

A Simple Guide for Electronic Benefits Transfer (EBT) Of Food Stamp Benefits at California Farmers' Markets Using a Central Point of Sale (POS) Device and Market Scrip

- Description of the system
- Authorization to Accept EBT Cards
- Obtaining Point of Sale Equipment
- Authorization to operate a Scrip System
- Creating Scrip
- Training Vendors
- Promoting EBT Access at the market



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 food stamp benefit recipients (EBT Cardholders) without each vendor being separately authorized by the USDA Food & Nutrition Service.

The Central POS device 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 Golden State Advantage (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 and debits the amount 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 trade the scrip for cash with market staff. The customer can return unused scrip for credit on her card, or hold the scrip to use another day at the market. Appropriate records and security systems are maintained.



This Guide and sample documents are available online at www.ecologycenter.org/ebt/

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

- 1) Get the Farmers' Market authorized by the USDA to accept food stamp benefits.**
The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) will issue your market or association an "FNS number" upon approval of an application. Authorization can take from several weeks to several months to complete. For an application, contact the Northern or Southern County FNS Officers below. For more information, go to <http://www.fns.usda.gov/fsp/retailers/default.htm>.

For Flea Markets with Food Vendors

A Farmers' Market Association must first be formed within the Flea Market before applying to the USDA. Your application should be in the name of this 'farmers market' as flea markets do not qualify to receive an FNS# under USDA regulations. For more information regarding flea markets with produce vendors, contact Edie Jessup:

Contact: Edie Jessup, Fresno Metro Ministry Hunger & Nutrition Project,
(559) 485-1416, edie@fresnometmin.org

For a USDA Food and Nutrition Service (FNS) Application:

Contact: Northern Counties - Teresa L. Toups, Officer in Charge

Food and Nutrition Service, USDA
801 "I" Street, Room 416, Sacramento, CA 95814
Phone: 916-498-5790, Fax: 916-498-6487

Southern Counties (Imperial, Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Ventura):

- Lisa Rivas, Program Specialist

Food and Nutrition Service, USDA
360 East 2nd Street, Suite 705, Los Angeles, CA 90012
Phone: 213-894-7834, Fax: 213-894-7838

If your farmers' market already has an FNS account number, and has a history of an average of at least \$100 per month in paper food stamp business, the state will provide, at no cost, one standard POS device that requires electric and land-line phone hook-ups. If the State budget allows, the California Department of Social Services (CDSS) may provide, at no cost, one wireless handheld POS device and may pay for all associated service charges, as long as the device is used only for EBT transactions.

If your farmers' market does not have a history of accepting at least \$100 per month in food stamps, your request for a POS device to process EBT will be considered on a case-by-case basis. The CDSS will take into consideration a history of informal food stamp usage at the market, even if the market was not officially authorized to deposit the food stamps. The State will also consider providing free wireless POS devices to markets with no food stamp redemption history that are located close to a large number of EBT cardholders. All markets who receive free wireless POS devices from the State will be expected to participate in organized outreach efforts to inform EBT cardholders that the cards are accepted at the markets. If no state agencies are able to provide a POS device for your market, you may be asked to use manual vouchers for EBT transactions. Manual vouchers require phone authorization for each transaction from a toll-free phone number.

- 2) **VERY IMPORTANT FOR USING SCRIP!!!** Contact the California EBT Project, and inform them that your farmers' market needs a POS device to process EBT, and that you are in the process of setting up a scrip system. **EVEN IF YOU RECEIVE A LANDLINE POS DEVICE WHEN YOU RECEIVE YOUR FNS NUMBER, AND DON'T NEED A WIRELESS DEVICE, YOU MUST CONTACT THE EBT PROJECT IF YOU INTEND TO USE SCRIP!**

Contact: Tonya Zuniga, EBT & Welfare Technology Analyst, CA EBT Project
(916) 654-1421 Tonya.Zuniga@dss.ca.gov

- 3) **Decide on a form of paper scrip or token scrip and on the method of record-keeping that you will use.** Write up your proposal including a description of the farmers' market including market name, FNS number, manager's name and contact information, market location(s), days and hours of operation, estimated number of farmers, and a brief market description. Send it to the CDSS at the address below, with a sample of the proposed scrip.

Contact: Tonya Zuniga, EBT & Welfare Technology Analyst
CDSS Welfare to Work Division
744 P Street, 14-46, Sacramento, CA 95814
(916) 654-1421 Tonya.Zuniga@dss.ca.gov

- 4) **Design and purchase tokens or print paper scrip.** 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" with stock designs on one side and a market logo and currency denomination on the other are very popular. 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 serial numbers on all scrip is strongly advised.

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



- 5) **After the CDSS Program Technology Bureau has approved your scrip design and proposal, and the EBT Project has decided that your market meets the criteria to receive a POS device, a representative from JP Morgan, the company contracted by the State of California to provide EBT services, will contact you.** You will have to sign a contract with JP Morgan. JP Morgan 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. A JP Morgan 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 process of delivering a correctly programmed POS device to an approved market management is faster than for the first California markets that received these devices, but you should still expect at least two weeks time for contract finalizing and software programming after all approvals are received. **For any technical problems or questions, contact Tonia Williams at the number below.**

Contact: Tonya Zuniga, EBT & Welfare Technology Analyst, CA EBT Project
(916) 654-1421 Tonya.Zuniga@dss.ca.gov

6) 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.

7) Obtain and post big laminated signs at your market sites to inform customers that they can use their EBT cards at the market. The California EBT Project and/or JP Morgan provide these signs in English & Spanish. Downloadable versions are available at <http://www.ecologycenter.org/ebt>, along with many other promotional resources.

Contact: Rob Lautz, (916) 651-9121 (Benefit Access Support, CA EBT Project)
Crystal Stovall, (818) 506-9234 (JP Morgan representative)

8) 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 food benefit 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.

The Eat Better Today (EBT) Farmers' Market Project, run by the Ecology Center in Berkeley, can help eligible markets promote to EBT users. For example, this project has funded the production of a full-color brochure in five languages that was mailed to all EBT cardholders in Alameda County and distributed throughout the community listing locations and hours of participating farmers' markets in addition to nutritional info.

Contact: Linda Langan, Statewide Coordinator, EBT Farmers' Market Project
(510) 548-2220 x226 office, (510) 409-0477 cell, linda@ecologycenter.org

9) You may want to use your POS device to accept debit and/or credit cards in order to sell scrip to customers other than food stamp customers. If you do this, you will be responsible for all monthly and transaction charges for both the debit/credit cards and the EBT cards. Also, if you do this, the scrip given to EBT customers should be clearly marked so that no cash change is given for this scrip and so that no ineligible products (such as flowers) are purchased with this scrip. The information about the marks has to be clearly communicated to all vendors.

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