WIC VENDOR AGREEMENT FOR FREE-STANDING PHARMACIES

This agreement is between _____, hereinafter referred to as the "Vendor", and the Women, Infants and Children (WIC) Program of the _____, hereinafter referred to as the "Local WIC Agency", and the State of North Carolina Department of Health and Human Services, Division of Child and Family Well-Being, hereinafter referred to as the "State WIC Agency". This agreement will become effective on the date executed by the last signatory below and will terminate on September 30, 2027.

AUTHORIZED WIC VENDOR NUMBER

The undersigned represents that s/he has read, understands, and agrees to the Terms of this Agreement.

Signature of Owner/Officer Date

(Print) Name of Owner/Officer Title

Name of Vendor (Store)

Mailing Address – Street, P.O. Box

City State Zip Code

(Area Code) Telephone Number

_____ By initialing, I am verifying I have received and will comply with the Terms of Vendor Agreement for Free-standing Pharmacies.

The undersigned represents the Local WIC Agency and has authority to contract for and on behalf of said Agency.

Signature of Local WIC Agency Authorized Representative Date

(Print) Name of Local WIC Agency Authorized Representative Title

Name of Local WIC Agency Local WIC Agency Number

Mailing Address – Street, P.O. Box

City State Zip Code

(Area Code) Telephone Number

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF CHILD AND FAMILY WELL-BEING
COMMUNITY NUTRITION SERVICES SECTION
1914 Mail Service Center
5601 Six Forks Road
Raleigh, N.C. 27699-1914

The undersigned represents the State WIC Agency and has authority to contract for and on behalf of said Agency.

Signature of State WIC Agency Director Date

This institution is an equal opportunity provider

INSTRUCTIONS FOR COMPLETION OF THE WIC VENDOR AGREEMENT FOR FREE-STANDING PHARMACIES (DHHS 2768-P)

PURPOSE:

This Agreement authorizes free-standing pharmacy vendors to accept N.C. WIC food instruments in compliance with federal and state WIC Program laws, regulations, rules, and policies.

INSTRUCTIONS:

1. Form must be completed in blue or black ink (please print) or typed.
2. Do not use correction fluid/tape (all copies must look the same). Strike through errors with a single line, initial and date the error.
3. Only the current form, effective through September 30, 2027, will be accepted.

TOP OF AGREEMENT:

- The name of the store and store number (if part of a chain) must be printed on the first line. Do not use the corporate name of the business.
- The name (no abbreviations) of the Local WIC Agency must be printed on the second line.

VENDOR (LEFT) SECTION OF AGREEMENT:

- Provide the Vendor Number (leave blank if a new vendor) in box.
- Signature of owner and signature date are required.
- Printed name and title of owner are required.
- Name of store is required (name must be the same as name at top of form). Do not use the corporate name of the business.
- Only mailing address for store is required (including city, state, and zip code).
- Provide phone number, including the area code, for the store.
- **The vendor owner/officer that signs the Agreement must also initial by the statement at the bottom of this section that they have received and will comply with the Terms of Vendor Agreement for Free-Standing Pharmacies.**

LOCAL WIC AGENCY AUTHORIZATION (RIGHT TOP) SECTION OF AGREEMENT:

- Signature of Local WIC Agency authorized representative and the date signed are required.
- Printed name and title of Local WIC Agency authorized representative are required.
- Name of Local WIC Agency (name must be the same as name at top of form; no abbreviations) is required. Local WIC Agency program number is also required.
- Local WIC Agency mailing address is required (including city, state, and zip code).
- Provide Local WIC Agency phone number, including the area code.
- After completion of the Local WIC Agency Authorization Section, review all other completed sections of the Agreement for accuracy.

STATE WIC AGENCY AUTHORIZATION (SHADED RIGHT BOTTOM) SECTION OF AGREEMENT:

- **This section is for State use only. Do not write in this section.**
- The State WIC Agency reviews the Agreement and completes the State WIC Agency authorization section.

*The Local WIC Agency will receive a copy of the fully completed Agreement after all required parties have provided their signatures.

TERMS OF VENDOR AGREEMENT FOR FREE-STANDING PHARMACIES

Vendor keeps pages of the "Terms of Vendor Agreement for Free-Standing Pharmacies". Vendor must read, understand, and agree with the Terms. The statement on the Vendor Agreement for Free-Standing Pharmacies, indicating the Terms of Vendor Agreement for Free-Standing Pharmacies have been received, must be initialed by owner.

RETENTION AND DISPOSITION:

This form must be retained in accordance with records retention requirements of the North Carolina Department of Cultural Resources and the North Carolina Department of Health and Human Services.

REORDER: (Use DHHS 2507)

Send to: Community Nutrition Services Section, 1914 Mail Service Center, 5601 Six Forks Road, Raleigh, NC 27699-1914 Courier 54-42-01

TERMS OF VENDOR AGREEMENT FOR FREE-STANDING PHARMACIES
WITNESSETH:
This Agreement is pursuant to 10A N.C.A.C. Subchapter 43D
This Agreement does not constitute a license or a property interest.

Section I – Vendor
The Vendor agrees to:

1. Comply with the terms of this Agreement and State and federal WIC Program rules, regulations, policies and applicable law governing the Program, including any changes made during the Agreement period;
2. Provide only exempt infant formula and WIC-eligible nutritionals to WIC customers; For purposes of this Agreement, all references to supplemental food or WIC supplemental food means exempt infant formula and WIC-eligible nutritionals;
3. Be placed into one of the following peer groups in accordance with 7 CFR 246.12 and 10A N.C.A.C. 43D.0706. The State WIC Agency may reassess an authorized vendor's peer group designation at any time during the vendor's Agreement period and shall place the vendor in a different peer group if upon reassessment the State Agency determines that the vendor is no longer in the appropriate peer group; the following table provides a description of each vendor peer group.

VENDOR PEER GROUPS			
PEER GROUP NUMBER	**STORE TYPE**	**LOCATION**	**DESCRIPTION**
5	Pharmacy	Statewide	Free-standing pharmacy that sells a limited variety of foods
6	Convenience Store	Statewide	Retailer with a limited assortment of grocery items
7	Mass Merchandiser and Commissary	Statewide	Retailer that sells a wide variety of merchandise but also carries groceries and has store locations in most or all states Grocery store operated by US Defense Commissary on a military base
8	Independent Grocery	Urban	Retailer that primarily sells groceries with fewer than 11 store locations
9	Independent Grocery	Non-urban	Retailer that primarily sells groceries with fewer than 11 store locations
10	Regional Grocery Chain	Urban	Retailer that primarily sells groceries with at least 11 store locations and operates in 2 or more states
11	Regional Grocery Chain	Non-urban	Retailer that primarily sells groceries with at least 11 store locations and operates in 2 or more states

4. Comply with the vendor selection criteria throughout the Agreement period, and any changes in the criteria, including the following:
    a. Operate the store 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 WIC supplemental foods are selected by the WIC customer;
    b. Keep the store open throughout the year for business with the public at least six days a week for a minimum of forty (40) hours per week between 8:00 a.m. and 11:00 p.m.;

c. Not use the acronym "WIC" or the WIC logo, including facsimiles thereof, in total or in part, in the official name in which the business is registered or in the name under which the store does business;
d. Not use the WIC logo in advertising or promotional literature;
e. Not apply stickers, tags, or labels having the WIC acronym or logo on North Carolina approved WIC supplemental foods;
f. Not submit false, erroneous, or misleading information to the State or Local Agency;
g. Not have any owner(s), officer(s), or manager(s) who are employed, or who have a spouse, child, or parent who is employed by the State WIC program or the local WIC program serving the county where the vendor conducts business; A vendor shall not have an employee who handles or transacts WIC food benefits who is employed, or who has a spouse, child, or parent who is employed by the State WIC program or the local WIC program serving the county where the vendor conducts business. Such situations present a conflict of interest;
h. Not have any owner(s), officer(s), or manager(s) who in the last six years have been convicted of or had a civil judgment entered against them for any activity indicating a lack of business integrity, including, but not limited to, 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;
i. Excluding chain stores and stores under a WIC Corporate Agreement that have a separate manager on site for each store, not have an owner who holds a financial interest in any of the following:
   (1) A SNAP vendor which 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
   (2) Another WIC vendor 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 10A N.C.A.C. 43D.0710 as the result of violation of Paragraphs (a) or (b) of 10A N.C.A.C. 43D.0710, 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 provision 3.j. of Section I. of this Agreement shall not be met by the transfer or conveyance of financial interest during the period of disqualification. Additionally, the requirements of provision 3.j. shall not be met even if such transfer or conveyance of financial interest in a SNAP vendor under 3.j.(1) prematurely ends the disqualification period applicable to that SNAP vendor. The requirements of provision 3.j. shall apply until the time the SNAP vendor disqualification otherwise would have expired;
j. Purchase all infant formula, exempt infant formula and WIC-eligible nutritionals directly from State-approved sources and provide only such infant formula, exempt infant formula and WIC-eligible nutritionals to WIC customers; Maintain and make available to the state or local WIC agency invoices, receipts, copies of purchase orders, and any other proofs of purchase documenting such purchases; All purchase documentation must satisfy the requirements of 10A N.C.A.C. 43D.0708 (24)(a) through (24)(c);
k. Mark the current shelf prices of all WIC supplemental foods clearly on the foods or have the prices posted on the shelf or display case at all times;
l. Not operate as a predominantly WIC vendor as defined in 10A N.C.A.C. 43D.0202; and
m. Not have an owner, officer or manager that 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;

The State WIC Agency may reassess the vendor at any time during the Agreement period using the selection criteria in effect at the time of the reassessment and shall terminate the vendor Agreement if the vendor fails to comply with the vendor selection criteria, including the criteria in Section I.3.a. through o. of this Agreement;

5. Not discriminate on the basis of WIC participation, such as failing to offer WIC customers the same courtesies offered to other customers, including the acceptance of store and manufacturer's coupons, or requiring separate WIC lines; The vendor shall comply with the nondiscrimination provisions of 7 CFR Parts 15, 15a, and 15b;
6. Require an owner, store manager or other authorized store representative to attend annual vendor training upon notification of the training by the local WIC agency;
7. Inform and train vendor's cashiers and other staff on WIC Program requirements; The vendor also agrees to be accountable for the actions of its owners, officers, managers, agents and employees who commit vendor violations;
8. Submit a current accurately completed WIC Price List when applying for vendor authorization for the first time; the vendor also agrees to submit a WIC Price List within two (2) weeks of any written request by the State or local WIC agency;
9. Ensure that all supplemental foods in the store for purchase are within the manufacturer's expiration date;
10. Accept WIC Program food benefits in exchange for North Carolina approved WIC supplemental foods. Supplemental foods are those foods which satisfy the requirements of 10A N.C.A.C. 43D.0501. The North Carolina approved WIC supplemental foods criteria, specifications, and product identification are contained in the *North Carolina WIC Program Information on the Selection of Approved Foods* document, which is incorporated herein by reference with all subsequent amendments and editions;
11. Provide to the WIC customer only the approved supplemental foods, fruits, and vegetables contained in the authorized product list (APL) after it has been determined that the WIC customer has an available balance on the date of the transaction; the WIC customer is not required to get all of the supplemental foods available on their benefit balance;
12. Transmit the current shelf price of all WIC-approved supplemental foods purchased in the correct sizes, quantities, and the total dollar amount of all WIC-approved supplemental foods purchased in the EBT system; Not charge or collect sales tax for the supplemental food provided; Not charge or collect tax on coupons used in conjunction with WIC food benefits;
13. Charge no more for supplemental food provided to a WIC customer than to a non-WIC customer or no more than the current shelf price, whichever is less; Violation of this provision, whether intentional or unintentional, is defined as a vendor overcharge;
14. Permit the purchase of supplemental food without requiring other purchases;
15. Comply with the following Electronic Benefit Transfer (EBT) provisions:
    a. Sign the WIC Vendor Agreement of the EBT Processor selected by the State WIC Program or a third-party processor that has been certified according to criteria established by the EBT Processor selected by the State WIC Program. Failure by a vendor to sign and retain a WIC Vendor Agreement with the State WIC Program's EBT Processor or a third-party processor that has been certified according to criteria established by the State WIC Program's EBT Processor will result in termination of the WIC Vendor Agreement. Vendors must 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 according to criteria established by the State WIC Program's EBT Processor;
    b. After the State WIC Agency has granted final approval of certification testing for the vendor's point-of-sale (POS) system and the vendor has been authorized to accept WIC, process EBT transactions accurately, in a timely manner and in accordance with the terms of this Agreement, the EBT Processor Vendor Agreement, the FNS EBT operating rules, standards and technical requirements, WIC Program Rules, and state and federal regulations, and statutes;
    c. Maintain 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. The following applies:
        (1) If the EBT system is reconfigured or modified by the vendor and/or other parties in such a way that the WIC in-store system no longer exhibits the required system

accuracy, integrity, or performance required and under which requirements the WIC in-store system was certified, the State will not accept a redemption;

(2) The vendor is liable for the costs of all recertification events needed to return the EBT system for all outlets covered by this agreement to full compliance with the State Agency's system requirements. Failure to seek recertification when the vendor's system is altered/revised shall subject the vendor to the financial liabilities for all transactions processed.

f. For vendors with integrated (multi-function) systems, obtain EBT card readers to support EBT transactions within their store(s). The vendor must ensure that the EBT card readers they obtain meet all EBT and North Carolina EBT Processor requirements. The vendor must:

(1) Purchase EBT card terminals that are capable of properly reading EBT card transactions;

(2) Ensure that the EBT terminal(s) will be supported by integrated software that is fully capable of supporting WIC in-line transactions. The vendor's point-of-sale system must meet state certification requirements, including interoperability and North Carolina EBT provider requirements, prior to being placed in operation to accept EBT transactions.

(3) Acknowledge that the performance of maintenance, cost of maintenance, and cost of future replacement of terminals is the vendor's sole responsibility;

g. Require an owner, manager, or other authorized store representative to complete training approved by the State WIC Program on EBT procedures. The vendor must ensure that all cashiers and staff are fully trained on EBT requirements, including training in the acceptance and processing of WIC EBT transactions;

h. Require the WIC customer to approve the WIC transaction. Vendor must ensure that the vendor owners, officers or the vendor's staff do not approve the WIC transaction for WIC customers under any circumstances;

i. Release supplemental food to WIC customers when the EBT transaction has been completed to include an itemized receipt of transaction approval by the EBT processing system for all items purchased with EBT. The itemized receipt must:

(1) Clearly identify the items purchased and the individual price charged for each item listed:

(2) List the remaining benefit balance and the expiration date of the WIC supplemental foods available;

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 must not scan codes from UPC codebooks or reference sheets;

k. Only transmit the current shelf price of all WIC-approved supplemental foods purchased in the correct sizes, quantities, and the total dollar amount of all WIC-approved supplemental foods purchased in the EBT system;

l. Ensure the certified in-lane redemption process for EBT allows a reasonable degree of security for protecting the personal identification number (PIN) used by the WIC customer;

m. Ensure that a PIN is used by the WIC customer to complete the EBT transaction in lieu of a signature; the WIC customer must enter the PIN to initiate the EBT transaction; the vendor must not enter the PIN for the WIC customer;

n. Return any EBT card found on the vendor's property and unclaimed for 24 hours to the WIC Program. The vendor must not hold or use a WIC customer's EBT card and PIN for any purpose whatsoever;

o. Connect the vendor's in-store system for each outlet covered by the WIC Vendor Agreement to the State's WIC EBT system at least once each 24-hours period to download reconciliation files and the North Carolina WIC authorized product list;

p. Use self-checkout technology at cash registers only once the self-checkout system has been certified by the State WIC Agency.

q. Not charge to the State agency:

(1) Any third-party commercial processing costs and fees incurred by the vendor from EBT multi-function equipment. Commercial transaction processing costs and fees

imposed by a third-party processor that the vendor elects to use to connect to the EBT system of the state shall be borne by the vendor;

(2) Interchange fees related to EBT transactions;

(3) Ongoing maintenance, processing fees or operational costs for vendor systems and equipment used to support EBT.

16. Not transact food benefits in whole or in part for cash, credit (including rainchecks), unauthorized foods, or non-food items;
17. Not provide refunds or permit exchanges for authorized supplemental foods obtained with food benefits, except for exchanges of an identical authorized supplemental food when the original authorized supplemental food is defective, spoiled, or has exceeded its "best if used by," "sell by" or other date limiting the sale or use of the food; An identical authorized supplemental food means the exact brand, type and size as the original authorized supplemental food obtained and returned by the WIC customer;
18. Not seek restitution from the WIC customer for reimbursement paid by the vendor to the State WIC Agency or for WIC food benefits not paid or partially paid by the State WIC Agency; Additionally, the vendor shall not charge the WIC customer for authorized supplemental foods obtained with food benefits;
19. Not contact a WIC customer outside the store regarding the transaction or redemption of WIC food benefits;
20. Notify the local WIC agency of misuse (attempted or actual) of WIC Program food benefits;
21. Allow monitoring and inspection by state and local WIC Agency staff of the store premises and procedures to ensure compliance with the Agreement and State and Federal WIC Program rules, regulations and applicable law; This includes providing access to all program-related records, vendor records pertinent to the purchase and sale of WIC supplemental foods, including invoices, receipts, copies of purchase orders, and any other proofs of purchase; Federal and State corporate and individual income tax and sales and use tax returns and all records pertinent to these returns; and books and records of all financial and business transactions. These records must be retained by the vendor for a period of three years or until any audit pertaining to these records is resolved, whichever is later. Notwithstanding any other provision of this Agreement and Rules .0707, .0708 and .0710 of 10A N.C.A.C. 43D, failure or inability to provide these records for an inventory audit or providing false records for an inventory audit shall be deemed a violation of 7 CFR 246.12(l)(1)(iii)(B) and Subparagraph (a)(1) of 10A N.C.A.C. 43D.0710. Invoices, receipts, purchase orders, and any other proofs of purchase for WIC supplemental foods shall include:
    a. The name of the seller and be prepared entirely by the seller without alteration by the vendor or on the seller's business letterhead;
    b. The date of purchase and the date the authorized vendor received the WIC supplemental food at the store if different from the date of purchase; and
    c. A description of each WIC supplemental food item purchased, including brand name, unit size, type or form, and quantity;
22. Reimburse the State WIC Agency in full or agree to a repayment schedule with the State WIC Agency within thirty (30) days of written notification of a claim assessed due to a vendor violation that affects payment to the vendor; Failure to reimburse the State WIC Agency in full or agree to a repayment schedule within thirty (30) days of written notification of a claim shall result in termination of the WIC Vendor Agreement. When the State WIC Agency determines the vendor has committed a vendor violation that affects payment to the vendor, the State WIC Agency will deny payment or assess a claim. The State WIC Agency has the authority to deny payment or assess a claim in the amount of the full purchase price of all food benefits affected by the vendor violation. Denial of payment by the State WIC Agency or payment of a claim by the vendor for a vendor violation(s) shall not absolve the vendor of the violation(s). The vendor shall also be subject to any vendor sanctions authorized under 10A N.C.A.C. 43D.0710 for the vendor violation(s);
23. Notify the local WIC agency in writing at least 30 days prior to a change of ownership, change in store location, cessation of operations, or withdrawal from the WIC Program;
24. Be monitored for compliance with Program requirements through routine monitoring, compliance buys, inventory audits and any other means the State WIC Agency deems necessary to determine compliance with Program requirements; and

25. The WIC Vendor Agreement does not constitute a license or a property interest; A vendor must reapply to continue to be authorized beyond the period of its current WIC Vendor Agreement. Additionally, a store must reapply to become authorized following the expiration of a disqualification period or termination of the Agreement. In all cases, the vendor applicant is subject to the vendor peer group criteria of 10A N.C.A.C. 43D.0706 and the vendor selection criteria of 10A N.C.A.C. 43D.0707.

Section II – Local WIC Agency

The Local WIC Agency agrees to:

1. Provide annual vendor training on WIC program requirements;
2. Conduct routine monitoring of the vendor's performance under this Agreement to ensure compliance with the Agreement and State and Federal WIC Program rules, regulations and applicable law; A minimum of one-third of all authorized vendors, excluding military commissaries, shall be monitored within a federal fiscal year (October 1 – September 30) and all vendors shall be monitored at least once within three consecutive fiscal years. Any vendor shall be monitored within one (1) week of a written request by the State WIC Agency;
3. Provide vendors with the North Carolina WIC Vendor Manual, all Vendor Manual amendments, blank WIC Price Lists, and any other documents and materials required for the vendor's participation as an authorized WIC vendor;
4. Assist the vendor with questions regarding the vendor's participation in the WIC Program; and
5. Maintain records pertaining to this Agreement and vendor management activities in accordance with the NC Department of Health and Human Services Records Retention Schedule.

Section III – State WIC Agency

The State WIC Agency agrees to:

1. Make payment to the vendor for food benefits transacted at the vendor's store upon compliance by the vendor with the conditions contained in Section I of this Agreement and all WIC Program rules, regulations, policies and applicable law; Payment will not be made unless and until the conditions in Section I have been met. Notwithstanding the foregoing, if payment is made by the State WIC Agency and the conditions in Section I have not been satisfied, the State WIC Agency may assess a claim against the vendor. The vendor shall reimburse the State WIC Agency in full or agree to a repayment schedule within thirty (30) days of written notification of a claim. The State WIC Agency may offset a claim against current and subsequent amounts owed to a vendor if a vendor fails to pay a claim;
2. Provide annually a list of State-approved sources for the purchase of infant formula, exempt infant formula, and WIC-eligible nutritionals;
3. Provide the vendor written notification of an initial violation that requires a pattern of occurrences to impose a sanction, unless the State WIC Agency determines that notifying the vendor would compromise an investigation, as provided in 7 CFR 246.12(l)(3);
4. Determine if a vendor applicant has an EBT capable register system before authorizing the vendor to participate in the WIC Program;

Section IV -- Disqualification and Termination

1. The State WIC Agency shall disqualify a vendor in accordance with the Vendor Sanction System referenced in Section VII of this Agreement and 10A N.C.A.C. 43D.0710.
2. The State WIC Agency may not accept voluntary withdrawal of the vendor from the WIC Program or use nonrenewal of the Vendor Agreement as an alternative to disqualification.
3. If the State WIC Agency determines that disqualification of a vendor under the Federal Mandatory Vendor Sanctions for violations B. through I. and L. would result in inadequate participant access pursuant to 10A N.C.A.C. 43D.0710(e), the State WIC Agency will impose a civil money penalty ("CMP") in lieu of disqualification in accordance with 10A N.C.A.C. 43D.0710(f)(1). If the State WIC Agency determines that disqualification of a vendor under the State Vendor Sanctions for violations A. through N. would result in participant hardship pursuant to 10A N.C.A.C. 43D.0710(f)(3), the State WIC Agency may
   impose a monetary penalty in lieu of disqualification in accordance with 10A N.C.A.C. 43D.0710(f)(2). If a vendor does not pay, only partially pays, or fails to timely pay a civil money penalty or monetary penalty assessed in lieu of disqualification, the vendor shall be disqualified for the length of the original disqualification.

4. A second Federal Mandatory Vendor Sanction for any of the violations in B. through I. shall be doubled. A third or subsequent Federal Mandatory Vendor Sanction for any of the violations in B. through I. and L. shall be doubled with no CMP option for inadequate participant access. State Vendor Sanctions for any of the violations in A. through N. detected during a single investigation shall be cumulative, provided that the total disqualification period may not exceed one year.
5. Disqualification from the WIC Program may result in disqualification as a retailer in SNAP. Such disqualification is not subject to administrative or judicial review under SNAP.
6. 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.
7. A vendor applicant shall not become authorized as a WIC vendor if the store is currently disqualified from SNAP or the store has been assessed a SNAP civil money penalty for hardship and the disqualification period that otherwise would have been imposed has not expired.
8. A change in ownership, change in store location of more than three miles from the store's previous location, cessation of operations, withdrawal from the WIC Program or disqualification from the WIC Program shall result in termination of the WIC Vendor Agreement by the State WIC Agency. Change of ownership, change in store location, ceasing operations, withdrawal from the WIC Program, or nonrenewal of the WIC Vendor Agreement shall not stop a disqualification period applicable to the store.
9. Failure of an owner, store manager or other authorized store representative to attend annual vendor training by September 30 of each year shall result in termination of the WIC Vendor Agreement.
10. A vendor who commits fraud or abuse of the Program is liable to prosecution under applicable Federal, State, and local laws. Under 7 CFR 246.23, those who have embezzled, willfully misapplied, stolen, or fraudulently obtained program funds, or those who have knowingly received, concealed or retained such funds, shall be subject to a fine of not more than $25,000 or imprisonment for not more than five years or both, if the value of the funds is $100 or more. If the value is less than $100, the penalties are a fine of not more than $1,000 or imprisonment for not more than one year or both.
11. Either the State WIC Agency or the vendor may terminate this Agreement for cause after providing 30 days' advance written notice. This Agreement may be terminated by mutual agreement of both parties at any time. Neither the State WIC Agency nor the vendor has an obligation to renew the vendor Agreement.

Section V -- Appeal Procedures

The vendor appeal procedures shall be in accordance with Section .0800 of 10A N.C.A.C. 43D. The vendor may appeal the adverse actions listed in 7 CFR 246.18 (a)(1)(i) and (a)(1)(ii). However, the following actions are not subject to administrative review: the validity or appropriateness of the State WIC Agency's vendor limiting or selection criteria; the validity or appropriateness of the State WIC Agency's participant access criteria and the State WIC Agency's participant access determinations; the State WIC Agency's determination to exclude an infant formula manufacturer, wholesaler, distributor or retailer from the State WIC Agency's list of approved sources; the State WIC Agency's determination whether to provide written notification to a vendor when an investigation reveals an initial violation that requires a pattern of occurrences to impose a sanction; the expiration of a vendor's Agreement; disputes regarding food benefit payments and vendor claims, other than the opportunity to justify or correct as permitted by 7 CFR 246.12(k)(3); and the disqualification of a vendor as a result of disqualification from SNAP.

Section VI -- Vendor Sanction System

VENDOR SANCTION SYSTEM		
FEDERAL MANDATORY VENDOR SANCTIONS		
VIOLATIONS		DISQUALIFICATION PERIOD
A.	A vendor criminally convicted of trafficking in food benefits or selling firearms, ammunition, explosives, or controlled substances (as defined in 21 USC 802) in exchange for food benefits. A vendor is not entitled to receive any compensation for revenues lost as a result of such violation.	Permanent
B.	One occurrence (1) of buying or selling food instruments or cash-value vouchers for cash (trafficking) or one occurrence of selling firearms, ammunition, explosives, or controlled substances (as defined in 21 USC 802) in exchange for food benefits.	6 years
C.	One occurrence (1) of the sale of alcohol or alcoholic beverages or tobacco products in exchange for food benefits.	3 years
D.	Claiming reimbursement for the sale of an amount of a specific supplemental food item which exceeds the store's documented inventory of that supplemental food item for six or more days within a 60-day period. The six or more days do not have to be consecutive days within the 60-day period. Failure or inability to provide records or providing false records required under 10A NCAC 43D.0708(24) for an inventory audit shall be deemed a violation of 7 C.F.R.246.12(l)(1)(iii)(B) and 10A NCAC 43D.0710(a)(1).	3 years
E.	Two occurrences of vendor overcharging within a 12-month period.	3 years
F.	Two occurrences (2) within a 12-month period of receiving, transacting or redeeming food benefits outside of authorized channels, including the use of an unauthorized vendor or an unauthorized person.	3 years
G.	Two occurrences (2) within a 12-month period of charging for supplemental food not received by the WIC customer.	3 years
H.	Two occurrences (2) within a 12-month period 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 USC 802, in exchange for food benefits.	3 years
I.	Three occurrences (3) within a 12-month period of providing unauthorized food items in exchange for food benefits, including charging for supplemental foods provided in excess of those listed on the food benefit balance.	1 year
J.	2nd sanction, excluding sanctions for trafficking convictions and SNAP disqualifications.	Double Sanctions
K.	3rd sanction, excluding sanctions for trafficking convictions and SNAP disqualifications.	Double Sanctions and no CMP option
L.	Disqualification from SNAP	Same length of time as the SNAP disqualification and may begin at a later date than the SNAP disqualification

STATE VENDOR SANCTIONS		
VIOLATIONS		DISQUALIFICATION PERIOD
A.	Two occurrences (2) within a 12-month period of discrimination on the basis of WIC participation as referenced in 10A NCAC 43D.0708(31).	1 year
B.	Three occurrences (3) within a 12-month period of failure to properly transact WIC food benefits by manually entering the EBT card number or entering the PIN into the POS instead of the WIC participant, scanning the UPC or PLU codes from UPC codebooks or reference sheets when completing a WIC participant's EBT transaction, not entering the correct quantity and item price or not providing the WIC participant with a receipt that shows the items purchased and the participant's remaining food benefit balance.	1 year
C.	Three occurrences (3) within a 12-month period of requiring a cash purchase to transact WIC food benefits	1 year
D.	Three occurrences (3) within a 12-month period of contacting a WIC customer in an attempt to recoup funds for food benefits or contacting a WIC customer outside the store regarding the transaction or redemption of WIC food benefits.	270 days
E.	Three occurrences (3) within a 12-month period of failure to provide program- related records referenced in 10A NCAC 43D.0708(24) when requested by WIC staff, except as provided in 10A NCAC 43D.0708(24) and 10A NCAC 43D.0710(a)(1) for failure or inability to provide records for an inventory audit.	180 days
F.	Three occurrences (3) within a 12-month period of failure to provide the information referenced in 10A NCAC 43D.0708(25) when requested by WIC staff.	180 days
G.	Three occurrences (3) within a 12-month period of failure to stock the minimum inventory specified in 10A NCAC 43D.0708(17).	180 days
H.	Three occurrences (3) within a 12-month period of failure to make EBT point of sale equipment accessible to WIC customers to ensure that EBT transactions are completed in accordance with 10A NCAC 43D.0708.	180 days
I.	Three occurrences (3) within a 12-month period of failure to comply with minimum lane coverage criteria required by 7 CFR 246.12(z)(2) and 10A NCAC 43D.0708(20)(c).	90 days
J.	Three occurrences (3) within a 12-month period of stocking WIC supplemental foods outside of the manufacturer's expiration date	90 days
K.	Five occurrences (5) within a 12-month period of failure to submit a WIC Price List as required by 10A NCAC 43D.0708(26).	90 days
L.	Three occurrences (3) within a 12-month period of failure to allow monitoring of a store by WIC staff.	90 days
M.	Three occurrences (3) within a 12-month period of failure to mark the current shelf prices of all WIC supplemental foods on the foods or have the prices posted on the shelf or display case.	60 days
N.	Five occurrences (5) within a 12-month period of requiring the purchase of a specific brand when more than one WIC supplemental food brand is available.	60 days

Assurance of Civil Rights Compliance

The vendor 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); the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); Title II and Title III of the Americans with Disabilities Act (ADA) of 1990, as amended by the ADA Amendment Act of 2008 (42 U.S.C. 12131-12189) and as implemented by Department of Justice regulations at 28 CFR Parts 35 and 36; Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency" (August 11, 2000); all provisions required by the implementing regulations of the U.S. Department of Agriculture (7 CFR Part 15 et seq.); and FNS directives and guidelines to the effect that no person shall, on the ground of race, color, national origin, age, sex, (including gender identity and sexual orientation), or disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the agency receives Federal financial assistance from FNS; and hereby gives assurance that it will immediately take measures necessary to effectuate this agreement.

This assurance is given in consideration of and for the purpose of obtaining any and 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, the sale and lease of, and the permission to use Federal property or interest in such property or the furnishing of services without consideration or at a nominal consideration, or at a consideration that 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 Program applicant by USDA. This includes any Federal agreement, arrangement, or other contract that has as one of its purposes the provision of cash assistance for the purchase of food, and cash assistance for purchase or rental of food service equipment or any other financial assistance extended in reliance on the representations and agreements made in this assurance.

This assurance is binding on the vendor, its successors, transferees, and assignees as long as 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 vendor.