



Health and Human Services Agency

California Department of Public Health



January 27, 2012

RON CHAPMAN, MD, MPH
Director and State Health Officer

EDMUND G. BROWN JR.
Governor

VENDOR ALERT 2012 - 02

TO: ALL WIC VENDORS

SUBJECT: REMINDER: VENDOR RECORDS OF INVENTORY REQUIREMENTS

Purpose

The California Women, Infants, and Children (WIC) Program would like to remind vendors of their responsibility in maintaining records of their vendor inventory and transfer record requirements.

Background

The Code of Federal Regulations, Title 7, 246.2, defines Vendor as a sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores authorized by the State agency to provide authorized supplemental foods to participants under a retail food delivery system. Each store operated by a business entity constitutes a separate vendor and must be authorized separately from other stores operated by the business entity.

The WIC Program is mandated under Federal and State law to enforce regulations that ensure vendors are maintaining records of all purchases of WIC authorized supplemental foods. Record keeping requirements for maintaining records of inventory and transfer records are part of the vendor education that is provided for all new vendors. In addition, vendor inventory and transfer record requirements are outlined in your vendor agreement, and posted online at www.wicworks.ca.gov.

Vendor Requirements

Each vendor, including each vendor in a Master Vendor Agreement under a single ownership entity, must maintain inventory records for a period of at least three years. These inventory records include but are not limited to: inventory records showing all WIC authorized food (supplemental foods and infant formula) purchases, wholesale and retail, in the form of invoices identifying the wholesale or retail quantity and prices of Women, Infants, and Children (WIC) Program authorized foods; transfer records showing origination, destination, and quantity of WIC authorized foods transferred; sales and use tax return; books of account; and other pertinent records necessary to substantiate the volume and the prices charged through WIC food instrument redemption and for determination and verification of whether vendor is an above-50-percent vendor. Cash register receipts without specific identification of quantity, unit price, and WIC authorized food items purchased will not be accepted.



Women, Infants, and Children (WIC) Program
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**Vendor Requirements-
Con't.**

The vendor shall provide agents of the State, the WIC Program, and the Comptroller of the United States access to these records. The State reserves the right to review the stores records of inventory if deemed necessary for confirmation of compliance.

**Inventory Records-
Grounds for Termination of
Vendor Agreement**

Inventory records must be kept for three years as a condition of participation in the WIC program. Vendors not in compliance with these record-keeping requirements will be required to repay the dollar amount of any audit finding. Additionally, failure to maintain these records may result in termination of the vendor's authorization to participate in the WIC program.

Vendor Resources

Please review the sample of an appropriate record of inventory at: <http://www.cdph.ca.gov/programs/wicworks/Pages/default.aspx>, under Grocers/Vendors, General Information; What Is An Acceptable Record Of Inventory.

Questions

If you are not certain that a receipt or invoice meets these criteria, please contact your Vendor Consultant or call (916) 928-8705.



Clyde R. Steele, Chief
Vendor Management Branch
California WIC Program