



April 25, 2012

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VENDOR ALERT 2012 - 09

TO: ALL WIC VENDORS

SUBJECT: VENDORS OFFERING INCENTIVE ITEMS TO WIC PARTICIPANTS

Purpose

The California Women, Infants, and Children (WIC) Program would like to remind vendors that they are prohibited from offering incentive items solely to WIC participants in an effort to encourage participants to redeem their WIC Food Instruments (FIs) at their store(s). **Incentives offered to WIC participants must be offered to all customers.**

WIC vendors shall not single out WIC participants and offer incentives to only WIC participants using FIs. Examples of incentives would include offering cash or gifts, and using a point system for FIs when redeemed by participants in exchange for free items.

Background

Title 7 Code of Federal Regulations (CFR) 246.12(h)(3)(iii), requires vendors to offer WIC Program participants the same courtesies that are offered to non-WIC customers. Therefore, a WIC authorized vendor may not treat WIC participants differently by offering incentive items that are not offered to non-WIC customers.

The cited Federal Regulation is represented in your WIC Vendor Agreement.

Article II: Vendor Responsibilities; "As an authorized vendor in the WIC Program, the vendor agrees to comply with the following rules:"

"Rule 6: (a) Provide to participants during food instrument transactions the same courtesies extended to other customers, including incentives such as items offered through frequent shopper programs, buy-one-get-one-free promotions, by-one-get-one at a discounted price promotion, cents-off discounts, trading stamps, participation in store raffles, and other discounts and promotions..."

Exception: Only "Above-50-percent" vendors are required to sign an addendum to the Vendor Agreement allowing incentives and those incentives are strictly limited. An "Above-50-percent" vendor is defined as a vendor that derives more than 50 percent of their annual food sales revenue from WIC FIs, excluding the revenue from fruits and vegetable FIs. Refer to the Addendum to the Agreement for additional rules.



**Vendor
Responsibility**

By signing the Vendor Agreement, authorized vendors certify to have read and understand the laws and regulations that govern the WIC Program and agree to follow all the terms of the Vendor Agreement.

An "Above-50-percent" vendor must have an approved Incentive Addendum on file before providing incentives to a WIC participant.

**Grounds for
Termination of
Vendor
Agreement**

Grounds for termination of a Vendor Agreement are detailed in Article 1, Termination of Vendor Agreement:

"Rule 3: Vendor authorization will be terminated if the vendor fails to comply with the Vendor Agreement and Federal and State statutes, regulations, policies, and procedures governing the WIC Program, including any changes made during the agreement period."

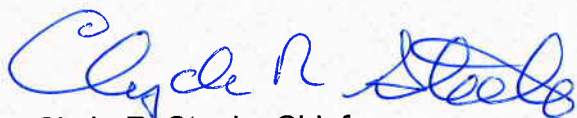
"Rule 8: Vendor authorization will be terminated if the above-50% vendor, after written notification from the WIC Program of violating WIC rules, continues to provide an approved incentive item to a participant without a fully executed 'Approval of Provision For An Above-50% Vendor To Provide Incentive Items Addendum.'"

"Rule 9: Vendor authorization will be terminated if the above-50% vendor, after written notification from the WIC Program of violating WIC rules, continues to provide or indicate an intention to provide prohibited incentive items to participants. Pursuant to 7 CFR 246.12, evidence of such intent includes, but is not limited to, advertising the availability of prohibited items. This termination shall be effective regardless of whether or not the above-50% vendor has a fully executed Addendum to Agreement, 'Approval of Provision For An Above-50% Vendor to provide Incentive Items.'"

Violations of these requirements will result in a vendor's disqualification from the WIC Program. Remember that the Cal-Fresh/SNAP program may also disqualify a vendor based solely on the WIC Program disqualification. Please do not put your Cal-Fresh/SNAP authorization at risk.

Questions

If you have any questions, please contact your Vendor Consultant. You can also contact the WIC Program by calling toll free (855) WIC-STOR or (855) 942-7867 or sending an email to wicvendorinfo@cdph.ca.gov.



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