



**VENDOR AGREEMENT TO PARTICIPATE IN THE UTAH WOMEN, INFANTS,
AND CHILDREN (WIC) PROGRAM (Federal Fiscal Years 2019-2021)**



**Vendor Agreement
to Participate in the
Utah Women, Infants, and Children (WIC) Program**

**Effective October 1, 2018 – September 30, 2021
Federal Fiscal Years 2019-2021**

Revision July 2018



VENDOR AGREEMENT TO PARTICIPATE IN THE UTAH WOMEN, INFANTS, AND CHILDREN (WIC) PROGRAM (Federal Fiscal Years 2019-2021)

I. PARTIES

This agreement is between the Utah Department of Health and the applicant Retail Vendor.

II. PURPOSE OF AGREEMENT

This agreement sets forth the terms and conditions for a retail vendor's participation as an authorized supplier of State authorized food items for the Utah WIC Program, in accordance with 7 CFR §§246.12 and 246.18.

III. EFFECTIVE DATES

This agreement is valid from October 1, 2018, through September 30, 2021, unless terminated in accordance with the terms of this agreement.

IV. INQUIRIES

Inquiries regarding this agreement shall be directed to:

Utah Department of Health
WIC Program – Vendor Management
P.O. Box 141013
Salt Lake City, Utah 84114-1013
Phone: 801-273-2991
In-State, Toll Free: 1-877-WIC-KIDS
Website: <http://www.wic.utah.gov>
Email: wicvendors@utah.gov

V. DOCUMENTS INCORPORATED INTO THIS AGREEMENT BY REFERENCE

<i>Policy and Document</i>	<i>Internet Link</i>
Utah Vendor Agreement	https://wic.utah.gov/vendors/vendor-agreement/
Utah WIC Vendor Policies	https://wic.utah.gov/vendors/vendor-agreement/
Utah Authorized Food Booklet	https://wic.utah.gov/vendors/authorized-foods-booklet/
Utah WIC Vendor Training Materials	https://wic.utah.gov/vendors/training/
USDA/FNS Vendor Policies and Procedures CFR Ch.11 §246.12	https://www.gpo.gov/fdsys/pkg/CFR-2018-title7-vol4/pdf/CFR-2018-title7-vol4-part246.pdf
EBT Operating Rules	https://fns-prod.azureedge.net/sites/default/files/wic/WIC-EBT-Operating-Rules-September-2014.pdf
Technical Implementation Guide	https://fns-prod.azureedge.net/sites/default/files/wic/WICEBTTechnicalImplementationGuide2018.pdf

VI. STATEMENT OF VENDOR ACKNOWLEDGEMENTS

The vendor hereby acknowledges and agrees to the following:

- A. The vendor shall maintain strict confidentiality of all WIC participation status, information, or records supplied by the Department or that the vendor establishes as a result of agreement activities.
 - 1. Such information or records may not be disclosed to anyone other than the Department and its representatives and the vendor's representatives, unless disclosure ordered or subpoenaed by a court of law.
 - 2. The vendor assumes liability for all disclosures of confidential information by the vendor or its representatives and employees.



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- B. Except as otherwise permitted, the State Agency agrees to restrict the use or disclosure of confidential vendor information.
1. Confidential vendor information is any information about a vendor (whether obtained from the vendor or another source) that individually identifies the vendor, except for vendor's name, address, telephone number, web site, e-mail address, store type, and authorization status.
 2. The State Agency may disclose confidential vendor information to individuals directly connected with the administration or enforcement of the WIC Program or SNAP, who the State Agency determines have a need to know the information for the purposes of these programs,
 - i. This may include:
 - (a) Personnel from local agencies and other WIC state and local agencies;
 - (b) Personnel investigating or prosecuting WIC or SNAP violations under federal or state law; or
 - (c) Individuals directly connected with the administration or enforcement of any federal or state law.
 - ii. Before releasing the information to such individuals or agencies (other than a federal agency), the State Agency must enter into a written agreement with the requesting party specifying that such information may not be used or disclosed except for the purposes directly connected to the administration or enforcement of a federal, or state or local law or ordinance.
 3. The State Agency may disclose such information to a vendor that is subject to an adverse action, including a claim, to the extent that the confidential information concerns the vendor subject to the adverse action and is related to the adverse action.
 4. The State Agency may disclose at its discretion, after the time for requesting review has expired or after exhaustion of all administrative and judicial remedies in which the state prevails, the following information about any authorized vendors and vendor applicants who have had State Agency violation points or sanctions imposed:
 - i. The vendor's name and address;
 - ii. The length of disqualification or amount of CMP imposed; and
 - iii. A summary of the reason(s) for such sanctions provided in the notice of adverse action regarding the sanction imposed on the subject vendor.
- C. The vendor or its authorized representative has read and understands the policies and regulations for vendors included in this document. The firm or individual understands that failure to adhere to the policies and regulations will result in disqualification as an authorized vendor. The vendor's signer states that they are an authorized representative of the vendor with legal authority to obligate the vendor.
- D. This agreement has a maximum length of three (3) years.
1. The agreement becomes null and void upon:
 - i. The date indicated by the State Agency in a notification letter from State Agency;
 - ii. Closure of the store or change of ownership of the vendor; or
 - iii. Termination of this agreement because of assigned State or Federal sanctions which would result in a disqualification.
 2. If corporate or ownership changes occur that maintain the continuity of ownership without changing key management positions or store personnel, then the vendor need only sign a new agreement with the State Agency.
- E. The State Agency will immediately terminate the agreement if it determines that the vendor provided false information in connection when applying for authorization or during evaluation of the limiting or selection criteria.
- F. The WIC Program has no legal obligation to provide materials in multiple languages..

- G. The State Agency will terminate this agreement (on not less than thirty (30) days written notice) due to:
 - 1. Changes in the present agreement which would require all authorized vendors to complete a new agreement;
 - 2. Vendor's failure to fulfill its obligations under this agreement in a timely and satisfactory manner;
 - 3. Reduction or elimination of federal funding, state funding, or both;
 - 4. Participant caseload management reviews to effectively manage funding, in which the vendor with the highest cost per food package will be terminated, if the termination will not affect participant access;
 - 5. A change in Federal Regulations, recommended change or lack of funding which results in the necessity to decrease the number of vendors to maintain a cost effective Program or alters the way vendors are selected, qualified, accumulation of violation points, disqualification; or
 - 6. Fraud or abuse of the WIC Program.
- H. Neither the State Agency nor the vendor has an obligation to renew the Vendor Agreement.
- I. The State Agency or the vendor may terminate the agreement for cause after providing at least thirty (30) day advance written notice.
- J. The State Agency is not responsible for losses incurred after disqualification. A vendor is not entitled to receive any compensation for revenues lost as a result of disqualification.
- K. The vendor shall hold the State of Utah, its officers, agents and employees harmless from liability of any nature resulting from injuries or damages sustained by any persons or property by virtue of performance of this agreement.
- L. The vendor may not assign or subcontract any of vendor's responsibilities or services under this agreement without with the prior written consent of the State Agency.

VII. DEFINITIONS

- A. "Above 50% Vendors" means vendors that derive more than fifty percent (50%) of their annual food sales revenue (including infant formula) from WIC Food Instruments. The State of Utah does not authorize Above 50% Vendors.
- B. "Authorized supplemental foods" means those supplemental foods authorized by the State agency for issuance to a particular participant.
- C. "Claims Collection" In the event a vendor is sanctioned for vendor violations the state agency may use claim collection, in addition to administrative fines, disqualification and civil money penalties in lieu of disqualification in accordance with the State Agency sanction schedule.
- D. "CMP" means civil money penalties.
- E. "Compliance buy" means a covert, on-site investigation in which a representative of the WIC Program poses as a participant, parent or caretaker of an infant or child participant, or proxy transacting one or more Food Instruments or Cash-value Vouchers and does not reveal that he or she is a program representative during the visit.
- F. "Days" mean calendar days.
- G. "Drug" means: (a) a beverage containing alcohol; (b) a controlled substance (as defined by the Controlled Substance Act (see 21 U.S.C. §802(6))); or (c) a controlled substance analogue (as defined by the Controlled Substance Act (see 21 U.S.C. §802(32))).
- H. "EBT" means Electronic Benefit Transfer, a method that permits electronic access to WIC food benefits using a card. The electronic transfer of government benefits to individuals through the use of card technology and point-of-sale terminals.
- I. "EBT capable" means the WIC vendor demonstrates their cash register system or payment device can accurately and securely obtain WIC food balances associated with an EBT card, maintain the necessary files such as the authorized product list, hot card file, and claim file, and successfully complete WIC EBT purchases.

- J. "EBT redemption period" means the date by which the vendor must submit the Food Instrument for redemption, which must be no more than 60 days from the Date of First Use.
- K. "ECR" means electronic cash register system.
- L. "Electronic image of a Food Instrument" means the Image Replacement Document returned by a bank.
- M. "Electronic signature" means an electronic sound, symbol, or process attached to or associated with an application or other record that is executed and or adopted by a person with the intent to sign the record.
- N. "Endorser" means a parent, guardian or caretaker who transacts a Food Instrument on behalf of an infant or child participant.
- O. "FNS" means the Food and Nutrition Service of the U.S. Department of Agriculture.
- P. "Food Delivery System" means the State and local agency system for providing supplemental foods to WIC participants.
- Q. "Food Instrument" means any voucher, check, EBT card, coupon or other document that a participant uses to obtain supplemental foods.
- R. "Food Instrument redemption period" means the dates that the vendor may submit the WIC Food Instrument for redemption. The redemption period is 60 days from the First Date to Use printed on the food instrument.
- S. "Food sales" means sales of all SNAP-eligible foods intended for home preparation and consumption, including meat, fish, and poultry; bread and cereal products; dairy products; fruits and vegetables. Food items such as condiments and spices, coffee, tea, cocoa, and carbonated and noncarbonated drinks may be included in food sales when offered for sale along with foods in the categories identified above. Food sales does not include sales of any item that cannot be purchased with SNAP benefits, such as hot food or food that will be eaten in the store.
- T. "High-risk vendor" means a vendor identified as having a high probability of committing a vendor violation, through application of the criteria established and any additional criteria established by the State agency.
- U. "Identical authorized food item" means the exact brand and size as the original authorized supplemental food item.
- V. "Inadequate Participant Access" means there is no WIC-authorized vendor within twenty (20) miles or would be no such vendor if a specific vendor's agreement was terminated or suspended.
- W. "Inventory audit" means an examination of food invoices or other evidence of purchases to determine whether a vendor has purchased sufficient quantities of WIC food items to provide participants the quantities specified on WIC Food Instruments redeemed by the vendor during a given period of time.
- X. "Investigation" means any method used by the State Agency to determine if violations are occurring.
- Y. "Local WIC agency" means a WIC program operated by a county or local health department, as delegated by the State Agency.
- Z. "Minimum Selection Criteria" means the criteria established by the State Agency to select individual vendors for authorization.
- AA. "Multi-function equipment" means point-of-sale equipment obtained by a WIC vendor through commercial suppliers, which is capable of supporting WIC EBT and other payment tender types.
- BB. "Partially Redeemed Food Instrument" means a paper Food Instrument that is redeemed for less than all of the supplemental foods authorized for that Food Instrument.
- CC. "Participant violation" means any deliberate action of a participant, endorser, or proxy that violates federal or state statutes, regulations, policies, or procedures governing the WIC Program. Participant violations include, but are not limited to: deliberately making false or misleading statements or deliberately misrepresenting, concealing, or withholding facts to obtain benefits; selling or offering to sell WIC benefits, including Cash-value Vouchers, Food Instruments, EBT cards, or supplemental foods in person, in print, or online; exchanging or attempting to exchange WIC benefits, including Cash-value Vouchers, Food Instruments, EBT cards, or supplemental foods for cash, credit, services, non-food items, unauthorized food items, or supplemental foods in excess of those listed on the participant's Food Instrument; threatening to harm or physically harming clinic, farmer, or vendor staff; and dual participation.
- DD. "Pattern" means repeated incidences of the same violation.

- EE. "PIN" means personal identification number used to ensure the vendor that the participant, an endorser, or a proxy signs for the transaction. In EBT, a PIN is used in lieu of a signature.
- FF. "Retail food delivery systems" are systems in which participants, parents or caretakers of infant and child participants and proxies obtain authorized supplemental foods by submitting a Food Instrument to an authorized vendor.
- GG. "Routine Monitoring" means overt, on-site monitoring of a vendor location by WIC program representatives who identify themselves to vendor personnel during monitoring.
- HH. "Sanction" means an administrative fine, disqualification, and civil money penalty in lieu of disqualification that may be applied to the vendor for vendor violations. Sanctions are applied to vendors in accordance with the State Agency's sanction schedule and may be applied in combination with or separately from claims collection.
- II. "SNAP-eligible foods" are foods are intended for home preparation and consumption, including: meat, fish, and poultry; bread and cereal products; dairy products; and fruits and vegetables.
- JJ. "Split tender transactions" allow the participant, their authorized representative, or a proxy to pay the difference when a fruit and vegetable purchase exceeds the value of the Cash-value Voucher.
- KK. "STARS" means a federal SNAP database.
- LL. "State Agency" means the Utah Department of Health, Division of Family Health and Preparedness, Bureau of Maternal and Child Health, WIC Program.
- MM. "State Wide EBT" means the period after completion of statewide EBT implementation. The State Agency will not pay ongoing maintenance, processing fees, or operational costs for any vendor utilizing multi-function systems and equipment. The State Agency will not authorize a vendor that cannot successfully demonstrate EBT capability in accordance with State Agency requirements, unless the State Agency determines that the vendor is necessary for participant access.
- NN. "Store brand/Private label" means a brand owned or controlled by a retailer or wholesaler that sells goods under its brand or label that are provided by a contract manufacturer. A store band must be purchased when indicated in the Utah Authorized WIC Foods Booklet. Examples of store brands/private labels include but are not limited to Food Club, Kroger, Great Value, Market Pantry, WinCo, Signature Kitchens, Signature Farms, Lucerne, Freedom's Choice, and Harmons.
- OO. "SNAP" means the Supplemental Nutrition Assistance Program (formerly known as the Food Stamp Program). SNAP is the program authorized by the Food and Nutrition Act of 2008, in which eligible households receive benefits that can be used to purchase food items from authorized retail stores and farmer's markets.
- PP. "Trafficking" means buying or selling WIC Food Instruments for cash.
- QQ. "Uniform Food Delivery Systems" means that the State Agency may operate up to four types of food delivery systems under its jurisdiction – retail, home delivery, direct distribution, or EBT. When used, Food Instruments must be uniform within each type of system.
- RR. "USDA" means the United States Department of Agriculture.
- SS. "Utah WIC" means the Department's Women, Infants, and Children Program.
- TT. "Vendor" means a sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores authorized by the State Agency to provide authorized supplemental foods to participants under a retail food delivery system. Each store operated by a business entity constitutes a separate vendor and must be authorized separately from other stores operated by the business entity. Each store must have a single, fixed location.
- UU. "Vendor authorization" means the State Agency's process for assessing, selecting, and entering into agreements with retailers that apply or subsequently reapply to be authorized.
- VV. "Vendor Limiting Criteria" means criteria established by the State Agency to determine the maximum number and distribution of vendors it authorizes.
- WW. "Vendor overcharge" is a purchase price on a Food Instrument submitted by the vendor for redemption that exceeds the price limitations applicable to the vendor. The State Agency will apply limits on the amount of reimbursement allowed for Food Instruments based on a vendor's peer group and competitive price criteria.



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- XX. "Vendor peer group" means a group of authorized vendors based on common characteristics or criteria that affect food prices, which is used to apply appropriate competitive price criteria to vendors at authorization and to limit payments for food to competitive levels.
- YY. "Vendor Selection Criteria" means the criteria established by the State Agency for selecting individual vendors to be authorized in accordance with requirements in 7 CFR §246.12(g)(3).
- ZZ. "Violation" means any intentional or unintentional action of a vendor's current owners, officers, managers, agents, or employees (with or without the knowledge of management) that is not permitted by this agreement, other WIC Program agreements, or federal or state statutes, regulations, policies, or procedures governing the WIC Program.
- AAA. "WIC" means the USDA 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
- BBB. "WIC check" includes both WIC Food Instruments and Cash-value Vouchers.

VIII. VENDOR RESPONSIBILITIES

- A. A separate application must be submitted for each vendor doing business at a separate location under the same ownership.
1. Each physical location shall be separately evaluated against the above 50% vendor criteria.
- B. The vendor shall make their place of business accessible to all WIC participants and the general public for transactions other than WIC.
- C. Vendor shall ensure that no person providing services to a WIC customer shall discriminate against any WIC participant on the basis of race, color, national origin, sex, age, or disability. Vendor shall ensure that all of its owners, employees, contractors, and agents comply with the provisions of:
1. Title VI and VII of the Civil Rights Act of 1964, as amended;
 2. Section 504 of the Rehabilitation Act of 1973, as amended; and
 3. Title III of the Americans with Disabilities Act of 1992, as amended.
- D. The vendor is responsible for providing or bringing an interpreter as needed for:
1. On-site visits, communication, or questions with the State Agency or Local WIC Agency;
 2. Initial or renewal of agreement applications;
 3. Required training sessions; or
 4. Other meetings.
- E. The vendor shall only transact WIC foods in exchange for valid Utah WIC Food Instruments provided by Utah WIC participants, endorsers, or participant's authorized proxies.
1. If a WIC Food Instrument is not presented, no food items can be exchanged.
 2. The vendor may not deny access to a Utah WIC participant presenting a valid Utah WIC Food Instrument or limit the number of valid WIC Food Instruments that can be redeemed at one time.
- F. The vendor shall provide only authorized supplemental foods in the exact quantities and sizes listed on the WIC Food Instrument in accordance with the current Utah Authorized WIC Food list.
1. No substitutions are allowed, except when accompanied by a Special Food Letter.
 2. The vendor shall honor an exception as stated in a Special Food Letter printed on State Agency or Local Agency letterhead.
- G. A WIC Food Instrument may only be redeemed and authorized for payment for the exact brand (if specified) or food type, size, and quantity of the food items printed or loaded on the WIC Food Instrument.
1. The vendor may not provide unauthorized food items, non-food items, cash or credit (including rain checks) in exchange for WIC Food Instruments.
- H. The vendor must allow the participant, endorser, or authorized proxy to pay the difference when a fruit and vegetable purchase exceeds the value of the Cash-value Voucher/Benefit. These are sometimes referred to as split tender transactions.
- I. The vendor may not provide refunds or permit exchanges for authorized supplemental foods obtained with WIC Food Instruments, except for exchanges of an identical authorized supplemental food item when the

- original authorized food item is defective, spoiled, or has exceeded its “sell by,” “best used by,” or other date limiting the sale or use of the food item.
- J. The vendor may provide only authorized infant formula that the vendor has obtained from sources approved by the State Agency.
 - 1. The list of approved sources is located at www.wic.utah.gov/vendors/approved-manufacturers/
 - K. The paper WIC Food Instrument instructs the WIC clients regarding what foods, sizes, and quantities may be purchased. The WIC client does not have to purchase all of the foods listed on the WIC Food Instrument.
 - L. The vendor cannot stock or sell out of date WIC commodities to WIC participants.
 - M. The vendor shall not:
 - 1. Request or provide cash, credit, unauthorized goods, or substitution of other WIC food items to or from WIC participants instead of or in exchange for WIC-authorized foods; or
 - 2. Knowingly request, provide, or substitute cash, credit, unauthorized goods, or other WIC food items to WIC participants for foods returned to the store that were purchased with WIC Food Instruments.
 - N. The vendor agrees that the maximum allowable reimbursement amount of any Food Instrument may not exceed the average cost plus three standard deviations (3 SD) for that food item, in accordance with the assigned peer group of the vendor.
 - 1. The State Agency cannot pay a vendor at a level that would otherwise make the vendor ineligible for authorization.
 - 2. The maximum allowable reimbursement amount for Cash-value Vouchers/Benefits is the maximum amount stated on the front of the voucher.
 - O. At all times, the vendor shall maintain the minimum inventory amount of WIC-eligible food items required by the *Food Inventory Requirements* policy for the vendor’s peer group, with items in plain view or containers labeled or identified with prices marked on the product or shelf designated.
 - P. The vendor shall:
 - 1. Accept WIC Food Instruments from participants from the First Date to Use through the Last Date to Use stated on each WIC Food Instrument; and
 - 2. Redeem each WIC Food Instrument for payment within sixty (60) days of its First Date to Use.
 - Q. The vendor cannot redeem WIC Food Instruments at any time later than sixty (60) days after the First Date to Use.
 - R. The vendor may submit WIC Food Instruments or electronic images of WIC Food Instruments to the State WIC Agency that are rejected by the bank.
 - 1. The rejected WIC Food Instrument or electronic image of the WIC Food Instrument submitted must:
 - i. Have the vendor identification, date-redeemed stamp imprinted on the front and within the designated box;
 - ii. Be submitted with a copy of the transaction receipt; and
 - iii. Be received by the State Agency within sixty (60) days of the Food Instrument’s “First Date of Use.”
 - 2. The vendor should keep a copy of the rejected WIC Food Instrument submitted to the State Agency (in case they are lost in the mail).
 - 3. Rejected WIC Food Instruments or inquiries about rejected WIC Food Instruments received by the State Agency more than sixty (60) days after the First Date of Use will not be paid or validated. All such Food Instruments and electronic images of WIC Food Instruments will be considered void.
 - 4. The State Agency is not responsible for bank charges on returned WIC Food Instruments, unless there is evidence that the State Agency provided incorrect information to the bank.
 - S. The WIC program cannot reimburse a vendor for:
 - 1. Any part of redemption for any unauthorized foods; or
 - 2. Brand name items, if a store brand or private label is required
 - T. The WIC program cannot reimburse unauthorized vendors for Utah WIC Food Instruments.
 - U. The following WIC Food Instruments will not be paid by the bank nor accepted for payment by the State Agency:

1. Missing the authorized signature;
 2. Containing a signature outside of the signature box;
 3. Redeemed prior to the First Day of Use or after the Last Day of Use;
 4. Missing the total amount in the Pay Exactly box; or
 5. Double stamped (i.e., two vendor ID numbers or two dates), except:
 - i. If the WIC Food Instrument was rejected because of a vendor ID stamp or date, the vendor may stamp the front and directly deposit the WIC Food Instrument to the bank without submitting it to the State Agency for payment.
- V. The vendor agrees not to amend, adjust, correct, blot out, make any markings over, or conceal any validations or adjustment documentations (written or stamped) made by the State Agency on the original WIC Food Instrument or on any electronic image of a WIC Food Instrument.
1. If the vendor alters any State Agency validation, adjustment, or documentation, the State Agency may require the vendor to reimburse the State Agency and may assess violation points.
- W. The vendor must pay any claim assessed by the State Agency or submit an adequate justification for a vendor overcharge to the State Agency within thirty (30) days of written notification. The vendor may not charge participants, endorsers, or proxies for authorized supplemental foods obtained with WIC Food Instruments.
1. The vendor cannot seek restitution or reimbursement from WIC participants nor contact WIC participants about WIC Food Instruments not paid by the State Agency.
 2. The vendor cannot request a WIC participant to pay any amount related to a vendor overcharge or any other WIC Food Instrument discrepancy that caused a Food Instrument rejection or claim.
- X. The vendor shall attend and complete mandatory training sessions at times mutually agreeable to the vendor and the State Agency:
1. Prior to or at the time of a vendor's initial authorization;
 2. Annually, via State Agency provided self-paced instruction modules with a post-test for all employees;
 3. At least once every three (3) years or within the agreement period (in an interactive format supplied by the State Agency that includes a contemporaneous opportunity for questions and answers);
 4. Any time a vendor accumulates ten (10) or more violation points (for training that is mandatory for all store-level employees who handle WIC transactions); and
 5. As otherwise required by the State Agency.
- Y. The State Agency will determine the types and methods of training. All training will be documented by Utah WIC.
- Z. The State or local WIC agency must provide vendors with at least one alternative date on which to attend the interactive training and for any vendor accumulating ten (10) or more violation points.
- AA. The vendor or its corporate offices may not:
1. Edit or change any WIC training material supplied by the State Agency; or
 2. Develop WIC training materials without the advance written approval of the State Agency.
- BB. The following may result in additional violation points, disqualification, and rejection of an authorization renewal application:
1. Failure to comply with required training requirements,
 2. Failure to attend mandatory training sessions,
 3. Failure to have required individuals who handle WIC transactions present at the store level training sessions, or
 4. Failure to complete the required training modules within ninety (90) days, after one opportunity to reschedule at a mutually agreeable time.
- CC. Training participation is subject to verification. (For example, the State Agency may compare names of employees who handled WIC transactions with lists of employees who successfully complete training prior to such transaction dates).
- DD. The vendor shall inform and train cashiers and other staff about WIC program requirements.

1. The vendor shall ensure that all employees who handle WIC transactions are trained on WIC redemption procedures once the initial pre-authorization training visit has been conducted by the State/Local WIC agency.
 2. The vendor may not electronically copy or photocopy any WIC Food Instruments from State Agency training materials or from State or Local WIC agency websites without permission from the State Agency.
- EE. The vendor is responsible for all actions of its owners, officers, managers, agents, employees, contractors, and other representatives who commit vendor violations.
- FF. The vendor shall comply with all instructions and memorandums issued by the State Agency.
- GG. Vendor must offer WIC participants the same courtesies that are offered to non-WIC customers.
1. Vendors may not offer WIC participants incentive items that are not offered to non-WIC customers. This includes all store promotions, except for any promotion or discount where sales tax must be collected as required by the Utah State Tax Commission.
 2. Any vendor who knowingly refuses to provide a promotion, discount, or loyalty card to a WIC participant will be in violation of this agreement.
 3. WIC-authorized vendors may not offer incentive items solely to WIC participants in an effort to encourage participants to redeem WIC Food Instruments at the vendor's store.
 4. Vendors may not provide certificates or coupons redeemable for cash, alcoholic beverages, or tobacco products that require the redemption of a WIC Food Instrument.
- HH. The vendor shall conduct business with and treat WIC participant customers in the same manner as non-WIC store customers. Inappropriate behavior toward WIC customers will be considered discourteous treatment of a WIC participant and sanctions will be imposed on the vendor.
- II. The vendor must permit State and Local WIC agency vendor representatives to conduct on-site monitoring visits to determine compliance with the requirements of the WIC Program. Visits may or may not be announced, but the representative will identify themselves upon entering the retailer. Visits will include, but are not limited to:
1. Discussing identified problems with the vendor and completing required documentation for monitoring;
 2. Ensuring that the vendor has current training information;
 3. Training managers, cashiers, and other personnel;
 4. Verifying that the vendor carries an adequate inventory of WIC food items;
 5. Obtaining of current shelf prices of WIC foods in stock;
 6. Reviewing inventory records of WIC food items being purchased and sold at the store; and
 7. Providing technical assistance to vendors when needed.
- JJ. The vendor shall provide access to WIC Food Instruments on hand on the day of the monitoring visit.
- KK. The vendor shall cooperate with State, local WIC agency staff, USDA officials, and appointed investigators to conduct audits, compliance purchases, or other investigations.
- LL. The vendor shall accept all certified mail from the State WIC Agency.
- MM. The vendor must notify the State Agency in writing before any change in vendor ownership, store location/physical address, or cessation of operations.
1. The State Agency will terminate the vendor agreement upon change in ownership greater than 50% or closure of a store.
 2. The vendor shall surrender all authorized vendor stamps to the State Agency within (10) days of the closure of a store, change of ownership, or termination of an agreement.
 3. The new owner or location will need to reapply as a new applicant.
- NN. The vendor shall obtain all Utah WIC-authorized vendor stamps (new or replacements) from the State Agency.
- OO. The vendor agrees to place the authorized vendor ID or date stamp in the designated box on the WIC Food Instrument prior to deposit, when resubmitting WIC Food Instruments to the State Agency for consideration of validation payment, and to the bank for payment.
- PP. The vendor may not redeem a WIC Food Instrument for food purchased or received at an address other than the physical store address that appears on the vendor's application.

- QQ. The vendor may not deposit a WIC Food Instrument into a bank account other than the vendor's authorized bank account.
- RR. The vendor must maintain a direct deposit depository bank account.
- SS. The vendor cannot accept nor deposit a WIC Food Instrument with a vendor stamp or total amount already on the front.
1. Food Instruments with two different Vendor ID or date stamps will be rejected and will not be paid.
- TT. The vendor shall only accept WIC Food Instruments accompanied by a WIC ID Packet or PIN.
1. The vendor cannot request additional forms of identification (such as a driver's license or credit card) from the WIC participant.
- UU. The vendor agrees to enter the total purchase price of the WIC foods on each WIC Food Instrument using only black ink (no blue or other colors).
1. The vendor may not use "\$" or "¢" signs in the total amount.
 2. The participant may only sign the WIC Food Instrument after the purchase price is written on the WIC Food Instrument.
 3. Each transaction and signature shall be completed separately.
- VV. The vendor shall imprint the WIC Food Instrument with the authorized vendor stamp using black ink only prior to depositing the WIC Food Instrument to the bank.
1. Handwriting may not appear in the vendor ID or date box and the vendor may not use handwriting to correct the vendor ID or date.
 - i. Food Instruments with any handwriting in the vendor ID or date boxes will be rejected.
 2. The vendor may not complete an unreadable stamp.
 3. The vendor ID and date used must be a stamp imprint from the vendor's stamp.
 - i. The State Agency will not pay a WIC Food Instrument or electronic image of a WIC Food Instrument if the vendor ID number is missing or the date of transaction is unreadable.
- WW. The vendor must ensure the participant, endorser, or proxy signs the WIC Food Instrument in the cashier's presence.
1. The vendor cannot accept a signature that resembles an "x," "+," or "t".
 2. Food Instruments accepted without an authorized signature may not be paid or validated for payment.
- XX. The vendor must ensure that the signature matches an authorized signature on the WIC ID Packet.
1. If the signature does not match, the vendor may not accept the WIC Food Instrument.
 2. Only an original WIC ID Packet may be used for the signature verification process. A photocopy or duplicate WIC ID Packet cannot be used to verify a signature.
- YY. The vendor agrees to display the State Agency provided WIC window sticker or poster in a prominent place.
- ZZ. The vendor shall only purchase infant formula from: wholesalers, distributors, and retailers licensed by Utah or any other state; or infant formula manufacturers registered with the Food and Drug Administration.
1. A current list of State Agency approved wholesalers, distributors, retailers, and FNS-approved infant formula manufacturers is available from the State Agency website: www.wic.utah.gov/vendors/
 2. This list may not include licensed wholesalers, distributors, or retailers that do not sell infant formula.
- AAA. Upon request, the vendor must make all WIC Food Instruments in the vendor's possession and all WIC program related records available to representatives of the State Agency, the Department, and the Comptroller General of the United States, at any reasonable time and place for inspection and audit.
- BBB. The vendor may not collect sales tax on Utah WIC food items or charge sales tax on WIC Food Instruments.
- CCC. The vendor may not accept any WIC Food Instrument with alterations to:
1. Dates
 2. The quantities/sizes of WIC prescribed foods; or
 3. Any signature.
- DDD. The vendor may not alter any of the following aspects of a WIC Food Instrument:
1. First Date to Use;
 2. Last Date to Use;
 3. Quantities or sizes of WIC foods issued on the WIC Food Instrument;

4. The written or numerical amount originally written on the WIC Food Instrument so that it exceeds the maximum allowable amount of the total food items for that WIC Food Instrument; or
5. The actual date of transaction of the WIC Food Instrument

EEE. The vendor ID and date stamp must match the actual date of transaction printed or endorsed on the back of the WIC Food Instrument.

FFF. The vendor shall report any Program violations by a WIC participant to the State Agency.

GGG. The vendor shall remain in compliance with the Limiting and Selection Criteria throughout the agreement period.

1. If the vendor fails to meet these criteria at any time during the agreement period, the vendor will be notified that it has thirty (30) days to correct the non-compliance.
2. If the vendor fails to correct the non-compliance, the vendor will be disqualified from the Utah WIC Program.

HHH. The vendor shall submit a properly completed Utah Food Price Reporting List that includes the shelf prices of each indicated WIC food to the State Agency every six months or as requested.

1. Utah Food Price Reporting Lists received after the due date may not be accepted or processed.
2. If price increases occur after the bi-annual Utah Food Price Reporting List has been submitted to the State Agency, the vendor must resubmit its prices for the food commodities affected by the increase within five (5) working days of the actual shelf price change.
 - i. Prices can be resubmitted directly to the Utah Vendor Management Coordinator by email.

III. Any disqualification from the WIC Program due in whole or in part to violations included in Supplemental Nutrition Program regulations 7 CFR §278.6(e)(8) may result in disqualification from SNAP.

JJJ. The vendor shall not exchange cash, give cash to the participant, nor demand cash from the participant for redemption of all or part of any WIC Food Instrument.

KKK. The WIC logo and acronym are registered trademarks of the USDA.

1. The vendor may only use the WIC acronym or logo signage in the size permitted by the State Agency.
2. The vendor may only use channel strips or shelf-talkers with the WIC acronym or logo that are approved by the State Agency.
3. The vendor may not:
 - i. Use any part or aspect of the WIC acronym, logo, service mark, or close facsimiles in the name of the vendor, store advertising, promotional material, or incentives;
 - ii. Reproduce their own signage; or
 - iii. Use or apply any stickers, tags, or labels that have the WIC acronym or logo directly on WIC-approved products.
4. Use of the WIC acronym, logo, or any close facsimiles in the vendor's name for advertising, promotional material, or incentives prior to or during the period of authorization will result in suspension of authorization for ninety (90) days from State Agency notification of the inappropriate usage or sanctions.
5. Vendor compliance with WIC Acronym and logo policies may be evaluated by any objective means and will be evaluated during the initial on-site authorization visit, other on-site visits (regardless of the initial reason for the visit), training visits, and compliance purchase visits.

LLL. This vendor agreement does not constitute a license or a property interest.

MMM. The vendor must reapply for authorization for each new agreement period.

1. If a vendor is disqualified, the State Agency will terminate the vendor's agreement and the vendor will have to reapply for authorization after the disqualification period is over.
2. The vendor's new application will be subject to the State Agency's Limiting and Selection Criteria in effect at the time of reapplication.
3. The vendor must comply with this agreement and federal and state statutes, regulations, policies, and procedures governing the Program, including any changes made during the agreement period.
4. Non-compliance may result in suspension or disqualification from the WIC Program.

VENDOR AGREEMENT TO PARTICIPATE IN THE UTAH WOMEN, INFANTS, AND CHILDREN (WIC) PROGRAM (Federal Fiscal Years 2019-2021)

5. Any vendor who commits fraud or abuse of the WIC Program may be prosecuted under applicable federal, state, and local laws.
6. Vendors who have willfully misapplied, stolen, or fraudulently obtained:
 - i. \$100 or more of WIC program funds shall be subject to:
 - (a) A fine of not more than \$25,000;
 - (b) Imprisonment for not more than five years; or
 - (c) Both fine and imprisonment;
 - ii. Less than \$100 of WIC program funds shall be subject to:
 - (a) A fine of not more than \$1,000;
 - (b) Imprisonment for not more than one year; or
 - (c) Both fine and imprisonment (per 7 CFR §245.14).

NNN. The vendor may not increase prices of approved foods to an amount that would make the vendor ineligible for authorization or reauthorization.

OOO. The vendor may not claim reimbursement for the sale of a WIC food in an amount that exceeds

1. The vendor's documented inventory of the WIC food for that period;
2. The maximum reimbursement level established by three (3) standard deviations above the average, in accordance with the vendor's peer group.

PPP. The vendor shall implement any corrective action plan required by the State Agency.

QQQ. The vendor may not accept phone orders for WIC purchases.

RRR. The vendor may not accept and hold WIC Food Instruments in promise of providing foods at a future date or different location.

SSS. The vendor must investigate any complaints against the retailer, upon State Agency request.

1. An investigation shall include statements of employees and witnesses directly or indirectly involved in the incident.
2. The retailer will provide copies of these statements and details of the incident/investigation within thirty (30) days of the State Agency's request.

TTT. The vendor must allow the use of in-store or manufacturer's coupons when using WIC Food Instruments.

1. WIC purchases are tax exempt, whether or not a manufacturer's coupon is used (per Utah State Tax Commission administrative rule R865-19S-68(D)).
2. No sales tax is due on any manufacturer coupon used on any WIC transaction.

UUU. Nothing in this Agreement shall be construed inconsistently with the Memorandum Of Understanding executed by the US Department of Defense & the US Department of Agriculture, dated March 7, 1983, which is incorporated herein by reference.

VVV. Records and Reporting

1. The vendor must maintain all records required by state or federal law for a minimum of three years, including but not limited to:
 - i. Receipts, invoices, and inventory records used for federal or state tax reporting purposes; and
 - ii. Records of the vendor's infant formula purchases from manufacturers, wholesalers, distributors, retailers, or any other point of purchase.
2. The vendor shall to provide the following documentation to the State Agency upon request:
 - i. Monthly, quarterly, and annual (most recent calendar year, fiscal year, or other 12-month period) food sales records or receipts for SNAP-eligible food items, including infant formula, and WIC foods purchased. Required documentation includes:
 - (a) Invoices, receipts, and bank deposits;
 - (b) Inventory/shelf price records of WIC food items;
 - (c) IRS forms, State Tax Commission forms, and financial records; and
 - (d) SNAP sales volume records (if applicable).
 - ii. Specific records to validate information at any time during the agreement period.
3. The vendor is responsible for the validity of the information it provides to the State Agency.

4. Failure to provide any required sales data or providing false information will result in denial of WIC Food Instrument payment, violation points, sanctions, or termination of the agreement.

IX. STATE WIC OFFICE RESPONSIBILITIES

A. The State WIC office agrees to:

1. Maintain an open enrollment period to accept applications throughout the agreement period, except for the following periods, which will be closed to enrollments:
 - i. The last three (3) months of the agreement period; and
 - ii. From three months before the start date of the EBT Pilot Program through three months after the start date of statewide EBT rollout;
2. Process vendor applications during closed enrollment periods only if there is inadequate participant access to the WIC program, including when a previously authorized vendor sells a store under circumstances that do not permit timely notification to the State Agency;
3. Reserve the right to demand refunds from the vendor for charges exceeding the actual price of the supplemental foods;
4. Reconsider payment for all WIC Food Instruments not paid by the bank that are submitted to the State Agency within sixty (60) days from the "First Day to Use";
5. Disqualify a vendor who has been assessed a disqualification by SNAP;
6. Reserve the right to deny payment to the vendor for improper WIC Food Instrument redemption;
7. Assign State Agency violation points, sanctions, or disqualify a vendor for program abuse (as described in Attachment C, Mandatory Federal Disqualifications and State Agency Violation Points and Sanctions);
8. Provide training and/or training materials to all approved vendors;
9. Ensure that no conflict of interest (as defined by applicable state and federal laws, regulations, and policies) exists between the State Agency and any vendor under its jurisdiction;
10. Terminate any vendor agreement where a conflict of interest exists between the vendor and the WIC Program at the state or local level;
11. Perform Routine Monitoring on at least five percent (5%) of all authorized vendors annually;
12. Provide assistance to vendors by phone, written documentation, or in-person regarding problems with WIC transactions (except for vendors with either a finding/conviction of trafficking or a SNAP disqualification);
13. Evaluate each WIC Food Instrument for all valid redemption criteria;
 - i. The State Agency may adjust the total purchase price on WIC Food Instruments submitted by the vendor to ensure that payments comply with the vendor's peer group price limitations;
 - ii. The State Agency may not offset the correct total amount printed on one WIC Food Instrument against the total amount on a different WIC Food Instrument. Each WIC Food Instrument is considered a separate transaction;
14. Validate payment for each WIC Food Instrument's itemized WIC foods;
 - i. The local WIC agency cannot validate a rejected WIC Food Instrument;
15. Take follow-up action within ninety (90) days of detecting any questionable WIC Food Instruments, suspected vendor overcharges, and other errors;
16. Deny payment or initiate claims collection action within ninety (90) days of discovering a vendor violation or the completion of the review or investigation giving rise to the claim, whichever is later;
 - i. In collecting a claim from a vendor, the State Agency may offset the claim against current and subsequent amounts to be paid to the vendor;
 - ii. In addition to denying payment or assessing a claim, the State Agency may assign State Agency violation points, sanctions or a Mandatory Federal Disqualification;
17. Delay payment or establish a claim in the amount of the full purchase price of each WIC Food Instrument that included a violation, an overcharge, or other error, or was rejected by the bank;

VENDOR AGREEMENT TO PARTICIPATE IN THE UTAH WOMEN, INFANTS, AND CHILDREN (WIC) PROGRAM (Federal Fiscal Years 2019-2021)

- i. When payment for a WIC Food Instrument is delayed or a claim is established, the vendor will be given an opportunity to justify or correct a vendor overcharge or other error;
 - ii. If satisfied with the justification or correction, the State Agency shall provide payment, adjust the total amount, or adjust the proposed claim accordingly;
18. Reassess the vendor, at any time during the agreement period;
19. Conduct compliance purchases on a minimum of five percent (5%) of all vendors, in order to verify and document WIC Program abuse committed by vendors;
 - i. A vendor may be selected to be investigated based on specific high-risk criteria;
 - ii. High-risk vendors will be prioritized to receive compliance investigations;
20. Consider whether disqualification would create inadequate participant access before disqualifying a vendor;
 - i. In deciding whether to postpone adverse action until a hearing decision is rendered, the State Agency may consider any other relevant criteria in addition to inadequate participant access.
21. Disqualify a vendor that another state has disqualified or assessed a CMP in lieu of disqualification based on a mandatory vendor requirement;
 - i. The length of disqualification by the State Agency must be the same length of time as the disqualification required by the other state;
 - ii. For CMP in lieu of disqualification assessed by another state, the State Agency must disqualify the vendor for the length of time that the vendor would otherwise have been disqualified by the other state;
22. Provide the vendor with written notice of adverse action that provides the opportunity to appeal and/or correct the adverse action within thirty (30) days of the notification;
23. Provide administrative reviews of sanctions as required by 7 CFR §246.18;
24. Take follow-up action within ninety (90) days of detecting any questionable WIC Food Instruments, suspected vendor overcharges, and other errors;
25. Implement procedures to reduce the number of errors when possible;
26. Provide notice to vendors regarding changes to federal or state statutes, regulations, policies, or procedures governing the WIC Program at least thirty (30) days before implementation;
27. Inform all vendors of peer group criteria and inform each vendor of its peer group assignment via direct correspondence or as designated in their individual vendor agreements.
 - i. Ensure the effectiveness of vendor peer groups by Assessing its peer grouping methodology at least every three (3) years and Making any necessary adjustments.



**VENDOR AGREEMENT TO PARTICIPATE IN THE UTAH WOMEN, INFANTS,
AND CHILDREN (WIC) PROGRAM (Federal Fiscal Years 2019-2021)**

The Vendor acknowledges it has accessed, reviewed, and accepts the terms and conditions in the WIC Vendor Policies and supporting documents at the links provided above. These policies are hereby incorporated as part of the Vendor Agreement. The terms and conditions of the Vendor Agreement and policies may be changed by FNS and Utah WIC at any time. The Vendor Agreement is valid from October 1st, 2018, through September 30, 2021.

The firm or individual signing this document on behalf of the vendor certifies that they have read and understand the policies and regulations for vendors included in this document. The firm or individual understands that failure to adhere to the policies and regulations will result in disqualification as an authorized vendor. The undersigned states that they are an authorized representative of the vendor with legal authority to obligate the vendor.

Vendor Representative

Vendor Legal Name:	Vendor Phone Number:
Physical Address:	WIC Vendor ID#:
Signature:	Date:
Print Name:	Title:

State of Utah Representative

Signature:	Date:
Print Name: Nicole Reames	Title: Benefits Delivery and Integrity Coordinator