

2008 Farm Bill Q & A's

Section 4113. CLARIFICATION OF SPLIT ISSUANCE

1. Can States continue to split monthly issuance allotments for participants in drug and alcohol treatment centers?

Yes. Report language indicates that there was no intention to disallow split issuance for drug and alcohol treatment centers. Clients in these programs are entitled to the return of half of their benefits if they leave the program before the 16th of the month. Some States manage this requirement via split issuance.

Section 4114. ACCRUAL OF BENEFITS

1. Will FNS continue to provide waivers to allow disaster benefits to be expunged earlier than 12 months?

Yes. It's important to note however that these waivers **cannot** be granted in advance of a disaster, and may not be granted unless a Presidential disaster declaration is in place. We recognize that there may be system impacts. States may work with their vendors to allow for early expungement of disaster benefits, but this feature should not be the only method by which disaster benefits may be expunged in the State system. FNS approval of the early expungement disaster waiver cannot be assumed as each disaster is unique. One can envision a situation such as a pandemic flu disaster, for example, when a longer period of maintaining disaster benefits on the system might be necessary.

2. Will FNS provide any formal notification to the EBT vendors regarding the changes?

FNS staff will be discussing changes to the off-line and expungement timeframes with vendors as the occasion arises, and will attempt to hold a conference call in the near future. We will not be providing EBT vendors with formal notification; it is up to States to work with their vendors on system changes that will be required to meet the new expungement timeframe of 1 year, and that will be necessary if a State chooses to move benefits off-line.

3. Will States be responsible for ensuring the new expungement and/or offline process is modified, tested and certified by October 1?

Yes.

If so, will FNS be requiring any specific details from the results of the testing prior to migrating the parameter change?

FNS will require that States confirm that the parameter change has been made.

4. For States whose parameters are calculated by number of days, how many days will equal one year? How should a date calculate the number of days in a leap year?

One year has been defined as 365 days. There is no expectation that States account differently for a leap year.

5. What are the notification requirements for taking benefits offline?

Congress requires notification prior to moving benefits off-line. Effective October 1, 2008, notification may not be at the point of certification, recertification, or training. Congressional intent was that notification be closely tied to the date benefits would move off-line. Therefore, waivers that allow for notification at certification, recertification or training will no longer be valid and will be withdrawn.

6. The provision stated that “State agencies may choose to move benefits off-line if the account has not been accessed for six months.” Is off-line interpreted to mean the same as a stale account? We understand that we can move benefits off-line no sooner than at 6 months of inactivity and we can choose to not move them off-line at all. Is our line of thinking correct?

This provision allows States to make inactive benefits inaccessible at the 6 month mark and no sooner. Clients who contact the State Agency between a 6 month off-line move and the 12 month expungement date must be given access to their benefits within 48 hours. States are not required to move benefits off-line at the 6 month mark; this is a State option.

Section 4115. ISSUANCE AND USE OF PROGRAM BENEFITS

1. When will clients need to spend their coupons?

Clients will need to redeem any remaining paper coupons by June 17, 2009.

2. When will coupons have to be at the Field Office if a store has coupons to redeem?

Retail stores will need to submit all coupons for redemption by July 17, 2009.

3. What public information efforts will FNS be initiating in States to notify clients of the deadline?

We are currently making that determination.

4. What public information efforts will FNS be initiating in the States to notify stores of the deadline?

FNS will direct stores to information on coupon redemption through a nationwide mailing, and will use our website, trade networks, and other avenues, as appropriate.

5. Will people be able to redeem their coupons at local SNAP offices?

No. Clients will need to spend their coupons at authorized retailer locations. Local offices do not have a redemption mechanism in place.

6. What are interchange fees? Are they the same as transaction fees paid by retailers to third party processors?

Interchange fees are currently paid for credit and debit card transactions in the commercial environment, but not for food stamp EBT transactions. Interchange fees are paid by retailers to card issuers (the banks that sponsor the credit or debit cards). The rates are set by the card associations (e.g. MasterCard or Visa) and are based on a combination of factors including amount of the transaction, total volume, and type of business. Issuers who collect the fees then pay the fees to the card associations. The Farm Bill ensures that such fees are not applied to EBT transactions in the future.

Transaction fees currently paid by retailers in the EBT arena are not interchange fees.