

SNAP Provisions of the Agricultural Act of 2014

On February 7, 2014, Congress passed the Agricultural Act of 2014, P.L. 113-79, which reauthorizes the Supplemental Nutrition Assistance Program (“SNAP”). Below are the SNAP retailer provisions that are effective immediately.

EFFECTIVE IMMEDIATELY:

SNAP benefits cannot be used to pay bottle/can deposits unless it is a State-required fee.

SNAP benefits cannot be used to pay for a deposit fee unless it is a fee the State requires customers to pay to purchase food in a returnable container. Deposit fees added by manufacturers cannot be paid for with SNAP benefits, even if the fee is included in the shelf price of the product. Currently, only 10 States have some type of State deposit fee requirement. These States are: California, Connecticut, Hawaii, Iowa, Massachusetts, Maine, Michigan, New York, Oregon, and Vermont.

SNAP retailers must pay for their own Electronic Benefit Transfer (EBT) equipment.

Retailers will no longer be offered free EBT equipment, supplies and related services (“EBT equipment and services”) to participate in SNAP. Retailers that become SNAP-authorized after March 21, 2014, must pay for their own EBT equipment and services. Retailers authorized on or before March 21, 2014, and who have already been given free EBT equipment and services by the State may, at the State’s option, continue to use the EBT equipment and services for free until September 21, 2014. **Such SNAP-authorized retailers should arrange for lease or purchase of EBT equipment and services as soon as they can in order to ensure continued participation in SNAP. States may provide retailers that use free EBT equipment and services with further instructions and deadlines.** EXCEPTIONS: Eligible farmers’ markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements, treatment centers, and prepared meal services may continue to qualify for free EBT equipment and services until further notice.

New SNAP retailers cannot use manual vouchers to redeem SNAP benefits.

Except in disasters or in the event of an EBT system failure, manual vouchers will no longer be allowed as a way to accept SNAP benefits. Retailers that become SNAP-authorized after March 21, 2014, can no longer use manual vouchers for ongoing SNAP business. Instead, all new SNAP retailers must redeem benefits electronically through a commercial point-of-sale device, which they must obtain and pay for themselves as discussed above. Retailers authorized before March 21, 2014, and who are already using manual vouchers for ongoing business may continue to do so until further notice. EXCEPTIONS: Eligible farmers’ markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements, treatment centers, and prepared meal services may use manual vouchers until further notice.

SNAP benefits may be used to purchase Community-Supported Agriculture shares.

Both non-profit and for-profit farmers’ markets and direct marketing farmers that operate using a Community-Supported Agriculture model may accept payment up to 14 days before delivering the food to SNAP customers or making the food available for pickup.

To read the full text of the Omnibus Farm Bill Implementation Memo, go to: <http://www.fns.usda.gov/snap/policy>.

If you have any questions, please contact the Food and Nutrition Service at RPMDHQ-WEB@fns.usda.gov.

Supplemental Nutrition Assistance Program (SNAP) Electronic Benefits Transfer (EBT) Fact Sheet for New Retailers



How do people use SNAP benefits to buy food in my store?

SNAP households get an **EBT card**, which operates like a debit card, to buy eligible food at stores authorized to take SNAP benefits.

The customer swipes the card in a **Point of Sale device (POS)** at the store and enters a four-digit **Personal Identification Number (PIN)**. The clerk enters the exact amount of the food purchase on the POS. This amount is deducted from the household's EBT SNAP account and credited within two banking days to the retailer's bank account.

All **transactions are electronically processed and recorded**. The US Department of Agriculture (USDA) has access to records of all transactions, including the date, time, and dollar amount, on all terminals.

How do I get POS equipment for my store?

First, you (the retailer) must be authorized by USDA, Food and Nutrition Service (FNS) to take SNAP benefits. Once your location is authorized under your ownership, you may:

Use existing or commercially available credit/debit card POS equipment that allows stores to process both EBT and commercial debit/credit transactions on the same device. The EBT Processor for your State can provide more information on where to obtain equipment and services. If you already have equipment, talk to your current processor about programming your current equipment and to obtain cost information.

OR

Use a special POS device supplied by the State that only processes EBT transactions. Only stores that are exempt are eligible for State-supplied POS equipment that handles only EBT transactions. **Exempt retailers are farmers' markets, direct marketing farmers, military commissaries, non-profit food buying cooperatives and community meal services and programs.** You must sign an agreement to cover the use of the equipment and supply banking information to the company that handles the processing for this equipment before you can receive the device.

If I choose the State-supplied POS device, when will I get my equipment?

Usually **within two weeks** after you get your SNAP Permit from FNS and sign and return the completed agreement to the processor. The FNS office that approved your application or the processor will give you more information about this.

Who can I call if I have other questions?

For questions about the Supplemental Nutrition Assistance Program, contact us at 1-877-823-4369 or visit our website at www.fns.usda.gov/snap and click on "Retail Merchants" for more information.

For questions about using the POS and processing transactions, call the Retailer Help line number provided by your processor.