

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI) and CASH VALUE VOUCHER/CASH VALUE BENEFIT (CVVCVB) ACCOUNTABILITY AND CONTROL**

(Please indicate) State Agency: CA for FY 14/15

Food delivery/food instrument (FI) and cash value voucher/cash value benefit (CVV/CVB) accountability and control involve the production, issuance, redemption, and monitoring of automated and manual food instruments, as well as CVVs/CVBs, through retail systems and the delivery of WIC Program foods by non-retail methods, i.e., home delivery and direct distribution.

**Retail Food Delivery Systems**

- A. *Food Instrument/CVV/CVB Control Overview - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi), and (a)(14)(xii):*** describe the policies and procedures used by the State agency in producing, monitoring and accounting for the use of food instruments and cash-value vouchers.
- B. *Food Instrument/CVV/CVB Pick-up and Transaction - 246.4(a)(11)(iii) and (a)(14)(vi):*** describe the State agency's procedures for issuing food instruments and CVVs/CVBs to participants, including procedures for verification, prorating food packages, training and proxy policies.
- C. *Food Instrument/CVV/CVB Redemption and Disposition - 246.4(a)(14)(vi):*** describe the procedures used to reconcile food instruments and CVVs/CVBs as either issued or voided, and as either redeemed or unredeemed, and redeemed food instruments and CVVs/CVBs as either validly issued, lost or stolen, expired, duplicate, or not matching issuance records.
- D. *Manual Food Instruments and CVVs/CVBs - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi) and (a)(14)(ix):*** describe the procedures for issuing and accounting for manual food instruments and CVVs/CVBs, including the procedures for documentation and disposition.
- E. *Special Food Instrument and CVV/CVB Issuance Accommodations - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi), (a)(14)(ix), (a)(14)(xiv) and (a)(21):*** describe alternatives to participant food instrument and CVV/CVB pick-up for issuance (e.g., mail or electronic issuance) and how the integrity of program services and fiscal accountability is ensured.
- F. *Vendor Cost Containment System Certification – 246.4(a)(14)(xv), 246.12(g)(4)(vi):*** describe the competitive pricing and reimbursement methods that the State agency will implement to ensure that average payments per food instrument to above-50-percent vendors do not exceed average payments per food instrument to comparable regular vendors.

**Non-Retail Food Delivery Systems**

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CONTROL**

**G. *Home Food Delivery Systems - 246.4(a)(11)(iii), 246.4(a)(14)(i), (a)(14)(vi), (a)(14)(vii) and (a)(14)(xii):*** describe how the State agency's home delivery system operates including but not limited to the types of authorized home food delivery contractors, the frequency of deliveries, and the procedures for documenting deliveries and ensuring safe food delivery of WIC foods, if applicable.

**H. *Direct Distribution Food Delivery Systems - 246.4(a)(11)(iii), (a)(14)(i), and (a)(14)(vi), (a)(14)(vii), and (a)(14)(xii):*** describe the methodology and procedures used in the direct distribution of supplemental foods, including types of foods distributed, warehouse and distribution centers, the verification process, and assurance of food safety, as applicable.

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**A. Food Delivery and Food Instrument/Cash-Value Voucher Control Overview**

**1. Food Instruments and Cash Value Vouchers/Cash Value Benefits - General**

**a. The State agency uses the following types of FIs and CVVs/CVBs (check all that apply):**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Automated - point of certification | <input type="checkbox"/> Automated -central generation |
| <input type="checkbox"/> Manual - individual prescription              | <input type="checkbox"/> EBT                           |
| <input type="checkbox"/> Pre-printed manual - standard prescription    | <input type="checkbox"/> Other (specify): _____        |

**b. The State agency conducts FI and CVV/CVB inventories: (Place an S=[State agency] or L=[Local agency] under the appropriate column to designate primary responsibility):**

	<b>Automated</b>	<b>Manual</b>
L	Daily	Daily
L	Weekly	Weekly
L	Monthly	Monthly
L	Yearly	Yearly
	Other (specify): _____	Other (specify): _____

**c. The automated FI and CVV/CVB contains/allows for the following information (check all that apply):**

- |  |   |
|--|---|
| <input type="checkbox"/> Not applicable                                    | <input type="checkbox"/> Local agency identifier              |
| <input checked="" type="checkbox"/> Participant WIC ID number              | <input checked="" type="checkbox"/> Vendor/farmer endorsement |
| <input checked="" type="checkbox"/> Countersignature for participant/proxy |   |

**Provide a facsimile or FI and CVV/CVB in Appendix or cite Procedure Manual:  
A\_CA\_2015\_A.1.c.FI**

**d. The State agency provides a toll-free number on the FI and cash-value voucher or EBT card and/or card sleeve for participant/vendor/farmer inquiries:**

- Food Instrument       Cash-value voucher       EBT Card/Sleeve       Neither

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

**2. Food Instrument/Cash Value Voucher Accountability**

**a. FIs/CVVs are delivered to local agencies by:**

- |   |   |
|---|---|
| <input type="checkbox"/> State agency staff | <input type="checkbox"/> Local agency staff |
| <input type="checkbox"/> US Postal Service  | <input type="checkbox"/> On-demand printing |

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**A. Food Delivery and Food Instrument/Cash-Value Voucher Control Overview**

- Contracted service (e.g., UPS, Purolator, etc.)
- Other (specify): \_\_\_\_\_

**b. FIs and CVVs (blank stock and preprinted ready for issuance) are delivered to the local agency (check all that apply):**

**Blank**

- Not applicable
- Weekly
- Twice a month
- Once a month
- Once every two months
- Other (specify): \_\_\_\_\_

**Preprinted**

- Not applicable
- Weekly
- Twice a month
- Once a month
- Once every two months
- Other (specify): \_\_\_\_\_

**c. The State agency uses the following procedures to ensure that unclaimed FIs or CVVs are not being used fraudulently (check all that apply):**

- Signatures on the documentation of receipt are compared for similarities in writing style implying one person signed for multiple participants
- Local agencies conduct an initial review to void food instruments or CVVs for participants known to have been terminated from the Program
- Inventories of food instruments/CVVs are not conducted by the same local agency staff responsible for issuing/voiding food instruments/CVVs
- Procedures are in place to ensure the proper disposal of unused/duplicate/voided FIs and CVVs
- Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

**3. The State agency has established food delivery procedures in cases of natural disaster and emergencies for the following (check all that apply):**

- Manual Issuance
- Mailing
- Direct distribution
- Automated issuance
- Home food delivery
- Other (specify): extend the "last day to use" date

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

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**B. Food Instrument/Cash-Value Voucher Pick-up**

**1. Food Instrument/Cash Value Voucher/Cash Value Benefit Pick-Up Policy and Procedures**

**a. Food instruments/CVVs/CVBs are issued by (check all that apply):**

	All Locals	Most Locals	Some Locals
Local agency director	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Local agency nutritionist	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local agency paraprofessional	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clerical staff	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(specify): _____			

**b. The State agency utilizes a participant identification card:**

Yes     Yes, with photo     No

**If yes, issuance is controlled numerically and each card is accounted for:**

Yes     No

**c. The State agency requires the following proof of receipt when issuing automated food instruments/CVVs/CVBs:**

- Participant/parent/caretaker/proxy signature block on register confirming receipt
- Carbon copy of food instrument/CVV
- Local agency staff initials
- Date of food instrument/CVV pick-up
- Stub with participant signature or initials
- Other (specify): \_\_\_\_\_

**d. The State agency has a policy to prorate food packages for the following:**

- Late FI/CVV pick-up
- Mid-month certification
- Certification due to expire within 30 days
- Other (specify): we do not allow LAs to issue

prorate packages.

**e. The State agency requires local agency staff to provide each new participant/parent/caretaker/proxy with training in (check all that apply):**

- Authorized vendors/farmers
- FI transaction procedures
- Use of proxy
- Other (specify): \_\_\_\_\_
- Selecting WIC-approved foods
- Signature on FIs/CVVs
- Reporting problems/requesting assistance

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ACCOUNTABILITY AND CONTROL**

**B. Food Instrument/Cash-Value Voucher Pick-up**

**f. The State agency requires local agency staff to provide participants with a list of authorized vendors/farmers/farmers' markets:**

Yes     No

**g. The State agency permits a participant to transact food instruments and CVVs/CVBs with any authorized vendor or farmer/farmers' market in the State:**

Yes     No

**If "no," the State agency will eliminate its vendor- or farmer/farmers' market-specific system on (date): \_\_\_\_\_**

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation):**

**2. The State agency's proxy policy includes the following:**

- Limits the number of participants a single proxy may sign for, except that a proxy may pick up FIs/CVVs/CVBs for all homeless WIC participants in a facility
- Limits proxy to a specified number of FI/CVV/CVB pick-ups
- Limits proxy to a minimum age
- Limits proxy assignment to local WIC staff     Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation):**

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**C. Food Instrument/Cash-Value Voucher Redemption and Disposition**

**1. Food Instrument/Cash Value Voucher Disposition Procedures**

**a. The State agency system assures 100% disposition of all issued FI's and CVVs**

Yes     No

**If no, specify the circumstances that prevent 100% disposition: \_\_\_\_\_**

**b. The State agency monitors each local agency's:**

- Number of manual FIs/CVVs utilized
- Number of unclaimed FIs/CVVs
- Number of voided FIs/CVVs
- Number of redeemed FIs/CVVs with no issuance record

**c. Local agencies are supplied with a report on the final disposition of its FIs/CVVs:**

Yes (specify period): \_\_\_\_\_     No

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation):**

**2. Unclaimed, Voided, Prorated FIs/CVVs**

**a. The State agency requires local agencies to return "unclaimed/not picked up" FIs/CVVs:**

Not applicable     Daily     Weekly     Monthly  
 Other (specify): LAs void unclaimed – not picked up FIs

**b. The State agency requires local agencies to return "voided" FIs/CVVs:**

Not applicable     Daily     Weekly     Monthly  
 Other (specify): LAs shred voided FIs

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation) : WPM 380-10**

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**C. Food Instrument/Cash-Value Voucher Redemption and Disposition**

**3. Lost/Stolen Food Instruments/Cash Value Vouchers**

**a. The State agency requires local agencies to report lost/stolen FIs/CVVs to (check all that apply):**

- State agency                       Police department  
 State agency's banking institution     Other (specify): \_\_\_\_\_

**b. Replacement/duplicate FIs/CVVs are issued when FIs/CVVs are reported lost:**

- No  
 Depends on the circumstances  
 Yes (If FIs/CVVs are reissued, it is done):  
     Immediately  
     Following notification of State agency/bank agency  
     After a \_\_\_\_\_ day waiting period (specify number of days)

**c. Replacement/duplicate FIs/CVVs are issued when they are reported stolen:**

- No  
 Depends on the circumstances  
 Yes (If FIs/CVVs are reissued, it is done):  
     Immediately  
     Following notification of State agency/bank agency  
     After \_\_\_\_\_ day waiting period (specify # days)

**d. The State agency or its banking institution takes the following action after it is notified by the local agency of lost/stolen FIs/CVVs (check all that apply):**

- Stops payment on the lost/stolen FIs/CVVs  
 Notifies vendor or farmer  
 Other (specify): Void lost/stolen FIs, flagged for investigation if redeemed

fraudulently.

**Please provide a copy/citation for State agency's policy procedures that ensure that lost/stolen FIs/CVVs cannot be redeemed.** When State WIC receives notification from the Local Agency that FIs are lost/stolen, State WIC codes the series of serial numbers with a code "CS" (stolen from clinic) in ISIS. These FIs are flagged in the event they are presented to STO for payment. If these FIs are submitted for payment, STO forwards the FIs to State WIC prior to paying them. State WIC analyzes the FIs and other related information to make a determination if the vendors will be reimbursed for the foods that were exchanged for the lost/stolen FIs, and takes the corresponding action.

For FIs that have been coded with one of the void codes, STO submits to State WIC for an issue override. State WIC looks up each FI and for those that have a "VN" code

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**C. Food Instrument/Cash-Value Voucher Redemption and Disposition**

(missing/stolen), they are photocopied and forwarded to the State WIC Program and Business Integrity Section for further investigation.

- e. **The local agency documents in the participant's file that replacement FIs/CVVs were issued:**

Yes       No

- f. **The State agency monitors the level of reported lost/stolen FIs/CVVs by local agency:**

Yes       No

- g. **If it is established that lost/stolen FIs/CVVs are transacted by the participant who reported them lost/stolen, the following actions are taken:**

- A claim for cash repayment is issued to participant  
 Participant is disqualified  
 Participant receives a warning  
 Other (specify): Recovery is pursued if fraud is determined.

- h. **If lost/stolen FIs/CVVs are transacted by someone other than the participant, the following actions are taken:**

- Reported to police for investigation  
 State agency or local agency does an investigation  
 Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation): WPM 350-20**

**4. FIs/CVVs Redemption Screening (7 CFR 246.12(k)(1))**

- a. **Describe in detail how the State agency sets maximum allowable reimbursement levels for use in screening food instruments for payment (including whether the State agency uses vendors' shelf prices to set maximum reimbursement levels and how reimbursement levels are linked to competitive price criteria). If the State agency sets maximum allowable amounts differently for above-50-percent vendors and regular vendors, please explain the different methods used.**

Please see pages 21 through 23 of the approved cost containment plan (Appendix 4a) and §60200 – 60300 of WIC W.B.R 2014-01 (Appendix 4a2b)



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**C. Food Instrument/Cash-Value Voucher Redemption and Disposition**

- |                          |                                     |                                     |                                   |
|--------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Transacted after specified period |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Redeemed after specified period   |
| <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Altered dates                     |
| <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Missing signature                 |
| <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Mismatched signature              |
| <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Altered signature                 |
| <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | Other (specify): _____            |

**c. When the payment amount on a food instrument exceeds the maximum allowable reimbursement amount, what action does the State agency take?**

- Reimburses the vendor for amounts up to the maximum allowable amount  
 Rejects the food instrument, but allow the vendor to resubmit  
 Rejects the food instrument without allowing the vendor to resubmit  
 Other (*please specify*): \_\_\_\_\_

**d. Where pre-edit screens are used, the proportion of FIs/CVV's reviewed include:**

- All FIs/CVV's       Percentage of FIs/CVV's (\_\_\_\_\_%)  
 Other: (please specify): \_\_\_\_\_

**e. The edit system(s) that screens for price limitations and vendor overcharges rejects food instruments based on:**

**Pre-edit    Post-edit**

- |                                     |                          |                                   |
|-------------------------------------|--------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Not To Exceed or Maximum Prices   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Percentage above average (_____%) |
| <input type="checkbox"/>            | <input type="checkbox"/> | Amount above average (\$_____)    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Other (specify): _____            |

**f. The following actions are used to control against unauthorized stores redeeming FIs/CVV's:**

- Provide up-to-date list of authorized vendors to participants at certification and/or FI issuance  
 Recover vendor/farmer/farmers' market stamp when vendor/farmer/farmers' market is no longer authorized  
 Conduct compliance buy to verify if unauthorized store redeems FIs/CVV's  
 State agency or its banking institution checks vendor/farmer/farmers' market ID numbers on food instruments submitted for redemption against the authorized

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- vendor/farmer/farmers' market list before paying vendors/farmers/farmers' markets for FIs/CVVs submitted for redemption
- Inform all participants who might use the unauthorized store
  - Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix:  
and/or Procedure Manual (citation):**

**5. Price Lists**

**a. Price list information is routinely collected from vendors:**

- Yes       No; Explain: \_\_\_\_\_ (Proceed to item #6)

**b. Price list data are collected:**

- Monthly
- Quarterly
- Semiannually
- Other (specify): At initial authorization, reauthorization, routine monitoring and Local Vendor Liaison technical assistance visits as requested.

**c. Price data are collected by:**

- State agency staff
- Local agency staff **as requested by state**
- Reports are submitted by vendors
- Other (specify): \_\_\_\_\_

**d. The data collected has food prices for (check all that apply):**

- All brands and sizes of supplemental foods
- Highest price supplemental food items within food categories
- All authorized vendors
- A sample of authorized vendors (please describe the sampling method used): \_\_\_\_\_
- Other (specify): Collection of high and low shelf prices on a market basket of items.

**e. The  State agency/  local agency verifies price data provided by vendors:**

- During routine monitoring visits
- Does not verify on a routine basis
- If the vendor is identified as a high-risk vendor
- Other (explain): Local Agency Vendor Liaison as requested.

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**C. Food Instrument/Cash-Value Voucher Redemption and Disposition**

f. The  State agency/ local agency analyzes price data:

Manually on a routine or as needed basis

On an ADP system and uses it to:

- Generate estimated food instrument values
- Help inform WIC staff on vendor selection decisions
- Develop vendor peer groups
- Flag individual food instruments that appear to be overcharges
- Other (specify): \_\_\_\_\_

**6. System to Detect Suspected Overcharges**

a. Does the State agency screen for suspected overcharges:

Yes, vendor claims are issued for overcharges.

No, the State agency makes price adjustments to food instruments submitted for redemption at amounts above edit limits

No

Other (specify): Screened for suspected overcharges by conducting overt and covert compliance monitoring.

b. The following best describes how the vendor is billed for overcharges:

Based on the vendor's reported prices

Based on redemption values of other vendors in the vendor's peer group

Based on redemption values of all vendors

Other (specify): During inventory audits, vendors' actual redemption prices are compared to vendor state prices or shelf prices on day of audit, whichever is less.

c. To receive payment or justify and correct a claim for a price adjustment or vendor overcharge, the vendor must: (Check all that apply)

Provide an updated price list

Provide written justification for the higher prices

Provide receipts

Other (specify): Provide a request for appeal/review of findings.

d. The following actions are taken when a vendor has chronic overcharging problems: (Check all that apply)

Routine monitoring or remedial vendor training is conducted

Vendor is designated as high-risk and scheduled for compliance investigation

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**C. Food Instrument/Cash-Value Voucher Redemption and Disposition**

- Vendor is provided with a written warning of potential sanction for overcharging
- Vendor is terminated for cause
- Vendor is sanctioned
- Other (specify): Vendor redemption patterns that appear to be extraordinary are selected for compliance monitoring and referred for an audit.

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation):**

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV)  
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**D. Manual Food Instruments/Cash-Value Vouchers**

**DOES NOT APPLY (PROCEED TO NEXT SECTION)**

**1. Manual FIs/CVVs Policy**

**a. Manual FIs/CVVs are utilized for the following reasons:**

- New participants
- Automated FIs/CVVs not available
- Mutilated automated FIs/CVVs
- Wrong food package on automated FI
- Wrong dollar amount on automated CVV
- Provide for the special needs of the homeless
- Food package tailoring
- Routine monitoring visits (i.e., educational buys) of vendors/farmers
- Compliance buys of vendors/farmers
- Special conditions, e.g., disasters
- Other (specify): \_\_\_\_\_

**b. The State agency requires the following for completing the manual FI/CVV register:**

- Participant/proxy signature
- Date of FI/CVV pick-up
- Local agency staff initials
- other (specify): \_\_\_\_\_

**c. Manual FIs/CVVs have a "Not to Exceed Value" of:**

- Same dollar amount for all manual food instruments \$\_\_\_\_\_
- Variable dollar amount depending on type of prescription on manual FI
- Variable dollar amount depending on participant category on manual CVV
- No limit
- Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation):**

**2. Manual FI/CVV Documentation and Disposition**

**a. A report containing the serial numbers of manual FIs/CVVs issued by local agencies  
is sent to the State agency:**

- Not applicable
- Weekly
- Monthly
- Other (specify): \_\_\_\_\_

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**D. Manual Food Instruments/Cash-Value Vouchers**

**b. Local agencies are required to provide documentation to substantiate a valid or invalid certification record for manual FIs/CVVs issued and redeemed but for which no participant record currently exists by utilizing:**

- Turnaround documents to establish valid certification records
- Telephone calls to the State/local agency on irregularities
- Other (specify): \_\_\_\_\_

**c. If the manual FI/CVV inventories do not achieve 100% reconciliation of all issued and unissued FIs/CVVs, the local agency (check all that apply):**

- Reports the FI/CVV serial numbers to the State agency
- Provides the FI/CVV serial numbers to local vendors/farmers
- Other (specify): \_\_\_\_\_

**(Provide a copy/citation of the State agency's prescribed procedures if the manual FI/CVV inventory cannot be reconciled.)**

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**E. Special FI/CVV Issuance Accommodations**

**1. Alternative FI/CVV Issuance**

**a. The State agency has implemented the following FI/CVV issuance policy (check all that apply):**

- All participants are required to pick up FIs/CVVs/CVB cards at the clinic or local agency, except in unusual circumstances
- Participants/proxies are required to show identification at FI/CVV/CVB card pick up
- FI/CVV/CVB cards are routinely mailed to participants except (1) when the participant is scheduled for nutrition education (including breastfeeding promotion and support activities) or a certification appointment and (2) in areas where SNAP benefits are not mailed, as these areas are known to have experienced high mail issuance losses
- Benefits are provided electronically to a location such as a grocery store under certain conditions; thus participants may not always pick up FIs/CVVs at the clinic
- Other (specify): \_\_\_\_\_

**2. Mailing Policy/Procedures**

**a. The State agency provides local agencies with guidelines/procedures for mailing FIs/CVVs/CVB cards to individual participants:**

- Yes       No

**b. Policy requires participants to pick up FIs/CVVs whenever certification appointment is due or nutrition education (including breastfeeding promotion and support activities) is scheduled:**

- Yes       No

**c. The State agency has implemented the following policy regarding mailing FIs/CVVs/CVB cards (check all that apply):**

- FIs/CVVs/CVB cards are sent first class mail \*(first class is considered *regular* mail)
- FIs/CVVs/CVB cards are sent registered mail
- FIs/CVVs/CVB cards are sent certified mail
- FIs/CVVs/CVB cards are sent restricted mail
- Return receipt is requested on FIs/CVVs/CVB cards sent certified mail
- Envelope specifies, "Do not forward, return to sender" or "Do not forward, address correction requested"
- Other (specify): envelopes specify "return service requested" for undeliverable FIs

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**E. Special FI/CVV Issuance Accommodations**

**d. The State agency approves mailing FIs/CVVs/CVB cards under the following conditions**

**(check all that apply):**

	<b>State- Wide</b>	<b>LA with SA Approval</b>	<b>Case by Case</b>
Participant hardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Travel-related issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Better clinic management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Participant safety	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Participant convenience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost effectiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(if other, specify): _____			

**e. When mailing FIs/CVVs/CVB cards, documentation of FI/CVV/CVB card issuance is:**

- Signed by the participant at the following FI/CVV/CVB card pick-up/visit
- Noted "mailed" and initialed/dated by local agency staff
- Signed and dated by local agency staff after return receipt is received
- Other (specify): automated note generated in family comments with user, date and message. Manual comments documenting address verification.

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation): WPM 380-10**

**3. Participants who receive FIs/CVVs/CVB cards by mail are sent:**

- One month of FIs/CVVs/CVBs
- Two months of FIs/CVVs
- Three months of FIs/CVVs
- Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation): WPM 350-20**

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**F. Vendor Cost Containment System Certification**

If the State agency has authorized or plans to authorize any above-50% vendors, FNS must certify the State agency's vendor cost containment system. The State agency that has not yet received FNS certification must submit a request for certification/recertification that contains the following information.

**DOES NOT APPLY (PROCEED TO SECTION G)**

**1. Calculation of new competitive price levels**

Describe how the State agency derived or will derive new competitive price levels for regular vendors, which exclude the prices of above-50-percent vendors.

**2. Allowable reimbursement levels for regular vendors and above-50-percent vendors**

**a. Explain how the State agency will ensure that average payments to above-50-percent vendors do not exceed average payments to comparable regular vendors.**

\_\_\_\_\_

**b. The State agency plans to exempt above-50-percent vendors from the competitive price criteria and allowable reimbursement levels.**

Yes     No

If yes, how many vendors will be exempted? \_\_\_\_\_

Are these vendors needed to ensure participant access to supplemental foods?

Yes     No

**c. The State agency applies peer-group-specific maximum allowable reimbursement levels to food instruments during the food instrument redemption process.**

Yes     No

If yes, describe the procedure or process used:

\_\_\_\_\_

**3. Describe the State agency's methodology for grouping above-50-percent vendors in its peer group system (i.e., separately or in peer groups with regular vendors) and the criteria the State agency uses to identify comparable vendors for each group of above-50-percent vendors.**

\_\_\_\_\_

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV)  
ACCOUNTABILITY AND CONTROL**

**F. Vendor Cost Containment System Certification**

- 4. The State agency plans to exempt *non-profit* above-50-percent vendors from competitive price criteria and allowable reimbursement levels.**

Yes     No

If yes, provide the following information **in detail**:

- a. The reason the State agency has decided to exempt such vendors (i.e., the benefits to the program) and the number of non-profit vendors to be exempted;**

\_\_\_\_\_

- b. The reason the non-profit above-50-percent vendors are needed to ensure participant access to supplemental foods;**

\_\_\_\_\_

- c. Does the State agency collect shelf prices from non-profit vendors?**

Yes     No

- d. How the prices of the non-profit vendors compare to those of other vendors in their geographic area that are subject to competitive price criteria and allowable reimbursement levels; and**

\_\_\_\_\_

- e. How the State agency will establish the level of reimbursement for the non-profit above-50-percent vendors that it has exempted.**

\_\_\_\_\_

- 5. The State agency has fully implemented the competitive price criteria and allowable reimbursement methodologies described in items 1 and 2 above.**

Yes     No

If the State agency has not fully implemented the revised competitive price and allowable reimbursement methodologies, describe the current status of this effort and include the timetable for achieving full implementation.

\_\_\_\_\_

- 6. The State agency plans to exempt *pharmacy* vendors from competitive price criteria and allowable reimbursement levels.**

Yes     No

If yes, the State agency has confirmed that these pharmacies provide **only** exempt infant formula and/or WIC-eligible medical foods to program participants.

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV)  
ACCOUNTABILITY AND CONTROL**

**F. Vendor Cost Containment System Certification**

7. Does the State agency collect shelf prices from pharmacies that provide only exempt infant formula?

Yes     No

8. **Complete the three tables on the following pages to demonstrate that the State agency's procedure for establishing and implementing competitive price criteria and allowable reimbursement levels ensures that average payments per food instrument or food item to above-50% vendors do not exceed average payments to regular vendors.**

9. **Attach a copy of the report(s) that the State agency will use to monitor average payments per food instrument to above-50% vendors and regular vendors. If the State agency does not have such a report, describe the State agency's plans to develop and implement a report(s) for monitoring purposes, including the report contents or fields.**
- \_\_\_\_\_

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**  
**F. Vendor Cost Containment System Certification**

Table 1. Data for WIC Vendor Cost Containment Certification – Overview

Please provide the following information on the regular vendors and the above-50-percent vendors authorized by the State agency as of June 30<sup>th</sup>. If data are not available through June 30<sup>th</sup>, the State agency should enter data for the period for which data are available, replacing “June” with the month to which the data are applicable.

1. How many authorized regular vendors did the State agency have as of June 30 <sup>th</sup> ?	1.	3,753
2. For all of these regular vendors combined, what was the total amount of WIC redemptions paid in June 2014?	2.	\$51,832,419.85
3. How many above-50-percent vendors did the State agency have as of June 30 <sup>th</sup> ?	3.	538
a. Non-pharmacy above-50-percent vendors <ul style="list-style-type: none"> <li>▪ Number of <i>WIC-only</i> stores</li> <li>▪ Number of other types of above-50-percent vendors (excluding pharmacies)</li> </ul> b. Above-50-percent pharmacy vendors c. Total above-50-percent vendors (sum of a and b)	a. 538 ▪ N/A ▪ N/A b. N/A c. 538	
4. What was the total amount of redemptions paid to these above-50-percent vendors in June? a. Non-pharmacy above-50-percent vendors b. Above-50-percent pharmacy vendors c. Total above-50-percent vendors	4. \$30,250,369.27 a. N/A b. N/A c. \$30,250,369.27	
5. How many peer groups of above-50-percent vendors (either separate peer groups or groups with regular vendors) has the State agency identified?	5.	1
6. How many above-50-percent vendors and regular vendors has the State agency authorized that do <i>not</i> meet competitive price criteria, but are needed to ensure participant access to supplemental foods?	6.	above-50%: <u>0</u> regular vendors: <u>0</u>

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**  
**F. Vendor Cost Containment System Certification**

*(Note: If the State agency has completed the peer group table in the Vendor Management section of this Guidance, skip the following table.)*

*Table 2: Data for WIC Vendor Cost Containment Certification – Peer Group Structure*

*Please describe all vendor peer groups and identify the regular vendors that are comparable to each group of above-50-percent vendors. The information provided should refer to the peer group system as structured to comply with regulatory vendor cost containment requirements.*

Peer Group					Comparable Vendors Peer Group No. (from Col1) (Col6)
Peer Group No. (Col1)	Description (e.g., supermarkets, chain stores, pharmacies) (Column 2)	Number of Vendors in Peer Group			
		Regular Vendors (Col3)	Above-50% Vendors (Col4)	Total (Col5)	
1	Category A: Above-50-Percent (A-50) Vendors	0	538	538	1
2	Category B: Full-Line Grocery Stores	3,161	0	3,161	2
3	Category C: All Other Stores	592	0	592	3

**Instructions:**

**Column 1 – Assign a sequential number to each peer group.**

**Column 2 – Describe the vendors in the peer group.**

**Column 3 – Insert the number of authorized vendors that are regular vendors.**

**Column 4 – Insert the number of above-50-percent vendors currently authorized.**

**Column 5 – Insert the total number of authorized vendors. This number should be the sum of columns 3 and 4, since the State agency must identify each vendor as being either a regular vendor or an above-50-percent vendor.**

**Column 6 – For each peer group that contains above-50-percent vendors, insert the number of the peer group that contains comparable regular vendors. The comparable vendor peer group is the peer group that the State agency uses to derive the competitive price criteria and maximum reimbursement levels that it applies to the above-50-percent vendors. If above-50-percent vendors are placed in a peer group with regular vendors, then the number in column 1 should be the same as that in column 6. If above-50-percent vendors are in separate peer groups, then the number in column 1 will be different from that in column 6.**

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**  
**F. Vendor Cost Containment System Certification**

Table 3: Data for WIC Vendor Cost Containment Certification – Average Payments to Vendors

Using the format below, provide the latest available redemption data for the ten (10) most frequently redeemed food instrument types. Then indicate how these amounts have changed or will change with the implementation of the revised competitive price criteria and allowable reimbursement amounts. Prepare a separate table for each group of above-50-percent vendors identified in Table 2.

Chart for: Above-50-Percent Vendors in Peer Group No. 20

Food Instrument Type/Number and Description (1)	Number of Food Instruments Redeemed (2)	Average Redemption Price and Standard Deviation Per FI or item for: April 2014				Difference in Average Redemption Prices Between Above-50% Vendors and Comparable Regular Vendors (5)	Average Redemption Price Per Food Instrument or Food Item for: June 2014	
		Above-50% Vendors (3)		Comparable Regular Vendors (4)			Above-50% Vendors (6)	Comparable Regular Vendors (7)
		Price	Std. Dev.	Price	Std. Dev.			
6000	196,782	15.58	0.4696	15.74	2.8396	-0.16	15.69	15.87
6002	200,524	13.58	0.2670	13.72	2.1432	-0.14	13.67	13.80
6003	561,054	15.70	0.4644	15.87	2.7281	-0.17	15.82	16.03
6011	518,486	13.67	0.2764	13.83	2.1012	-0.16	13.77	13.92
6013	360,600	14.48	0.3159	15.10	1.8608	-0.62	14.91	15.23
6014	445,092	15.67	0.3770	16.29	2.2978	-0.62	16.13	16.47
6105	135,355	15.93	0.3648	16.19	2.4759	-0.26	16.11	16.31
6107	131,309	17.77	0.5190	18.09	3.0311	-0.32	18.01	18.32
1008 – 1013 and 1090 – 1093 Unit Priced	222,530	18.18	0.1214	18.24	1.6621	-0.06	18.21	18.20
1300 – 1309 Unit Priced	74,482	18.32	0.1029	18.41	1.4084	-0.09	18.39	18.32

Please note that June 2014 includes some payments made under the prior reimbursement methodology and includes more restrictive MADR reimbursement for some categories of regular vendors beginning June 1<sup>st</sup> than the reimbursement rates for Above-50% Vendors.

## **IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

### **F. Vendor Cost Containment System Certification**

#### **Instructions:**

Begin by identifying the above-50-percent vendors to which the data in the chart refer. Insert the peer group number for the above-50-percent vendors and write it on the line at the top of the chart. All data in the chart should pertain only to the above-50-percent vendors in the peer group and the comparable regular vendors. Complete a separate table for each group of above-50-percent vendors and comparable regular vendors identified in the table 2.

- Column 1 –** Insert the food instrument (FI) type or number and list the foods included on the FI. Include no more than two infant formula food instrument types, but complete the chart using the next most frequently redeemed food instrument types.
- Column 2 –** For each type of FI identified in column 1, insert the number of food instruments redeemed (paid) in June (the calendar month). If the State agency implemented competitive price criteria and allowable reimbursement levels that comply with the new vendor cost containment requirements before June, then select the calendar month before the State agency applied the new competitive price criteria and allowable reimbursement levels.
- Columns 3 & 4 –** Insert the average food instrument redemption amount and the standard deviation for the above-50-percent vendors and for the regular vendors that the State agency has identified in Table 2 as comparable vendors. As an alternative to providing average payments to comparable regular vendors, the State agency may enter average payments to all regular vendors. If the State agency provides data for all regular vendors rather than average payment to comparable vendors, indicate this on the table or in the accompanying narrative.
- Column 5 –** Subtract the amount in column 4 from the amount in column 3 and enter the difference here. If the amount in column 3 is less than that in column 4, enter the difference as a negative dollar amount.
- Column 6 –** Insert the average food instrument redemption amount for above-50-percent vendors *after* the State agency has applied the revised competitive price criteria and allowable reimbursement levels. If the State agency has implemented new competitive price criteria and allowable reimbursement levels before submitting its request for certification to FNS, then the data in column 6 should be actual redemption data for the above-50-percent vendors and comparable regular vendors. Insert the calendar month(s) to which the data pertain. If the State agency does not have actual redemption data, then the State agency must estimate the new average redemption amounts.
- Column 7 –** Insert the average redemption amounts for the corresponding group of comparable vendors. If the State agency has not yet implemented its revised methodologies, insert the target date to which the estimated average redemption amounts would apply. In the narrative that accompanies this data, discuss in detail the rationale for the State agency's estimated average redemption amounts in columns 6 and 7. The average redemption amount for above-50-percent vendors may not exceed the average redemption amount for comparable vendors.

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**G. Home Food Delivery Systems**

**DOES NOT APPLY (PROCEED TO NEXT SECTION)**

**1. Home Food Delivery Systems Overview**

**a. Home delivery vendors include (check all that apply):**

- Dairies
- Private delivery service doing WIC business only
- Private delivery service
- Other (specify): \_\_\_\_\_

**b. Participants who receive home food delivery:**

- Are notified in writing of the types and quantities of foods
- Are issued FIs/CVVs that they sign and provide to the vendor when the food is delivered
- Are delivered not more than a one-month supply of supplemental foods at any one time.
- Indicate by authorized signature on a FI/CVV, receipt or signature document, the supplemental foods received
- Other (specify): \_\_\_\_\_

**c. Supplemental foods may be delivered:**

- Only to the participant of record
- To the participant of record or proxy of record
- To any adult at home during time of delivery
- To anyone at home at the time of delivery
- Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

**2. Documentation**

**a. The forms verifying delivery are reconciled against vendor invoices:**

- Weekly
- Monthly reconciliation of the signed FIs/CVVs or other signed receipts or signature documents from participant or proxies.
- Other (specify): \_\_\_\_\_

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**G. Home Food Delivery Systems**

- b. Signatures of participants who sign the food receipt document/ FIs/CVVs are compared to the signature on file.**

No

Yes, sample

Yes, 100%

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**H. Direct Distribution Food Delivery Systems**

**DOES NOT APPLY**

**1. Direct Distribution Food Delivery - General**

**a. The State agency uses a direct distribution food delivery system to:**

- Distribute all of its WIC Program foods
- Distribute only exempt infant formula and/or medical foods
- Distribute (specify): \_\_\_\_\_

**b. The State agency uses:**

- Warehouse not used
- One central warehouse, deliveries directly to local agencies
- One central warehouse from which foods are sent to one or more subsidiary warehouses before delivery to local agencies
- Other (specify): Warehouses not used; deliveries directly from vendor to LAs.

**c. Warehouses are operated by:**

- State agency
- Local agency
- Other state or public agency
- Under contract with a private business
- Other (specify): \_\_\_\_\_

**d. Warehouses used for storage of WIC foods are also used to store other FNS program commodities ( Please specify which commodities): \_\_\_\_\_**

- Yes
- No

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

**2. Food Distribution**

**a. Foods are distributed to participants:**

- Grocery store fashion
- Pre-packaged
- Other (specify): \_\_\_\_\_

**b. Participants receiving food are required to sign:**

- A register once for all foods received
- A register/form for each food item received
- Other (specify): \_\_\_\_\_

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**H. Direct Distribution Food Delivery Systems**

**c. Foods are distributed to participants:**

- Monthly
- Not to exceed a one-month supply at any one time to any participant
- Other (specify): \_\_\_\_\_

**d. Participants with limited access to facilities used for distribution have available to them:**

**Services provided by:**

	<b>Local Agency</b>	<b>Other Sources</b>
Home delivery	<input type="checkbox"/>	<input type="checkbox"/>
Cost-free transportation	<input type="checkbox"/>	<input type="checkbox"/>
Other (if other, specify): _____	<input type="checkbox"/>	<input type="checkbox"/>

**ADDITIONAL DETAIL: Food Delivery Appendix:  
and/or Procedure Manual (citation):**

**3. Warehouse Insurance and Inspections**

**a. Insurance for the warehouse covers (check all that apply):**

- Theft       Fire       Infestation       Spoilage
- Other (specify): N/A

**b. Warehouses are inspected by a public authority responsible for enforcing:**

- Fire safety laws and regulations (specify date and grade of last inspection): \_\_\_\_\_
- Sanitation laws and regulations (specify date and grade of last inspection): \_\_\_\_\_
- Other (specify): N/A

**ADDITIONAL DETAIL: Food Delivery Appendix:  
and/or Procedure Manual (citation):**

**4. Monitoring and Inventory Control**

**Please describe the State agency's methods for ensuring WIC supplemental foods are under proper inventory control (separation of duties for intake and inventory; stock rotation; performance of perpetual and physical inventory duties; reconciliation against issuance records; etc.). \_\_\_\_\_**