

Section III: State Agency Procedure Manual

I. State Vendor and Farmer Management

B. Retailer Selection Criteria

Purpose

Retailers applying for authorization must meet specific criteria to ensure effective program management. These standards must be maintained throughout the contract period.

Policy

WIC vendor selection criteria ensures participants have access to supplemental foods, and the program can provide oversight to vendors.

1. Initial Application Criteria – To apply for WIC authorization, the retailer must meet the following criteria:

- Has a Point of Sale (POS) system that is capable of conducting eWIC transactions:
 - Capable of processing Not to Exceed (NTE) price adjustments at the time of the transaction.
 - Capable of downloading the Approved Product List (APL).
 - Capable of preventing unauthorized food item purchases.
 - Capable of preventing the purchase of approved food items not available on card balance.
 - Capable of providing all transaction receipts (beginning balance, purchased items, and remaining balance).
- Agrees to accept payment for food prices for no more than the Not-To-Exceed (NTE) price set for each food item.
- Will not charge the WIC Program any third-party processing fees, interchange fees, or ongoing maintenance and operational costs.
- Will meet minimum lane coverage requirements.
- Will maintain compliance with operating rules, standards, and technical requirements.
- Within the last six (6) years, neither the business nor any of its owners, officers or managers has been convicted of or had a civil judgment entered against them for any activity indicating a lack of business integrity.
- Is SNAP authorized (Supplemental Nutrition Assistance Program, formerly known as Food Stamps.)
- Receive or be expected to receive no more than fifty percent (50%) of their store's total annual food sales from WIC transactions.

- An owner, officer, or partner of a retailer must not have bought or sold a store to avoid a WIC sanction.
- Formula must be purchased from the Montana WIC Program's approved Formula Wholesaler/Distributor/Retailer/Manufacturer list to ensure safety of the products.
- The vendor must be a primary retailer of groceries and stock a variety of foods in each of the following staple food groups on a continuous basis:
 - Fresh or frozen meat, poultry and/or fish (pre-packaged luncheon meats do not apply)
 - Bread and cereal
 - Fresh fruit and vegetables, and frozen vegetables
 - Dairy products.
- Always maintains the minimum food stock required by the Montana WIC Program.
- Provides a Business License, proof of Workers Compensation, and Liability Insurance for application purposes.
- Based on Local Agency input and regional assessment, there is a need for an authorized WIC Retailer in the requested area.
- Inform the Department of any potential or real conflict of interest between WIC staff, either state or local, and Contractor personnel. Conflicts of interest may include, but are not limited to, the following:
 - Employing a state or local WIC agency staff member or spouse, son, daughter, parent or sibling of a local or state WIC agency staff member.
 - Giving a fee or gift to a local or state WIC program staff member in exchange for being provided WIC information, for WIC staff action that would materially benefit the contractor, or for preferentially promoting the contractor. (Note: donations to a promotional event encouraging WIC participation are not considered to create a conflict of interest).
 - Accepting, either directly or through a relative, a substantial gift of financial assistance from a local or state WIC staff member.
 - Entering into a business transaction with a local or state WIC staff member or allowing such a staff member to acquire a financial interest in the contractor.
- No barrier to service exists.
- Agree to offer WIC customers any discounts, promotions, or incentives that are available to all customers.

2. There are four types of retailers that may meet some of the selection criteria but are not authorized by the Montana WIC program.

- The four store types include ‘WIC-Only’ stores, ‘above-50-percent’ stores, ‘Stand-alone pharmacies’ and stores charging a membership fee.
 - ‘WIC-Only’ stores are stores that sell only WIC-approved foods to WIC participants. New ‘WIC-only’ stores must be certified by FNS for WIC participation under federal regulations. Montana will not authorize ‘WIC-only stores’.
 - ‘Above-50-percent’ stores are stores that make more than 50 percent of their annual sales from WIC purchases. Under federal regulations, ‘above 50 percent stores’ must be certified by FNS.
 - Based on the FFY2019 TIP report, data and follow-up documentation, Montana has no above-50-percent retailers.
 - If a retailer becomes an ‘above 50 percent retailer,’ the retailer will be removed from the program.
 - Stand-alone pharmacies are pharmacies that only sell pharmaceuticals. Montana WIC works directly with formula manufacturers to obtain special formulas not readily available in the larger combination grocery-pharmacy retailers.
 - Stores charging a membership fee are not eligible to become a WIC authorized retailer.

3. Application Window

- Retailers may apply for authorization at any time during the year.

4. Application Denial

- Retailers are selected to meet the needs of the Montana WIC Program and its participants.
- Retailers do not automatically have the “right” to participate.
- Retailers may not reapply for authorization until 1 year after their denial date.

5. Criteria Waiver

- Criteria have been established to select WIC retailers. If there are no WIC authorized retailers in an area, denial based upon the selection criteria may be waived. A waiver may be considered for the selection criteria if undue hardship for participants, as determined by the State, would result if this applicant were not approved as a MT WIC retailer.
- No waivers will be made for applicants that do not meet the competitive price criteria, or the minimum requirement for stocking variety and quantity of approved supplemental foods.
- If a retailer applying to the program is in an area with participant access considerations and does not currently have a POS capable of conducting eWIC transactions, a single-function POS terminal may be provided by the State.

6. Change of Ownership

- The authority to participate in the Montana WIC Program is non-transferable. The Montana WIC Program must be notified in writing of any change of ownership. A change of ownership can be, but is not limited to:
 - A partial change of ownership (i.e., one partner buying out another).
 - A complete change of ownership (i.e., an outside interest purchases the business).
 - A change in corporate structure (i.e., going from ‘sole proprietor’ to ‘corporation’).
- Whenever the Federal Employer Identification Number (FEIN) changes, the retailer must re-apply for WIC authorization as an initial applicant. Failure to do so will result in loss of WIC

authorization. Additionally, The Montana WIC Program may not authorize an applicant if it is determined that the business was sold to circumvent a WIC sanction. If such determination is made after authorization is granted, the authorization (WIC Agreement) will be terminated.

7. Change of Location

- A change of location may affect the WIC authorization. The Montana WIC Program must be notified in writing of any change of location. Authorization will not be affected if:
 - The ownership remains the same.
 - The old location is being closed, and the new location is considered a 'replacement' location.
 - The new location is within two (2) miles of the old location.
- Failure to notify the Montana WIC Program of a change in location will result in loss of WIC authorization.