



*A Guide to  
Accepting Elec-  
tronic Benefit  
Transfer Cards  
at Montana  
Farmers Markets*

## MONTANA FARMERS MARKET EBT MANUAL

Accepting EBT cards at your local farmers market can be a win-win situation. The electronic benefit card provides easy access to locally grown, fresh fruits and vegetables for low-income people while providing additional revenue for the market vendors. Additionally, if using a wireless device, vendors at the market can also accept credit or debit cards, thus further increasing sales to all vendors.

This guide is an outcome of a Montana Department of Health and Human Services grant to pilot the implementation of EBT cards at four

that can be copied, modified with your logo, and used at your market. There is also a glossary of unfamiliar terms. These words are indicated in bold throughout the manual.

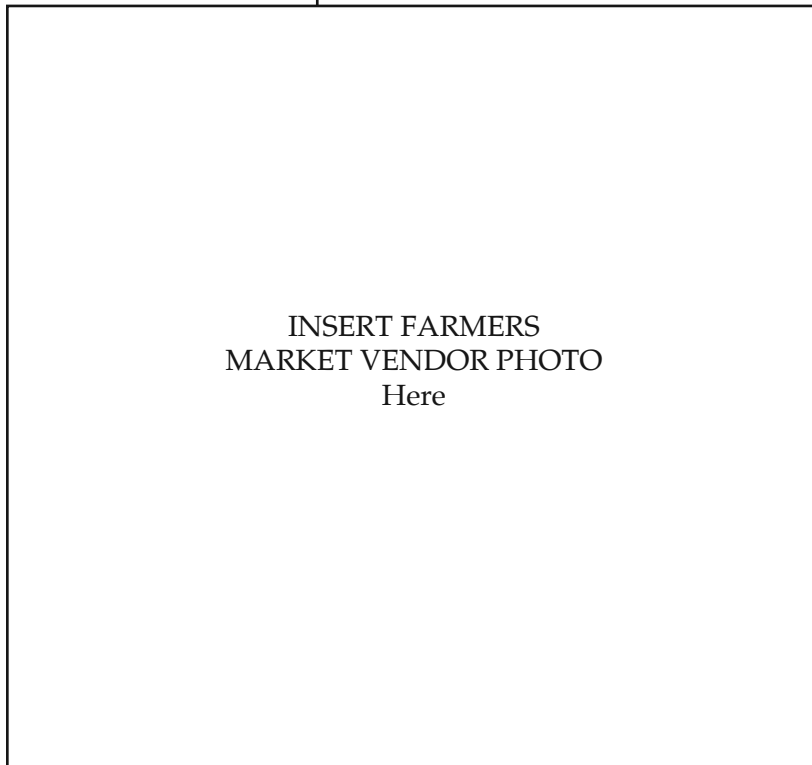
*Overview:*

A central **Point-of-Service** (POS) system allows all eligible food vendors in a multi-vendor farmers market to sell eligible food products to food stamp benefit recipients (EBT Cardholders) without each vendor being separately authorized by the USDA Food & Nutrition Service.

The Central POS device is located

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agers on the following page (page 3). At the end, there are sample forms



formation table or to the staff person who is carrying the device. The staff person asks the customer how much of her food benefits she would like to transfer to scrip today. Then the staff person swipes the customer's card and debits the amount he/she requests. (This amount is transferred from the customer's account to the market association's bank account.) The staff person then issues scrip in the amount requested to the customer. The scrip can be either tokens or paper. (See below for details and regulations.) The customer shops with the scrip at all eligible food booths in the market. At the end of the market day, vendors turn in their scrip to be reimbursed the following week (the market can immediately reimburse them, but the funds from the EBT may not be available for 1-2 business days after the transaction). It is important to maintain appropriate records and security systems.

## MARKET MANAGER CHECK LIST FOR GETTING AN EBT MACHINE AT YOUR FARMERS MARKET

- Get Authorized by the Food Nutrition Service
  1. Submit complete application with required documentation to the FNS
  2. Indicate to FNS your POS choice: EBT only or EBT/ Debit/ Credit
  3. Go through training with the state FNS representative
- Purchase Point of Service (POS) Machine
  1. The state will provide an EBT only machine at no cost, upon approval of your application. If you wish to have a machine that accepts both debit, credit, and EBT you will need to purchase one from a third party vendor.
- Do you have a checking account? If not, you will have to set one up before ordering the EBT machine for funds to be transferred from the state.
- Purchase Wooden tokens for the market
  1. Paper is also a possibility, but is easier to counterfeit, and is not as durable for the long-term.
- Develop an accounting system to track EBT and Credit/ Debit transactions.
- Develop market day procedures that provide
  1. POS booth
  2. System for vendor reimbursement
- Orient participating vendors.

## GETTING AUTHORIZED AS AN EBT RETAILER

To begin using the EBT program, you must first download an application from the USDA Food and Nutrition Service (FNS). This can be found at this web-site: <http://www.fns.usda.gov/fsp/retailers> or you can call: **1-877-823-4369** to have an application mailed to you. The packet will be shipped overnight within a few days.

The application will ask questions about your market as if it were a grocery store. In addition to providing information about your vendors, types of food sold, and total revenue, the applicant must also provide identification verification of all the Farmers Market Board of Directors. There is a check-list of all your required documentation that comes with the application.

After you have completed the application, send to the FNS Helena office:

Food & Nutrition Service  
Helena, MT Field Office (303)  
10 West 15th Street  
Suite 1500  
Helena, MT 59626  
(406) 441-1190

Lynnae Bright is your contact at the Helena FNS office and she is very helpful in answering any questions or helping to fill out the application. She will most likely call and confirm certain information and ask questions if there is anything unclear on the application.

Once you have been approved, Lynnae will conduct an on-site visit and inspection of your market. She will provide official documentation recognizing your organization as an authorized retailer of EBT. She will



also provide signage for your market and individual vendors to display, letting the public know which vendors are participating.

This application process takes approximately one month (they have up to 45 days to complete your application, however), if all the items on the checklist are complete and the application does not need to be amended. You will be given a FNS vendor number and license when Lynnae visits your site. She will also go over all the rules and give you an official Food Stamp manual and DVD explaining the program in detail.

## SETTING UP THE EBT MACHINE

After you have been approved as an EBT retailer, and have a market checking account, you will need to either purchase a point-of-service swipe machine – which will process EBT as well as Credit and Debit Cards, or order an EBT-only swipe machine through the USDA Food and Nutrition Service. Your market

agreed to give them a key to her business and use of the phone and electricity during the market. There was no additional cost for using the machine, and she received publicity as being a sponsor of our program, so it was an easy and positive collaboration.

### *EBT/Debit/Credit:*

If it is not feasible to have a phone and electrical hook-up at your market, or if you want to provide Debit and Credit service, purchasing a wireless machine from a third party vendor is the way to go. There are several advantages to this method. One is the potential for increased sales, as folks do not have to stop at an ATM or forego additional purchases once their cash is all used. They can go right to the central POS station and get additional funds for the market. The other advantage is that it reduces the stigma of using market tokens for EBT customers. If everyone is using similar tokens for their purchases, there is less notice when an EBT customer uses them.

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### *EBT only:*

The state of Montana provides the EBT-only machine at no charge. This machine requires a phone line and electricity at the site. The advantage to this machine is that it is cost-free. You will not be charged for the machine or for the processing fees. The disadvantage is that it requires a phone line and electrical plug in on-site. For some markets this may not be feasible. The Missoula Clark Fork Market contacted a business owner whose store front was right next to the market. She

machine will set up an account to automatically debit the customer's account. In addition to a monthly handling fee, each transaction that occurs will also have a 'swipe' fee. The third party vendors will sign a contract with you before setting up the account, so you will know beforehand how much you will be charged.

## PURCHASING A POS MACHINE

There are several vendors you can purchase your Point-of-sale swipe

machine from. Here in Missoula, we have a local third-party vendor, Big Sky Commerce. The fees are as follows – please note that these are quotes we received over the phone. You will need to get a written quote and contract from a qualified third-party vendor. See the appendices for a break down of national and state third party vendor costs.

## PAPER VOUCHER SYSTEM

If you do not have access to a phone line or wireless connection, an alternative is to use paper scrip and key in the information on a cell phone to obtain approval from FNS Customer Service. If using this method, instead of using tokens, the customer receives a paper form that they take to the merchant, get a signature from the vendor with an amount of the total cost of the produce. They then return to the POS Station, and enter in the EBT card number and purchase amount via cell phone and return back to the vendor for their purchase. This method is more time-consuming for the customer and EBT coordinator, but if it is your only option then the FNS office will work with you. The scrip is provided by the state FNS office and is discouraged, because it is very time consuming and difficult to implement.

## PURCHASING WOODEN MARKET TOKENS

Wooden Tokens are easy to use and make shopping at the market fun. The tokens can be purchased on-line from a number of vendors.

Here are two retail sites that are helpful on easy to use:

Kardwell international  
[www.kardwell.com](http://www.kardwell.com)  
[www.woodennickels.com](http://www.woodennickels.com).

These retailers also have several samples of token designs. Prices vary depending on how fancy you want to be, or what color choices you decide on. They should be printed specifically for your market. Design one side with your logo or market name and the other printed with the value amount and 'no cash value' 'no change given'. We recommend \$1 in green, \$2 in black, and if you are using Credit/Debit, \$5 in RED. The Credit/Debit tokens are totally separate from the EBT tokens. They are not interchangeable, and you cannot use EBT tokens as change for the Credit/Debit Tokens. Also, you can give change back with the credit/ debit tokens, so the 'no change given' should be omitted. Tokens should only be used at the market they were purchased from.



An alternative to the wooden tokens is developing some sort of market bucks in similar dollar increments. They are easier to counterfeit, but it is possible to circumvent this by using a watermark paper to print the bucks, or voucher on.

## MARKET DAY PROCEDURES

A Central POS booth will allow all eligible vendors to participate in the program. A staff person or qualified volunteer will need to be trained in how to run the program, operate the machine, and provide accounting for the vendors at the beginning and end of each market day. If the market is small, the market master might be able to fulfill this role. Larger markets might have to hire someone or recruit volunteers other than the market manager.

### *Tokens*

To conduct a transaction, the staff person asks the customer how much they intend to spend. Then they swipe their card through the machine. A balance will show how much money is available. After swiping the card, the customer will enter his/her PIN number on the machine pad. This amount will automatically be transferred to the merchant's checking account at the end of the market. The cus-

will take the tokens to the vendor to purchase eligible items. It is recommended that the vendor collect the tokens in a provided envelope. At the end of the market, each vendor will bring their collected tokens to the POS station and sign the 'Vendor Token Redemption Log', and receive a receipt for the number of tokens redeemed that week. An alternative system is to put a separate log sheet in an envelope for each vendor. These envelopes are collected by the market manager at the end of the market. The following week, at the beginning of the market, the vendor will receive a check in the amount of the token sales from the previous week. The check can be placed in the vendor's envelope prior to the market. After the last market day, a check will be mailed within a week to each vendor. Tokens will not be redeemed after the last market day. Important: Vendors should not store tokens, even if they only have a few. Each market day they should turn in all their redeemed tokens, to ensure that all tokens are accounted for

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EBT tokens. Customers are asked to use all the tokens they receive on the day they receive them. This will keep the accounting procedures clean and balanced. Customers that do not use their tokens can be reimbursed, but this requires reimbursing their EBT account through the POS machine. We do not recommend advertising this at your booth, as it is a labor intensive process, but if someone asks, their request must be fulfilled.

### *Vendor Reimbursement*

During the market, customers

matically transferred, you must open a checking account to transfer the funds into. The money from the EBT program will be batch transferred into the account over the weekend. The Credit and Debit amounts will be transferred according to the credit card company's schedule, typically within 48 hours. The checks to the vendors can then be written out of this account during the week, and distributed at the beginning of the market that weekend. There is a space on the Vendor Token Redemption Log to show the date the check was issued and the check number.

There is little accounting that needs to be done, but it is very important to keep accurate records. It is crucial that the individual vendors have a record of their sales and that they are reimbursed each week for the amount of the previous week's sales. To ensure accurate accounting, you can use a "Vendor Token Redemption Form." There is a sample form in the Appendix.

#### *Vendor Redemption*

Each week, the EBT coordinator or accountant will record the number of tokens given out, the number returned by the vendors, and the checks written to reimburse the vendors. Sample accounting sheets for these processes are located in the **Appendix** at the end of this manual.

#### *Monthly Accounting Statement*

Each month your accountant (or EBT coordinator) will receive a statement showing the EBT, Credit Card and Debit Card transactions from either the third party vendor or the state office (depending on which type of machine you have). These should correspond to the *batch receipts* that

the machine prints out at the end of the market each week.

Once you have the system set up, you will need to train farmers and other market vendors at the market on how the program works, and what they can and cannot sell to EBT customers.

Credit and Debit customers will receive \$5 tokens, and can purchase any product without restriction. They can also receive change back for their tokens. It is important that ALL vendors are familiar with the different tokens so that they do not accept an EBT token for a non-eligible item.

These products ARE ELIGIBLE to be purchased with EBT tokens:

- Produce
- Milk
- Meat
- Bread
- Candy
- Cold sandwiches
- Seeds or bedding plants for growing food

These products are NOT ELIGIBLE for purchase with EBT tokens:

- Alcohol
- Tobacco
- Pet food
- any non-food item
- any food served hot such as coffee or tea drinks
- any prepared food item meant to be eaten on site, such as ice cream bars

*Prepare a Vendor Handout for each eligible vendor*

The vendor information sheet in the **Appendix** will explain your program, list eligible and ineligible items, how to record the number of tokens used, how to redeem them, and any rules of operation for the

## VENDOR EDUCATION

Before beginning the program at your market, be sure each vendor receives the following:

- Vendor handout
- Vendor Token Redemption Envelope
- "We Accept Food Stamps" sign for their booth/table
- A list of eligible and ineligible purchases

program. Please note on the hand-out that change cannot be given for EBT tokens. It should also include instructions on how they will be reimbursed for their tokens and receive their money each week. There is a sample vendor handout in the appendices that you can use that includes these items.

## GETTING THE WORD OUT...

Once you are approved it is very important to develop an education and outreach plan for your market. The following are some ideas that you can implement at your market and within your community.

### *At the market:*

- “We Gladly Accept EBT” signs at market entrances and scrip point of sale
- “Get \_\_\_ Farmers’ Market Dollars/Tokens Here” signs at scrip point of sale
- “We accept \_\_\_ EBT Dollars/Tokens Here” signs at vendor stalls
- Encourage vendors to highlight individual vs. per pound prices. (for example 4/ \$2.00 vs. a per pound price.

### *In the Community:*

- Posters, listing one farmers market or all farmers markets accepting EBT by county or region, to post at social service offices, food stamp offices, WIC offices, senior centers, food banks, Head Start programs, libraries, etc. Work with other farmers markets and join efforts!

- Flyers, with or without coupons, distributed at same locations and handed out at nutritional education events, food stamp outreach occasions, health fairs, etc.
- “We Gladly Accept EBT” should be on all Market posters, flyers, event announcements, press releases, print ads, free listings, website, etc.
- For college students, use university media and financial aide office.
- Advertise on your local bus system.
- Promote the program through local churches
- Hang a promotional poster in a thrift store.

### *Other Ideas and Resources*

- Develop newspaper and other media articles highlighting program partnerships
- Get postcards or flyers inserted into the quarterly mailing to food stamp clients from your local Office of Public Assistance. Leave posters and flyers there as well.
- Do a *Dot Survey* to determine the current zip codes that the market is serving. Create a map for your board or publicity coordinator to visually see what area you need to target.
- Get farmers market EBT access on the radio, local TV, the newspaper, and the internet with ads, interviews, press releases, etc.
- Highlight electronic services on your web site.

### References:

- 1) Langan, Linda. 2007. Spring Promotion Ideas. Newsletter of the EBT Farmers’ Market Nutrition Promotion Project March 2007. Ecology Center. Berkley, CA.

## GLOSSARY

*Batch receipts*—print out of the daily transactions after the market. Your EBT machine will do this at the end of every market. Either the state or the third party vendor will provide you with information on how to print off your batch receipt upon training.

*Dot Survey*—A survey that displays questions on large sheets of papers and provides “dot” stickers for people to stick on to their preferred answer. It is an anonymous way for customers to express their opinions.

*Food Security*--Access by all people at all times to enough food for an active, healthy life. Food security includes at a minimum: 1) ready availability of nutritionally adequate and safe foods, and 2) an assured ability to acquire acceptable foods in socially acceptable ways. (USDA)

*Point-of- Service (POS) system*—A device that is used to swipe either the EBT/ Debit/or Credit cards. Market transactions are carried out with either tokens or vouchers that are exchanged at the central POS station. The device can be wireless or use a phone line, but they need to connect

to the account of the EBT/debit/ credit customer in order to process their card and insure the customer has enough money or credit in their account. The type of system you use depends on the resources you have at your market.

*Scrip*—Scrip is any substitute for currency, which is not legal tender. Essentially, it is money which can only be used with one company, association or group of companies. At the farmers market this is usually in the form of tokens or vouchers of some sort.

*Third party vendors*—Vendors, other than the state (which provides EBT only machines at no charge), that sell and provide services for EBT/ Credit/ Debit machines. They often times charge transaction and monthly processing fees.

## APPENDICES

Food Stamp Application  
Food Stamp Application Checklist  
Vendor Handout  
Vendor Token Redemption Form  
Eligible Products Form  
“We accept EBT Cards Sign”

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