TO: ALL WIC VENDORS

SUBJECT: WIC Food Instrument Changes

Purpose

I am writing to provide you information and materials related to WIC Food Instrument (FI) changes that will be phased in beginning on October 1, 2006. These materials are being provided to help you and your store personnel understand and prepare for the changes.

What are the WIC Food Instrument Changes and Why are They Occurring?

Recent federal regulations have resulted in two key changes to the WIC Program. They will occur in the following order:

• **“Must Not Exceed”**: A “Must Not Exceed” dollar amount will no longer be printed on the FI. This change is to meet the federal requirement that states reimburse vendors at competitive retail prices for supplemental foods by establishing separate reimbursement rates for groups of vendors who have similar characteristics that predict prices (peer groups). For regular vendors, the Maximum Allowable Department Reimbursement (MADR) rate will be based on the retail market prices charged for supplemental foods by regular vendors in each peer group and may change every two weeks. For above-50-percent vendors, the MADR rate will be based on the average reimbursement amount of all regular vendors by FI type; this MADR rate may change every two weeks. This means that neither your store personnel nor participants will see MADR rates printed on the FIs. For more detailed information regarding how peer groups and MADR’s will be determined, see the August issue of the WIC Vendor News at www.wicworks.ca.gov.

• **“Payable to”**: FIs will be payable to “WIC Authorized Vendor” and no longer be payable to a specific vendor. This change is to meet the federal requirement that all states allow WIC participants to redeem their FIs at any WIC authorized vendor.
Beginning October 1, 2006 through January 31, 2007, a participant will present FIs that either look as they do today or show the new changes described on Page 1. Outlined below are the differences in these FIs and action needed by store personnel in accepting them for redemption:

- **“Must Not Exceed”**: Most FIs printed prior to October 1 include a dollar amount in the “Must Not Exceed” box. Exceptions to this include the milk FIs and those printed made payable to above-50-percent (A50) vendors. Starting October 1, none of the FI’s will include a dollar amount in the “Must Not Exceed” box. Instead, the FI will be printed with “#####” in that box. It is important that store personnel are aware of the different FIs that they will see in order to prevent FIs being rejected for payment.

- When accepting FIs with a dollar amount printed in the “Must Not Exceed” box, the amount entered in the “Exact Purchase Price” cannot exceed the printed dollar amount.

- When accepting FIs with “#####” printed in the “Must Not Exceed” box, the amount entered in the “Exact Purchase Price” cannot exceed the MADR.

- FIs will be rejected for payment and returned to the vendor through the banking system if they have a dollar amount in the “Exact Purchase Price” box that is either greater than the printed “Must Not Exceed” dollar amount or greater than the MADR for the vendor’s peer group.

- **“Payable to”**: FIs will either be payable to a specific vendor or to “WIC Authorized Vendor”. When processing FIs, store personnel need to ensure the FI provided by the participant is either payable to your specific store name and vendor number or to “WIC Authorized Vendor”. The current Vendor Agreement requirement that prohibits a vendor from accepting a FI made payable to any other vendor is still in effect. Therefore, if a FI is not either made payable to your store or to “WIC Authorized Vendor”, then you cannot accept that FI.

We understand that this transition period requires extra attention for WIC transactions by your store personnel. We value your commitment in supporting the transition to the full implementation of peer groups and “WIC Authorized Vendor”.
California is launching its new WIC logo the end of this month. This new logo will enable vendors to identify themselves as authorized by California WIC and assist participants in identifying where they can shop with their FIs. Local WIC agency staff will educate participants that are unsure of where to shop to look for the new WIC logo at the store. To remind participants to look for the logo, it will be included on the new FI check stock. You will begin seeing FIs with the logo between October and December, 2006.

We are currently considering other ways in which the logo may be used by vendors. This includes the production by the state of a WIC shelf talker with the logo for vendors to identify WIC authorized foods. You can expect to receive more information on how to utilize the WIC logo and a sample of the WIC shelf talker in October, 2006.

We have designed a number of resources to assist WIC authorized vendors to implement the upcoming changes:

1. “WIC Shopping Just Got Easier!” – This flyer contains important information that describes the FI changes and includes “Frequently Asked Questions” to help both vendors and local WIC agency staff in responding to participant questions.

2. Posters and Decals to identify your store accepts WIC FIs – We are providing you a sample of the variety of signage now available to identify your store as an authorized vendor for California WIC. Enclosed you will find two sizes of both window decals and posters:
   - Window Decal – 4” x 5” decal of the new WIC logo.
   - Window Decal – 5” x 7.5” decal of the new WIC logo.
   - Poster – 8 ½” x 11” poster for display in your store.
   - Poster – 18” x 24” poster for display in your store.

Please post the decals in easy view at your store entrance. Consider using the posters for both staff bulletin boards and for locations that are in clear view by participants.
Action

1. Review the enclosed flyers entitled “WIC Shopping Just Got Easier!” with your store personnel no later than September 29, 2006. We have provided you five copies of this flyer to share with your store personnel. We encourage you to post the flyer in a place that is easily accessible to your store personnel as they conduct WIC transactions (e.g. at cash register). If you would like additional copies, you can find this flyer at www.wicworks.ca.gov by selecting “WIC Vendor News” under “What’s New”. On the WIC Vendor News page, select “WIC Shopping Just Got Easier!”

2. Post the new WIC logo decal in your store window so WIC participants will know you are a California WIC authorized vendor. If you would like to order additional posters or decals, please go to www.wicworks.ca.gov. At the Home Page, select “Forms” in the left margin of the page and then select “OSP 504 - WIC Administrative Materials (pdf)”. Print and complete the order form including your store name, shipping address, and contact name in addition to indicating the quantity of decals and/or posters requested. Fax the form to the fax number listed on the top of the order form.

3. Display the WIC posters with the new logo in your store.

Questions

Thank you for your cooperation. If you have any questions, please contact your WIC Grocer Consultant directly or call (916) 928-8705.

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