

**DEPARTMENT OF HEALTH  
WIC SERVICES**

**POLICY AND PROCEDURE MANUAL**

**Policy & Procedure Number: 1.42  
Effective Date: July 5, 2018**

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**Functional Area: I. VENDOR MANAGEMENT**  
**Subject: Routine Vendor Monitoring**

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**A. POLICY:**

1. Routine monitoring shall refer to overt, on-site monitoring during which program representatives identify themselves to vendor personnel as defined in 7 CFR §246.2.
2. The State Agency (SA) shall conduct routine monitoring visits on a minimum of five percent of the number of vendors authorized by the State Agency (SA) as of October 1<sup>st</sup> of each fiscal year in order to survey the types and levels of abuse and errors among authorized vendors and to take corrective actions, as appropriate.
3. For each fiscal year, the SA shall send FNS a summary of the results of its vendor monitoring by February 1<sup>st</sup> of the following fiscal year.
4. The SA shall perform the following activities on all routine monitoring visits:
  - a. Check the Vendor's inventory of supplemental foods and/or inventory records to determine if the vendor meets the State Agency's requirements for the minimum variety and quantity of supplemental foods
  - b. Obtain the Vendor's shelf prices and/or validate the vendor's price list
  - c. Review use of shelf tags and signage
  - d. Review expiration dates on supplemental foods
  - e. Observe food instrument transactions and CVV/CVB, if possible the review of food instruments and cash value vouchers in the vendor's possession at the time of the visit.
  - f. Interview manager and or employees
  - g. Examine the sanitary conditions of the store
5. The SA shall document the following information for all routine monitoring visits.
  - a. The date of the monitoring visit
  - b. The name(s) and signature(s) of the reviewer(s)
  - c. The nature of any problem(s) detected

**B. Procedure:**

1. Selection of Vendors for Routine Monitoring

- a. All new vendors
- b. Vendors that have not received a visit in the last three years.
- c. Additional vendors will be selected at random from the Vendor Database and Participant Feedback.

## 2. Monitoring Violations

### a. First Monitoring Visit

- i. Vendors who pass the first routine monitoring visit will receive a letter notifying them of their result.
- ii. Vendors who fail to pass the first routine monitoring visit will receive a notification indicating the nature of the problems detected within their store and informing them of the need for the SA to conduct a second monitoring visit, Compliance Buy, or an Inventory Audit (Attachment 1.42C, Monitoring 1<sup>st</sup> Visit Violation Notification).

### b. Second Monitoring Visit

- i. Vendors who pass the second routine monitoring visit will receive a letter notifying them of their result.”
- ii. Vendors who fail to pass the routine monitoring for a second time will receive a notification indicating the nature of the problems detected within their store and informing them of a date for Mandatory Interactive Vendor Training (1.42D Training Notification Letter). Training may only be rescheduled once. Failure to attend training will result in termination of the vendor agreement for cause.

### c. Third Monitoring Visit

- i. Vendors who pass the third monitoring visit will not be visited again for routine monitoring for at least one year from the date of the original visit.
- ii. Vendors who have attended training but fail to pass the third routine monitoring visit may be subjected to WIC sanctions.

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Attachment(s):

P & P 1.43 Vendor Training

WIC 7/1.42A Vendor Monitoring, Technical Assistance Review

WIC 4/1.42B Vendor Assessment, State Agency Review Checklist

1.42C Monitoring 1<sup>st</sup> Visit Violation Notification

1.42D Training Notification Letter