



# Maine Center for Disease Control and Prevention WIC Nutrition Program



## Vendor Authorization Agreement

This Agreement is made between \_\_\_\_\_

Owners(s) of \_\_\_\_\_

located at \_\_\_\_\_

(hereinafter Vendor) and the State of Maine Department of Health and Human Services Maine CDC WIC Nutrition Program (hereinafter WIC Program). The Vendor and the WIC Program mutually agree to the terms and conditions contained in this Agreement.

Assigned Vendor Number: [\_\_\_\_\_] Assigned Vendor Peer Group: **Peer Group** \_\_\_\_

The period of this Agreement is from \_\_\_\_\_ to \_\_\_\_\_

New vendors are under a 30 day pre-authorization period after a vendor number is assigned. Vendor’s POS system will need to pass Level 3 (L3) certification for processing eWIC transactions. Once L3 certification passes, a vendor’s status will be upgraded to authorized. If vendor is unable to pass L3 certification by the end of 30 day pre-authorization period, vendor may request for an extension, not to exceed 60 days. A vendor who does not pass L3 certification by the end of the pre-authorization period will be immediately terminated from the program.

1. General Requirements: The Vendor agrees to the following general requirements during the term of this Agreement and shall:
  - 1.1. Maintain compliance with this WIC Vendor Authorization Agreement, Title 7 of the Code of Federal Regulations Part 246, 10-144 Chapter 286 Maine WIC Program Rules, and Vendor Management (VM) Policies governing the WIC Program throughout the Vendor Authorization Agreement, including any changes made during the agreement period. All Vendor Management Policies are available for review at [www.maine.gov/wic](http://www.maine.gov/wic). The Vendor will be notified of any changes to the WIC Program in writing by methods including, but not limited to newsletters, special bulletins, and amendment to agreements, prior to the changes taking effect. Vendor Management Policies are reviewed by the WIC Program at least annually. Vendors are directed to the WIC Program website for the most recent version of the Vendor Management Policies.
  - 1.2. Meet Vendor selection criteria (as set out in VM-1: Vendor Selection and Authorization) at the time of the initiation of the Agreement and maintain compliance with Vendor selection criteria throughout the agreement period, including any changes to the criteria. Maine WIC may reassess any authorized vendor against the selection criteria at any time during the agreement period including any selection criteria in effect at the time of the reassessment and will terminate any agreement with vendors that fail to meet the selection criteria. In signing this document, the Vendor affirms that it meets, and will continue to meet, the following criteria:

- 1.2.1. Maintain WIC EBT capable-integrated system that performs online WIC Card transactions in accordance with the published rules, policies, specifications, procedures, WIC EBT Operating Rules and WIC EBT Technical Implementation Guide.
- 1.2.2. Comply will all requirements of the WIC EBT Contractor, in accordance with Vendor Agreement, including but not limited to providing banking information.
- 1.2.3. Pay all third-party processing costs, interchange fees, and operating costs for multifunction point of sale devices or systems to support WIC EBT. The WIC Program shall not pay or reimburse the vendor for interchange fees related to WIC EBT transactions.
- 1.2.4. Ensure its self-checkout lanes are separately certified by the EBT contractor and approved by the WIC Program
- 1.2.5. Maintain the establishment in a clean, orderly, and safe condition.
- 1.2.6. Derive less than 50 percent of annual food sales from WIC transactions.
- 1.2.7. Keep on file in the store, a copy of or electronic access to the WIC Vendor Manual, this Agreement, the approved application, stock price surveys, updates, and amendments received from the WIC Program.
- 1.2.8. Provide a minimum variety and quantity of WIC-approved foods at prices that are competitive. WIC-approved foods are defined as those foods listed in the Approved Product List. These foods meet the nutrition standards of the WIC Program. The minimum varieties and quantities are identified in the current Minimum Inventory Requirements in Appendix VM-1-A.
- 1.2.9. Offer competitive prices, based on comparison of Vendor applicant price lists and a WIC Program standard drawn from a price survey completed by Vendors who are authorized in the Peer Group to which the Vendor applicant would be assigned. This requirement may be waived if denial of authorization or revoking the Vendor Agreement for this reason would result in WIC customers having inadequate access to an authorized WIC Vendor. For the purposes of this Agreement, “customer” shall mean any individual receiving WIC benefits or their alternate representative.
- 1.2.10. Possess a valid Food Establishment License from the Maine Department of Agriculture, Conservation and Forestry (or its equivalent from another state).
- 1.2.11. Maintain authorization as a Supplemental Nutrition Assistance Program (SNAP) retailer and provide the SNAP authorization number to the WIC Program.
- 1.2.12. Obtain infant formula for sale to WIC customers from sources on the WIC Program Infant Formula Authorized List Appendix VM-1-B or from manufacturers registered with the U.S. Food and Drug Administration. Provide to WIC customers only formula which is purchased in this way and is specified in the customer’s benefit account.
- 1.2.13. Be an established business, open to the public for at least one year in the current location. This requirement may be waived for a currently authorized Vendor in good standing who is adding a location or for a new owner of a currently authorized store in good standing.
- 1.2.14. Carry foods intended for home preparation and consumption in addition to the WIC required minimum stock items including:

- 1.2.14.1. Fresh or frozen uncooked meat, fish, poultry, or meat substitutes;
- 1.2.14.2. Whole grain bread and cereal products;
- 1.2.14.3. Dairy or dairy-substitute products; and
- 1.2.14.4. Fresh fruits and vegetables.
- 1.2.15. Be open to the public for business at least ten hours per day, six days per week.
- 1.2.16. Have at least 1,000 square feet of area devoted to the sale of grocery items. This requirement may be waived if denial of authorization or revocation of the Vendor Agreement for this reason would result in inadequate customer access.
- 1.2.17. Clearly mark all items for sale in the store with prices, or clearly indicate prices with shelf labels or other signage.
- 1.2.18. Maintain satisfactory compliance with the previous Vendor Authorization Agreement, if previously authorized.
- 1.2.19. Operate at a fixed location that includes refrigeration and freezer equipment in the retail area.
- 1.2.20. Maintain business integrity, which excludes:
  - 1.2.20.1. Selling a store to circumvent a WIC sanction;
  - 1.2.20.2. The Vendor's owners, officers, or managers having a criminal conviction or civil judgment for activities listed in 7 CFR §246.12(g)(3)(ii) during the previous six (6)-year period. This requirement may be waived if denial of authorization or revocation of the Vendor Agreement for this reason would result in inadequate customer access;
  - 1.2.20.3. Having a history of WIC sanctions;
  - 1.2.20.4. Failing to pay a Vendor claim;
  - 1.2.20.5. Becoming disqualified from SNAP or incurring a civil money penalty for hardship from SNAP. This requirement may be waived if denial of authorization or revocation of the Vendor Agreement for this reason would result in inadequate customer access; or
  - 1.2.20.6. Becoming disqualified or incurring a civil money penalty for hardship from the New Hampshire WIC Program. This requirement may be waived if denial of authorization or revocation of the Vendor Agreement for this reason would result in inadequate customer access.
- 1.3. Maintain inventory records used for federal tax reporting purposes; maintain records in accordance with generally accepted accounting procedures; and ensure that records reflecting justification and receipt of WIC funds, transaction records and all other program-related records of the Vendor are available for inspection or audit by federal, State or other authorized personnel for a minimum of four federal fiscal years (Oct 1 to Sept 30).
- 1.4. Cooperate with federal and State WIC Program and other authorized personnel during announced and unannounced on-site Vendor reviews, inspections and audits.
- 1.5. Provide the WIC Program with purchase invoices from wholesalers and receipts for WIC-approved foods purchased from other retailers, when requested. Invoices and receipts for

- infant formula shall show the name of the authorized supplier, the date of purchase, a transaction or invoice number, and the quantity and description of the specific formula product or they shall not be considered an acceptable record of inventory nor justification against a Vendor claim. Hand written receipts for formula will not be accepted.
- 1.6. Submit a current price list within the timeframes given and, in the format, requested by the WIC Program.
  - 1.7. Have at least one authorized representative attend all mandatory Vendor trainings. Annual training may be provided in a variety of formats, including newsletters, videos, and interactive training. The Vendor shall inform and train all employees who have cashier duties, and other staff on program requirements, and shall maintain documentation of the training of staff as described in Vendor Management Policy VM-2 Vendor Training and Appendix VM -2-A WIC Vendor Training Log.
  - 1.8. Treat WIC customers courteously, with respect to issues, including but not limited to, language barriers between the customer and employees, limited understanding of Program rules by both the customer and/or the Vendor, or in some cases, the additional time required for WIC transactions. The Vendor agrees to instruct cashiers to involve a manager when an issue arises to ensure that the customer shopping experience is positive, and that store management is aware of a situation.
  - 1.9. Never ask a WIC customer for identification or his/her Personal Identification Number (PIN). Entering a Personal Identification Number correctly establishes identity.
  - 1.10. Accept WIC Program adjustments to the purchase price of benefits submitted by the Vendor for redemption to ensure compliance with Maximum Allowable Reimbursement Levels set by the WIC Program.
  - 1.11. Never provide cash, firearms, ammunition, explosives, controlled substances, alcohol, or tobacco products in exchange for WIC benefits and/or eWIC card.
  - 1.12. If presented with a final Vendor claim for Vendor overcharges or other Vendor errors, pay the claim within 30 days unless an installment payment plan is agreed to by the WIC Program. Vendor claim procedures are described in Vendor Management Policy VM-14: Vendor Claims.
  - 1.13. Comply with the nondiscrimination provisions of Title VI of the Civil Rights Act as amended; 7 CFR Parts 15, 15A and 15B; and the Maine Human Rights Act regarding places of public accommodation (5 MRS §4591). These laws collectively prohibit discrimination against any person because of race, religion, color, national origin, ancestry, physical or mental disability or handicap, sexual orientation or sex.
  - 1.14. Have access to a computer or other electronic device that has the ability to access the internet, receive and send emails, use web-based applications, and apply an electronic signature to official documents.
  - 1.15. Provide a valid email address, a valid mailing address, and a valid text-enabled telephone number to the WIC Program.
  - 1.16. Maintain an active electronic mailing address to be used for WIC Program communications. Vendor must be capable of receiving electronic communications. This includes but is not limited to receiving emails, bulletins with program updates.

- 1.17 Notify the WIC Program immediately of any changes to the contact information, to ensure that all communications sent electronically or via postal mail by the WIC Program are received by the Vendor.
2. Operational Requirements: The Vendor agrees to the following operational requirements during the term of this Agreement and shall:
  - 2.1 Deploy Point of Sale (POS) terminals used to support the WIC Program in accordance with the minimum lane coverage provisions of 7 CFR Part 246, §246.12(z)(2). The WIC Program may remove excess terminals if actual redemption activity warrants a reduction consistent with the redemption levels outlined in 7 CFR Part 246, §§246.12(z)(2)(i) -(ii).
  - 2.2 Pay third-party commercial processing costs and fees incurred by the Vendor from EBT multi-functional/integrated equipment; and pay commercial transaction processing costs and fees imposed by a third-party processor to connect the Vendor to the EBT system of the State.
  - 2.3 Pay interchange fees related to eWIC transactions.
  - 2.4 Pay for ongoing maintenance, processing fees and operational costs for Vendor systems and equipment used to support eWIC.
  - 2.5 Comply with the Operating rules, standards and technical requirements established by the WIC Program.
  - 2.6 Never transact WIC benefit purchases outside of the authorized store. Vendors offering delivery services may deliver the foods purchased with WIC benefits after the transaction has been completed in the store.
  - 2.7 Never publicly identify, call unnecessary attention to, or allow discourteous treatment of a WIC customer. Treat WIC customers with the same courtesies offered to other customers.
  - 2.8 Keep all information regarding WIC customers confidential.
  - 2.9 Never refuse to accept a valid eWIC card from a WIC customer.
  - 2.10 Only redeem WIC benefits for the WIC-approved food items specifically allowed on the approved food list. Never allow purchase using an eWIC card of a WIC-approved food item that is not specified in the available benefits as presented by the WIC customer. Never allow purchase of a food that is not WIC-approved with an eWIC card. Never offer cash, credit, “rain checks”, or non-food items in exchange for WIC benefits.
  - 2.11 Only accept eWIC cards at the time of the actual purchase and never issue “rain checks” or credit slips to WIC customers.
  - 2.12 If the Vendor is a combination food store and pharmacy, ensure that WIC customers can receive any authorized prescription infant formula or WIC-eligible medical foods within 72 hours of a request from a customer of the WIC Program.
  - 2.13 Ensure that prices charged to WIC customers for WIC-approved foods are equal to or less than prices charged to non-WIC customers.
  - 2.14 Accept any manufacturer's coupons, in accordance with store policies, and honor store promotions for WIC-approved food when processing WIC transactions, in compliance with the U.S. Department of Agriculture ,Food and Nutrition Service EBT Operating Rules, found in 7 CFR Part 246, §246.12. Allow WIC customers to take advantage of manufacturer or

Vendor promotions that provide WIC-approved foods free of charge. The Vendor shall also accept manufacturers' "cents off coupons" from WIC customers for WIC-approved foods being purchased with WIC benefits and deduct the value of the coupons from the cost of the WIC-approved foods being purchased.

- 2.15. Allow WIC customers to purchase less than the total amount of WIC-approved food specified in their WIC benefits, if desired.
- 2.16. Never charge the WIC Program for WIC-approved foods not actually purchased and received by the WIC customer.
- 2.17. Never charge the WIC Program for WIC-approved foods provided in excess of those quantities listed in their WIC benefits.
- 2.18. Never price WIC transactions by benefit type. Each benefit must have a purchase price entered at the time of the transaction for only the WIC-approved foods allowed in the customer's benefits that are actually purchased and received during that transaction.
- 2.19. Never request or accept cash payment and never request or accept restitution for the quantities of foods specified in the customer's WIC benefit; except that a customer may pay, and the Vendor may accept, money for the difference when the purchase of authorized fruits and vegetables exceeds the value of a cash-value fruit and vegetable cash-value benefit.
- 2.20. Never collect sales tax on WIC food purchases.
- 2.21. Collect Maine Bottle Bill (38 MRS Chapter 33) deposits from the WIC customer and not from the WIC Program.
- 2.22. Collect any mandated bag fees from the WIC customer and not from the WIC Program.
- 2.23. Allow the exchange of a WIC-approved food purchased with WIC benefits for an identical item only when the original item is defective, spoiled, or has exceeded its expiration date on or before the date of the product purchase as given on the sales receipt.
- 2.24. Report to the WIC Program if a WIC customer attempts to return foods purchased with an eWIC card in exchange for cash or credit.
- 2.25. Report to the WIC Program any irregularities in the use of an eWIC card by WIC customers.
- 2.26. Never attempt to seek restitution from customers for redeemed WIC benefits that are in excess of the Maximum Allowable Reimbursement Levels.
- 2.27. Direct questions concerning payment only to the WIC EBT contractor. Never contact WIC customers concerning this or any other problem area.
- 2.28. Never provide incentive items (items costing \$1.99 or less) or other free merchandise to WIC customers unless the Vendor provides the same items to non-WIC customers as well.
- 2.29. Redeem a minimum of 15 WIC transactions or \$200 per month on average.
- 2.30. Accept WIC Program adjustments to the purchase price for each WIC approved food redemption submitted by the Vendor for redemption to ensure compliance with Maximum Allowable Reimbursement Levels set by the WIC Program.
- 2.31. Operate a certified EBT capable system or device prior to accepting WIC cards for purchase that perform online WIC transactions in accordance with current published rules, policies, and specifications, including:

- 2.31.1 WIC EBT Operating Rules, 7 CFR Part 246; and
  - 2.31.2 Technical Implementation Guidelines (TIG) WIC EBT Technical Implementation Guide .
  - 2.32. Ensure an electronic cash register (ECR) system for WIC processing during all hours the store is open for business.
  - 2.33. Request re-certification of the Vendor's integrated ECR system if the Vendor alters/revises the system in any manner that impacts its WIC transaction processing capabilities.
  - 2.34. Comply with the terms of the Solutran, Inc. Agreement, if using a stand-beside device.
  - 2.35. Ensure that the most current Maine APL is downloaded daily to the Vendor's ECR system or stand-beside device through its WIC EBT Contractor.
  - 2.36. Follow WIC Program procedure to submit new UPC codes for consideration to be added to the Maine APL.
  - 2.37. Affix the WIC Program-issued "eWIC Accepted Here" decal to store entrance.
  - 2.38. Provide timely transaction documentation as requested by the WIC Program and fully cooperate in the resolution of any dispute arising in relation to WIC transactions and redemptions.
  - 2.39. Return any WIC cards left at the store or on the store property to the WIC Program, if unclaimed for 24 hours, by mailing the cards to the address listed on the back of the card.
  - 2.40. Accept liability for any redemption of WIC benefits:
    - 2.40.1 For which an approval has not been received from the WIC Program; and
    - 2.40.2 For the incorrect redemption of benefits (e.g., providing an item not authorized by the WIC Program or not available in the customer 's account).
  - 2.41. Have the current WIC Cashier Guide readily accessible to all cashiers.
  - 2.42. Provide in a timely manner all information or records requested by the WIC Program during the Agreement period.
  - 2.43. Maintain for a period of three (3) years and provide access to paper or electronic records used for state or federal tax reporting purposes and other WIC Program records including inventory records showing all purchases, wholesale and retail, in the form of invoices, books of account, and other pertinent records. All purchase records or invoices shall reflect the following: (a). name and address of the supplier or wholesaler; (b). name and address of the purchaser (if receipt is from wholesaler); (c). date of purchase, including month, day, and year; (d). list of the items purchased including, size, stock number (if available), UPC code, quantity, and unit price; (e). method of payment; and (f). sales receipts for WIC-approved foods purchased at retail grocer (for resale by the Vendor). These sales receipts must include the name and address of the store; the date of purchase; description of the exact items purchased (e.g., 12 oz Total cereal); the unit price of the items; and the total quantity purchased.
3. Vendor Compliance: The Vendor agrees to the following compliance requirements during the term of this Agreement and shall:

- 3.1. Cooperate with the WIC Program which monitors Vendors for compliance with program requirements. A description of monitoring methods can be found in Vendor Management Policies VM-4: Routine Monitoring and VM-5: Compliance Investigations.
- 3.2. Accept the sanction system detailed in Vendor Management Policy VM-6: Vendor Sanction System.
- 3.3. Understand and accept that the WIC Program may initiate administrative action to disqualify or assess a civil money penalty, in lieu of disqualification, against a Vendor for non-compliance based on an incident of violation or a pattern of violations.
- 3.4. Understand and accept that the WIC Program will notify the Vendor in writing when an investigation reveals an initial incident of violation for which a pattern of incidents must be established in order to impose a sanction, before another such incident is documented. The two exceptions to this provision, which would not require notification, are:
  - 3.4.1. If the WIC Program determines, in its discretion, that notifying the Vendor would compromise an investigation; or
  - 3.4.2. The initial incident is for claiming reimbursement for sale of a WIC-approved item which exceeds the Vendor's documented inventory of that specific item for a specific period of time.
- 3.5. Understand and accept that the WIC Program reports Vendor sanctions to the U.S. Department of Agriculture, Food and Nutrition Service. Disqualification of a Vendor from the WIC Program for Class I or Class II violations described in Vendor Management Policy VM-6: Vendor Sanction System may result in Vendor disqualification from the Supplemental Nutrition Assistance Program (SNAP). These "reciprocal" food program disqualifications may not be subject to administrative or judicial review under SNAP.
- 3.6. Understand and accept that the Vendor will be held liable for the actions of all owners, officers, managers, agents, employees and personnel, paid or unpaid, who may be involved in WIC transactions at the Vendor's store or pharmacy.
- 3.7. Understand and accept that a Vendor who commits fraud or abuse in the WIC Program is liable to prosecution under applicable federal, state and local laws. Those who have willfully misapplied, stolen, or fraudulently obtained program funds will be subject to a fine of not more than \$25,000 or imprisonment for not more than 5 years, or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties include a fine of not more than \$1,000 or imprisonment for not more than one year, or both.
4. Transaction Requirements: The Vendor agrees to comply with WIC Program requirements for transacting WIC benefits, as described in Vendor Management Policy VM-12: Vendor Operations. The Vendor agrees to the requirements for transaction of WIC benefits during the term of this Agreement. The requirements include but are not limited to the following. The Vendor shall:
  - 4.1. Ensure the WIC redemption process requires the e-WIC customer to use a Personal Identification Number (PIN) in a manner that protects the security of the PIN and ensures that no one other than the WIC customer will have knowledge of the PIN. The PIN, along with a valid WIC card, is the sole source of identification needed in processing a WIC transaction.
  - 4.2. Manually enter the WIC card number if the card fails when swiped. The WIC card must be physically present at the time of purchase.



- 4.3. Request that the WIC customer enter the PIN.
- 4.4. Provide the WIC customer a receipt, which at a minimum, shows the last four digits of the card number, store name and address, the date and time of the transaction, purchased food items including quantity, description and unit of measure, unit cost, total purchase price, benefit expiration date, and the remaining balance of available benefits.
5. Prohibited Practices: The Vendor agrees to refrain from the following prohibited practices during the term of this Agreement and shall:
  - 5.1. NOT confiscate the WIC card, or ask for, or enter, the customer's PIN.
  - 5.2. NOT ask for or require additional forms of identification from the WIC customer.
  - 5.3. NOT buy or sell a WIC benefit for cash.
  - 5.4. NOT sell, in exchange for a WIC benefit, any of the following:
    - 5.4.1. A firearm;
    - 5.4.2. Ammunition;
    - 5.4.3. An explosive;
    - 5.4.4. A controlled substance;
    - 5.4.5. Alcohol;
    - 5.4.6. An alcoholic beverage;
    - 5.4.7. A tobacco product;
    - 5.4.8. Non-food items;
    - 5.4.9. Rain checks;
    - 5.4.10. Store credit; or
    - 5.4.11. Unapproved food.
  - 5.5. NOT allow a WIC transaction to occur other than face-to-face with the WIC customer at the Vendor's fixed location, unless otherwise approved by the WIC Program.
  - 5.6. NOT charge WIC customers more than the current shelf price for an approved food.
  - 5.7. NOT charge WIC customers prices that are higher than prices charged to other non-WIC customers.
  - 5.8. NOT charge for approved food not received by a WIC customer.
  - 5.9. NOT charge or collect sales tax on approved food.
  - 5.10. NOT charge the WIC customer any fee, either directly or indirectly, arising out of or associated with operating, maintaining, or processing WIC transactions.
  - 5.11. NOT provide refunds or permit exchanges for approved foods obtained with WIC benefits, except for exchanges of an identical approved food item when the original item is defective, spoiled, or has exceeded its "sell by," "best if used by," or other date limiting the sale or use of the food item on or before the date of the product purchase as identified on the sales receipt. "Identical approved food item" means the exact brand and size as the original item obtained and returned by the customer.

- 5.12. NOT provide cash for returned WIC-approved food or transaction errors.
  - 5.13. NOT provide coupons, certificates, or lottery tickets redeemable for cash, alcoholic beverages, tobacco products, or non-WIC items, that are contingent upon the redemption of a WIC benefit.
  - 5.14. NOT charge the WIC Program any fee arising out of, or associated with, operating, maintaining or processing WIC transactions.
  - 5.15. NOT claim reimbursement for the sale of a specific approved food in an amount that exceeds the Vendor store's documented inventory of that food for the same period of time.
  - 5.16. NOT provide incentive items to WIC customers dependent upon redeeming some or all their benefits.
  - 5.17. NOT redeem WIC benefits issued to themselves or to any relative of the Vendor at a store owned by the same family. This condition may be waived if there is no other WIC-authorized grocery store within a 10-mile radius.
  - 5.18. NOT receive or redeem WIC benefits on behalf of a retailer that is not an authorized Vendor.
  - 5.19. NOT redeem WIC benefits for food purchased or received at an address other than the store address that appears on the authorized Vendor's application.
  - 5.20. NOT contact, question, or seek restitution from WIC customers, parents of WIC customers, or caretakers of WIC customers, for WIC benefits not paid or only partially paid by the WIC Program.
  - 5.21. NOT restrict WIC customers to a single checkout lane when multiple checkout lanes are open and EBT capable.
  - 5.22. NOT scan codes using a UPC codebook or reference sheet. The Vendor is prohibited from scanning any UPC as a substitute or replacement, and from scanning a UPC that is otherwise not actually affixed to the item being purchased by the WIC customer.
  - 5.23. NOT use WIC, SNAP, or any other government assistance program benefits to purchase WIC-approved foods for resale at the authorized store location.
6. Termination for Cause: This Agreement may be terminated for cause by the WIC Program with fifteen (15) days' advance written notice. Reasons for termination of this Agreement for cause include:
- 6.1. Failure by the Vendor to maintain compliance with Vendor selection criteria as set out in Vendor Management Policy VM-1: Vendor Selection and Authorization and including compliance with changes to selection criteria made during the term of this Agreement.
  - 6.2. A change of the store location by more than a short distance, as determined by the WIC Program.
  - 6.3. A change in ownership of the Vendor by 50% or more.
  - 6.4. A conflict of interest, as defined in Vendor Management Policy VM-13: Conflict of Interest, is identified by the WIC Program.
  - 6.5. Failure by the Vendor to attend mandatory Vendor training.
  - 6.6. Failure by the Vendor to pay a financial claim by the WIC Program against the Vendor as described in Vendor Management Policy VM-14: Vendor Claims.

- 6.7. Failure by the Vendor to allow monitoring and inspection of the store premises and procedures to ensure compliance with this Agreement and with state and federal WIC Program statutes, rules, regulations, and policies. Monitoring and inspection includes, but is not limited to, allowing access to WIC benefits negotiated the day of monitoring, access to shelf price records and to any other Vendor records pertinent to the purchase of WIC supplemental food items, including the documentation of the source of infant formula.
  - 6.8. Failure by the Vendor to maintain inventory records used for federal tax reporting purposes; to maintain records in accordance with generally accepted accounting principles; or to ensure that records reflecting justification and receipt of WIC funds, WIC benefit transactions and all other program-related records of the Vendor are available for inspection or audit by federal, state or other authorized personnel.
  - 6.9. Failure by the Vendor to provide the WIC Program with purchase invoices from wholesalers or receipts for WIC-approved products purchased from other retailers, when requested.
  - 6.10. Failure by the Vendor to cooperate with federal and state WIC Program staff and other authorized personnel during announced and unannounced on-site Vendor reviews, inspections and audits.
  - 6.11. Failure by the Vendor to meet minimum redemption requirements (no less than 15 WIC transactions or \$200 redeemed per month). The WIC Program will consider a new application from the Vendor prior to the end of the termination period if circumstances that caused the failure to meet minimum redemption requirements have changed.
  - 6.12. The Vendor derives more than 50% of its sales volume from WIC benefits, as determined by the WIC Program during routine monitoring.
7. Administrative Appeal Hearings: The Maine Department of Health and Human Services Administrative Hearings Regulations (10-144 CMR Ch.1) are available upon request. In addition, notice about applicable appeal rights will be provided by the WIC Program to the Vendor at the time the WIC Program provides notice to the Vendor of any adverse action. The Vendor understands and agrees to the following regarding administrative and judicial appeals:
- 7.1. Pursuant to 7 CFR §246.18 and 10-144 CMR Ch. 286, §V(A), the Vendor may request an administrative appeal of the following actions taken by the WIC Program:
    - 7.1.(A) Denial of authorization;
    - 7.1.(B) Termination of this Agreement for cause;
    - 7.1.(C) Disqualification of the Vendor from the WIC Program during this Agreement period;
    - 7.1.(D) Imposition of a fine or civil money penalty in lieu of disqualification;
    - 7.1.(E) Decision to assign the Vendor to a specific peer group;
    - 7.1.(F) Denial of an application based on a determination of whether the Vendor is currently authorized by the Supplemental Nutrition Assistance Program (SNAP); and
    - 7.1.(G) Denial of Vendor claims.
  - 7.2. Pursuant to 7 CFR §246.18(a)(iii), the Vendor may not request an appeal of the following:
    - 7.2.(A) The validity or appropriateness of the WIC Program 's vendor limiting criteria (§ 246.12(g)(2)) or vendor selection criteria for minimum variety and quantity of

supplemental foods, business integrity, and current Supplemental Nutrition Assistance Program disqualification or civil money penalty for hardship (§ 246.12(g)(3));

7.2.(B) The validity or appropriateness of the WIC Program 's selection criteria for competitive price (§ 246.12(g)(4)), including, but not limited to, vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors or comparable to above-50-percent vendors;

7.2.(C) The validity or appropriateness of the WIC Program 's customer access criteria and the WIC Program 's customer access determinations;

7.2.(D) The WIC Program 's determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the list required pursuant to 7 CFR §246.12(g)(11);

7.2.(E) The validity or appropriateness of the WIC Program 's prohibition of incentive items and the-WIC Program 's denial of an above-50-percent vendor's request to provide an incentive item to customers pursuant to 7 CFR § 246.12(h)(8);

7.2.(F) The WIC Program 's determination whether 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, pursuant to 7 CFR §246.12(l)(3);

7.2.(G) The WIC Program 's determination whether a vendor had an effective 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 (7 CFR §246.12(l)(1)(i)(B));

7.2.(H) Denial of authorization if the WIC Program 's vendor authorization is subject to the procurement procedures applicable to the State agency;

7.2.(I) The expiration of a vendor's agreement;

7.2.(J) Disputes regarding eWIC benefits or cash-value benefits (CVB) payments and vendor claims other than the opportunity to justify or correct a vendor overcharge or other error, as permitted by 7 CFR §246.12(k)(3); and

7.2.(K) Disqualification of a vendor as a result of disqualification from SNAP (7 CFR §246.12(l)(1)(vii)).

8. WIC Program Responsibilities: The WIC Program agrees to the following requirements and shall:

- 8.1. Inform the Vendor of federal or state changes in WIC Program requirements in writing, by newsletter, mailings, or other means before the changes become effective.
- 8.2. Assign Vendors to Peer Groups and assess and reassign the Vendor to a different peer group as changes affect an original peer group assignment.
- 8.3. Establish Maximum Allowable Reimbursement Levels for food items based upon the price surveys submitted by Vendors, or after implementation of eWIC, based upon the actual prices charged by Vendors in the same Peer Group for food items.
- 8.4. Make payment to the Vendor for actual retail costs for eWIC benefits accepted and redeemed in compliance with the conditions contained.

- 8.5. Reimburse (settle to) the Vendor for all approved eWIC transactions that are made in accordance with applicable state and federal statutes, rules and requirements. Settlement will make use of commercial payment system settlement practices. Settlement amounts may differ from requested amounts because:
    - 8.5.1. The price of the food items within a transaction exceeds the Maximum Allowable Reimbursement Level price designated by the WIC Program for that food item and quantity or exceeds the Vendor's shelf price for the food purchased;
    - 8.5.2. Not all the food items within a transaction are approved; or
    - 8.5.3. Adjustments for previous transactions are applied.
  - 8.6. Deny payment for improperly transacted eWIC purchases and initiate a claim for payments already made on improperly redeemed eWIC purchases or prices submitted above the calculated cost competitive pricing for appropriate peer group.
  - 8.7. Provide the Vendor access to information and training on maintaining compliance with WIC Program requirements.
  - 8.8. Provide networks and host processing for eWIC transactions that provide online and real-time approval.
  - 8.9. Provide notice of planned eWIC system maintenance and outages.
  - 8.10. Make available daily the most current APL containing a complete listing of products that are approved for redemption by the WIC Program through its eWIC contractor.
  - 8.11. Pay ongoing maintenance and operational costs of the minimum required quantity of single-function equipment for those vendors designated by the WIC Program as necessary for customer access. The eWIC contractor will continue to provide the single-function equipment and customer support services.
  - 8.12. Compile and maintain a list of certified EBT-capable systems for Vendor applicants to consider.
  - 8.13. Transfer funds to the Vendor's account for valid WIC transactions appropriately transacted via ACH to the Vendor's bank.
  - 8.14. Provide the Vendor with an application for a new Vendor Authorization Agreement at least thirty (30) days before the current Agreement expires, including notification that failure to return the application prior to the date of expiration of the current Agreement will result in termination.
  - 8.15. Manage the WIC Program in accordance with all federal and state requirements.
9. This Agreement does not constitute a license or property interest.
  10. This Agreement is non-transferable. Any change in ownership of 50% or more or sale of the business by the Vendor shall render this Agreement and the Vendor stamp null and void. This Agreement also shall be null and void if the Vendor ceases operations or leases the business, or changes location of retail sales without notice to the WIC Program.
  11. This Agreement is in effect for only the time period stated. An application for a new Vendor Authorization Agreement must be submitted for consideration prior to the expiration date of the current Agreement.

12. This Agreement is subject to change in accordance with any changes in federal and state requirements governing the WIC Program.
13. Parties to this Agreement represent that there is no conflict of interest between the WIC Program, the local WIC agencies and the Vendor.
14. Neither the Vendor nor the WIC Program has an obligation to enter into a new Vendor Authorization Agreement when a current agreement expires.
15. Providing false information on the Vendor application, price survey, or invoices or other required records will be cause for immediate termination of this Agreement.
16. This Agreement may be terminated, without cause, by the WIC Program or the Vendor with a thirty-(30)-day advance written notice.

By signing below as the Authorized Vendor, I certify that:

I, as the owner, operator, manager, or other person(s), am authorized to sign this Maine CDC WIC Nutrition Program Vendor Authorization Agreement and, prior to signing this Agreement, I have carefully read the entire Agreement.

I understand the processes, procedures and requirements of the Maine CDC WIC Nutrition Program and what is required of me as set forth by the Maine CDC WIC Nutrition Program and this Agreement.

I understand that compliance with all statutes, policies, procedures, and regulations of the Maine CDC WIC Nutrition Program is my responsibility.

Title

\_\_\_\_\_

Authorized Vendor Signature

\_\_\_\_\_

Date

\_\_\_\_\_

Director of  
Maine WIC Nutrition Program  
Signature

\_\_\_\_\_

Date

\_\_\_\_\_