A
Lactose Free – Calcium fortified or enriched Low Fat (1%)	\$		N/A
Lactose Free – Calcium fortified or enriched Reduced Fat (2%)	\$		N/A
*****	<b>Evaporated 12 Ounce</b>	*****	*****
Evaporated Whole	\$		

Evaporated Fat Free (Skim/Nonfat)	\$		N/A
Evaporated Low Fat (1%)	\$		N/A
Evaporated Reduced Fat (2%)	\$		N/A
*****	<b>Powdered 25.6 oz (makes 8 quarts)</b>	*****	*****
Powdered Milk Whole	\$		N/A
Powdered Milk Fat Free (Skim/Nonfat)	\$		N/A
Powdered Milk Low Fat (1%)	\$		N/A
Powdered Milk Reduced Fat (2%)	\$		N/A
	<b>Powdered 9.6 oz (makes 3 quarts)</b>		
Powdered Milk Whole	\$		N/A
Powdered Milk Fat Free (Skim/Nonfat)	\$		N/A
Powdered Milk Low Fat (1%)	\$		N/A
Powdered Milk Reduced Fat (2%)	\$		N/A

I have verified that the milk prices listed are true and correct.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Least Expensive Brand (LEB) milk declaration.** The lowest price of each type of WIC approved milk is to be submitted. *If that price changes, that section is required to be updated, signed, dated, and submitted to WIC.*

**Changes must be submitted to WIC.** When your highest price for a WIC approved food changes or the price for the **Least Expensive Brand** of a milk type changes, you must update the changed price(s). Vendor shelf price data is used to evaluate vendor compliance to the price limitation and price competitiveness requirements of the WIC Program. Vendor shelf price data is also used as a tool to determine or substantiate the dollar amount to reimburse a Vendor for rejected WIC checks submitted for second level review.

Vendor Management Unit  
WIC Services Branch  
State of Hawaii  
Department of Health  
235 S. Beretania Street, Suite 701  
Honolulu, Hawaii 96813-2419

Phone: (808) 586-4776  
**FAX: (808) 586-8189**  
Neighbor Islands 1-888-820-6425

STORE NAME: \_\_\_\_\_

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

**MILK - Fluid, fresh, pasteurized, in gallon containers**

Are there at least 2 varieties?  Yes  No

If No, # of varieties in stock? \_\_\_\_\_

Type	Gallon Highest Price	# of Gallon Containers in stock
Whole	\$	
Fat Free (Skim / Nonfat)	\$	
Low Fat (1%)	\$	
Reduced Fat (2%)	\$	
*****	½ Gallon	*****
Acidophilus	\$	
Lactose Free/Reduced Whole, 1-2% & Fat Free (Dairy Ease / Lactaid)	\$	

**EVAPORATED MILK**

Are there at least 6 12-ounce cans?  Yes  No

If No, # of 12 ounce cans in stock? \_\_\_\_\_

Type	12 Ounce Can Highest Price
Whole	\$
Low Fat/Reduced Fat	\$
Skim (Non Fat)	\$

**JUICE – 100% juice, 120% DV for Vitamin C, unsweetened**

Type	12 Ounce Frozen Concentrate Highest Price	12 Ounce Frozen Concentrate # Containers in stock
Apple Best Yet / Minute Maid	\$	
Orange Minute Maid - original, pulp free, Reduced Acid 10 oz. & original with calcium	\$	
Pineapple Dole	\$	
Grape Welch's white / purple (with yellow pull strip)	\$	
<b>46 Ounce Plastic Bottles</b>	<b>46 Ounce Plastic Bottles</b>	<b>46 Ounce Plastic Bottles</b>
Type	Highest Price	# Containers in stock
Apple Juicy Juice / Treetop	\$	
All flavors & blends Juicy Juice	\$	
Vegetable V8 100% - original or low sodium	\$	

**EGGS – White, grade A, chicken, medium and/or large**

Are there at least 6 dozen?  Yes  No

If No, # of dozen in stock? \_\_\_\_\_

Size	1 Dozen Highest Price
Medium	\$
Large	\$

**CARROTS – Fresh package or loose whole carrots without tops**

Are there at least 4 pounds loose and/or packaged?  Yes  No

If No, # of pounds in stock? \_\_\_\_\_

Size	1 Pound Highest Price
Package	\$
Loose	\$

STORE NAME: \_\_\_\_\_

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

**CHEESE – Plain, domestic, pasteurized, block, ball or shredded**

Are there at least 3 varieties?  Yes  No

Are there at least 4 pounds any combo package/style?  Yes  No

If No, # of varieties in stock? \_\_\_\_\_

If No, # of pounds in stock? \_\_\_\_\_

	1 Pound	8 Ounce	Random Weight Price per Pound	Shredded
Type	Highest Price	Highest Price	Highest Price	Highest Price
Cheddar	\$	\$	\$	__oz. \$
Cheddar, Mild	\$	\$	\$	__oz. \$
Cheddar, Medium	\$	\$	\$	__oz. \$
Cheddar, Sharp	\$	\$	\$	__oz. \$
Mozzarella	\$	\$	\$	__oz. \$
Colby	\$	\$	\$	__oz. \$
Monterey Jack	\$	\$	\$	__oz. \$
Swiss	\$	\$	\$	__oz. \$

**PEANUT BUTTER (plain) - Smooth, chunky, reduced fat, crunchy, extra crunchy, or natural in 8 through 18 ounce jars**

Are there at least 2 varieties?  Yes  No

If No, # of varieties in stock? \_\_\_\_\_

Are there at least 4 issuances available?  Yes  No

(Any combo to equal 4 issuance)

If No, # of jars in stock? \_\_\_\_\_ 16 - 18oz. \_\_\_\_\_ 8oz.

	8 Ounce Jars	8 - 18 Ounce Jars
Type	Highest Price	Highest Price
Smooth/Chunky/Crunchy/Extra Crunchy/Extra Chunky	\$	\$ __ oz.
Reduced Fat	\$	\$ __ oz.
Natural	\$	\$ __ oz.

**TUNA – Chunk light, water packed, dolphin safe**

Are there at least 6 cans?  Yes  No

If No, # of 6 ounce cans in stock? \_\_\_\_\_

	6 Ounce Can
Type	Highest Price
Tuna (Chunk light in water)	\$

**BEANS, PEAS, OR LENTILS – dried beans, peas, or lentils in 8 through 16 ounce packages**

Are there at least 2 varieties?  Yes  No

If No, # of varieties in stock? \_\_\_\_\_

Are there at least 4 pounds available?  Yes  No

If No, # of packages and size in stock? \_\_\_\_\_ 8oz. \_\_\_\_\_ 9 – 16oz.

	16 Ounce Package Only
Type	Highest Price
Beans	\$
Peas/Lentils	\$

**PINK SALMON – in water**

7.5 oz. cans – Are there at least 10 cans?  Yes  No

If No, # of 7.5 ounce cans in stock? \_\_\_\_\_

14.75 oz. cans – Are there at least 4 cans?  Yes  No

If No, # of 14.75 ounce cans in stock \_\_\_\_\_

	Pink Salmon
Type	Highest Price
7.5 oz. cans	\$
14.75 oz. cans	\$

STORE NAME: \_\_\_\_\_

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

**CEREAL – 9-ounce through 36-ounce box.**

Are there at least 5 varieties?  Yes  No

If No, # of varieties in stock? \_\_\_\_\_

Are there at least 15 boxes?  Yes  No

If No, # of boxes in stock? \_\_\_\_\_

CEREAL	SIZE	PRICE	SIZE	PRICE
Bran Flakes (Post)	oz.	\$	oz.	\$
Cheerios Multi-grain (General Mills)	oz.	\$	oz.	\$
Cheerios Plain (General Mills)	oz.	\$	oz.	\$
Chex Corn (General Mills)	oz.	\$	oz.	\$
Chex Multi Bran (General Mills)	oz.	\$	oz.	\$
Chex Rice (General Mills)	oz.	\$	oz.	\$
Chex Wheat (General Mills)	oz.	\$	oz.	\$
Corn Flakes (Best Yet)	oz.	\$	oz.	\$
Corn Flakes (Kellogg's)	oz.	\$	oz.	\$
Corn Flakes (Springfield)	oz.	\$	oz.	\$
Corn Flakes (Western Family)	oz.	\$	oz.	\$
Country Corn Flakes (General Mills)	oz.	\$	oz.	\$
Cream of Wheat 1, 2 ½, 10 minutes (Nabisco)	oz.	\$	oz.	\$
Cream of Wheat Instant Regular Individual Packets (Nabisco)	oz.	\$	oz.	\$
Crisp Rice (Best Yet)	oz.	\$	oz.	\$
Crispy Rice (Ralston)	oz.	\$	oz.	\$
Crispy Rice (Safeway)	oz.	\$	oz.	\$

CEREAL	SIZE	PRICE	SIZE	PRICE
Crispy Rice (Springfield)	oz.	\$	oz.	\$
Crispy Rice (Western Family)	oz.	\$	oz.	\$
Crunchy Corn Bran (Quakers)	oz.	\$	oz.	\$
Frosted Mini Wheats – Bite-size (Kellogg's)	oz.	\$	oz.	\$
Honey Bunches of Oats – Honey (Post)	oz.	\$	oz.	\$
Instant Oatmeal – Regular flavor Individual Packets (Quakers)	oz.	\$	oz.	\$
Kix Plain (General Mills)	oz.	\$	oz.	\$
Life – Regular (Quakers)	oz.	\$	oz.	\$
Product 19 – Plain (Kellogg's)	oz.	\$	oz.	\$
Special K (Kellogg's)	oz.	\$	oz.	\$
Toasted Oats (Best Yet)	oz.	\$	oz.	\$
Toasted Oats (Safeway)	oz.	\$	oz.	\$
Toasted Oats (Springfield)	oz.	\$	oz.	\$
Toasted Oats (Western Family)	oz.	\$	oz.	\$
Total, Whole Grain (General Mills)	oz.	\$	oz.	\$

**INFANT CEREAL, GERBER BRAND, (plain) Barley, Mixed, Oatmeal, or Rice**

Are there at least 6 8-ounce boxes?  Yes  No

If No, # of 8-ounce boxes in stock? \_\_\_\_\_

	8 Ounce Box
Type	Highest Price
Barley/Mixed/Oatmeal/Rice Gerber	\$

**INFANT FORMULA**

**MILK BASED FORMULA (SIMILAC ADVANCE)**

and

**SOY BASED FORMULA (SIMILAC ISOMIL ADVANCE)**

CONTRACT FORMULA	Powder (12.9 Ounce)				Concentrate (13 Ounce)			
	Unit Price	# In Stock	Case Price	# Cases In Stock	Unit Price	# In Stock	Case Price	# Cases In Stock
Similac Advance	\$		\$		\$		\$	
Similac Isomil Advance	\$		\$		\$		\$	

Vendors are **not required to stock the following special infant formulas**. However, if you indicate which ones routinely stocked and unit price, we can share that information with WIC participants needing special formulas.

	Powder	Concentrate	Ready to Use
NON CONTRACT FORMULA	Unit Price	Unit Price	Unit Price
SIMILAC SENSITIVE	\$	\$	\$
NEOSURE ADVANCE	\$	\$	\$
NUTRAMIGEN LIPIL - POWDER	\$	\$	\$
ENFACARE LIPIL - POWDER	\$	\$	\$
SIMILAC NEOSURE ADVANCE - POWDER	\$	\$	\$
PREGESTIMIL LIPIL - POWDER	\$	\$	\$
ENFAMIL PREMATURE LIPIL 24 - RTU	\$	\$	\$

## MINIMUM STOCKING REQUIREMENTS

These stock requirements 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 the WIC Program.

WIC FOOD	BRAND/TYPE	Minimum Quantity	Size	# of Varieties
Milk (Fluid)	Any brand refrigerated pasteurized milk - whole, fat-free (skim), 1% (lowfat), or 2% (reduced fat) or Recombined whole or 2% (reduced fat.)	12	Gallon containers	2 types
Cheese	Any brand – Plain, domestic, pasteurized block, ball or shredded. Cheddar- cheddar, mild, medium, sharp, extra sharp Colby Monterey Jack Mozzarella Swiss May be reduced for fat free	4 LBS.	Any combination of 8 - 16 ounces block / ball / shredded (including random weight)	3 types
Juice	<p><b>Frozen Concentrate</b> These varieties and brands only</p> <p>Apple – Best Yet / Minute Maid</p> <p>Orange – Minute Maid – original, pulp free, reduced acid 10 oz. &amp; original with calcium</p> <p>Pineapple – Dole</p> <p>Grape – Welch’s – white /purple (with yellow pull strip)</p> <p style="text-align: center;"><b>And</b></p> <p><b>Single Strength</b> These varieties and brands only</p> <p>Apple – Juicy Juice / Tree Top</p> <p>All Flavors &amp; blends – Juicy Juice Vegetable – V8 100% - original or low sodium</p>	12	12 ounce cans (10 ounce cans of reduced acid orange juice are eligible)	2 types
		10	<b>And</b> 46 ounce plastic bottles	2 types

WIC FOOD	BRAND/TYPE	Minimum Quantity	Size	# of Varieties
Evaporated Milk	Any brand - whole, 2% (reduced fat), 1% (lowfat), or fat-free (skim).	6	12 ounce cans	N/A
Salmon	Any brand – pink water packed (No red, boneless, or smoked).	10 and 4	7.5 ounce cans and 14.75 ounce cans	N/A
Tuna	Any brand – chunk light, water packed, dolphin safe.	6	6 ounce cans	N/A
Beans, Peas or Lentils	Any brand – dried beans, peas, or lentils.	4 LBS	Any combination 8 - 16 ounce package	2 types
Carrots	Any brand – Fresh packaged or loose whole carrots without tops.	4 LBS	Any combination of loose and/or packages	N/A
Peanut Butter	Any brand – Smooth, Chunky, Crunchy, Extra Crunchy, Reduced Fat, or Natural Must be plain.  8 ounces -18 ounces  No peanut butter spread or with added jam, honey or flavors.	4  ----or----	16 - 18 ounce jars  ----or----  Any combination of sizes to equal quantity of 4  Where: 2 8 oz. to equal 1 1 16 oz. to equal 1 1 18 oz. to equal 1	2 types

Infant Cereal	Gerber brand – Barley, mixed, oatmeal or rice. Must be plain.	6	8 ounce boxes	N/A
Infant Formula	Similac Advance Powder	27	12.9 ounce cans	N/A
	Concentrate	---and--- 31	----- - 13 ounce cans	
	Isomil Advance Powder	9	12.9 ounce cans	N/A
	Concentrate	---and--- N/A <sup>1</sup>	----- - 13 ounce cans	

<sup>1</sup> Vendors are not required to stock the formula. However, Vendors must procure the formula within seven (7) calendar days of request from the WIC Program or WIC customer.

**Section 13**  
**HAWAII WIC PROGRAM LOCATIONS**

## *WIC Services Branch and Local Agency (LA) Locations*

### Oahu

DOH WIC Services Branch  
 Leiopapa A Kamehameha Bldg.  
 235 South Beretania St., Ste. 701  
 Honolulu, HI 96813-2419  
 Phone: (808) 586-4776 / 4756  
 Toll Free (1-888) 820-6425  
 Fax: (808) 586-8189

70 Wahiawa WIC Program  
 Wahiawa Civic Center  
 830 California Ave., Bldg. 2  
 Wahiawa, HI 96786  
 Phone: (808) 622-6458  
 Fax: (808) 622-6460

20 Kona WIC Program  
 Kealakekua Business Plaza  
 81-980 Halekii St., Ste. 103  
 Kealakekua, HI 96750  
 Phone: (808) 322-4888  
 Fax: (808) 322-4886

### MAUI

80 Honolulu WIC Program  
 Ala Moana Health Center  
 591 Ala Moana Blvd., 2<sup>nd</sup> Floor  
 Honolulu, HI 96813  
 Phone: (808) 586-4761  
 Fax: (808) 586-8013

25 Waianae Coast Comprehensive  
 Health Center WIC Program  
 86-260 Farrington Hwy.  
 Waianae, HI 96792  
 Phone: (808) 696-5561  
 Fax: (808) 696-1533

55 Maui WIC Program  
 781 Kolu St., Room A-1  
 Wailuku, HI 96793  
 Phone: (808) 984-8225  
 Fax: (808) 984-8228

10 Kalihi Palama WIC Program  
 Kalihi Palama Health Center  
 888 North King St. Stes. 4 & 5  
 Honolulu, HI 96817  
 Phone: (808) 841-0011  
 Fax: (808) 842-1002

35 Waimanalo WIC Program  
 Waimanalo Health Center  
 41-1347 Kalaniana'ole Hwy.  
 Waimanalo, HI 96795  
 Phone: (808) 259-7948 x152 or 143  
 Fax: (808) 259-0335

05 Community Clinic of Maui WIC  
 Program  
 52 Lono Ave.  
 Kahului, HI 96732  
 Phone: (808) 872-4034  
 Fax: (808) 872-4072

### MOLOKAI

65 Kapiolani WIC Program  
 Kapiolani Medical Health Center  
 1319 Punahou St., Bingham Bldg.,  
 Room B2000  
 Honolulu, HI 96826  
 Phone: (808) 983-8531  
 Fax: (808) 983-6177

45 Windward WIC Program  
 Windward Comprehensive Health Ctr.  
 45-691 Kea'ahala Rd.  
 Kaneohe, HI 96744-3569  
 Phone: (808) 233-5470  
 Fax: (808) 233-5482

Na Pu'uwai WIC Program  
 604 Maunaloa Hwy., Bldg. C  
 Kaunakakai, HI 96748  
 Phone: (808) 560-3653  
 Fax: (808) 560-3385

### HAWAII ISLAND

15 Kokua Kalihi Valley WIC Program  
 Kokua Kalihi Valley Health Center  
 2239 N. School St.  
 Honolulu, HI 96819  
 Phone: (808) 791-9424  
 Fax: (808) 847-1144

40 Hawaii WIC Program  
 Waiakea Kai Plaza  
 88 Kanoelehua Ave., Ste. 201  
 Hilo, HI 96720  
 Phone: (808) 974-4270  
 Fax: (808) 974-4275

### LANAI

Lanai WIC Program  
 Lanai Women's Center  
 478 Lauhala Place  
 P.O. Box 630142  
 Lanai City, HI 96763  
 Phone: (808) 565-9619  
 Fax: (808) 565-9619

### KAUAI

60 Leeward WIC Program  
 Waipahu Civic Center  
 94-275 Mokuola St., Room 101A  
 Waipahu, HI 96797  
 Phone: (808) 675-0365  
 Fax: (808) 675-0371

95 Bay Clinic WIC Program  
 Pahoa Family Health Center  
 15-2868 Government Rd.  
 Pahoa, HI 96778  
 Phone: (808) 965-3030  
 Fax: (808) 965-6240

50 Kauai WIC Program  
 Lihue Town Center  
 3-3122 Kuhio Hwy., Ste. A-17  
 Lihue, HI 96766  
 Phone: (808) 241-3080  
 Fax: (808) 241-3084

**Hawaii WIC Phone: (808) 586-8175  
 or Toll Free From the Neighbor Islands Call: 1-888-820-6425**

The Hawaii WIC Program Vendor Manual is published by the State Department of Health, Hawaii WIC Services Branch. The Manual is designed to assist authorized WIC Vendors and their staff in maintaining compliance with the program rules and regulations as they pertain to the Vendor's day-to-day operations.

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If there are any questions regarding the Hawaii WIC Program or if you wish to schedule a training session, contact the Hawaii WIC Vendor Management Unit at **(808) 586-4776**, or toll free at **1-888-820-6425** if calling from a neighbor island. The WIC Services Branch is located in the Leiopapa A Kamehameha Building at 235 S. Beretania Street, Suite 701, Honolulu, HI 96813.

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In accordance with Federal law and United States Department of Agriculture (USDA) policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability.

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TTY). USDA is an equal opportunity provider and employer.

If you think you have been discriminated against on the basis of breastfeeding, religion, or sexual orientation, write the Hawaii WIC Services Branch, 235 South Beretania Street, Suite 701, Honolulu, Hawaii, 96813-2437 or call (808) 586-8175 (voice and TTY). Persons living on the neighbor islands may call WIC toll free at 1-888-820-6425 (voice). WIC is an equal opportunity provider.

## **Section 14**

# **ATTACHMENTS**

**Update!**  
12/14/2004

## Hawaii Beverage Container Deposit Program



Ever wonder what those “5¢” labels mean on your beverage containers? Wonder no more! It’s Hawaii’s new recycling law, the Bottle Bill. Starting January 1, 2005, you can recycle your containers and get part of your money back!

### How It Works

The deposit program places a 5¢ refundable deposit on each beverage container plus a non-refundable 1¢ container fee. The deposit encourages people to recycle their empty containers. Customers get back their 5¢ deposit when they return the container to a redemption center. The 1¢ container fee is used to pay for redemption center costs.



## What if you are on WIC?

-  **Will I be charged if I get canned or bottled juice with my WIC checks?**  
A 5¢ deposit per beverage container will be charged to you when you redeem your WIC checks. You can get the 5¢ deposit back when you take the container to a redemption center to be recycled. A 1¢ container fee per beverage container *may* also be charged. **WIC pays the 1¢ container fee if charged. Do not pay this fee.**
-  **Are frozen juice or bottled formula/milk containers charged a deposit?**  
No.
-  **How can I tell if the beverage container is a deposit container?**  
Look on the top or side of the container for a deposit label that reads “Hawaii 5¢” or “HI 5¢”
-  **When will I start to be charged the deposit?**  
You may be charged the deposit as early as November 1, 2004 for containers labeled with the Hawaii deposit. By January 1, 2005 you will be charged the deposit on all deposit beverage containers.
-  **When can I redeem the container for the deposit?**  
You may redeem your deposit container at a redemption center beginning January 1, 2005. Containers that do not have the deposit value marked on them will not be eligible for refund of the deposit.

The goal is to recycle as many containers as possible. Every year, about 800 million containers are sold in Hawaii. Most end up in landfills or as litter on our streets and beaches. Let’s all do our part to keep Hawaii a paradise!

Hawaii DOH-WIC Services Branch  
WIC is an equal opportunity provider and employer



Hawaii State Department of Health
WIC Services Branch

Retail Food Vendor Application
For Fiscal Years 2007 - 2010

Please answer all questions, sign, and submit with WIC Vendor Price Survey to WIC Services Branch. Incomplete applications will not be processed. Selection criteria available in Vendor Manual, Section 11

Submission of this application does not constitute authorization to participate in the Hawaii WIC Program. This is not a contract. Participation in the Hawaii WIC Program will not be authorized until all completed application materials have been received, evaluated and approved.

Business Name: \_\_\_\_\_

Doing Business As: \_\_\_\_\_

Business Location (Headquarters if multiple locations): \_\_\_\_\_

City: \_\_\_\_\_ Zip + 4: \_\_\_\_\_ Island: \_\_\_\_\_

Mailing Address (if different): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip + 4: \_\_\_\_\_ Island: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

E-mail: \_\_\_\_\_ Web Page: \_\_\_\_\_

Hawaii General Excise Tax Number: \_\_\_\_\_

Federal Tax I.D. Number: \_\_\_\_\_

Total number of stores/outlets owned: \_\_\_\_\_

Total number of stores/outlets applying for WIC authorization: \_\_\_\_\_

Return Application to: WIC Services Branch
Vendor Management Unit
235 S. Beretania Street, Suite 701
Honolulu, Hawaii 96813

This institution is an equal opportunity provider.

WIC RETAIL FOOD VENDOR APPLICATION  
GENERAL INFORMATION FORM

**Vendor Applicants who are applying for WIC authorization for two or more stores (outlets) may complete one General Information Form to cover all stores.**

OWNER INFORMATION

1. The legal structure of this business is:

- Corporation                       Limited Liability Company                       Incorporated  
 Sole Proprietorship  
 Partnership  
 Military Commissary  
 Co-operative  
 Other: \_\_\_\_\_

2. Type of business:

To be classified as a chain store, the "chain" must have **three** or more outlets. Please indicate the category which best describes the applicant:

- Major chain - National, regional, State > 5 outlets  
 Small chain - Regional, State 3 to 5 outlets  
 Independent - Local outlet, 1 or 2 outlets under the same owner/operator.  
     Large Independent (more than \$1,000,000 total gross annual sales)  
     Small Independent (less than \$1,000,000 total gross annual sales)  
     Military Commissary / Post Exchange  
     Other (Explain) \_\_\_\_\_

3. Is the vendor a full line/service grocery (e.g., vendor has fresh meat, produce, dairy and canned goods section) with a well-stocked line of grocery items featuring 3 or more brands to choose among (most food lines)?             YES                       NO

**Attach a copy of the Proof of Ownership (Registration with the Hawaii State Department of Commerce and Consumer Affairs and Partnership Agreement or Complete Articles of Incorporation).**

Name of the owner(s), partners or corporate officer(s) responsible for the operation of the applicant business.

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

Address: \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_ City: \_\_\_\_\_

State: \_\_\_\_\_ Zip + 4: \_\_\_\_\_ State: \_\_\_\_\_ Zip + 4: \_\_\_\_\_

Phone: \_\_\_\_\_ Phone: \_\_\_\_\_

5. When was the business purchased by its present owner (Month/Day/Year): \_\_\_\_\_

Was the seller a relative?       YES       NO

*If yes, state relationship to seller:* \_\_\_\_\_

6. Has the store owner/manager ever participated in the WIC program in Hawaii or any other state? (Not including the business currently applying for authorization).       YES       NO

If yes, store name: \_\_\_\_\_

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

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP + 4: \_\_\_\_\_

Dates of authorization: From (Month/Day/Year): \_\_\_\_\_ To (Month/Day/Year): \_\_\_\_\_

If more than one store, attach a separate sheet that lists the store name(s), WIC vendor number(s), Store Address(es), and Date(s) of WIC authorization.

7. Has the store(s), its owner(s), officer(s) or manager(s) ever been issued a written warning, sanction, suspension, disqualification, or had an application denied by the WIC program in Hawaii or in any other state?       YES       NO

*If yes, attach a separate sheet that lists the name of the owner(s), officer(s), manager(s), store(s) location, and the reason(s) and date(s) of the warning, sanction, disqualification, suspension or denial of application.*

8. Has a criminal conviction or civil judgment been imposed on the owner(s), officer(s) or manager(s) in the past six years?       YES       NO

9. Is the applicant willing to ensure that no conflict of interest shall exist with the Hawaii WIC Program?       YES       NO

10. Does the business owner presently retain full or part ownership, equal to or greater than 30% of a currently authorized WIC authorized store other than the Applicant business?       YES       NO

*If yes, please attach a separate sheet that lists the store/business name(s) and address(s) and WIC Vendor Number(s).*

11. Is the applicant willing to meet the minimum inventory requirements? (See attachment A, pages 6 – 8)       YES       NO

12. Is the vendor willing to sell WIC foods in the quantities required by WIC participants (e.g., selling Pediasure by the individual can versus by the six pack)?       YES       NO

**TRAINING INFORMATION**

Specify the name of the individual(s) who will be responsible for WIC oversight, training of store personnel on WIC procedures and communicating WIC program changes to the managers, supervisors, cashiers, customer service representatives, bookkeeper and/or accountant and other parties concerned with WIC.

General Training Representative

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ ZIP + 4: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

**PERSONNEL**

Please list the name and phone number of the individual to contact regarding the following:

Cashier Training: \_\_\_\_\_  
Name Phone

Rejected Checks: \_\_\_\_\_  
Name Phone

Operations: \_\_\_\_\_  
Name Phone

Product information: \_\_\_\_\_  
Name Phone

POS (scanner) updates: \_\_\_\_\_  
Name Phone

Customer Complaints: \_\_\_\_\_  
Name Phone

Vendor Stamps: \_\_\_\_\_  
Name Phone

Store Openings/Closings: \_\_\_\_\_  
Name Phone

Vendor Agreement: \_\_\_\_\_  
Name Phone

## STATEMENT OF APPLICATION

**Please read carefully and sign below:**

The undersigned is authorized to act on behalf of the applicant identified on Page one (1) who is applying for authorization to participate in the Hawaii WIC Program. By submitting this application, the undersigned has declared that the business is open, fully stocked, and fully operational and authorized to accept Food Stamps. The undersigned has reviewed, verified and understands the information contained in the WIC Retail Food Vendor application packet.

This application is only a request for a WIC Food Vendor Agreement, and does not constitute an Agreement nor does it guarantee authorization to participate in the Hawaii WIC Program. The Hawaii State Department of Health or its designee may verify the information contained in the application during an on-site visit.

1. I certify that all information submitted on this application is accurate and complete.
2. I certify that the information reflected on the enclosed Price Survey was collected within the last 30 days and reflects the actual shelf price and the actual stock either on the shelf or in storage.
3. I understand that if the application is approved and an Agreement is executed, I will be bound by all rules and requirements of the Hawaii WIC Program, in addition to the terms and conditions of the WIC Vendor Agreement.
4. I understand that if any information contained in this application is found to be false, the application will be denied; or if authorized, can result in being suspended or disqualified from participating in the Hawaii WIC Program.
5. The undersigned declares that he/she is the business' sole owner or has the delegated authority to sign this application on behalf of the owner(s).

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

Name: (Print) \_\_\_\_\_

Title: (Print) \_\_\_\_\_

Phone Number: \_\_\_\_\_

*The information you have supplied to WIC is confidential, and will be disclosed only to management and data operation personnel. The information allowed for general release and thus not subject to confidentiality restrictions includes the Vendor's name, address and authorization status, Vendor's telephone number, website and e-mail address, WIC identification number, and store type.*

**WIC RETAIL FOOD VENDOR APPLICATION  
STORE/OUTLET INFORMATION FORM**

*NOTE: You must complete this form for each store/outlet that is applying for WIC authorization.*

**GENERAL INFORMATION**

Store Name: \_\_\_\_\_ Store No: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip + 4: \_\_\_\_\_ Island: \_\_\_\_\_

Mailing Address (if different): \_\_\_\_\_

City: \_\_\_\_\_ Zip + 4: \_\_\_\_\_ Island: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Manager's Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Designated WIC Contact at this store: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

**FOOD STAMP INFORMATION**

1. Is this store currently authorized to accept Food Stamps?

YES       NO

If yes, list the Food Stamp Authorization Number: \_\_\_\_\_

Food Stamp Authorization Date: \_\_\_\_\_

2. What is the store's average Food Stamp dollar redemption volume per month? \_\_\_\_\_

3. Has the store, its owners or managers ever been cited, suspended, or disqualified by the Food Stamp Program in Hawaii or any other state?

YES       NO

*If yes, please attach a separate sheet that lists the name of the owner(s), officer(s), manager(s), store(s), location(s), and the reason(s) and date of citation, suspension, or disqualification.*

BANK INFORMATION

Name of store's bank: \_\_\_\_\_

Branch: \_\_\_\_\_

Bank Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip + 4: \_\_\_\_\_

Bank Phone Number: \_\_\_\_\_

Account Number: \_\_\_\_\_ Routing Number: \_\_\_\_\_

Date Account was opened: \_\_\_\_\_

SALES INFORMATION

1. What is the individual store's annual gross receipts or sales?  
(Please indicate if information is  Actual or  Estimated)

Food \$ \_\_\_\_\_ + Non-Food \$ \_\_\_\_\_ = Gross \$ \_\_\_\_\_

2. Fiscal year dates for the above figures: \_\_\_\_\_

3. Does the store derive 50% or more of its gross annual income through the sale of grocery items?  
 YES  NO

4. Does the store expect to derive more than 50% of annual food sales revenue from the sale of supplemental foods obtained with WIC food instruments?  YES  NO

5. Does the store sell alcohol and/or tobacco products?  YES  NO  
Alcohol \$ (annual sales) \_\_\_\_\_ Tobacco \$ (annual sales) \_\_\_\_\_

6. Does the applicant sell gasoline as a major product line?  YES  NO  
Gasoline \$ (annual sales) \_\_\_\_\_

7. Is the store a full line/service grocery (e.g., vendor has fresh meat, produce, dairy and canned goods section) with a well-stocked line of grocery items featuring 3 or more brands to choose among (most food lines)?  YES  NO

8. Does the applicant feature non-grocery items as a major retail line?  YES  NO

9. Is the applicant primarily a convenience store featuring a limited number of brands and relatively low inventory of each item?  YES  NO

10. Does the store have an in-store pharmacy?  YES  NO

**STORE OPERATIONS**

1. On what date did this store open for business? \_\_\_\_\_  
 (Month/Day/Year)

2. Days and hours of store operation:

DAY	From	To	Check (✓) if open 24 hours
Sunday	A.M.	P.M.	
Monday	A.M.	P.M.	
Tuesday	A.M.	P.M.	
Wednesday	A.M.	P.M.	
Thursday	A.M.	P.M.	
Friday	A.M.	P.M.	
Saturday	A.M.	P.M.	

3. Indicate the number of cashiers employed by the store:

Number of full-time cashiers: \_\_\_\_\_

Number of part-time cashiers: \_\_\_\_\_

4. Indicate the number of cash registers in the store:

At regular check-out stands: \_\_\_\_\_

At customer service counter: \_\_\_\_\_

At departments (bakery, deli, etc.): \_\_\_\_\_

Total number of registers: \_\_\_\_\_

5. Does the store's check out registers use Point of Sale optical scanning devices (POS scanners) which record product and price information on the customer receipts?  YES  NO

If yes, number of registers (with scanners): \_\_\_\_\_

6. Does the store's check out registers/point of sale system use scanners that can identify WIC allowed foods versus non-WIC foods?  YES  NO

7. Does the store have ATM/EBT devices for customer use?  YES  NO

8. Store size (in square feet):

Retail: \_\_\_\_\_ Storage on-site (stockroom/warehouse): \_\_\_\_\_

9. Does the store have a storage facility off-site?  YES  NO

If yes, Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip + 4: \_\_\_\_\_ Island: \_\_\_\_\_

10. How often are the dairy cases restocked?  Daily  Twice a week  Weekly

11. How often are WIC grocery items restocked (see enclosed *WIC Allowed Foods* list)?  
 Daily  Twice a week  Weekly

12. How do you decide how much WIC stock to order?

- Conduct an informal "walk-through" inventory on a regular basis
- Rely on an automated inventory control system
- Order a certain amount of each item on a scheduled basis
- Other \_\_\_\_\_

WHOLESALEERS

1. Provide name(s) and address(s) of major wholesaler(s) or supplier(s) of WIC approved items and clearly indicate which are infant formula suppliers::

A. Wholesaler 1: \_\_\_\_\_

B. Wholesaler 2: \_\_\_\_\_

C. Wholesaler 3: \_\_\_\_\_

D. Central Corp. Facilities: \_\_\_\_\_

E. Local Dairy: \_\_\_\_\_

F. Local Grower/Producer: \_\_\_\_\_

G. Other Retail Grocer: \_\_\_\_\_

H. Other: \_\_\_\_\_

2. From the above list of suppliers (A = Wholesaler 1, etc.) fill in the appropriate letter(s) (A-H) to indicate the source of the following products:

Fluid Milk: \_\_\_\_\_ Cheese: \_\_\_\_\_ Fresh Eggs: \_\_\_\_\_

Carrots: \_\_\_\_\_ Cereals: \_\_\_\_\_ Infant Formula \_\_\_\_\_

Frozen Juice: \_\_\_\_\_ Canned Juice: \_\_\_\_\_ Salmon (canned) \_\_\_\_\_

Peanut Butter: \_\_\_\_\_ Beans: \_\_\_\_\_ Tuna (canned) \_\_\_\_\_

Plastic Bottled Juice \_\_\_\_\_





controlling Federal or State law, the remaining portions of the Agreement shall remain in effect so long as the intent underlying this Agreement may be met without the invalidated provision.

5. The Vendor shall be considered an independent contractor, not an agent of the WIC Program, the State of Hawaii, or the Federal government.
6. This Agreement shall not constitute a license or a property interest. If the Vendor wishes to continue to be authorized beyond the period of this Agreement, the Vendor must reapply for authorization. If the Vendor is disqualified, the WIC Program will terminate this Agreement, and the Vendor will have to reapply to be authorized after the disqualification period is over. In all cases, the Vendor's new application will be subject to the WIC Program's Vendor selection criteria and any Vendor limiting criteria in effect at the time of the reapplication.
7. This Agreement involves only and all stores under the corporation or business entity as registered with the State of Hawaii, Department of Commerce and Consumer Affairs, and as listed in the applicant's Store/Outlet Information Form (WIC FORM V-004).
8. The Vendor shall be located at a fixed, permanent location. The Vendor shall furnish WIC Allowed Foods to WIC participants only at the site(s) of the vendor location(s) as listed in the applicant's Store/Outlet Information Form (WIC FORM V-004). Home food delivery is not allowable under this Agreement.
9. This Agreement is non-transferable. The death of the Vendor or any change in ownership or sale of the business by the Vendor shall render this Agreement null and void. Vendor agrees to provide fifteen (15) calendar days advance written notice to the WIC Program if the store is going out of business or is being sold.
10. The Vendor shall notify the WIC Program in writing not less than fifteen (15) calendar days of any change in store name, store address, or telephone number.
11. The Vendor (except for pharmacies) shall have authorization from and operate in compliance with the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS), Food Stamp Program, hereinafter referred to as the "Food Stamp Program".
12. The Vendor shall provide the WIC Program with bank information including, but not limited to, the name, branch and account number for the Vendor's authorized bank for acceptance of all WIC checks. The Vendor shall notify the WIC Program in writing of any change in the bank information not less than fifteen (15) calendar days before the change takes place.
13. The Vendor shall comply with this Agreement, Federal and State statutes, regulations, policies, and procedures governing the WIC Program, the Hawaii WIC Program Policy and Procedure Manual, the Vendor Manual and any amendments or additions thereto.
14. The Vendor shall comply with applicable Federal WIC Program regulations as found in the USDA Consolidated Federal Regulations (7 CFR §246). The USDA Consolidated Federal Regulations (7 CFR §246), the Vendor Manual, and the Agreement, are incorporated herein by reference.
15. The Vendor shall be bound by any changes in the USDA Consolidated Federal Regulations (7 CFR §246) and State policies and procedures, including changes in selection criteria if the WIC Program chooses to reassess the Vendor during the Agreement period.

16. This Agreement shall be contingent on the continued operation of the WIC Program. The WIC Program shall immediately notify the Vendor in the event of discontinuance of the WIC Program or unavailability of Federal funds. The WIC Program shall not be liable for any WIC checks accepted by the Vendor after such notification occurs.
17. Neither the Vendor nor the WIC Program, or employees of either, shall profit directly or indirectly in the performance of this Agreement, except as authorized by this Agreement.
18. The Vendor shall not assign or subcontract any of the services under this Agreement, except with written consent from the WIC Program.
19. The Vendor or any of the Vendor's current owners, officers, or managers shall not 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.
20. The selection of Vendors authorized to accept negotiable WIC checks from WIC participants is based upon criteria established by the WIC Program, which are described in the Selection and Authorization criteria in the Vendor Manual.
21. Violations and Sanctions are described in the Vendor Manual.
22. Civil money penalties are described in the Vendor Manual.

#### **GENERAL RESPONSIBILITIES**

1. The Vendor shall designate a person for each outlet who shall be responsible for ensuring Vendor compliance with the terms of this Agreement and the Vendor Manual.
2. The Vendor shall be accountable for the actions or inactions of its employees, owners, officers, managers, and agents as they relate to the requirements of this Agreement, USDA regulations, and the Vendor Manual which include, but are not limited to:
  - a. The handling of WIC transactions;
  - b. The redemption of WIC checks; and
  - c. The provision of WIC supplemental foods.
3. The Vendor shall maintain adequate and convenient hours of operation as listed in the Selection and Authorization criteria of the Vendor Manual.

#### **TRAINING**

1. At least one representative of the Vendor must participate in training annually;
2. Annual vendor training may be provided in a variety of formats, including newsletters, videos, and interactive training;
3. The WIC Program will have sole discretion to designate the date, time and location of all interactive training, except that the WIC Program will provide the vendor with at least one alternative date on which to attend such training;
4. The Vendor shall inform and train cashiers and other staff on WIC Program requirements;
5. The Vendor shall attend special or additional training at the direction of the WIC Program;

6. The Vendor shall provide special or additional training to employees at the direction of the WIC Program.

### **FOOD INVENTORY AND STOCK REQUIREMENTS**

1. The Vendor shall stock and maintain the minimum quantities and varieties of WIC Allowed Foods according to the current Hawaii WIC Program Minimum Inventory Requirements (see Vendor Manual). The Vendor may be disqualified from the WIC Program for failure to maintain the required minimum inventory of WIC Allowed Foods.
2. The WIC Program shall provide the Vendor with the Hawaii WIC Allowed Food list and Hawaii WIC Program's Minimum Inventory Requirements.
3. The Vendor shall mark all WIC Allowed Foods with the current price charged for these products to the general public or prominently display the price of the foods near the location of the foods, in clear view of customers, and in a manner that clearly identifies the price with the specific food item.
4. The Vendor shall submit WIC Vendor Price Surveys upon request of the WIC Program which will occur at least twice annually.

### **SANITATION AND FOOD SAFETY**

1. The Vendor shall be in compliance with all State sanitation codes. The Vendor shall maintain a current State of Hawaii, Department of Health, Food Establishment Permit. The Vendor shall notify the WIC Program immediately and in writing if, for any reason the aforementioned permit is suspended, denied, or revoked.
2. The Vendor shall not sell WIC Allowed Foods or infant formula to WIC participants or authorized representatives after the manufacturer's expiration date printed on the package or container.

### **ACCEPTING WIC CHECKS**

1. The WIC Program may deny payment to the Vendor for WIC checks redeemed in violation of any item of this Agreement or Vendor Manual, and shall demand refunds for payments already made to the Vendor on improperly negotiated WIC checks.
2. The Vendor shall post the "WIC Checks Accepted Here" sign on or near the store entrance. The sign must be posted in a location that is visible to WIC customers to assist them in identifying the store as an authorized Hawaii WIC Vendor.
3. The Vendor shall redeem all WIC checks in accordance with the procedures established in this Agreement and in the Vendor Manual.
4. The Vendor shall:
  - a. Accept WIC checks only from WIC participants or authorized representatives (includes parents, caretakers of infants or child participants, and proxies);
  - b. Refuse WIC checks that have been reported as lost or stolen;
  - c. Refuse WIC checks that have been altered in anyway (including, but not limited to, the use of white out anywhere on a WIC check);
  - d. Accept WIC checks only on or after the "First Day to Use" and on or before the "Last

Day To Use” printed on WIC checks;

- e. Utilize the current WIC Allowed Food List provided by the WIC Program;
- f. Provide WIC participants only the authorized supplemental foods specified on WIC checks at current prices or at less than current prices charged to other customers (participants may purchase less than the quantities specified on the WIC check but never more);
- g. Not substitute other food or non-food items not listed on WIC checks;
- h. Not charge participants, or authorized representatives for food obtained with WIC checks;
- i. Write the date in permanent ink in the “Date of Use” box on WIC checks;
- j. Include only the authorized food items actually provided when calculating the purchase price;
- k. Write the total purchase price in permanent ink in the “Amount” box on WIC checks prior to the check being signed by the WIC participant or authorized representative;
- l. Witness the WIC client or authorized representative sign the WIC check after the purchase “Amount” and “Date of Use” has been entered by the cashier;
- m. Verify that the signature of client or authorized representative entered on WIC checks matches the authorized signature listed on participant’s WIC ID Folder;
- n. Not provide unauthorized food items, non-food items, cash or credit (including rainchecks) in exchange for WIC checks;
- o. Not collect excise tax, sales tax or other taxes on WIC foods obtained with WIC checks;
- p. Not accept out-of-state WIC checks;
- q. The Vendor shall be responsible for all bank charges on returned WIC checks;
- r. Not provide refunds or permit exchanges for WIC foods obtained with WIC checks, except for exchanges of an identical WIC food item when the original WIC food item is defective, spoiled, or has exceeded its “sell by,” “best if used by,” or other date limiting the sale or use of the food item. An identical WIC food item means the exact brand and size as the original WIC food item obtained and returned by the participant.

### **REDEEMING WIC CHECKS**

1. Hawaii WIC Program allows participants to receive supplemental food from any authorized vendor. The Vendor shall:
  - a. Stamp all WIC checks with the authorized state-issued WIC Vendor ID stamp prior to deposit;
  - b. Deposit in the Vendor’s named bank for payment not later than:
    - 1) Sixty (60) calendar days of the “First Day to Use” for regular WIC checks;
    - 2) Thirty (30) calendar days of the “First Day to Use” for replacement WIC checks.
2. WIC checks rejected due to a missing Vendor ID stamp shall be stamped and redeposited by the Vendor, one time only, not later than sixty (60) calendar days of the “First Day to Use”.
3. The Vendor shall not submit WIC checks for payment that:
  - a. Have been reported as either lost or stolen;
  - b. Were redeemed by another Vendor or a store that is not currently authorized as a WIC Vendor;
  - c. Include charges for WIC Allowed foods in excess of the quantities specified on WIC

- checks; or
- d. Are false claims for reimbursement of WIC checks.

## **PAYMENT ON WIC CHECKS**

1. The WIC Program shall group vendors by peer groups, and will calculate the average price for WIC foods by Vendor peer groups. Vendor's prices shall not be more than a price set by WIC based on market price information. Some of the set prices are a calculation of the average redemption amount by food instrument type within a peer group plus a tolerance amount to account for variation of product availability, wholesale price changes, participant selection, and shelf prices. The WIC Program may make price adjustments to the purchase price on WIC checks submitted by the Vendor for redemption to ensure compliance with the price limitations applicable to the Vendor.
2. The WIC Program may authorize its banking contractor to reject WIC checks for payment to the Vendor for, but not limited to, the following reasons:
  - a. The WIC check was reported as lost or stolen;
  - b. The WIC check was altered;
  - c. The "Date of Use" is missing, illegible, not entered in ink, or not properly corrected;
  - d. The dollar "Amount" is missing, illegible, not entered in ink, or not properly corrected;
  - e. The WIC check does not have the signature of the WIC participant or authorized representative (signature must be entered in ink);
  - f. The redeemed dollar value exceeds the maximum dollar value;
  - g. The WIC check was deposited in the bank later than sixty (60) calendar days of the "First Day to Use" for regular WIC checks, or later than thirty (30) calendar days of the "First Day to Use" for replacement WIC checks;
  - h. The WIC check does not have a legible authorized Hawaii WIC Vendor ID stamp number;
  - i. The WIC check was accepted by the Vendor or deposited in the bank prior to the "First Day to Use";
  - j. The Vendor accepted the WIC check after the "Last Day to Use".
3. The Vendor may request reimbursement from the WIC Program for WIC checks rejected for payment. The WIC Program must receive requests for reimbursement no later than ninety (90) calendar days of the rejected checks "First Day to Use". Reimbursement of rejected WIC checks shall be in accordance with the WIC Vendor Manual.
4. The WIC Program shall delay payment or establish a claim in the amount of the full purchase price of each WIC check that contains a Vendor overcharge or other error. The WIC Program shall provide the Vendor the opportunity to justify or correct a vendor overcharge or other error.
5. The Vendor must pay any claim assessed by the WIC Program. In collecting a claim, the WIC Program may offset the claim against current and subsequent amounts to be paid to the Vendor.
6. The Vendor shall not seek full or partial payment or restitution from WIC participants or authorize representatives if the WIC check is not paid or partially paid by the Banking Contractor or the WIC Program, or if the WIC check is damaged. Restitution shall not be requested even if the WIC check was not deposited.

7. The WIC Program shall not be obligated to reimburse the Vendor for bank fees.

### **INSPECTION AND AUDIT**

1. The Vendor agrees to comply with unannounced on-site monitoring visits and compliance investigations conducted by the WIC Program or its representatives.
2. The Vendor shall be monitored for compliance with WIC Program requirements.
3. Monitoring shall include, but is not limited to, the following:
  - a. Inspections performed by personnel from the WIC Program, or the USDA, FNS, or its authorized representatives;
  - b. Unannounced inspection visits; and
  - c. Unannounced, anonymous compliance buys.
4. During on-site monitoring visits, inventory audits, receipt audits, compliance investigations, and site reviews, the vendor shall provide unobstructed access to all WIC checks, shelf prices, register tapes, purchase invoices, inventory records, other program related records, and food storage areas upon request.
5. Inspection visits may be made at any time during normal business hours during the Agreement period. An initial visit may be made before the WIC Program processes the Agreement. Any violation of the WIC Program requirements including, but not limited to, maintaining the required minimum inventory of WIC Allowed foods, may eliminate the Vendor from inclusion in the WIC Program, or disqualify the Vendor from the WIC Program (see Vendor Manual).

### **RECORD KEEPING**

1. The Vendor shall maintain for inspection and audit by the WIC Program, the State of Hawaii, the USDA, FNS, 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 this Agreement for four (4) years after the expiration of this Agreement. Failure to maintain or provide purchase records for infant formula and other WIC Allowed foods as well as other records, including maintaining food sales records of all Food Stamp Program eligible food sales, relating to the performance of the WIC Vendor Agreement that are required will result in a one (1) year disqualification from the WIC Program.
2. The Vendor shall retain records related to disputes, litigation, or settlement of claims arising out of the performance of this Agreement until such time as these matters have been finally resolved or four (4) years, whichever is later.
3. Upon request, the Vendor must make available to representatives of the WIC Program, the State of Hawaii, the USDA, FNS, and the Comptroller General of the United States, at any reasonable time and place for inspection and audit, all WIC checks in the Vendor's possession and all WIC Program related records.
4. The Vendor, at its own expense, shall produce a legible copy of all such records to the WIC Program, upon request of the WIC Program, the State of Hawaii, the USDA, FNS, and the Comptroller General of the United States.

### **RELEASE OF VENDOR AND CLIENT INFORMATION**

1. The WIC Program may share records and information concerning the Vendor's participation in the WIC Program with other entities responsible for oversight, management or enforcement of the WIC Program. This provision includes, but is not limited to, law enforcement agencies. The information allowed for general release and thus not subject to confidentiality restrictions includes the Vendor's name, address and authorization status, Vendor's telephone number, website and e-mail address, WIC identification number, and store type.
2. At the discretion of the WIC Program, it may disclose to all authorized Vendors and Vendor applicants information regarding sanctions which have been imposed, identifying only the Vendor's name, address, length of the disqualification or amount of the civil money penalty, and a summary of the reason(s) for such sanction provided in the notice of adverse action. Such information may be disclosed only following the exhaustion of all administrative and judicial review, in which the WIC Program has prevailed, regarding the sanction imposed on the subject Vendor, or the time period for requesting such review has expired.
3. The Vendor shall keep all information on WIC participants confidential and shall abide by all rules and regulations of federal and state agencies governing the WIC Program.

#### **SUSPENSION AND DISQUALIFICATION**

1. The WIC Program shall disqualify the Vendor for fraud or abuse of the WIC Program committed by the Vendor, its owners, officers, managers, agents and employees. Suspension or disqualification may also result from accumulated penalty points arising from violations (see Vendor Manual).
2. The Vendor shall comply with the selection criteria throughout the Agreement period, including any changes to the criteria. The WIC Program may reassess the Vendor for compliance to the selection criteria at any time. Any failure to comply with the Selection and Authorization criteria must be corrected by the Vendor. The Vendor will be given an opportunity to correct any deficiencies. Failure to correct any deficiencies upon notification from the WIC Program shall result in the termination of the Vendor's Agreement. The WIC Program shall notify the Vendor of the termination not later than fifteen (15) calendar days prior to the effective date.
3. Prior to notification of disqualification, the WIC Program shall determine if the disqualification would cause undue hardship to participants (see Vendor Manual).
4. Disqualification of the Vendor from any other Federal food and nutrition program (e.g. Food Stamp Program) or the revocation of the Vendor's Food Establishment Permit shall result in disqualification from the WIC Program.
5. Disqualification from the WIC Program may result in disqualification as a retailer in the Food Stamp Program. Such disqualification may not be subject to administrative or judicial review under the Food Stamp Program.
6. A Vendor shall not be entitled to receive any WIC compensation for revenues lost as a result of disqualification.
7. A Vendor shall not be entitled to receive any WIC compensation for revenue lost as a result of a disqualification that was later overturned.
8. The issue of participant access shall not be a defense in any disqualification appeal or

hearing.

9. The issue of financial hardship shall not be a defense in any disqualification appeal or hearing.
10. Suspensions that extend past the expiration of the Agreement shall continue in force into the new Agreement period until the end of the suspension period. Vendors who wish to be considered for the new Agreement period must submit an application. If a new Agreement is granted, it shall not become effective until after the expiration of the suspension.
11. Disqualified Vendors shall be considered as having forfeited their authorization and shall be required to apply for authorization after the expiration of their disqualification period.
12. The WIC Program may disqualify a Vendor for overcharging and for failure to pay back overcharges.
13. The WIC Program may disqualify a Vendor for charging for food items not received by WIC participants.
14. The WIC Program may disqualify a Vendor for one (1) year for obtaining infant formula from a source not included on the Hawaii WIC Authorized Infant Formula Sources list.
15. The WIC Program shall notify the Vendor of the suspension or disqualification not later than fifteen (15) calendar days prior to the effective date. However, the date for disqualification for convictions of trafficking or the illegal sale of firearms, ammunition, explosives or controlled substances shall be effective on the date of receipt of the notice.
16. The WIC Program shall not accept voluntary withdrawal of the Vendor as an alternative to disqualification for fraud or abuse.

## **PENALTIES**

1. The Vendor shall also be liable to prosecution under applicable federal, state or local laws, in addition to suspension or disqualification from the WIC Program.
2. Any party who willfully misapplies, steals or fraudulently obtains WIC Program funds shall be subject to a fine of not more than \$25,000.00 or imprisonment for not more than five (5) years or both, if the value of the funds is \$100.00 or more. If the value of the funds is less than \$100.00, the penalties shall include a fine of not more than \$1,000.00 or imprisonment for not more than one year or both according to Federal regulation and subject to State criminal penalties or other applicable laws.
3. The WIC Program has the right to demand refunds from overcharges of WIC Allowed foods, charges for food items not received, and charges for non-authorized items. The Vendor shall be given thirty (30) calendar days within which to justify the overcharge or send in the payment. In the event the Vendor does not remit payment or justify the overcharge, the WIC Program shall withhold such amounts from any monies due to the Vendor.
4. The WIC Program may deny payment for WIC checks redeemed in violation of this Agreement, or demand refunds for payments already made on WIC checks redeemed in violation of this Agreement.
5. In addition to claims collection, the WIC Program shall assess sanctions according to penalty points based on the Violations and Sanctions and Penalty Point Systems established by the

WIC Program (see Vendor Manual). These sanctions shall include, but are not limited to, administrative fines, mandatory training, suspension, disqualification, termination, or assessment of civil money penalties, or any combination of sanctions. The WIC Program does not have to provide prior warning that violations were occurring before imposing such sanctions.

6. Any fine or civil money penalty imposed shall not exceed \$10,000 per violation and \$40,000 per investigation, The civil money penalties levels for convictions of trafficking or illegal sales shall not exceed \$11,000 per violation and \$44,000 per investigation.
7. The WIC Program may offer an installment plan for payment of civil money penalties.
8. The WIC Program shall disqualify a Vendor for non-payment, partial payment, or untimely payment of an assessed civil money penalty.
9. The WIC Program shall not accept voluntary withdrawal to avoid paying a civil money penalty.
10. The WIC Program shall notify the Vendor in writing upon identifying that the Vendor has failed to comply with this Agreement, the Vendor Manual or the USDA Consolidated Federal Regulations 7 CFR § 246. At that time, the WIC Program shall notify the Vendor of the penalty to be assessed according to the Violations and Sanctions, and Penalty Point System established by the WIC Program (see Vendor Manual).
11. The WIC Program reserves the right to carry over penalty points from one Agreement period to the next. The penalty points accumulated on the Vendor's record will be used to evaluate new applications, assess suspensions, termination or disqualifications, or impose a civil money penalty.

## **APPEALS**

1. The Vendor shall have the right to appeal adverse actions of the WIC Program (see Vendor Manual).
2. The Vendor shall have the right to request a full administrative review of the following adverse actions:
  - a. Denial of authorization based on the vendor selection criteria for competitive price;
  - b. Denial of authorization based on the vendor selection criteria for minimum variety and quantity of authorized supplemental foods;
  - c. Denial of authorization based on a determination that the vendor is attempting to circumvent a sanction;
  - d. Termination of an agreement for cause;
  - e. Disqualification;
  - f. Imposition of a fine or a civil money penalty in lieu of disqualification.
3. The Vendor shall have the right to request an abbreviated administrative review of the following adverse actions:
  - a. Denial of authorization based on the vendor selection criteria for business integrity or for a current Food Stamp Program disqualification or civil money penalty for hardship;
  - b. Denial of authorization based on a WIC vendor sanction or a Food Stamp Program withdrawal of authorization or disqualification;

- c. Denial of authorization based on the WIC Program's vendor limiting criteria;
  - d. Denial of authorization based on a vendor submitting an application outside of the time frames during which applications are being accepted and processed;
  - e. Termination of an agreement due to a change in ownership or location or cessation of operations;
  - f. Disqualification based on a trafficking conviction;
  - g. Disqualification based on the imposition of a Food Stamp Program civil money penalty for hardship;
  - h. Disqualification or a civil money penalty imposed in lieu of disqualification based on a mandatory sanction imposed by another WIC Program.
  - i. Denial of authorization based on an absence of Food Stamp Program authorization.
  - j. A WIC Civil Money Penalty imposed in lieu of a disqualification that stems from a Food Stamp Program disqualification.
4. The vendor does not have the right to request an administrative review of the following:
- a. The validity or appropriateness of the WIC Program's vendor limiting or selection criteria;
  - b. The validity or appropriateness of the WIC Program's participant access criteria and the WIC Program's participant access determination;
  - c. The WIC Program's determination whether a Vendor had an effective policy and program in effect to prevent trafficking and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation;
  - d. The expiration of this Agreement;
  - e. Disputes regarding WIC check payments and vendor claims (other than the opportunity to justify or correct a vendor overcharge or other error as permitted by federal regulations);
  - f. Disqualification as a result of disqualification from the Food Stamp Program.
  - g. The validity or appropriateness of the State agency's vendor peer group criteria and the criteria used to identify vendors that are above 50-percent vendors or comparable to above-50-percent vendors.

### **CHANGE IN OWNERSHIP**

1. This Agreement shall be terminated if any of the following events occur:
  - a. The Vendor ceases operations;
  - b. The Vendor moves the store location;
  - c. Ownership (whole or controlling interest) of the Vendor's outlet changes; or
  - d. The Vendor files for bankruptcy.
2. The Vendor shall notify the WIC Program in writing, within fifteen (15) calendar days prior to the date:
  - a. The Vendor ceases operations;
  - b. The Vendor moves the store location;
  - c. Ownership (whole or controlling interest) of the Vendor's outlet changes; or
  - d. If the Vendor files for bankruptcy.
3. Any new owner or operator of the Vendor's outlet shall re-apply to become a WIC Vendor and shall be subject to the WIC Program's Vendor Evaluation Process.

## **TERMINATION AND EXPIRATION OF THE AGREEMENT**

1. Neither the Vendor nor the WIC Program has an obligation, nor an entitlement to renew the Agreement.
2. The Vendor or the WIC Program may terminate for cause this Agreement during its performance period after providing a minimum fifteen (15) calendar days written notice to the other party. Termination of this Agreement, and/or suspension or disqualification of the Vendor, may result from accumulated points arising from violations (see Vendor Manual). Cause may include, but is not limited to:
  - a. False information was provided in connection with the Vendor's application for authorization;
  - b. Low volume of WIC sales (90 or fewer WIC checks redeemed for the most recent fiscal quarter);
  - c. Excessive prices of WIC Allowed foods;
  - d. Demonstrated unwillingness or inability to conform to corrective action recommendations made by the WIC Program;
  - e. Violations of this Agreement, Vendor Manual, state or federal law;
  - f. Fraud; or
  - g. Failure to maintain business integrity (see Vendor Manual).
3. The WIC Program may, at its sole discretion, immediately terminate this Agreement if it establishes that the Vendor provided false information on the Agreement, Application Form, or WIC Food Price Survey.
4. In addition to other rights set forth elsewhere in this Agreement, the WIC Program reserves the right to terminate the Agreement, without cause, effective fifteen (15) calendar days after mailing written notice of termination by certified mail with return receipt requested.
5. The expiration of this Agreement is not subject to appeal.
6. The WIC Program shall provide not less than fifteen (15) calendar days advance written notice of the expiration of the Agreement.
7. All property together with all information, data, reports, and other material provided by the WIC Program or purchased from WIC Program funds shall be protected during use and returned to the WIC Program upon termination of this Agreement.
8. The Vendor ID Stamps are the exclusive property of the WIC Program and shall be returned within ninety (90) calendar days when this Agreement becomes void, is terminated or expires without being renewed.

## **PROHIBITION AGAINST DISCRIMINATION**

1. The Vendor must offer WIC participants and authorized representatives the same courtesies offered to other customers.
2. Both the Vendor and the WIC Program agree to comply with all aspects of anti-discrimination law, including all state and federal law.
3. The Vendor shall not discriminate because of race, color, national origin, sex, age, or disability in any interactions with WIC participants or authorized representatives, or representatives of the WIC Program.

4. The Vendor shall comply with all provisions of the Americans with Disabilities Act of 1990 and its amendments.
5. The WIC Program shall not discriminate because of race, color, national origin, sex, age, or disability in any interactions with Vendors or Vendor applicants.

#### **CONFLICT OF INTEREST**

1. The Vendor ensures that no conflict of interest shall exist with either the WIC Program, or local WIC agencies. A conflict of interest relates to the standard of ethical conduct that no owner, officer, manager, 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.
2. The WIC Program shall terminate the Agreement if the WIC Program identifies a conflict of interest, as defined by applicable State laws, regulations, and policies, between the vendor and the WIC Program or local WIC agencies.

#### **INDEMNITY**

The Vendor shall indemnify and hold harmless the State of Hawaii, the Department of Health, the WIC Program, and their officers, employees, agents from and against any and all actions, claims, suits, damages, losses, and costs arising out of or resulting from the acts or omissions of the Vendor or the Vendor's officers, employees, agents, or subcontractors occurring during or in connection with the performance of the Vendor's services under this Agreement. The Vendor shall defend the State of Hawaii, the Department of Health, WIC Program, and their officers, employees, and agents against any such action or claim.

#### **INSURANCE**

In order to protect itself as well as the State of Hawaii, the WIC Program, and their officers, employees, and agents under the indemnification Agreement set forth above, the Vendor shall obtain, maintain, and keep in force, effective \_\_\_\_\_ through the period of services under this Agreement, appropriate liability insurance issued by an insurance company, naming the State of Hawaii, Department of Health as an additional insured, in a combined amount of at least FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) for bodily injury and property damage liability arising out of each occurrence. Prior to or upon execution of this Agreement, the Vendor shall obtain and attach hereto as Exhibit "A" and make a part hereof, a certificate of insurance verifying the existence of the necessary appropriate liability insurance coverage. If the scheduled expiration date of the existing appropriate liability insurance policy is sooner than the expiration date of the time of performance under this Agreement, the Vendor, upon renewal of the policy, shall promptly cause to be provided to the WIC Program an updated certificate of insurance. If the Vendor's insurance policy is being canceled, either the insurance company shall give the WIC Program thirty (30) calendar days written notice of the intended cancellation or the Vendor shall notify the WIC Program in writing within fifteen (15) calendar days of receipt of the intended cancellation from the insurance company.

**HAWAII DEPARTMENT OF HEALTH  
WIC SERVICES BRANCH**

Hawaii WIC Vendor Manual, and the USDA Consolidated Federal Regulations (7 CFR § 246) in addition to the terms and conditions of this Agreement and the appendices. I understand that I will be bound by these requirements.

The undersigned representative of the Vendor represents, and the WIC Program relies upon such representation, that he or she has authority to sign this Agreement by virtue of (check all that apply):

- Resolutions of the Vendor or other corporate authorizing documents such as partnership resolutions;
- Corporate by-laws of the Vendor, or other similar operating documents of the Vendor, such as partnership agreement, or a limited liability company operating agreement;
- The Vendor is a sole proprietor and as such does not require any authorizing documents to sign this Agreement;
- Other evidence of signing authority: \_\_\_\_\_

BY: \_\_\_\_\_  
**Signature** **Date**

Linda Chock, Chief WIC Services Branch

Hawaii Department of Health, WIC Services Branch

235 S. Beretania Street, Suite 701

Honolulu, Hawaii 96813

(808) 586-8175 or toll free 1-888-820-6425  
Telephone Number

**VENDOR**

I, the undersigned, have read and understand all rules of the Hawaii WIC Program as contained in the

BY: \_\_\_\_\_  
**Signature** **Date**

Print or Type Name and Title of Authorized Person

**Store/Business Name**

Street

**City** **State** **Zip + 4**

County/Island

( )

Telephone Number

**ACKNOWLEDGMENT**

State of Hawaii, City and County of \_\_\_\_\_

Evidence of authority for \_\_\_\_\_,  
the Vendor's representative to sign this Agreement in

behalf of \_\_\_\_\_  
(Corporation/owner)

On this \_\_\_\_\_ day of \_\_\_\_\_,

before me appeared \_\_\_\_\_

and \_\_\_\_\_, to me personally

known, who, being by me duly sworn, did say that they are the

\_\_\_\_\_ and \_\_\_\_\_

respectively, of \_\_\_\_\_,

and that the instrument was signed in behalf of the business entity or corporation, by authority of its

Board of Directors, or owners and \_\_\_\_\_ and \_\_\_\_\_

acknowledged the instrument to be the free act and deed of the business entity or corporation.

Notary Public \_\_\_\_\_  
State of Hawaii

My commission expires \_\_\_\_\_

Vendor Agreement  
Hawaii WIC Services Branch



## **Participant Access Determination Criteria**

### **PURPOSE:**

Prior to disqualifying a vendor, the WIC State Agency must determine if disqualification of the vendor or denial of a WIC Vendor Application would result in inadequate participant access. The WIC State Agency must consider availability of other authorized vendors in the same area as the violative vendor and any geographic barriers to using such vendors. If the WIC State Agency determines that disqualification of the vendor would result in inadequate participant access, the WIC State Agency must impose a civil money penalty in lieu of disqualification. However, the WIC State Agency may not impose a civil money penalty in lieu of disqualification for third or subsequent sanctions for violations that result in a federally mandated sanction.

### **PROCEDURE(S):**

The WIC State Agency will determine if inadequate participant access would result from the disqualification of a vendor or denial of a Vendor Application. Vendors may not use inadequate participant access as an argument when appealing a disqualification from the WIC Program.

1. Inadequate participant access will be established if one of the following conditions apply:
  - a. There is only one other authorized WIC vendor on the island
  - b. There is not another WIC vendor within a five (5) mile radius.
  - c. Physical barriers or conditions hinder normal travel to another WIC authorized store. For example, road closures due to flooding, lava flows, earthquakes, tsunamis, and hurricanes.
  - d. Authorized vendor, within a five (5) mile radius, is closed or open less than 10-hours on a given day for which a vendor applicant is open 10 hours.
  - e. Identified barrier to handicapped participants that cannot be accommodated by authorized vendor within a five (5) mile radius.
  
2. Hawaii WIC Services will determine if inadequate participant access exists in assessing the following:
  - a. Consideration of a WIC Vendor Application.
  - b. Consideration of WIC Vendor Applications outside of scheduled open enrollment.
  - c. Consideration of a Civil Money Penalty in lieu of a vendor disqualification from the WIC Program.

