

EBT Acceptance

Frequently Asked Questions

Q. "What is EBT?"

A. EBT programs – short for electronic benefits transfer – are government-run programs in which qualified U.S. residents receive funds to pay for a number of personal necessities. These funds are distributed on payment cards that merchants can accept the same way they accept PIN debit cards.

Q. "What are the different types of EBT?"

A. There are two major types of EBT programs: Supplemental Nutrition Assistance Program (SNAP), which was formerly known as the Food Stamp Program, and cash benefits, which include Temporary Aid to Needy Families (TANF), state general assistance and refugee benefits.

Q. "Who uses EBT cards?"

A. EBT payment cards are issued to people whose income is low enough that they qualify for financial assistance from the government. In our current economic climate, there are far more people than before from all walks of life who use EBT benefits to purchase the necessities they need for themselves and their families.

Q. "How many people use EBT?"

A. According to the U.S. Department of Agriculture, more than 40 million people are currently receiving SNAP benefits; individual state governments track cash benefit users.

Q. "What do people purchase with the EBT SNAP cards?"

A. A full list of eligible foods is available at www.fns.usda.gov/snap/retailers/eligible.htm. Most edible foods – whether canned, fresh, frozen or in jars – are acceptable for purchase; these may include:

- All dairy products
- Uncooked meats, including tuna fish and canned meats
- All vegetables, canned, fresh and frozen
- All fruit, canned, fresh and frozen
- Breads, cereals, packaged baked goods
- Seeds and plants that produce food
- Fruit juices, soda, drink mixes in packets
- Boxed pastas and boxed baking mixes
- Sugar, condiments, peanut butter/jelly
- All baby formulas and baby foods

Q. "What do people purchase with EBT cash benefits?"

A. Cash benefits may be used to purchase anything that can be legally purchased with currency. Some of the items EBT cardholders are likely to purchase using cash benefits include:

- Clothes
- Rent or mortgage
- Utilities (gas, water, electricity, etc.)
- Furniture
- Transportation (bus passes, gas, etc.)
- Phone
- Laundry
- Household supplies and equipment (toilet paper, cleaning supplies, etc.)



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Frequently Asked Questions (cont.)

- Q. "I'd like to begin accepting EBT payments. How do I do this, and will my existing credit/debit equipment process EBT?"
- A. Your first step is to check with your merchant representative to find out if your equipment will work with EBT; you may require an upgrade. Then, for EBT food (SNAP) payments, you will need to apply to the U.S. Food and Nutrition Service (FNS); call 877.823.4369 or visit <http://www.fns.usda.gov/snap/retailers/application-process.htm> After you are accepted to the program, please contact your merchant representative. If you only plan to accept EBT cash payments, your merchant representative can assist you in the next steps.
- Q. "If I accept EBT food payments, must I also accept EBT cash payments?"
- A. No; when you apply with FNS, you will be given the option to choose to accept or not accept cash payments.
- Q. "Do I need to pay a fee to accept EBT food payments?"
- A. Yes; the state and federal rules allow only that the reasonable processing costs can be charged but no interchange is assessed on EBT transactions. For additional questions, please speak with your merchant representative.
- Q. "Can I charge a fee to my customers for accepting EBT payments?"
- A. Federal regulations prohibit any retailer from charging a fee for the redemption of EBT food benefits. You do have the option to charge a fee for EBT cash payments; however, you must apply the same surcharge to all debit and EBT transactions. Many retailers choose not to surcharge EBT customers.
- Q. "Must an EBT card be present for a key-entered EBT transaction?"
- A. Yes; a PIN is also required to process all EBT transactions. If, and only if, the card strip cannot be read by the POS machine, and the customer is present, then you may use the keys to type in the card number. You cannot keep the card numbers on file or enter them manually unless the EBT cardholder is present. The cardholder must still enter his or her PIN to authorize a key-entered transaction.
- Q. "If I accept EBT food payments, must I also accept the old food stamp coupons?"
- A. No; paper coupons may no longer be redeemed at stores as of June 17, 2009. Cardholders may only use their EBT cards to buy eligible food at stores authorized by FNS.
- Q. "I'm purchasing a store that currently accepts EBT and I would like to continue to be able to do this. Can I use the existing license or get it transferred to me?"
- A. When a business changes ownership, the new owner must apply for a new license.
- Q. "How can I get more information about accepting EBT payments?"
- A. Please contact your merchant representative for additional information.



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