

<p style="text-align: center;">Nutrition Services Department of State Health Services</p>

Effective February 1, 2006

Policy No. WV:09.0

Restriction on Vendor Incentive Items

Purpose

To describe state agency (SA) requirements regarding the use of incentive items and other free merchandise provided by WIC authorized vendors and to ensure that the WIC Program does not pay the cost of incentive items in the form of high food prices.

Authority

Child Nutrition and WIC Reauthorization Act of 2004, P.L. 108-265.

Policy

Section 203(e)(13) of the Child Nutrition and WIC Reauthorization Act of 2004, P.L. 108-265, amends 17(h)(14) of the Child Nutrition Act by prohibiting a State Agency from authorizing or making payments to vendors as described below that provide incentive items or other free merchandise, except food or merchandise of nominal value (as determined by the SA) to customers unless the vendor provides proof that the vendor obtained the incentive items or free merchandise at no cost.

Procedure

- I. The incentive item and free merchandise restriction applies to for-profit vendors:
 - A. Who are WIC-only vendors or predominantly WIC vendors whose WIC redemptions exceed 50% of their annual gross food sales, or
 - B. Who are new applicant vendors likely to meet the criteria of item (A) under criteria approved by the SA.

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- II. The vendor must obtain written approval from the SA for all incentive items they intend to provide to customers.
 - A. The vendor must submit a list of incentive items, the cost of each item and documentation, such as an invoice or similar document indicating the cost of each incentive item.
 - 1. Three types of acceptable incentive items are:
 - (a) merchandise obtained at no cost to the vendor and provided to all customers without charge, or merchandise sold to all customers at or above cost, subject to documentation.
 - (b) food of nominal value and merchandise of nominal value, i.e., having a per item cost of less than \$2.00.
 - (c) food sales and specials which involve no cost or only a nominal value for the vendor regarding the food items involved and do not result in a charge to a WIC food instrument for foods in excess of the foods listed on the food instrument.
 - B. The cost of the incentive items cannot exceed \$1.99.
 - C. The WIC Acronym and/or logo cannot be used on incentive items.
 - D. The vendor cannot give or sell an incentive item to any customer for less than cost.
 - E. Vendors are not permitted to provide services to any customers such as transportation of customers to and from the vendor's premises, or delivery of supplemental foods to customer residences.
 - F. Vendors may provide only one incentive item of nominal value per shopper per shopping visit, regardless of the number of participants or food instruments involved, unless the item was obtained by the vendor at no cost or the sum of the cost of the multiple items provided to a client does not exceed \$1.99.
 - G. Under no circumstances are vendors allowed to give lottery tickets or cash as incentive items.

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- III. Vendors found to have violated the provisions of this policy will be sanctioned in accordance with WIC Policy WV:01.0.