



Food and
Nutrition
Service

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DATE: December 6, 2024

SUBJECT: WIC Policy Memorandum #2025-1: Clarification on Corporate Changes of Ownership

TO: Regional Directors
Supplemental Nutrition Divisions

WIC State Agency Directors
All WIC State Agencies

FNS is committed to modernizing WIC Food Delivery policy to increase program flexibility to adapt to a changing retail marketplace. This policy memorandum provides guidance to WIC State agencies on how to address corporate changes of ownership, including existing vendor authorization flexibilities, and on how to mitigate any resulting impacts on vendor authorization and participant access.

Per WIC regulations at 7 CFR 246.12(h)(3)(xviii), WIC State agencies have the discretion to determine whether a change in business structure constitutes a change in ownership. This policy memorandum clarifies that WIC State agencies have the discretion to view corporate mergers and related transactions as changes in ownership only if the taxpayer identification numbers/employer identification numbers (EIN) change.

If the State agency determines that a change in ownership has occurred, the vendor is treated like a new vendor applicant, requiring a preauthorization visit and new vendor agreement. FNS recognizes that corporate changes of ownership may likely impact many vendors and have downstream effects, including increased vendor authorization processing and potential disruptions in service for participants. As such, FNS will permit WIC State agencies to streamline the authorization process for these vendors by allowing routine monitoring visits made up to one year prior to the transaction to meet the preauthorization visit requirement. State agencies should prioritize these vendors for monitoring until the State agency is able to visit each impacted vendor.

In addition, State agencies should assess the scale of reported vendor changes in their jurisdiction, including how many stores are impacted and the timeline of the expected changes. State agencies should understand the impacts on participant access and aim to prevent or minimize any disruptions in service. This may include proactively reviewing the new ownership's vendor application and assessing selection criteria while concurrently working to offboard the current vendor ownership.

FNS encourages State agencies to update their policies to address corporate changes of ownership and to identify opportunities for efficiencies to ensure continuity of services for participants. WIC State agencies should work with their legal counsel to determine whether and when additional action may be needed at the state level.

In the coming years, FNS will continue work to modernize WIC Food Delivery regulations to increase program flexibility to adapt to a changing retail marketplace, and appreciates State agency dedication to the WIC Program, its mission, and the participants. WIC State agencies are critical to ensuring program integrity and continuity of services for WIC participants.

This memorandum supersedes the following WIC memorandum:

- WIC Policy Memorandum #2015-1: *Sale of Safeway, Inc. to AB Acquisition Impact on Vendor Authorization*

Any WIC State agency with questions regarding this change should contact its respective [FNS Regional Office](#).

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