Vendor Management

Kentucky Public Health
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VENDOR MANAGEMENT SECTION INDEX

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VENDOR APPLICATION PROCESS

Before any food instruments can be accepted, each vendor applicant must complete the forms contained in the application packet. The Kentucky WIC Manual for Applying Retailers provided detailed instructions for the completion of each of the forms. The applying vendor must receive an on-site visit by the local agency. This on-site visit is performed only if the applying owner has taken possession of the store, or in the case of a transfer of ownership after the transfer has been completed.

A. For applying grocery/drug stores, the local agency will:

1. Provide the applicant with the appropriate vendor application packet upon request. The packet is available from the State WIC Office and contains the necessary forms. Inform the vendor applicant that food instruments cannot be redeemed until the authorized vendor stamp has been received, the stand-beside device or POS integration has been activated, and training has been received on the procedures for handling food instruments.

2. Submit the properly completed application, price list**,** three (3) copies of the Vendor Agreement, vendor sales form, Sales & Use Tax forms, deposit form, and CDP contract to the State WIC Office within thirty (30) calendar days of receipt.

3. Notify the vendor applicant if he does not meet the criteria to be a WIC vendor after two (2) site visits in writing, stating the reason for the denial of the application, the right to appeal and cite the authorization criteria and appeal procedure. The authorization criterion is in Administrative Regulation 902 KAR 18:050 and the appeal procedure is in 902 KAR 18:080.
   a. A copy of the denial letter and the application must be placed in the agency file and copied to the State WIC Office.
   b. Do not sign a Kentucky WIC Vendor Agreement with an unqualified vendor applicant.
   c. The applicant cannot reapply for the Program for sixty (60) days from the date of denial. After three (3) unsuccessful reviews, the applicant may not apply for one hundred twenty (120) days from the date of denial. Each subsequent denial results in an additional sixty (60) days before an applicant may reapply.

4. Verify the vendor applicant is eligible based upon the local agency review. If he is eligible, have the applying owner, corporate representative or lessee (if applicable) sign three (3) original Agreements. Review the Agreement and the consequences of Program abuse with the vendor applicant. Inform the applicant not to redeem any WIC food instruments until vendor stamp has been received and stand-beside device or POS integration has been activated. If any transactions are made, a monetary claim will be imposed.

5. Deliver the authorized WIC vendor stamp, vendor's copy of the Agreement, training checklist, manual, shelf tags, door decals and food lists within fourteen (14) calendar days of receipt of the stamp from the State WIC Office. (Note: the POS/XAC device (if applicable) will be sent to the vendor by the EBT host processor.) Training of the vendor in WIC Program policies and procedures must be performed by this time. See the Initial Vendor Training Outline for specifics regarding training. Use the appropriate Vendor Training Checklist (WIC-39) for documentation. Send a copy of the completed checklist to the State WIC Office.

6. Retain copies of the completed forms in the vendor's file for the length of time the vendor is on the Program.

B. For applying grocery stores the local agency will:

1. Provide the applicant with the Vendor application packet which contains: (See Forms in this Section)

   a. The Kentucky WIC Vendor Application (WIC-14)

   b. The Kentucky WIC Approved Items Price List (WIC-24)

   c. WIC Vendor Sales Information Form (WIC-16)

d. Three (3) original Kentucky WIC Vendor Agreements (WIC-13)

e. The Kentucky WIC Manual for Applying Retailers

f. Bank deposit form

g. EBT contract

2. Perform an on-site visit to the store upon receipt of a properly completed application, which includes the following:

   a. Grocer's section of Application fully completed.

   b. A completed price list.

   c. Vendor sales form (WIC-16) with Kentucky Sales & Use Tax forms.

3. Use the Local Agency Use Only section of the Vendor Application (WIC-14) to:

   a. Determine if the store stocks the minimum inventory by circling "yes" if the store meets both the "inventory specifications" and the "total quantity required in stock." Circle "no" if the store does not meet inventory. The stock must be on the shelves or in the stockroom. Expired foods are not to be counted for meeting inventory.

   b. Indicate if the prices of the food items in the store are clearly marked either on the shelf, display case or on the food item by circling "yes" or "no." Pricing must be displayed in order to comply with the terms of the Vendor Agreement (WIC-13).

   c. Verify that the prices on the Approved Items Price List (WIC-24), submitted by the store, match the shelf, item or display case price of the WIC approved foods. A cost plus 10% store must post the final price (WIC price) on the shelf or on signage in the aisle. Complete another price list if corrections are necessary. Sign the WIC-24 to indicate the prices have been reviewed.

   d. Indicate if the store is primarily a retail grocery or convenience store.

   e. Indicate other items sold at this store (e.g. gasoline, lottery tickets, hardware, etc.).

   f. Indicate whether or not the store is eligible or not based upon the review of the criteria for selection of vendors. See Process to Become a Vendor in the Kentucky WIC Manual for Applying Retailers.

   g. If the application is to be denied, the local agency will notify the retailer. See Forms in this Section for Sample Letter.

   h. Remind the store that drug stores must be able to supply formula within forty-eight (48) hours of verbal request. (See 1.e) of the Kentucky WIC Vendor Agreement (WIC-13).

   i. Drug stores are solely authorized for the purpose of providing special formula.

C. Major and Independent Chain Stores Participating in the WIC Program. If participating major or independent chains open a new store, the local agency will:

1. Send an application packet to the store or corporate representative upon request. This packet is requested from the State Agency.

2. Check with the State WIC Office to determine if this is a major or independent chain in good standing.

3. Instruct the applicant to contact the local agency when the store has received and stocked nonperishable (dry) inventory. The on-site visit may be done at this time to review the dry inventory. Perishable products, such as milk and cheese, are normally stocked one (1) to two (2) days prior to the opening of the store for business.

4. At the time of the on-site visit, the applicant will supply the local agency staff with the names of the perishable products and their respective prices. All prices will be entered on the Price List.

5. WIC business cannot begin until the completed Application (WIC-14) and Agreement (WIC-13) are approved, the vendor stamp is received, the stand-beside device or POS integration is activated and store management is trained in WIC procedures.

D. The State WIC Office will:

1. Send an approval letter, vendor stamp, two (2) signed copies of the Vendor Agreement, training checklist, manual, shelf tags, door decals, and food lists to the local agency within thirty (30) calendar days of receipt of the properly and fully completed application (WIC-14).

2. Request, in specific cases, a bill of sale, proof of ownership and/or other documentation.

VENDOR AGREEMENT

The Agreement provides a written contract between the local agency and the participating WIC vendor regarding applicable Federal and State Regulations, policies and procedures related to the WIC Program. This is to be completed, upon qualification, for a vendor applicant. For a contract renewal with an existing vendor, the Agreements are due at the State WIC Office by October 1, of each year. See Forms in this Section for a copy of the Agreement. Refer to the Kentucky WIC Manual for Applying Retailers for instructions.

The following are the instructions for completion:

1. Complete three (3) original Agreements for each vendor who meets the criteria for the selection of vendors.

2. Vendor Number is the number assigned by the State WIC Office. Leave blank if this is an applying vendor.

3. Date is the day, month and year the vendor signs the contract.

4. First Party is the name and address of the local agency.

5. Second Party is the name and address of the vendor.

6. Signature Page (Back page of Agreement)

   a. Second Party

      1) Business Name is the name of the grocery store.

      2) Vendor Number is the number assigned to correspond with the Authorized WIC Vendor Stamp.

      3) Name of Authorized Official is the name and title of the owner of the store. The only exception will be a chain store whose authorized representative is at the corporate level and may not be the owner.

      4) Signature of Authorized Official is the signature of the owner of the store or authorized representative of a corporation.

      5) Date Signed is the date the Authorized Official signs the Agreement.

   b. First Party

      1) Agency Name is the name of the local agency.

      2) Signature of Authorized Official is the signature of the Local Health Director.

      3) Date Signed is the date the Authorized Official signs the Agreement.

   c. Approved By

      1) Signature of Authorized Official, Kentucky WIC Program, Department for Public Health, Cabinet for Health and Family Services is the signature of the Kentucky State WIC Director.

      2) Date Signed is the date the Authorized Official, Kentucky WIC Program, Department for Public Health, Cabinet for Health and Family Services signs the Agreement.

7. When there is more than one outlet within the same local agency, then all outlets (including addresses and managers) are to be listed on Attachment B.

8. Mail three (3) original Vendor Agreements to the State WIC Office for approval.

a. For initial Vendor Agreement:

(1) The appropriate application and price list must be submitted by the local agency.

(2) The State WIC Office will return two (2) original Vendor Agreements, a Vendor Packet, the Authorized WIC Vendor Stamp and a letter of approval to the local agency.

b. For renewal Agreements:

(1) A completed Vendor Training Checklist must be submitted by the local agency.

(2) The State WIC Office will return two (2) original Vendor Agreements and a letter of approval to the local agency.

9. One (1) Vendor Agreement, along with the notice of approval, must be retained by the local agency. The other Vendor Agreement is to be given to the vendor.

10. One (1) original Vendor Agreement and a copy of the approval letter will be on file at the State WIC Office.

CHANGE IN VENDOR AGREEMENTS

During the contract period changes such as ownership, name, management and location may occur. The circumstances surrounding the change in the business will determine whether WIC business ceases or if WIC business continues. **However, in all cases the vendor must notify the contracting agency immediately.** As stated in the Kentucky WIC Vendor Agreement and Federal Regulations, "This Agreement is non-transferable and shall become void upon change of ownership." The authorized WIC vendor should notify the contracting agency, in writing, at least ten (10) days of any change. See Forms Index for Application Update and Agreement.

A. Change in ownership applies to, but is not limited to, the following circumstances:

1. The owner (individual or corporation) of an authorized WIC vendor sells the business to another person (individual or corporation).

2. The owner (individual or corporation) of an authorized WIC vendor sells the business to a relative living in the same household.

3. The owner (individual or corporation) of an authorized WIC vendor leases the store to another person. The lessee becomes the obligating authority.

4. The sole owner of an authorized WIC vendor dies.

B. The following procedures shall be followed for changes in ownership:

1. The local agency must immediately notify the State WIC Office, in writing, of any change in ownership.

2. The WIC Vendor Stamp and stand-beside device, if applicable, must be surrendered to the local agency. The local agency must make every attempt to obtain the WIC Vendor Stamp and stand-beside device, if applicable. If ~~it~~ they cannot be obtained, the State WIC Office must be notified in writing. The stamp and stand-beside device, if applicable, must be forwarded within ten (10) days of receipt to the State WIC Office.

3. WIC business will cease at the time of the sale of the store or death of the owner the local agency must inform the retailer to not redeem food instruments. If the new owner continues to do business using the vendor stamp of stand-beside device, if applicable, the State Agency will assess a monetary claim.

C. If the store is being closed:

1. The local agency must immediately notify the State WIC Office, in writing, of the sale of the business.

2. The WIC vendor stamp and stand-beside device, if applicable, must be surrendered to the local agency. All systems transacting Kentucky eWIC benefits are disconnected by the State WIC Agency.
3. If the new owner continues to do business using the vendor stamp and stand-beside device or integrated point of sale system, the State Agency will assess a monetary claim.

D. If the co-owner of an authorized WIC vendor sells the business to the other co-owner(s) that is listed on the Application or Agreement:

1. The local agency must immediately notify the State WIC Office, in writing, of the sale of the business.

2. The vendor may continue to do business as usual.

3. The local agency will have the owner(s) sign three (3) original Vendor Agreements, if the signature is not already on the Agreement. An Application is not required. (See Agreement)

E. If the manager of a chain store leaves the business and is listed on Attachment B of the Agreement:

1. The local agency must immediately notify the State WIC office, in writing, of the change of management.

2. The vendor may continue to do WIC business as usual.

3. The State WIC Office may request an Application Update. See Forms in this Section.

F. If the name of the store has changed, but the owner(s) has not sold the business:

1. The local agency must immediately notify the State WIC Office, in writing, of the name change.

2. The vendor may continue to do WIC business as usual.

3. The local agency will have the owner(s) sign three (3) original Vendor Agreements, which indicate the name change. (See WIC Program Vendor Agreement)

4. The State WIC Office may request an Application Update. See Forms in this Section.

G. If the owner (individual or corporation) of an authorized WIC vendor relocates the store to another site, the following procedures shall be followed:

1. The agency must immediately notify the State WIC office, in writing, of the relocation of the business.

2. Circumstances surrounding the relocation will determine whether the WIC vendor stamp and stand-beside device, if applicable, are returned and WIC business ceases; i.e., vendor is relocating outside of the contracting agency service area.

3. The agency will have the owner(s) sign three original Vendor Agreements reflecting the change in address.

4. The State WIC Office will request an Application Update. See Forms in this Section.

NONRENEWAL OR TERMINATION OF VENDOR AGREEMENTS

The State WIC Office will notify the local agency of vendors who's Agreements are not renewed or terminated. Non-renewals or terminations will be for vendors who have failed to meet the criteria to be a WIC vendor or fail to meet the terms and conditions of the Agreement, such as:

- Not attending training
- Lack of minimum inventory
- Failure to send in the Vendor Sales Information Form (WIC-16) and Sales & Use Tax forms
- Not maintaining authorization criteria

See the Manual for Contracted WIC Vendors, Vendor Agreement (WIC-13) and Administrative Regulation 902 KAR 18:050.

A. The State WIC Office will, in its notification to the vendor:

1. Identify the reason for the action and the specific clause in the Agreement or Administrative Regulation that applies to the situation.

2. Indicate the date the action becomes effective as well as the date for depositing handwritten food instruments, if applicable.

3. Advise the vendor that he cannot reapply for authorization for sixty (60) days from the date the vendor stamp and stand-beside device, if applicable, are received by the local agency. All systems transacting Kentucky eWIC benefits are disconnected by the State WIC Office.

   a. A second occurrence of the same violation will result in a termination of the Agreement for a period of one-hundred twenty (120) days.

   b. Each subsequent denial shall result in an additional sixty (60) day denial.

B. The local agency will return the vendor stamp and stand-beside device, if applicable, to the State WIC Office within five (5) days of receipt.

1. If the stamp and stand-beside device, if applicable, are not returned or cannot be obtained from the vendor, the local agency will notify the State WIC Office in writing.

2. The local agency will provide the State WIC Office with all correspondence and documentation of any telephone calls regarding attempts to obtain the vendor stamp and stand-beside device, if applicable.

C. If the vendor is terminated, not renewed or sanctioned during the contract period, the State WIC Office will provide the vendor with a written notice of the specific action. The local agency will be copied on all letters to the vendor.

D. The State WIC Office will notify the local agency if the vendor requests a hearing. The local agency will also be notified of the hearing officer's decision.

E. If a vendor notifies the agency that he wishes to terminate the Vendor Agreement, the store is going out of business or the store has burned or suffered some disaster, the local agency will:

1. Notify the State WIC Office, in writing, of the situation.

2. Obtain the vendor stamp and stand-beside device, if applicable, and forward them within five (5) days to the State WIC Office.

3. If the stamp and stand-beside device, if applicable, cannot be obtained, notify the State WIC Office in writing.

F. During the month of contract renewal, usually in September, the State WIC Office cannot accept applications from stores who are applying for October 1 WIC eligibility.

VENDOR TRAINING AND GUIDANCE

A. Initial

The local agency will provide initial training of newly authorized vendors. Training is provided to ensure that a vendor is aware of proper redemption procedures for WIC food instruments, the terms of the Vendor Agreement and the consequences of Program abuse.

The local agency will:

1. Provide newly authorized vendors with training within fourteen (14) days of receipt of an approved Agreement. Group training may be provided when there are several stores that need training.

2. Provide training prior to the newly authorized vendor redeeming WIC food instruments. Follow the Vendor Training Outline. See Forms in this Section.

3. Submit the original signed copy of the Vendor Training Checklist (WIC-39) to the State WIC Office after the initial training is complete. See Forms in this Section.

4. Maintain a signed Training Checklist in each vendor's file for all initial vendor training sessions, either group or individual.

B. Annual and Additional

Training of vendors is provided to prevent Program errors, Program abuse and to improve Program service. The State WIC Office, in conjunction with the local agency, will provide the annual training for participating vendors. Vendor Agreement renewal time is the preferred time to conduct annual group training sessions and sign Vendor Agreements. The State WIC Office will notify the local agency when it is time to begin scheduling training sessions and determine a training date. In case of a multi-county agency, a session may be conducted in more than one county. A vendor who misses the training in a particular county **must** be referred to another county for a makeup session.

1. For annual training the local agency must:

   a. Make the local arrangements for the training sessions.

   b. Notify each vendor of the time, date and place of the scheduled session and required attendance. Each vendor must be informed of the date of the training, in writing, by certified mail at least thirty (30) days prior to the expiration of the Agreement, which is September 30.

   c. Inform each vendor that:
      (1) Attendance is required, no exceptions.
      (2) A representative of each store's location must attend training.
         - The person attending training must be employed by and work in the store location he is representing.
         - If the owner or corporate representative is attending the training session and more than one store is contracted, then an appropriate representative from each store must attend the session.
      (3) If the owner or appropriate person (manager, head cashier, cashier, etc.) does not attend a scheduled training session, the contract will end on September 30th and will not be renewed. The vendor will not be paid for any food instruments redeemed after that date.
      (4) Store personnel who attend training are responsible for ensuring other employees are properly trained.

   d. Ensure that either the WIC Coordinator or the designated local agency person who works with vendors attends training.

e. Ensure that the Training Checklist is checked and signed by each store's representative. If any item is not checked as being understood, then the person conducting the training will review the subject or procedure until it is understood.

f. Submit the completed Vendor Training Checklist to the State WIC Office along with the Vendor Agreements. The local agency must maintain a copy of the Training Checklist for three (3) years from the end of the federal fiscal year.

2. The local agency will provide additional training if requested by the State WIC Office, the vendor or if deemed necessary by the agency.

   a. Documentation must be maintained in the individual vendor file for technical assistance or any additional training.

   b. Documentation must include: date of the training session, person(s) and their position(s) receiving training for that vendor, content of the training session and/or a signed Vendor Training Checklist.

C. Guidance

1. Local agencies must transmit pertinent information and provide guidance to vendors concerning:

   a. Authorized supplemental foods and a current list of approved products listed in the Kentucky WIC Approved Food List (WIC-40).

   b. Maintaining qualifications to be an authorized vendor, including minimum inventory and the submission of appropriate forms.

   c. Correct redemption of WIC benefits.

   d. Procedures for obtaining revalidation of handwritten food instruments.

   e. Contents of the Vendor Agreement, the consequences of Program abuse and Attachment D.

   f. Other applicable Federal and State guidelines and instructions.

   g. Procedures for making complaints regarding other vendors or WIC participants.

D. During contract renewal, usually in September, a store applying to be a WIC Vendor on October 1 or beyond cannot attend Annual Training.

VENDOR TRAINING OUTLINE

A. Content of initial training should include:

1. Explanation of the WIC Program

   a. Eligibility requirements for vendors.

   b. Purpose of the WIC Program.

2. Drug Store Training

   a. Drug stores are authorized solely for the purpose of providing special formula and medical foods.

   b. Allow only the formulas specified – size, type, and quantity.

   c. Purchase formula from sources included on the list provided by the State Agency: http://chfs.ky.gov/dph/mch/Vendor+Management.htm

   d. Supply special formulas and medical foods within 48 hours of verbal request of local agency or State WIC Office staff.

   e. Formulas must be within manufacturer's expiration date.

3. Approved Foods (not applicable for drug stores/pharmacies)

   a. Post current Approved Foods List (WIC-40) at each checkout. See Forms in this Section.

   b. Post WIC shelf tags. See Forms in this Section

   c. Review all approved foods from the WIC-40 or Attachment A of the Agreement. See Forms in this Section.

      (1) Formula
      - Contract brand formulas
      - Allow only the type of formula specified.
      - Do not substitute or exchange formulas
      - Purchase formula only from sources included on the list provided by the State Agency http://chfs.ky.gov/dph/mch/Vendor+Management.htm

      (2) Infant cereals
      - No additives such as fruit, formula, sugar, yogurt, or DHA & ARA
      - 8 ounce container only
      - No organic
      - No jars or pouches

      (3) Infant Fruits and Vegetables – 4 ounce containers only
      - Beechnut, Gerber and Goya
      - Yes plain combinations such as peas and carrots, apples and banana or sweet potato and apple
      - No additives such as sugars, starches, salt/sodium, yogurt, or DHA & ARA
      - No organic
      - No dinners, desserts, "Delights" or puddings

      (4) Infant Meats – 2.5 ounce containers only
      - Beechnut, Gerber and Goya

- Yes plain meats with gravy
- No additives such as fruit, vegetable, or DHA & ARA
- No chicken sticks, turkey sticks or meat sticks.
- No Gerber Graduates Lil' Meals, Lil' Sides or Lil' Entrees
- No "Dinners"
- No pouches
- No organic

(5) Milk
- Lowest price brand
- Sell largest container possible
- .50 gallon equals half gallon; .25 gallon equals quart

(6) Cheese
- 8 or 16 ounce only
- Block, crumbled, cubed, sliced, shredded or string
- Lowest price brand
- No deli cheese
- No American cheese
- No cheese food, cheese product, cheese spread, pasteurized processed cheese, imitation cheese
- No organic cheese
- No added probiotics (e.g. Liv Active, etc.)

(7) Tofu
- 8 or 14 to 16 ounce container
- Yes prepared with calcium/magnesium salts
- No added fats, sugars, oils or sodium

(8) Soy Milk
- Half gallon container
- Yes 8th Continent Original
- Yes Silk Soy Original

(9) Eggs
- Grade A - white - dozen only
- Size small, medium or large
- No organic, cage free, free range, low cholesterol, antibiotic free, vegetarian fed hen, multigrain diet fed, and growth hormone
- No added Omega 3 or other fatty acids
- No brown eggs

(10) Cereal
- Explain Approved Food List regarding company, product and type
- 10 ounces or larger
- No Organic

(11) Juice
- 11.5, 12, 46, 48, and 64 ounce containers

- Yes added calcium
- No organic
- No V8 Lite, Splash, or Fusion
- No DHA, prebiotics, or artificial sweeteners

(12) Dried beans or dried peas

- Dried – 16 ounce bag OR
- Canned – 15 to 16 ounce
- Any brand
- Yes mixed beans (pinto and great northern, etc.)
- Yes regular or low sodium
- No added meats, flavorings, sauces, spices/seasoning, fats, sugars or oils
- No organic or baked
- No canned green beans, green peas, or waxed beans

(13)Peanut Butter

- 16 to18 ounce containers
- Any brand
- Yes Chunky, Creamy, Crunchy, or Extra Crunchy
- Yes low sodium and low sugar
- No low carb
- No chocolate, marshmallow, artificial sweeteners, jelly, honey or added flavors
- No tubes, slices, or "To Go" containers
- No organic
- No reduced fat
- No whips
- No Omega 3, flax seed or plus

(14)Fresh Fruits & Vegetables

- Yes whole or cut
- Yes organic
- No POTATOES **<u>except</u>** yams and sweet potatoes
- No Ornamental fruits such as painted pumpkins or peppers on a string
- No party trays or fruit baskets
- No muffins or baked goods
- No items from the salad bar
- No herbs or spices
- No sprouts
- No Fruit/Nut Mixtures
- No dried fruits or vegetables
- No frozen, canned or pouches
- No added dressings, croutons, herbs, spices, marinades, etc.

(15)Canned Fish – as specified

- Pink Salmon – 6 and 7.5 ounce cans only
- Sardines – 3.75 and 15 ounce cans only
- Tuna – 5 and 6 ounce cans only
- Any brand
- Packed in oil or water
- Yes regular or low sodium
- No white or albacore tuna
- No organic
- No foil containers
- No added seasonings, flavors or dressings

(16) Whole Grains

- Breads
  - 16 or 24 ounce
  - No white bread
  - No organic

    - No additives such as herbs, spices, peppers, cheese, tomatoes or raisins
- Brown Rice
    - 14 or 16 ounce package
    - Any brand
    - Yes instant, quick or regular
    - No additives such as herbs, spices, peppers, cheese, or tomatoes
- Tortillas
    - 16 ounces package
    - Whole wheat and corn
    - No additives such as herbs, spices, peppers, cheese, spinach or tomatoes

4. Inventory

   a. Must maintain at all times in the store.

   b. Food must be within manufacturer's expiration dates.

   c. Two monitor visits to store – if not in compliance contract will be terminated or non-renewed.

   d. Termination periods – 60 days-1st offense, 60 additional days for each subsequent offense.

5. Pricing

   (1) Display the prices (shelf prices) of WIC foods on each item or on the display case or shelf where those items are located. Cost Plus 10% stores must post final price as WIC price on the shelf or use signage in the aisle.

   (2) Charge the WIC Program the current shelf price or less. In no event shall food costs charged exceed the shelf price of the food provided. In the event more than one price is posted for an individual item, the lower price is to be charged.

6. Procedures for Redemption including a review of all of the Vendor's Responsibilities (See Manual for Contracted WIC Vendors)

   (1) Comply with all policies and procedures contained in the Manual for Contracted Vendors and Kentucky WIC Vendor Agreement.

   (2) Accept only those food instruments issued by a Kentucky WIC Agency.

   (3) Accept only those food instruments within the valid periods.

   (4) Allow a WIC participant to use other forms of payment for purchases in excess of the benefits.

   (5) Accept food instruments without any alterations.

   (6) Allow only approved foods as specified on the food instrument. Do not substitute foods or allow more than the amount of food specified – only cheese may be issued in 2 (8 oz.) quantities to equal 1 lb. and adult cereal may be issued in ounces to be equal to or less that than the amounts specified.

   (7) To not require participant, parent, caretaker or proxy to purchase all foods listed on the food instrument. To not provide rain checks, IOU's, due bills, cash or any type of credit, or provide incentive items such as diapers, strollers, lottery tickets, etc., to encourage participants to redeem benefits in your store.

   (8) Repay to the State Agency any documented overcharges and to refund to the State Agency any payment previously made on improper or invalid food instruments.

   (9) Continue to accept WIC Program handwritten food instruments until such time as no longer used by the State Agency.

(10) Dispense WIC food items to participants, parents, or caretakers of infant or child participants or proxies within the confines of the store, more specifically, within the four (4) walls of the establishment. Drive up windows and home deliveries are not allowed.

(11) Understand the scanner system identifying WIC approved foods is not fail proof; the current WIC Approved Food List is the final authority and should be utilized to avoid confusion.

(12) Allow WIC participants, parents or caretakers of infant or child participants or proxies to use store loyalty cards, cents off coupons, “buy one, get one”, promotions, and to afford WIC participants the same discounts and benefits as offered other customers.

- Buy one, get one free:
  - If the cardholder has one or more units and/or a sufficient benefits balance that can be applied to the advertised food item, only the value of the purchased food item shall be deducted from the benefit balance or charged to the WIC Program.
- Buy one, get one at a reduced price:
  - If the cardholder has at least two of the food items in a benefits balance, then both units shall be deducted from the balance. State WIC Agency reimbursement shall be for the full price for the first food item and the reduced price for the second food item.
  - If the cardholder has only one unit of the food items in the benefit balance, the unit shall be deducted from the balance and cash or other payment shall be used to purchase the second food item at the reduced price. State WIC Agency reimbursement shall be for the full price of the first food item. The second food item is not reported to the State WIC Agency.

(13) A vendor must not:

- Solicit a WIC participant’s business or that or a parent, caretaker, or a proxy on the premises of any Health Department or other authorized WIC Agency.
- Make any physical changes or alterations to the food instrument.
- Honor food instruments that appear to have been altered.
- Substitute any foods or allow more than the amount of food specified on the food instrument.
- Allow a WIC participant, parent, caretaker, or proxy to exchange WIC foods for cash or other non-approved items. In the even that a WIC food item is defective, spoiled, or have exceeded its sell-by/use date, etc., an exchange may be made only for the exact brand and size of the original food item returned by the participant.
- Request the participant’s confidential PIN (personal identification number) or confiscate the eWIC card at any time.
- Charge sales tax on WIC foods.
- Seek restitution from a participant, parent, caretaker or proxy for food instruments not paid or fully paid by the WIC Program.
- Require a participant, parent, caretaker, or proxy to purchase other foods at the store in order to redeem WIC food instruments.
- Charge the Program for foods not obtained by the participant, parent, caretaker, or proxy.
- Make home deliveries.
- Improperly utilize the WIC acronym and the WIC logo as they are service marks owned by the Department of Agriculture (U.S.D.A.) and all rights belong exclusively to U.S.D.A.

7. Responsibilities of an eWIC Vendor

a. Implement and maintain a Food and Nutrition Services certified and automated system.

b. To update software as required by changes to the WIC EBT Operating Rules and Technical Implementation Guide.

c. Accept liability for any redemption of WIC benefits.

d. Accept as payment in full the not-to-exceed (NTE) amount for each WIC approved food item.

e. Ensure that the most current Approved Product List (APL) is installed in the store system.

f. Provide capability for the WIC participant to retrieve benefit balance while in the store.

g. Provide a receipt to WIC participants, parents, or caretakers of infant or child participants or proxies at the time of transaction. See Forms in this Section.

h. Ensure a process that allows the WIC participant entry of their PIN in a manner that protects the security of the PIN.

i. Maintain the certified automated system in a manner necessary to ensure system availability for the WIC Program redemption processing during store operational hours.

j. Shall not charge the WIC Program participant any fee, either directly or indirectly, arising out of or associated with operating, maintaining, or processing electronic transactions.

k. Provide timely transaction documentation as requested and fully cooperate in resolution of any dispute arising in relation to a WIC redemption.

l. Contact Local Health Department:

(1) If eWIC card is not working

(2) If eWIC card is found in store

(3) To report a customer for behavior/abuse (See Forms in this Section)

8. Not To Exceed (NTE)

a. NTE is the maximum amount the WIC Program will pay for a specific food item redeemed at a store in a specific peer group. Kentucky classifies its stores into twelve (12) peer groups based on sales volume and region.

b. The NTE is calculated from the prices by Universal Product Code (UPC) that are submitted through eWIC transactions by each authorized retailer.

c. An average redemption price is calculated on a weekly basis.

d. NTEs are applied to each food item when a transaction is presented for approval. If the price exceeds the NTE, it is reduced to the NTE value in the settlement file. The approved transaction returned to the store indicates if a price was reduced and the amount the store will receive as reimbursement for that transaction.

9. Revalidation

a. Refer to the Manual for Contracted WIC Vendors concerning revalidation of all mistakes.

b. Handwritten food instruments must be submitted and clear the bank within ninety (90) days of the “first day to use” even when revalidated.

10. Submission of Vendor Sales Information and Sales & Use Tax forms within time frames required. First offense – sixty (60) days termination; sixty (60) additional days for each subsequent offense. Refer to Manual for Contracted WIC Vendors.

11. Training

a. May request additional training

b. Responsible for training employees

c. Responsible for actions of employees

12. Sanctions – See Attachment D of the Kentucky WIC Vendor Agreement and State Regulation 902 KAR 18:061.

13. Agreement

a. Does not constitute a license of property interest

b. Request that signers read the Agreement in its entirety

c. Void upon change of ownership or lease of business to another entity

d. Notify local agency if change in name/address

14. Reporting of complaints regarding participants or other vendors

15. Training Tools

a. Training information from the State WIC Office

b. Manual for Contracted WIC Vendors

c. WIC Approved Food List (WIC-40)

d. Kentucky WIC Vendor Agreement

e. Administrative Regulation 902 KAR Chapter 18

f. WIC Approved Food Shelf Tags

g. WIC Direct Training Videos at www.youtube.com (type "WIC Direct System" in the search window)

h. WIC Direct Stand-Beside Cashier Manual

i. WIC Direct Stand-Beside Administrator Manual

VENDOR MONITORING AND VENDOR SANCTIONS

A. Monitoring of vendors is performed in order to ensure vendors continue to meet the criteria for selection of vendors, detect training needs, prevent Program abuse and target high risk vendors.

The State WIC Office will:

1. Monitor every contracted grocery store. (Does not apply to drug stores.)

2. Identify high risk vendors by using criteria established by the State WIC Office and federal regulation.

1. Review a vendor's adherence to competitive pricing.

2. Document to the local agency if any problems exist with the monitored vendors and request follow-up action; i.e., vendor training, retrieval of the WIC Vendor Stamp, stand-beside device, if applicable, etc.

3. Perform overcharge reviews, desk audits for overcharging, inventory audits and apply the appropriate corrective action, claim or sanction.

4. Request repayment for items which are overcharged, invalidly or improperly redeemed, in addition to applying the appropriate sanction.

5. Recommend vendors for compliance buys to the Office of the Inspector General and apply the appropriate sanction, if applicable.

B. When a vendor sanction is issued, the State WIC Office will notify the vendor, in writing, of sanctions to be imposed for the documented abuse. Sanctions will be imposed for the type of abuse as stated in the Administrative Regulation 902 KAR 18:061, which notes the type of abuse and the sanction for that abuse. A vendor has fifteen (15) days from receipt of notice to appeal an applied sanction.

1. If sanctions are brought against a WIC vendor, the local agency will:

   a. Receive a copy of the sanction.

   b. If requested by the State WIC Office, consider whether an imposed sanction period would create inadequate participant access in accordance with 902 KAR 18:071.

   c. Obtain the Authorized WIC Vendor Stamp and stand-beside device, if applicable, and submit them to the State WIC Office when the sanction is placed into effect. The local agency will be notified when a vendor appeals a sanction. A vendor who has appealed may keep the Vendor Stamp until the Hearing Officer issues a decision. If the Hearing Officer has rendered a decision in favor of the State WIC Office, the vendor will be notified of a date to return the Authorized WIC Vendor Stamp and stand-beside device, if applicable.

C. Local Agencies must:

1. Refer vendors who abuse the Program to the State WIC Office in writing.

2. Not contract with a vendor who has a sanction in effect. Sanctioned vendors cannot be approved for the Program until the sanction period has concluded.

POLICIES AND PROCEDURES FOR HANDWRITTEN FOOD INSTRUMENT-REVALIDATION

A handwritten food instrument is edited at the State WIC Office contracted bank for accuracy and is rejected if it does not meet Program requirements. Reasons for rejection include: agency or vendor stamp missing, stale check, date redeemed invalid, missing or altered, pay exactly missing or altered and signature missing. The handwritten food instruments will be returned through the Federal Reserve System using banking codes. The handwritten food instrument will be returned as a bank image (copy of the food instrument). Additionally, a vendor may identify an error prior to submission to the local bank. Limited provisions have been made for revalidating some of the handwritten food instruments that are not properly completed. In order for a vendor to deposit food instruments in a timely manner, revalidation should be done on handwritten food instruments prior to the vendor submitting them for payment, however, revalidation may be done after they have been rejected by the contracted bank.

A. Agencies are responsible for all revalidation for their contracted vendors, in order that vendors' performance can be monitored.

B. Limits have been set on the number of times that a vendor may receive revalidation for specific reasons and some revalidations are on a one time only basis. A one-time only basis is defined as one time only for the contract year. Also, one time only pertains to one time only submission of food instruments/cash value benefits, not just one handwritten food instrument. For example, if the vendor sends in three (3) handwritten food instruments at the same time for a "date redeemed invalid" and does not supply documentation for any of the three, all three will be revalidated on a one time only basis. No more revalidation for that specific reason can be given during that contract year.

C. The local agency will notify a vendor, in writing, when a one-time only revalidation has been given. A copy of the letter must be retained in the WIC vendor file at the local agency and a copy sent to the State WIC Office to be placed in the vendor file.

D. The agency with whom the vendor has a contract may revalidate handwritten food instruments based upon the following procedures:

1. Review the handwritten food instruments submitted for the errors and appropriate accompanying information.

2. Use the revalidation stamp only on handwritten food instruments which meet the qualifications to be revalidated.

3. Stamp the handwritten food instrument in the shaded area. Do not cover the MICR line (numbers at the bottom of the handwritten food instrument) or the WIC Vendor Stamp imprint.

E. Revalidation may be done only for the following reasons and must not exceed the frequency specified for each condition. The proper documentation must be supplied as specified for each condition.

1. <u>AGENCY STAMP MISSING/Exception Reason "S" – Refer to Maker</u>

   a. If the vendor has not submitted the handwritten food instrument for payment, the contracting agency can put the agency stamp on the handwritten food instrument provided the handwritten food instrument will be less than sixty (60) days from the first valid date when presented to the state contracted bank. If it will exceed sixty (60) days but is less than ninety (90) days from "first date to use," it must have a revalidation stamp prior to payment.

   b. If the handwritten food instrument has been rejected by the contracted bank for agency stamp missing, the handwritten food instrument/cash value benefit must have a revalidation stamp before payment can be made.

2. <u>STALE CHECK/Exception Reason "G" – Stale Dated</u>

The contracted bank rejects handwritten food instruments submitted after sixty (60) days from "first day to use." Review the handwritten food instruments to ensure proper completion.

a. If the contracted bank has rejected the handwritten food instrument due to it reaching the bank more than sixty (60) days, but less than ninety days (90), a revalidation stamp is necessary for payment to be made.

b. If the vendor has failed to submit the handwritten food instrument in sixty (60) days but it will reach the contracted bank in less than ninety (90) days, a revalidation stamp is necessary for payment.

c. If the handwritten food instrument is over ninety (90) days from "first day to use," it cannot be revalidated without approval from the State WIC Office.

3. <u>VENDOR STAMP MISSING/ Exception Reason "S" – Refer to Maker</u>

a. Instruct the vendor to place authorized vendor stamp in the appropriate block.

b. If the handwritten food instrument will reach the contracted bank in less than sixty (60) days from the "first day to use," no revalidation stamp is required. If the handwritten food instrument will not reach the contracted bank within sixty (60) days, but will reach it in less than ninety (90) days from the "first day to use," the handwritten food instrument must be revalidated.

4. <u>DATE REDEEMED INVALID/ Exception Reason "G" – Stale Dated or "N" – Post Dated</u>

a. If the "date redeemed" is not within the valid dates, revalidation is on a one time only basis.

b. If the date is missing and the handwritten food instrument has been rejected by the contracted bank, documentation must be presented to substantiate a valid date of redemption.

- Sufficient documentation is a machine dated cash register receipt, machine dated cash register validation showing the date on the handwritten food instrument or a deposit date.
- If sufficient and proper documentation is provided, revalidation is unlimited.
- The handwritten food instrument must have a revalidation stamp before it can be re-deposited.
- Revalidation for this condition is one time only without proof.

c. If the "date redeemed" is altered, the bank will review the back of the handwritten food instrument to see if there is a machine dated cash register validation. If yes, and the validation matches the date entered on the face of the handwritten food instrument the handwritten food instrument will be paid.

d. If the "date redeemed" is altered and there is no machine dated cash register validation on the back of the handwritten food instrument, documentation must be presented to substantiate a valid date redeemed. Sufficient documentation is one (1) machine dated cash register receipt. If sufficient and proper documentation is provided, revalidation is unlimited. The handwritten food instrument must have a revalidation stamp before it can be paid. Revalidation for this condition is a one-time only basis without proof.

5. <u>PAY EXACTLY ALTERED/Exception Reason "W" – Cannot Determine Amount</u>

a. If the handwritten food instrument is missing the "pay exactly" amount and the handwritten food instrument has been rejected by the bank, documentation must be provided to the local agency to substantiate the amount of purchase. One (1) machine dated cash register entry on the handwritten food instrument or a machine dated cash register receipt is considered documentation. The handwritten food instrument must be revalidated before it can be paid. If sufficient and proper documentation is provided, revalidation is unlimited.

b. If the "pay exactly" amount is altered, the bank will review the back of the handwritten food instrument to see if there is a machine dated cash register validation. If yes, and the validation matches the "pay exactly" amount entered on the face of the handwritten food instrument, the handwritten food instrument will be paid.

c. If the “pay exactly” amount is altered and there is no machine dated validation on the back of the handwritten food instrument, documentation must be presented to the local agency to substantiate the “pay exactly” amount. One (1) machine dated cash register receipt is considered proof. A second cash register receipt or cash register validation will be accepted only in those instances where an item was omitted from the original total. In this instance, the cash register receipt or cash register validation must be the next transaction on the same cash register. A properly completed WIC Vendor Corrections Form may be used only when a vendor does not have a cash register that documents the transaction on the receipt. If sufficient and proper documentation is provided, revalidation is unlimited. A revalidation stamp must be placed on the handwritten food instrument before payment can be made. The limit on revalidation without proof is on a one time only basis.

6. PRICE ADJUSTMENTS

a. The local agency may make a price adjustment to any handwritten food instrument-submitted for revalidation. For example, if the cash register receipt indicates that unapproved food(s) were allowed, the local agency will adjust the pay exactly amount by deducting the price of unapproved food(s) and entering the correct total only for WIC approved foods. The local agency must place a revalidation stamp on the handwritten food instrument before payment can be made. Revalidation is unlimited.

7. PARTICIPANT’S SIGNATURE/Exception Reason “K” – Signature Missing

a. If the handwritten food instrument has been rejected for a missing signature, the handwritten food instrument must have a revalidation stamp before payment can be made. Revalidation is for one time only.

F. Handwritten food instruments presented for payment or revalidation after ninety (90) days from the “first day to use” are not normally eligible for revalidation.

1. Justification and documentation must be made to the State WIC Office by the vendor through the agency if extenuating circumstances exist which prevent the store from submitting handwritten food instruments for payment/revalidation within the specified time frame.

2. The State WIC Office will then consider approving payment. If the total of these handwritten food instruments exceeds $500, prior approval must be obtained from the USDA Regional Office.

G. Agencies are responsible for documenting all revalidations on the WIC Revalidation Screen. Revalidation information for each vendor will be stored on the WIC Revalidation Screen.

FORMS

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Kentucky WIC Manual for Applying Retailers

Purpose	This form is to be utilized by retailers desiring to be a WIC vendor.
When To Use	This form is given to a vendor upon request.
Where To Obtain	This manual is requested from the State Agency.

KENTUCKY WIC

MANUAL FOR APPLYING RETAILERS

October 2013

Kentucky Public Health

Prevent. Promote. Protect.

Kentucky
UNBRIDLED SPIRIT

Manual for Contracted WIC Vendors

Purpose	This form is to be utilized by WIC vendors.
When To Use	This form is given to a vendor upon authorization to be a WIC Vendor.
Where To Obtain	This manual is requested from the State Agency.

MANUAL FOR CONTRACTED WIC VENDORS

June 2013

Kentucky Public Health

Prevent. Promote. Protect.

Kentucky
UNBRIDLED SPIRIT

Kentucky WIC Program
Retailer/Drug Store Application

Purpose	This form is to be utilized by retailers desiring to be a WIC vendor.
When To Use	This form is given to a vendor upon request.
Instructions	Reference Kentucky WIC Manual For Applying Retailer.

Kentucky WIC Program
Retailer/Drug Store Application

Please print unless otherwise indicated.

All questions on the application must be properly and fully completed. Please review the Kentucky WIC Manual for Applying Retailers for instructions on completing this form. Incomplete applications will be denied.

STORE IDENTIFICATION

1. Store name: _____ Tax ID #: _____
2. Physical address:

   Street address/rural route number: _____

   City: _____

   County: _____ State: _____ Zip: _____

   Store telephone number: _____ Fax: _____

   E-mail address for store contact: _____
3. Mailing address – complete only if mail cannot be delivered to the physical address.

   Street address/rural route number: _____

   P.O. Box: _____ City: _____ State: _____ Zip: _____

STORE OWNERSHIP AND MANAGEMENT

4. Type of ownership (check one):

   ☐ Major Chain – Multiple States

   ☐ Independent Chain – Local Corporate Ownership

   ☐ Franchise – Multiple Locations ☐ Franchise – Single Location

   ☐ Independent – Not a Franchise ☐ Commissary

   How many stores are under the same ownership? (Include applying store) _____

How many of these stores are currently authorized for the KY WIC Program? _____

How many of these stores are currently authorized for the Food Stamp Program? _____

5. **Corporate Identification - name and address of corporation:**
(Parent corp., if store is company owned)

Corporate contact name: _____

Business name: _____

Street number: _____ Street_____

City/State/Zip: _____

E-mail of corporate contact: _____

6. **Owner/Corporate Officer:**

Owner's/officer's address - enter requested information for owners of sole proprietorships, partnerships, principal shareholders of private corporations, LLC members or officers of a corporation. Include spouses in community property. If more than two owner's, attach to this application the same information for each owner:

Present exactly as shown on legal documents.

First and Last Name: _____ Social Security #: _____

Street number: _____ Street/P.O. Box: _____

City/State/Zip: _____ Phone: _____

E-mail address: _____

First and Last Name: _____ Social Security #: _____

Street number: _____ Street/P.O. Box: _____

City/State/Zip: _____ Phone: _____

E-mail address: _____

Privacy Act Statement: The collection of the social security number (SSN) is authorized by Section 2018 of Title 7, US Code and will be used to determine whether a store qualifies to participate in the WIC program, to monitor compliance with program regulations and for program management. The provision of the SSNs will be available only to officers and employees whose duties or responsibilities require access for the administration or enforcement of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC program) and the Food Stamp Act.

7. **Store Manager Identification** - person with primary on-site responsibility for daily operations:

First and last name: _____

E-mail address: _____ Fax #: _____

8. Business Ethics: Are any of the following now charged with or have they ever been convicted of or had a civil judgment for fraud; antitrust violation; embezzlement, theft or forgery; bribery; falsification or destruction of records; making false statements or claims; receiving stolen property; or obstruction of justice: 1) any partner, 2) owner, 3) any officer, 4) the corporate entity, 5) the manager or 6) any stockholder who has a substantial role in the operation of the store?

   ☐Yes ☐No

   If yes, attach a written explanation, giving the name of the person(s) charged or convicted and their relationship to the owner, partner or corporate entity and their current or past position, if any, in the store or corporation; the court and court docket number, the crime(s) and date(s) committed; the penalty and time served and any other relevant information.

9. Are you (applying owner) related to the previous owner? ☐Yes ☐No

   If yes, what is the relationship? _____

10. Have you (applying owner) ever previously applied to participate in the WIC Program and had your application rejected? ☐ Yes ☐No

    If yes, list date and reason rejected: _____

11. Have you ever previously participated in the WIC Program? ☐ Yes ☐ No

    If yes, name of store:_____ Address:_____

    WIC vendor number:_____ Dates of participation: _____

12. Have you, the corporation or the manager ever owned, managed or been an employee of a firm which received a warning, disqualification or termination from the WIC Program? ☐ Yes ☐No
    If yes, enter:

    Store name and address: _____

    Person/entity involved: _____

    (Attached a listing of vendor numbers and store names if more than one (1) store.)

    Type of action received:

    ☐ Warning ☐ Disqualification ☐ Termination Effective date: _____

    Reason: _____

    _____

13. Previous Store Name and Owner:

    Name:_____ Owner: _____

STORE OPERATIONS AND SALES

14. When did (or will) the store open for business under the applying ownership?

_____ _____ _____
Month Day Year

15. What hours is the store open? Example: M – F 7a.m. to 11p.m.; Sat – Sun 7a.m. to 12a.m.

_____

16. Is this store open year-round, AT LEAST 40 hours a week? ☐Yes ☐ No

17. Is this store's name visible on the outside of the store? ☐Yes ☐ No

If no, indicate name on sign or store front if different than name on the front of this application: _____

18. Indicate the number of cash registers: _____

19. Can this store accept WIC Program benefits electronically? ☐ Yes ☐ No

This may be done by using the store's own multifunctional equipment or through use of a separate internet access device that transacts only WIC EBT redemptions.

20. Will the store use an FNS certified integrated system? ☐ Yes ☐ No

21. Does the store have an internet or telephone connection? If yes, what type?

☐ Yes ☐ No _____

22. List the internet or telephone service provider for this store. _____

23. Does the store's system have a firewall? ☐ Yes ☐ No

24. Does the store's system use a dynamic host configuration protocol (DHCP)?

☐ Yes ☐ No

25. Does the store's system use static IP addresses? If yes, what are the IP addresses or range of IP addresses? ☐ Yes ☐ No _____

26. Is there a network or telephone drop/jack near the cash registers?

☐ Yes ☐ No If no, indicate the location: _____

27. Please provide technical point of contact for the store:

Contact name: _____ Cell phone: _____

Office phone: _____ Email address: _____

28. Are there additional electrical outlets available in the lane(s)? ☐ Yes ☐ No

29. Do you expect to derive more than 50% of food sales in WIC? ☐Yes ☐ No

30. Is there a valid retail-food establishment or retail food store number in the owner's name? ☐ Yes ☐ No

If yes, enter Retail-Food Establishment Number: _____

31. Is this store authorized to accept SNAP? ☐Yes ☐ No ☐ Applied

If authorized, enter SNAP authorization number: _____

32. Has this store ever been denied, withdrawn, or disqualified from SNAP?

☐Yes ☐ No

If yes, enter date and the reason: _____

33. Has this store ever received a civil money penalty from SNAP? ☐Yes ☐ No

If yes, enter date and the reason: _____

34. Is there a pharmacy located within the confines of the store? ☐Yes ☐ No

If yes, will the pharmacy provide exempt formula or WIC eligible medical foods for the WIC Program? ☐Yes ☐ No

35. If applying as a pharmacy, can the store provide exempt formula or WIC eligible medical foods within 48 hours of request? ☐Yes ☐ No

36. List supplier from whom WIC foods are purchased:

Name: _____

Street number: _____ Street name: _____

City/State/Zip: _____ Phone: _____

37. List supplier from whom infant formula is purchased. Infant formula must be purchased from the list of infant formula wholesalers, distributors and retailers licensed in Kentucky or formula manufacturers registered with the FDA. An approved list is available from the State Agency or on-line at http://chfs.ky.gov/dph/mch/ns/WIC.htm

Name: _____

Street number: _____Street name: _____

City/State/Zip: _____ Phone: _____

STATEMENTS AND CERTIFICATION

Certification and signature of owners (or person who has the ability to apply on behalf of the store or proxy).

I am applying for authorization for this store to take part in the WIC Program, and I have authority to enter into a WIC vendor agreement.

I understand the prices for the WIC approved foods shall be competitive with and not exceed the average shelf price of other vendors in the same peer group.

I understand that my stock of WIC approved foods must meet the WIC Program requirements for minimum variety and quantity at the time of application as a WIC vendor and throughout the period for which the WIC Vendor Agreement shall be in effect.

I understand that my authorization as a WIC vendor is subject to having a current Retail-Food Establishment or Retail Food Store number and a SNAP number.

I understand that the ownership and management of this store will be responsible for understanding the requirements, policies and procedures of the WIC Program and attending required WIC training.

I certify that the information supplied by me on this application and the attached Price List is correct. If it is determined that the information supplied is not correct or that, in review of the information

supplied, the State Agency finds that my store does not meet the criteria to be a WIC vendor, my store will not be approved for a contract.

I understand that this is only a request for authorization and does not constitute a contract, and I will not accept WIC benefits until I have received an approved WIC vendor agreement, an authorized WIC vendor stamp, and an XAC device (if applicable).

Note: If this is a **cost plus 10% store**, the final price (WIC price) must be posted on the shelf or on signage in aisle.

Note: Only applies to drugstores - I understand that I am to supply only exempt formula or medical foods as requested.

Signature: _____ Date: _____

Print name: _____ Title: _____

In accordance with Federal Law and U.S. Department of Agriculture 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 to: U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (866) 632-9992 (voice). USDA is an Equal Opportunity Provider and Employer.

LOCAL AGENCY USE ONLY

1. Complete the following by: (a) checking yes if the store meets both the “inventory specifications” and “total quantity required in stock,” or no if the vendor does not meet the criteria; and (b) checking yes if the store has the prices for food items displayed on the shelf, food item or display case or no if the prices are not clearly displayed. The following information must be obtained during an on-site visit. The on-site visit cannot be performed until the applying owner has actually taken possession of the store and the property transfer has been completed.

Note: This portion of inventory pricing is not applicable for drug/pharmacy.

FOOD ITEM	INVENTORY SPECIFICATIONS	TOTAL QUANTITY REQUIRED IN STOCK	INVENTORY IN STOCK	COMMENTS	PRICES MARKED

MILK	2 TYPES REQUIRED MUST HAVE WHOLE MILK AND ONE OF EITHER REDUCED FAT, SKIM OR LOW FAT MILK IN GALLON CONTAINERS; MUST BE ABLE TO SUPPLY ½ GALLONS AND QUARTS UPON REQUEST	4 - GALLONS WHOLE AND 10 - GALLONS LOWFAT	☐YES ☐ NO		☐YES ☐ NO
CHEESE	1 TYPE REQUIRED MUST BE AVAILABLE IN 8 OUNCE AND 16 OUNCE PACKAGES; NO DELI CHEESE OF ANY TYPE	4 - POUNDS	☐YES ☐ NO		☐YES ☐ NO
EGGS	GRADE A LARGE OR SMALLER	5 - DOZEN	☐YES ☐ NO		☐YES ☐ NO
CEREAL	3 PRODUCTS 2 OF THE 3 PRODUCTS MUST BE WHOLE GRAIN	9 - BOXES	☐YES ☐ NO		☐YES ☐ NO
JUICE	2 FLAVORS OF 64 OUNCE AND 2 FLAVORS OF 46 OR 48 OUNCE REQUIRED MUST BE 100% FRUIT OR VEGETABLE JUICE, UNSWEETENED	COMBINED QUANTITIES TO EQUAL 14 CONTAINERS	☐YES ☐ NO		☐YES ☐ NO
BEANS OR PEAS	1 TYPE DRY BEANS OR PEAS AND 1 TYPE CANNED BEANS OR PEAS	4 - ONE POUND PACKAGES AND 16 - 15 TO 16 OUNCE CANS	☐YES ☐ NO		☐YES ☐ NO
FISH	1 TYPE REQUIRED	45 - OUNCES	☐YES ☐ NO		☐YES ☐ NO
PEANUT BUTTER	1 TYPE REQUIRED	4 – 16 OR 18 OUNCE CONTAINERS	☐YES ☐ NO		☐YES ☐ NO

WHOLE WHEAT BREAD OR OTHER WHOLE GRAINS	1 TYPE REQUIRED BREAD, RICE OR TORTILLA	4 - 16 OUNCE PACKAGES OF BREAD OR TORTILLAS OR 14 OR 16 OUNCE PACKAGES OF RICE	☐YES ☐ NO		☐YES ☐ NO
FRESH FRUITS & VEGETABLES	2 TYPES FRESH FRUITS AND 2 TYPES FRESH VEGETABLES	10 - POUNDS TOTAL	☐YES ☐ NO		☐YES ☐ NO
INFANT FORMULA	1 TYPE OF CONTRACT BRAND POWDER REQUIRED **GERBER GOOD START GENTLE, GOOD START PROTECT, GOOD START SOY, GOOD START SOOTHE**	11 - CANS TOTAL OF CONTRACT BRAND POWDERED FORMULAS	☐YES ☐ NO		☐YES ☐ NO
INFANT CEREAL	1 TYPE REQUIRED 8 OUNCE CONTAINERS	3 - CONTAINERS TOTAL	☐YES ☐ NO		☐YES ☐ NO
INFANT FRUITS & VEGETABLES	2 TYPES INFANT FRUITS AND 2 TYPES INFANT VEGETABLES JARS ONLY	32 - 4 OUNCE JARS	☐YES ☐ NO		☐YES ☐ NO

2. Are the store's prices the same as the prices on the price list? ☐Yes ☐ No

   If no, explain: _____

3. Is this store primarily a retail grocery? ☐Yes ☐ No

   If no, explain: _____

   Indicate staple food items sold at this store (must stock at least two selections in each of the following four staple food groups):

bread/cereal	dairy products	fruits/vegetables	meat, poultry, fish
☐ bread	☐ milk	☐ fresh fruits/	☐ beef/chicken

		vegetables	
☐ cereal	☐ cheese	☐ canned fruits/ vegetables	☐ pork/bacon/ham
☐ pasta	☐ butter	☐ frozen fruits/ vegetables	☐ eggs
☐ rice	☐ yogurt	☐ 100% fruit/ vegetable juices	☐ lunch meats/ hot dogs
☐ flour	☐ other_____	☐ other_____	☐ other_____

Indicate other items sold at this store: ☐ gasoline ☐ lottery tickets
☐ liquor ☐ auto parts ☐ hardware ☐ video rental ☐ deli ☐ bait

4. Have you reviewed with this store the Vendor Agreement and the consequences of Program abuse? ☐Yes ☐ No

4. Has the vendor applicant been warned that he/she is not an authorized WIC vendor and cannot accept WIC benefits until the authorized stamp/POS device is obtained? ☐ Yes ☐ No

LOCAL AGENCY USE ONLY - VENDOR

The following information must be obtained during an on-site visit. The on-site visit cannot be performed until the applicant has actually taken possession of the store and the property transfer has been completed.

1. Verify the Price List with the shelf or display case prices, if applicable.
2. Warn vendor applicant that he/she is not an Authorized WIC Vendor and cannot accept WIC benefits until the authorized stamp is obtained and initial training completed.

3. I certify that I have visited this store and find it (☐**eligible/**☐**not eligible**) based upon the criteria for selection of vendors and the vendor agreement. if this vendor applicant is not eligible, please document why:

_____

_____

_____

Print legibly the name of Local Agency reviewer

_____ _____

Signature of Local Agency reviewer Date

LOCAL AGENCY USE ONLY – DRUG STORE

The following information must be obtained during an on-site visit. The on-site visit cannot be performed until the applicant has actually taken possession of the store and the property transfer has been completed.

1. Review Drug Store's SRP listing(s). (Does/Do) the SRP listing(s) have an extensive list of formula?

   ☐Yes ☐ No

2. Verify the Price List with the shelf or display case prices, if applicable.
3. Warn vendor applicant that he/she is not an Authorized WIC Vendor and cannot accept WIC benefits until the authorized stamp is obtained and initial training completed.
4. I certify that I have visited this store and find it (☐**eligible/**☐**not eligible**) based upon the criteria for selection of drug stores and the vendor agreement. If this vendor applicant is not eligible, please document why:

_____

_____

_____

Print legibly the name of Local Agency reviewer

_____ _____

Signature of Local Agency reviewer Date

STATE AGENCY USE ONLY

1. Are the food prices competitive? ☐Yes ☐ No

2. SNAP Number: _____ Date verified: _____

3. Retail-Food Establishment Number: _____ Date verified: _____

4. Has the fifty percent (50%) criterion assessment been completed? ☐Yes ☐ No

5. Does the vendor meet the criteria for selection of vendors? ☐Yes ☐ No
   If no, explain: _____
   _____

6. Has request been sent to CDP for eWIC approval? ☐Yes ☐ No

7. Recommended for approval? ☐Yes ☐ No

_____ _____
Signature of State Agency reviewer Date

KENTUCKY WIC PROGRAM VENDOR APPLICATION UPDATE

Purpose	This form is to update each WIC Vendor's specific information.
When To Use	This form is required from each WIC Vendor annually, when store address changes and at other specific times.

KENTUCKY WIC PROGRAM VENDOR APPLICATION UPDATE

Please Print unless otherwise indicated

STORE IDENTIFICATION

1. **Store Name**: _____ **Tax ID #:** _____ **Vendor #**: _____
2. Store address – do not use post office box number.

   Street address/rural route number: _____

   City: _____

   County: _____ State: _____ Zip: _____

   Store telephone number: ( ) _____ Fax: ( ) _____
3. Mailing address – do not complete if mail can be delivered to the store's physical location.

   Office/apartment number _____ Street # _____ Street _____

   City _____ State _____ Zip _____
4. Type of business (check one):

   ☐ Major chain multiple states ☐ Independent chain – local corporate ownership ☐ Franchise – multiple locations

   ☐ Franchise – single location ☐ Independent – not a franchise ☐ Commissary

   How many stores are under the same ownership? (include applying store)_____
   How many of these stores are currently authorized for the KY WIC program? _____
   How many of these stores are currently authorized for the SNAP program? _____

STORE OWNERSHIP AND MANAGEMENT

5. Type of ownership (check one):

   ☐ Sole proprietorship ☐ Partnership

   ☐ Corporation ☐ Limited Liability Company (LLC)

Kentucky Public Health
Prevent. Promote. Protect.

6. **Corporate Identification:**

   Name and Address of the corporation:

   Business Name: _____

   Street Number: _____ Street Name: _____

   City/State/Zip: _____

   E-mail address of corporate contact: _____

7. **Ownership Identification:**

   Owner's name and home address (enter requested information for owners of sole proprietorships, partnerships, principal shareholders of private corporations, LLC members, or officers of a corporation.) (If more than two owners, attach to this application the same information for up to two more persons):

   (Present name exactly as shown on legal documents.)

   First and Last Name: _____ SSN: _____

   Street number: _____ Street name/P.O. Box: _____

   City/State/Zip: _____ Phone: ( ) _____

   E-mail address: _____

   First and Last Name: _____ SSN: _____

   Street number: _____ Street name/P.O. Box: _____

   City/State/Zip: _____ Phone: ( ) _____

   E-mail address: _____

8. **Store Manager Identification (name the person with primary on-site responsibility for daily operations):**

   First and Last Name: _____

   E-mail Address: _____

   Fax #: _____

   Privacy Act Statement: the collection of the social security number (SSN) is authorized by section 2018 of Title 7, US Code and will be used to determine whether a store qualifies to participate in the WIC Program, to monitor compliance with program regulations; and for program management. The provision of the SSNs will be available only to officers and employees whose duties or responsibilities require access for the administration or enforcement of the special supplemental nutrition program for women, infants and children (WIC Program) and the Food Stamp Act.

9. Business Ethics: Are any of the following now charged with or have they ever been convicted of or had a civil judgment for fraud; antitrust violation; embezzlement, theft or forgery; bribery; falsification or destruction of records; making false statements or claims; receiving stolen property; or obstruction of justice: 1) any partner, 2) owner, 3) any officer, 4) the corporate entity, 5) the manager, or 6) any stockholder who has a substantial role in the operation of the store?

☐Yes ☐No

If yes, attach a written explanation, giving the name of the person(s) charged or convicted and their relationship to the owner, partner or corporate entity, and their current or past position, if any, in the store or corporation; the court and court docket number, the crime(s) and date(s) committed; the penalty and time served; and any other relevant information.

STORE OPERATIONS AND SALES

10. What hours is the store open?

M – F: _____ a.m. _____ p.m. Sat – Sun: _____ a.m. _____ p.m.

11. Is this store open 40 hours a week all year-round? ☐Yes ☐ No

12. Is this store's name visible on the outside of the store? ☐Yes ☐ No

If no, indicate name on sign or store front if different than name on the front of this application:

13. Indicate the number of cash registers: _____

14. Is there a pharmacy located within the confines of the store? ☐Yes ☐ No

If yes, will the pharmacy provide special formulas for the WIC Program?

☐Yes ☐ No

15. Banking Information:

Bank Name: _____ Branch Name: _____

Street Address: _____

City/State/Zip: _____ Phone: ( ) _____

16. Major wholesaler, distributor, retailer or manufacturer from whom WIC foods are purchased:

Name: _____

Street Address: _____

City/State/Zip: _____ Phone: ( ) _____

17. Major wholesaler, distributor, retailer or manufacturer from whom infant formula is purchased:

Name: _____

Street Address: _____

City/State/Zip: _____ Phone: ( ) _____

Infant formula must be purchased from the list of infant formula wholesalers, distributors, and retailers licensed in Kentucky, or formula manufacturers registered with the FDA. An approved list is available from the State Agency or on-line at http://chfs.ky.gov/dph/mch/ns/wic.htm

SIGNATURE

I certify that the information supplied by me on this application update is true and accurate. If it is determined that the information supplied is not correct or that, in review of the information supplied, the State Agency finds that my store does not meet the criteria to be a WIC vendor, my store will be terminated or non-renewed.

Signature _____ Date _____

Print Name _____ Title _____

In accordance with Federal Law and U.S. Department of Agriculture 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 U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (866) 632-9992 (voice). USDA is an equal opportunity provider and employer.

KENTUCKY WIC VENDOR AGREEMENT

Purpose	This form is to be utilized by retailers applying to be a WIC Vendor and at contract renewal.
When To Use	This form is given to an applying vendor upon request and to current WIC Vendors at contract renewal.
Instructions	Reference Kentucky WIC Manual For Applying Retailers.

Vendor #: _____

Class Type: _____

Region: _____

KENTUCKY WIC VENDOR AGREEMENT

THIS AGREEMENT made and entered into this date, _____, by and between the Kentucky WIC Program and:

(Health Department Label Here) hereinafter referred to as the First Party

(Store Name & Address Label Here) hereinafter referred to as the Second Party

WHEREAS, the First Party, in the exercise of its lawful duties, has determined upon the necessity of the performance of the following described service, to wit: In relation to the First Party (Special Supplemental Nutrition Program for Women, Infants and Children) to provide food to pregnant, breastfeeding and postpartum women and infants and children (1 to 5 years of age) as authorized on WIC benefits issued by the First Party and;

WHEREAS, the Second Party is available and would be qualified to perform such function, the period within the current State Fiscal Year during which this Agreement is in effect is from, October 1, 2013, through June 30, 2014, provided, however, that this Agreement shall be automatically extended for the period July 1, 2014, through September 30, 2014, unless the Kentucky WIC Program notifies the Vendor, in writing, to the contrary thirty (30) days prior to July 1, 2014.

NOW, THEREFORE, it is hereby and herewith mutually agreed by and between the parties hereto as follows:

1. The Second Party agrees:
   - a) To comply with applicable Federal and State policies, procedures and regulations relating to the WIC Program;
   - b) To continue to meet the criteria to be a WIC vendor as defined in Administrative Regulation 902 KAR 18:050 (Attachment D);
   - c) To stock sufficient quantities of the approved food items at all times as specified in Attachments A and C to this Agreement . (This does not apply to drug stores);
   - d) To honor the Approved Foods List as the final authority in identifying WIC approved foods;
   - e) To supply only exempt formula or WIC eligible medical foods requested by the First Party within forty-eight (48) hours of the verbal request as listed on Attachment A. Drug Stores are authorized

for the sole purpose of providing special formulas (Applies to Drug Stores or Drug Stores within a retailer only);

f) To verify with the First Party any food instrument, which appears to have been altered, defaced or mutilated before dispensing the food items;

g) To accept WIC food instruments issued by any authorized Kentucky WIC Agency;

h) To dispense or charge for only approved food items in the quantities and sizes which have been prescribed and are specified on the food instrument to authorized participants, parents or caretakers of infant or child participants or proxies upon presentation of an authorized food instrument;

i) To not substitute any foods or allow more than the amount of food specified on food instrument;

j) To honor food instruments only within the valid period specified on the food instrument (the period beginning with the “first day to use” and ending with the “last day to use” dates);

k) To not physically or verbally threaten or abuse agents of the First Party;

l) To report any price increases to First Party within specified time period of monitoring visit;

m) To dispense WIC food items to participants, parents or caretakers of an infant or child participants or proxies without requiring other purchases and according such persons the same services given to other store customers;

n) To not solicit a participant’s business or that of a parent, caretaker, or a proxy on the premises of any health department or other authorized WIC agency;

o) To not provide free merchandise, including but not limited to, diapers, strollers, lottery tickets, etc. to a participant, parent, caretaker or proxies as an incentive to redeem food instruments;

p) To not provide refunds or permit exchanges for WIC food items. In the event that a WIC food item is defective, spoiled or has exceeded its sell by/use date, etc., an exchange may be made only for the exact brand and size as the original food item returned by the participant;

q) To not redeem WIC food instruments in whole or in part for cash, unauthorized foods, other items of value, as a credit for past accounts or otherwise violate the WIC Program policies, procedures and regulations;

r) To allow WIC participants to use store loyalty cards, cents off coupons, buy one get one free promotions and to afford WIC participants the same discounts and benefits as other customers. The total amount of the purchase must reflect the amount of discount/cents off;

s) To accept and redeem WIC food instruments only within the confines of the store, more specifically within the four (4) walls of the building. Drive up window transactions and home deliveries are prohibited;

t) To not issue non-food items, due bills, IOU’s, rain checks, cash, credit or similar types of instruments in exchange for WIC food instruments;

u) To not charge the First Party for foods not obtained by the participant, parent, caretaker or proxy;

v) To not charge for food not authorized on the food instrument;

w) To not seek restitution from participants, parents or caretakers of an infant or child participants or proxies for WIC benefits which are partially paid or rejected for payment;

x) To have prices competitive with the Second Party’s peer group. In no event shall the price of a WIC food item exceed the not-to-exceed (NTE) (peer group’s average plus two standard deviations), which is applied to every transaction;

y) To make available to the First Party all appropriate documents and records pertaining to the WIC Program, including food sales, gross sales, non-taxable food sales, sales and usage tax forms, etc., upon request and within the required time frames;

z) To display the prices (shelf prices) of WIC foods on each item or on the display case or shelf where those items are located. Cost Plus 10% stores must post final price as WIC price on the shelf or use signage in the aisle;

aa) To charge the First Party the current shelf price or less. In no event shall food costs charged exceed the shelf price of the food provided. In the event more than one (1) price is posted for an individual item, the lower price is to be charged;

bb) To allow the WIC participant to use other forms of payments for purchases in excess of the benefits on the food instrument or in excess of the money limit on the cash value benefit;

cc) To record, in ink, the actual purchase price and date redeemed on the face of the food instrument prior to obtaining the signature of the participants, parents or caretakers of an infant or child participants or proxies;

dd) To submit to the First Party the completed food instrument within thirty (30) days of the last valid date ("last day to use") on the food instrument;

ee) To be solely responsible for any bank return fees for improperly completed food instruments;

ff) To repay to the First Party any documented overcharges and to refund the First Party any payment previously made on improper or invalid food instrument(s);

gg) To send appropriate employees (such as the manager or head cashier) to training provided by the First Party and to keep all employees informed of current policies, procedures and regulations pertaining to the WIC Program;

hh) To be accountable for the actions of employees in the redemption of WIC benefits;

ii) To maintain and provide access to shelf price records, inventory records and proof of purchase of WIC food items for a period of six (6) months and to permit monitoring and inspection of store premises and all documents necessary to ensure compliance with the Agreement and State and Federal WIC Program rules, regulations and policies, as well as to respond to requests for corrective action;

jj) To not collect sales tax on WIC food purchases;

kk) To ensure compliance with the Agreement and State and Federal WIC Program rules, regulations and policies in the use of self-scanning devices for the redemption of WIC food instruments;

ll) To purchase infant formula only from wholesalers, distributors and retailers licensed in Kentucky or infant formula manufacturers registered with the Food and Drug Administration;

mm) To be responsible for ensuring the vendor stamp and stand-beside device, which will be issued by the First Party, are used in accordance with governing policies and procedures;

nn) To be responsible for safeguarding protected health, confidential and sensitive information of the WIC participants who redeem WIC benefits at the Second Party's location in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA);

oo) To be responsible for any misuse of the vendor stamp and/or stand-beside device, (until the First Party has been properly notified) which results in a loss to the First Party;

pp) To not replicate the vendor stamp;

qq) To return the vendor stamp and stand-beside device upon notification of a disqualification, withdrawal, non-renewal or termination of this Agreement.

rr) To be responsible for obtaining and maintaining the Manual for Contracted WIC Vendors;

ss) To maintain a certified automated in store system to accept and process WIC EBT benefits using either stand-beside or integrated solutions that perform online eWIC transactions in accordance with the published rules, policies, specifications, procedures, WIC EBT Operating Rules and WIC EBT Technical Implementation Guide.

tt) To update software as required by changes to the WIC EBT Operating Rules and Technical Implementation Guide;

uu) To accept liability for any redemption of WIC benefits when an approval has not been received from the First Party or for the incorrect redemption of WIC benefits;

vv) To accept as payment in full for each WIC approved food item redeemed the not-to-exceed (NTE) amount.

ww) To ensure that the most current Approved Product List (APL) is downloaded in the store system and is being used for WIC redemption processing;

xx) To notify the First Party within 72 hours of any equipment failure or malfunction of the eWIC stand-beside point of sale device;

yy) To agree to bear the expense of repairing damage to the stand-beside point of sale device, unless such damage is caused by stand-beside equipment malfunction which did not result from Second Party's improper use of equipment or negligence on the part of the Second Party;

zz) To ensure the certified automated eWIC redemption process allows the WIC participant entry of their PIN (personal identification number) in a manner that protects the security of the PIN;

aaa) To not request the participant's confidential PIN (personal identification number) or confiscate the eWIC card at any time;

bbb) To provide the participant a balance inquiry upon request;

ccc) To provide the participant with a customer receipt of the transaction which minimally shows the redeemed WIC approved food items and the remaining balance of available benefits;

ddd) To not charge the participant any fee, either directly or indirectly, arising out of or associated with operating, maintaining or processing WIC EBT Program transactions;

eee) To provide a bank deposit form for purposes of reimbursement of eWIC transactions. In the event the Second Party changes banking institution, a new completed bank deposit form will be provided to First Party;

fff) To acknowledge that the WIC Acronym and the WIC Logo are service marks owned by the United States Department of Agriculture (U.S.D.A.) and that all rights belong exclusively to U.S.D.A.

1) To not infringe on the WIC Service Marks owned by the U.S. Department of Agriculture (USDA) through improper or impermissible use;
2) To not use the WIC service marks in any manner on its goods, containers, packages or on tags or labels affixed thereto;
3) To not use the WIC logo in advertising or promotional literature in any manner;
4) To not use the WIC acronym in advertising or promotional materials in any manner that:
   - **i.** Is likely to imply that the WIC Program or USDA endorses either the Second Party or its products;
   - **ii.** Is likely to cause confusion, mistake or deception as to the affiliation or connection of the Second Party to WIC;

iii. Associates the Second party with the WIC Program other than as a Vendor authorized to accept WIC benefits; or

iv. States or implies any WIC Program sponsorship or approval by the Second Party's goods, service, advertising or commercial activities including nutrition message(s) by the WIC Program, USDA or the Kentucky WIC Program;

5) To not use the WIC acronym except to inform the public that the Second Party is WIC authorized. The proper display of the WIC disclaimer required in this Agreement must accompany all such advertising or promotional materials;

6) To not use the acronym "WIC" or the WIC logo in the title of the store or on the name of the storefront;

7) To not affix stickers or permit such stickers to be affixed on any foods offered for sale to the public containing a WIC service mark;

8) To submit any offering or proposal to use the WIC acronym in brand identification channel strips or shelf talkers containing such product information to the First Party for approval at least thirty (30) days prior to any intended date of use;

9) To only use those signs, stickers or indicators that the First Party has approved in advance and in writing either in a general statement of regulation or individually addressed authorization;

10) To include the following properly displayed statement (disclaimer) when using the WIC acronym to inform the public that the Second Party is WIC authorized: "WIC is a registered service mark of the U.S. Department of Agriculture for USDA's Special Supplemental Nutrition Program for Women, Infants and Children";

11) To comply in all respects with the First Party's written determination of appropriate use of the WIC service mark;

12) To not use the WIC service mark, including any close or similar facsimiles thereof, in total or in part, either in the Second Party's official name or in the Second Party's fictitious "doing business as" name;

13) To not place the term "WIC Program" in any advertisement, billboard, poster or store sign or designation; and

14) To not use the letters "W" "I" and "C" in that order next to one another in the Second Party's name or these letters in that order but not next to one another, with the letters made to stand out in some fashion, such as with a different color or size than other letters.

2. For the services as hereinafter set forth, the First Party Agrees:

a) To comply with applicable Federal and State policies, procedures and regulations relating to the WIC Program;

b) To provide to non-integrated participating retailers a stand beside point of sale device at no cost to the retailer. The maximum number of lanes that will be subsidized is determined as follows:

- $1 - $21,999 of WIC sales monthly = one lane; or
- $22,000-$32,999 of WIC sales monthly = two lanes; or
- $33,000-$43,999 of WIC sales monthly = three lanes; or
- $44,000 and above of WIC sales monthly = four lanes;

c) To provide network and host processing for eWIC online real time transaction approval twenty-four (24) hours a day, seven (7) days a week;

d) To make available daily the most current Approved Product List (APL) which contains the current listing of food items that are approved for redemption;

e) To authorize reimbursement of all approved eWIC redemptions that are made in accordance with applicable state and federal Regulations, policies and procedures;

f) To authorize reimbursement to the Second Party at the Second Party's submitted price minus any adjustment for not- to- exceed (NTE) pricing;

g) To monitor the Second Party's performance under this Agreement and to inform the Second Party of the results thereof;

h) To provide the Second Party with training and written instructions on the Program's operations.

3. The First Party reserves the right to deny payment for any altered, defaced or mutilated food instrument submitted for payment outside the allowable time frames.

4. In the event a claim is assessed against the Second Party after the food instrument has been paid, then the First Party may offset future payments to the Second Party for the amount of the claim in addition to applying the sanction as indicated in Administrative Regulation 902 KAR 18:061;

5. The First Party will deactivate the Second Party from the WIC Direct System when their acquirers and/or third party processors are found in non-compliance with WIC EBT Operating Rules and WIC EBT Technical Implementation Guide;

6. The parties hereby agree to comply with all appropriate Federal and State Civil Rights Laws and Regulations and state that they do not discriminate against any participant, parent or caretaker of an infant or child participant or proxy for reasons of race, color, national origin, age, sex or disability, Nondiscrimination Regulations of the United States Department of Agriculture (7 C.F.R., Part 15) and Title VI of the Civil Rights Act of 1964 (P.L. 88-352).

7. The Second Party states that he is knowledgeable and aware that a vendor who commits fraud or abuse of the Program is liable for prosecution under the applicable Federal, State or local laws. The Vendor agrees and understands that, under 7 C.F.R. 246.23, 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.

8. The Second Party agrees and understands that it is not the intent of either this Agreement or Administrative Regulation 902 KAR 18:061 to differentiate between intentional and unintentional overcharging or other Program violations and that, in addition to any sanctions imposed by the Cabinet under Administrative Regulation 902 KAR 18:061, the second party will repay to the First Party any documented overcharges and to refund to the First Party any payment previously made on improper or invalid WIC benefits, whether overcharging is intentional or unintentional. The First Party does not have to provide the second party with prior warning that violations were occurring before imposing sanctions.

9. Either party shall have the right to terminate this Agreement at any time upon thirty (30) days advance written notice served upon the other party by registered or certified mail; provided, however, that the First Party may terminate this Agreement immediately for cause upon fifteen (15) days written notice served upon the Second Party by registered or certified mail with return receipt requested. The First Party may disqualify a vendor or impose a civil money penalty in lieu of disqualification, for reasons of program abuse in accordance with Administrative Regulation KAR 18:071. Civil money penalties will only be imposed for reasons of inadequate participant access. The First Party may agree to the use installment plans for the collection of civil money penalties. If the Second Party does not pay, only partially pays or fails to timely pay a civil money penalty assessed in lieu of disqualification, the First

Party shall disqualify the Second Party for the length of disqualification corresponding to the violation for which the civil money penalty was assessed.

10. The Second Party has a right to appeal a decision pertaining to denial of application to participate, vendor disqualification or other adverse action which affects participation during the Agreement performance period in accordance with Administrative Regulation 902 KAR 18:081. In accordance with 902 KAR 18:081, certain adverse actions are not subject to review, such as, expiration or non-renewal of an Agreement with a vendor, disqualification of a vendor as a result of disqualification from the SNAP Program and the State WIC Agency's determination regarding participant access is not subject to review. If the disqualification of the Vendor is reversed through administrative or judicial review, the First Party shall not be liable for the value of sales lost during the disqualification period.

11. In the event of a disqualification, withdrawal or an assessment of a civil money penalty of a vendor by the SNAP Program or any other United States Department of Agriculture (U.S.D.A.) Food and Nutrition Service (FNS) Program, the Vendor shall be disqualified from the WIC Program upon written notice by registered or certified mail with return receipt requested. The Second Party states that he is knowledgeable that disqualification from the WIC Program may result in disqualification from the SNAP Program. Such disqualification may not be subject to administrative or judicial review under the SNAP Program; however, a WIC Program disqualification as a result of a SNAP Program civil money penalty for hardship is subject to administrative review.

12. This Section shall be applicable only to Military Commissaries:

    a) In view of Federal immunity from State claims or review, the First Party may not conduct on-site monitoring review of Military Commissaries (except upon written invitation by the constituted military authority) or require claims to be paid;

    b) If the First Party identifies a possible problem, it shall write the commanding officer of the installation or his designee requesting repayment or to initiate an investigation.

    c) If the First Party wishes to further pursue problem resolution, it will refer the case to the United States Department of Agriculture (U.S.D.A.). The Food and Nutrition Services (FNS) Program in conjunction with the Department of Defense may conduct on-site monitoring reviews and submit claims to Military Commissaries for the WIC Program;

    d) Military Commissaries will be reimbursed, based upon the standard commissary price system of procurement costs plus a percentage surcharge; and

    e) Military Commissaries are only obligated to serve qualified active or retired military personnel and their Dependents.

13. In the event the Second Party, intentionally or unintentionally, fails to continue to meet the vendor authorization criteria as specified in Administrative Regulation 902 KAR 18:050, during the term of the Agreement, the First Party will upon notice to the Second Party terminate or not renew this Agreement in accordance with 902 KAR 18:061.

14. In the event the Second Party intentionally or unintentionally fails to meet any of the terms of the Vendor Agreement, , the First Party will upon notice to the Second Party terminate or not renew this Agreement in accordance with 902 KAR 18:0615. The First Party reserves the right to modify this Agreement at any time upon written notice to the Vendor.

16 Neither the First Party nor the Second Party has an obligation to renew this Vendor Agreement. Expiration or nonrenewal of an Agreement is not subject to review in accordance with 902 KAR 18:081.

17. Renewal of this Agreement does not relieve the Second Party of any previous violations from any prior Agreements with the First Party or the Department for Public Health, which were in effect on or after October 1, 1999.

18. The First Party will terminate this Agreement if they identify a conflict of interest, as defined by applicable State laws, regulations and policies, between the Second Party and the First Party or its local agencies.

19. The First Party will immediately terminate this Agreement if any authorized vendor is found to meet the more than fifty percent (50%) criterion, (the First Party derives more than 50% of their annual food sales revenue from the sale of food items purchased)

20. The First Party may release for general information a vendor's name, address, authorization status, phone number, website, email address and store type (e.g., grocery store, chain store, independently owned store). All additional information will remain confidential for release only for specific individuals directly connected with the administration or enforcement of local, Federal and State laws and ordinances.

21. The First Party's regular business hours are 8:00 a.m. to 4:30 p.m., Monday through Friday, Eastern Standard Time (EST), excluding holiday's.

22. This Agreement does not constitute a license or property interest and is non-transferable and shall become void upon change of ownership. The Second Party` shall notify the First Party at least ten (10) days prior to the sale of the business, change of ownership, ceasing operation, relocating, or leasing the operation of the business.

23. This Agreement shall not become effective until approved by the Department for Public Health.

ATTACHMENT A-1
Drug Store

FORMULAS

A drug store and a drug store within the confines of the store must be able to supply within 48 hours of verbal request by State or Local Agency staff any of, but not limited to, the following products:

Boost

Boost Glucose Control
Boost High Protein
Boost Kid Essentials 1.0 CAL
Boost Kid Essentials 1.5 CAL
Boost Kid Essentials w/ Fiber 1.5 CAL
Boost Plus
Bright Beginnings Soy Pediatric Drink
EleCare for Infants
EleCare
EleCare Junior
Enfamil EnfaCare
Enfamil Premature 20
Enfamil Premature 24
Ensure
Ensure High Calcium/Bone Health
Ensure High Protein
Ensure Plus
Good Start Premature 24
Neocate Infant with DHA & ARA
Neocate Junior
Nutren Junior
Nutren Junior with Fiber
Osmolite 1 cal
PediaSure
PediaSure with Fiber
Peptamen
Peptamen Junior
Peptamen Junior with Fiber
Peptamen Junior with Prebio

Similac Neosure/Similac Expert Care™ Neosure

Similac PM 60/40
Similac Special Care 24 with Iron
Tolerex
Vital HN
Vital 1.5 Cal.
Vivonex Pediatric
Vivonex Plus
Vivonex T.E.N.

NOTE: This list of approved food items is subject to change.
The Kentucky WIC Program shall forward notification of such changes, in writing.

ATTACHMENT A-2

Retail Grocery Only

Only the following food items are approved for the WIC Program in Kentucky:

FORMULAS:

Milk or Soy Based Iron Fortified Formulas - Contract Brand
Non-Standard Iron Fortified Formulas
WIC Eligible Medical Foods

NO Whole, low fat, skim, evaporated or goat's milk
NO Organic formula

INFANT CEREALS: (8.0 ounce container - dry only)

Beechnut
Beechnut Goya
Gerber

NO Organic
NO Additives such as fruit, formula, sugar, yogurt or DHA & ARA
NO Cereals in jars or pouches

INFANT FRUITS AND VEGETABLES: (4.0 ounce containers only)

Beechnut
Beechnut Goya
Gerber

YES Plain fruit or vegetable combinations such as peas and carrots, apples and banana or sweet potato and apple
NO Additives such as DHA & ARA, sugars, starches, salt/sodium or yogurt
NO Organic
NO Dinners, desserts, "delights" or puddings
NO Pouches

INFANT MEATS: (2.5 ounce containers only)

Beechnut Beechnut Goya Gerber

YES Plain meats with gravy
NO Chicken sticks, turkey sticks or meat sticks
NO Gerber Graduates Lil' Meals, Lil' Sides or Lil' Entrees
NO "Dinners"
NO Pouches
NO Organic

NO Additives such as fruit, vegetable or DHA & ARA

MILK: (Lowest priced brand of the type and size specified and selected)

Fat free/skim
Low fat (1/2%, 1%)
Reduced fat (2%)
Whole

Acidophilus &/or bifidum (A/B), lactose free and powdered milks are allowed if shown on EBT shopping list

YES Added calcium, fat free, low fat or reduced fat
NO Flavored milk, goat's milk, buttermilk, Vitamite 100, rice or evaporated milk
NO Organic milk
NO Added plant sterols, sterols, DHA, ARA, &/or Omega 3

SOY MILK: (Half Gallon Container)

8th Continent Original
Silk Soy Original

NO other soy milk

TOFU: (8 or 14 to 16 ounce container)

Nasoya – lite silken, silken, soft, lite firm, firm, extra firm, super firm cubed
House Foods – extra firm, firm, regular
Azumaya – Firm
Simple Truth - Firm

YES Prepared with calcium/magnesium salts
NO Added fats, sugars, oils or sodium

CHEESE: (Block, crumbled, cubed, sliced, shredded or string - 8 or 16 ounce packages; only – lowest price brand)

Brick	Monterey Jack	Provolone
Cheddar	Mozzarella	Swiss
Colby	Muenster	

YES Variety packs/blends, low cholesterol, low or reduced fat, nonfat, fat free, added calcium and low sodium
NO Deli cheese of any type
NO American cheese
NO Cheese food, cheese product, cheese spread, pasteurized processed cheese or imitation cheese
NO Added pepper, pimento, added herbs, spices, seasonings or flavorings (wine or smoked)
NO Organic Cheese
NO Added probiotics (e.g., Live Active, etc.)

UNSWEETENED 100% FRUIT/VEGETABLE JUICE:

100% Frozen Fruit Juice in 12 ounce container

Any brand - grapefruit or orange
Seneca - apple
Old Orchard - any flavor

Juicy Juice 100% Fruit Juice in 11.5 ounce container (any flavor)

Can OR Plastic 100% Fruit Juice in 46, 48 or 64 ounce container

Any brand - grapefruit or orange
Apple - Lucky Leaf, Musselman's, Seneca, Speas Farm
Pineapple - Del Monte, Dole, Libby's
Big Tex - Any Flavor
Juicy Juice - Any Flavor
Old Orchard - Any Flavor
Texsun - Any Flavor

100% Vegetable Juice - Can OR Plastic in 46, 48 or 64 ounce container

Tomato Juice - Campbell's, Campbell's Low Sodium, Red Gold
Vegetable Juice - Big Tex, Texsun, V-8, V-8 Low Sodium, V-8 Spicy, V-8 Essential Antioxidant

YES Juices with added calcium
NO Other juices or fruit drinks
NO V8 Lite, Splash or Fusion
NO DHA, prebiotics or artificial sweeteners
NO Organic juice

EGGS: (Grade A – White – Dozen Only – Size: Small, Medium or Large)

NO Organic, cage free, free range, low cholesterol, antibiotic free, vegetarian fed hen, multigrain diet fed or growth hormone eggs

CEREAL (10 ounce box or larger of the following)

B & G Foods Instant Cream of Wheat
B & G Foods Whole Grain Cream of Wheat
General Mills Multigrain Cheerios*
General Mills Toasted Grain Oat Cheerios
General Mills Corn*, Rice* or Wheat* Chex
General Mills Fiber One Frosted Shredded Wheat*
General Mills Kix* or Honey Kix*
General Mills Wheaties*
Kellogg's All Bran Complete Wheat Flakes*
Kellogg's Corn Flakes
Kellogg's Frosted Mini-Wheats Big Bite*
Kellogg's Frosted Mini-Wheats Original*

Kellogg's Frosted Mini-Wheats Little Bites*
Kellogg's Unfrosted Mini-Wheats*
Post Bran Flakes*
Post Grape Nuts* or Grape Nuts Flakes*
Post Honey Roasted Honey Bunches of Oats
Quaker Essentials Oat Bran*
Quaker Original Flavor Instant Quaker Oatmeal*
Quaker King Vitaman
Quaker Life
Malt O Meal Crispy Rice
Malt O Meal Frosted Mini Spooners*
Malt O Meal Oat & Honey Blenders
Malt O Meal Original Hot Wheat Cereal
Malt O Meal Mom's Best Naturals Oats & Honey Blend

*Denotes Whole Grain Cereal

NO Organic cereals
NO Cereals not listed

DRIED BEANS OR DRIED PEAS (16 ounce bag or 15 to 16 ounce canned)
Any brand

Any plain bean or pea; some examples include:

Black	Great Northern	Navy
Black-eyed peas	Lentils	Pinto
Garbanzo	Kidney	Red
Mixed	Speckled	

YES Mixed beans (pinto and great northern, etc.)
YES Regular or low sodium
NO Added meats, flavorings, sauces, seasoning, fats, sugars or oils
NO Organic or baked
NO Canned green beans, green peas or waxed beans

CANNED BAKED BEANS (Canned - 15 to16 ounce)

Bush's Honey Baked Beans
Bush's Vegetarian Baked Beans

NO Added meats, fats or oils

PEANUT BUTTER (Any brand – 16 to 18 ounce only)

YES Chunky, creamy, crunchy or extra crunchy
YES Low sodium and low sugar
NO Low carb
NO Jelly, honey, chocolate, artificial sweeteners or flavors added
NO Tubes, slices or "To Go" containers
NO Organic peanut butter
NO Reduced fat
NO Whips or marshmallow

NO Omega 3, flaxseed, or plus

FRESH FRUITS AND VEGETABLES (All varieties)

NO POTATOES except yams and sweet potatoes are allowed.

YES whole or cut
YES Organic
NO Ornamental fruits or vegetables such as painted pumpkins or pepper on a string
NO Party trays or fruit baskets
NO Muffins or baked goods
NO Items from the salad bar
NO Herbs or spices
NO Sprouts
NO Fruit/nut mixtures
NO Dried fruit or vegetables
NO Frozen, canned or pouches
NO Added dressings, croutons, herbs, spices, marinades, etc.

CANNED FISH (Any brand – Packed in oil or water)

Pink Salmon - 6 & 7.5 ounce cans only
Sardines - 3.75 & 15 ounce cans only
Tuna Fish - 5 & 6 ounce cans only

YES Regular or low sodium
NO White or albacore tuna
NO Organic fish
NO Foil containers
NO Added seasonings, flavors or dressings

WHOLE GRAIN PRODUCTS (Whole Grain Breads)

16 OUNCE

Aunt Millie's Healthy Goodness 100% Whole Wheat
Bimbo 100% Whole Wheat
Bunny 100% Wheat Bread
Food Lion 100% Wheat Bread
Healthy Life 100% Whole Wheat (Sugar Free)
Kerns 100% Whole Wheat
Kroger 100% Whole Wheat
Meijer 100% Whole Wheat
Nature's Own 100% Whole Grain (Sugar Free)
Pepperidge Farm Light Style Soft Wheat
Pepperidge Farm Stoneground 100% Whole Wheat
Pepperidge Farm Very Thin Soft 100% Whole Wheat
Pepperidge Farm Whole Grain Seeded Rye
Roman Meal Sungrain 100% Whole Wheat
Sara Lee 100% Whole Wheat
Wonder 100% Whole Wheat

24 OUNCE

Arnold/Brownberry Double Protein
Arnold/Brownberry Dutch Country 100% Whole Wheat
Arnold/Brownberry Healthnut
Arnold/Brownberry Honey Whole Wheat
Arnold/Brownberry 12 Grain
Arnold/Brownberry 100% Whole Wheat
Arnold/Brownberry 100% Whole Wheat Double Fiber
Arnold/Brownberry Healthy Multigran
Arnold/Brownberry Natural Wheat
Aunt Millie's Homestyle 100% Whole Wheat
Aunt Millie's Hearth Honey Oatmeal
Hartford Farms 100% Whole Wheat
Hartford Farms 12 Grain
Hartford Farms Honey Wheat Berry
Heiner's Old Fashion Stone Ground Wheat
Klosterman European Harvest 100% Whole Wheat
Kroger High Fiber
Kroger 100% Whole Wheat Honey
Kroger 100% Whole Wheat Round Top
Kroger Private Selection 4 Wheat Whole Grain
Kroger Private Selection 100% Whole Wheat
Kroger Private Selection 100% Whole Wheat (Sugar Free)
Meijer 100% Whole Wheat
Nature's Own Honey Wheat Berry
Nature's Own 12 Grain
Nature's Own 100% Whole Wheat
Nature's Own Specialty Honey Wheat
Pepperidge Farm Double Fiber
Pepperidge Farm Oatmeal
Pepperidge Farm Soft Honey Whole Wheat
Pepperidge Farm15 Grain
Pepperidge Farm100% Whole Wheat
Pepperidge Farm Whole Grain Ancient Grains
Pepperidge Farm Farmhouse Multigrain
Roman Meal Natural Whole Grain
Sara Lee 100% Multigrain
Sara Lee 100% Whole Wheat

NO Additives such as herbs, spices, peppers, cheese, tomatoes or raisins
NO White bread
NO Organic

WHOLE GRAIN - BROWN RICE (14 or 16 ounce package – Any brand)

YES Instant, quick or regular
NO Additives such as herbs, spices, peppers, cheese or tomatoes

WHOLE GRAIN - TORTILLAS: (16 ounce package as specified)

WHOLE WHEAT
- Best Choice
- Celias
- Dan Pancho
- Kroger
- La Benderita
- Miscasa 100%
- Mission 8”
- Nuevo Leon
- Ortega
- Pepito

CORN
- Celias
- Dan Pancho
- La Banderita
- La Burrita
- Meijer
- Pepito

NO Additives such as herbs, spices, peppers, cheese or tomatoes

NOTE: This list of approved food items is subject to change.
The Kentucky WIC Program shall forward notification of such changes, in writing.

ATTACHMENT B

When the Second Party is obligating more than one outlet, then all outlets shall be specified in the Agreement. When more than one outlet is specified in the Agreement, an individual outlet may be added or deleted without affecting the remainder of outlets.

NAME	ADDRESS	MANAGER	VENDOR NUMBER

ATTACHMENT C

Quantified Minimum Inventory Requirements
Retail Grocer only

All food items must be WIC approved, meeting the requirements of Attachment A – 2 of the Kentucky WIC Vendor Agreement and must be within the manufacturer's expiration date.

Food Item	Inventory Specifications	Quantities Required in Stock
Milk	2 Types Required: Whole milk in gallon containers Reduced fat, skim or low fat milk in gallon containers Must be able to supply ½ gallons and quarts upon request	4 gallons whole milk and 10 gallons low fat milk
Cheese	1 Type Required: No deli cheese of any type	4 pounds total 8 or 16 ounce packages
Eggs	Grade A (Large or smaller)	5 dozen
Cereal	Three (3) Products Required: (2 of the 3 products must be whole grain)	9 boxes
Juice	Two (2) flavors required in 64 ounce containers Two (2) flavors required in either 46 ounce or 48 ounce containers Must be 100% fruit or vegetable juice, unsweetened	14 containers total of 64 ounce and 46 or 48 ounce containers
Beans or peas	1 type dry beans or peas 1 type canned beans or peas	4 - one (1) pound packages and 16 - 15 to 16 ounce cans
Fish	1 type required	45 ounces

Food Item	Inventory Specifications	Quantities Required in Stock
Peanut butter	1 type required	4 – 16 to 18 ounce containers
Whole wheat bread or other whole grains	1 type required Bread, rice or tortilla	4 - 16 ounce packages of bread or tortillas or 14 or 16 ounce packages of rice
Fresh fruits Fresh vegetables	2 types fresh fruits 2 types fresh vegetables	10 pounds total
Infant formula	1 type of contract brand powder required: Gerber Good Start Gentle, Good Start Protect, Good Start Soy, Good Start Soothe	11 cans total In either 12.4, 12.7 or 12.9 ounce cans
Infant cereal	1 type required	3 containers total 8 ounce containers
Infant fruits and vegetables	2 types infant fruits 2 types infant vegetables	32 jars total 4 ounce jars

ATTACHMENT D

902 KAR 18:011. Definitions for 902 KAR Chapter 18.

RELATES TO: KRS 194A.050, 194A.505, 194A.990, 7 C.F.R. 246, 7 C.F.R. 278.6, 21 U.S.C. 802
STATUTORY AUTHORITY: KRS 194A.050, 211.090(3), 7 C.F.R. 246, 42 U.S.C. 1786
NECESSITY, FUNCTION, AND CONFORMITY: 42 U.S.C. 1786 and 7 C.F.R. 246 provide for grants for state operation of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). KRS 194A.050(1) authorizes the Cabinet for Health and Family Services to promulgate administrative regulations as necessary to qualify for the receipt of federal funds. This administrative regulation establishes definitions for the terms used in 902 KAR Chapter 18.

Section 1. Definitions.

(1) "Above-50-percent vendor" means a vendor that receives or is expected to receive more than fifty (50) percent of its annual food sales revenue from WIC benefits.

(2) "Alcohol" is defined by KRS 241.010(1).

(3) "Alcoholic beverage" is defined by KRS 241.010(2).

(4) "Approved product listing" or "APL" means an electronic list or file identifying the food items approved by the state WIC agency for purchase with WIC food instruments by food category and subcategory.

(5) "Authorized supplemental food" means a supplemental food authorized by the state or a local agency for issuance to a particular participant.

(6) "Cash value voucher" is defined by 7 C.F.R. 246.2.

(7) "Certifying professional authority" means a person authorized to determine eligibility and certify persons for the WIC program.

(8) "Class" means food sale classification.

(9) "Compliance buy" means a covert, on-site investigation.

(10) "Contract price" means the price for a WIC food item negotiated between the state WIC agency and the vendor.

(11) "Dual participation" means simultaneous participation in the WIC Program and in:

(a) One (1) or more WIC clinics; or

(b) The Commodity Supplemental Food Program.

(12) "Electronic WIC benefits" or "eWIC" means a Web-based technology that allows WIC participants to obtain food benefits by using a plastic debit-type card with a personal identification number (PIN) at authorized participating WIC retailers.

(13) "Exempt infant formula" is defined by 7 C.F.R. 246.2.

(14) "FNS" means Food and Nutrition Services.

(15) "Food instrument" is defined by 7 C.F.R. 246.2.

(16) "Good letter with exceptions" means a written notification letter that a compliance buy has been conducted in the store and that a violation occurred; however, no sanction was applied due to lack of pattern of incidence.

(17) "High risk vendor" means a vendor having a high probability of noncompliance with federal and state regulations, policies, and procedures as identified in 902 KAR 18:090.

(18) "Integrated" means a commercial system that fully incorporates eWIC functionality into an existing cash register (ECR) system.

(19) "Inventory audit" means an examination of food invoices or other proof of purchase to determine if a vendor has purchased sufficient quantities of authorized supplemental food to provide to participants the quantities of food items redeemed by the vendor during a given period of time.

(20) "Investigation" means a method used by the state WIC agency to detect a WIC program violation.

(21) "Local agency" means an applying or participating WIC agency.

(22) "Low variance" means the redemption of the same type of food item at the same price or within a narrow price range.

(23) "Medical foods" means enteral products that are specifically formulated to provide nutritional support for individuals with a qualifying condition when the use of conventional foods is precluded, restricted, or inadequate.

(24) "Not to exceed" or "NTE" means FNS-approved cost containment methodology whereby WIC authorized vendors are subject to price limitations. NTE is the maximum amount that Kentucky will pay for a specific food item identified by its UPC code.

(25) "Participant" means:

(a) A pregnant, breastfeeding, or postpartum woman or an infant or child who is receiving supplemental food or food instruments;

(b) The breastfed infant of a breastfeeding woman who is receiving WIC program benefits;

(c) The parent or caretaker of an infant or child receiving a WIC benefit; and

(d) The proxy for a person identified in paragraphs (a), (b), or (c) of this subsection.

(26) "Participant violation" means an intentional, knowing act of a participant that violates federal or state law governing the WIC program.

(27) "Peer Groups" means categories into which vendors are assigned based upon sales volume and region.

(28) "PIN" means a unique four (4) digit personal identification number designated by the WIC participant.

(29) "Point of sale" or "POS" means the system supporting WIC/eWIC food transactions in a store checkout lane.

(30) "POS device" means a physical electronic cash register or dedicated point of sale hardware or terminal that is used for WIC processing.

(31) "Positive buy" means a compliance buy, on-site review, or on-line WIC transaction review in which evidence of a violation of the vendor agreement or the federal or state law governing the WIC program has occurred.

(32) "Price look up" or "PLU" means a four (4) or five (5) digit identifier used to identify individual and bulk produce.

(33) "Proxy" means a person designated by a female participant or by a parent or caretaker of an infant or child participant to obtain and transact a food instrument or cash value voucher to obtain a supplemental food or foods on behalf of a participant.

(34) "Routine monitoring" means overt, on-site monitoring during which representatives of the WIC program identify themselves to vendor personnel.

(35) "Rural" means any area not defined as urban.

(36) "Shelf price" means the price displayed on the food item, shelf, or display case where the food item is

stored.

(37) "SNAP" means the Supplemental Nutrition Assistance Program, formerly known as the Food Stamp Program.

(38) "Standard bar code" means a printed series of lines of varying width on a container or product that can be read by an optical scanner to determine product classification and price.

(39) "Staple food items" means meat, poultry, fish, bread, breadstuff, cereals, vegetables, fruit, vegetable and fruit juices, and dairy products, excluding items such as coffee, tea, cocoa, carbonated and uncarbonated beverages, condiments, and spices.

(40) "State WIC agency" means the Cabinet for Health and Family Services or its designated representative.

(41) "Systematic review" means a review of electronic WIC transactions by the state WIC agency or its representatives to monitor systematic violations of the program.

(42) "Trafficking" means the redemption or exchange of WIC food instruments for cash, a firearm, ammunition, an explosive, or a controlled substance as defined in 21 U.S.C. 802.

(43) "Unauthorized food" means foods not authorized by the state or local agency for issuance to a particular participant.

(44) "Unique customer" means the number of unduplicated individuals that have one (1) or more transactions at the sanctioned vendor during the specified time period.

(45) "UPC" means a barcode consisting of twelve (12) digits used for tracking trade items in retail stores.

(46) "Urban" means a metropolitan area that is delineated by the Standards for Delineating Metropolitan and Metropolitan Statistical Areas that the Office of Management and Budget (OMB) published on June 28, 2010, in the Federal Register (75 Fed. Reg. 37246-37252).

(47) "Vendor" means a sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one (1) or more stores by providing authorized supplemental foods to participants under a retail food delivery system.

(48) "Vendor authorization" means the process by which the state WIC agency assesses, selects, and enters into an agreement or contract with a store that applies or subsequently reapplies to be authorized as a vendor.

(49) "Vendor overcharge" is defined by 7 C.F.R. 246.2.

(50) "Vendor violation" means an intentional or unintentional act of a vendor’s current owner, officers, agent, or employee, with or without the knowledge of management, that violates the vendor agreement or either the federal or state law governing the WIC program.

(51) "WIC agency" means a local health department or agency contracted with the state to deliver WIC services.

(52) "WIC benefits" means a voucher, check, electronic benefits transfer card (EBT), coupon, or document that is used by a participant to obtain supplemental foods.

(53) "WIC program" or "WIC" means the Special Supplemental Nutrition Program for Women, Infants, and Children authorized by Section 17 of the Child Nutrition Act of 1966, 42 U.S.C. 1786, and administered pursuant to 42 U.S.C. 1786 and 7 C.F.R. 246.

902 KAR 18:050. Vendor Authorization Criteria.

RELATES TO: 194A.050, 194A.505, 194A.990, 7 C.F.R. 246, 7 C.F.R. 278.6, 21 U.S.C. 802.
STATUTORY AUTHORITY: KRS 194A.050, 211.090(3), 7 C.F.R. 246, 42 U.S.C. 1786
NECESSITY, FUNCTION, AND CONFORMITY: 42 U.S.C. 1786 and 7 C.F.R. 246 provide for grants for state

operation of the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). KRS 194A.050(1) authorizes the Cabinet for Health and Family Services to promulgate administrative regulations as necessary to qualify for the receipt of federal funds. This administrative regulation establishes the vendor authorization criteria for the Kentucky Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

Section 1. Vendor Authorization Criteria.

(1) Only a vendor authorized by the state WIC agency shall redeem a food instrument.

(2) Each store operated by a business entity shall be authorized separately from other stores operated by the business entity.

(3) Each store shall have a single, fixed location and redeem the WIC food instruments and provide the WIC foods within the four (4) walls of the establishment.

(4) A retailer authorized as a pharmacy shall only redeem food instruments for exempt infant formulas and medical foods.

(5) Food vendors shall be authorized in sufficient numbers and with distribution adequate to ensure:
   (a) Participant convenience and access; and
   (b) Effective management of vendor review by the cabinet and the local agency.

(6) In order to be an authorized WIC vendor, a vendor shall:

   (a) Provide information, including sales volume and an updated application, requested by the state WIC agency;

   (b) Stock, at all times, minimum inventory in accordance with the Quantified Minimum Inventory Requirements outlined in the Kentucky WIC Manual for Applying Retailers:
      1. The stock shall be in the store or in the store's stockroom;
      2. Expired foods shall not count towards meeting the minimum inventory requirement; and
      3. A pharmacy shall supply exempt formula or medical foods within forty-eight (48) hours of the state WIC agency request;

   (c) Obtain infant formula only from the listing of Kentucky WIC Program Authorized Suppliers of WIC Approved Infant Formulas, http://chfs.ky.gov/dph/mch/Vendor+Management.htm;

   (d) Except for a pharmacy, be in compliance with the Kentucky Retail Market Sanitation Regulations, 902 KAR 45:005, and have a valid retail food establishment or retail food store permit in the current owner's name;

   (e) Except for a pharmacy, be an authorized SNAP retailer;

   (f) Have competitive prices with other authorized WIC vendors in the area, compared according to the policy outlined in the WIC Manual for Applying Retailers and the Manual for Contracted WIC Vendors;

   (g) Display the prices of WIC approved food items on each item or on the shelf or display case where the items are located. A cost plus ten (10) percent store shall post the final price (WIC price) on the shelf or on the signage in aisle;

   (h) Be in compliance with the other Food and Nutrition Service programs or the Medicaid program, including:

      1. Not be disqualified or withdrawn by the United States Department of Agriculture from participation in another Food Nutrition Service program or the Medicaid program;
      2. Not be denied application to participate in SNAP or Medicaid;
      3. Not be currently paying a civil money penalty to SNAP or Medicaid; or

4. Not have been assessed a civil money penalty by SNAP or Medicaid, and the disqualification period that would otherwise have been imposed has not expired;

(i) Request authorization for a business whose primary purpose is to be a retail grocery.

1. A direct distribution outlet or wholesale food establishment shall not be eligible.
2. A vendor who derives more than fifty (50) percent of annual food sales revenue from the sale of food items that are purchased with WIC food instruments shall not be eligible.
3. A retail grocery shall:
   a. Have a separate and distinct grocery department in a stationary location which stocks staple food items in addition to WIC approved foods; and
   b. Have fifteen (15) percent of gross sales in nontaxable food sales, excluding specialty items such as bakery goods for a bakery or produce for a fruit and vegetable stand.
4. A dairy or home delivery grocery shall not be approved if it operates solely as a mobile operation.
5. The use of drive-up windows shall not be approved;

(j) Be registered with the Secretary of State and be in good standing according to http://sos.ky.gov/business, if a corporation or partnership;

(k) Be open for business year round at least eight (8) hours per day, six (6) days per week;

(l) Be accessible to monitoring by state and federal officials without prior notice;

(m) Not be indebted to the WIC program for an unpaid claim or a civil money penalty against a store owned or previously owned by the applying owners; and

(n) Have the capability to accept WIC program benefits electronically. A store shall have the use of an internet cable or a currently Food and Nutrition Services certified system to accept online WIC EBT.

(7) The WIC program shall not authorize a vendor applicant if, during the last six (6) years, an applicant current owner, officer, or manager has been convicted of or had a civil judgment for:

(a) Fraud;
(b) Antitrust violation;
(c) Embezzlement, theft, or forgery;
(d) Bribery;
(e) Falsification or destruction of records;
(f) Making false statements or claims;
(g) Receiving stolen property;
(h) Obstruction of justice; or
(i) Another act reflecting on the business integrity and reputation of the applicant, such as removal from other federal or state programs.

(8) The WIC program shall not authorize a store that has attempted to circumvent a period of disqualification from the program, including a store that has undergone a sale or changes of operation if the transaction involved the following parties:

(a) The seller or transferor is an owner, operator, or manager currently suspended, sanctioned, or disqualified from WIC, SNAP, or Medicaid; and
(b) The buyer or transferee is related to the seller by marriage or consanguinity within the fourth degree, or was a manager or employee of the seller when the sanction, suspension, or disqualification was issued or the violation occurred.

(9) A contract shall not be entered into with a vendor if the contract would cause a conflict of interest, real or apparent.

(10) The WIC program shall terminate a vendor contract if it determines the vendor or vendor's employee provided false information in connection with the vendor application.

(11) An authorized WIC vendor shall send appropriate employees (owner, manager or head cashier) to attend

state WIC agency required training.

(12) If an applying retailer does not meet the criteria upon review by either the local or state WIC agency:
  (a) The applying retailer will be notified in writing;
  (b) After two (2) reviews, the applying retailer cannot apply for the program for sixty (60) days from the date of denial;
  (c) After three (3) reviews, the applying retailer cannot apply for 120 days from the date of the denial;
  (d) Each subsequent denial shall result in an additional sixty (60) day denial.

(13) A person aggrieved by a decision of the cabinet may file a written request for a hearing with the cabinet within fifteen (15) days after receipt of notice of the adverse action. The hearing shall be conducted in accordance with KRS Chapter 13B.

Section 2. Incorporation by Reference.

(1) The following material is incorporated by reference:
  (a) "Kentucky WIC Manual for Applying Retailers", 2013; and
  (b) "Manual for Contracted WIC Vendors", 2013.

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902 KAR 18:061. Vendor violations and sanctions.

RELATES TO: 194A.050, 194A.505, 194A.990, 7 C.F.R. 246, 7 C.F.R. 278.6, 21 U.S.C. 802
STATUTORY AUTHORITY: KRS 194A.050, 211.090(3), 7 C.F.R. 246, 42 U.S.C. 1786
NECESSITY, FUNCTION, AND CONFORMITY: 42 U.S.C. 1786 and 7 C.F.R. 246 provide for grants for state operation of the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). KRS 194A.050(1) authorizes the Cabinet for Health and Family Services to promulgate administrative regulations as necessary to qualify for the receipt of federal funds. This administrative regulation establishes the vendor violations and sanctions for the Kentucky Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

Section 1. Vendor Violations and Sanctions.

(1) In addition to any criminal penalty imposed pursuant to KRS 194A.990, the cabinet shall impose one (1) or more of the following civil sanctions for designated violations committed by a vendor, his employee, or agent:
  (a) Failure of a vendor to meet the authorization criteria in 902 KAR 18:050:
    1. First occurrence: a sixty (60) day disqualification or non-renewal;
    2. Second occurrence: a ninety (90) day disqualification or non-renewal; or
    3. Third and subsequent occurrences: a 120 day disqualification or non-renewal;
  (b) Failure of a vendor to pay a claim. The state WIC agency shall request payment as follows:
    1. Mail a letter to the vendor requesting payment by a specified date;
    2. If payment was not received, the state WIC agency shall contact the vendor by either email or telephone, reminding vendor of payment due; and

3. If payment was not received, the state WIC agency shall send a second letter by certified mail, return receipt requested, of past due claim:
   a. First occurrence: a six (6) month disqualification; or
   b. Second occurrence and subsequent occurrences: a one (1) year disqualification from the WIC program;

(c) Failure of a vendor to return the WIC vendor authorization stamp and XAC device (if applicable) to the local WIC agency within seven (7) days of receipt of disqualification or termination letter shall result in an additional six (6) month disqualification when the following condition has been met: the state WIC agency contacted the vendor by telephone to request the return of the stamp and XAC device;

(d) Store personnel requesting the PIN: two (2) positive buys out of three (3) shall result in a one (1) year disqualification;

(e) Using the integrated or WIC XAC device Cash Value Benefits (CVB) functionality to provide non-produce food item(s): two (2) positive buys out of three (3) shall result in a one (1) year disqualification from the WIC program;

(f) Providing free merchandise exclusively to WIC participants as an incentive to redeem WIC benefits: one (1) positive buy out of three (3) shall result in a six (6) month disqualification;

(g) Public notice by a WIC vendor of providing free merchandise exclusively to participants as an incentive to redeem WIC benefits: one (1) occurrence shall result in a six (6) month disqualification;

(h) Conviction of trafficking in WIC benefits or selling a firearm, ammunition, an explosive, or controlled substance, as defined in 21 U.S.C. 802, in exchange for a food instrument: one (1) positive buy shall result in a permanent disqualification;

(i) Trafficking in WIC benefits or selling a firearm, ammunition, an explosive, or controlled substance, as defined in 21 U.S.C. 802, in exchange for a food instrument: one (1) positive buy shall result in a six (6) year disqualification;

(j) Sale of alcohol or alcoholic beverage or tobacco product in exchange for a food instrument: one (1) positive buy shall result in a three (3) year disqualification;

(k) Claiming reimbursement for the sale of an amount of a specific supplemental food item, which exceeds the vendor's documented inventory of that supplemental food item for a specific period of time:
   1. An inventory audit for a thirty (30) day period, which results in more WIC sales than the documented inventory, shall result in a three (3) year disqualification; or
   2. An inventory audit for a ninety (90) day period, which results in more WIC sales than the documented inventory, shall result in a three (3) year disqualification;

(l) Charging a participant more for supplemental food than:
   1. A non-WIC customer is charged; or
   2. The current shelf price shall result in the following disqualifications:
      a. Two (2) positive buys out of three (3) shall result in a three (3) year disqualification from the WIC Program if:
         (i) The vendor has exhibited a prior pattern of overcharging during the prior federal fiscal year based upon routine monitoring visits which have resulted in two (2) letters for price discrepancies.
         (ii) The state WIC agency shall require a vendor who has received two (2) letters for price discrepancies during the federal fiscal year to receive training provided by the state WIC agency.

b. Three (3) positive buys out of three (3) shall result in a three (3) year disqualification for a vendor who does not meet the conditions in clause a.(i) of this subparagraph;

(m) Receiving, transacting, or redeeming food instruments outside of authorized channels, including the use of an unauthorized vendor or unauthorized person: two (2) positive buys out of three (3) shall result in a three (3) year disqualification;

(n) Charging for supplemental food not received by the participant, such as charging for one (1) food item or more listed on the WIC benefits but not purchased by the WIC participant: three (3) positive buys out of three (3) shall result in a three (3) year disqualification;

(o) 1. Providing credit, an IOU, a rain check, a due bill, or a store credit; or
2. Providing a nonfood item other than cash, alcohol, tobacco, firearms, ammunition, explosives or controlled substances, as defined in 21 U.S.C. 802, in exchange for food benefits: two (2) positive buys out of three (3) shall result in a three (3) year disqualification;

(p) Providing an unauthorized food item or items in exchange for a food instrument: three (3) positive buys out of four (4) shall result in a one (1) year disqualification;

(q) Charging for supplemental food provided in excess of those listed on the food instrument: three (3) positive buys out of four (4) shall result in a one (1) year disqualification;

(r) A vendor who has been disqualified from the SNAP shall be disqualified from the WIC program for the same length of time as the SNAP disqualification; or

(s) A vendor who has been assessed a civil money penalty by SNAP, as provided under 7 C.F.R. 278.6, shall be disqualified from the WIC program for the same length of time for which the vendor would have been disqualified from SNAP unless the WIC program determines that disqualification would result in inadequate participant access, in which case a penalty shall not be assessed.

(2) If multiple vendor violations are found during an investigation, the length of the disqualification shall be determined by the most serious violation.

(3) A vendor who has previously received two (2) or more of the mandatory sanctions designated in subsection (1)(h) through (q) of this section, and who receives another sanction for a violation designated in subsection (1)(h) through (q) of this section, the third and all subsequent sanctions shall be doubled. A civil monetary penalty shall not be assessed for a third or subsequent sanction.

(4) Disqualified vendors, even if the decision is later overturned, shall not be entitled to receive compensation for revenues lost as a result of a disqualification.

Section 2. Vendor Notification

(1) Except for violations identified in Section 1(1)(a) through (c), (f) through (j), (r), and (s) of this administrative regulation, the state WIC agency shall notify a vendor in writing if an investigation reveals a potential initial violation.

(2) The vendor shall be notified before another violation is documented unless the state WIC agency determines that notifying the vendor would compromise the investigation.
(a) The notification determination shall be made on a case by case basis.
(b) A notification of a potential initial violation shall not be issued if:
1. The vendor is identified as a high-risk vendor in accordance with 902 KAR 18:090;
2. One (1) or more of the same type of violation occurred within the same federal fiscal year of prior federal fiscal year and the vendor has received prior notification; and
3. Sending a notification letter would divulge the identity of the investigator.

902 KAR 18:071. Participant access determination and civil money penalty.

RELATES TO: 194A.050, 194A.505, 194A.990, 7 C.F.R. 246, 7 C.F.R. 278.6, 21 U.S.C. 802
STATUTORY AUTHORITY: KRS 194A.050, 211.090(3), 7 C.F.R. 246, 42 U.S.C. 1786
NECESSITY, FUNCTION, AND CONFORMITY: 42 U.S.C. 1786 and 7 C.F.R. 246 provide for grants for state operation of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). KRS 194A.050(1) authorizes the Cabinet for Health and Family Services to promulgate administrative regulations as necessary to qualify for the receipt of federal funds. This administrative regulation establishes procedures for WIC vendor disqualification including the participant access determination and civil money penalty.

Section 1. Participant Access Determination.

(1) Except for a violation specified in 902 KAR 18:061, Section 1(1)(h) and (i), prior to disqualifying a vendor for a violation specified in 902 KAR 18:061, the state WIC agency shall determine if disqualification of the vendor will result in inadequate participant access.

(2) Mileage shall be measured by automobile odometer or geomapping.

(3) The determination and documentation of adequate participant access shall be made using the following criteria:

(a) The sanctioned vendor is located within:
1. A metropolitan area, as defined by the U.S. Office of Management and Budget (OMB) Bulletin No. 13-01, and there is another authorized vendor located within two (2) miles of the sanctioned vendor; or
2. A nonmetropolitan area and there is another authorized vendor located within seven (7) miles of the sanctioned vendor;

(b) The sanctioned vendor has redeemed food instruments for medical foods or exempt infant formula within thirty (30) days preceding the date of the letter issuing the notice of disqualification, and there is another authorized vendor within the designated mileage as defined in paragraph (a) of this subsection who can supply the products which were previously redeemed;

(c) The sanctioned vendor has redeemed food instruments from a minimum number of unique customers within thirty (30) days preceding the date of the letter issuing the notice of disqualification.
1. The following are the minimum number of customers according to the vendor's peer group:
a. Class 1: forty (40) or more unique customers;
b. Class 2: seventy-five (75) or more unique customers;
c. Class 3: 100 or more unique customers;
d. Class 4: 200 or more unique customers; or
e. Class 5: forty (40) or more unique customers.
2. If a sanctioned vendor meets the criteria for unique customers, then the local agency WIC coordinator or designee shall be consulted to determine if:
a. Conditions exist which would allow travel using public transaction to another authorized WIC vendor within the designated mileage in paragraph (a)1 of this subsection;
b. Crosswalks exist across multilane highways or railroad tracks if another authorized WIC vendor is located in a metropolitan area; or
c. Impassable mountain or an unbridged river would prevent travel if another authorized WIC vendor is located in a non-metropolitan area.

(4) If the WIC program determines there is adequate participant access, retailers shall be afforded the opportunity to submit written documentation providing evidence of the impact of the adverse action on WIC participants.

(5) If inadequate participant access is determined pursuant to subsection (3) of this section, a civil money penalty shall be assessed for a violation listed in 902 KAR 18:061. The civil money penalty shall be calculated in accordance with the procedures outlined in the Manual for Contracted WIC Vendors incorporated by reference in 902 KAR 18:050.

(6) The written documentation shall be received by the state WIC agency within fifteen (15) days from the date of receipt of the state WIC agency notification of disqualification. If the written documentation is not received within fifteen (15) days, further consideration shall not be given to participant access.

(7) Upon receipt and the review of the documentation, the WIC program shall send, within thirty (30) days, a written summary of the participant access review to the vendor. The vendor may then request a hearing in accordance with 902 KAR 18:081.

Section 2. Civil Money Penalty.

(1) The WIC program may negotiate an installment plan for the collection of a civil money penalty if requested by the vendor in writing prior to the payment due date.

(2) A vendor that fails to pay, partially pay, or timely pay a civil money penalty within the required time frame shall be disqualified for the length of time corresponding to the most serious violation.

902 KAR 18:081. Local agency and vendor hearing process and administrative appeal process.

RELATES TO: 194A.050, 194A.505, 194A.990, 7 C.F.R. 246, 7 C.F.R. 278.6, 21 U.S.C. 802
STATUTORY AUTHORITY: KRS 194A.050, 211.090(3), 7 C.F.R. 246, 42 U.S.C. 1786
NECESSITY, FUNCTION, AND CONFORMITY: 42 U.S.C. 1786 and 7 C.F.R. 246, provide for grants for state operation of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). KRS 194A.050(1) authorizes the Cabinet for Health and Family Services to promulgate administrative regulations as necessary to qualify for the receipt of federal funds. This administrative regulation establishes the local agency's and vendor's rights to a hearing in regards to the Kentucky Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

Section 1. Local Agency.

(1) A local agency may request a hearing for the following adverse actions:

(a) Denial of a local agency's application;
(b) Disqualification of a local agency; and
(c) Any other adverse action that affects a local agency's participation.

(2) The following state WIC agency actions shall not be subject to administrative review:

(a) Expiration of the local agency's agreement; and
(b) Denial of a local agency's application when the state WIC agency has issued a request for bid and followed finance procurement procedures.

(3) The following shall be the effective dates of adverse actions against local agencies:

(a) Denial of local agency applications shall be effective immediately;
(b) Adverse actions in subsection (1)(b) and (c) of this section shall be effective no later than sixty (60) days after the date of the notice of adverse action is served by hand delivery or certified mail receipt; and
(c) Adverse actions that are appealed shall be effective the date that the local agency receives the

hearing decision.

Section 2. Vendor Right to a Hearing or Administrative Review.

(1) In accordance with 7 C.F.R. 246.18, a vendor aggrieved by a qualifying adverse action may request a hearing for the following:

(a) Denial of authorization based on the vendor authorization criteria found in 902 KAR 18:050;
(b) Termination of an agreement;
(c) Disqualification in accordance with 902 KAR 18:061; and
(d) Imposition of a fine or civil money penalty in lieu of a disqualification in accordance with 902 KAR 18:071.

(2) In accordance with 7 C.F.R. 246.18, the following state WIC agency actions shall not be subject to administrative review under this section:

(a) The validity or appropriateness of the vendor selection criteria for minimum variety and quantity of supplemental foods, business integrity, and current SNAP disqualification or civil money penalty for hardship;
(b) The validity or appropriateness of the selection criteria for competitive price, including vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors;
(c) The validity or appropriateness of the participant access criteria and the state WIC agency's participant access determinations;
(d) The determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the list of entities where infant formula can be purchased;
(e) The validity or appropriateness of the prohibition of incentive items;
(f) The determination not to notify a vendor in writing when an investigation reveals an initial violation for which a pattern of violations must be established in order to impose a sanction;
(g) The determination that a vendor did not have a policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation;
(h) The expiration or non-renewal of a vendor's agreement;
(i) Disputes regarding food instrument payments and vendor claims; or
(j) Disqualification of a vendor as a result of disqualification from the SNAP.

Section 3. Hearing or Administrative Appeal.

(1) A vendor or local agency may file a written request by hand delivery or certified mail with the state WIC agency within fifteen (15) days after receipt of notice of the adverse action.

(2) The hearing shall be conducted in accordance with KRS Chapter 13B.

(3) Within fifteen (15) days of a request for a hearing, the cabinet shall issue a date of hearing.

(4) The state WIC agency may dismiss a request for hearing if:

(a) The request is not received within the time limit set by this administrative regulation;
(b) The request is withdrawn in writing by the appellant or a representative of the appellant; or
(c) The appellant or representative fails, without good cause, to appear at the scheduled hearing.

(5) To protect the identity of the state WIC agency investigators, cross examinations of these witnesses shall be conducted behind a protective screen or other device in accordance with 7 C.F.R. 246.18.

(6) (a) In accordance with 7 C.F.R. 246.18, the hearing officer shall issue a written recommended order no later than ninety (90) days after the cabinet receives the request for the hearing which shall include:
1. The findings of fact;
2. Conclusions of law; and
3. Recommended disposition, including recommended penalties, if any, in accordance with KRS 13B.110.

(b) In accordance with 7 C.F.R. 246.18, decisions of the hearing official shall be based on the applicable state and federal law and the facts of the case as established in the official record of the hearing as defined in KRS 13B.130.

(c) A hearing officer shall not have authority to reduce or modify sanctions that are prescribed by WIC statues, regulations, or policies.

(7) Exceptions to the hearing officer's recommended order shall be filed with or mailed to Cabinet for Health and Family Services, Office of the Secretary, 275 East Main Street, 5W-A, Frankfort, Kentucky 40621.

(8) Each party in the hearing shall have fifteen (15) days from the date the recommended order is mailed within which to file exceptions to the recommended order, as provided in KRS 13B.110.

(9) A party may file a response to an opposing party's exceptions within twenty-five (25) days from the date the recommended order is mailed.

(10) Exceptions and responses to exceptions shall be considered filed on the date they are received by the cabinet.

(11) Appealing an action shall not relieve an appellant from the responsibility of continued compliance with WIC program regulations, policies, and procedures.

(12) The final order shall be issued in accordance with KRS 13B.120.

(13) In accordance with 7 C.F.R. 246.18, the state WIC agency shall make denials of authorization and disqualifications imposed under 902 KAR 18:061 effective on the date of receipt of the notice of adverse action.

Section 4. In accordance with KRS 13B.140, any party aggrieved by the final order may seek judicial review of the decision by filing a petition within thirty (30) days of receipt of final order notice in the Franklin Circuit Court or the circuit court of the county in which the party resides or operates a business.

902 KAR 18:090. High Risk Criteria.

RELATES TO: KRS, 194A.050, 194A.505, 194A.990, 205.080, 205.120, 205.231, 7 C.F.R. 246, 7 C.F.R. 278.6, 21 U.S.C. 802
STATUTORY AUTHORITY: KRS 194A.050, 205.231, 211.090(3), 7 C.F.R. 246, 42 U.S.C. 1786
NECESSITY, FUNCTION, AND CONFORMITY: 42 U.S.C. 1786 and 7 C.F.R. 246 provide for grants for state operation of the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). KRS 194A.050(1) authorizes the Cabinet for Health and Family Services to promulgate administrative regulations as necessary to qualify for the receipt of federal funds. This administrative regulation establishes the high risk criteria for contracted retailers with the Kentucky Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

Section 1. High Risk Criteria. In accordance with 7 C.F.R.. 246.12, high-risk vendors shall be identified at least once each federal fiscal year. The criteria and points established in this section shall be assessed.

(1) A vendor with low variance, as defined by 902 KAR 18:011, Section 1, shall be assessed five (5) points per quarter.

(2) A vendor who has greater than or equal to twenty (20) percent but less than fifty (50) percent of the vendor's quarterly WIC transactions ending in whole dollar amounts shall be assessed five (5) points per quarter. The transactions shall not include produce and formula.

(3) A vendor who has greater than or equal to fifty (50) percent of the vendor's quarterly WIC transactions ending in whole dollar amounts shall be assessed ten (10) points per quarter. The transactions shall not include produce and formula.

(4) A vendor in which six (6) or more gallons of milk were redeemed in a single transaction, occurring in thirty (30) or more transactions a quarter, shall be assessed five (5) points per quarter.

(5) A vendor with full package redemptions in one (1) transaction occurring in twenty (20) or more transactions per quarter shall be assessed five (5) points per quarter.

(6) A vendor shall be assessed ten (10) points for every overcharge letter unless the overcharge is justified in writing and accepted by the state WIC agency.

(7) A vendor with a lack of inventory, as outlined in the Kentucky WIC Manual for Applying Retailers, shall be assessed five (5) points per occurrence during a monitoring visit.

(8) A vendor whose prices for transactions are greater than or equal to ninety (90) percent above the NTE shall be assessed five (5) points per quarter.

(9) A vendor whose percentage of WIC sales to food sales is greater than twenty (20) percent shall be assessed five (5) points for every ten (10) percent increment per federal fiscal year.

(10) A vendor who has redeemed more than $2,000 in transactions per federal fiscal year from out of its contracted agency shall receive one (1) point per federal fiscal year.

(11) A vendor who received a Good Letter with Exceptions shall be assessed five (5) points per letter.

Section 2. High Risk Referrals.

A vendor who is assessed thirty (30) points or more per federal fiscal year shall be referred to a federal, state, or local law enforcement agency for a compliance investigation.

KENTUCKY WIC PROGRAM VENDOR AGREEMENT

The undersigned represents that he/she is an owner or has other legal authority to obligate the Second Party.

SECOND PARTY

_____ _____
Business Name (Print) Vendor Number

_____ _____
Name of Authorized Official (Print) Signature of Authorized Official

_____
Date Signed

FIRST PARTY

_____ _____
Agency Name (Print) Signature of Authorized Official

_____
Date Signed

APPROVED BY

_____ _____
Signature of Authorized Official Date Signed
Kentucky WIC Program
Department for Public Health
Cabinet for Health and Family Services

Kentucky Public Health
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UNBRIDLED SPIRIT

VENDOR / DRUG STORE TRAINING CHECKLIST

Purpose	This form indicates items addressed in the training.
When To Use	This form is given to a vendor at the time of initial authorization and at subsequent training sessions.
Instructions	• Store Name is the name the vendor is going to use with that particular retail establishment. • Vendor Number is the unique number that has been or will be assigned by the State WIC Office. • Staff present and their positions is a list of store personnel present at the training session and their respective positions within that establishment. • 1 – 17 Check Items Explained to Vendor. There is a list of seventeen (17) items that the vendor acknowledges as having been explained in a training session. • Signature/Title is the signature and title of the authorized representative of the vendor who was present at the training session. • Person Providing Training is the signature of the local agency person or State WIC Office person who provided the vendor training and that person's title.

Kentucky Public Health
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WIC-39
Rev. 08/13

VENDOR TRAINING CHECKLIST

STORE NAME _____ VENDOR NUMBER _____
(Please Print Legibly)

STORE REPRESENTATIVES AT TRAINING _____
(Please Print Legibly)

STORE REPRESENTATIVE IS TO CHECK ITEMS AS THEY ARE EXPLAINED AND UNDERSTOOD.

- ☐ Maintaining qualifications to be an authorized vendor, including, but not limited to: minimum inventory, pricing of WIC food items, purchasing formula from the Authorized Suppliers of WIC-Allowed Infant Formulas list and submission of all required forms within the time frames. Drug stores only: Obtaining special formula within 48 hours of verbal request.
- ☐ Incentive items and use of WIC logo and acronym are prohibited
- ☐ Requirement to attend training and training store employees
- ☐ Accountability for actions of employees
- ☐ Kentucky WIC Approved Food List
- ☐ Use of loyalty cards and coupons are allowed
- ☐ Requirement to allow monitoring of store
- ☐ Repay to the State Agency any documented overcharges. Refund the State Agency any payment previously made on improper or invalid WIC transactions
- ☐ Sanctions issued by the WIC Program based on SNAP disqualifications and civil money penalties
- ☐ Violations of Program and applicable sanctions, including disqualification periods
- ☐ Right to request fair hearing for termination or denial of application. The expiration of the Agreement for disqualification based on a SNAP disqualification or the State Agency's determination regarding participant access is not subject to review
- ☐ Terms of Vendor Agreement
- ☐ Agreement is null and void upon change of ownership
- ☐ Reporting of complaints regarding participants or other vendors
- ☐ eWIC functionality, including, but not limited to: use and security, participant PIN#, use of APL, Not-To-Exceed (NTE) value and Help Desk contact information
- ☐ Use of the Vendor Stamp and stand-beside device
- ☐ Procedures for redeeming paper food instruments

ACKNOWLEDGEMENT

I acknowledge that I have received and read the above training material. I willfully acknowledge that the items checked above were covered in the training material. I understand the material and consider myself fully trained.

_____
Store Representative's Signature Date

_____
Agency Representative Date

KENTUCKY WIC APPROVED ITEMS PRICE LIST

Purpose	This form is to record applying vendors' shelf prices of WIC food items.
When To Use	This form is given to a vendor at the time of initial authorization.
Instructions	Refer to Kentucky WIC Manual for Applying Retailers.

KENTUCKY WIC APPROVED ITEMS PRICE LIST

WIC – 24
Rev. 6/13

APPLYING VENDORS, SEE INSTRUCTIONS ON BACK

Date: _____ Vendor #: _____ (If applicable)

Vendor Name: _____

Milk	Quart	Half Gallon	Gallon
Whole	.	.	.
2% Lowfat/Skim	.	.	.
Soy		.	
Lactose Free		.	

Cheese	8 oz.	16 oz.
Block	.	.
Crumbled	.	.
Cubed	.	.
Sliced	.	.
Shredded	.	.
String	.	.

Dozen Grade "A" Eggs	.

Juice	12 oz.	46 oz.	48 oz.	64 oz.
	.	.	.	.

Beans & Peas	16 oz. Bag Dry Beans/Peas	.
	15 to 16 oz. Can	.

Whole Grains	14 oz.	16 oz.
Brown Rice	.	.
Tortillas		.

Whole Grain Breads	12 oz.	.
	16 oz.	.
	24 oz.	.

Fish	3.75 oz.	5 oz.	6 oz.	7.5 oz.	15 oz.
Pink Salmon			.	.	
Sardines	.				.
Tuna		.	.		

Miscellaneous	8oz	16oz	18oz
Peanut Butter		.	.
Tofu (Vitasoy-NaSoya)	.	.	

Cereal	Sizes in Ounces	Price
B&G Foods Instant Cream of Wheat	12	.
	28	.
B&G Foods Whole Grain Cream of Wheat	18	.
General Mills Multi-Grain Cheerios	12.8	.
	16.2	.
General Mills Toasted-Grain Cheerios	12.8	.
	14	.
	18	.
	36	.
General Mills Corn Chex	14	.
General Mills Rice Chex	12.8	.
General Mills Wheat Chex	14	.
General Mills Fiber One Frosted Shredded Wheat	15.1	.
General Mills Kix	12	.
	18	.
General Mills Honey Kix	12	.
General Mills Wheaties	10.9	.
	15.6	.
Kellogg's All Bran Complete Wheat Flakes	18	.
Kellogg's Corn Flakes	12	.
	18	.
	24	.
	36	.
Kellogg's Frosted Big Bite Mini Wheats	16	.
	18	.
	20.4	.

Cereal (continued...)	Size in ounces	Price
Kellogg's Frosted Bite Size Mini Wheats	18	.
	24	.
Kellogg's Frosted Little Bites Size Mini Wheats	15.2	.
Kellogg's Unfrosted Mini Wheats	18	.
Post Bran Flakes	16	.
Post Grape Nuts	16	.
	24	.
	32	.
Post Grape Nut Flakes	18	.
Post Honey Roasted Honey Bunches of Oats	14.5	.
	18	.
Quaker Oat Bran Essentials	15.5	.
Quaker Original Flavor Instant Oatmeal	11.8	.
Quaker King Vitaman	10	.
Quaker Life	13	.
	18	.
Malt O Meal Crispy Rice	18	.
	36	.
Malt O Meal Frosted Mini Spooners	15	.
	18	.
	23	.
	27	.
	36	.
Malt O Meal Oat & Honey Blenders	12	.
	13.5	.
	18	.
	19.5	.
	24	.
	32	.
	36	.
Malt O Meal Original Hot Wheat Cereal	18	.
	28	.
	36	.
Mom's Best Naturals Oats & Honey Blend	12	.
	18	.

Infant (Miscellaneous)

Dry Infant Cereal	8 oz.	.
Infant Fruits and Vegetables	4 oz.	.

Infant Formula

Type	12.1 oz. Concentrate	4-pack 33.8 oz. Ready To Feed	12.4 oz. Powder	12.7 oz. Powder	12.9 oz. Powder
Good Start Gentle	.	.	.	.	.
Good Start Protect			.	.	.
Good Start Soothe			.		
Good Start Soy	.	.	.	.	.

I, _____,
(PLEASE PRINT LEGIBLY THE NAME OF STORE REPRESENTATIVE)

Do hereby agree that the items listed in this form were available at the store indicated and the prices entered were the actual shelf prices. I understand this information is to be used to evaluate my inventory as set forth in the WIC Program Vendor Agreement item 1(b), is used in the comparison of prices actually charged for WIC food instruments, and is used to evaluate prices for application. I understand that if my contract is terminated or not renewed for failure to meet inventory or failure to properly mark the prices of WIC food items, I cannot reapply for sixty (60) days from the day that I return my stamp or my application is denied for the first occurrence. A second occurrence will result in a 120 day disqualification and a third occurrence will result in a one (1) year disqualification. Applying vendor see back.

I further understand that I am to report to the State WIC Agency, within the next 14 days, any price increases. Failure to do so could result in overcharges. I have reviewed this approved items price list and received a copy of this form.

_____ _____
(SIGNATURE OF STORE REPRESENTATIVE) *(DATE)*

_____
(MONITOR SIGNATURE)

WIC VENDOR SALES INFORMATION

Purpose	This form is to record applying vendors' shelf prices of WIC food items.
When To Use	This form is given to a vendor at the time of initial authorization.
Instructions	Refer to Kentucky WIC Manual for Applying Retailers.

WIC VENDOR SALES INFORMATION

See the instructions on the back of this form.

Store Name: _____ Vendor #: _____

Store Address: _____

City: _____ State: _____ Zip Code:_____

- **If the store has been in business for less than one (1) month**, estimate sales amount and specify time period.
- **If the store has been in business for more than one (1) month but less than one (1) year**, provide actual sales amount and specify time period, and attach Kentucky Sales and Use Tax forms.
- **If the store has been in business for more than one (1) year**, provide actual sales figures from October 1, 2011, through September 30, 2012, and attach Kentucky Sales and Use Tax forms.

Non-taxable Food Sales: $ _____

Gross Sales: $ _____

From*:* _____ **To***:* _____

MONTH/YEAR MONTH/YEAR

ATTACH PROOF (SALES AND USE TAX FORMS) OF REPORTED SALES FIGURES.

To the best of my knowledge, the above information is correct. I understand this information is for the use of the WIC program.

_____ _____

Print name of authorized person supplying information Date

_____ _____

Signature of authorized person supplying information Title

EBT AGREEMENT

(AGREEMENT BETWEEN CUSTOM DATA PROCESSING, INC…..)

Purpose	This forms an agreement between Custom Data Processing, Inc. and retailers as EBT host contractor's contract..
When To Use	This form is given to a vendor at the time of initial authorization.
Instructions	Refer to Kentucky WIC Manual for Applying Retailers.

AGREEMENT BETWEEN CUSTOM DATA PROCESSING, INC. AND

Retailer Name:_____

This Agreement made this _____ day of _____, 20___, by and between **Custom Data Processing, Inc.,** a corporation created under the laws of the state of Illinois, having an address of 951 Industrial Drive, Frankfort, KY 40601 (hereinafter "**Contractor**" or **"CDP**") and **_____,** a Corporation formed under the laws of the state of **_____**, having an address of _____ (hereinafter "Retailer" or the "Store").

Whereas, **CDP** is the provider of services to the Commonwealth of Kentucky (hereinafter the "**State")** for operation and oversight of Kentucky's Women, Infants, and Children Program (hereinafter "**WIC")** Electronic Benefits Transfer system (hereinafter "**EBT**") under the direction of the **State** and the federal government's Food and Nutrition Service (hereinafter "**FNS**"); and

Whereas, the Store is an approved vendor under the States WIC program requirements and is therefore subject to all of the rules and regulations promulgated under the WIC program by the FNS and the State; and

Whereas, as part of the **EBT** system, **WIC** benefit redemption transactions may be transmitted directly from a direct connect grocer (**the "Retailer" or the "Store")** to **CDP** for approval of payment; and

Whereas, the Store is the owner of retail locations that have been approved by the State to participate in the WIC program which specific locations are set forth in Exhibit "A" attached hereto and made a part hereof (hereinafter the "Approved Locations"); and

Whereas, the **Store** now desires to enter into this Agreement with **CDP** for the transaction processing, settlement, reconciliation and other services necessary to for the purpose of online processing of Kentucky WIC EBT transactions; and

Whereas, **CDP** desires to provide the required services to the **Store** pursuant to the terms and conditions of this Agreement which services are set forth in Exhibit "B" attached hereto and made a part hereof which is also referred to as the "Statement of Work" (hereinafter the "**Services**" or "**SOW**").

Now, Therefore, in consideration of the mutual agreements of the parties and for good and valuable consideration, the receipt and adequacy of which is hereby acknowledge, the parties hereby agree as follows:

1. **<u>Duties/Term of Agreement.</u>**

1.1 Duties. During the Initial Term of this Agreement and any Renewal Term(s), CDP agrees to provide to the Store the Services set forth in the SOW attached hereto as Exhibit "B".

1.2 Initial Term. This Agreement shall commence as of the date both parties have signed same (hereinafter the "**Effective Date**" or "**Commencement Date**") and shall continue for a period of sixty (60) months (hereinafter the "**Initial Term**").

1.3 Renewal Terms. After the **Initial Term**, this Agreement shall be automatically renewed for successive 12-month periods (hereinafter the "**Renewal Terms**") unless this Agreement is otherwise terminated as provided for herein. In addition, this Agreement shall not automatically renew in the event either party provides written notice as provided herein to the other at least ninety (90) days prior to the end of the **Initial Term** or any **Renewal Term** of its desire to terminate this Agreement at the end of the current Term.

2. Termination of Agreement.

2.1 Termination at end of Term. Either party may terminate this Agreement so there is no automatic renewal as provided in paragraph 1.2 hereinabove.

2.2 Date of Termination. As provided herein, this Agreement shall be terminated as of the date any termination, whether voluntary or involuntary shall take effect (hereinafter the "**Date of Termination**").

2.3 Default. Either party may terminate this Agreement in the event of the occurrence of a material default by the other upon giving written notice and opportunity to cure of the default, except as otherwise provided herein. Upon the occurrence of a material default, a party must provide written notice of the default to the defaulting party. The notice must set forth the specific reasons for the default and shall provide the defaulting party thirty (30) days from its receipt of the notice to correct the default. In the event the defaulting party does not correct the default within thirty (30) days of its receipt of the notice or, in the event the default cannot be corrected within thirty (30) days, the defaulting party does not in good faith commence a cure during the thirty (30) days, the party sending the notice shall be permitted to terminate this Agreement as of the end of the thirty (30) day cure period.

2.4 Other Conditions for Termination. Notwithstanding anything to the contrary hereinabove, either party may terminate this Agreement immediately after giving written notice as provided herein in the event the other party:

a) Makes a general assignment for the benefit of creditors;
b) Applies for the appointment of a trustee, liquidator or receiver for its business or property, or one is assigned involuntarily;
c) Is subject to a proceeding for bankruptcy, receivership, insolvency, dissolution or liquidation; or
d) Is adjudicated insolvent or bankrupt.

2.5 **Unilateral Termination**. CDP may unilaterally terminate this agreement in the event:

a) The Store is no longer authorized by the State of FNS to redeem WIC benefits; or
b) The Store is in violation of its Vendor Agreement with the State; or
c) The Store changes ownership without first obtaining the prior written consent of the State or CDP; or
d) The Store changes location (s) without first obtaining the prior written consent of the State or CDP; or
e) The Store is not in compliance with or is charged with a violation under the rules and regulations of the State and/or FNS WIC program; or
f) A owner, manager or employee of the Store is charged with a violation under the WIC program; or
g) The Store is suspected of fraudulent or abusive use of the CDP direct connect processing services; or
h) The Store is deemed non-compliant with the standards and business rules specified within this Agreement; or
i) The Store no longer has an integrated store payment system.

2.6 **Continuing Obligations**. Termination by either party as provided herein shall not relieve either party from any obligations accrued through the **Date of Termination**. In addition, the terms and conditions set forth in this Agreement that by their nature would continue beyond the **Date of Termination**, including, by way of illustration only and not in limitation of, the provision with respect to Confidentiality, shall survive the **Date of Termination**.

2.7 Notwithstanding anything else to the contrary herein, in the event the Store has more than one (1) location participating in the WIC EBT program as set forth in Exhibit A, and so long as the Store is in compliance with all terms of this Agreement and all Federal, State and CDP rules, regulations, laws, policies, manuals and guidelines governing the WIC EBT program, CDP may elect not to terminate this Agreement in the event only one of the Store's locations is in default under this Agreement or is in non-compliance with a WIC EBT requirement or has been discontinued from participating as a WIC vendor by the State. CDP may terminate its obligations under this Agreement as to that specific location and may elect to continue its obligations as to the remainder of the Store's compliant locations as shown on Exhibit A.

3. **<u>Payment.</u>**

3.1 **Compensation.** The Services referenced in this Agreement related to the processing, approving, and settling of Kentucky WIC EBT redemption transactions being provided by **CDP** are provided in exchange for the **Store** agreeing to participate in the Kentucky WIC EBT program as an authorized vendor and the Store's compliance with all rules and regulations concerning its participation. CDP will impose

no fees to the **Store**, when making use of the direct connect processing services, related to transaction processing, switching, or interchange fees.

4. Indemnification.

4.1 Indemnification. The **Store** shall indemnify, defend, and hold harmless CDP and State(s), their respective agents, officers, directors, affiliates, shareholders, employees, subcontractors, vendors, third party processors or retail establishments, in their individual capacities or otherwise, from and against any and all liability, losses, claims, demands, suits, damages, fees, penalties, actions, causes of action, expenses, delays, and costs of any kind (including all defense costs and all attorneys' fees), asserted by a third party resulting from:

i) The Store's gross negligence or willful misconduct resulting in personal injury or property damage in connection with this Agreement; or

ii) Any instance of fraud or malfeasance on behalf of the **Store**, its agents, employees, contractors, subcontractors, vendors or beneficiaries; or

iii) Any instance of pricing violations; acceptance of benefits violations; or other non-compliant activities under the rules and regulations of the State and FNS WIC program; or

iv) any instance of mistakes, oversights, neglect, errors, or inaccuracies, whether intentional or not, in the acceptance, processing and reconciliation of WIC EBT transactions or in the provision of any of the Services; or

v) Any violation on the part of the Store of any Federal, State or local laws or regulations applicable to the Store under the terms of this Agreement; or

vi) Any violation of any guideline or manual provided by CDP, the State or the FNS with regard to the WIC EBT program.

4.2 Indemnification. CDP shall indemnify, defend, and hold harmless the Store, its respective agents, officers, directors, affiliates, shareholders, employees, subcontractors, vendors, third party processors or retail establishments, in their individual capacities or otherwise, from and against any and all liability; losses, claims, demands, suits, damages, fees, penalties, actions, causes of action, expenses, delays, and costs of any kind (including all defense costs and all attorneys' fees), asserted by a third party resulting from:

i) **CDP'**s gross negligence or willful misconduct resulting in personal injury or property damage in connection with this Agreement; or

ii) Any violation on the part of **CDP** of any Federal, State or local laws or regulations applicable to the Store in the provision of Services for this Agreement.

4.3 CDP and the Store each represent and warrant that it has the full right, power and authority to execute, deliver and perform its obligations under this Agreement and that its rights and obligations under this Agreement are not in conflict with its rights and obligations under any other pre-existing agreement(s) or instrument(s) nor do the parties' undertaking and acceptance of the rights and obligations herein cause the parties to breach any obligations it may have under any other agreement(s) or instrument(s) to which it is a party.

5. <u>Confidentiality Considerations and Security</u>.

5.1 Data Security. Each party shall protect the security of and keep confidential all materials, data, reports, program and information received or produced under this Agreement.

5.2 The Store, it's owners, directors, officers, employees and agents shall treat all information with particular emphasis on information relating to WIC benefit recipients, which is obtained by it through its performance under this Agreement, as confidential information to the extent required by the laws, rules and regulations of the State and FNS.

6. <u>Modifications/Changes</u>.

6.1 Change to Service. CDP shall be permitted to modify the Services provided during the term of this Agreement only after notification to the **Store** and an appropriate waiting period, in line with industry standards, to allow the **Store** to make any corresponding modifications in its business or technology processes.

7. <u>Instructions, Maintenance of Records, Investigation and Audits</u>.

a. The State or CDP agree to furnish the Store instructions concerning WIC/EBT transaction-related records to be maintained, as may be reasonably requested by the State, FNS or CDP. The Store agrees to separately maintain such records in accordance with the instructions and to promptly make such records available for audit upon request to representatives of CDP, the State or FNS during normal business hours.

b. In the event CDP, the State or FNS has reasonable cause to question the accuracy, timeliness, completeness or reliability of any activities undertaken by the Store, the Store agrees to provide such parties full and free access to all records and systems of the Store for the purpose of examination or auditing such processing, performance and compliance of the Store under the WIC/EBT Program. At such party's discretion such examination or audit may be conducted, at the Store's expense, by: (i) an outside auditor of CDP's choosing; (ii) any of said parties; or (iii) a third party retained by and of said parties at the expense of the Store. If such examination or audit

reveals any exception or inaccuracy to the Store's compliance with the Rules or Regulations promulgated under the WIC/EBT program, the Store shall immediately remedy the exception or inaccuracy.

c. The Store agrees to maintain and preserve all financial records or documentation arising hereunder during the term of this Agreement for a period of three (3) years following the transaction.

8. <u>Mediation and Litigation</u>. Claims, disputes or other matter in question between parties to this Agreement shall be first subject to pre-suit mediation prior to the filing of any legal claims or litigation. Pre-suit mediation is a condition precedent to litigation. The obligation to mediate is a material and essential provision of this Agreement. Unless otherwise agreed in writing, CDP shall continue providing the Services hereunder during any mediation or litigation, Either party may initiate a mediation proceeding by submitting a request in writing to the other party within a reasonable time after the claim, dispute or other matter in question has arisen, but in no event after the application statute of limitations has expired.

The parties shall endeavor in good faith to mutually agree upon an acceptable mediator. In the event the parties have not agreed upon a mediator within 30 days of the request for mediation, CDP shall select a mediator. Each party is to bear its own fees, costs and expenses, of said mediation. In the event that mediation is unsuccessful, all claims, disputes or other matters in question shall be resolved in State Circuit or District Courts of Franklin County, Kentucky, and the prevailing party shall be entitled to recover its attorney's fees incurred in said litigation.

9. <u>Force Majeure</u>.

Neither party shall be liable for any failure or delay in its performance under this Agreement due to causes beyond its reasonable control and that occur without its fault or negligence, including but not limited to acts of God (such as earthquake, fire, flood, hurricane, storm, epidemic, pandemic, quarantine, or other natural disaster or public health emergency); humanly-caused disasters such as riot, insurrection, war or other military hostilities, terrorist activity, sabotage, or arson; electrical, telecommunications, Internet failures, or other failures of infrastructure; the acts of civil, military, or other governmental authorities, such as judicial decisions, nationalization, government sanction, blockage, embargo, the declaration of martial law, or any other action or inaction of any government; labor disputes, strikes, or lockouts; or the errors, omissions, or defaults of third parties, provided that the delayed party: (i) gives the other party prompt notice of each such cause; and (ii) uses all possible efforts reasonably available to correct such failure or to mitigate its effects or both. In the event the delay caused by the force majeure event lasts for a period of more than thirty (30) days, the parties shall negotiate an equitable modification to this Agreement with respect to the Services affected by the force majeure event.

10. <u>Miscellaneous</u>.

10.1 Relationship of the Parties. The relationship of the parties hereto established by this Agreement is solely that of independent contractors and neither party shall have the power to bind the other nor shall either party represent that it has such power. No agency, partnership, joint venture, employment or franchise relationship is intended or created by this Agreement.

10.2 Notices. All notices or demands required or permitted to be given or made under this Agreement shall be mailed by first-class registered or certified mail, postage prepaid, addressed to the parties at the following addresses. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party, and such notification shall be considered a mutually agreeable amendment to this agreement.

If to the Store:

Store Name:_____
Street Address:_____
City/State/Zip:_____

Phone: _____
E-Mail: _____

If to CDP:

Central Data Processing, Inc.
951 Chenault Road
Frankfort, KY 40601
Attn.: Jim Chilcoat
Business Analyst
Phone: 866.237.4814
E-Mail: jim.chilcoat@wicdirectsystem.com

10.3 Waiver. The failure of either party to enforce at any time any provision of this Agreement or to exercise any right herein provided, shall not in any way be construed to be a waiver of such provision or right, and shall not in any way affect the validity of this Agreement or any part hereof, or limit, prevent or impair the right of either party to subsequently enforce such provision or exercise such right.

10.4 Headings and Construction. The text headings used in this Agreement are for convenience only and shall not be used in construing the meaning, intent, or interpretation of the provisions hereof.

10.5 Survival. Termination or expiration of this Agreement will not affect the rights or obligations of the parties that arose prior to, or that are expressly intended by their terms to continue beyond, any such termination or expiration, and such rights or obligations, and the dispute resolution procedures set forth in this Agreement will survive any such termination or expiration.

10.6 Entire Agreement. The terms of this Agreement and the Exhibits thereto, shall constitute the complete and exclusive statement of understanding between the parties, which supersedes all previous agreements, written or oral, and all communications between the parties relating to the subject matter of this Agreement.

10.7 Severability. In the event that any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid or unenforceable in any respect under law, such invalidity or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such provision(s) had never been contained herein, provided that the removal of such provision(s) does not materially alter the burdens or benefits of either of the parties under this Agreement.

10.8 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky. Venue shall be in the jurisdiction in which the service was provided to the State(s).

10.9 Assignment. This Agreement shall not be assigned by the Store without the prior written consent of CDP.

10.10 Amendments. All amendments to this Agreement or the Exhibits thereto must be in writing and formally executed by authorized officials of CDP and the Store.

10.11 Order of Precedence. The terms and conditions set forth in this Agreement shall apply to all Attachments, Exhibits, and Statements of Work (SOWs) if any are attached hereto. To the extent that any of the provisions are found to be in conflict with other provisions in the Agreement, the order of precedence of the Agreement documents is as follows: the provisions of the Exhibits shall take precedence, then the Agreements and any SOW.

10.12 Insurance. The Store shall maintain any and all Property and Casualty, General Liability or Interruption or Loss of Business Insurance that may be required by the State, FNS or CDP.

10.13 The Agreement shall not be construed more strongly against either party, regardless of who is more responsible for its preparation.

11 Equipment Rider Option. In the event CDP will be providing the Store with the POS Equipment required to be in place under this Agreement to accept WIC/EBT transactions, this Agreement shall serve as the "**Master Agreement**" for purposes of the Equipment Rider attached hereto and made a part hereof.

☒ **Check here if Equipment Rider is Attached.**

11. Integrated WIC EBT System. In the event the Store is not obtaining POS Equipment from CDP because it already has a payment system in place that will be integrated into the WIC EBT system, the Store shall maintain its payment system. In the event there is a discontinuance, termination or default in the agreement between the Store and its payment system provider, same shall be deemed a default of this Agreement. However, the State and/or CDP shall be permitted to continue performing under this Agreement and shall be permitted to elect to provide WIC POS Equipment pursuant to additional terms and conditions. In addition, the Store agrees to fully comply with the terms and conditions of the Kentucky WIC Retailer Enabling Strategy (the "Strategy"), receipt of which is hereby acknowledged. Any noncompliance or default under said Strategy requirements shall be deemed a default hereunder.

IN WITNESS HEREOF, the parties hereto intending to be legally bound, have caused this Agreement to be executed by their authorized representative the date and year first above written.

CUSTOM DATA PROCESSING, INC. ***"The Store"***

By: _____ **By:** _____

Name: Jim Chilcoat **Name:**

Title: Business Analyst **Title:** _____

Date: _____ **Date:** _____

Attested/Witnessed by: **Attested/Witnessed by:**

_____ _____

Name: **Name:**

Title: **Title:**

I, _____(Name of Person signing),

_____(Title of Person signing) of

_____(Name of the Store)_the "Store" hereby certify

the name of the business owning the Store is _____,

(official Name of entity owning Store) a _____(type

of entity, e.g. corporation, LLC, partnership, sole-proprietorship) formed under the laws of the

State of _____ and the person signing this

Agreement is authorized to execute it on behalf of the Store.

EXHIBIT A

Location(s) of Stores participating in WIC/EBT program under this Agreement.

Retailer #	Retailer Name	Retailer Address

EXHIBIT B
Statement of Work
"Services"

RESPONSIBILITIES of the Store:

The Store shall have responsibility for the following:

Redemption of WIC/ EBT benefits:

A. The Store shall provide and maintain POS equipment as necessary to accept electronic WIC redemption transactions in its checkout lane.

i. POS equipment may be a State (or CDP)-provided Stand-beside WIC terminal capable solution or may be either a stand-beside or integrated solution terminal provided by a party other than the State.

ii. The POS Equipment and software will be maintained as compliant with all applicable Kentucky WIC business policy and rules and must have been certified by Kentucky WIC or its agent.

iii. In the event the Equipment is provided by the State (via CDP) as per the attached Equipment Rider, or, in the event the Equipment is provided by a party other than the State, the Store must maintain the Equipment in good working order, must be in good standing under either the Equipment Agreement or any contract with a third party, whichever is applicable; shall report problems with the Equipment immediately and shall permit any and all inspections as may be required under any other agreement or regulations.

iv. Ensure that WIC redemption transactions contain the correct WIC store id indicating where the transaction is being conducted and that a unique terminal id for each terminal being used in the store is provided in the transaction.

v. Ensure that a current Approved Product List (APL) is available to each terminal that will be redeeming WIC EBT benefits. A new APL shall be available daily.

vi. Ensure that the shopper's secret PIN never becomes known to the cashier or other store personnel and is never displayed in the clear.

vii. Ensure that all cashiers working in the checkout lane are properly trained on the use of the POS equipment in conducting WIC EBT redemption transactions and in the specific policy that governs WIC benefit redemption.

viii. Shall provide and maintain any and all required signage throughout the Store at the Approved Locations and at the checkout areas.

B. Transmission of WIC/EBT transactions to CDP

i. Maintain a telecommunications capability per the specifications provided by CDP over which to transmit WIC balance inquiry and purchase transactions. (E.g. internet SSL)

i.i Only send valid WIC EBT transactions to CDP formatted properly per the Kentucky WIC X9.93 transaction specifications.

iii. All WIC transactions will be secured using industry standard dynamic key management practices

iv. Promptly reverse any purchase transactions for which a response is not received from the host processor within a reasonable time. (e.g. 30 seconds). Continue to retry the reversal until an acknowledgement is received from CDP.

v. Reverse all in-flight transactions that, because of a failure of the Store's equipment, the response cannot be accepted or processed in a timely manner.

vi. The Store will promptly notify CDP of any suspected errors or inadequacies detected related to the provision of services as described in this Agreement.

2. **Financial Obligations**

A. Settlement

I The Store shall provide a bank account for the purpose of electronic settlement of funds resulting from KY WIC redemption processing

a CDP shall be given both debit and credit rights the Store's bank account via Automated Clearing House (ACH) transactions for the purpose of effecting settlement to the store.

b CDP must be notified ten (10) days in advance in the event the bank account is changed.

c The Store acknowledges and understands than in some unusual circumstances, the correct application of daily settlement may require Kentucky WIC to debit the Store's bank account and consequently, the Store agrees to maintain a minimum of $100 in said account for this purpose.

II The Store is financially liable for all WIC EBT transactions until such time as it has received a valid electronic transaction approval from CDP

B. Reconciliation

The Store is responsible for the daily reconciliation of its KY WIC EBT redemption against its settlement receipts from Kentucky WIC and the totals recorded by each POS device.

C. Adjustments

I The Store must notify CDP within forty eight (48) hours of any suspected incorrect or inaccurate transactions. (a Dispute)

a The Store must provide timely documentation (e.g. transaction receipts) or other requested documentation as requested by CDP to assist with resolution of any dispute.

b The Store acknowledges and understands that WIC benefits expire after 30 days and that disputes involving expired benefits shall be null and void.

3. Miscellaneous

A. Neither CDP nor the State are responsible for actions of Kentucky WIC cardholders in the Store except for the normal redemption of KY WIC benefits.

B. Neither CDP nor the State have financial liabilities resulting from a failure of the Services described in this Agreement other than those resulting from the incorrect processing of valid redemption transactions and settlement. (e.g. Neither CDP nor the State will incur a liability as a result of a processing outage that results in a loss of sales to the store).

C. The Store must immediately notify CDP of any change in ownership or location.

CDP / State RESPONSIBILITIES

CDP shall have responsibility for the following:

1 Kentucky WIC EBT Transaction Processing

A. CDP, as an agent for the Commonwealth of Kentucky, will provide online real time Kentucky WIC transaction processing services.

I Transaction processing will be available 7x24.

II CDP will maintain a telecommunications capability over which to receive WIC EBT transactions (e.g. internet SSL).

III All transactions will be in the format required by the X9.93 transaction standard mandated for WIC EBT.

IV CDP will accept and process the following types of transactions.

a Balance Inquiry;

b Balance inquiry pursuant to purchase;

c Purchase (benefit redemption);

d Void of a purchase;

e Reversal of a purchase; and/or

f Store and forward purchase.

V CDP will validate and approve / deny all transactions based upon the published Kentucky WIC business rules, the household's available account balance and the current APL.

VI CDP will provide a real time response to all transaction requests.

VII CDP will accept financial liability for all redemption transactions for which it provides an approval unless otherwise provided for in this Agreement (e.g. indemnification by Store).

VIII CDP will work expeditiously to correct within the shortest reasonable timeframes any disruptions or errors detected in the provision of the Services described in this Agreement.

B. Approved Product List

I CDP will ensure that a current Approved Product List (APL) appropriate for each store is available in an FTP directory. (It is the Store's obligation to download the correct APL so as to maintain redemption integrity.)

2 Financial Obligations

A. Settlement

I Kentucky WIC will reimburse the Store for all legitimate WIC EBT redemption transactions for which CDP provided a valid approval.

a Settlement funds due the Store will be moved to the designated store bank account using ACH services.

b The source of these funds will be a settlement account held by the Commonwealth of Kentucky.

II Settlement will occur daily on banking business days. This is generally five days per week with the exception of designated banking holidays.

III CDP will determine a settlement end-of-day which is the cutoff for which only transaction(s) approved prior to this time will be considered for settlement during that settlement window.

IV The Store may select its own business day for the purpose of settlement.

a If the Store's settlement end-of-day is before CDP's settlement cutoff, the Store will receive settlement on the next banking business day.

b If the Store's settlement end-of-day is after CDP's settlement cutoff, the Store will receive settlement on the second banking business day.

B. Reconciliation

I CDP will perform a daily reconciliation of all benefit redemption transactions against payments to stores.

II CDP will provide daily to the Store electronic reconciliation services to help validate WIC EBT transaction activity and automatically identify any anomalies. The specific nature of this service is dependent upon the store's processing needs and capabilities.

a For stores so requesting, CDP will place a daily reconciliation file on its FTP server for download by the Store. The Store can use this

information to reconcile its own accounting of that days WIC redemption against the CDP accounting.

b The Store may upload a daily auto reconciliation file based on its in-store accounting to CDP where it will be verified against the CDP accounting.

III Transactions failing to fully reconcile will be handled by CDP through the dispute and adjustment process which will allow CDP up to 30 days to research, investigate, validate, adjust, or deny, as may be necessary, any disputed transaction(s).

IV Additional store assistance with reconciliation may be received from the Kentucky WIC vendor help line.

C. Disputes and Adjustment

I CDP will track, research and adjudicate all transaction disputes on a timely basis.

a Disputes involving clerk error will not be considered. Only those surrounding the incorrect processing of valid WIC transactions are subject for adjudication.

b The Store will be promptly notified of any cardholder initiated disputes involving transactions initiated in the Store.

c Dispute decisions unsatisfactory to the Store may first be referred to the Kentucky WIC Vendor Management Group for review. Secondly, the Store may invoke the mediation procedures described within this Agreement.

II Where documented circumstances warrant, CDP or Kentucky WIC will make the appropriate debit or credit entry to the Store's bank account.

3 Customer Service

A. Kentucky WIC with support from CDP, will operate a toll free business day / business hours retailer help line.

I Direct connect retailers may use this service to:

a Report issues or concerns with the Services described in this Agreement

b Seek assistance with settlement and reconciliation

4 Miscellaneous

A. Neither CDP nor the Commonwealth of Kentucky accept any financial liability related to the performance of the Services described in this Agreement with the exception of

I Incorrectly processed transactions

II Proper transactions for which CDP has provided an approval pursuant to this Agreement

DIRECT DEPOSIT AUTHORIZATION

Purpose	This form is to provide banking information to EBT host contractor.
When To Use	This form is given to a vendor at the time of initial authorization and any time the banking information changes.
Instructions	Refer to Kentucky WIC Manual for Applying Retailers.

DIRECT DEPOSIT AUTHORIZATION

AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSIT (ACH CREDITS)

VENDOR NAME _____ VENDOR NUMBER _____

I (we) hereby authorize _____, hereinafter called COMPANY, to initiate credit entries and to initiate, if necessary, debit entries and adjustments for any credit entries in error to my (our) [ ] Checking [ ] Savings account (select one) indicated below and the depository named below, hereinafter called DEPOSITORY, to credit and/or debit the same to such account.

BANK NAME: _____ BRANCH: _____

CITY: _____ STATE: _____ ZIP: _____

ROUTING NO. _____ ACCOUNT NO. _____

This authority is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

NAME(S): _____

DATE: _____ SIGNED: _____

AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENTS

VENDOR NAME _____ VENDOR NUMBER _____

I (we) hereby authorize _____, hereinafter called COMPANY, to initiate debit entries to my (our) [ ] Checking [ ] Savings account (select one) indicated below and the depository named below, hereinafter called DEPOSITORY, to debit the same to such account.

BANK NAME: _____ BRANCH: _____

CITY: _____ STATE: _____ ZIP: _____

ROUTING NO. _____ ACCOUNT NO. _____

This authority is to remain in full force and effect until COMPANY and DEPOSITORY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

NAME(S): _____

DATE: _____ SIGNED: _____

KENTUCKY WIC APPROVED FOOD LIST

Purpose	This form is official list of approved foods.
When To Use	This form is given to a vendor at the time of initial authorization and on an annual basis.
Where to Obtain	This form is ordered from the local agency.

WIC Approved Food List

10/01/2013 — 9/30/2014

KENTUCKY WIC WINDOW DECAL AND SHELF TAGS

Purpose	These tools are used on the windows of the store and on the shelves.
When To Use	This form is given to a vendor at the time of initial authorization and upon request.
Instructions	These tools are ordered from the State Agency.

WINDOW DECAL

Kentucky
UNBRIDLED SPIRIT

WIC ACCEPTED HERE

WIC GROWING HEALTHY FAMILIES.

An Equal Opportunity Employer M/F/D

SHELF TAG

Kentucky
WIC
APPROVED FOOD
KY CABINET FOR HEALTH AND FAMILY SERVICES

SAMPLE WIC PURCHASE RECEIPT

Purpose	This receipt shows the WIC approved food items the WIC participant has purchased and the remaining benefit.
When To Use	This receipt is given to the WIC participant following each food purchase.
Instructions	• #1 Merchant ID is the eWIC electronic number identifying the vendor. • #2 is a list of the WIC approved foods purchased. • #3 is the remaining benefit balance. • #4 is the expiration date of the benefit balance.

```
          Sample WIC Purchase Receipt
1234567890123456789012345678901234567890 12
   ========================================
                  CDP Grocery
              951 Industrial Rd.
             Frankfort, KY 40601
   ========================================
WIC Merchant ID: 4120 1      Term #: 234
               Trace #: 233432
             11/12/2007 12:31 PM

          Card #: ************1271

1 Gal. CDP Whole Milk (w)              $3.89
1 CDP Cinnamon Rolls            2      $4.56
1 Can Good Stuff Formula (w)          $14.23
2 CDP Good Cereal (w)
    2 @ $3.25                          $6.25

                Total Balance Due:    $28.93
                 WIC Benefit Paid:    $24.37
                    Cash Tendered:     $4.56
                          Balance:     $0.00

           WIC Balance Remaining
  1.00 Gal.  Whole fluid milk
 24.00 Oz.   Cereal - hot and cold      3
  2.00 Can   Good Stuff Formula
  4.73 $$$   Fruit and Vegetables

     Benefits Expire at 12:00:00 am on
                 11/21/2007
                                       4
           Approval Code: 452334
1234567890123456789012345678901234567890 12
```

SAMPLE LETTER FOR DENIAL OF VENDOR TO BE WIC AUTHORIZED

Purpose	This letter is utilized by the local agency when notifying an applying vendor of being denied from becoming a WIC Vendor.
When To Use	When an applying does not meet the authorization criteria to become a WIC Vendor.
Instructions	• Place on local agency letterhead. • Date is the date the letter is being mailed to vendor. • Owner Name – self-explanatory. • Vendor Store Name and Address – self-explanatory. • Dear Mr. is the owner name • Complete section reiterating the applying vendor's issues that would prevent him from becoming a WIC approved Vendor. • Vendor Store Name – self-explanatory. • ***-***-**** is local agency telephone number. • Vendor Store Name – self-explanatory • WIC Coordinator Name – self-explanatory • Title – self-explanatory • Health Department Name – self-explanatory

SAMPLE LETTER FOR DENIAL OF VENDOR TO BE WIC AUTHORIZED

Date

Owner Name
Vendor Store Name
Address
City, State, Zip

Dear Mr. Vendor:

Our office is in receipt of the WIC Vendor Application for Vendor Store Name, of City, KY, Zip. However, we are unable to approve the application at this time due to this vendor not meeting the criteria to be a WIC Vendor. Specifically the vendor: (List issues- see examples below)

- Additionally prices were not marked for eggs on the Price List.
- Does not meet minimum inventory.

Therefore, we are returning the enclosed copies of Vendor Agreements, Application and Price List for Vendor Store Name. If you have any questions, please contact our office at *** *** ****.

Since Vendor Store Name does not meet the criteria to be a WIC Vendor, and this store cannot reapply for the Program for sixty days (60 days only if second denial) from the date on this letter, in accordance with Administrative Regulation 902 KAR 18:081 the vendor has the right to appeal this decision. This written request must be filed within fifteen 15 days after the receipt of this notice.

Sincerely,

WIC Coordinator name
Title
Health Department name

Enclosure

KENTUCKY WIC PROGRAM VENDOR COMPLAINT FORM

Purpose	The completed form serves as documentation of a complaint against a WIC participant by an Authorized WIC Vendor.
When To Use	The Form is to be completed by store personnel and mailed to the local agency when an incident that warrants a complaint regarding a WIC participant has occurred in the store.
Instructions	1. Store name is the name of the vendor's establishment. 2. Vendor Number is the unique number that has been assigned by the State WIC Office. 3. WIC Merchant ID # is the eWIC electronic number identifying vendor. 4. Address is the physical location of the store. 5. Store personnel's name, title and phone number – self-explanatory. 6. eWIC Card # - self-explanatory. 7. Name of Participant – self-explanatory. 8. Date and time event occurred – self-explanatory. 9. Attach Receipt 10. Details of event – self-explanatory.
Local Agency Findings	Document any actions taken by local agency as a result of a complaint. In the case of a Civil Rights complaint of discrimination, the complaint must be referred to: USDA Director, Office of Adjudication, 1400 Independence Avenue, SW Washington, DC 20250-9410 or call: (800) 795-3272 or (202) 720-6382 (TTY)
State Agency Findings	Not necessary to forward complaints to the State Agency unless local agency requires assistance.
Retention	Forms must be maintained for three (3) federal fiscal years. Destroy by shredding.

KENTUCKY WIC PROGRAM
VENDOR COMPLAINT

STORE NAME: _____ VENDOR # _____

WIC MERCHANT ID #: _____

ADDRESS: _____

STORE PERSONNEL'S NAME, TITLE & PHONE NUMBER:

_____

Complete the below information, if available:

TRACE # _____

eWIC Card # _____

NAME OF PARTICIPANT _____

DATE & TIME EVENT OCCURRED _____

DETAILS OF EVENT:

____ a. Participant tried to buy unauthorized items.
____ b. Participant tried to receive cash for WIC benefits or eWIC card.
____ c. Participant tried to return items purchased with WIC.
____ d. Participant was verbally or physically abusive to employees
____ e. Other _____
_____

ATTACH RECEIPT
……

ACTION TAKEN BY LOCAL AGENCY: _____
_____
_____

MAIL TO YOUR LOCAL WIC AGENCY

_____ _____ _____
_____ _____ _____

WIC-39
Rev. 4/12

WIC REVALIDATION INFORMATION SCREEN

Purpose	This screen is used to document food instruments that have been sent to the agency for revalidation.
When To Use	Use this screen when revalidating and returning food instruments that have been sent to the agency by the vendor as well as documenting food instruments which are not eligible for revalidation and are returned to the vendor.
Instructions	1. Log on the WIC Revalidation Screen by using the following URL: https://webapp.cdp-ky.com/Revalidation. 2. Enter user name and password: To obtain a new user name and password contact the Kentucky State WIC Help Desk at 502/564-3827. (See CDP-Report Server-WIC User Authorization Request). 3. The first screen (Show WIC Revalidations) which appears will list the most recent revalidations entered into the system. Searches may be made by food instrument number, vendor number or date received/thru date. 4. Selecting the New button results in the Add Revalidation page. To add a revalidation, select Bank Number, enter FI number, select Vendor Number, Received Date and Returned Date. Select from the Problems section each problem associated with the food instrument. Click save button and the system will indicate if the food instrument can be revalidated. (See WIC Revalidation Screen in Forms Section) 5. To edit a revalidation that has already been entered and accepted by the system, click the edit record symbol. The edit feature only allows the addition of comments or deletion of the food instrument/cash value benefit. If the entry is deleted, select Add and reenter the revalidation information. 6. Click the print button on the Show Revalidation page to show letters that have been generated to inform vendors of one time only revalidations or food instruments/cash value benefits that cannot be revalidated. Clicking on the reprint screen will ask for the date letters were originally printed. Once date is entered, this screen will reprint letters.

Kentucky WIC Program

REVALIDATION | REPORTS | SUPPORT | SIGNOUT | SYSTEM TABLES

REVALIDATION

FI Number

GO

Vendor Number All

CLEAR

Date Received Thru

Delete Mark All

NEW | DELETE | PRINT | REPRINT | Page 1 of 3025 | Page Size 10 | GO

	Bank Number	FI Number	Vendor Number	Received Date	Returned Date	Revalidation Date	Deleted	Amount Altered With Proof	Amount Altered Without Proof	Amount Missing With Proof	Amount Missing Without Proof	Date Altered With Proof	Date Altered Without Proof	Date Missing With Proof	Date Missing Without Proof	Outside Valid Dates	Stale Check 90	Stale Check 90	Missing Signature	Agency Stamp	Vendor Stamp
	1246887			11/9/2005	11/9/2005	11/9/2005	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
	1246887			11/9/2005	11/9/2005	11/9/2005	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
	1246887			11/9/2005	11/9/2005	11/9/2005	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
	1246887			11/9/2005	11/9/2005	11/9/2005	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
	1246887			11/9/2005	11/9/2005	11/9/2005	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☑	☐	☐	☐	☐
	1246887			11/9/2005	11/9/2005	11/9/2005	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
	1246887			11/9/2005	11/9/2005	11/9/2005	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☑	☐	☐	☐	☐
	1246887			11/28/2005	11/28/2005	11/28/2005	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
	1246887			3/15/2006	3/15/2006	3/15/2006	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

AddWIC_REVALIDATIONRecord

Kentucky WIC Program

ADD REVALIDATION

Food Instrument Information

Issuing HLS

Bank Number

** Please Select **

FI Number

Vendor Number

** Please Select **

Received Date

Returned Date

Problems

Pay Exactly

☐ Altered With Proof ☐ Altered Without Proof ☐ Missing With Proof ☐ Missing Without Proof

Date Redeemed

☐ Altered With Proof ☐ Altered Without Proof ☐ Missing With Proof ☐ Missing Without Proof ☐ Outside Valid Dates

☐ Stale Check 60 ☐ Stale Check 90 ☐ Missing Signature ☐ No Agency Stamp ☐ No Vendor Stamp

☐ Other Other Description

Comments