

10A NCAC 43D .0202 is amended with changes as published in 31:23 NCR 2325-2333 as follows:

10A NCAC 43D .0202 DEFINITIONS

(a) For the purposes of this Subchapter, all definitions set forth in 7 C.F.R. Part 246.2 are hereby incorporated by reference, including subsequent amendments and ~~additions, editions,~~ with the following additions and modifications:

- (1) An "administrative appeal" is an appeal in accordance with Section .0800 of this Subchapter through which a local WIC agency, potential local WIC agency, authorized WIC ~~vendor~~ vendor, or ~~potential WIC vendor~~ applicant may appeal the adverse actions listed in 7 C.F.R. 246.18(a)(1)(i), (a)(1)(ii), and (a)(3)(i).
- (2) An "authorized store representative" includes an owner, manager, assistant manager, head cashier, or chief fiscal officer.
- (3) An "authorized WIC vendor" is a food retailer or free-standing pharmacy that has executed a currently effective North Carolina WIC Vendor ~~Agreement. Agreement,~~ as set forth in 7 C.F.R. 246.12(h)(3).
- (4) A "chain store" is a store that is owned or operated by a corporation, partnership, cooperative association, or other business entity that has 20 or more stores owned or operated by the business entity.
- (5) ~~Electronic Benefit Transfer (EBT) Processor Processor:~~ An "Electronic Benefit Transfer (EBT) Processor" is an entity contracted by a government agency for the implementation, maintenance, and operation of the ~~[state]~~ State WIC agency's WIC EBT system that acts as the agent of the ~~[state]~~ State WIC agency to process and settle EBT transactions.
- ~~(5)(6)~~ A "fair hearing" is the informal dispute resolution process in Section .0900 of this Subchapter through which any individual may appeal a ~~state~~ State or local agency action ~~which that~~ results in a claim against the individual for repayment of the cash value of ~~improperly~~ issued benefits ~~[to]~~ by ~~which the individual is not eligible~~ or results in the individual's denial of participation or disqualification from the WIC ~~Program.~~ Program, as set forth in Rule .0410 of this Section. Subchapter. This process must be complied with prior to requesting a contested case hearing in accordance with G.S. ~~150B 150B,~~ as set forth in 7 CFR 246.9.
- ~~(6)(7)~~ "FNS" means the Food and Nutrition Service of the U.S. Department of Agriculture.
- ~~(7)(8)~~ "Free-standing pharmacy" means a pharmacy that does not operate within another retail store. Free-standing pharmacy includes free-standing pharmacies that are chain stores and free-standing pharmacies participating under a WIC corporate agreement.
- ~~(8)(9)~~ The "local WIC agency" is the local agency ~~which that~~ enters into an agreement with the Division of Public Health to operate the Special Supplemental Nutrition Program for Women, Infants and Children.
- ~~(9)(10)~~ A "local WIC program plan" is a written compilation of information on the local WIC agency policies concerning program operation, including administration, nutrition education, personnel

functions, costs and other information prepared by the local WIC agency and submitted to the Nutrition Services Branch.

(11) A “personal identification number” (PIN) is a numeric password selected and used by a WIC participant to authenticate the participant to the EBT system.

(12) A “point of sale terminal” (POS) is an electronic device used to process EBT card payments at authorized vendor locations.

~~(10)~~(13) A "predominantly WIC vendor" is an "above-50-percent vendor" as defined in 7 C.F.R. 246.2.

(14) A “product look-up (PLU) code” is an identification number placed on produce sold at authorized vendor locations.

~~(11)~~~~(16)~~(15) "Redemption" is the process by which a vendor deposits for payment a food instrument or cash-value voucher transacted at that vendor and the ~~state~~ State agency (or its financial agent) makes payment to the vendor for the food instrument or cash-value voucher.

~~(12)~~~~(17)~~(16) "Shelf price" is the price a vendor charges a non-WIC customer for a WIC supplemental food.

~~(13)~~~~(18)~~(17) "SNAP-eligible food sales" means "food sales" as defined in 7 C.F.R. 246.2, which are those foods that can be purchased with Supplemental Nutrition Assistance Program ("SNAP") benefits.

~~(14)~~~~(19)~~(18) The "~~state~~ State agency" is the Nutrition Services Branch, Women's and Children's Health Section, Division of Public Health, North Carolina Department of Health and Human Services.

~~(15)~~~~(20)~~(19) "Store" means a food retailer or free-standing pharmacy operating at a single, fixed location.

(21) "Supplemental food" or "WIC supplemental food" is a food that satisfies the requirements of 10A NCAC 43D .0501.

~~(16)~~~~(21)~~(21) " Support costs" are clinic costs, administrative costs, and nutrition education costs.

~~(17)~~~~(22)~~(22) "Transaction" is the process by which a WIC customer tenders a food instrument or a cash-value voucher to a vendor in exchange for authorized supplemental foods.

~~(23)~~(23) “Universal Product Code (UPC)” means an identification code printed on the packaging of WIC approved foods sold at WIC authorized vendor locations.

~~(19)~~(24) "Vendor applicant" is a store that has submitted an application to become an authorized WIC vendor but is not yet authorized.

~~(20)~~(25) A "vendor overcharge" is intentionally or unintentionally charging more for supplemental food provided to a WIC customer than to a non-WIC customer or charging more than the current shelf price for supplemental food provided to a WIC customer.

~~(21)~~(26) A "WIC corporate agreement" is a single WIC Vendor Agreement with a corporate entity that has 20 or more stores authorized as WIC vendors under the Agreement.

~~(22)~~(27) "WIC customer" means a WIC participant, ~~parent~~parent, or caretaker of an infant or child participant, proxy for the eligible participant, or compliance investigator who tenders a food instrument or a cash-value voucher to a vendor in exchange for WIC supplemental food.

~~(23)~~(28) "WIC program" means the Special Supplemental Nutrition Program for Women, Infants, and Children authorized by 42 U.S.C. 1786 of the Child Nutrition Act of 1966 as amended.

(b) A copy of 7 C.F.R. Part 246 is available for inspection at the Department of Health and Human Services, Division of Public Health, Women's and Children's Health Section, Nutrition Services Branch, 5601 Six Forks Road, Raleigh, ~~27609~~, North Carolina. Copies are available at no cost from the Supplemental Nutrition Programs Division, Food and Nutrition Service, USDA, 3101 Park Center Drive, Room 540, Alexandria, Virginia ~~22302~~ ~~22302~~, by calling (703) 305-2730 or ~~access~~ online at <http://www.fns.usda.gov/wic/lawsandregulations/WICRegulations-7CFR246.pdf>.
<http://www.fns.usda.gov/wic/lawsandregulations/WICRegulations-7CFR246.pdf>.

History Note: Authority G.S. 130A-361; 42 ~~U.S.C. 1786~~; 7 C.F.R. 246; ~~7 C.F.R. 246.12(g)(3)~~; ~~7 C.F.R. 246.12(g)(3)(ii)~~; ~~7 C.F.R. 246.12(h)(3)(xix)~~; ~~U.S.C. 1786~~;
Eff. July 1, 1981;
Amended Eff. December 6, 1991; November 1, 1990; July 1, 1989;
Temporary Amendment Eff. May 17, 2000;
Amended Eff. April 1, 2001;
Temporary Amendment Eff. July 1, 2002;
Amended Eff. August 1, 2004;
Temporary Amendment Eff. July 1, 2006;
Amended Eff. October 1, 2017; February 1, 2013; October 1, 2009; April 1, 2007.

1 10A NCAC 43D .0203 is amended with changes as published in 31:23 NCR 2325-2333 as follows:

2
3 **10A NCAC 43D .0203 REFERENCES**

4 (a) The ~~state~~ State agency shall administer the WIC program in accordance with:

5 (1) 42 U.S.C. 1786; and

6 (2) 7 C.F.R. 246.1 through 246.28, United States Department of Agriculture, Food and Nutrition
7 Service, Special Supplemental Nutrition Program for Women, Infants and Children.

8 (b) The documents listed in Paragraph (a) of this Rule are available for inspection at the Division of Public Health,
9 Women's and Children's Section, Nutrition Services Branch at 5601 Six Forks Road, Raleigh, NC 27609 ~~the state~~
10 ~~agency~~ during regular business ~~hours.~~ hours, Monday through Friday from 8:00 AM to 5:00 PM.

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12 *History Note: Authority G.S. 130A-361;*

13 *Eff. July 1, 1981;*

14 *Amended Eff. October 1, 2017, October 1, 2009; April 1, 1984; April 1, 1982.*

1 10A NCAC 43D .0703 is amended with changes as published in 31:23 NCR 2325-2333 as follows:

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3 **10A NCAC 43D .0703 USE OF FOOD INSTRUMENTS AND CASH-VALUE VOUCHERS**

4 (a) Participants may transact food instruments and cash-value vouchers on any day on or between the ~~“date of issue”~~
5 ~~“First Date to Spend”~~ and ~~“participant must use by date”~~ “Last Date to Spend” printed on the food instrument or cash-
6 value voucher. ~~The “participant must use by date” “shall be 30 days from the “date of issue”~~

7 (b) ~~North Carolina WIC program food~~ Food instruments and cash-value vouchers shall be transacted only at
8 authorized WIC vendors in accordance with the terms of the signed WIC Vendor Agreement and WIC program rules,
9 regulations, and statutes. ~~Vendors are responsible for food instruments and cash value vouchers not properly~~
10 ~~transacted.~~ Authorized WIC vendors shall not be reimbursed for food instruments and cash-value vouchers that are
11 not properly transacted as set forth in Rule .0708 of this Section. Stores that are not authorized WIC vendors shall not
12 be reimbursed for food instruments and cash-value vouchers transacted at their store. Neither an agency of the United
13 States government, the State of North Carolina, the local WIC agency nor a past or present WIC participant, parent or
14 caretaker of an infant or child participant, or proxy is under any obligation to pay for food instruments or cash value
15 vouchers accepted by a store that was not an authorized WIC vendor on the date of transaction of the food instrument
16 or cash value voucher.

17 (c) ~~North Carolina WIC~~ Printed food instruments and cash-value vouchers shall be deposited at the vendor's bank.
18 Vendors that use EBT shall have their bank account credited with payments for completed EBT transactions. These
19 ~~food~~ Food instruments and cash-value vouchers shall not be assigned, transferred, sold, or otherwise negotiated.

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21 *History Note: Authority G.S. 130A-361; 7 C.F.R. 246; 42 U.S.C. 1786;*
22 *Eff. July 1, 1981;*
23 *Amended Eff. April 1, 2001; November 1, 1990; July 1, July 1, 1989;*
24 *Temporary Amendment Eff. July 1, 2002;*
25 *Amended Eff. October 1, 2017, October 1, 2009; August 1, 2004.*
26

1 10A NCAC 43D .0707 is amended with changes as published in 31:23 NCR 2325-2333 as follows:

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3 **10A NCAC 43D .0707 VENDOR APPLICANTS**

4 To become authorized as a WIC vendor, a vendor applicant shall comply with the following vendor selection criteria:

- 5 (1) A vendor applicant shall ~~accurately~~ complete a WIC Vendor Application, a WIC Price ~~List~~ List, as
6 set forth in Item (4) of this Rule, and a WIC Vendor ~~Agreement~~. ~~[Agreement]~~ Agreement, as set
7 forth in 7 C.F.R. § 246.12(h)(3). A vendor applicant shall submit its current highest shelf price for
8 each WIC supplemental food listed on the WIC Price ~~List~~ List, as set forth in Item (4) of this Rule.
- 9 (2) A vendor applicant, at the time of application and throughout the term of authorization, shall submit
10 all completed forms to the local WIC agency, except that a corporate entity operating under a WIC
11 corporate agreement shall submit one completed WIC corporate agreement and the WIC Price Lists
12 to the ~~state~~ State agency and a separate WIC Vendor Application for each store to the local WIC
13 agency. A corporate entity operating under a WIC corporate agreement may submit a single WIC
14 Price List for those stores that have the same prices for WIC supplemental foods in each store, rather
15 than submitting a separate WIC Price List for each store.
- 16 (3) A vendor applicant shall purchase all infant formula, exempt infant formula, and WIC-eligible
17 ~~medical food~~ nutritionals directly from:
- 18 (a) ~~the~~ The sources specified in 42 U.S.C 1786(h)(8)(A)(ix), which is incorporated by
19 reference with all subsequent amendments and editions;
- 20 (b) Retail food stores that purchase directly from the sources referenced in Sub-item (3)(a) of
21 this Item; or
- 22 (c) A source on another state's list of approved infant formula sources as verified by that state's
23 agency.
- 24 A vendor applicant shall make available to the ~~state~~ State or local WIC agency invoices or receipts
25 documenting purchases of all infant formula, exempt infant formula, and WIC-eligible foods.
26 ~~medical foods~~. nutritionals. Receipts and invoices ~~must~~ shall satisfy the requirements of Sub-items
27 ~~(30)(a) through (30)(c)~~ (32)(a) through (32)(c) of Rule .0708 of this Section. A vendor applicant
28 shall not be authorized if within the last year the vendor applicant had a previous WIC Vendor
29 Agreement terminated for failure to purchase infant formula, exempt infant formula, or WIC-
30 eligible ~~medical food~~ nutritionals from the sources specified in this Item. A vendor applicant shall
31 not be authorized if within the last year the vendor applicant had a previous WIC Vendor Agreement
32 terminated for providing infant formula, exempt infant formula, or WIC ~~eligible~~ WIC-eligible
33 ~~medical food~~ nutritionals to WIC customers that was not purchased from the sources specified in
34 this Item.
- 35 (4) A vendor applicant's current highest shelf price for each WIC supplemental food listed on the WIC
36 Price List ~~must~~ shall not exceed the maximum price set by the ~~state~~ State agency for each

supplemental food within that vendor applicant's peer group, except as provided in Sub-item (4)(b) of this Item. The maximum price for each supplemental food shall be established as follows:

(a) The most recent WIC Price Lists submitted by authorized vendors within the same peer group shall be used to determine the maximum price for each supplemental food. The maximum price shall be the 97th percentile of the current highest shelf prices for each supplemental food within a vendor peer group. The ~~state~~ State agency shall reassess the maximum price set for each supplemental food at least four times a year. For two of its price assessments, the ~~state~~ State agency shall use the WIC Price Lists which ~~must shall~~ be submitted by all vendors by April 1 and October 1 each year in accordance with Item ~~(32)~~ (34) of Rule .

~~0708.~~ .0708 of this Section. The other two price assessments shall be based on WIC Price Lists requested from a sample of vendors within each peer group in January and July of each year.

(b) If any of the vendor applicant's price(s) on its WIC Price List exceed the maximum price(s) set by the ~~state~~ State agency for that applicant's peer group, the agency shall send the applicant written notice. ~~applicant shall be notified in writing.~~ Within 30 days of the date of the written notice, the vendor applicant may resubmit price(s) that it will charge the ~~state~~ State WIC Program for those foods that exceeded the maximum price(s). If none of the vendor applicant's resubmitted prices exceed the maximum prices set by the ~~state~~ State agency, the vendor applicant shall be deemed to have met the requirements of Item (4) of this Rule. If any of the vendor applicant's resubmitted prices still exceed the maximum prices set by the ~~state~~ State agency, or the vendor applicant does not resubmit prices within 30 days of the date of written notice, ~~the application shall be denied in writing.~~ the agency shall send the applicant a written notice of denial. The vendor applicant ~~must shall~~ wait 90 days from the date of receipt of the written denial to reapply for authorization.

(5) A vendor applicant shall pass a-an announced monitoring review by the local WIC agency to determine whether the store has minimum inventory of supplemental foods as specified in Item ~~(24)~~ (25) of Rule .0708 of this Section. A vendor applicant that fails this review shall be allowed a second opportunity for an unannounced monitoring review within 14 days. If the applicant fails both reviews, the application shall be denied in writing and the applicant shall wait 90 days from the date of the second monitoring review before submitting a new application.

(6) A vendor applicant shall either attend, or cause a manager or ~~other~~ another authorized store representative to attend, WIC Vendor Training provided by the local WIC agency prior to vendor authorization and ensure that the vendor applicant's employees receive instruction in WIC program procedures and requirements.

(7) An applicant shall mark the current shelf prices of all WIC supplemental foods on the foods or have the prices posted on the shelf or display case at all times.

- (8) The store shall be at a single, fixed location within ~~the State of~~ North Carolina. The store shall be located at the address indicated on the WIC vendor application and shall be the site ~~at which~~ where WIC supplemental foods are selected by the WIC customer.
- (9) A vendor applicant shall use point of sale (POS) terminals to support the WIC Program ~~which that~~ are deployed in accordance with the minimum lane coverage provisions of 7 C.F.R. § 246.12(z)(2)(ii).
- ~~(9)~~(10) The store shall be open throughout the year for business with the public at least six days a week for at least 40 hours per week between 8:00 a.m. and 11:00 p.m.
- ~~(10)~~(11) The store shall not use the acronym "WIC" or the WIC logo, including facsimiles, in total or in part, in the official name ~~in~~ under which the business is registered or in the name under which it does business.
- ~~(11)~~(12) A vendor applicant shall not submit false, erroneous, or misleading information in an application to become an authorized WIC vendor or in subsequent documents submitted to the state or local WIC agency. A vendor applicant shall not be authorized if within the last year the vendor applicant had a previous WIC Vendor Agreement terminated for submitting false, erroneous, or misleading information.
- ~~(12)~~(13) The owner(s), ~~officers~~officer(s), or manager(s) of a vendor applicant shall not be employed, or have a spouse, child, or parent who is employed by the ~~state~~State WIC program, or the local WIC program serving the county where ~~in which~~ the vendor applicant conducts business. A vendor applicant shall not have an employee who handles, transacts, deposits, or stores WIC food instruments or cash-value vouchers who is employed, or has a spouse, child, or parent who is employed by the ~~state~~State WIC program or the local WIC program serving the county where ~~in which~~ the vendor applicant conducts business. Such situations present a conflict of interest.
- ~~(13)~~(14) WIC vendor authorization shall be denied if in the last six years any of the vendor applicant's current owners, officers, or managers have been convicted of or had a civil judgment entered against them for any activity indicating a lack of business integrity, including fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and obstruction of ~~justice~~. justice, as set out in 7 C.F.R. § 246.12(g)(3)(ii). For purposes of this Item, "convicted" or "conviction" ~~means:~~ includes: ~~includes plea of guilty; a verdict or finding of guilt by a jury, judge, magistrate, or other duly constituted, established, adjudicating body, tribunal, or official, either civilian or military; or a plea of no contest, nolo contendere, or the equivalent.~~
- (a) a plea of guilty;
- (b) a verdict or finding of guilt by a jury, judge, magistrate, or ~~[other duly constituted, established,]~~ adjudicating body, tribunal, or official, either civilian or military;
- (c) a plea of no contest, nolo contendere, or the equivalent;
- or;

- (d) entry of a prayer for judgment continued following a conviction as defined in this Item is the same as a conviction for purposes of this Item.
- ~~(14)~~(15) A vendor applicant shall not be authorized if it is currently disqualified from the Supplemental Nutrition Assistance Program ("SNAP") or it has been assessed a SNAP civil money penalty for hardship and the disqualification period that otherwise would have been imposed has not expired.
- ~~(15)~~(16) A vendor applicant, excluding chain stores and stores under a WIC corporate agreement that have a separate manager on site for each store, shall not have an owner who holds a financial interest in any of the following:
- (a) a SNAP vendor ~~which that~~ is disqualified from participation in the SNAP or has been assessed a civil money penalty for hardship in lieu of disqualification and the time period during which the disqualification would have run, had a penalty not been paid, is continuing; or
 - (b) another WIC vendor ~~that which~~ is disqualified from participation in the WIC Program or ~~which~~ has been assessed a monetary or civil money penalty pursuant to G.S. 130A-22(c1), Paragraph (e) or Paragraph (f) of Rule .0710 of this Section as the result of violation of Paragraphs (a) or (b) of Rule ~~.0710~~, .0710 of this Section and if assessed a penalty, the time during which the disqualification would have run, had a penalty not been assessed, is continuing.
- The requirements of this Item shall not be met by the transfer or conveyance of financial interest during the period of disqualification. Additionally, the requirements of this Item shall not be met even if such transfer or conveyance of financial interest in a SNAP vendor under Sub-item ~~(15)(a)~~ (16)(a) of this Item prematurely ends the disqualification period applicable to that SNAP vendor. The requirements of this Item shall apply until the time the SNAP vendor disqualification otherwise would have expired.
- ~~(16)~~(17) A vendor applicant, excluding free-standing pharmacies, ~~must~~ shall have SNAP authorization for the store as a prerequisite for WIC vendor authorization and ~~must~~ shall provide its SNAP authorization number to the ~~state~~-State agency.
- ~~(17)~~(18) A vendor applicant shall not become authorized as a WIC vendor if the store has been disqualified from participation in the WIC Program and the disqualification period has not expired. A vendor applicant shall not be authorized as a WIC vendor if any of the vendor applicant's owner(s), officer(s) or manager(s) currently has or previously had a financial interest in a WIC vendor that was assessed a claim by the WIC Program and the claim has not been paid in full.
- ~~(18)~~(19) A vendor applicant shall enter into contract with the ~~[state]~~-State WIC Program's EBT processor or a third party processor certified according to criteria established by the [state]State WIC Program's EBT processor prior to WIC authorization and comply with all [applicable] requirements detailed in the EBT or third party processor's Vendor Agreement.

~~(19)~~

1 For a food retailer or free-standing pharmacy to participate in the WIC Program, a current WIC Vendor
2 Agreement must be signed by the vendor, the local WIC agency, and the [state]State agency. If an application
3 for status as an authorized WIC vendor is denied, the applicant is entitled to an administrative appeal as
4 described in Section .0800 of this Subchapter.

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6 *History Note:* Authority G.S. 130A-361; 7 C.F.R. 246; ~~7 C.F.R. 246.12(g)(3); 7 C.F.R. 246.12(g)(3)(ii); 7 C.F.R.~~
7 ~~246.12(h)(3)(xix); 7 C.F.R. 246.12(t);~~ 42 U.S.C. 1786;
8 Eff. ~~February 1, 2013.~~ February 1, 2013;
9 ~~Amended~~ Eff. October 1, 2017.

1 10A NCAC 43D .0708 is amended with changes as published in 31:23 NCR 2325-2333 as follows:

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3 **10A NCAC 43D .0708 AUTHORIZED VENDORS**

4 By signing the WIC Vendor Agreement, the vendor agrees to:

- 5 (1) Process WIC ~~program~~ Program food instruments and cash-value vouchers in accordance with the
6 terms of the WIC Vendor Agreement and ~~state and federal WIC program, regulations and applicable~~
7 ~~law; as set forth in 42 U.S.C. § 1786, 7 C.F.R. §§ 246.1-246.28, ; [and 10A NCAC. 43D0101-0911]~~
8 ~~and the rules of this of this [Subchapter]Subchapter;[and other applicable law;]~~
- 9 (2) Accept WIC ~~program~~ Program food instruments and ~~[printed]~~ cash-value vouchers in exchange for
10 WIC supplemental foods. Supplemental foods are those foods ~~which~~ that satisfy the requirements
11 of 10A NCAC 43D ~~.0501; .0501~~ of this Section;
- 12 (3) Provide only the authorized supplemental foods listed on the printed food instrument, or authorized
13 fruits and vegetables with a printed cash-value ~~voucher, voucher.~~ accurately determine Determine
14 the charges to the WIC ~~program~~ Program and complete the "Pay Exactly" box on the printed food
15 ~~instrument~~ instrument, or printed cash-value voucher, as set forth in Item 4 of this Rule, prior to
16 obtaining the signature of the WIC customer. When transacting EBT, the vendor shall provide to
17 the WIC customer only the approved supplemental foods, fruits, and vegetables contained in the
18 authorized product list (APL) after it has been determined that the WIC customer has an available
19 balance on the date of the transaction. The WIC customer is not required to get all of the
20 supplemental foods listed on the printed food instrument or the full dollar value of the printed cash-
21 value voucher. However, a WIC customer may obtain more fruits and vegetables than the full dollar
22 value of a cash-value voucher if the WIC customer pays the difference, as set forth in 7 C.F.R.
23 246.12(h)(3)(xi);
- 24 (4) Enter in the "Pay Exactly" box on the printed food instrument or printed cash-value voucher only
25 the total amount of the current shelf prices, or less than the current shelf prices, for the supplemental
26 food ~~actually~~ provided and shall not charge or collect sales taxes for the supplemental food ~~provided;~~
27 provided. Vendors that utilize EBT shall only transmit the current shelf price of all WIC-approved
28 supplemental foods purchased in the correct sizes, ~~quantities~~ quantities, and the total dollar amount
29 of all WIC-approved supplemental foods purchased in the EBT system;
- 30 (5) Charge no more for supplemental food provided to a WIC customer than to a non-WIC customer or
31 no more than the current shelf price, whichever is less;
- 32 (6) Accept payment from the ~~state~~ State WIC Program only up to the maximum price set by the ~~state~~
33 State agency for each supplemental food ~~instrument~~ within that vendor's peer group. The maximum
34 price for each supplemental food ~~instrument~~ shall be based on the maximum prices set by the ~~state~~
35 State agency for each supplemental food, as described in Sub-item (4)(a) of Rule .0707, of this
36 Section, listed on the food instrument. A request for payment submitted over the maximum price

- 1 allowed by the State agency will only be paid up to the maximum price for that supplemental food'
2 food:
- 3 (7) Accept payment from the ~~state~~ State WIC Program only up to the full dollar value of the cash-value
4 voucher;
- 5 (8) Not charge the ~~state~~ State WIC Program more than the maximum price set by the ~~state~~ State agency
6 under Item (4)(a) of Rule .0707 of this Section for each supplemental food within the vendor's peer
7 group;
- 8 (9) Provide to WIC customers infant formula, exempt infant formula, and WIC eligible ~~medical food~~
9 nutritionals purchased only from the sources specified in Item (3) of Rule ~~.0707~~ .0707 of this
10 Section. Providing infant formula, exempt infant formula, or WIC eligible ~~medical food~~ nutritionals
11 that has not been purchased from the sources specified in Item (3) of Rule .0707 of this Section shall
12 result in termination of the WIC Vendor Agreement;
- 13 (10) For free-standing pharmacies, provide only exempt infant formula and WIC-eligible ~~medical foods~~;
14 nutritionals;
- 15 (11) Excluding free-standing pharmacies, redeem at least two thousand dollars (\$2,000) annually in WIC
16 supplemental food sales. Failure to redeem at least two thousand dollars (\$2,000) annually in WIC
17 supplemental food sales shall result in termination of the WIC Vendor Agreement. The store must
18 wait 180 days to reapply for authorization;
- 19 (12) Accept WIC ~~program~~ Program food instruments and cash-value vouchers only on or between the
20 "~~Issue Date~~" "First Date to Spend" and the "~~Participant Must Use By~~" "Last Date to Spend" dates;
- 21 (13) Prior to obtaining the WIC customer's ~~signature~~, signature on the printed food instrument and cash-
22 value voucher, enter in the "Date Transacted" box the month, ~~day~~ day, and year the WIC food
23 instrument or cash-value voucher is exchanged for supplemental food;
- 24 (14) Ensure that the WIC customer signs the food instrument or cash-value voucher in the presence of
25 the ~~cashier~~; cashier. Vendors that utilize EBT shall ensure that a personal identification number
26 (PIN) is used by the WIC customer to complete the EBT transaction in lieu of a signature;
- 27 (15) Ensure that the WIC customer enters the PIN to initiate the EBT transaction. The vendor shall not
28 enter the PIN for the WIC customer;
- 29 ~~(15)~~ (16) Refuse to transact any food instrument or cash-value voucher that has been altered;
- 30 ~~(16)~~ (17) Not transact food instruments or cash-value vouchers in whole or in part for cash, credit,
31 unauthorized foods, or non-food items;
- 32 ~~(17)~~ (18) Not provide refunds or permit exchanges for authorized supplemental foods obtained with food
33 instruments or cash-value vouchers, except for exchanges of an identical authorized supplemental
34 food when the original authorized supplemental food is defective, spoiled, or has exceeded its "sell
35 by," "best if used by," or other date limiting the sale or use of the food. An ~~identical authorized~~
36 ~~supplemental food~~ "identical authorized supplemental food" means the exact brand, type and size as
37 the original authorized supplemental food obtained and returned by the WIC customer;

- (18)(19) Imprint the authorized WIC vendor stamp in the "Pay the Authorized WIC Vendor Stamped Here" box on the face of the printed food instrument or cash-value voucher to enable the vendor number to be read during the ~~Program~~ WIC Program's editing process;
- (19)(20) Imprint the vendor's bank deposit stamp or the vendor's name, ~~address~~ address, and bank account number in the "Authorized WIC Vendor Stamp" box in the ~~endorsement~~; endorsement on the printed food instrument or cash-value voucher;
- (20)(21) Deposit WIC program printed food instruments and cash-value vouchers in the vendor's bank. All North Carolina WIC program printed food instruments and cash-value vouchers must be deposited in the vendor's bank within 60 days of the ~~"Issue Date"~~ "First Date to Spend" on the printed food instrument or cash-value voucher;
- (21)(22) Ensure that the authorized WIC vendor stamp is used only for the purpose and in the manner authorized by the Agreement and be responsible for the unauthorized use of the authorized WIC vendor stamp;
- (22)(23) Maintain storage of the authorized WIC vendor stamp so only the staff designated by the vendor owner or manager have access to the stamp and report loss of this stamp within two business days to the local WIC agency;
- (23)(24) Notify the local WIC agency of misuse (attempted or actual) of WIC ~~program~~ Program food instruments or cash-value vouchers;
- (24)(25) Maintain a minimum inventory of supplemental foods in the store for purchase. Supplemental foods that are outside of the manufacturer's expiration date do not count towards meeting the minimum inventory requirement. The following items and sizes constitute the minimum inventory of supplemental foods for vendors in Peer Groups I through III of Item ~~(1)-(1), of Rule .0706~~, vendors in Vendor Peer Groups I through IV of Item (2)-(2), of Rule .0706 and vendors in Vendor Peer Group IV of Item (3) of Rule .0706; .0706 of this Section:

Food Item	Type of Inventory	<i>Quantities Required</i>
Milk	Whole fluid: gallon	2 gallons
	-and- Skim/lowfat fluid: gallon	4 gallons
Cheese	1 pound package	2 pounds packages
Cereals	2 types: whole grain (minimum package size 12 ounce)	6 packages total
Eggs	Grade A, large, white: one 1 dozen size carton	2 dozen
Juices	Single strength: 48 ounce container	4 containers

	64 ounce container	4 containers
Dried Peas and Beans	one 1 pound package	2 packages
Peanut Butter	16 to 18 ounce container	2 containers
<u>Tuna</u>	<u>5 to 6 ounce can</u>	<u>6 cans</u>
<u>Bread/Tortillas</u>	<u>16 ounce loaf of bread or package of tortillas</u>	<u>2 loaves and/or or 2 packages OR 1 loaf and 1 package</u>
<u>Rice</u>	<u>14 to 16 ounce package</u>	<u>2 packages</u>
Infant Cereal	8 ounce box	6 boxes
<u>Infant Fruits and Vegetables</u>	<u>3.5 to 4 ounce container</u> <u>1 type of fruit and 1 type of vegetable</u>	<u>64 ounces</u>
Infant Formula	milk-based concentrate; 12 to 13 ounce -and- soy-based concentrate; 12.0 to 13 ounce -and- milk-based powder; 11.0 to 14.0 ounce -and- soy-based powder; 11.0 to 14.0 ounce Brands must be the primary contract infant formulas	34 cans 17 cans 108 cans 54 cans
Fruits	14 to 16 ounce can: 2 varieties	610 cans total
Vegetables (Excludes foods in Dried Peas and Beans category)	14 to 16 ounce can: 2 varieties	610 cans total

1 All vendors in ~~Vendor~~ Peer Groups I through III of Item ~~(4)-(1), of Rule .0706~~, Peer Groups I
 2 through IV of Item ~~(2)-(2), of Rule .0706~~ and ~~Vendor~~ Peer Groups IV and V of Item (3) of Rule
 3 .0706 of this Section shall supply milk, soy-based or lactose-free infant formula in 32 ounce ready-
 4 to-feed or lactose-free powder within 48 hours of request by the ~~state~~ State or local WIC agency;
 5 ~~(25)-(26)~~ Ensure that all supplemental foods in the store for purchase are within the manufacturer's expiration
 6 date;
 7 ~~(26)-(27)~~ Permit the purchase of supplemental food without requiring other purchases;
 8 ~~(28)~~ Comply with the following EBT provisions:

- (a) Sign the WIC Vendor Agreement of the EBT Processor selected by the [state] State WIC Program or a third-party processor that has been certified according to criteria established by the EBT Processor selected by the [state] State WIC Program. Failure by a vendor to sign and retain a WIC Vendor Agreement with the state State WIC Program's EBT Processor or a third-party processor that has been certified by the state State WIC Program's EBT Processor shall result in termination of the WIC Vendor Agreement. Vendors shall notify the WIC Program within 24 hours of any periods of time during which they do not maintain an Agreement with the state WIC Program's EBT Processor or a third-party processor that has been certified by the state State WIC Program's EBT Processor.
- (b) Process EBT transactions in accordance with the terms of the North Carolina WIC Vendor Agreement, WIC Program Rules, [policies], and state State Rules, [and] federal regulations, and statutes;
- (c) Maintain Point of Sale (POS) terminals used to support the WIC Program in accordance with the minimum lane provisions of 7 C.F.R. § 246.12(z)(2);
- (d) Maintain a North Carolina EBT Processor certified in-store EBT system that is available for WIC redemption processing during all hours the store is open;
- (e) Request the North Carolina EBT Processor re-certify its in-store system if the vendor alters or revises the system in any manner that impacts the EBT redemption or claims processing system after initial certification is completed, completed;
- (f) For vendors with integrated systems, obtain EBT card readers to support EBT transactions within their store(s). The vendor shall ensure that the EBT card readers they obtain meets all EBT and North Carolina EBT Processor requirements, requirements;
- (g) Require an owner, manager or other authorized store representative to complete training approved by the state State WIC Program on WIC EBT procedures. The vendor shall ensure that all cashiers and staff are fully trained on WIC EBT requirements, including training in the acceptance and processing of WIC EBT transactions;
- (h) Require the WIC customer to approve the WIC transaction. Vendors shall ensure that the vendors' vendor's staff does not approve the WIC transactions for WIC customers under any circumstances;
- (i) Release supplemental food to WIC customers when the transaction has been completed to include receipt of transaction approval by the EBT processing system, printing of the receipt, receipt, and updated balance; balance of the WIC customer's account;
- (j) Scan or manually enter Universal Product Codes (UPC) only from approved supplemental foods being purchased by the WIC customer in the types, sizes and quantities available on the WIC customer's EBT account. The vendor shall not scan codes from UPC codebooks or reference sheets;

- 1 (k) Return any EBT card found on the vendor's property and unclaimed for 24 hours to the
2 WIC Program. The vendor shall not hold or use a WIC customer's EBT card and PIN for
3 any purpose whatsoever;
- 4 (l) Connect the vendor's in-store system for each outlet covered by the WIC Vendor
5 agreement to the State's WIC EBT system at least once each 24-hour period to download
6 reconciliation files and the WIC Authorized Product UPC/Product Look-Up (PLU) list.
- 7 ~~(27)~~(29) Attend, or cause a manager or other authorized store representative to attend, annual vendor training
8 upon notification by the local WIC agency. Failure to attend annual vendor training by September
9 30 of each year shall result in termination of the WIC Vendor Agreement;
- 10 ~~(28)~~(30) Inform and train vendor's cashiers and other staff on WIC Program requirements;
- 11 ~~(29)~~(31) Be accountable for the actions of its owners, officers, managers, agents, and employees who commit
12 vendor violations;
- 13 ~~(30)~~(32) Allow monitoring and inspection by ~~state~~ State and local WIC Program staff of the store premises
14 and procedures to ensure compliance with the agreement and ~~state~~ State, and federal WIC Program
15 rules, ~~regulations~~ regulations, and applicable law. This includes providing access to all program-
16 related records, including access to all WIC food instruments and cash-value vouchers at the store;
17 vendor records pertinent to the purchase and sale of WIC supplemental foods, including invoices,
18 receipts, copies of purchase orders, and any other proofs of purchase; federal and state corporate
19 and individual income tax and sales and use tax returns and all records pertinent to these returns;
20 and books and records of all financial and business transactions. These records must be retained by
21 the vendor for a period of three years or until any audit pertaining to these records is resolved,
22 whichever is later. Notwithstanding any other provision of this Rule and Rules .0707 and ~~.0710~~,
23 .0710 of this Section, failure or inability to provide these records for an inventory audit or providing
24 false records for an inventory audit shall be deemed a violation of 7 C.F.R. 246.12(l)(1)(iii)(B) and
25 Subparagraph (a)(1) of Rule ~~.0710~~, .0710 of this Section. Invoices, receipts, purchase orders, and
26 any other proofs of purchase for WIC supplemental foods shall include:
- 27 (a) the name of the seller and be prepared entirely by the seller without alteration by the vendor
28 or on the seller's business letterhead;
- 29 (b) the date of purchase and the date the authorized vendor received the WIC supplemental
30 food at the store if different from the date of purchase; and
- 31 (c) a description of each WIC supplemental food item purchased, including brand name, unit
32 size, type or form, and quantity;
- 33 ~~(31)~~(33) Maintain a record of all SNAP-eligible food sales and provide to the State agency upon request a
34 statement of the total amount of revenue derived from SNAP-eligible food sales and written
35 documentation to support the amount of sales claimed by the vendor, such as sales records, financial
36 statements, reports, tax documents or other verifiable documentation;

- 1 ~~(32)~~(34) Submit a current ~~accurately~~-completed WIC Price List when signing this agreement, and by April 1
2 and October 1 of each year. The vendor also agrees to submit a WIC Price List within ~~one week~~
3 ~~two weeks~~ of any written request by the ~~state~~State or local WIC agency;
- 4 ~~(33)~~(35) Reimburse the state agency in full or agree to a repayment schedule with the state agency within 30
5 days of written notification of a claim assessed due to a vendor violation that affects payment to the
6 vendor or a claim assessed due to the unauthorized use of the WIC vendor stamp. Failure to
7 reimburse the ~~state~~State agency in full or agree to a repayment schedule within 30 days of written
8 notification of a claim shall result in termination of the WIC Vendor Agreement. The state agency
9 shall deny payment or assess a claim in the amount of the full purchase price of each food instrument
10 or cash-value voucher invalid under Subparagraphs (a)(2), (a)(5), (a)(6) or (a)(7) of Rule .0704 of
11 this Section. Denial of payment by the ~~state~~State agency or payment of a claim by the vendor for
12 a vendor violation(s) shall not absolve the vendor of the violation(s). The vendor shall also be
13 subject to any vendor sanctions authorized under Rule .0710 of this Section for the vendor
14 violation(s);
- 15 ~~(34)~~(36) Not seek restitution from the WIC customer for reimbursement paid by the vendor to the ~~state~~State
16 agency or for WIC food instruments or cash-value vouchers not paid or partially paid by the state
17 agency. Additionally, the vendor shall not charge the WIC customer for authorized supplemental
18 foods obtained with food instruments or cash-value vouchers;
- 19 ~~(35)~~(37) Not contact a WIC customer outside the store regarding the transaction or redemption of WIC food
20 instruments or cash-value vouchers;
- 21 ~~(36)~~(38) Notify the local WIC agency in writing at least 30 days prior to a change of ownership, change in
22 store location, cessation of operations, or withdrawal from the WIC Program. Change of ownership,
23 change in store location of more than three miles from the store's previous location, cessation of
24 operations, withdrawal from the WIC ~~Program~~Program, or disqualification from the WIC Program
25 shall result in termination of the WIC Vendor Agreement by the ~~state~~State agency. Change of
26 ownership, change in store location, ceasing operations, withdrawal from the WIC ~~Program~~
27 ~~Program~~, or nonrenewal of the WIC Vendor Agreement shall not stop a disqualification period
28 applicable to the store;
- 29 ~~(37)~~(39) Return the authorized WIC vendor stamp to the local WIC agency upon termination of the ~~WIC~~
30 ~~Vendor~~ Agreement or disqualification from the WIC Program;
- 31 ~~(38)~~(40) Not discriminate on the basis of WIC participation, such as failing to offer WIC customers the same
32 ~~courtesies~~-courtesies, as set forth in 7 C.F.R. §246.12(g)(3)(iii), offered to other customers or
33 requiring separate WIC lines;
- 34 ~~(39)~~(41) Reapply to continue to be authorized beyond the period of its current WIC Vendor Agreement.
35 Additionally, a store ~~must~~ shall reapply to become authorized following the expiration of a
36 disqualification period or termination of the Agreement. In all cases, the vendor applicant is subject

1 to the vendor peer group criteria of Rule .0706 of this Section and the vendor selection criteria of
2 Rule ~~.0707~~; .0707 of this Section; and

3 ~~(40)(42)~~ Comply with all the requirements for vendor applicants of Items (3), ~~(4) and~~, (4), and (7) through
4 ~~(16)~~ ~~[(17)]~~ (17), and (19) of Rule .0707 of this Section throughout the term of authorization. The
5 ~~state~~ State agency may reassess a vendor at any time during the vendor's period of authorization to
6 determine compliance with these requirements. The ~~state~~ State agency shall terminate the WIC
7 Vendor Agreement of any vendor that fails to comply with Items (3), (4), (8), (9), (10), (11), (12),
8 ~~(13)~~ (13), ~~or~~ (14), ~~(15)~~ (16), ~~[(17)]~~ (17), or (19) of Rule .0707 of this Section during the vendor's
9 period of authorization, and terminate the agreement of or sanction or both any vendor that fails to
10 comply with Items (7), ~~(14)~~, (15), ~~(16)~~, (17), or (19) of Rule .0707 of this Section during the vendor's
11 period of authorization.

12
13 *History Note:* Authority G.S. 130A-361; 7 C.F.R. 246; ~~7 C.F.R. 246.12(g)(3); 7 C.F.R. 246.12(g)(3)(ii); 7 C.F.R.~~
14 ~~246.12(h)(3)(xix); 7 C.F.R. 246.12(t);~~ 42 U.S.C. 1786;
15 ~~March 1, 2013. Eff. March 1, 2013;~~
16 Amended Eff. October 1, 2017.