VENDOR ROUTINE MONITORING

Objectives

What is routine monitoring?

Monitoring in the Crossroads System

Basic components of monitoring

Minimum inventory requirements

Documenting monitoring findings correctly

What is Routine Monitoring?

- Unannounced, on-site visits to authorized vendors as a means to check compliance with WIC Program regulations
- Required by federal regulations
- Supports integrity of the WIC Program and protects against fraud
- Completed by Local WIC Agency staff
Basic Components of Monitoring

- Check pharmacy services for exempt infant formulas, where applicable
- Review invoices/receipts for infant formula sources
- Review vendor procedures for eWIC and split tender transactions

- NEW: Ensure eWIC equipment accessibility and compliance with minimum lane coverage criteria
  - [7 CFR 246.12(z)(2)]
- Review quality of service and treatment of WIC customers
- Assure required minimum inventory is available, fresh and clearly marked with shelf price

The 5 Different Types of Monitoring Visits
1. Pre-authorization
   - Only type of monitoring visit that is announced
2. Second Pre-authorization
3. Routine
4. Follow-up
5. Special Request
1. Pre-authorization

Retail Vendors complete sections:
I. Pharmacy Services, when applicable
II. Infant Formula Source(s)
III. Vendor Procedures (review only)
IV. eWIC Equipment
V. Inventory
VII. Findings

Pharmacy Vendors complete sections:
I. Pharmacy Services
II. Infant Formula Source(s)
III. Vendor Procedures (review only)
IV. eWIC Equipment
VII. Findings

2. Second Pre-Authorization

- Hold the first Pre-Authorization monitoring report if vendor applicant fails.
- Complete the second Pre-Authorization monitoring report within 14 days.
- Mail both reports at the same time to the State WIC Agency.

3. Routine

Routine Monitoring Requirements:
- Monitor at least 1/3 of all vendors each year.
- Each vendor must be monitored at least once every 3 years.
- Annual monitoring is required for vendors with 2 or more occurrences of any violation/sanction in the previous year or a recent disqualification.
- New vendors by the end of the following Federal fiscal year must be monitored.
- Note: Mail reports within 2 days of monitoring visit.
3. Routine

Note Regarding Sanctions:
- Sanctions (each occurrence of a violation) remain on a vendor's record for 1 year after the date of visit.
- If you monitored store XYZ on April 15th last year and they passed the monitoring visit, **do not** monitor the store before April 15th this year.
- Important if they had any sanctions last year, prior to the clean visit.
- As a general rule, monitor a year plus a day after the last monitoring visit.
- In certain instances, there are exceptions to this rule, especially as the date approaches September 30th. For further explanation, contact your Vendor Consultant.

4. Follow-up Monitoring

- Follow-up when deficiencies are found
- Complete within 21 days
- If follow-up cannot be done, document in vendor's record
- Continue until vendor has no deficiencies or reaches the point of disqualification
- **DO NOT** complete a follow-up monitoring visit for a vendor before receiving a copy of the Notice of Violation (NOV) for the prior visit. If you do not receive a copy of NOV letter within two weeks of sending the monitoring report to the State Office, contact your Vendor Consultant.

4. Follow-up Monitoring

- If a vendor reaches the point of disqualification:
  - **DO NOT** continue to go back for additional monitoring visits
  - The Nutrition Services Branch will request participant hardship information
  - Vendor may be disqualified or be assessed a civil money penalty
5. Special Request Monitoring

Must monitor within 7 days when requested by Nutrition Services Branch

Monitoring Toolbox Items

- Official agency name badge
- Clipboard
- Current year WIC Vendor Monitoring Report
- Blank WIC Vendor Information Update forms
- Supply of NC WIC Vendor Transaction Guides
- Approved Infant Formula Source List
- State Vendor Consultant’s phone number
- Your business card or contact information
- Copy of instructions for completing Monitoring Report

Stop!
8 Steps to a Successful Monitoring

1. Prepare as much of the monitoring report in your office and check for accuracy.
2. Take your monitoring "toolbox".
3. Check in with manager and ask for formula receipts.
4. Accurately complete Section V, the inventory check, on page 2 of the report.
5. Review formula receipts and document findings in Section II.
6. Discuss findings with manager and complete Section VI: Quality of Service.
8. Mail report to State WIC Agency within 2 days of visit.
Section I
Pharmacy Services

“Vendor agrees to supply exempt formula within 24-48 hours of request from Local WIC Agency.”

Document
• Yes
• No
• Not Applicable

Section II
Infant Formula Source(S)

- Vendor must provide receipts from an approved infant formula source
- Document “Approved Supplier,” “Not Approved Supplier” or “Vendor Unable to Produce Infant Formula Receipts”
- If vendor is unable to produce infant formula receipts, document when the vendor intends to produce the receipts: Must be within 21 days
- If vendor is unable to produce infant formula receipts within 21 days of monitoring visit, it is considered a deficiency, even if no other deficiencies are noted within the monitoring visit
Section III
Vendor Procedures

Review the following:
- Cashier procedure for eWIC transactions
- Cashier procedure for split tender
- Procedure for reporting problems with participants and eWIC transactions

Section IV
eWIC Equipment

IV. eWIC EQUIPMENT (See criteria listed on back of this page)
- Ensure that equipment used to transact eWIC is accessible to the WIC participant
- Number of eWIC POS terminals:
  - Meets minimum lane coverage criteria
  - Does not meet minimum lane coverage criteria

Minimum Lane Coverage Guidelines for Superstores and Supermarkets

- 1 Point-of-Sale (POS) terminal is required for every $11,000 in average monthly WIC redemption
- Up to a total of 4 POS terminals or the number of lanes, whichever is less

<table>
<thead>
<tr>
<th>#Of Terminals</th>
<th>Monthly Redemption Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0 - $11,000</td>
</tr>
<tr>
<td>2</td>
<td>$11,001 - $22,000</td>
</tr>
<tr>
<td>3</td>
<td>$22,001 - $33,000</td>
</tr>
<tr>
<td>4</td>
<td>$33,001 and above</td>
</tr>
</tbody>
</table>
Minimum Lane Coverage Guidelines for All Other Vendors

- 1 Point-of-Sale (POS) terminal is required for every $8,000 in monthly redemption total.
- Up to 4 POS terminals or the number of lanes in the location, whichever is less.

<table>
<thead>
<tr>
<th># of Terminals</th>
<th>Monthly Redemption Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0 - $8,000</td>
</tr>
<tr>
<td>2</td>
<td>$8,001 - $16,000</td>
</tr>
<tr>
<td>3</td>
<td>$16,001 - $24,000</td>
</tr>
<tr>
<td>4</td>
<td>$24,001 &amp; above</td>
</tr>
</tbody>
</table>

Minimum Lane Coverage Exercise

Question
- Vendor has $80,000.00 in WIC Redemption
- Vendor has 1 cash register
- Vendor has 1 POS terminal

- Does this meet minimum lane coverage criteria?

Answer
- Yes
  - Vendor meets minimum lane coverage
  - Vendor only has 1 cash register/lane
  - Vendor has 1 POS terminal

- WIC cannot require a vendor to have multiple cash registers/lanes because of their redemption
  - If they had more registers/lanes, up to 4 would have to be eWIC capable.
### Minimum Inventory Requirements

<table>
<thead>
<tr>
<th>Required Food Item</th>
<th>Size and Quantity</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fluid Milk</td>
<td>2 gallons</td>
<td>Whole fluid: gallon</td>
</tr>
<tr>
<td></td>
<td>6 gallons</td>
<td>Slim/Low Fat fluid: gallon</td>
</tr>
<tr>
<td>Cheese</td>
<td>2 packages</td>
<td>1 pound package</td>
</tr>
<tr>
<td>Eggs</td>
<td>2 dozen</td>
<td></td>
</tr>
<tr>
<td>Cereals</td>
<td>2 packages</td>
<td>2 types, Min. size: 12-ounces</td>
</tr>
<tr>
<td></td>
<td>total combined</td>
<td>Refer to UPC listing-Whole Grain Only</td>
</tr>
<tr>
<td>Juices</td>
<td>4 containers</td>
<td>Single strength, 64-ounce container</td>
</tr>
<tr>
<td></td>
<td>4 containers</td>
<td>Single strength, 48-ounce container</td>
</tr>
<tr>
<td>Dried peas and beans</td>
<td>2 packages</td>
<td>1 pound package</td>
</tr>
<tr>
<td>Peanut Butter</td>
<td>2 containers</td>
<td>16 to 18-ounce container</td>
</tr>
</tbody>
</table>
### Minimum Inventory Requirements Cont.

<table>
<thead>
<tr>
<th>Required Food Item, Size and Quantity</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant cereal</td>
<td>6 boxes</td>
</tr>
<tr>
<td>Infant Formula</td>
<td>8 cans</td>
</tr>
<tr>
<td>Infant Formula</td>
<td>4 cans</td>
</tr>
<tr>
<td>Infant Fruits &amp; Vegetables</td>
<td>64 ounces</td>
</tr>
<tr>
<td>Tuna</td>
<td>6 cans</td>
</tr>
<tr>
<td>Rice</td>
<td>2 packages</td>
</tr>
<tr>
<td>Bread/Tortillas</td>
<td>2 loaves or packages or 1 loaf and 1 package</td>
</tr>
<tr>
<td>Fruit</td>
<td>10 cans total combined</td>
</tr>
<tr>
<td>Vegetable</td>
<td>10 cans total combined</td>
</tr>
</tbody>
</table>

### Inventory Questions

- Do I see the required item?
- Do I see the correct types/varieties?
- Are the items the proper size?
- Do the items have a valid expiration date?
- How many items within date are present?
- Does the number of items meet required minimum inventory?
- Is there a shelf price on the required item?

### Is there a shelf price visible?

Price can be on the:
- Shelf
- Display case
- Item itself- Must be on ALL items
Documenting Prices

- New – Document the price of WIC items

Valid Expiration Date?

- Items may have:
  - A code
  - A date
  - Nothing

- Date, when available, must be valid
- Count only items within valid expiration date toward required minimum inventory
- Check dates prior to counting and documenting inventory

Documenting “Type”

- Only Fruits, Vegetables, Adult Breakfast Cereals, and Infant Fruits and Vegetables require a “Type” to be documented

- Remember - Canned Beans (Legumes) are NOT a vegetable
Documenting Quantity

Document quantity of approved items on shelf in the “Quantity In Stock” column
- Items must have valid expiration dates only
- Can use “+” system
  - must document “minimum #” then “+”

Example:
- Required Quantity = 4 containers of 64 oz juice
  - Vendor has allowed brands of 3 Orange, 1 Grape, and 2 Apple Juice
  - Document “4+” in “Quantity in stock” column
  - Not necessary to document each flavor individually

Minimum Inventory Requirements Met?

If yes, document the amount in “Quantity in Stock” column.
If no, document the deficiency in the “Shortage” column.

Documenting Quantity and Type Deficiencies

Required
- 2 types and 10 cans total combination of fruit

In Stock
- 5 cans of peaches

Deficiency
- 5 cans and 1 type
Documenting Quantity Only Deficiencies

**Required**
- 2 types and 6 packages Cereal
  - whole grain only

**In Stock**
- 4 approved size boxes Honey Kix
- 1 approved size box Cheerios

**Deficiency**
- 1 box cereal
  - write “1” in the shortage column
  - It is not necessary to write “box”

Documenting Expired Foods

Always Document ALL 4 components
- Size, Type, Quantity, Date
- Sanctions cannot be assessed if a component is missing

If ALL items on the shelf are expired
- “—” should be documented in all columns including the “Valid Expiration Date” column and the shortage should be documented
- Document the expired items in the “Expired Foods” column

Documenting Expired Foods Individual Types

If some items on shelf have a valid date and some do not
- “NO” - should be documented in the “Valid Expiration Dates” column
- An occurrence cannot be assessed if “Yes” is documented
Documenting Expired Foods
Combined Types

If all of both types counted toward required minimum inventory have valid dates:
- “YES” should be documented in the “Valid Expiration Date” column by both types.

If some of the same type counted toward required minimum inventory have a valid date and some do not:
- “NO” – should be documented in the “Valid Expiration Dates” column.
- Document the expired items in the “Expired Foods” column.

Section VI
Quality of Service

- Discuss the question on the report regarding the service the vendor provides to the WIC customer.
- Document any problems, complaints or comments the vendor expresses.
- Document if the vendor needs follow-up training.
- Document “Yes” or “No” on the report based on the vendor’s answers.

Section VII
Monitoring Visit Findings

Section VI-A - ‘No deficiencies’ found
- Authorized Vendor Representative and the WIC Monitor sign, document their title and date their signature.

Section VI-B - ‘Deficiencies found’
- Vendor must document their plan and time frame to correct any deficiencies documented on the report in Section B.
  - Plan must be written in English.
- Authorized Vendor Representative and the Local WIC Agency Monitor sign, document their title and write in the date.
- Local WIC Agency Monitor must document their phone number and e-mail address.
The number of occurrences are documented for each violation. The vendor will receive one occurrence for each violation found during the monitoring visit. Cannot assess two violations for the same item. Most punitive sanction executed.

A vendor may be disqualified for a certain number of occurrences of a violation. Disqualification periods for violations committed vary.

### State Vendor Sanctions

<table>
<thead>
<tr>
<th>Violations</th>
<th>Disqualification Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three occurrences within a 12-month period of failure to stock the minimum inventory</td>
<td>180 days</td>
</tr>
<tr>
<td>Three occurrences within a 12-month period of stocking WIC supplemental foods outside of the manufacturer’s expiration dates</td>
<td>90 days</td>
</tr>
<tr>
<td>Three occurrences within a 12-month period of failure to mark the current shelf prices of all WIC supplemental foods on the food or have the prices posted on the shelf or display case.</td>
<td>60 days</td>
</tr>
</tbody>
</table>

### Local Agency Reminders

- Ensure that the current year’s forms are used
- Use your Monitoring Toolbox
- Mail complete reports to the State Office within 2 business days
- Call your Vendor Consultant with questions
Vendor Monitoring Assistance

- Heather Todaro - (919) 707-5738  
  Heather.Todaro@dhhs.nc.gov
- Jasmine Martin - (919) 707-5748  
  Jasmine.Martin@dhhs.nc.gov
- Lakia Jones - (919) 707-5747  
  Lakia.Jones@dhhs.nc.gov
- Sue Cheek - (919) 707-5802  
  Sue.Cheek@dhhs.nc.gov

USDA Non-Discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA. Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, and other formats) should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, (AD-3027) found online at: http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- Mail: U.S. Department of Agriculture  
  Office of the Assistant Secretary for Civil Rights  
  1400 Independence Avenue, SW  
  Washington, D.C. 20250-9410
- Fax: (202) 690-7442; or
- Email: program.intake@usda.gov

This institution is an equal opportunity provider.