



Step-By-Step Handbook

to accept SNAP/EBT, Debit, and/or Credit Cards at
your Farmers' Market!

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Introduction

This guide is to help improve access to healthy, affordable foods through accepting SNAP/EBT at farmers' markets in North Carolina. This document is to serve as a resource for farmers, growers, market managers, community organizations and faith-based groups wanting to establish SNAP/EBT. EBT (Electronic Benefit Transfer) is defined as an electronic system that allows a recipient to authorize the transfer of their government benefits such as Supplemental Nutrition Assistance Program (SNAP, formally known as Food Stamps), to pay for products purchased.

This guide informs a farmers' market on how to accept SNAP/EBT benefits. Topics will include:

- Benefits to accepting SNAP
- Meet the requirements
- How to apply for SNAP/EBT
- After your application is approved
- Obtaining the Point of Sale (POS) equipment
- Record Keeping
- Promote SNAP/EBT at your local farm or farmers' market
- Resources

Glossary of Terms

1. **Electronic Benefit Transfer (EBT) System**: EBT is defined as an electronic system that allows a recipient to authorize the transfer of their government benefits such as Supplemental Nutrition Assistance Program (SNAP, formally known as Food Stamps), to pay for foods purchased.
2. **Food and Nutrition Service (FNS)**: A USDA agency that administers 15 of the Nation's food assistance programs, including SNAP, WIC, and the School breakfast and lunch programs. FNS provides children and low-income population's access to food, healthful diet and nutrition education.
3. **Point-of-Sale (POS) Wired and Wireless terminals**: Devices that process transactions through the use of EBT/SNAP, debit, and/or credit cards to use as a form of payment. A **wired terminal** is stationary and requires electricity and a phone line. **Wireless terminals** are mobile and can operate anywhere there is cellular coverage.
4. **Scrip**: A certificate that can be exchanged for goods at the farmers market that issued it. Scrip can be paper vouchers, tokens, or receipts.
5. **Scrip program**: A program that allows market vendors to accept SNAP benefits using a central POS terminal to issue scrip. The scrip is used as a form of payment to shop for eligible food items anywhere in the market.
6. **State EBT Contractor**: A contractor that manages the database for all state SNAP benefits transactions between SNAP participant and SNAP approved retailers. North Carolina's EBT contractor is FIS Global
7. **Supplemental Nutrition Assistance Program (SNAP)**: Previously known as Food Stamps. This is a federal program that provides help to low-income people to purchase food they need.
8. **MarketLink**: National Association of Farmers Market Nutrition Program's (NAFMNP) one-stop solution for electronic payments at farmers markets nationwide. Through this program, the Supplemental Nutrition Assistance Program (SNAP), debit, and credit card payments can be accepted from customers via wireless technology.

Benefits of accepting SNAP

- **Increase Sales for Farmers**
 - U.S. SNAP sales in farmers markets increased from \$2.5 M in 2004 to \$16M in 2012.
- **Increase Food Access Points for Low-Income Individuals and Families**
 - All citizens young and old, high-income and low-income should know their farmers and have every opportunity to eat the freshest food closest to home.
- **Increase the Consumption of Fresh Fruits and Vegetables**
 - Farmers markets are now seen more than ever as a Healthy Choice.



Meet the USDA requirements

A farmers' market is eligible to be a USDA approved SNAP retailer if at least one of the following criteria is met.

- A farmers' market must have at least 50 percent of total gross market sales in eligible staple food items (see list below).
 - **Eligible Food Items:**
 - Breads and Cereals;
 - Fruits and vegetables;
 - Honey(plain or flavored);
 - Jams and Jellies;
 - Meats, fish, and poultry; and
 - Dairy Products.
 - Seeds and plants which produce food for the household to eat.

OR

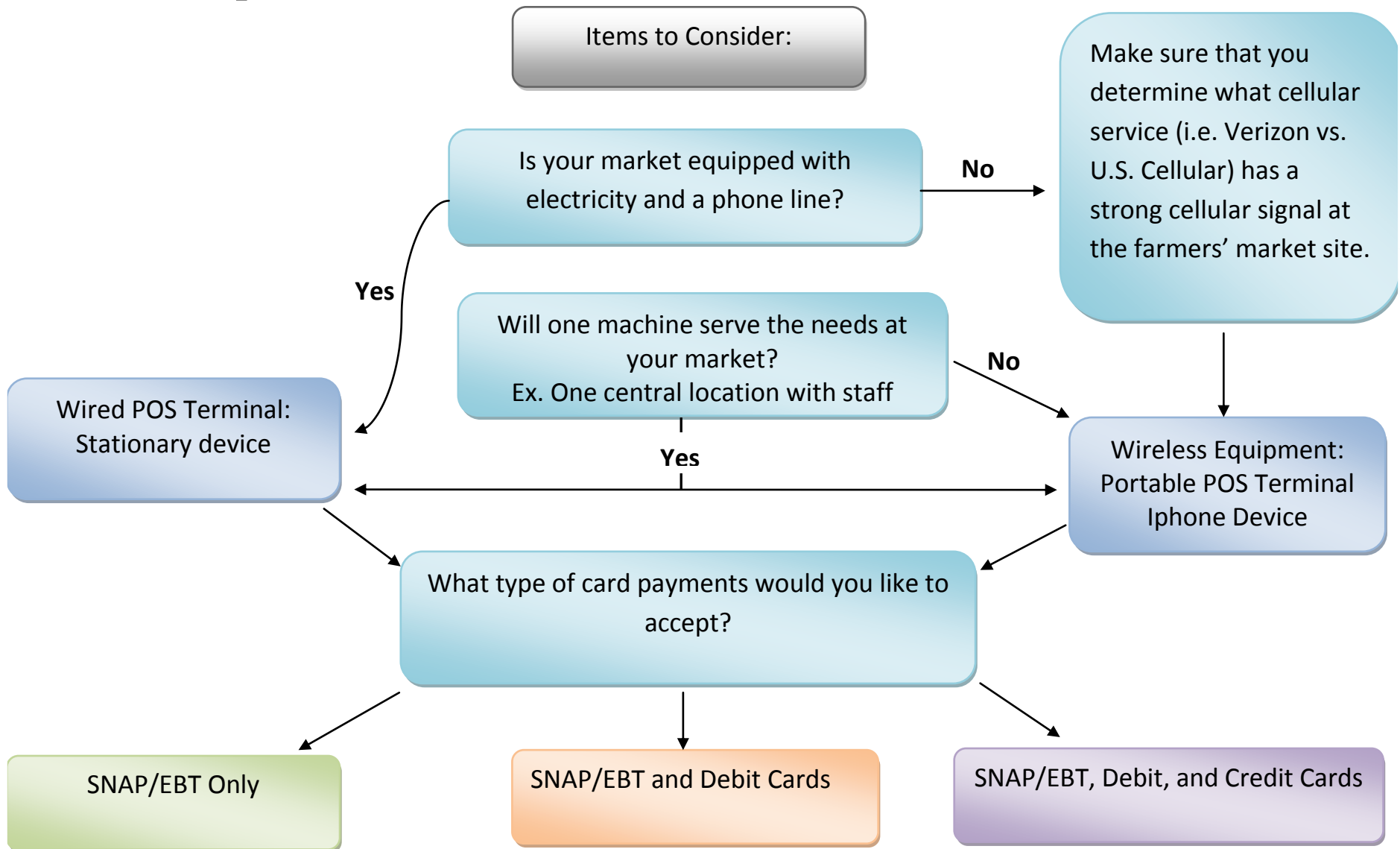
- A farmers' market must offer on a continuous basis at least three different varieties of food in each of the following four staple food groups, with perishable foods in at least two categories, on a daily basis: Fruits and Vegetables; bread or grains; dairy products; and meat, poultry, and fish.

Note: Prepared foods, hot foods, and hot beverages are a non-eligible food items. For more information on SNAP eligibility requirements, please visit: <http://www.fns.usda.gov/snap/retailers/eligible.htm>

Step 1: Applying to be a SNAP Retailer

- 1) Determine who will submit application on behalf of the farmers' market (usually this is the market manager or managing organization)
 - i) You will need the following supporting documents to complete the application:
 - (a) Social Security Number or Tax ID Number
 - (b) Total gross market sales
 - (i) IRS business tax return for market
 - (ii) Estimate sales if you are new market (less than a year old)
 - (c) Copy of drivers' license (front and back)
 - (d) Copy of Social Security Number or Copy of Tax ID permit
- 2a) Complete Eligibility Assessment (determine if you qualify for free equipment) and Application
Visit: www.marketlink.org
- OR**
- 2b) Complete an Application
Visit: <http://www.fns.usda.gov/snap/retailers/application-process.htm> **OR** Call: 1 (877) 823-4369
- 2) Submit Application
 - a) Submit supporting documents (mentioned above) to:
SNAP Retailer Service Center, USDA Food and Nutrition Service
PO Box 14500,
Washington DC 20044.Processing applications take approximately 45-60 days.
- 3) Application Approved:
 - a) Once approved you will receive your SNAP Retailers License and a training manual in the mail.

Step 2: Choosing an Electronic System



Step 3: Choosing a Card Service Provider

Now that you have decided on what type of machine (Wired or Wireless Equipment), it is time to decide on a card service provider. This card service provider can be your reliable bank or you can use a larger company (see page 10). When deciding on a provider, it is important to use a card service provider that best serves the needs of your market.

Below are questions to consider when speaking to a card service provider to help guide you to the right service:

- 1) What cellular network (i.e. Verizon vs. U.S. Cellular) does your Wireless POS terminal operate on?
- 2) Do you offer 24/7 customer services?
- 3) Are you charged fees for turning the system off during non-market months?
- 4) What is the cost to accept SNAP/EBT, Debit, and/or Credit Cards?
 - a) What are your start-up costs (set-up fees)?
 - b) What are the transaction fees for SNAP/EBT, Debit, and/or Credit Cards?
 - c) What are your monthly fees (i.e. wireless fees, batch close out fees, and customer service fees, etc.)
- 5) Do you have any warranties on the POS terminals, if so, what is the cost?
- 6) How long is the contract for?
- 7) Does the contract automatically renew or does the market need to call the provider?

Remember you can ask other farmers markets for recommendations on which provider worked best for them.

Card Service Providers

*The details below are for informational purposes only. Community Transformation Grant (CTG) staff does not endorse any specific merchant service provider. Each farmers' market should research and select the provider that best is suited for their needs. *

Below are card service provider companies that have assisted other farmers or farmers' markets in accepting electronic payment methods.

Merchant Source:

Kim Lyons

Business Relations Manager

Phone: 1- 800-313-5198

Website: <http://merchantsource.com>

Leaders- The Merchant Service Company:

Kenny Thompson

Key Accounts Executive

Phone: 1-800-566-0099x160 (Toll Free)

Website: www.leadersmerchantservices.com

Total Merchant Services

Robert Edelman

Director of Sales

Phone: 1-970-945-8158

Website: <http://totalmerchantservices.com>

FIS Global/efunds:

Lucia Skow

Account Relationship Executive - FIS

Government Solutions

Phone: 1-414-341-4291

Website: <http://www.fisglobal.com>

TSYS Merchant Solution:

Jason Butts

Business Development

Phone: 1-402-574-7086

Website:

<http://www.tsysmerchantsolutions.com/mark/index.html>

Chris Shanahan

Senior Business Consultant

Phone: 1- 402-574-7016

WorldPay (Iphone/Ipad Equipment)

Kevin Casey

National Account Sales Director, Grocery Sector

Phone: 1- 843- 795-0509

Website: www.WorldPay.us

Step 4: Selecting a Currency to use for the Market

Note: This step only applies for markets that plan on operating with one central POS Terminal for all participating vendors.

In order to process transactions between the customer and multiple vendors on a central machine, the market will set up a scrip program. A “scrip” is used as a substitute for currency, for example wooden tokens. Customers will use their SNAP/EBT card at the designated area and will request a certain dollar amount of “scrip.” Customers then will take their scrip to vendors/farmers as a form of payment.

A market will need to include the following on their scrip:

- SNAP/EBT scrip must have “No change given” printed on the scrip
- The Market or Association name
- Must have an dollar value,
 - Normally \$1.00 printed on the scrip for SNAP/EBT
 - Normally \$ 1.00 and \$ 5.00 increments on scrip’s for Credit/Debit
- Print type of scrip (SNAP EBT, Credit/Debit) and color code scrip.



*Wooden Tokens are a best practice form of scrip since they can be personalized to your market and are less likely to be counterfeited than paper. *

Scrip/Token Companies

The details below are for informational purposes only. Community Transformation Grant (CTG) staff does not endorse any specific scrip/token company.

Below are companies that have assisted other farmers' markets with ordering scrip/tokens.

Old Time Wooden Nickel Company

Phone: 1-210-822-0552

Website: <http://www.wooden-nickel.com>

Ituit.com: Promote Source

Phone: 1- 888-406-7950

Website: <http://ituit.com>

Wooden Nickels

Phone: 1- 800-525-2990

Website: <http://www.anickelsite.com>

Step 5: Record Keeping (using a Scrip Program)

The following are some good recordkeeping practices when accepting SNAP/EBT, Debit, and/or Credit:

- Make sure that all participating vendors and market staff understand how to redeem the scrip at the end of the market day.
- Annual vendor and market staff training around accepting SNAP/EBT and reviewing eligible items is required by USDA (please see link for more information:
http://www.fns.usda.gov/snap/retailers/pdfs/SNAP_General_Training_Responsibilities.pdf).
- Create sound accounting market policies and procedures for market board, vendors, and staff. Farmers' Markets will typically track the following: The amount of dollars spent using each of the different accepted payment methods (SNAP/EBT, Debit, and/or Credit).
- Scrip turned in for reimbursement by participating vendors/farmers on each market day.
- Monthly and yearly sales reports.
- If your market staff accidentally runs a card for the wrong amount the following considerations apply:
 - Any Debit and/or Credit transactions can be resolved by crediting back to the customer's card.
 - Any SNAP/EBT transactions must be resolved by crediting back the SNAP/EBT card account.

Step 6: Promotion of SNAP/EBT acceptance at your Farmers' Market

Market day promotion on accepting SNAP/EBT:

- Include signs at the market that indicate you accept SNAP/EBT and/or Debit/Credit
- Signs that point the customer to where they can get their scrip
- Signage of the SNAP/EBT and/or Debit/Credit Booth (table)
- Layout of the market that can help educate customers on who and where they can use the scrip
- Clearly identify the cost of produce for customers
- A handout for customers on how the token system works
- Incorporate events that attract all customers to the market (i.e. cooking demos, music events, etc.)

Additional outreach promotion on SNAP/EBT at your market:

- Partner with local organizations (i.e. DSS, Health Department, and etc.) with appropriate materials on markets that accept SNAP/EBT
- Use local media avenues (i.e. radio, television, newspaper, etc.) to help educate the public about SNAP/EBT
- Use social media (i.e. Facebook, twitter, etc.) to help inform the public about SNAP/EBT program



Grant Opportunities

Grant Opportunities	Costs covered by Grant	Requirements
USDA Grant/ Market Link	<ul style="list-style-type: none"> • A SNAP/EBT only Landline POS Terminal is Free • Wireless POS Terminal • Monthly Fees (Customer service fee, and wireless service fee) <p>Marketlink:</p> <ul style="list-style-type: none"> • Iphone with card reader • Printer 	<ul style="list-style-type: none"> • A Farmers' market (multi-stall market) must have received their SNAP Permit number after November 2011. • A direct marketing (individual) farmer is eligible if they meet the following criteria: <ul style="list-style-type: none"> • The farmer must participate at a market that is not currently SNAP authorized • The farmer must not currently be SNAP-authorized • No other vendor at the market can be SNAP authorized

Resources

1. United States Department of Agriculture (USDA)-FNS

A. Apply for SNAP/EBT

Website: <http://www.fns.usda.gov/snap/ebt/fm.htm>

Website: www.marketlink.org

B. SNAP/EBT Eligible Requirements

Website: <http://www.fns.usda.gov/snap/retailers/eligible.htm>

C. Vendor Training Requirements

Website: http://www.fns.usda.gov/snap/retailers/pdfs/SNAP_General_Training_Responsibilities.pdf

D. IRS Electronic Payment Requirements

Website: <http://farmersmarketcoalition.org/finally-update-on-irs-electronic-payment-reporting-requirements>

2. Farmers Market Coalition

A. Resource Library – Vouchers, EBT & Credit Cards

Website: <http://www.farmersmarketcoalition.org/resources/home/items/2-vouchers-ebt-credit-cards>

B. Farmers Market Coalition listserv:

Website: <http://farmersmarketcoalition.org/listserv>

Other resources to consider:

A. Guide on SNAP/EBT at Farmers' Markets in NC - "A guide to SNAP/EBT at Farmers' Markets in North Carolina." Steps, Best Practices and Resources, January 2013.

Website: www.eatsmartmovemorenc.com

B. Ecology Center

Website: www.ecologycenter.org/ebt

C. Farmers Market Federation of New York

Website: <http://nyfarmersmarket.com/resources/resources-for-farmers-markets/ebt.html>

Website: <http://www.snaptomarket.com/>