

21—50.11(159,175B) Certified vendor noncompliance sanctions.

50.11(1) A warning may be the sanction for minor violations such as, but not limited to:

- a. Failing to appropriately display the certified vendor sign with the current year certification sticker.
- b. Conducting Iowa FMNP transactions at locations not authorized by the department or at times other than the posted hours and days for an authorized location.
- c. Conducting Iowa FMNP transactions with an expired certification.

50.11(2) A disqualification may be the sanction for severe or repeated violations such as, but not limited to:

- a. Failing to accept vouchers as payment only for eligible foods.
- b. Redeeming vouchers on behalf of another vendor.
- c. Returning cash or issuing credit in any form to recipients during sales transactions that involve vouchers only.

50.11(3) The department will issue certified vendors a written notice for all sanctions. A sanction from the department shall be pending for 15 days following receipt of the written notice by the certified vendor. The certified vendor shall be granted the pending period for presenting a written response or rebuttal. The department may reverse or modify a sanction based upon the written response submitted by the certified vendor. If a disqualification is upheld upon completion of the pending period, the department shall notify the certified vendor of the disqualification period including an effective date and, if applicable, an end date. A disqualification period may be in effect for at least the remainder of the current year or may be permanent.

50.11(4) Disqualified vendors shall refrain from participating in Iowa FMNP.

50.11(5) Violations involving the use of multiple vouchers in a single sales transaction shall be considered as a single violation. Violations involving multiple sales transactions, regardless of time elapsed, shall be considered multiple violations at a standard of one violation per sales transaction.

50.11(6) The department shall have the right to reimbursement from the vendor of an amount equal in value to vouchers redeemed after the official date of the disqualification notification. The disqualified vendor may be required to return the certified vendor identification sign(s) to the department within 15 days of receipt of the disqualification notice. At the conclusion of a disqualification period, the vendor must reapply for and receive certification in order to resume participation in Iowa FMNP.

50.11(7) Probationary status. Any vendor successfully recertified following disqualification will be on probationary status for one full Iowa FMNP season. Recurrence of a substantiated disqualification violation during the probationary period and for which the certified vendor has been cited shall be sufficient grounds for immediate and automatic disqualification.

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