

## Welcome to Vendor



## FY 2014

WIC vendors are crucial to the success of the WIC Program. Thank you for your commitment to providing nutritious foods for our WIC participants. Federal regulations governing the Alabama WIC Program require all authorized WIC vendors to receive training at least once a year. This newsletter serves as your annual training for FY 2014. By returning the acknowledgement form included with this newsletter, you will receive credit for the required annual training. Please make sure all staff are trained according to the information provided in this newsletter.

The purpose of vendor training is to review important program requirements and to inform you of any changes in the WIC Program. Understanding program requirements will help you stay in compliance with the terms of your WIC Vendor Contract. If you have any questions about WIC, you may either contact the local county health department or the State WIC Office at (334) 206-5673 or 1-888-WIC-HOPE.

### Important WIC Information

Formula changes, package size changes, discontinued products, price surveys, contract requirements.....authorized WIC vendors have a lot to keep track of. The Alabama WIC Program Vendor Procedure Handbook contains valuable information regarding policies and procedures. Referring to this handbook can answer many frequently asked questions.

Alabama WIC Program information, vendor forms and updates are available on the Department's web site at [www.adph.org/wic](http://www.adph.org/wic). Check regularly for new information so that you can stay current on WIC news.

Another way to stay current on WIC news is to subscribe to the VIP newsletter. The newsletter is published on our web site and distributed via e-mail every other month. Send your request to be added to the distribution list to Valeria Patton at [valeria.patton@adph.state.al.us](mailto:valeria.patton@adph.state.al.us).



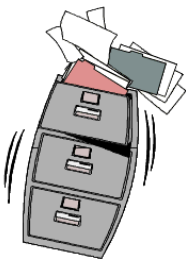
# Alabama WIC Vendor Contract

The Alabama WIC Vendor Contract describes the contractual obligations between the owners of a store, store personnel, and the Alabama WIC Program. The requirements identified in the contract are based on federal regulations and state administrative rules that govern the WIC Program.

The vendor contract cites standard contract provisions, as well as requirements for authorized WIC vendors. Sanctions for violations are also included. If you have not already done so, please read it carefully. If you have any questions about its content, you may contact the State WIC Office.

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## Retaining Records for WIC Review



As part of the Alabama WIC Vendor Contract, upon request by the Department or Federal Agency, your store must make available any and all records pertinent to the contract for review including records of purchases of WIC items for resale and food instruments and cash value vouchers. These records must include a detailed listing of items and quantities purchased and names and addresses of the wholesaler or seller.

Documentation to establish food sales must also be maintained. The necessary documentation includes monthly sales tax reports that were submitted to the Department of Revenue reflecting total gross sales, as well as financial statements, reports, tax forms or other records sufficient for establishing food sales.

Vendor shall maintain, in an accessible manner, all pertinent records for a period of three (3) years after the fiscal year close out. The retention period begins at the close out of each fiscal year as defined by the fiscal year of the State of Alabama (October 1st through September 30th). Close out is defined as February of the following year. The Department may, by written notice, require longer retention of any records necessary for resolution of any audit or litigation.

# Alabama e-WIC Implementation



Recognizing the value of e-WIC, the federal government issued a mandate as part of The Healthy, Hunger-Free Kids Act of 2010 that each state agency must implement an EBT system throughout the state by October 1, 2020.

e-WIC will improve the shopping experience for WIC customers and make WIC transaction easier for cashiers.

The Alabama WIC Program is continuing plans to implement an online e-WIC system. Alabama is hopeful to begin the implementation process in early 2016. The Alabama WIC Program will continue to work with our vendor community during the planning and implementation of e-WIC.

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## Crossroads - Management Information System

The Alabama WIC Program began implementing a new Management Information System (MIS) called Crossroads on February 24, 2014. Crossroads will be completely statewide in October 2014. Participants who receive food instruments/cash value vouchers from the new system can present at any authorized WIC vendor across the state.

The food instruments/cash-value vouchers issued through Crossroads will remain the same color but have some minor changes in appearance. The following changes will be seen on food instruments/cash-value vouchers issued through Crossroads:

- Benefits in Crossroads are aggregated (combined) by family; therefore, more foods may appear on the food instrument and the quantity of the foods listed on each food instrument may be greater.
- Infant formula will be issued on a separate food instrument but with the family name.
- Because family benefits will be aggregated (combined), the cash value voucher will be issued to the family. Combining the cash value vouchers by family will result in amounts that vary from what you are used to seeing. You must follow the same procedures currently in place for processing cash value vouchers.

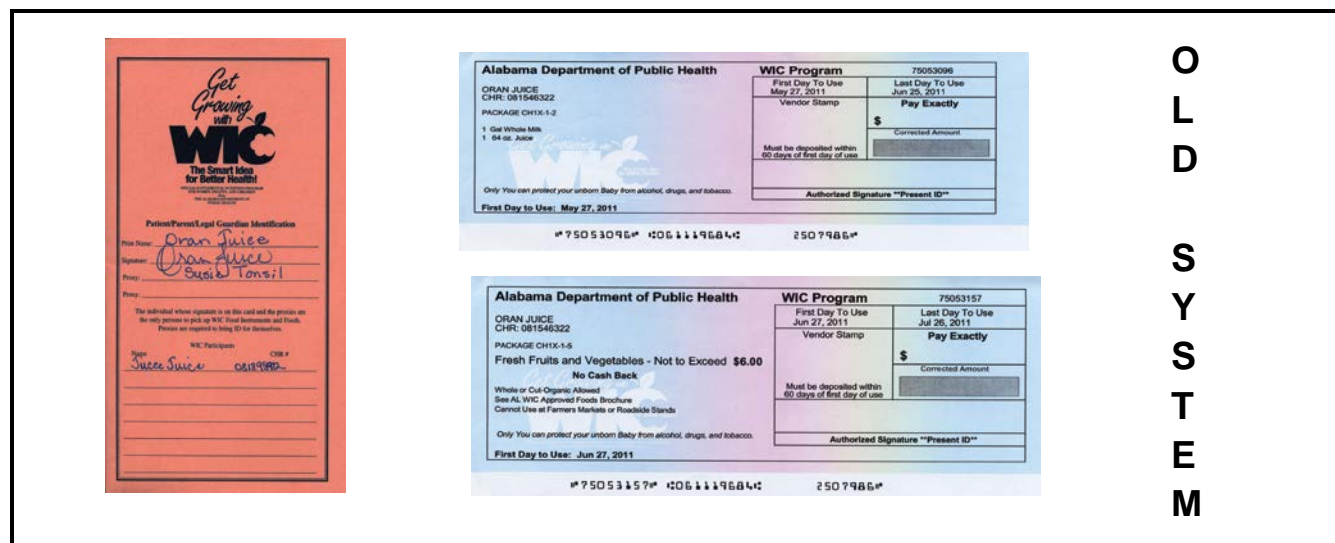
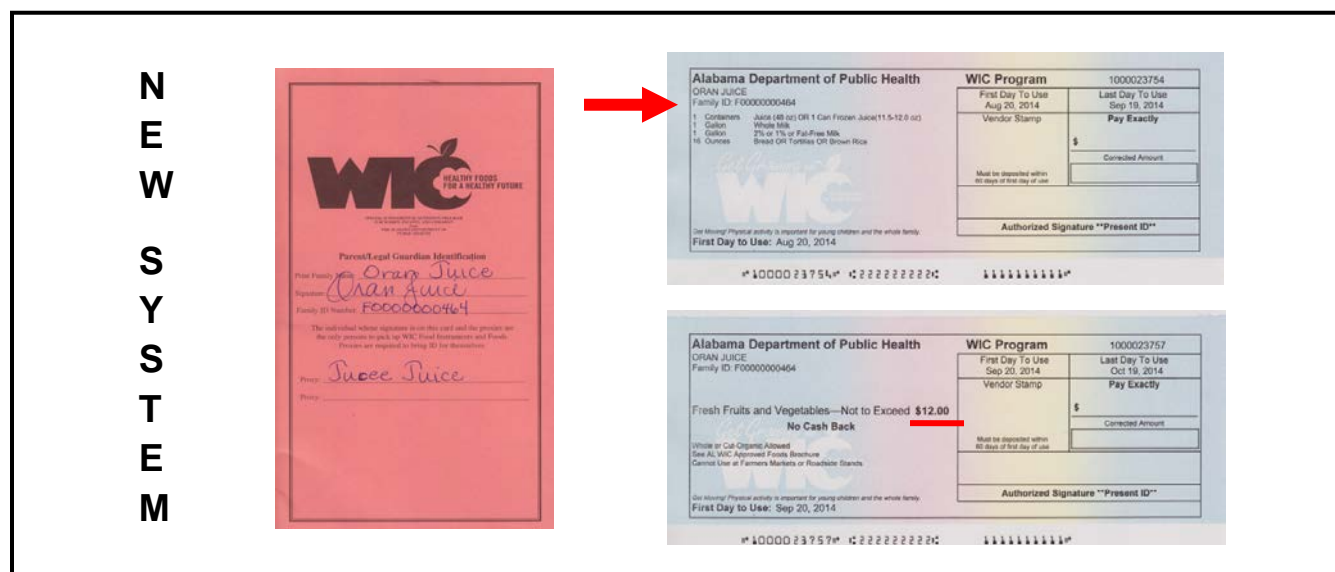
Due to Crossroads issuing benefits at the family level, the Alabama WIC Identification (ID) Folder (orange in color) which identifies individuals eligible to redeem WIC food instruments has also been updated.

The Alabama WIC Identification (ID) Folder described on page 10 of the Alabama WIC Program Vendor Procedure Handbook has changed as follows:

- The listing of participants will be removed as the benefits are issued to the Parent or Legal Guardian for the family.
- Instead of CHR # a Family ID Number will be listed.

Until all areas of the state begin to use Crossroads, you may see food instruments/cash-value vouchers and Alabama WIC Identification Folders that are from both the old and the new systems. These changes in appearance do not change policies outlined in the Alabama WIC Program Vendor Procedure Handbook and the Alabama WIC Vendor Contract.

Shown below are pictures of the Orange ID Folder, food instruments and cash value vouchers printed from both systems.



# IMPORTANT MILK INFORMATION

## 2% Milk Change

Effective October 1, 2014, the Alabama WIC Program will no longer be issuing 2% milk to WIC participants. This is in accordance with Federal Regulations governing the WIC program that were revised March 2014.

As an authorized WIC vendor you could see valid Food Instruments (FIs) with 2% milk through the month of January as they were issued prior to October 1, 2014. As always, please redeem items as they are listed on the FIs.



## Lactose Free Milk

Lactose Free milk is allowed, even though it is **not specified** on the food instrument. Calcium



enriched, lactose reduced or lactose free milk is WIC approved and **does not** have to be specified on the food instrument. However, individuals must get the type of calcium enriched, lactose reduced or lactose free milk (whole, 1%, or fat-free) that is listed on their food instrument.

In cases where your store does not stock the type of milk printed on the food instrument in lactose free, the WIC participant may purchase the type of lactose free milk that is available.

## Least Expensive Brand

The Alabama WIC Program requires participants to purchase the least expensive brand of some WIC approved foods in order to control cost. It is the policy of the WIC Program that participants purchase the least expensive brand available **on the shelf at the time of purchase** for milk, cheese, and peanut butter **ONLY**. **Vendors cannot require the individual to purchase the least expensive brand available of any other WIC food item.**

Store brands are usually the least expensive products, but if a store is out of a store brand at the time of purchase, the next least expensive brand **must** be allowed for purchase, even if it is a name brand.

Least expensive  
brand does not  
always mean  
"store" brand!

# IMPORTANT PAYMENT PROCESSING INFORMATION

When Food Instruments (FIs) or Cash Value Vouchers (CVVs) are rejected by your bank and returned to you, the bank may charge you a fee. To prevent incurring any fees, you should review all FIs and CVVs **prior to deposit** to ensure they have been processed correctly. Per the Alabama WIC Vendor Contract, the vendor is responsible for banking costs incurred for returned food instruments and cash value vouchers be it a Vendor or Department error.



## Cash Value Voucher Example:

A cashier entered a price that is **more than** the face value of the CVV. Prior to depositing the cash value voucher simply draw a single line through the incorrect amount. Write the correct amount in the Corrected Amount box.

## Help Prevent Payment Errors

When entering a price on a FI or CVV, please make sure to clearly write each number. Shown below are examples in which the price that was written on the FI or CVV is not clear, resulting in a misread of the payment amount.

The bank read this amount as \$87.43; the store intended \$27.43

The bank read this amount as \$85.61; the store intended \$35.61

The bank read this amount as \$91.63; the store intended \$21.63

The bank read this amount as \$110.87; the store intended \$40.87

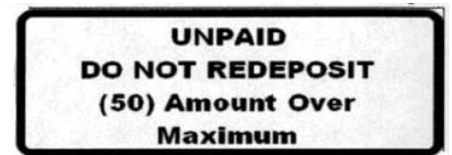


# Appeal for Payment

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An appeal for payment will **only be considered** for Food Instruments or Cash Value Vouchers rejected for **Amount over Maximum**.

The request must be made on the Alabama WIC Program Appeal Request form. The form is available on our website: [www.adph.org/WIC](http://www.adph.org/WIC).



A vendor must complete and submit the Appeal Request Form to the Department within ninety (90) days of the **First Day to Use** printed on the FI or CVV.

A brief explanation must be included on the form describing the circumstances, the reason why payment should be reconsidered, and what steps have been taken to prevent problems in the future.

A copy of the FI or CVV from the bank of first deposit showing the rejection stamp and a **copy of the receipt or journal transaction** must be included with the request.

**Incomplete** Appeal Request forms or appeals that do not include the FI or CVV and the receipt/journal of transaction **will be denied**.

## Out of State Food Instruments

Train all cashiers to be mindful when accepting food instruments from other state WIC Programs.

The Alabama WIC Program **will not** reimburse a vendor if a cashier accepts a food instrument or cash value voucher from another state WIC program.



# 8 Steps to Conducting a WIC Transaction

1

Request to see the WIC ID Folder and check for signature.



2

Ask for the FIs or CVVs being used for that day's transaction.



3

Make sure the FI or CVV is valid by checking the first day and the last day to use.

4

Group the WIC check to ensure only foods are being purchased and the quantity is correct.

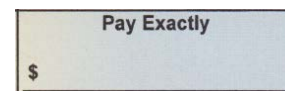
First Day To Use  
Aug 20, 2014

Last Day To Use  
Sep 19, 2014

foods by FI or CVV.  
WIC approved

5

Enter the "pay exactly" amount on the FI. For CVVs, the pay exactly amount must be equal to or less than the face value of the CVV. **NEVER** enter a price that is **more than** the face value of the CVV.



6

Ask the WIC shopper to sign each FI or CVV.



7

Compare the WIC shopper's signature on the FI or CVV with the signature on the ID. For a participant, only the orange ID folder is needed.

For all other WIC shoppers, compare signature against their ID. The ID does not have to be a driver's license; however, the document should contain the person's signature for comparison.

8

After all WIC transactions have been completed, return the WIC ID folder along with the cash register receipt, to the WIC shopper.

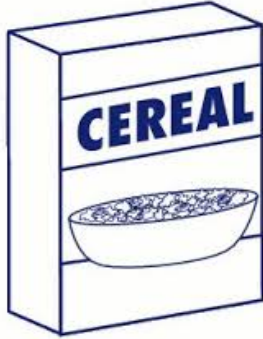




## How to Combine WIC Approved Cereals

WIC shoppers are allowed to:

- ✓ Buy only WIC approved cereals pictured in the Alabama WIC Approved Foods brochure.
- ✓ Buy 14 to 36 ounce boxes or bags **only**.
- ✓ Buy any combination that does not go over 36 ounces.



### EXAMPLES:

Here are some of the **possible** combinations that do not go over 36 ounces. These examples do not, in any way, suggest that these are the only combinations available. The WIC shopper may purchase any combination as long as it does not exceed the maximum of 36 ounces.

**14 oz + 18 oz = 32 oz.**

**14.5 oz + 17.9 oz. = 32.4 oz.**

**15.5 oz. + 17.9 oz. = 33.4 oz.**

**15.5 oz. + 20 oz. = 35.5 oz.**

**17.9 oz. + 18 oz. = 35.9 oz.**

**18 oz. + 18 oz. = 36 oz.**

**36 oz. = 36 oz.**

## Infant Formula Helpful Hints

### Train all cashiers to:

**Never** allow a WIC customer to purchase a formula other than the brand, container size, or type of formula specified on the food instrument.

**Never** allow a substitution. WIC customers cannot substitute another brand of formula if the brand specified on the food instrument is out of stock.

**Never** partially fill a food instrument for infant formula. If there is not enough product in stock instruct the customer to go to another store. Rain checks and IOUs are not allowed and must never be provided.

**Never** allow a WIC customer to exchange formula for another type of formula or for cash. If a cashier allows a WIC customer to purchase an incorrect formula and the WIC customer returns to the store they must be instructed to return to the local clinic.



Federal Regulations and State Administrative Rules require that authorized WIC vendors purchase infant formula provided to WIC customers from sources on a list maintained by the State WIC Office. The list of Alabama approved sources can be viewed on our web site at [www.adph.org/wic](http://www.adph.org/wic) or can be obtained by calling 1-888-942-4673.

## Remaining Cost Competitive

Federal Regulations governing the WIC Program requires all vendors to maintain competitive pricing for supplemental foods.



As a WIC authorized vendor, the prices you charge for WIC approved foods must be competitive with stores of similar size. Charging a WIC participant higher prices for food items than the prices charged the general public for those same items is prohibited.

Failure to remain cost competitive can result in termination of your Alabama WIC Vendor Contract.

## Price Surveys

Authorized WIC Vendors are required to submit a semiannual price survey. Vendors are notified when the price survey is due. If not returned by due date, you will be fined in accordance with your Vendor Contract.

It is extremely important that accurate information is provided as this information sets the maximum allowable reimbursement level.

### Price Survey Completion Tips:

- Report **current** shelf prices.
- Do not report sale prices.
- Only provide prices for items in stock.
- Ensure the price entered for an item on the price survey is for the size/amount indicated.
- Ensure the prices given are legible.
- Review for accuracy before submitting.

## Reporting Price Increases



For your convenience, a Price Increase Request Form has been created as a fillable document on the vendor page of the Department's web site, [www.adph.org/wic](http://www.adph.org/wic). Information can be typed into the spaces provided; however, the form will need to be printed, signed, and either faxed or mailed to complete the request for a price increase. **No price increases over the current price maximum will be accepted.** The State WIC Office will notify any vendor whose price increase exceeds the current price maximum.

## Replacement Stamps



Replacement Stamps are provided by the State WIC Office. Vendors are no longer allowed to purchase their own replacement stamp. If you are in need of a replacement stamp, a request form has been placed on the web site for your convenience. The form can be accessed at [www.adph.org/wic](http://www.adph.org/wic).

**Remember: A vendor is only allowed to have one (1) stamp at a time.**

## VENDOR STAMP

**REMEMBER:** You are required to stamp all WIC food instruments and cash value vouchers with your store's vendor ID number before depositing.

Vendor stamps should be re-inked periodically. If the stamp appears light on the food instruments or cash value vouchers, it is time for the stamp to be re-inked. Refill ink needs to be a water-base ink. Be sure to allow some time for the ink to soak in. If the stamp needs to be cleaned, dampen a toothbrush and rub gently. **Do not** use any product to clean the stamp as this may destroy the quality of the stamp.

## WIC Logo

Use of the WIC logo or acronym in the store name or advertisement on the building in any way is prohibited. The Alabama WIC Program provides "WE ARE WIC APPROVED!" window clings (ADPH.WIC.269) to notify the general public that a retailer is an authorized WIC vendor.

## Proper Use of Shelf Labels

The Alabama WIC Program has available a state approved shelf label identifying food items as Alabama WIC approved. These shelf labels are to be placed at the exact spot that contains the WIC approved food item. Applying shelf labels directly on the WIC approved food item is strictly prohibited.

Ensuring that shelf labels correctly identify the WIC approved item improves the shopping experience.

## Vendor Complaint Process

At the State WIC Office, we are very concerned about program abuse and take all complaints seriously. If you suspect another participant or vendor is abusing the Alabama WIC Program, call your local clinic or the State WIC Office to report the abuse.



Investigations are conducted into all complaints received, either at the local clinic or State WIC Office. Due to the confidential nature of WIC investigations, no information can be released regarding the outcome. A complaint form can be obtained on our website.

## Minimum Stock Requirements

- ❖ Authorized WIC vendors must maintain the minimum stock of WIC approved foods at all times, regardless of the number of WIC transactions at any given time. A complete list of the Minimum Stock Requirements can be found at the end of the Alabama WIC Program Vendor Procedure Handbook. These requirements allow for a WIC participant to fill a food instrument/cash value voucher and not deplete inventory should another participant present the same type food instrument/cash value voucher. Failure to maintain minimum quantities will result in termination of the Alabama WIC Vendor Contract.
- ❖ If at any time a WIC representative determines the vendor does not meet the Minimum Stock Requirements, the vendor will be required to show official documentation that the item is on order and scheduled for delivery. Failure to have such documentation on hand or provide documentation within 24 hours of the visit will result in termination of the Alabama WIC Vendor Contract.

### **REMINDER:**

NEVER issue a rain check if you do not have enough stock on hand to fill a WIC food instrument.

NEVER charge the WIC Program for items not received by the participant.

## Routine Monitoring

- ❖ Authorized WIC vendors are subject to routine monitoring visits at anytime for compliance to WIC requirements. During the monitoring visit, the WIC representative will be verifying minimum stock, checking pricing, and product expiration dates.
- ❖ They will ask to see all food instruments and cash value vouchers, infant formula invoices, and interview employees to determine their knowledge of WIC program requirements.
- ❖ If the WIC representative documents any noncompliance during the monitoring visit, the vendor will receive the appropriate sanction for the violation.
- ❖ Monitoring visits are a good time for store employees to ask the WIC representative any questions or express concerns that they may have about the WIC Program.

# Don't Break the Rules!

## Common Mistakes Can Lead to a Sanction

Cashier allowing the participant to sign the food instrument/cash value voucher prior to completing the "Pay Exactly" box.

- ❖ **The cashier must enter the purchase amount prior to obtaining signature.**

Cashier allowing the purchase of unauthorized food items.

- ❖ **Only WIC approved foods can be purchased with a food instrument/cash value voucher. Use the Alabama WIC Approved Foods Brochure to make sure staff are familiar with approved foods.**



No price on the item or shelving unit.

- ❖ **Current prices must be marked on the item or shelf.**

Not having the minimum inventory in stock.

- ❖ **Minimum stock requirements are listed in the Alabama WIC Program Vendor Procedure Handbook. Minimum stock requirements must be maintained at all times.**

WIC participants must be charged the same or a lower price than regular customers on WIC items.

- ❖ **Charging a higher price to WIC participants is considered a vendor overcharge and may lead to disqualification from the Alabama WIC Program.**

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## ALWAYS PROVIDE GOOD CUSTOMER SERVICE

Please treat WIC shoppers with the same courtesy and respect as you do all shoppers. A WIC transaction may take a little more time for both the WIC shopper and cashier, but a friendly smile, eye contact, and politeness go a long way in making the WIC shopping experience positive for everyone.

Satisfied WIC shoppers often buy other store items. They may become repeat shoppers and recommend your store to their friends. Just imagine how this could lead to increased store sales.

### Additional Supplies

If you are in need of any supplies, such as shelf labels, approved foods brochures, or window clings, please contact Maxine Hawthorne at (334) 206-5673.