Thank You

A special thanks to all of you for your hard work and dedication in making the WIC Vendor Unit a continuously growing and successful program for the state of South Carolina. Without your collaboration, we would have a tough task.

We are happy to announce that we are starting a quarterly newsletter that will highlight concerns, issues and progress of our Vendor Unit.

In May of 2014, we held our first WIC Vendor Advisory Committee meeting. The Advisory Committee was established to provide an open line of communication between the vendors/retailers and the WIC Program. This line of communication has assisted with contacting vendors/retailers when there were immediate changes that affected the vendors and program policies and procedures.

The WIC Vendor Advisory Committee agreed to meet twice a year, with a face-to-face meeting in May and a teleconference meeting in November. With our next scheduled meeting just around the corner, our first newsletter outlines a few topics that will be discussed.

Vendor Selection Criteria

The S.C. WIC Program is committed to providing adequate service to participants at the lowest possible cost. Applicants must meet the selection criteria determined by USDA and the S.C. WIC Program. For more information about the vendor selection and authorization process or to download the WIC Vendor Manual, visit www.scdhec.gov/wic and click on the green “For WIC Vendors” button. You can also call (800) 922-4406 if you have any questions.

Compliance Visits Update

The state conducts unannounced buys to ensure vendors are in compliance with WIC regulations. The buys are conducted as a series of separate transactions; a minimum of two buys are conducted per store. If no violations are found after two separate buys, the investigation is complete. Violation points are accessed if a pattern of the same violation has been established. The state will notify the vendor of the initial violation prior to documenting subsequent violations.

In FY 2016, 39 compliance visits were conducted. The results are shown in the graph below.

![Compliance Visit Graph]

The State agency defines a pattern as two or more of the same type of violation. This includes a pattern of overcharging; receiving, transacting and or redeeming WIC checks outside of authorized channels, including using an unauthorized vendor or person; charging for supplemental foods not received by the participant; providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives or controlled substances in exchange for WIC checks; or providing unauthorized food items in exchange for WIC checks, including charging for supplemental foods provided in excess of those listed on the WIC check.
The two most common violations found during compliance buys are:

1. Failure to properly redeem WIC checks, which includes:
   - Not asking for the WIC ID card
   - Not comparing signature on the WIC ID card with signature on the WIC check
   - Asking participants to sign prior to entering date and amount on WIC check
   - Accepting WIC checks prior to the “Not Valid Before Date”

2. Allowing foods in excess of those listed on the WIC check.

New Peer Group Assignments

Vendors will be assigned to a specific peer group based on total food sales within a geographical region. Current and new vendors, excluding pharmacies and commissaries, will be placed into a peer group according to their total annual food sales. New vendors will be reassessed one year after authorization to ensure that the vendor’s peer group has not changed based on the end of year total food sales.

**Peer Group 1**
Total food sales > $10 million

**Peer Group 2**
Total food sales of $10 million – $5 million

**Peer Group 3**
Total food sales < $5 million

**Peer Group 4**
Government-Owned Facilities (Commissaries)

**Peer Group 5**
Pharmacies – Primarily sell products such as medicine, health care items, etc. (Redeem only exempt and/or special infant formula.) Pharmacies that are located within a retail establishment, such as a chain store, are not included in this category. Such pharmacies shall be authorized as part of the chain store and will not be authorized independently.

eWIC Transition

SC WIC is in the process of implementing WIC electronic benefits transfer (EBT) that will replace paper checks with an electronic card for food benefit issuance and redemption at authorized WIC grocery stores. WIC EBT is easier to use and more secure for participants as well as less costly for authorized vendors. South Carolina is scheduled to rollout in the third quarter of 2019. Vendors will be asked to provide updated store and system information via a vendor survey.

**Paper WIC Checks vs. eWIC**

<table>
<thead>
<tr>
<th>Paper WIC Check Redemption</th>
<th>eWIC Redemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Participants must sign</td>
<td>▶ Cardholders use a PIN</td>
</tr>
<tr>
<td>▶ WIC items are separated</td>
<td>▶ WIC items may not have to be separated (depends on store system)</td>
</tr>
<tr>
<td>▶ Cashier must:</td>
<td>▶ The system determines which items can be purchased</td>
</tr>
<tr>
<td>• Know WIC items</td>
<td>▶ Vendor payment in 1-2 business days</td>
</tr>
<tr>
<td>• Check valid use dates</td>
<td></td>
</tr>
<tr>
<td>• Determine if items can be purchased with the check</td>
<td></td>
</tr>
<tr>
<td>• Record purchase amount</td>
<td></td>
</tr>
<tr>
<td>• Correct any errors</td>
<td></td>
</tr>
<tr>
<td>▶ Stamp checks; deposit in bank</td>
<td></td>
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</tbody>
</table>
**Other cost containment policies**

South Carolina is generally less restrictive in its vendor authorization policies relative to other states. More specifically, South Carolina does not impose limiting criteria to restrict the number of vendors in a geographic region. South Carolina does require participants to buy lowest-cost brands for milk, store brand cheese and cereal in 12-, 18- or 36-ounce containers as part of cost containment.

All SC WIC Program vendors must be SNAP authorized with the exception of pharmacies (which only redeem special formula checks).

South Carolina requires vendors to submit shelf prices at authorization and every six months per the Federal requirement. When authorizing new vendors, the State requires that a potential vendor’s prices be within 20 percent of the average for vendors of that peer group and geographical region.

**WIC Check Redemption Rate**

The chart below shows the redemption rate of SC WIC checks over the past three fiscal years. The most common rejection has been for Cash Value Vouchers over maximum dollar amounts, altered dates/amounts, missing date/dollar amount and unreadable vendor stamp. As of August 2016, all of the above errors are now non-fatal and the vendor can make the corrections and redeposit in the bank.

<table>
<thead>
<tr>
<th>FFY</th>
<th>Number of Checks Processed</th>
<th>Check Amount Processed</th>
<th>Number of Checks Paid</th>
<th>Check Amount Paid</th>
<th>Checks Rejected</th>
<th>Checks Rejected Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>4,213,126</td>
<td>$93,079,401.51</td>
<td>4,139,076</td>
<td>$91,513,737.06</td>
<td>74,050</td>
<td>$1,564,664.45</td>
</tr>
<tr>
<td>2014</td>
<td>4,266,942</td>
<td>$91,910,712.10</td>
<td>4,194,037</td>
<td>$90,393,143.15</td>
<td>72,905</td>
<td>$1,517,568.95</td>
</tr>
</tbody>
</table>

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1) mail: U.S. Department of Agriculture  
   Office of the Assistant Secretary for Civil Rights  
   1400 Independence Avenue, SW  
   Washington, D.C. 20250-9410;

2) fax: (202) 690-7442; or

3) email: program.intake@usda.gov.

This institution is an equal opportunity provider.
Reminder Dates!

South Carolina WIC Food Guides
Now available online
Mail out November 2017

Applications for Authorized WIC Vendor
In December 2016 all vendors will be required to submit new applications. An application must be on file for each individual store as of January 2017.

South Carolina WIC Vendor Online Price Survey
Submissions due March 2017

South Carolina Food Package Committee & WIC Vendor Advisory Committee Meeting
May 2, 2017

Contact Us
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Visit us on the web at www.scdhec.gov/Health/WIC/ForVendors.