

October 2015

# WIC Messenger



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## Updates to Vendor Management Policies

Please be aware that as of October 31, 2015 there are several changes in WIC Vendor Management Policies. These policies have been updated on the website at [www.WICforME.com](http://www.WICforME.com). **The summary below is provided for your convenience. Please go to our website and review these policies!** Policies with major changes include:

### VM-1: Vendor Selection and Authorization

- Commissaries are exempt from competitive price criteria for vendor authorization.
- To meet vendor selection criteria:
  - \* Stores must be open for at least ten hours per day, six days per week
  - \* All items for sale in the store shall be clearly marked with prices, or prices shall be clearly indicated with shelf labels or other signage
  - \* Vendors shall not be authorized or reauthorized if the vendor has a claim that is overdue.

### VM-5: Compliance Investigations

- Clarification of procedures for compliance buys and audits. **Please review.**

### VM-6: Vendor Sanction System, Other Disqualifications, and Causes for Termination

- If two Class III violations occur in the initial compliance buy of a compliance investigation, sanction points will be applied for only the violation incurring the most sanction points, though all violations will be noted for the record, and reported to the vendor if notification has been determined to be appropriate.
- Class II Violations:
  - \* Clarification of the definition of an "Incident" of violation when a pattern of violations are required before a sanction will be imposed.
  - \* Clarification of how many incidents of violation result in a sanction.
- Class III Violations:
  - \* 3.16: First incident of intentionally or unintentionally charging the State more for authorized WIC foods than is permitted under the vendor agreement. ~~10~~ 5 points
  - \* 3.17: First incident of charging the Maine CDC WIC Nutrition Program for WIC foods not received by the WIC customer. ~~10~~ 5 points
  - \* 3.18: First incident of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances, in exchange for WIC FIs. ~~10~~ 5 points
  - \* 3.19: First incident of providing unauthorized food items in exchange for FIs, including charging for supplemental foods provided in excess of those listed on the FI. ~~10~~ 5 points

### Brand New! VM-14 Vendor Claims

This new policy describes how the WIC Program recoups overpayments to vendors, if they occur.

## What is an Inventory Audit?

An inventory audit is a tool the WIC Program can use to help us ensure vendor compliance with federal and state regulations. During an inventory audit, the WIC Program will require the store being audited to provide all its inventory records for infant formula purchased during a specified time period. These inventory records include but are not limited to:

- 1) inventory records showing all infant formula purchases, wholesale and retail, in the form of invoices identifying the wholesale or retail quantity and prices;
- 2) transfer records showing origination, destination, and quantity;
- 3) sales and use tax return;
- 4) books of account; and
- 5) other pertinent records necessary to substantiate the volume and the prices charged through WIC food instrument redemption and for determination and verification of whether vendor is an above 50-percent vendor.

If the store cannot provide records supporting the volume of infant formula it has sold on WIC checks redeemed during the audit period, the store will be disqualified from the WIC Program and held responsible for reimbursing the WIC Program the difference between the redeemed checks and the inventory records. The SNAP Program will be notified.

The Maine WIC Program requires stores to maintain inventory records for a period of at least three years and these records must be provided to the WIC Program upon request.

## Mandatory Training Topics

The WIC Program is required by federal regulation to train *all authorized stores* annually on several topics. All of these topics were covered in our 2015 newsletters. The topics and the issue they appeared in are:

Purpose of the WIC Program—January  
Foods Authorized by WIC—July  
Minimum Stocking Requirements—July  
Authorized Distributor Requirement and List of Approved Distributors—January  
Changes in the Program requirements since the last training (last year)—July and October

Vendor Sanction System—July  
Vendor Complaint Process—January  
Vendor Claims (Claims Against Vendors)—July  
Policy on Incentive Items—July  
Transaction and Redemption Procedures—January

All store staff that deal with the WIC Program must be trained on the information provided in these newsletters. You must track trainings related to newsletters on the WIC training logs you are required to maintain in your files.

If you missed any edition of our newsletter, you can find them on our website:

<http://www.maine.gov/dhhs/mecdc/health-equity/wic/vendors/newsncontracts.shtml>.

## Price Surveys

We regularly see items listed on price surveys that are not WIC-approved. The wrong products listed most frequently are:

- (1) Unapproved 64 ounce bottled juice, usually Welch's grape juice or a variety of kinds of cranberry juice;
- (2) Quaker Oatmeal;
- (3) Cheese in 12 ounce packages or other unapproved size;
- (4) A variety of unapproved Tortillas.

We know that your store may carry products in each food category that may be more expensive than the WIC-approved items, but products that are not approved **must never be allowed in a WIC transaction** and should not be listed on the price survey.

Please take care that your price surveys are complete and accurate and that you list the highest priced WIC-approved product your store carries in each category. It is important that these prices are accurate because we use them to: (1) calculate the average prices of each category of products for the stores in your peer group; and (2) determine the maximum amount that we will pay for each check your store redeems. We need this to fairly reimburse you and to contain WIC food costs for the program.

## When WIC Sales Go Wrong

We've been seeing an increase in checks rejecting for: (1) missing signature; (2) taken too early or too late; (3) unreasonable dollar amount; and (4) missing or unreadable vendor stamp. The next few sections, which all have red titles, explain how these (and other) mistakes happen and the steps you can take to reduce these mistakes and help your store save money.

### Why WIC Checks Reject

There are several reasons a WIC check can reject:

1. Unreadable or Missing Vendor Stamp—the vendor stamp is missing or unreadable by the bank's equipment;
2. Unauthorized Vendor Stamp;
3. Missing Signature—The customer did not sign the check or did not sign in the appropriate place;
4. Early Cashing—The check was used before the "FIRST DAY TO USE";
5. Late Cashing or Stale Date—The check was used after the "LAST DAY TO USE" or deposited too late;
6. Obvious Alteration—The check has been altered;
7. Unreasonable Dollar Amount—The amount requested is over the maximum value set for that check type;
8. Encoding Error—The bank has scanned the check for a different amount than written on the check. Please verify your bank statement—your bank may have encoded the check incorrectly.
8. 2 Present/Void Do Not Redeposit—The check has already been paid.

The WIC Program **is not required to pay a check** that has been rejected for the following reasons:

1. Missing Signature;
2. Unauthorized Vendor;
3. Early Cashing;
4. Late Cashing/Stale Date;
5. Obvious Alteration.

The WIC Program *may* pay a store the maximum value for the check type for a store's peer group if a check is rejected for Unreasonable Dollar Amount or Missing/Unreadable Vendor Stamp.

### Missing Signature

The WIC customer must sign their check on the lower, right corner on the front of the check using blue or black ink. If the check is not signed or is signed on the back only, the bank will reject the check for missing signature. The cashier must **always** compare the signature of the WIC customer to the signatures on the WIC folder even if you know the customer. The WIC folder is the only identification you can use (you cannot ask for the customer's driver's license or other identification). If a check is deposited that is signed on the back only, WIC may conclude that the cashier **did not** compare the signature of the customer on the check to those on the folder, which is a violation of WIC rules, and your store may not be paid.

You cannot allow the sale if: (1) the signature of the WIC customer **does not match** one of the signatures on the folder; (2) the WIC folder is not signed at all; or (3) the customer does not have their WIC folder.

Additionally, your store may be assessed five (5) penalty points if, during a compliance buy, the cashier does not compare the signatures as required. If your store is assessed fifteen (15) penalty points in one year, your store may be disqualified from the WIC Program for a period of six (6) months.

### Switched Checks

A very common mistake that causes WIC checks to reject at our bank is switched checks when more than one check is presented.

Switching infant formula and infant cereal checks is a very common mistake. It's easy to mix up the orders and use the wrong check. Sometimes, a customer will present two checks for the same kind of infant formula but in differing quantities. It's very easy to switch these checks, too. If a switched check scenario happens, your store may not be reimbursed in full for the items sold. Extra care is needed when more than one WIC check is being used.

## Too Much Food Sold

We have seen an increase in checks rejected by the bank because too much food was allowed to be purchased with the WIC check. This causes the check to be over the maximum allowed reimbursement for the check. This mistake most commonly occurs when the customer is purchasing: (1) jars of infant fruit and vegetables; (2) breakfast cereals; and (3) milk.

The number of checks for infant foods rejecting has significantly increased since we converted to listing ounces rather than jars on the checks. **The cashier must verify that the right number of jars is being purchased.** The most common check for infant fruits and vegetables allows 64 ounces. This equals 16 four-ounce jars. Your store should have stickers in your WIC-Approved Food Lists showing the proper conversions from ounces to jars for checks written for other amounts.

Checks may reject when a gallon and a quart of milk is listed on the check, but the customer is allowed to purchase one gallon and one half gallon of milk instead.

Checks often reject when the WIC customer is allowed to purchase more cereal than is printed on their check. The sum of the ounces of all the boxes of cereal the customer has selected cannot be more than 36 ounces and the cashier is required to do the math.

Too much food sold can result in your store being disqualified from the WIC Program and we are required by federal regulation to notify the SNAP Program, too.

Remember, the WIC customer can **never** buy a product that is not listed on their check and can **never** buy **more** of a product than is listed on their check.

## Cash Value Voucher Amounts

The WIC fruit and vegetable (cash value) vouchers have a pre-set dollar limit printed on them. Most of the cash value vouchers we see reject at the bank reject for the same reason—the customer wrote the full amount of the sale in the amount box, which was more than the value of the check.

For example, the value of the cash value voucher the customer presents is \$8.00. The total amount of the fruit and vegetables purchased was \$9.59 and that amount was written in the amount box. **This will cause the check to reject at the bank.** The store may have accepted the check for \$8.00 and the customer may actually have paid the store the difference, but because the amount written in the amount box was more than the value of the check, the check will reject and your store may be charged fees by your bank for the rejected check.

Only when the total of the sale is **less than or equal to the value of the check**, can the customer write the full amount of the sale in the amount box.

Always have the customer write in an amount up to the value of the voucher **only**. If they write in the amount of the sale that is over the value of the check, have them put a single line through it, initial it, put the new amount next to it, and then you should be able to deposit the check without it rejecting. Any amount over the value of the check must be paid by the customer by another means. It cannot be charged to WIC.

## Out of Date Checks

WIC checks will reject at the bank if they are: (1) taken too soon; (2) taken too late; or (3) deposited too late. The cashier **must verify that the date of the WIC sale is on or between the dates listed on the check.** If it is not, you **must not accept** the WIC check. Your store will not be paid for a WIC check taken too early or too late.

Your store has 30 days after the last date to use printed on the check to deposit it. Checks that are deposited too late will reject at the bank and your store will not be paid.

Your store may be charged fees by your bank for rejected checks and the WIC Program will not reimburse your store for these bank fees.

## Wrong Products

Allowing a WIC customer to buy a product not listed on their check or a product that is not WIC-approved is a violation of WIC rules and often results in checks rejecting at the bank for over the maximum value allowed for the check type.

Many stores have cash register systems that recognize a WIC allowed food when it is scanned. Just because an item scans, it does not mean that it is on the WIC check being presented by the customer.

For example, some soy beverages are WIC approved. Soy beverage can only be purchased if it is listed on the check being used by the WIC customer. In a compliance transaction, allowing the purchase of soy beverage with a check listing milk would be considered a violation of WIC policy and result in your store being assessed five penalty points.

Further, selling a product in a WIC sale that is not WIC-approved is a more serious violation. Your store can be assessed sanction points or after multiple occurrences, can be disqualified from the WIC Program. Substituting one infant formula for another not listed on the check being presented is considered this type of violation as well.

Be sure to verify that every item being purchased is **both** WIC-approved and listed on the customer's WIC check.

Always consult your WIC-Approved Foods List or call us. To further review the vendor sanction policies please go to <http://www.maine.gov/dhhs/mecdc/health-equity/wic/policies.shtml> and view VM-6 under Vendor Management.

## Missing or Unreadable Vendor Stamp

A number of checks reject at the bank because the vendor stamp is missing or could not be read by our bank's equipment. Your store must clearly stamp all checks being deposited. If the stamp is missing or not clear, the check will reject at the bank.

If your stamp is dirty, clean it with soap and water using a soft cloth. Your store is responsible to purchase ink for the stamp if it needs re-inking. If your stamp is broken, we will replace it for you at no cost and you must return the broken stamp to us upon receipt of the new one.

It is a violation of your WIC Agreement to replace the stamp yourself.

## The Customer's Choice: Peanut Butter, Canned or Dry Beans

On some checks a WIC customer has the option to purchase one jar of peanut butter (16-18 ounces) **OR** one pound of dry beans or peas **OR** four cans of canned beans or peas. This is not considered a "substitution". However, WIC customers **cannot purchase both** peanut butter and canned or dry beans on the same check.

Canned green string or yellow wax beans and canned green peas may be purchased with the fruit and vegetable check, but **cannot be purchased as the "canned beans" allowed by this food item.** Black beans, butter beans, kidney beans and fat-free refried beans are examples of allowed canned beans. Examples of canned peas that would be allowed would be chick peas and black eyed peas. Canned baked beans are not a WIC approved food and cannot be purchased with any WIC check.

We know this can be very confusing. If you have any questions, please consult your WIC-Approved Foods List or call us.

## Whole Grain Options

Maine WIC allows customers the option of purchasing one 16 ounce loaf of bread or one 16 ounce package of oatmeal, brown rice or tortillas in the whole grain category. This is not considered a "substitution". We allow the WIC customer to make this choice.

Again, the cashier must verify that the WIC check the customer is using has a 16 ounce whole grain item listed on it and that the item selected is WIC-approved.

## Help Us Prevent Fraud

Nationally, fraud costs the WIC Program and stores millions of dollars every year. If you suspect fraud, please contact us at 1-800-437-9300 or contact us on our website at [www.wicforme.com](http://www.wicforme.com). You can also report suspected fraud for both WIC and SNAP (Food Stamps) on the website of the Office of the Inspector General (OIG) at <http://www.oig.dot.gov/Hotline>.

## Fruit and Vegetable Voucher Values

Effective October 1, 2015, the WIC Program will increase the value of some of the fruit and vegetable (cash value) vouchers. Look for checks in the new denominations of \$11.00 and \$16.50.

## Baby Food Check Wording Change

Effective September 21, 2015, the WIC Program has changed the wording on the infant cereal checks to match the wording on the boxes. The new wording will be:

24 OZ BEECH-NUT DRY BABY CEREAL

We hope this will lessen the confusion surrounding this product.

## Vendor Agreements Due November 6th

Vendor agreements for stores in Aroostook, Hancock and Washington counties and corporately owned Hannaford, Shaw's and Food City stores will be mailed out the week of October 19th. The signed vendor agreements are due back to WIC by November 6, 2015. The old agreements for these vendors expire November 30, 2015. The stores above that have not submitted their signed agreements by this time will no longer be able to accept WIC checks beginning December 1, 2015.

## Did You Know?

- Customers can purchase pumpkins with their WIC fruit and vegetable (cash value) voucher.
- A WIC customer is not required to purchase everything listed on their WIC check.
- A store cannot require a WIC customer to make a cash or credit purchase in order to process a WIC transaction.
- If your store accepts food coupons, you must accept a WIC customer's valid coupons and apply the amount towards the WIC transaction.
- WIC customers have the right to keep confidential the fact that they are WIC customers. You cannot announce out loud that you have a WIC transaction or call attention to the transaction in any way. You cannot treat a WIC customer any differently than you would any other customer.
- The WIC Approved Food Lists contains more than just the WIC-approved foods. Look at the pages at the back of the folder for valuable information for stores.

## Need More WIC Training? Call Us.

The WIC Program has vendor trainings scheduled each month. Call Ana Scovil at 287-5366 to register for a training session.

### DHHS Non-Discrimination Notice

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Questions? Need supplies? Contact Us.  
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