

Establishing and Collecting Assessed Vendor Claims**Policy No. VM- 130.01**

Effective Date: October 1, 2016

No. of Pages: 5

Policy

The [State agency](#) may establish a claim in the amount of the full or partial purchase price of each [food instrument](#) or [cash-value voucher](#) that contained a [vendor overcharge](#), Civil Money Penalty (CMP) or other error. Monetary claims must be paid by the vendor within thirty (30) days of notification.

Purpose

When the State WIC Office (SWO) has determined that a vendor has committed a vendor violation that affects the payment to the vendor, it must delay payment or establish a claim to pursue collection of the claim from the vendor. There is a separate procedure utilized to notify vendors of a disqualification from the WIC Program.

Procedures**I. ESTABLISHMENT OF CLAIM AMOUNT**

- A. The assigned Vendor Relations Compliance Specialist will send a request to the WIC Vendor Cost Containment Senior Data Analyst, requesting an independent calculation of the claim amount within 5 business days. Once that claim amount has been established:
1. The WIC Vendor Cost Containment Senior Data Analyst will send an audit document to the Vendor Relations Compliance Specialist outlining the dollar amount.
 2. The audit document will be utilized to complete the notification to the vendor.
 3. The audit document will be filed in the vendor folder and on the WIC drive with the notification letter.
 4. The WIC Vendor Cost Containment Senior Data Analyst will follow Policy VMCC 00011 – Adverse Referral & Claim Collections Monitoring to account for all vendor claims assessed.

II. NOTIFICATION OF ASSESSMENT OF CLAIM/OPPORTUNITY TO JUSTIFY AND CORRECT CLAIM AMOUNT.

- A. The assigned Vendor Relations Compliance Specialist will send a notice of assessment of a claim to the vendor within 90 days of either the date of detection of the vendor violation or the completion of the review or investigation giving rise to the claim (whichever is later). The communication to the vendor will include:
1. Overview of the basis of the claim;
 2. Amount of the claim;

3. Disclaimer that the assessed claim is not subject to administrative review;
4. Notification of vendor's opportunity to submit documentation to either justify or correct the claim amount within 15 days of notice date;
5. Notification that should the vendor elect not to refute the amount of the claim assessed, vendor has the option to settle the claim by submitting a negotiable instrument for the claim amount, made out to "Georgia WIC", within 15 days of the Notice date. Payment must be addressed to:

Department of Public Health – Georgia WIC State Office
Attn: Deputy Director of Program Administration
c/o WIC Finance Manager
Georgia State WIC Office
2 Peachtree Street N.W., Floor 10
Atlanta, GA. 30303

- a. Georgia WIC will provide the Georgia Department of Public Health, Division of Finance a monthly report detailing vendor claims.
 - i. Upon receipt of vendor remittances in the form of a negotiable instrument (personal check, money order, bank check or other instrument), the WIC Finance Manager will forward remittances to the WIC Financial Analyst for processing.
 - ii. The WIC Financial Analyst will accept the remittance and complete the Georgia Department of Public Health Receipt Form. The form contains line item data (fund code, funding source code, project code, and class code) necessary to the processing of the revenue (see attached Receipt Form).
 - iii. The WIC Financial Analyst will forward the original vendor remittance correspondence and a photocopy of the financial instrument to the WIC Vendor Administrative Coordinator.
 - iv. Upon completion of the form, the WIC Financial Analyst will forward the Receipt Form and remittance to the DPH Division of Finance, Accounts Receivable for deposit.
 - v. All funds from vendors will be deposited in the WIC Federal Holding Account, Bank of America Account # XXXXXXXXXXXXX.
 - vi. All funds will be credited to the WIC Food Account with the appropriate WIC Department Code, WIC FFY Funding Source and Project Code. The WIC

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4. Disclaimer that the assessed claim is not subject to administrative review;
5. Notice that alternative collection options against the vendor may be pursued.
6. Opportunity for payment by check to satisfy the balance and detail for submission of balance via a negotiable instrument for the claim amount, made out to "Georgia WIC". Payment must be addressed to:

Department of Public Health – Georgia WIC State Office
Attn: Deputy Director of Program Administration
c/o WIC Finance Manager
Georgia State WIC Office
2 Peachtree Street N.W., Floor 10
Atlanta, GA. 30303

- a. Upon receipt of remittances in the form of a negotiable instrument (personal check, money order, bank check or other instrument), see previous Section I. A. 5. a. for next steps.

- IV. **INITIATION OF LITIGATION FOR PURPOSES OF COLLECTING AN OUTSTANDING VENDOR CLAIM.** If the State Agency is unable to collect the vendor claim administratively, it will turn over collection efforts to the State Attorney General's (AG's) Office.
- A. The Vendor Relations and Compliance Consultant will submit a Claims Request Packet to the State AG's Office for any outstanding or uncollected claim amounts. The Claims Request Packet will include:
1. Letter of request for representation.
 2. Vendor documentation of the basis for establishing and collecting the claim and the SWO's efforts to collect the claim. This will include the following information: Vendor name, reason for the claim, amount of the claim, evidence of vendor's opportunity to justify or correct the assessed claim amount; and any dates of collection, if applicable.
 3. The initial follow-up with the AG's Office by the State Agency will occur after the first 30 days from the date the Claims Request Packet is submitted. All subsequent follow-up by the State Agency will occur every 30 days thereafter until the claim is satisfied, or the AG's Office identifies that all efforts to satisfy the claim have been exhausted (in writing).
 4. For any vendor claim that is partially or fully collected from the efforts of the State AG's Office, the money collected will be remitted by the AG's Office to the SWO, as a negotiable instrument, within 14 days of its receipt of the collected funds from the court in which the debt collection was initiated along with all relevant documentation (e.g., court order).

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5. Negotiable instruments received from the AG's Office will be handled and reported as outlined in Section I. A. 5. a.
- V. **RECORD-KEEPING.** All stages of the claims collection process will be documented and retained in the vendor's file and the Vendor Claims Database within the Office of Vendor Management. See Policy VMCC 00011 – Adverse Referral & Claim Collections Monitoring.
- VI. **UNCOLLECTED VENDOR CLAIMS.** If a vendor claim is not satisfied after all of the above efforts have been exhausted, the vendor or any owner, officer, or other interest holder, will be barred from attempting to seek authorization of the same business or a new business until the outstanding claim is satisfied. The Vendor Claims Database and the vendor file will be updated with the final status from the AG's Office.

Authority

7 C.F.R. § 246.12(h)(3)(ix)

7 C.F.R. § 246.12(k)(2), (k)(3), and (k)(4)

7 C.F.R. § 246.14(e)

7 C.F.R. § 246.4

WIC Policy Memorandum #2005-3

GA SAO Statewide Accounting Policy & Procedure: Section Revenues and Receivables

Definitions/Supporting Information

Policy VMCC 00011 – Adverse Referral & Claim Collections Monitoring

VM-100.08 Confidentiality of Retailer Information

Georgia Department of Public Health Confidentiality Agreement

Contact Information

Georgia Department of Public Health

Georgia WIC Program

Office of Vendor Management

2 Peachtree Street, NW, 10th Floor

Atlanta, Georgia 30303