

## **A Simple Guide for Electronic Benefits Transfer (EBT) for SNAP (formerly food stamps) Benefits at California Farmers' Markets Using a Central Point of Sale (POS) Device and Market Scrip**

- Description of the system
- Apply to accept EBT for SNAP
- Decide on EBT-only or also Debit/Credit
- Create scrip
- Contract for free wireless POS device
- Set up staffing and vendor reimbursement procedures
- Set up record-keeping and accounting procedures
- Train vendors
- Communicate system to customers at market
- Promote EBT access to the community



### **Description of operation of a Central POS/Market Scrip System**

The Central POS/Market Scrip system allows all eligible food vendors in a multi-vendor farmers' market to sell eligible food products to Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamp Program) recipients (EBT Cardholders) without each vendor being separately authorized by the USDA Food & Nutrition Service.

The central POS device (card-swiper) is located at a staffed market information table or carried by an easily identified and easily located market staff person. Signs at the market direct the EBT cardholders to the information 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, which debits the amount she requests from the balance stored on the card. (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 can shop, using the scrip, at all stalls in the market selling eligible foods. At the end of the market day, vendors trade the scrip for cash, checks or receipts for future payment from market staff. The customer can return unused scrip for credit on her card, or hold the scrip to use another day at the market or at other markets operated by the managing association. Appropriate records and security systems are maintained.



## **Ten Simple Steps to Set Up a Farmers' Market EBT/Scrip System**

### **1) Register with FNS and complete an application to become an approved SNAP vendor**

The United States Department of Agriculture's (USDA's) Food and Nutrition Service (FNS) will issue your market or association a license and an "FNS number" upon approval of an application. Authorization can take up to 45 days from the time the completed application is received by FNS, but usually takes about 30 days.

**Note:** A farmers' market does not have to be a Certified Farmers' Market to become a SNAP vendor and accept EBT. See: [http://www.fns.usda.gov/snap/ebt/fm-scrip-what\\_is\\_fm.htm](http://www.fns.usda.gov/snap/ebt/fm-scrip-what_is_fm.htm)

**To apply online:** <http://www.fns.usda.gov/snap/ebt/fm.htm>

**For a paper application:** call 1-877-823-4369

**For assistance with the process:** contact Dianne Padilla-Bates, Calif. Dept. of Social Services (916) 654-1396, [dianne.padilla-bates@dss.ca.gov](mailto:dianne.padilla-bates@dss.ca.gov)  
Or contact: Carle Brinkman, Ecology Center Farmers' Market EBT Project  
[ebt@ecologycenter.org](mailto:ebt@ecologycenter.org), (503) 793-0522

### **Some hints for filling out the online FNS application:**

- **Store opening date (q. 1)** If applying online, enter a date within 30 days from the time that you are applying, even if your expected opening date is later. FNS understands that the full process for farmers' markets to be equipped to accept EBT can take 60 days.
- **Store location (q. 4):** Enter a street address, rather than an intersection or description
- **Type of ownership (q.10):** A nonprofit corporation is a Privately Held Corporation
- **Ownership (q.12):** Only one "owner" is needed. No spouse name or spouse's SS# is required for farmers' market applications. FNS will accept either the market manager or one board officer as the "owner" of a farmers' market, as long as the person who is listed as "owner" agrees to sign the application, to take responsibility on behalf of the organization for any violations of regulations, and is willing to release his or her tax records to FNS.
- **Questions 13 and 14:** These questions refer only to the person listed as "owner".
- **Total Sales (q.16):** Estimate the total sales of the entire market. If you cannot estimate or do not know the total sales, list the total sales as \$1 so the application can be processed.

**More questions? Call Tammy Gosney, FNS farmers' market program (602) 379-4941 ext 27**

### **For Flea Markets with Produce Vendors**

A flea market or swap meet must form a Farmers' Market Business Association, with only eligible food vendors as members, before applying for a license from FNS. The Farmers' Market Association can be formed simply by each vendor/member signing an agreement to be a member and to follow SNAP vendor rules and market scrip handling rules. The flea market manager or owner, or a representative willing to take responsibility for enforcing the rules, can apply to FNS as the "owner" of the farmers' market. Your application should be in the name of this 'farmers market' as flea markets are not usually eligible to qualify as SNAP retailers under USDA regulations that state:

*"More than one-half (50%) of the total dollar amount of all things (food, nonfood, gas and services) sold in the store must be from the sale of eligible staple foods."*

For more information regarding EBT for flea markets with produce vendors, contact:  
Claudia G. Corchado, Community Project Coordinator, Livingston Medical Group  
(209) 535-7215, [ccorchado@livingstonmedical.org](mailto:ccorchado@livingstonmedical.org)

After you submit your application, and before you are approved, Tammy Gosney or another FNS representative will phone you and ask a few questions to make sure you understand the rules for SNAP EBT redemption and the rules for the EBT scrip program. She will ask about your scrip design (see below for scrip design rules). She will verify that you understand the information at: <http://www.fns.usda.gov/snap/ebt/fm.htm> and that your market meets the requirements of FNS.

**2) As soon as you apply to FNS, start the process to obtain Point of Sale (POS) equipment to process EBT transactions.**

**Contact the California Department of Social Services as soon as you apply to FNS:**

Dianne Padilla-Bates, CDSS EBT/Farmers' Markets  
(9 16) 654-1396, [Dianne.padilla-bates@dss.ca.gov](mailto:Dianne.padilla-bates@dss.ca.gov)

- Please tell Dianne the market locations and days/times of the markets where you intend to accept EBT. CDSS maintains a list of all California farmers' market locations accepting EBT.
- **CDSS will provide a free wireless POS device to any farmers' market or farmers' market association accepting EBT and will pay all associated fees.** Dianne will make the arrangements for a wireless POS to be ordered for your market or markets. This device will accept EBT transactions only; it does not have the option to accept debit or credit cards. To keep the free wireless POS, your market or association will be expected to transact an average of at least \$100 in SNAP business each month after a year or so of operation.
- If you would like to set up a system to accept credit and debit cards (sell differently-marked market scrip to credit and debit card holders for a small fee) in addition to accepting EBT, you will need to obtain and pay for equipment from a private vendor. Many markets throughout the country have discovered that offering this service increases market sales, and that the customer fees paid for debit and credit card transactions can offset the bank fees charged for EBT transactions. For more information about wireless credit/debit/ebt transaction options:
  - Berkeley Farmers' Market – Ben Feldman, Program Manager, 510.548.3333, [ben@ecologycenter.org](mailto:ben@ecologycenter.org)
  - Jason Butts, First National Merchant Solutions, 800.516-6242 ext 4086 | [www.fnms.com](http://www.fnms.com), [jbutts@fnms.com](mailto:jbutts@fnms.com)
  - The Farmers' Market Coalition Resource Library: <http://farmersmarketcoalition.org/resources/home/list/resource-library/2-vouchers-ebt-credit-cards>

**3) Decide on a form of paper scrip or token scrip that you will use. Design and order your scrip.**

**Samples of scrip with serial #'s printed on back (different colors for different denominations were found helpful):**



The market management is responsible for the design and cost of the scrip. Paper is physically easier to handle than wooden or plastic tokens, but perhaps more easily counterfeited. Companies that produce promotional and advertising items such as pens, magnets, calendars with a company logo can also produce tokens for scrip. “Wooden nickels” are very popular. Plastic tokens are thinner, more durable and more expensive than wood. If you use paper scrip, “Kant Kopy” paper or similar non-photocopy-able paper is recommended. Tokens become cumbersome and bulky in large quantities, but are not easy or cost-effective to counterfeit. 1000 to 5000 tokens is enough for most markets’ needs. Printing or stamping serial numbers on all scrip is strongly advised.

**Scrip design rules:** Scrip design must include at least these elements:

- “No change given”
- Market or association name
- “EBT scrip”
- Token denomination. Only 50 cent and \$1.00 denominations are allowed

**The Ecology Center farmers’ market EBT Project may be able to assist by designing, ordering and paying for EBT scrip for California Farmers’ Markets.**

Contact: Carle Brinkman, Project Manager  
Ecology Center Farmers’ Market EBT Project  
503.793.0522, [ebt@ecologycenter.org](mailto:ebt@ecologycenter.org)

- 4) Complete contract for free POS device if using California’s free EBT-only wireless terminal**  
After FNS approves your application, a representative from ACS, the company contracted by the State of California to provide EBT services, will contact you. You will have to sign a contract with ACS. ACS will then set up an account and program a POS device with your identifying information to enable EBT to be deposited directly in your bank account. An ACS representative will train market staff in the operation of the device, and will be responsible for fixing any technical problems that may develop, or replacing defective devices if necessary. The state will pay all charges for these services.

**You should receive your wireless POS device 2 weeks after ACS receives your signed contract.**

- 5) Decide on staffing and vendor redemption policies and procedures for each market.**

The POS device and responsible staff-person should be easily located by customers. The ideal location is a clearly marked staffed market information table, office or vehicle. If the market has no staffed information table, office or vehicle, creative solutions for EBT transactions include:

- The market manager carries the POS device and some tokens with her and wears a red cap and a name badge. A sign in the middle of the market says, “For EBT tokens, see Mary, who is wearing a red cap”
- A farmer or vendor agrees to do EBT/scrip transactions for the market at his stall.
- The market management sets up a revenue generating activity such as selling coffee or promotional items to pay for the staff time of the person who staffs this activity and operates EBT transactions at market in addition at the same stall.
- A community organization staffs the EBT transactions table in conjunction with other funded activities such as nutrition education or SNAP outreach.
- The vendors agree to a small increase in stall fees to pay the wages of a person to staff an EBT transaction table at market.

The procedure for reimbursement to vendors for tokens redeemed should be fair and manageable for all vendors. Only vendors of eligible food items may be reimbursed for tokens. Options for reimbursement systems include:

- Cash reimbursement at the time the vendor turns in the tokens
- A check written by the manager to the vendor at the time the vendor turns in the tokens
- A receipt given by the manager to the vendor at the time the vendor turns in the tokens, with a check given to the vendor for the amount of the receipt the following week

**6) Set up record-keeping and accounting systems**

- Your wireless POS device will generate a batch total of transactions at the close of each market day.
- You need to record how many tokens you redeem from each vendor each day and the total number of tokens redeemed each day.
- The daily batch total of transactions and the daily total of tokens redeemed will be different, as some tokens are kept by customers to spend another day.
- At the end of each year, FNS will ask for the total annual dollar volume of transactions, the total annual dollar volume of tokens redeemed by vendors, and the total annual difference between these two numbers.
- Sample record-keeping forms are available at [www.ecologycenter.org/ebt/](http://www.ecologycenter.org/ebt/)

**7) Train all vendors in scrip redemption rules and procedures.**

This is an ongoing process. All new vendors and all new workers at each stall have to know about the scrip, know whether they can accept the scrip for their products, know that no US currency is to be given as change and that each customer must receive full value for scrip, and know how to redeem it at the end of the day. They also have to know about the program and be able to direct customers who want to shop with their EBT Advantage cards to the information booth or staff person to get scrip.

**8) Post clear signs at all market sites informing customers of EBT access and where and how to purchase scrip.** The California Dept. of Social Services provides big laminated signs in English & Spanish. Downloadable versions are available at <http://www.ecologycenter.org/ebt>, along with many other suggestions for at-market signage.

**Contact:** Dianne Padilla-Bates, Calif. Dept. of Social Services  
(916) 654-1396, [dianne.padilla-bates@dss.ca.gov](mailto:dianne.padilla-bates@dss.ca.gov)

**9) Promote your market's EBT access to the community, especially SNAP recipients**

Consider joining forces with other farmers' markets in your county, and with county social services and client advocates to conduct an outreach campaign to make sure that all SNAP recipients know that they can use their EBT cards at participating farmers' markets. You may also want to distribute your own informational/promotional flyers in your local community.

For graphic design and technical assistance:

Carle Brinkman, Ecology Center Farmers' Market EBT Project  
[ebt@ecologycenter.org](mailto:ebt@ecologycenter.org), (503) 793-0522

For promotional ideas, see [http://www.fns.usda.gov/snap/ebt/fm-scrip-attract\\_customers.htm](http://www.fns.usda.gov/snap/ebt/fm-scrip-attract_customers.htm)

For sample signs, brochures, flyers and more ideas: <http://www.ecologycenter.org/ebt>

**10) Enjoy and be proud of keeping your market accessible to all your customers.**