

# Maine Center for Disease Control and Prevention

## WIC Nutrition Program

Effective: October 1, 2012

Revised: August 1, 2014

Policy No. FMNP-7

### Farmer Operations

#### Authority

7 CFR §246.4(a)(14), §246.12(e), (f), (g), (h) and (k), and §248.(4) and (10);  
22 MRSA §255;  
10-144 CMR Chapter 286

#### Policy

- An authorized farmer shall meet the following general requirements:
  - Maintain compliance with the farmer selection criteria throughout the Farmer Agreement period, including any changes to the criteria.
  - Maintain records in accordance with generally accepted accounting procedures; and assure that records reflecting justification and receipt of WIC/FMNP funds, FMNP Coupons/cash-value vouchers (hereinafter FMNP Coupons/CVV's), and all other program-related records of the Farmer are available for inspection or audit by federal, state or other authorized personnel.
  - Cooperate with federal and state WIC/FMNP program and other authorized personnel during announced and unannounced on-site farmer reviews, inspections and audits.
  - Provide the Maine CDC WIC Nutrition Program with purchase invoices from other farmers, when requested.
  - Comply with the civil rights requirements of 7 CFR §248.7 and §248.10(a)(6).
  - Keep all information of authorized WIC/FMNP shoppers confidential.
  - Never publicly identify, call unnecessary attention to, or allow discourteous treatment of a WIC/FMNP shopper.
  - Appropriately redeem valid FMNP Coupons/CVV's issued by a Local Agency for the types and quantities of food specified on the FMNP Coupons/CVV's. In

addition, the prices charged for WIC/FMNP foods shall be equal to, or less than the price charged to non-WIC/FMNP customers.

- Never substitute one WIC/FMNP-approved product for another.
- Never request or accept cash payment for the quantities of foods specified on FMNP Coupons/CVV's.
- Never attempt to seek restitution from participants/authorized representatives for redeemed FMNP Coupons/CVV's that were rejected by the Program's bank and/or for cash refunds requested by the Maine CDC WIC Nutrition Program.
- If desired, allow WIC/FMNP shoppers to purchase less than the authorized amount of food.
- If desired, allow WIC/FMNP shoppers to purchase more than the authorized amount of food by allowing the participant to pay for any amount that exceeds the value of the WIC CVV/FMNP coupon.
- .Allow WIC/FMNP shoppers to take advantage of farmer promotions that provide foods free of charge when purchasing WIC/FMNP foods.
- Only accept FMNP Coupons/CVV's at the time of the actual purchase and never issue "rain checks" or credit slips to WIC/FMNP shoppers for WIC/FMNP-approved foods.
- Allow exchange of an identical item only when the original item is defective, spoiled, or has exceeded its expiration date.
- Accept valid WIC FMNP Coupons/CVV's from all WIC/FMNP shoppers without exception.
- Never demand identification other than the WIC ID Folder or from a WIC/FMNP shopper.
- Never transact FMNP Coupons/CVV's outside of the farmers' market or roadside stand. Farmers offering delivery services may deliver WIC/FMNP foods after the transaction has been completed at the farmers' market or roadside stand.
- Direct questions concerning payment only to the Maine CDC WIC Nutrition Program. Do not contact WIC/FMNP shoppers concerning this or any other problem area.
- Report to the Maine CDC WIC Nutrition Program any irregularities in the use of FMNP Coupons/CVV's by WIC/FMNP shoppers.

- If a farmer receives WIC CVVs/FMNP Coupons as a WIC participant or is an authorized representative for a WIC participant they must redeem WIC CVVs/FMNP Coupons at a different authorized farmer.
- Pricing - The State Agency shall hold each farmer accountable for maintaining prices at a level consistent with the selection criteria applied to the farmer at the time of authorization. Failure to remain price-competitive is cause for termination of the Farmer Agreement. More specifically, farmers shall:
  - Never charge the Maine CDC WIC Nutrition Program for WIC/FMNP products not actually purchased and received by the authorized WIC/FMNP shopper.
  - Never charge the Maine CDC WIC Nutrition Program for WIC/FMNP products provided in excess of those listed on the FMNP Coupons/CVVs.
  - Ensure that prices charged to WIC/FMNP participants/recipients for approved foods are equal to or less than prices charged to non-WIC/FMNP customers.
- To ensure FMNP Coupon/CVV validity, farmers shall:
  - Observe that there are no visible alterations apparent on the FMNP Coupon/CVV.
  - Observe the authorized WIC shopper as she/he signs the FMNP Coupon/CVV, and be sure the signature on the FMNP Coupon/CVV matches one of the two signatures on the WIC ID Folder
  - Never accept a pre-signed FMNP Coupon/CVV.
  - Never accept a FMNP Coupon/CVV without the sale price entered in the amount field of the FMNP Coupon/CVV.
  - Never accept a FMNP Coupon/CVV outside of the “to use” dates (before the “first day to use”, or after the “last day to use” date).
- During transaction of FMNP Coupons/CVVs, farmers shall:
  - Request that the WIC/FMNP shopper present an approved/validated WIC ID Folder
  - Request that the WIC/FMNP shopper write the actual cost of the WIC foods purchased in the space provided on the face of the CVV prior to signing the CVV. FMNP Coupons have a price pre-printed on the coupon.
  - Request that the WIC/FMNP shopper affix his/her signature in the lower right hand corner of the FMNP Coupon/CVV after he/she has written in the price.

- Compare the signature on the FMNP Coupon/CVV with the signature(s) on the ID Folder; if the signature on the FMNP Coupon/CVV does not match either of the signatures on the ID Folder, do not accept the FMNP Coupon/CVV.
- In cases where a WIC/FMNP shopper signs with an “X”, witness the transaction by signing beneath the “X” mark.
- Farmer redemption of FMNP Coupons/CVVs - the Maine CDC WIC Nutrition Program shall utilize a food delivery system that provides for the rejection of FMNP Coupons/CVVs by the banking system prior to payment, where appropriate:
  - By signing the WIC Vendor Agreement, the Vendor agrees to submit WIC CVVs for payment within sixty (60) days from the “FIRST-DATE-TO-USE”. The Department shall have no obligation to pay any WIC checks submitted outside of this timeframe.
  - Prior to deposit, Vendor must review WIC CVVs and FMNP Coupons for possible errors before submitting them for payment. Checks with errors will be rejected by the banking contractor. The Vendor may incur bank fees for these. The State Agency cannot reimburse the Vendors for such charges.
  - The Maine CDC WIC Nutrition Program may reject FMNP Coupons/CVVs that are submitted for redemption in violation of the Farmer Agreement or any of the rules, regulations, policies or procedures of the WIC/FMNP programs.
  - All WIC FMNP Coupons/CVVs presented to WIC’s fiscal intermediary shall undergo a visual and automated review or pre-edit screening. If an FMNP Coupon/CVV does not pass this pre-edit test it shall be rejected unpaid and returned to the farmer’s depository bank stamped with an explanation indicating why it was not paid. The farmer’s bank shall debit its account and return the FMNP Coupon/CVV to the farmer. A bank charge may apply.
  - FMNP Coupons/CVVs shall be rejected for payment by the WIC fiscal intermediary and returned to the farmer’s depository bank for the following reasons:
    - Over the maximum redemption price for that FMNP Coupon/CVV
    - Early cashing (before the “first day to use”)
    - Late cashing (after the “last day to use”)
    - Missing participant/recipient/authorized representative signature on the right side of the FMNP Coupon/CVV.
    - Obvious alterations

- Previously presented for payment and rejected (except for being rejected for missing/unreadable vendor stamp)
  - Unauthorized vendor stamp
  - Missing/unreadable vendor stamp. To receive payment, the farmer shall stamp these FMNP Coupons/CVV's clearly and re-deposit within sixty (60) days from "the first date to use" date. FMNP Coupons/CVV's re-deposited after this date shall not be paid and shall not be replaced by the State Agency.
  - Encoding Error. The vendor bank has scanned WIC check and coded check for different amount than written on WIC check.
  - 2 Present/ Void Do Not Redeposit - the WIC check has already been paid.
- If check is rejected it is critical that immediate follow-up training be completed with farm personnel. Follow-up training with the cashier and/or other farm personnel involved in the transaction must be done to prevent future occurrences, thus saving the Vendor money and protecting the Vendor's record with the State Agency.
  - The Maine CDC WIC Nutrition Program shall not be held liable for any costs charged by the farmer's bank for a rejected FMNP Coupon/CVV unless the FMNP Coupon/CVV was rejected in error by the Maine CDC WIC Nutrition Program.
  - When the Maine CDC WIC Nutrition Program determines that the farmer has committed a violation that affects the payment to the farmer, the Maine CDC WIC Nutrition Program shall delay payment or establish a claim. Such farmer violations may be detected through compliance investigations, FMNP Coupon/CVV reviews or other reviews or investigations of a farmer's operations.
  - When payment for an FMNP Coupon/CVV is delayed or a claim is established, the Maine CDC WIC Nutrition Program shall provide the farmer with an opportunity to justify or correct the farmer overcharge or other error. If satisfied with the justification or correction, the Maine CDC WIC Nutrition Program shall provide payment or adjust the proposed claim accordingly.
  - Failure of a farmer to pay a claim shall result in termination of the Farmer Agreement. The farmer may reapply for authorization after a waiting period of twelve (12) months.
  - The State Agency shall not reimburse a farmer for an FMNP Coupon/CVV when it is determined that the farmer intentionally attempted to defraud and/or abuse the Program.

- If, during an appeal of a reduction or rejection, the Maine CDC WIC Nutrition Program determines that state or federal violations were committed, the farmer may be subject to the corresponding penalties including disqualification.
- The Vendor may not appeal disputes regarding WIC check payments and vendor claims.
- The Maine CDC, WIC Nutrition Program cannot pay for WIC checks from other states. The Maine CDC, WIC Nutrition Program has the right to modify payment, to assess a claim, or to charge a fine for WIC checks transacted for unauthorized foods, other items, or with sales tax charged.
- The Maine CDC, WIC Nutrition Program may deny payment to the Vendor for improperly redeemed checks or may require refunds for payments already made on improperly redeemed checks.
- All payment inquiries regarding specific WIC checks must be submitted in writing by mail. Telephone inquiries of this type will not be researched. Telephone requests for general information are welcomed.

## **Procedures**

1. Provided no errors are present on FMNP Coupons/CVV's, the banking intermediary shall transfer the funds to the bank of first deposit within sixty (60) days.
2. ACH payments shall be "warehoused" or held for one week. Payments are "cycled" each Friday and *one* deposit for *all* FMNP Coupons/CVV's submitted by each farmer the previous week is made. Farmers shall receive a detailed report of each ACH transaction included in that credit by Wednesday of the following week.
3. The Maine CDC WIC Nutrition Program shall keep a scanned copy of a rejected FMNP Coupon/CVV and maintain it in a Maine CDC WIC Nutrition Program file.
4. For Vendors who believe a payment denial has been made incorrectly, or believe there is a justifiable reason why payment should be made, the State Agency may consider payment approval with valid justification. A Vendor must submit a written payment reconsideration request to the State Agency within ninety (90) days of the "FIRST-DATE-TO-USE" printed on the check.

### **Reconsideration requests must include:**

- One completed WIC check appeal form must be prepared for each rejected check appeal requested. A brief explanation on the form describing the circumstances, the reason why payment should be reconsidered, and what steps have been taken to prevent problem(s) in the future.

- Vendor stamp number, date mailed, check number, complete store name with address, contact name and a phone number.
- The check image with the denial/rejection stamp and receipt copy of the original receipt or journal transaction.
- A corrective action plan demonstrating to the Department how the problem(s) will be prevented in the future.

Consideration will be given to the documentation submitted. Incomplete appeal forms or appeals that do not include the check and the receipt will be denied.

5. Before appealing a reduction, the farmer is strongly urged to review the following:
  - Depository bank statement reflecting WIC direct deposit credits
  - WIC ACH statement detailing the direct deposit credit transaction under consideration
6. If the farmer is satisfied that the reduced payment was not due to an error on his/her part the farmer shall send to the Maine CDC WIC Nutrition Program a copy of the FMNP Coupon/CVV.
7. The Maine CDC, WIC Nutrition Program is not responsible for any bank charges, returned checks or other fees charged to the vendor that result from the non-payment or partial payment of WIC checks. Vendors may not recover any bank charges from the WIC program, or from WIC participants or their proxies.
8. The Maine CDC WIC Nutrition Program shall deny payment or initiate claims collection action within ninety (90) days of either the date of detection of the farmer violation or the completion of the review or investigation giving rise to the claim, whichever is later.