

**DEPARTMENT OF HEALTH
WIC SERVICES**

POLICY AND PROCEDURE MANUAL

Policy & Procedure Number: 1.31

Effective Date: November 6, 2017

Functional Area: I. VENDOR MANAGEMENT

Subject: Vendor Authorization Process

A. POLICY:

1. Vendor Authorization Process

- a. *Vendor authorization* shall refer to the process by which the State Agency (SA) assesses, selects, and enters into agreements with stores that apply or subsequently reapply to be authorized as vendors as referenced in 7 CFR §246.2.
- b. The SA shall authorize an appropriate number of WIC retailers to ensure adequate participant access and convenience, to ensure cost containment through vendor competitive prices and allowable reimbursement levels, and to ensure that authorized WIC retail stores can be properly trained, monitored, and evaluated for program compliance and integrity.
- c. The SA shall establish minimum stock requirements for the variety and quantity of allowable supplemental foods that a vendor applicant must stock to be authorized. To meet the needs of all types of WIC participants, WIC retail stores are required to maintain minimum stock standards of all available WIC foods and have them available from the time the New Jersey WIC Application for Vendor Authorization Packet is submitted and throughout the authorization period. (Attachment 1.31B, NJ WIC Vendor Minimum Stock Requirements).
- d. The SA will incur the cost for the Point of Sale (POS) systems for vendors who are authorized prior to Electronic Benefit Transfer (EBT) implementation. All vendors becoming authorized after statewide implementation must pay for their POS systems (if they want to participate as an authorized WIC vendor).
- e. The SA shall ensure that all authorized WIC vendors are trained, monitored and evaluated in accordance with Federal Regulations.
- f. The SA shall enter a two-party agreement with vendors. Authorized vendors must adhere to the terms and conditions of the Vendor Selection Criteria (Attachment 1.30A) and the Vendor Agreement (Attachment 1.31H).
- g. The SA may reassess an authorized vendor for program compliance at any time during the vendor's authorization period using the vendor selection criteria in effect at the time of the reassessment. The SA may terminate the agreements with those vendors that fail to meet the selection criteria.

- h. Retailers can be authorized as vendors at any point during the authorization period but their authorization will end at the same time as all other vendors in the current authorization period.

2. Vendor Responsibility/ Integrity

- a. The SA shall not authorize a vendor applicant if the SA determines the store has been sold by its previous owner in an attempt to circumvent a WIC sanction. The State agency shall consider such factors as whether the store was sold to a relative by blood or marriage of the previous owner(s) or sold to any individual or organization for less than its fair market value.
- b. At the time of application, the SA shall collect the vendor applicant's SNAP authorization number to verify the authorization status of the retailer. The vendor must be SNAP authorized prior to and during the WIC authorization period.
- c. The SA shall not authorize a vendor applicant or any of the vendor applicant's current owners, officers, or managers if they have been convicted of or had civil judgment entered against them for any activity indicating a lack of business integrity during the last six years of date of application. Activities indicting a lack of business integrity include fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims or obstruction of justice.

B. PROCEDURE:

1. Submission of Application

- a. Retailers who are deemed eligible to participate in the WIC program as determined by the SA's review of the Initial Vendor Assessment Form will be provided a New Jersey WIC Application for Vendor Authorization Packet.
- b. Currently authorized and new applicant vendors seeking consideration as authorized Vendors for the WIC Program must submit a completed New Jersey WIC Application for Vendor Authorization Packet. The application packet shall include the following:
 - i. Initial Retailer Assessment Questions (Attachment 1.31A)
 - ii. New Jersey WIC Vendor Minimum Stock Requirements (Attachment 1.31B)
 - iii. Preparing for a WIC Vendor Monitoring Visit (Attachment 1.31C)
 - iv. Application for WIC Vendor Authorization (Attachment 1.31D)
 - v. New Jersey WIC Vendor Application Packet Checklist (Attachment 1.31E)
 - vi. Department of Treasury Authorization for Release of Tax Return Information Form (Attachment 1.31F)
 - vii. Commodity Price List Survey (CPL) (Attachment 1.31G)
 - viii. Vendor Agreement (without Signature Page) (Attachment 1.31H-a)
 - ix. Authorization Agreement for Direct Deposit (ACH) Credits form (Attachment 1.39A)
 - x. Vendor Selection Criteria (Attachment 1.30A)

- xi. Designation of Infant Formula Manufacturer, Retailer, Wholesaler and Distributor form (Attachment 1.31J)
- xii. New Jersey WIC Program Authorized WIC Foods (Attachment 2.12A)
- xiii. Other applicable announcements/promotions/programs working with the NJ WIC Program.
- xiv. Vendor Application Packet Cover Letter (Attachment 1.31N)

2. Initial Review of Application

- a. Upon receipt of the application packet, the SA will review the submission to determine if the vendor has established the capability to fulfill the responsibilities of a WIC vendor. The SA shall review the submitted application to ensure for accuracy and completeness. The SA shall verify SNAP authorization through the FNS STARS (Food and Nutrition Service, Store Tracking and Redemption System), a Federal Agency database. The SA shall verify submission of a satisfactory Sanitary Inspection Report. Meeting these qualifications does not constitute authorization for food instrument and Cash Value Voucher redemption. If the vendor passes initial review, and onsite visit will be conducted to complete an assessment and verify submitted information.
- b. If the retailer submits an incomplete application packet, the SA shall notify the retailer, via mail and/or email, of the incomplete sections. The SA shall utilize the Incomplete Submission of an Application for WIC Vendor Authorization Packet (Attachment 1.31K) letter. The retailer shall have 10 business days from the date on the letter to provide the SA with a completed Application for WIC Vendor Authorization Packet.
- c. A returned application packet must be postmarked within 10 business days from the date on the Incomplete Submission of Application for WIC Vendor Authorization Packet (Attachment 1.31K) or it will be denied.
- d. Returned applications to the SA that are determined to be incomplete a second time will be denied. (Attachment 1.31L)
- e. The SA shall notify the retailer in writing whether the retailer's application for authorization is granted or denied.
- f. NJ does not authorize above 50% vendors. Current vendors deriving more than 50% of the store's annual food sales revenue from WIC food instruments shall be terminated. Vendor applicants expecting to derive more than 50% of the store's annual food sales from WIC food instruments shall receive a denial letter.

3. State Agency On-Site Review

- a. The SA shall visit and complete the Vendor Assessments Selection Check List on vendors who pass the initial review. The Commodity Price List (CPL)/Minimum Stock Inventory shall be used to verify the vendor's current shelf prices and determine if a Vendor meets WIC minimum stock requirements of supplemental foods authorized by the SA for WIC participants.

4. Notification to Vendors

- a. The SA will notify existing authorized vendors about the expiration of the authorization period no later than 120 days prior to September 30th.
- b. Existing authorized vendors must complete and return all required New Jersey WIC Application for Vendor Authorization Packet materials within 30 days of the notification date.
- c. New Applicants will have 30 days to complete and return all required New Jersey WIC Application for Vendor Authorization Packet materials.
- d. During the reauthorization period SA will notify existing authorized vendors about their eligibility to reauthorize for the next authorization period no later than 120 days prior to September 30th. Any Vendor who fails to meet the Vendor Selection Criteria (Attachment 1.30A) will receive a notification indicating the reason for their ineligibility (Attachment 1.31P).

5. Vendor Authorization Training

- a. New applicant vendors and currently active vendors will be provided a Training Notification Letter (Attachment 1.43A) which will designate the date and time of the scheduled authorization training to be held at an identified location.
- b. At least one representative of the Vendor location must participate in training annually.
- c. The SA will provide Vendor applicants and currently active vendors with at least one alternative date on which to attend such training.
- d. Failure of a currently authorized Vendor to attend training shall result in the Vendor not being awarded a new Vendor Agreement to act as an authorized Vendor at the end of their current and existing Agreement period. Failure of an applicant Vendor to attend training will result in the new Vendor not being awarded a Vendor Agreement to act as a new authorized New Jersey WIC Vendor.
- e. Upon successful completion of the Vendor Authorization Training, applicant vendors will be provided the Vendor Agreement (Attachment 1.31H) to sign.

6. Vendor Agreement

- a. Vendors who sign the Vendor Agreement will be awarded authorization.
- b. The Vendor Agreement shall specify the conditions under which the Vendor must operate.
- c. The sole proprietor or an authorized representative who has legal authority to contract for the sole proprietor of the store shall sign the Vendor Agreement and

return it to the State Office.

- d. An authorized representative of the New Jersey WIC Program shall sign the Agreement upon receipt of a signed Agreement.
- e. Currently active vendors shall be provided a new Vendor Agreement extending their authorization for another three (3) years provided that the Vendor has met and continues to meet selection criteria.

7. Final Decision

- a. Vendors receiving a denial letter (Attachment 1.31M) from their submission of the New Jersey WIC Application for Vendor Authorization Packet shall have the right to request a fair hearing.
- b. Vendors who have been denied must wait one year from the date of the original submission of the New Jersey WIC Application for Vendor Authorization Packet before submitting a new online Initial Vendor Assessment Form.

8. Termination of Agreement

- a. For Convenience
 - i. Notwithstanding any provision or language in this policy to the contrary, the SA may terminate the Agreement at any time, in whole or in part, for the convenience of the State, upon no less than fifteen (15) days written notice to the Vendor or as specified by the SA.
 - ii. The Vendor may terminate their Vendor Agreement at any point during the authorization period upon no less than fifteen (15) days written notice to the SA.
- b. For Cause
 - i. Where a WIC Vendor fails to perform, or comply with a policy, regulation, criteria, or any portion thereof, and/or fails to attend or satisfactorily complete the mandatory Vendor training, the SA may terminate the Vendor Agreement, upon no less than fifteen (15) days written notice to the Vendor or as specified by the SA with an opportunity to respond.
 - ii. The SA will immediately terminate the Agreement if it determines that the Vendor has provided false information in connection with its application for authorization. In cases of emergency, the SA may shorten the time periods of notification and may dispense with an opportunity to respond.
- c. Vendors who do not meet the Selection Criteria and are disqualified must wait at least one year from their ineligibility date to be reassessed for eligibility through the Initial Retailer Assessment Form via the online portal.

Attachment(s):

1.31A Initial Retailer Assessment Questions

1.31B New Jersey WIC Vendor Minimum Stock Requirements

1.31C Preparing for a WIC Vendor Monitoring Visit

1.31D Application for WIC Vendor Authorization

1.31E **New Jersey WIC Vendor Application Packet Checklist**

1.31F Department of Treasury Authorization for Release of Tax Return Information Form

1.31G Commodity Price List Survey (CPL)

1.31H Vendor Agreement

1.31H-a Vendor Agreement (without Signature Page)

1.31J Designation of Infant Formula Manufacturer, Retailer, Wholesaler and Distributor Form

1.31K Incomplete Submission of an Application for WIC Vendor Authorization

1.31L Denial Letter, Incomplete Application

1.31M Denial Letter, Failure of Vendor Applicant to meet Selection Criteria

1.31N Vendor Application Packet Cover Letter

1.31P Ineligibility to Reauthorize based on Vendor Selection Criteria Notification

1.39A Authorization Agreement for Direct Deposit (ACH) Credits Form

1.30A Vendor Selection Criteria

2.12 A-1 New Jersey WIC Authorized Food List English

1.43A Mandatory Interactive Training Notification Letter