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Title 22@ Social Security

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Division 2@ Department of Social Services-Department of Health Services

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Part 2@ Health and Welfare Agency-Department of Health Services Regulations

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Subdivision 6@ Preventive Medical Services

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Chapter 6@ California Special Supplemental Food Program for Women, Infants and Children

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Article 7@ Food Delivery System

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Section 40735@ Authorization of Food Vendors

40735 Authorization of Food Vendors

(a)

Any retail outlet meeting certain food stocking requirements may apply to become an authorized food vendor. The Department may limit the number of food vendors in a geographic area taking into consideration the adequacy of participant access and the Department's ability to effectively manage review of authorized food vendors. All applicants shall complete a WIC application on a form heretofore known as the "Retail Vendor Application for Authorization to Participate in the Supplemental Food Program for Women, Infants and Children (WIC)," Form DHS 4070 (1/89). Specific criteria relative to the completeness of the application, history of compliance with the WIC Program during previous periods of participation and the appropriate rate of food prices as identified on the "Vendor Food Price Survey," Form DHS 4115 (3/89), shall be used to review each complete application and food prices to determine if a food vendor will be authorized. If the vendor's application has been disapproved by the Department for reasons other than suspension, the applicant shall be afforded at least one opportunity to resubmit a complete application. If an applicant has been denied for a specified period, the applicant may reapply at the end of that period. Only authorized food vendors shall accept food instruments. Each retail outlet location must be authorized separately from any other location operated by an individual, group of individuals, or a corporation. No food vendor is entitled to any reimbursement for food vouchers without first

having an executed vendor agreement. Unauthorized food vendors who accept food instruments shall be held liable for repayment of funds received in the absence of a fully executed agreement between the Department and the food vendor. All food vendors transacting food instruments shall maintain inventory records showing all purchases, both wholesale and retail, in the form of invoices which identify the quantity, sizes and prices of specified authorized supplemental foods.

(b)

Criteria used to select WIC food vendors include but are not limited to: (1) The prices the food vendor charges for foods in relation to other stores in the area or other stores of similar size and/or sales volume; (2) The ability of the Department to ensure, through in-store compliance purchases or other reviews, that authorized supplemental foods will be provided; (3) The adequacy of the shelf stock in sufficient types and amounts of WIC authorized foods; (4) A food vendor's history of compliance with statutes, regulations, and prior agreements with local, state, and federal governmental entities including, but not limited to, those entities responsible for administering the WIC and Food Stamp Programs; (5) The food vendor's understanding of the provisions contained in the Vendor Agreement; (6) The food vendor's establishment must be convenient and accessible for WIC participants.

(1)

The prices the food vendor charges for foods in relation to other stores in the area or other stores of similar size and/or sales volume;

(2)

The ability of the Department to ensure, through in-store compliance purchases or other reviews, that authorized supplemental foods will be provided;

(3)

The adequacy of the shelf stock in sufficient types and amounts of WIC authorized foods;

(4)

A food vendor's history of compliance with statutes, regulations, and prior agreements with local, state, and federal governmental entities including, but not limited to, those entities responsible for administering the WIC and Food Stamp Programs;

(5)

The food vendor's understanding of the provisions contained in the Vendor Agreement;

(6)

The food vendor's establishment must be convenient and accessible for WIC participants.

(c)

A vendor education session shall be provided by the Department or local agency staff persons prior to authorization. The education training session shall be conducted in the English language and shall include, but not be limited to, the following: (1) A review of "Guidelines for Vendor Participation in the WIC Program"; (2) A review of WIC food instruments handling procedures; (3) An explanation of which foods and the quantities authorized for purchase with WIC food instruments; (4) An explanation of the food vendor's responsibility of maintaining "records of inventory" to be available for review by Department representatives to verify sufficient types and amounts of WIC foods in stock. For food vendors who have had prior authorization to participate in the Program, such education may be provided to the food vendor by way of written material.

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A review of "Guidelines for Vendor Participation in the WIC Program";

(2)

A review of WIC food instruments handling procedures;

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(d)

Processing times for food vendor applications shall be subject to the following: (1) Upon the submission of a completed application, the Department shall have ninety (90) calendar days to investigate whether the applicant food vendor is able to comply with Program requirements and issue an approval or denial notice to the applicant. The Department shall have an additional sixty (60) calendar days to ensure the capability of the local agency to issue food instruments payable to the order of the food vendor which has been so approved. (2) During the investigation, if facts are identified which indicate that the applicant food vendor may not be able to comply with Program requirements, the Department shall have ninety (90) calendar days in addition to the ninety (90) calendar days in (d)(1) above, to investigate further. If there has been a transfer of store ownership, the Department shall determine whether the seller who is the prior WIC food vendor retains any ownership interest in the business. If the seller is under suspension or termination for cause or where an outstanding audit claim exists, and the Department determines that the seller retains an ownership interest, the Department shall deny

the application of the applicant food vendor. When the terms of the punitive action or the claim are settled and the other criteria for approval are satisfied, the Department may approve the application. Once approved, the Department shall have sixty (60) calendar days to ensure the capability of the local agency to issue food instruments payable to the order of the food vendor which has been so approved. (3) The seller of a store which has or recently had WIC authorization status, including a store under suspension or termination for cause, or where an outstanding audit claim exists, shall inform the prospective buyer that the vendor authorization does not transfer to the buyer, that the buyer must file an application on his/her own behalf, and shall inform the prospective buyer of the applicable application processing times. (4) The Department shall expedite food vendor application processing when the food vendor is located in an area where no other authorized food vendor exists and where failure to expedite food vendor application processing would cause undue participant hardship. [Click here to view image](#)
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