

**New Jersey Department of Health
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
WOMEN, INFANTS AND CHILDREN (WIC)**

VENDOR AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20 _____ between the New Jersey Department of Health (DOH), WIC Services, hereafter referred to as the "Agency," and

(Name)

hereafter referred to as the "Vendor" who operates a facility at the distinct location of

THIS AGREEMENT shall be binding from the _____ day of _____ through the 30th day Of September 2024.

Disclaimer

Authorization to accept WIC transactions is a privilege, not a right. Even if a Vendor has been serving the Program for many years, they do not retain any right to be authorized.

Goal of the WIC Program

The United States Department of Agriculture (USDA), Food and Nutrition Services, Special Supplemental Nutrition Program, hereafter referred to as the WIC Program, is a federally funded special supplemental nutrition program for low income pregnant or postpartum women, infants, and children up to their fifth birthday, who are at nutritional risk. The Program provides these individuals with nutritious foods to supplement their diets during critical stages of growth and development. Foods are chosen to correct, prevent, or minimize health and nutritional problems. Foods allowed in the WIC Program are: milk, cheese, eggs, whole grain bread, brown rice, pasta or whole wheat tortillas, dry or canned beans, peas or lentils, fresh, frozen and canned fruits and vegetables, peanut butter, breakfast cereals, 100% juice, canned fish, baby food- fruits, vegetables and meat, iron-fortified formula and special formulas for certain medical conditions. The WIC foods are not intended to be a complete diet, but a supplement to the participant's diet.

In addition to providing supplemental foods, the Program also provides access to health services and offers nutrition education so that the food will be properly used and will improve the dietary and health habits of the entire family.

Definitions

For the purpose of this Agreement and other documents related hereto, following are the applicable WIC, eWIC, and transaction processing terms:

Above 50-Percent Vendor means an authorized WIC Vendor that receives over 50% of the Vendor's annual food sales from WIC food sales. (Figure is calculated by dividing total annual WIC sales into total annual food sales.)

Applicant means the individual, partnership, limited partnership, unincorporated association, limited liability company, or corporation applying to be a WIC Retail Vendor.

Application means the application forms and other required materials submitted by a Business Entity to notify the State Agency that the Business Entity desires to become a WIC Retail Vendor.

Approved Product Lists (APL) means a file managed by the WIC State Agency that includes all the items the WIC State Agency has approved for purchase with an eWIC card.

Approved Source means a wholesaler, retailer or manufacturer of infant formula listed by the State Agency as an approved purchase point for infant formula.

Authorized supplemental foods means those supplemental foods authorized by the State or local agency specifically prescribed to a particular participant.

Authorization means the approval of an Applicant who has met the WIC Vendor criteria and possesses a properly executed, valid WIC Vendor Agreement as a WIC Retail Vendor.

Business Entity means the retail business which an Applicant or authorized WIC Vendor operates at a particular Vendor Site.

Cardholder is the WIC participant or parent or guardian of the WIC participant who is an infant or child who has been issued the eWIC card and have selected their PIN.

Cash-Value Benefit (CVB) means a fixed-dollar amount issued to the participant as part of their WIC food benefits to the same eWIC card as all other food benefits allowing a participant to obtain authorized canned, frozen, and fresh fruits and vegetables with their eWIC card.

Categories and subcategories are the means in which the authorized WIC food are combined into groups when they are entered into the APL.

Compliance Buy means a covert, on-site investigation in which a representative of the Program poses as a cardholder and transacts an eWIC food benefits redemption transaction without revealing during the visit that he or she is a program representative.

Compliance Monitoring means on-site visits and/or other forms of monitoring to the store by the State Agency staff to monitor the Vendor's activity to ensure compliance with New Jersey WIC Policies and Procedures as defined in this agreement and referenced regulations and requirements, including but not limited to, eWIC processing requirements.

Confidential Vendor information is any information about a Vendor that individually identifies the Vendor, except for Vendor's name, address, telephone number, email address, store type and authorization status.

Corporate Officer means the identity of the officer of a Corporation as set forth in its Articles of Incorporation as filed with the Secretary of State wherein such entity is incorporated.

Disqualification means the act by the State Agency of ending WIC participation of a Vendor, infant formula supplier, or WIC participant because of a program violation.

EBA – Electronic Benefit Account, the account containing all available WIC authorized foods for the household maintained at the eWIC Host and accessible via the households eWIC card.

eWIC – eWIC is the term for WIC EBT.

Electronic Benefits Transfer (EBT) means a method that permits electronic access to WIC food benefits using an eWIC card with access control by the WIC cardholder's entry of their selected PIN.

Electronic Cash Register (ECR) System means a system used in retail stores to perform transactions. A typical ECR is composed of various component parts and is networked to a central server maintained at the store or in another location for the chain. The system electronically scans items for purchase, obtains the UPC code and price for the item, adds the item to the cash register receipt, and totals the entire purchase to arrive at a purchase total.

eWIC Capable means the WIC Vendor demonstrates their cash register system or payment device can accurately and securely obtain WIC food balances associated with an eWIC card, maintain the necessary files such as the authorized product list and claim file and successfully complete eWIC purchases. A vendor applying for WIC authorization must demonstrate to the State Agency that their Point of Sale (POS) system can accept eWIC purchases, obtain a benefit balance, and complete a WIC transaction accurately and securely.

Additionally, WIC Vendors must be able to exchange updated files with the State Agency pursuant to State Agency eWIC system requirements.

EBT Host/Processor means the telecommunication site used by the Vendor to send transactions details for processing eWIC transactions and the receipt of the APL.

Employee Fraud and Abuse means the intentional conduct of a State, local agency or clinic employee which violates program regulations, policies, or procedures, including, but not limited to, not abiding by policies and procedures for completion of WIC transactions, entering false or misleading information in case records, or creating case records for fictitious participants.

Education Visit/Contact means a survey of a Vendor applicant/Vendor site where the monitor and the designated store representative review the criteria for authorization as a retail WIC Vendor.

eWIC card is a magnetic strip card issued by the local agency to eligible cardholders to redeem authorized food benefits.

Expired Food means WIC approved infant foods and formula available to WIC Participants on a store shelf which exceeds the stamped date printed on the food item labeled as "use before" date, printed on the item.

Food and Nutrition Service (FNS) is an agency of the United States Department of Agriculture (USDA). The FNS is the federal agency responsible for administering the nation's domestic nutrition assistance program including the WIC Program. FNS services work to end hunger and obesity.

Food Sales means sales of all food items eligible under the Supplemental Nutrition Assistance Program (SNAP).

Household means one or more participants within a WIC family in which all are grouped into a household and all benefits for each WIC family member are aggregated into one food benefit amount.

Infant Formula means a WIC food item that meets the State Agency's authorized food list criteria. WIC Program authorizes the specific infant formula type and amount for eWIC purchase.

Infant Formula Distributor means infant formula wholesalers, distributors and retailers licensed in the New Jersey. The State Agency provides a list to all authorized Vendors during authorization, re-authorization and on the NJ DOH WIC website, Vendor's page.

Integrated System refers to a store's point of sale (POS) equipment that is able to process eWIC and other transaction types (cash, debit, credit) without separating food items (also referred to as a Mixed Basket transaction). Integrated systems also generally have built in scanning capabilities, price lookup, and integration with store inventory management systems.

Inventory Audits – in order to maintain the program integrity of WIC, vendors can be audited to show that their receipts match sales. Inventory audits are conducted to identify cost increases for specific peer groups and to detect fraud or sales of WIC benefits.

Level 3 POS certification means a process completed to verify the accuracy and functionality of Vendor's POS system, inclusive of SCO, and all aspects of the eWIC transaction processing.

Mapping to PLUs means the Vendor's POS system identifying and linking a PLU or UPC to a PLU in the APL. Only fresh fruit and vegetable PLUs listed in the New Jersey WIC APL are eligible for WIC redemption and only those items mapped to the PLUs in the APL.

NTE (Not-to-Exceed-Amount) means the maximum amount the State will reimburse a Vendor for a particular food item within a particular peer group. Also referred to as Maximum Allowable Reimbursement Level (MARL).

Participant Access means the determination by the State Agency as to the availability of authorized Vendors within a geographic area.

Participants means pregnant women, breastfeeding women, postpartum women, infants and children who are receiving supplemental foods under the Program, and the breastfed infants of participant breastfeeding women.

Pattern is more than one instance of the same violation.

Peer Group – means a classification of authorized Vendors into groups based on common characteristics or criteria that affect food prices, for the purpose of applying appropriate competitive price criteria to Vendors at authorization and limiting payments for food to competitive levels.

PIN (Personal Identification Number) means the numbers the WIC cardholder will select and then enter for secure access to their eWIC account.

Program refers to the United States Department of Agriculture (USDA) federally funded Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Program authorized by section 17 of the Child Nutrition Act of 1996, as amended.

PLU (Price Look-Up) means the four or five-digit code(s) assigned by the International Federation of Produce Standards (IFPS) to bulk produce food items. PLUs are used by eWIC to allow sales of the WIC authorized fruits and vegetables.

POS (Point of Sale) means the terminals and system that are required to be used by the Vendor to scan and process eWIC transactions.

Reauthorization means the process through which an authorized Vendor is authorized as a WIC Vendor for another three-year period. This process includes an application, interactive training and the signing of a new agreement.

Retail Space means a minimum square footage requirement of 1000 square feet of space allocated solely for food products, including both WIC and non-WIC foods. Retail space does not include storage areas, meat cutting areas, walk-in coolers or freezers, restrooms and office space.

Sanction means the specific action taken against a Vendor in relation to violations or abuse.

Selection Criteria means the set of requirements that the State Agency develops for a potential and authorized Vendor. All authorized Vendors must be in compliance with the criteria at all times.

Self-Checkout (SCO) means Point of Sale (POS) terminals that provide a mechanism for customers to complete their own transaction from a retailer without needing a traditional staffed checkout.

Service Marks mean the WIC acronym and the WIC logo which are registered as service marks for USDA's, WIC Program.

Stand-beside System (also referred to as a single function system)– a stand beside device allows the store to complete eWIC transactions. The equipment to accept the eWIC card is separate from the Vendor's register system.

State Agency (SA) means the New Jersey Department of Health, WIC Services.

SNAP means the Supplemental Nutrition Assistance Program, is the program formerly known as food stamps. It is a federal nutrition program that helps eligible participants stretch their food budget and buy healthy food. SNAP benefits can be used to purchase food at grocery stores, convenience stores, and some farmers' markets and co-op food programs.

SNAP Eligible Sales means revenue from food that may legally be purchased with the SNAP Card.

Termination means the removal of the Vendor's ability to process eWIC transactions.

Unit of Measure (UOM) is the standard measurement of food item within a subcategory. For example, the UOM could be ounce, package or gallon. The product size would be defined by the number of UOMs.

United States Department of Agriculture (USDA) is the federal agency that proposes programs and implements policies and regulations related to American farming, forestry, ranching, food quality, and nutrition. The USDA is further tasked with administering several social welfare programs including free school lunches, SNAP (food stamps), and WIC benefits.

Universal Product Code (UPC) means the numeric code appearing beneath a bar code, a series of black and white vertical or horizontal lines, that are uniquely assigned to each trade item.

Vendor means a sole proprietorship, a partnership, a cooperative association, or a corporation operating an individual retail site authorized to provide authorized supplemental foods to participants under a retail food delivery system. Each individual outlet under a business entity, which operates more than one site, constitutes a separate Vendor. Each Vendor must be a single permanent fixed location.

Vendor Authorization Training means a training received prior to or at the time of a Vendor's authorization, and at least once every three years thereafter. Acceptable authorization training includes on-site cashier training, off-site classroom style train-the-trainer, online interactive training or manager training.

Vendor eWIC Certification means the Vendor's completion of training on eWIC policies and procedures, eWIC transactions processing, settlement, data file transmission to include the communication with the eWIC Host and Level 3 POS certification, necessary for a Vendor to be able to accept New Jersey eWIC cards.

Vendor Selection Criteria means the criteria used by the State Agency to assess the adequacy of all Vendors during the authorization period, re-authorization period and at any time the State Agency decides to perform an assessment and any additional criteria, established by the State Agency to select individual Vendors for program authorization (refer to the list entitled WIC-6 at <https://www.state.nj.us/health/fhs/wic/vendors/> See Appendix E).

Vendor Training means any training that the Vendor receives throughout the Vendor's WIC authorization period through the use of materials or activities in the form of training videos, newsletters, training buys, manuals or online/in person meetings.

WIC Foods means those competitively priced foods which have been defined on the New Jersey WIC authorized food list and placed on the New Jersey WIC Approved Product List (APL). These food items have been determined by the State Agency to be nutritionally qualified for the WIC Program in the State of New Jersey. (refer to the list at <https://www.state.nj.us/health/fhs/wic/vendors/>).

WIC Vendor Agreement means an agreement signed by the WIC Retail Vendor and the State Agency for the provision of WIC Foods to Participants. A valid WIC Retail Vendor Agreement is binding only between the State Agency and the officer, partner, sole proprietor and/or store representative who has signed the Vendor Application. It authorizes the Vendor to operate as a New Jersey WIC Authorized Vendor. A WIC Vendor Agreement is not transferrable upon a change of retail ownership.

WIC Vendor Policies & Procedures Manual - Required reading for all Vendors, it states goals and policies and communicates appropriate standards of action and behavior, best practices, process descriptions, and standards for how WIC procedures are expected to be performed. A copy of this manual can be found at <https://www.state.nj.us/health/fhs/wic/>.

I. Role of the WIC Vendor

Retail merchants play an important part in the WIC Program by providing allowable WIC foods to Program participants in the amounts and types prescribed by a WIC Program professional.

A. The VENDOR Agrees To:

General terms. The Vendor shall:

1. Comply with the terms of this Agreement and applicable WIC Program rules and regulations, and Food and Nutrition Services (FNS) WIC regulations 7 CFR 246.

2. Comply with WIC policies and procedures as stated in the completed application forms, the stock price survey, and the WIC Vendor Policies & Procedures Manual available on the NJ DOH WIC web site.
3. Comply with amendments and updates made during the agreement period issued by the State Agency including but not limited to memos, formal instructions available on the NJ DOH WIC web site.
4. Comply with current FNS WIC Electronic Benefits Transfer (EBT) Operating rules and Technical Implementation Guide (TIG) available on the NJ DOH WIC web site.
(See Vendor Selection Criteria, Appendix E)
5. Comply with all terms and conditions of Authorization and Vendor Selection Criteria
(See Vendor Selection Criteria, Appendix E).
6. The State Agency shall review and monitor the Vendor's activity to ensure compliance with nondiscrimination provisions and Vendor shall cooperate with the State Agency in any complaint investigations, monitoring, or enforcement related to civil rights compliance of Vendor under this Agreement.

B. Vendor's Role Specific to eWIC Participation

The Vendor agrees to abide by operating rules, standards and technical requirements as established by the Secretary of the United States Department of Agriculture; and other industry standards identified by the Secretary of the United States Department of Agriculture. These operating rules, standards and technical requirements include the following:

1. The Vendor must demonstrate that its cash register system or payment device is eWIC capable, meaning the Vendor's equipment and software is able to accurately scan or enter WIC approved food UPC or PLU codes, match them to the APL, determine if the WIC food balance in the participant's account is sufficient to purchase the item, and calculate the amount of the transaction. The electronic cash register system, if integrated, must do this while managing WIC and non-WIC items, the sales tax for non-WIC items, and a variety of promotions or discounts, as appropriate.
2. A Vendor using a stand-beside point of sale device is responsible for any damages to the equipment or loss of equipment while it is in their possession. Refer to the terms and conditions of the agreement with your eWIC Host/Processor.
3. Upon termination of this Agreement, a Vendor using stand-beside equipment becomes responsible for any monthly payments incurred until the equipment is returned to the State Agency. This includes a Vendor who is sanctioned for program violations effective on the date of termination.
4. eWIC capable equipment, either stand-beside or integrated, is required for Vendor Authorization, unless the State Agency determines that the Vendor is necessary for participant access.
5. The State Agency will not pay third party processing costs, interchange fees, or operating costs for integrated Point of Sale (POS) devices or systems.
6. The State Agency may share in the cost of integrated equipment if the State Agency determines the Vendor is necessary for participant access. If the State Agency chooses to enter into a cost sharing agreement, the State Agency may recover a prorated share of the cost of implementation if the Vendor's authorization is terminated.
7. Provide only approved foods in exchange for valid benefits issued by the State Agency as follows:
 - a. Sell only approved foods as allowed by the APL; and,
 - b. Sell only approved canned, fresh, or frozen fruits and vegetables.
8. Complete eWIC transactions with no minimum purchase amounts or quantities required.
9. Ensure that all cashiers are trained in the proper acceptance and processing of eWIC transactions.

10. Allow the purchase of all approved foods presented by the eWIC cardholder by the POS system.
11. Allow eWIC cardholders to use any other type of payment method available to other customers, including cash, SNAP, credit, or debit card to pay the difference if the purchase price exceeds the dollar value of the CVB.
12. Accept any manufacturer's coupons, in accordance with store policies, and honor store promotions for WIC approved food when processing eWIC transactions, in compliance with the FNS WIC EBT Operating Rules, available on the NJ DOH WIC web site.
13. Ensure the eWIC redemption process requires the eWIC cardholder to use a Personal Identification Number (PIN) in a manner that protects the security of the PIN and in which no one other than the eWIC cardholder will have knowledge of the PIN. The PIN, along with a valid eWIC card, is the sole source of identification needed in processing an eWIC transaction.
14. Keep all eWIC cardholder information confidential.
15. Provide the eWIC cardholder 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. If the Vendor is approved by the SA for Self-Checkout (SCO) terminal use for eWIC cardholders, the Vendor's SCO system must provide a receipt at the time of the eWIC purchase.
16. Vendors can prohibit WIC customers from the use of SCO terminals for eWIC purchases. The Vendor has the option to require WIC customers to use attended cash register lanes.
17. All SCO terminals must be certified and approved by the SA prior to purchases of eWIC benefits at SCO terminals.
18. Vendors that offer the use of SCO for eWIC transactions, must provide training to all store cashiers and appropriate store personnel.
19. If the Vendor offers the use of SCO, specific signage must be displayed at SCO terminals indicating where an eWIC cardholder can complete eWIC transactions. Vendors may use signage stating, "Full Service," "eWIC can be used here," or "eWIC accepted here." eWIC SCO signage may not include any reference to "WIC Only."
20. Vendors with SCO systems must agree to provide assistance to eWIC cardholders as needed.
21. If a balance inquiry option is not available at a Vendor's SCO system, the Vendor must allow for balance inquiries to be completed at another terminal within the store.

C. Vendor Lane Coverage

1. Minimum lane coverage. The Point of Sale (POS) terminals, whether stand-beside equipment or integrated equipment, shall be deployed as follows:
2. Peer Groups one through three. There will be one POS terminal for every \$11,000 in monthly WIC redemption up to a total of four POS terminals, or the number of lanes in the location, whichever is less. At a minimum, terminals shall be installed for monthly WIC redemption threshold increments as follows: one terminal for \$0 to \$11,000; two terminals for \$11,001 to \$22,000; three terminals for \$22,001 to \$33,000; and four terminals for \$33,001 and above. The monthly redemption levels used for the installation formula shall be the average redemptions based on a period of up to 12 months of prior redemption. The SA may remove any State Agency provided POS terminals in accordance with redemption thresholds.
3. Peer Groups four through nine. One POS terminal for every \$8,000 in monthly redemption up to a total of four POS terminals, or the number of lanes in the location; whichever is less. At a minimum, terminals shall be installed for monthly WIC redemption thresholds as follows: one terminal for \$0 to \$8,000; two terminals

for \$8,001 to \$16,000; three terminals for \$16,001 to \$24,000; and four terminals for \$24,001 and above the monthly redemption levels used for the installation formula shall be the average redemptions based on a period of up to 12 months of prior redemption. The SA may remove any State Agency provided POS terminals in accordance with redemption thresholds.

4. All Vendors will be required to maintain a certified Point of Sale (POS) system in a manner necessary to ensure system availability for eWIC processing during all hours the store is open for business and must maintain and provide availability to at least one checkout lane equipped to process New Jersey eWIC transaction during the store's operational hours. Exceptions will be made for system disruptions outside of a Vendors control. eWIC minimum lane coverage is the minimum number of checkout lanes in the store that must be equipped with a POS terminal that is capable of process New Jersey eWIC transactions. Minimum lane coverage as required by FNS is defined in 7 CFR § 246.12(z)(2)ivii. (See Vendor Selection Criteria, Appendix E).
5. Any authorized Vendor who has been equipped with a POS terminal by the State Agency may submit evidence additional terminals are necessary after the initial POS terminals are installed.
6. The State Agency may provide authorized Vendors with additional POS terminals above the minimum number required lane coverage the above defined criteria in order to permit WIC participants to obtain a shopping list or check their benefit balance, as long as the number of terminals provided does not exceed the number of lanes in the Vendor location.
7. The State Agency may remove excess POS terminals if actual redemption activity warrants a reduction consistent with the redemption levels outlined in items 2 through 4 of this section.
8. Imposition of costs on Vendors. Cost prohibition. Except as otherwise provided in this section, a State Agency shall not impose the costs of any stand-beside equipment or system required for eWIC on any authorized Vendor, to transact eWIC.
9. Reimbursement. The State Agency may reimburse authorized WIC Vendors for costs associated with purchases or upgrades of integrated eWIC system equipment necessary to complete NJ eWIC transactions in accordance with federal cost principles. The State Agency will not remit reimbursement after completion of statewide eWIC implementation.
10. Fees/Third-party processor costs and fees. The State Agency shall not pay or reimburse Vendors, for third-party processing costs and fees for Vendors.
11. Interchange fees. The State Agency shall not pay or reimburse the Vendor, for interchange fees on eWIC transactions.
12. Statewide operations. The State Agency shall continue to pay ongoing maintenance, processing fees and operational costs of stand-beside equipment.
13. Additionally, the Vendor agrees to complete eWIC transactions according to the following:
 - a. Allow the purchase of all approved foods available in the eWIC cardholder's account presented for purchase through the POS system.
 - b. Accept only one eWIC card per transaction.
 - c. Keep all eWIC cardholder information confidential.
 - d. Operate a certified eWIC capable system or device prior to accepting eWIC cards for purchase that performs online eWIC transactions in accordance with current published rules, policies, and specifications, including:
 - WIC EBT Operating Rules; and Technical Implementation Guide (TIG).
 - Ensuring electronic cash register (ECR) system or stand-beside device availability for eWIC processing during all hours the store is open for business.
 - Requesting re-certification of the Vendor's integrated ECR system if the Vendor alters/revises the system in any manner that impacts its eWIC transaction processing capabilities.
 - Requiring that the eWIC card be physically present at the time of purchase.
 - Manually entering the eWIC card number if the card fails when swiped; and

- Providing timely transaction documentation when requested by the State Agency and fully cooperating in the resolution of any dispute arising in relation to eWIC transactions and redemptions.
14. A Vendor using a stand-beside POS device is responsible for any damages to the equipment or loss of equipment while it is in their possession. Refer to eWIC Contractor Merchant Agreement for terms and conditions. The Vendor shall abide by the eWIC Contractor Merchant Agreement provided for the use of stand-beside POS equipment and shall return all stand-beside POS equipment following termination or disqualification from the WIC Program.
 15. A Vendor that is currently using integrated devices for eWIC transaction processing may not convert to stand-beside devices after authorization without the prior written consent of the SA.

II. State Agency Obligations

A. Selection of Vendors

1. The State Agency shall select Vendors for participation in the program. Retail grocery stores that carry authorized WIC Foods, dairy, meat, produce products, and household items and do not have any unresolved WIC sanctions and meet the Vendor Selection Criteria shall be eligible for participation, while stores with the WIC logo/service mark in the store names, WIC only stores and mobile stores are specifically ineligible.
2. The State Agency shall certify WIC eligible participants in accordance with the provisions of 7 CFR 246.7 and shall provide such participants with WIC food benefit packages accessible through the participant's eWIC card and their selected PIN.
3. The State Agency shall not authorize a Vendor that cannot successfully demonstrate eWIC capability in accordance with State Agency requirements, unless the State Agency determines the Vendor is necessary for participant access. Therefore, after three attempts to certify a Vendor without success, the authorization shall be denied.
4. A Vendor authorized for more than 6 months must redeem at least an average of \$1,000 in WIC food benefits per month within any consecutive 6-month period during the term of the Vendor Agreement. (See Vendor Selection Criteria, Appendix E)

B. Vendor Training

1. The State Agency shall prepare and make available to the Vendor a New Jersey Department of Health Policy and Procedure Manual, Section I. Vendor Agreement hereafter referred to as Policy and Procedure Manual and the New Jersey WIC Program's State Plan, Section Vendor Management, and any revisions.
2. The State Agency shall provide annual Vendor training sessions and shall, periodically, design and distribute to Vendors instructive materials and information in a variety of formats, including newsletters, videos, and interactive training. The State Agency will have sole discretion to designate the date, time, and location of all training, except that the State Agency will provide the Vendor with at least one alternative date on which to attend such training.
3. The State Agency shall provide Vendor training prior to or at the time of a Vendor's initial authorization and at least once every three years. At least one representative of the Vendor must participate in the Vendor training. The Vendor must inform and train cashiers and other staff on program requirements which include eWIC policies and procedures and eWIC transaction and redemption procedures.
4. The State Agency shall respond to requests for training, training materials, and to requests for assistance with eWIC transactions questions, WIC policy questions or problems.

5. At least one representative of the Vendor must participate in training annually. The Vendor representative must inform and train cashiers and other staff on transaction processing procedures and WIC program requirements.

C. Claims and Denial of Payment

Payment to Vendors

1. The State Agency shall ensure that Vendors, are paid promptly. Payment must be made in accordance with the established Operating Rules and technical requirements after the Vendor, has submitted a valid electronic claim for payment.
 - a. Food items' prices requested for payment by the Vendor that exceed the maximum New Jersey WIC Program's amount for the Vendor's peer group will be paid at the Vendor's maximum allowable reimbursement amount.
2. The State Agency shall maintain an account for payment to the Vendor of validly redeemed WIC transactions.
3. The State Agency assumes no liability for costs incurred by the Vendor for any banking fees associated with eWIC transactions.
4. The Vendor shall accept as payment in full for each WIC approved food redeemed the lesser of the shelf price requested for the product or the New Jersey WIC calculated maximum allowable reimbursement rate price for that product within the store's assigned peer group.
5. The State Agency will provide the Vendor with an opportunity to justify potential settlement errors.
6. The State Agency shall determine the maximum allowable reimbursement amount for the WIC authorized food items.

D. Monitor Compliance

1. The State Agency shall monitor the Vendor's operations for compliance with program requirements and regulations as well as prices, required minimum stock, and redemption procedures via unannounced and covert visits, automated reports, memoranda of understanding with the Supplemental Nutrition Assistance Program, follow-up to complaints, compliance buys, training buys, review of eWIC transactions and settlements and inventory audits.
2. In the event that the State Agency's efforts reveal that the Vendor's actions are or have not been in compliance with the terms of this Agreement, then the State Agency shall impose sanctions, Civil Money Penalties or request repayment for sales of unauthorized items in accordance with Section III and Appendix A of this Agreement. (See Vendor Selection Criteria, Appendix E)

E. Confidentiality

1. The State Agency shall restrict the use or disclosure of information obtained from Vendors or generated by the State Agency concerning Vendors. If the State Agency provides any Vendor information it will only provide the Vendor's name, address, authorization status, telephone number, web site and store type.
2. The State Agency shall restrict the use or disclosure of Supplemental Nutrition Assistance Program (SNAP) retailer information.
3. The State Agency must restrict the use or disclosure of confidential Vendor information to persons 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 purposes of these programs.

F. State Agency Responsibilities Regarding eWIC Operations

The State Agency agrees to:

1. Provide networks and host processing for eWIC transactions that provide online and real-time approval.
2. Provide notice of planned eWIC system maintenance and outages.
3. Provide for applicable eWIC file exchange and SA delivery of eWIC files inclusive of the APL. The most current APL contains a complete listing of products that are approved for redemption by the State Agency and will be made available through the eWIC contractor daily.
4. Compile and maintain a list of certified eWIC-capable systems for Vendor applicants to consider.
5. Pay ongoing maintenance and operational costs of the minimum required quantity of stand-beside equipment for those Vendors designated by the State Agency as necessary for participant access. The eWIC contractor will continue to provide the stand-beside equipment and customer support services.
6. Establish a calculated Not to Exceed (NTE) price for each WIC approved food item and use this NTE in reimbursing Vendors for items purchased by the eWIC cardholder.
7. Make payment to the Vendor for actual retail costs for eWIC benefits accepted and redeemed in compliance with the conditions contained in this agreement and State Agency and POS supplier provided policies and procedures materials.
8. Reimburse (settle to) the Vendor for all approved eWIC transactions that are made in accordance with applicable State and Federal rules and requirements. Settlement will make use of commercial payment system settlement practices. Settlement amounts may differ from requested amounts because the price of the food items within a transaction shall not exceed the Not to Exceed (NTE) price.

G. Telecommunication Failures:

1. The State Agency is not responsible for the failure of telecommunications between Vendor and the eWIC Processor. The Vendor shall be required to maintain data transmission with the eWIC Processor.

III. Vendor's Obligations

A. Vendor's Relationship with State Agency

1. The State Agency shall notify Vendors of changes to State and Federal statutes, regulations, policies, or procedures governing the Program before the changes are implemented. The State Agency should give as much advance notice as possible.
2. The Vendor shall adhere to all regulations, policies, and operating procedures of the New Jersey WIC Program, as amended from time to time, and as may be subsequently enacted as a result of State or Federal legislation, including but not limited to 7 CFR 246; the non-discrimination provision of the USDA regulations (7 CFR 15, 15A, and 15B), and the Civil Rights Act of 1964.
3. The Vendor or the Vendor's designee shall read, be familiar with, and understand those provisions of the Policy and Procedure Manual provided by the State Agency. If the Vendor does not understand the meaning of any provision of the Policy and Procedure Manual, he or she shall have the obligation to request clarification from the State Agency.
4. The Vendor or the Vendor's designee shall participate in or have Vendor personnel participate in training at least once annually or as required by the State Agency. Thereafter, the Vendor shall maintain at the site WIC training materials and provide documented orientation and training of employees as needed and required by the State Agency. The material shall include, but not be limited to, familiarizing Vendor personnel with the current authorized food list and making copies of it readily available (minimally at the register) to Vendor personnel for reference.

5. The Vendor must maintain an active e-mail account that is frequently monitored and capable of receiving WIC agreement and Program information.
6. During the term of this Agreement, the Vendor shall accept valid eWIC cards from WIC cardholders who present a valid eWIC card and enter a correct PIN as payment for items on the authorized food list and in the remaining balance in their EBA. The Vendor may not collect sales tax on authorized supplemental foods obtained with their eWIC transaction.
7. The Vendor must scan the actual Universal Product Code (UPC) that is affixed to the item. If the item being purchased is fresh produce and has a Product Lookup Code (PLU), the PLU is acceptable. Never scan codes from UPC or PLU codebooks, reference sheets or lists. All UPCs and PLUs scanned shall be affixed to the actual item being purchased by the WIC participant.
8. Vendors must map NJ WIC approved fresh fruit and vegetable products to PLUs in the WIC approved APL.
9. The Vendor must alert the State Agency of any label changes or product changes that change the UPC.
10. The Vendor is solely responsible for Vendor's incorrect redemption of food benefits. Incorrect redemption of food benefits refers to the provision of products not authorized by the WIC Program or not contained in the participant's food benefits.
11. The Vendor shall distribute any approved outreach materials in various forms provided by the State Agency and Local Agencies. The Vendor may distribute its own in-store-produced WIC materials only if it is first approved by the State Agency and Local Agency. The WIC in-store materials may be produced for use in weekly circulars, grocery bags, milk cartons, television monitors, kiosks, or other forms of approved media.
12. The Vendor must provide the SA advance written notification that is not less than 15 days of the actions below:
 - a. Any change in store ownership.
 - b. Any change in store location or cessation of operations.
 - c. Any changes in POS systems.
 - d. The Vendor's voluntary withdrawal from WIC and/or when the store ceases operations.
 - e. Return of State Agency owned stand-beside equipment following termination or disqualification from the WIC Program.
13. The Vendor shall immediately inform the SA of:
 - a. Any indictment of a storeowner on a felony charge.
 - b. Any suspected or observed improper use of eWIC cards or improper eWIC transaction processing by a participant.
 - c. Any changes and/or updates to the Vendor's banking information.
 - d. Any other circumstance impacting service to participants or the Program.
14. The Vendor shall provide to the State Agency an accurate and comprehensive list of Universal Product Codes (UPC) with product descriptions for all WIC authorized foods.
 - a. The Vendor shall provide to the State Agency all updates and changes to their UPC Codes for WIC authorized foods prior to implementation.

- b. The Vendor must always maintain a current APL.
 - c. WIC Vendors must be able to exchange applicable eWIC files pursuant to State Agency eWIC system requirements.
15. During any on-site or remote monitoring conducted by staff from the State Agency or its representative, the Vendor shall provide the State Agency staff access to shelf prices and invoice records up to ninety (90) days old, inventory stock, inventory invoices, receipts and all training files as are requested during the visit. Upon request, the Comptroller General of the United States may request to review all eWIC transaction and or Vendor inventory records and other WIC program related records.
 16. The Vendor shall take any necessary remedial action immediately on any problem noted during monitoring activity. (See Vendor Selection Criteria, Appendix E)
 17. The Vendor shall be open for business at least 8 hours per day, 6 days per week and be a permanent, fixed, full-service retail grocery establishment located in New Jersey and be a minimum of 1000 square feet. (See Vendor Selection Criteria, Appendix E)
 18. The Vendor shall be responsible for maintaining eWIC equipment in proper working condition.
 19. The Vendor must comply with the Vendor Selection Criteria throughout the agreement period including any changes to the criteria using the current Vendor Selection Criteria; the State Agency may reassess the Vendor at any time during the agreement period. The State Agency will terminate the Vendor Agreement if the Vendor fails to meet the current Vendor Selection Criteria.
 20. The Vendor shall purchase only infant formula from the list provided by the State Agency of infant formula wholesalers, distributors and retailers licensed in New Jersey. The State Agency provides an updated list to all authorized Vendors during authorization, re-authorization and on the NJ DOH WIC website.
 21. The Vendor shall maintain for the length of the Vendor Agreement all invoices or receipts showing the source of the Vendor's infant formula purchases. These documents may be requested by the State Agency for review.
 22. The Vendor shall contact the State Agency for approval to provide:
 - a. merchandise/incentive items obtained at no cost to the Vendor which Vendor seeks to provide to participants without charge, subject to documentation.
 - b. food of nominal value or merchandise of nominal value; and
 - c. food specials and sales which involve no cost or only a nominal value to the Vendor and do not result in a charge to the WIC Program or a debit to the participant's food benefit balance.
 23. The WIC or eWIC acronym must not be used on these incentive items to specifically target WIC items or participants.
 24. The Vendor must provide acceptable documentation of the total food sales (quarterly ST-50 or monthly EZ forms) that is submitted to the Division of Taxation.
 25. The Vendor must sign a Waiver of Rights Under N.J.S.A. 54:50-8 that authorizes the Division of Taxation to release tax return information to the New Jersey Department of Health (NJDOH) for the total exclusive purpose of administration of the responsibilities under 42 U.S.C.S. 1754.
 26. The Vendor shall allow the participant to pay the difference when a CVB purchase exceeds the value of the cash value benefit. This is known as a split-tender transaction.
 27. The Vendor must provide a copy of the SNAP authorization certificate prior to authorization.

28. The Vendor must provide a copy of sanitary code inspection prior to authorization valid within the last two (2) years.
29. The Vendor must always also maintain a valid Satisfactory Sanitary Certificate.
(See Vendor Selection Criteria, Appendix E)
30. Vendors may not use the service marks (WIC/eWIC Acronym and the WIC/eWIC logo) in the store names.
31. Vendors may not produce their own WIC/eWIC signage in advertising or promotional literature.
32. Vendors may not use any part or aspect of the WIC/eWIC Acronym, logo, service mark or close facsimiles in the name of the Vendor, store advertising, promotional material or incentive unless approved by the State Agency or only to inform the public that the Vendor is WIC-authorized.
(See Vendor Selection Criteria, Appendix E)
33. Vendors may not apply stickers, tags, or labels having the service marks directly on the WIC-approved products.
34. Vendors may use channel strips or shelf labels that are provided by the State Agency but can use others such as those from a manufacturer if prior approval is obtained from the State Agency.
35. Vendors compliance with WIC/eWIC Acronym and log polices may be evaluated by any objective means and will be evaluated during the initial on-site or remote authorization assessment, other on-site visits (regardless of the reason for the visit), training visits, compliance buy, remote monitoring or any other monitoring activity.
36. A Vendor must respond to all State Agency programmatic requests within the timeframe established by the State Agency. The State Agency may terminate the Vendor Agreement for any Vendor that fails to comply with this provision. (See Vendor Selection Criteria, Appendix E)

B. Vendor's Relationship with Participants

1. The Vendor shall inform the public of its participation in the WIC Program by displaying the State Agency provided eWIC sign in a place conspicuously visible to the public. If SCO terminals are offered to eWIC cardholders, SA approved signage must be displayed. Any other WIC signage must be approved by the State Agency.
2. The Vendor shall not request personal addresses and telephone numbers or require special store identification cards or other forms of identification of participants for the purpose of redeeming electronic benefits; the eWIC card and PIN is the sole source of participant identification.
3. The Vendor must offer participants the same courtesies as offered to other customers and shall not distinguish or identify participants from other customers and shall provide services to participants without regard to race, color, age, sex, national origin, or disability.
4. The Vendor shall provide authorized foods to participants only as authorized on the State Agency's Food List and as allowed by the available electronic benefits on the participants eWIC card and shall provide such foods to participants at the current price or at less than the current price charged other customers.
5. The Vendor shall not accept a NJ eWIC card for any purpose other than the redemption of WIC food benefits, including without limitation as security for repayment of any participant obligation to the Vendor. In the event of any violation of this provision, the Vendor will be obligated to reimburse the Program for any food benefits unlawfully received by either participant or the Vendor. Violating this provision may also result in the State Agency imposing a sanction as described in the New Jersey WIC Program's sanction schedule.
6. The Vendor shall not designate special checkout lanes restricted to be used by WIC cardholders only, establish a minimum dollar amount(s) per WIC transaction or charge any fee in connection with the redemption of food benefits. In the event a Vendor only has one eWIC capable terminal and multiple

lanes, the eWIC lane must be available for use for all customers. Vendors may use "Full Service" signage and shall not use "WIC Only" signage.

7. The Vendor shall display the current prices of authorized foods on the foods, or on the shelves in close proximity to the foods, or in the immediate area where the foods are kept in the customer area of the store.(See Vendor Selection Criteria, Appendix E)
8. The Vendor shall maintain current prices on all store computers and point of sale (POS) devices. In the event of a discrepancy between shelf and store computer/POS price(s), the Vendor agrees to charge WIC the lower price.
9. The Vendor shall accept cents-off savings, i.e., coupons or store issued customer cards, from WIC participants for WIC prescribed allowable foods and shall deduct the savings from the total eWIC transaction.
10. The Vendor shall give store coupons and sales promotions in accordance with store policy to WIC participants for purchases made with eWIC cards if store coupons and sales promotions are given to non-WIC shoppers for equivalent purchases.
11. The Vendor shall provide each participant with a receipt for each eWIC transaction completed by the eWIC card holder.
12. The Vendor shall not seek restitution from any participant in connection with the negotiation of WIC food benefits not paid for by the Program.
13. The Vendor shall not limit the number of WIC transactions that an eWIC card holder may redeem.
14. The Vendor shall retain all original inventory records used for Federal tax reporting purposes including purchase invoices, purchase slips and receipts of delivery for WIC food items for throughout the duration of the WIC Agreement. All such documents must indicate the quantity, unit price, description and container size of WIC food items purchased and must be available for inspection by federal and/or state agents upon request. Cash register receipts without specific identification of the quantity unit price, description and container size of WIC food items purchased shall not be accepted as evidence of WIC food items purchased.
15. The Vendor shall not provide substitute items, credit (including rainchecks), or cash reimbursement for authorized foods that are unavailable or returned. The Vendor shall instruct the participant to contact the local WIC agency regarding formula changes.
16. The Vendor shall not provide cash, food substitutions or non-authorized foods to replace authorized foods that participants attempt to return. An identical authorized supplemental food item that is acceptable means the exact brand and size as the original authorized supplemental food item obtained and returned by the participant.
17. The Vendor shall submit a complaint form to the State Agency for any participant who does not adhere to required behavior and/or does not follow correct eWIC transactions procedures. The Vendor shall follow store procedures for any participant exhibiting inappropriate behavior.
18. The Vendor shall not seek or receive payments from participants for eWIC payments not paid or partially paid by the State Agency.
19. The Vendor must not charge the eWIC cardholder for authorized supplemental foods obtained with WIC electronic benefits.
20. The Vendor must not issue cash or change to an eWIC cardholder for any eWIC purchases less than the total value of the amount of the CVB benefits in the cardholder's EBA.
21. If the Vendor charges customers a fee to use store provided grocery bags (bag fee), the Vendor shall not charge the bag fee to the WIC Program. Participants have the option to provide/use their own bags or use

the Vendor's disposable bags and pay a fee if required; however, participants who chose to use store provided grocery bags must pay any applicable bag fee using other (non-WIC) forms of tender, e.g., cash, credit, etc. Under no circumstances should the fee be charged to the WIC Program.

22. A Vendor shall not single out, loudly call for a manager or otherwise openly announce a WIC transaction. All cashiers must be trained and ready to process eWIC transactions.

IV. Vendor Sanctions

A. Employee Responsibility

1. The Vendor shall be responsible for the actions of its owners, officers, managers and employees and/or independent contractors in the handling of electronic benefits and the selling of authorized foods and shall be liable for any actions of his/her employees, agents or representatives that violate the terms and conditions of this Agreement or State Agency rules, regulations, policies and procedures, as amended and supplemented.

B. Criminal Sanctions

1. A Vendor's owners and officers must not have a criminal conviction, indictment, charge, or civil judgment issued against them within the past six years or within the time period of the valid Vendor Agreement, this information must be shared with the SA.
2. A Vendor who abuses the Program is subject to prosecution under applicable Federal, State, and local laws. Those who willfully misapply, steal, or fraudulently obtain WIC funds shall be subject to a fine of not more than \$25,000 or imprisonment for not more than five (5) years, or both, if the value of funds is \$100 or more. If the value of funds is less than \$100 then the penalties are a fine of not more than \$1,000 or imprisonment for not more than one (1) year, or both. The Agency shall refer cases of suspected program abuse to the appropriate authorities for investigation and prosecution.

C. Disqualification

1. The State Agency may disqualify or sanction a Vendor for program abuse and failure to adhere to federal and State rules, regulations, policies, and procedures applicable to this program. Violations with corresponding sanctions and/or disqualifications are contained in Appendix A. Federally mandated sanctions are enumerated in 7 CFR Part 246.
2. The State Agency shall not accept voluntary withdrawal of the Vendor from the program, as an alternative to disqualification for the violations listed in Appendix A but shall enter the disqualification on the record. In addition, the State Agency shall not use non-renewal of the Vendor Agreement as an alternative to disqualification.
3. Notice of a Vendor's disqualification from State Agency will be forwarded to the USDA and may be grounds for disqualification of the Vendor from another Food and Nutrition Service Program (FNS), including SNAP. Notice of a Vendor's disqualification shall be provided to USDA FNS per the SNAP Regulation 7CFR 278.1(l)(1). Such disqualification may not be subjected to administrative or judicial review under the Supplemental Nutrition Assistance Program.
4. The State Agency shall disqualify a Vendor who has been disqualified from SNAP. The disqualification shall be for the same length of time as SNAP disqualification, may begin later than SNAP, and shall not be subject to administrative or judicial review under the WIC Program.
5. The State Agency shall include the adverse actions a Vendor may appeal and those adverse actions that are not subject to administrative review at the time of authorization or reauthorization.
6. The State Agency provides a copy of the State Agency's administrative review procedures at Appendix B and Appendix C of this Vendor Agreement, incorporated herein by reference.

7. The effective date of any disqualification not withstanding disqualification for the violations listed in 7 CFR 246.18(a)(iii)(k)(2), shall be twenty (20) days after the date of written notice of it and shall be designated in the letter of notification of disqualification. An administrative appeal of the disqualification by the Vendor shall automatically postpone the effective date of the disqualification until the Grant Appeal Board (GAB) renders a Final Decision. Any Vendor appeal after a decision made by the GAB shall not automatically postpone the effective date of the disqualification.
8. The State Agency shall not be held responsible for losses incurred by any Vendor as a result of disqualification pending an appeal decision and a Vendor shall not be entitled to receive any compensation for revenues lost as a result of violations resulting in a permanent disqualification.
9. The Vendor may apply for participation in the program after the disqualification period. Approval for participation is not guaranteed. The Vendor will have to meet the State Agency's Selection Criteria for store participation at the time the application is received.
10. The State Agency must notify the Vendor of an initial violation in writing. For violations requiring a pattern of occurrences to impose a sanction, the State Agency must notify the Vendor after investigation establishes the pattern of occurrences necessary to impose a sanction for the violation, unless notification would compromise an investigation.
11. Unless otherwise stated in the State Agency's Sanction Schedule or in Federal regulations, the State Agency shall define a pattern as "two or more instances of the same violation type" as described in this Vendor Agreement and the Sanction Schedule, found at Appendix A, incorporated herein by reference.

D. Civil Monetary Penalties ("CMP") - Mandatory (Federal) Sanctions

** Food instrument refers to a voucher, check, electronic benefits transfer card (EBT), coupon or other document which is used by a participant to obtain supplemental foods.*

1. The State Agency may impose a Civil Money Penalty in lieu of disqualification with a determination of the State Agency that Vendor disqualification would result in inadequate WIC Program participant access.
2. The State Agency may impose a Civil Money Penalty (CMP) in accordance with 7 CFR 3.91(b)(3) as an alternative to or in conjunction with a disqualification. Civil Money Penalty shall not exceed the maximum amount for each violation. That amount of the penalty will be calculated pursuant to the formula established in 7 CFR 246.12(l)(1)(x)(A)-(C). If the assessment is a second civil money penalty, the State Agency will double the original penalty.
3. Civil money penalties will be applicable for the following Violations.
 - a. Civil money penalty for any entity that submits a bid to supply infant formula to carry out the Special Supplemental Nutrition Program for Women, Infants and Children and discloses the amount of the bid, rebate or discount practices in advance of the bid opening or for any entity that makes a statement prior to the opening of the bids for the purpose of influencing a bid, codified at 42 U.S.C. 1786(h)(8)(H)(i).
 - b. Civil money penalty for a Vendor convicted of trafficking in food instruments*, codified at 42 U.S.C. 1786(o)(1)(A) and 42 U.S.C. 1786(o)(4)(B).
 - c. Civil money penalty for a Vendor convicted of selling firearms, ammunition, explosives, or controlled substances in exchange for food instruments, codified at 42 U.S.C. 1786(o)(1)(B) and 42 U.S.C. 1786(o)(4)(B).
4. Notice of the imposition of a civil money penalty imposed upon a Vendor shall be forwarded to USDA and may be grounds for disqualification of the Vendor from another FNS Program, including SNAP. Notice of a Vendor's civil money penalty shall be provided to USDA (FNS) per Supplemental Nutrition Assistance Program (SNAP) Regulation 7 CFR 278.1(n)(1).

5. The State Agency shall not impose a civil money penalty in lieu of a disqualification for third or subsequent sanctions or violations.
6. If a Vendor seeks more information on the calculated amounts on any civil money penalty, they may refer to 7 CFR 246.12(l)(1)(x) or contact the State Agency.

E. State Agency Sanctions (See Appendix A)

1. As an alternative sanction and when the State Agency determines there to be a WIC participant access issue, a civil money penalty (CMP) may be assessed against a Vendor in lieu of disqualification to allow the Vendor to continue to serve an otherwise uncovered participant group.
2. A civil money penalty does not, however, relieve the Vendor of financial liability for previous compliance issues, such payments due for sale of unauthorized foods.
3. This limitation shall apply separately to each location maintained by the violating Vendor.
4. The application of a civil money penalty shall be contingent upon the Vendor's written acknowledgment of a Civil Money Penalty (CMP) Agreement to resolve, to the satisfaction of the State Agency, all past violations of the Vendor Agreement and other applicable policies and procedures of the WIC Program.
5. If the State Agency determines that the Vendor has failed to comply fully with any of the terms and conditions of the CMP Agreement or any portion of the Vendor Agreement not considered in the CMP, the State Agency may, at its discretion and upon written notice to the Vendor, terminate the CMP Agreement and reinstate the Vendor's original disqualification.
6. The imposition of a civil money penalty shall not be construed as a guarantee of continued participation by the violating Vendor in the WIC Program, nor shall it be construed to limit the discretion of the State Agency in any degree with respect to the imposition of any other penalty against the abusive Vendor.
7. A WIC civil money penalty shall not be offered when the disqualification is based on:
 - a. The third or subsequent sanction/violation; or
 - b. When a Vendor receives a SNAP Civil Money Penalty in lieu of disqualification and the State Agency determines that disqualifying the Vendor would create a hardship for WIC participant access.

V. Termination of Vendor Agreement

1. Upon termination of this Agreement, the Vendor shall cease acceptance of eWIC electronic benefits. Upon Termination of this Agreement, the State Agency shall invalidate the Vendors eWIC certification.
2. This Agreement shall terminate upon:
 - a. Expiration of the term of the Agreement without a written renewal;
 - b. Change in ownership or location; if moving further than a mile, or cessation of operations;
 - c. Expiration or termination of the Vendor's New Jersey Department of Labor registration;
 - d. Disqualification of the Vendor from the Supplemental Nutrition Assistance Program (SNAP);
 - e. The provision of written notice of termination provided by either party to the other at least fifteen (15) days in advance of the date of termination or fifteen (15) days advance notice of the expiration of the Agreement;
 - f. A conflict of interest arising between the Vendor and the State Agency or New Jersey WIC local agencies.

- g. The Vendor failing to meet Vendor Selection Criteria.
- 3. The State Agency shall immediately terminate the Agreement if it determines that the Vendor has provided false information to the State Agency.
- 4. The State Agency or Vendor may terminate the Agreement for cause after providing fifteen (15) days advance written notice.
- 5. The State Agency shall provide fifteen (15) days advance notice of expiration of the Agreement.
- 6. The Vendor shall be liable for costs incurred by the State Agency when the Vendor withdraws from participation in the program without the required fifteen (15) days notification to the State Agency.
- 7. The State Agency shall terminate the Agreement if the Vendor does not sign a waiver form for the State Agency to verify that the amended ST-50 forms and/or UZ forms were also submitted to the New Jersey Division of Taxation.
- 8. A Vendor that fails an inventory audit will be disqualified for three-years and will be sent a notice to pay restitution. Failure to pay the restitution by the indicated timeline may result in additional punitive actions.
- 9. The State Agency shall terminate a Vendor that does not successfully complete eWIC certification and is unable to transact eWIC purchases no later than 60 days from the date when all NJ WIC local agencies are issuing eWIC benefits.

VI. Administrative Appeals

- 1. The Vendor has the right to request an administrative appeal as prescribed in 7 CFR 246.18 (Refer to Appendix B of the Vendor Agreement).
- 2. Expiration of a WIC Vendor Agreement is not an appealable action.
- 3. Disqualification of a Vendor because of disqualification from the SNAP and the State Agency's determination regarding participant access are not subject to review.
- 4. A request for a hearing must be made by the Vendor or his/her representative in writing or in person to the Grants Appeal Board (GAB) stating the reasons for the request within fifteen (15) business days of the date of notification of adverse action. The address to which the Vendor may file its appeal shall be provided by the State Agency on the Notice of Termination. See Appendix B, Administrative Appeal of State Agency Decisions against Vendors, incorporated herein by reference.

VII. General Provisions

- 1. The parties represent that no known conflict of interest exists between the Vendor and the State Agency or the Vendor and the New Jersey WIC local agency.
- 2. Neither the State Agency nor the Vendor have an obligation to renew this agreement. A Vendor must file a new application for each agreement period if the Vendor wishes to be considered for a new Agreement in the WIC Program.
- 3. The rights and obligations established by this Agreement may not be transferred, hypothecated, delegated, or assigned by the Vendor to any third party.
- 4. The Vendor shall comply with all applicable Federal, State, and local laws and ordinances.
- 5. All applicable rules, regulations, policies, and procedures referenced in this Vendor Agreement shall be available for review during normal business hours at the State Agency's office.

6. Failure by either party to enforce any provision of this agreement shall not be considered a waiver of the provision or of the party's right to enforce the provision later and shall not invalidate the remainder of the Agreement.
7. If any of the provisions of this Agreement are or become invalid to any extent, the other provisions of this Agreement shall not be affected thereby. To this end, the parties agree that the provisions of this Agreement are severable.
8. The Vendor Agreement does not constitute a license or a property interest.
9. In all cases, the Vendor's new application will be subject to the State Agency's Vendor Selection Criteria in effect at the time of the application.

APPENDIX A

VENDOR SANCTIONS

MANDATORY (Federal) SANCTIONS

TYPES OF ABUSE/OFFENSES	FIRST SANCTION	SECOND SANCTION	THIRD SANCTION
1. Vendor convicted in court for trafficking or selling eWIC cards in exchange for firearms, ammunition, explosives, or controlled substances [as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802)].	Permanent		
2. Vendor has one incidence of buying or selling eWIC cards for cash.	Six Years	Twelve Years	Twenty-Four Years
3. Vendor has one incidence of selling firearms, ammunition, explosives, or controlled substances in exchange for eWIC cards (21 U.S.C. 802).	Six Years	Twelve Years	Twenty-Four Years
4. Vendor has one incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for eWIC cards.	Three Years	Six Years	Nine Years
5. Vendor has a pattern (two or more incidences) of claiming reimbursement for the sale of an amount of a specific supplemental food item, which exceeds the Vendor's documented inventory of that supplemental WIC authorized food item for a specific period.	Three Years	Six Years	Nine Years
6. Vendor has a pattern (two or more incidences) of charging participants more for WIC food items than non-WIC customers or charging WIC participants more than the current shelf prices.	Three Years	Six Years	Nine Years
7. Vendor has a pattern (two or more incidences) of completing eWIC transactions outside of authorized channels including the use of an unauthorized Vendor, and/or an unauthorized person or outside of normal business hours.	Three Years	Six Years	Nine Years
8. Vendor has a pattern (two or more incidences) of charging for eWIC transactions for food items not received by the participant.	Three Years	Six Years	Nine Years
9. Vendor has a pattern (two or more incidences) of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802, as part of an eWIC transaction or in exchange for eWIC cards.	Three Years	Six Years	Nine Years
10. Vendor has a pattern (two or more incidences) of providing unauthorized items in eWIC transactions or in exchange for eWIC cards.	One Year	Two Years	Three Years
11. A pattern (two or more incidences) of providing prohibited incentive items to customers.	One Year	Two Years	Three Years
12. Vendor has been disqualified from SNAP.	The disqualification shall be for the same length of time as the SNAP disqualification.		
13. Vendor has been assessed a civil money penalty for hardship in SNAP.	The disqualification shall correspond to the period for which the Vendor would otherwise have been disqualified in SNAP.		
14. Vendor that does not pay, only partially pays, or fails to timely pay a civil money penalty.	The disqualification shall correspond to the period for which the civil money penalty was assessed.		

VENDOR SANCTIONS

State Agency SANCTIONS

TYPES OF ABUSE/OFFENSES	Sanction
1. Vendor has a pattern of obtaining infant formula from unlisted sources.	One Year
2. Vendor has a pattern of scanning codes from a UPC or PLU codebook, reference sheet, or other label not affixed to the actual item(s) being purchased.	One Year
3. Vendor has a pattern of failing to maintain minimum stock.	One Year
4. Vendor has a pattern of providing exchanges of WIC purchased items for items other than the exact same brand/size.	One Year
5. Vendor has a pattern of providing rain checks for eWIC items.	One Year
6. Vendor has a pattern of seeking restitution from participants for WIC food items not paid by the State Agency or only partially paid by the State Agency.	One Year
7. Vendor has a pattern of not allowing the redemption of WIC approved foods in the card holder's EBA.	One Year
8. Vendor has a pattern of using the WIC/eWIC Acronym, logo, service mark or close facsimiles in advertising or promotional literature except to inform the public that the Vendor is WIC authorized.	Six Months
9. Vendor has a pattern of applying stickers, tags, or labels having the service marks thereon to WIC-approved products.	Six Months
10. Vendor has a pattern of failing to get State Agency approval for the use of WIC signs that are not provided by the State Agency.	Six months
11. Vendor fails to respond to a State Agency written request in which two or more instances of the same written notification within the agreement period go without the vendor's response.	Six Months
12. Vendor has a pattern of providing WIC approved items with expired "best if used by" dates.	Six Months
13. Vendor has a pattern of labeling non-authorized brands as being WIC approved.	Six Months
14. Vendor has a pattern of failing to maintain a current APL or have items mapped correctly within the Vendor's POS system.	Six Months
15. Vendor has a pattern of discrimination complaints, or alleged discrimination reported against the Vendor. Discrimination complaints shall include but not be limited to designating WIC only lanes, establishing a minimum dollar amount(s) per WIC transaction, limiting the number of WIC transactions, charging any fee in connection with the redemption of food benefits or in any other way calling attention to the WIC cardholder or treating the WIC participants in a discriminatory manner differing from other non-WIC customers.	Six Months
16. Vendor has a pattern of only allowing the eWIC redemption of certain specific brands of foods.	Six Months
17. Vendor has a pattern of failing to attend/participate in annual training and/or submit required annual training documentation.	Six Months
18. Vendor has a pattern of failing to maintain eWIC equipment in proper working condition resulting in eWIC cardholders being unable to complete eWIC transactions.	Six Months
19. Vendor has a pattern of not following the appropriate eWIC transaction processing procedures as defined in the FNS WIC Electronic Benefits Transfer (EBT) Operating rules and Technical Implementation Guide (TIG).	Six Months
20. Vendor that does not pay, only partially pays, or fails to timely pay a civil money penalty.	The disqualification shall correspond to the period for which the civil money penalty was assessed.

APPENDIX B

Full Administrative Appeal of State Agency Decisions against Vendors

The State Agency must provide a full administrative review to authorized Vendors that appeal adverse actions on:

- Denial of authorization based on the Vendor Selection Criteria for competitive price or for minimum variety and quantity of authorized supplemental foods, or on a determination that the vendor is attempting to circumvent a sanction. (See Vendor Selection Criteria, Appendix E)
- Denial of authorization based on the Vendor Selection Criteria for minimum stock requirements, (See Vendor Selection Criteria, Appendix E),
- termination of an agreement for cause,
- Disqualification,
- The imposition of a fine or a civil money penalty in lieu of a disqualification

The State Agency will provide:

1. Written notification of the administrative action, the procedures to file for an administrative review, if any, and the cause(s) for and the effective date of the action. Such notification shall be provided to participating Vendors not less than 15 days in advance of the action. When a Vendor is disqualified due in whole or in part to violations in 7 CFR 246.12(g)(3)(iii), such notification shall include the following statement: "This disqualification from WIC may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program. Such disqualification may not be subject to administrative or judicial review under the Supplemental Nutrition Assistance Program."
2. The opportunity to appeal the adverse action within a time specified by the State Agency in its notification of adverse action.
3. Adequate advance of the time and place of the administrative review to provide all parties involved sufficient time to prepare for the review.
4. The opportunity for the Vendor to present its case and at least one opportunity to reschedule the administrative review date upon specific request. The State Agency may set standards on how many review dates can be scheduled, provided that a minimum of two review dates is allowed.
5. The opportunity for the Vendor to cross-examine adverse witnesses. Where necessary to protect the identity of WIC Program investigators, such examination may be conducted behind a protective screen.
6. The opportunity for the Vendor to be represented by counsel, if desired.
7. The opportunity for the Vendor to examine the evidence upon which the State Agency's action is based prior to the review.
8. An impartial decision-maker, whose determination is based solely on whether the State Agency has correctly applied its policies and procedures, according to the evidence presented at the review and the statutory and regulatory provisions governing the Program. State Agencies may appoint a reviewing official, such as a chief hearing officer or judicial officer to review appeal decisions to ensure that they conform to approved policies and procedures.
9. Written notification of the decision on the appeal, including the basis for the decision, within 90 days from the date of receipt of a Vendor's request for an administrative review.

APPENDIX C

Abbreviated Administrative Appeal of State Agency Decisions against Vendors

The following are State Agency procedures for an abbreviated administrative review to Vendor applicants that appeal a denial of authorization based on the Selection Criteria. The State Agency shall provide:

1. Written notification of the administrative action, the procedures to file for an administrative review, if any, and the cause(s) for and the effective date of the action.
2. The opportunity for the Vendor to examine the evidence upon which the State Agency's action is based prior to the review.
3. An impartial decision-maker, whose determination is based solely on whether the State Agency has correctly applied its policies and procedures, according to the evidence presented at the review and the statutory and regulatory provisions governing the Program. State Agencies may appoint a reviewing official, such as a chief hearing officer or judicial officer to review appeal decisions to ensure that they conform to approved policies and procedures.
4. Written notification of the decision on the appeal including the basis for the decision within 90 days from the date of receipt of a Vendor's request for an administrative review.

APPENDIX D

Administrative Review of State Agency Actions

The State Agency must provide administrative reviews to Vendors that appeal the following adverse actions:

1. Denial of authorization based on the Vendor Selection Criteria for business integrity or for a current SNAP disqualification or civil money penalty for hardship.
2. Denial of authorization based on the application of the Vendor Selection Criteria for competitive price.
3. The application of the State Agency's Vendor peer group criteria and the criteria used to identify Vendors that are above-50-percent Vendors or comparable to above-50-percent Vendors. (See Vendor Selection Criteria, Appendix E).
4. Denial of authorization based on a State Agency established Vendor Selection Criterion if the basis of the denial is a WIC Vendor sanction or a SNAP withdrawal of authorization or disqualification.
5. Denial of authorization because a Vendor applicant submitted its application outside the timeframes during which applications are being accepted and processed as established by the State Agency under 7 CFR 246.12(g)(8).
6. Termination of an agreement because of a change in ownership or location or cessation of operations.
7. Disqualification based on a trafficking conviction (7 CFR 246.12(l)(1)(i)).
8. Disqualification based on the imposition of a SNAP civil money penalty for hardship.
9. Disqualification or a civil money penalty imposed in lieu of disqualification based on a mandatory sanction imposed by another WIC State Agency.
9. A civil money penalty imposed in lieu of disqualification based on a SNAP disqualification under 7 CFR 246.12(l)(1)(vii).
10. Denial of an application based on a determination of whether a Vendor applicant is currently authorized by SNAP (See Vendor Selection Criteria, Appendix E),

The State Agency may not provide administrative reviews pursuant to Vendors that appeal the following actions:

1. The validity of appropriateness of the State Agency's Vendor Limiting or Vendor Selection Criteria.
2. The validity or appropriateness of the State Agency's participant access determinations.
3. The State Agency's determinations 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.
4. Denial of authorization if the State Agency's Vendor authorization is subject to the procurement procedures applicable to the State Agency.
5. The expiration of a Vendor's Agreement.
6. Disputes regarding WIC transaction processing, settlements or eWIC claims.

7. Disqualification of a vendor as a result of disqualification from SNAP.
8. The SA'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)(10)(i).
9. The SA'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)(xii)(3)(i).

APPENDIX E

Vendors must meet the Vendor Selection Criteria listed below and comply with the Vendor Agreement, statutes, regulations, policies and procedures governing the program including any changes made during the vendor authorization period to remain program eligible.

<ol style="list-style-type: none"> 1. A Vendor must maintain prices competitive with comparable WIC food Vendors. 2. A Vendor must maintain a minimum stock inventory for all categories of WIC foods. 3. A Vendor must be open at least six days per week, eight hours per day. 4. A Vendor must have a history of good business integrity. 5. A Vendor must not be currently disqualified, sanctioned or under investigation by the Supplemental Nutrition Assistance Program (SNAP) or the State WIC Program. 6. A Vendor must be SNAP authorized prior to and during the WIC authorization period. 7. A Vendor must be a permanent, fixed, full-service retail grocery establishment located in New Jersey. 8. A Vendor must maintain a satisfactory sanitary inspection report valid within the last two years. 9. A current WIC Vendor must have complied with all required corrective actions resulting from monitoring by the State Agency or Local Agency. 10. A Vendor must provide proper justification of any eWIC related transactions or requirements as defined in the Vendor Agreement. If justification is not provided, repayment may be instituted in form of SA sanctions, a Civil Money Penalty or other required repayments. 11. The Vendor shall display the current prices of authorized foods on the foods, or on the shelves in close proximity to the foods, or in the immediate area where the foods are kept in the customer area of the store. 12. A Vendor's owners and officers must not have a criminal conviction, indictment, charge or civil judgment issued against them within the past six years or within the time period of the valid Vendor Agreement, this information must be shared with the SA. 	<ol style="list-style-type: none"> 13. A Vendor must submit the WIC Vendor application packet by the deadline established by the State Agency. 14. Failure of a Vendor or Vendor applicant to provide requested documentation to the State Agency within the designated time frame shall result in denial of the Vendor's application. 15. All Vendors will be required to maintain a certified Point of Sale (POS) system, inclusive of Self-checkout (SCO) if applicable, in a manner necessary to ensure system availability for eWIC processing during all hours the store is open for business. WIC Vendors must be able to exchange applicable eWIC files pursuant to State Agency eWIC system requirements. 16. A Vendor must not derive more than 50 percent of their total annual food sales from WIC food sales. 17. A Vendor's retail space must be a minimum of 1000 square feet. 18. A Vendor authorized for more than 6 months must redeem at least an average of \$1,000 in WIC food benefits per month within any consecutive 6-month period during the term of the Vendor Agreement. 19. A Vendor is prohibited from advertising the availability of prohibited incentive items. 20. A Vendor must respond to all State Agency programmatic requests within the time frame established. 21. The Vendor must comply with the WIC EBT Operating Rules, the FNS Technical Implementation Guide (TIG) and policies and procedures established by the State Agency.
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Note: Exceptions to the criteria may be granted if the State Agency determines there is inadequate participant access in accordance with the State Agency's policies.

Assurance of Civil Rights Compliance

The State Agency hereby agrees that it will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), Age Discrimination Act of 1975 (42 U.S.C. Sections 6101-6107); all provisions required by the implementing regulations of the Department of Agriculture; Department of Justice Enforcement Guidelines, and FNS directives and guidelines to the effect that no person shall, on the ground of race, color, national origin, age, sex, or handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the State Agency receives Federal financial assistance from FNS; and hereby gives assurance that it will immediately take measures necessary to effectuate this agreement.

By providing this assurance, the State Agency agrees to compile data, maintain records and submit reports as required to permit effective enforcement of the nondiscrimination laws, and to permit Department personnel during normal working hours to review such records, books and accounts as needed to ascertain compliance with the non-discrimination laws. If there are any violations of this assurance, the Department of Agriculture shall have the right to seek judicial enforcement of this assurance.

This assurance is given in consideration of and for the purpose of obtaining all Federal financial assistance. grants and loans of Federal funds, reimbursable expenditures, grant or donation of Federal property and interest in property, the detail of Federal personnel, reimbursable expenditures, grant or donation of Federal property and interest in such property or the furnishing of services without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale, lease, or furnishing of services to the recipient, or any improvements made with Federal financial assistance extended to the State Agency by the Department of Health. This includes any Federal agreement, arrangement, contract, or other agreement which has as one of its purposes the provision of assistance such as food or cash assistance extended in reliance on the representations and agreements made in this assurance.

This assurance is binding on the State Agency, its successors, transferees, and assignees if it receives assistance or retains possession of any assistance from the Department. The person or persons whose signatures appear below are authorized to sign this assurance on the behalf of the State Agency.

USDA Nondiscrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or WIC local agency) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, (AD-3027) found online at: http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) Mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410.

(2) Fax: (202) 690-7442; or

(3) Email: program.intake@usda.gov.

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