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Regulation Package ORD #0610-05

CDSS MANUAL LETTER NO. EBT-11-01

TO: HOLDERS OF THE ELECTRONIC BENEFIT TRANSFER (EBT) SYSTEM
MANUAL, DIVISION 16

Regulation Package ORD #0610-05

Effective 3/17/11

Sections 16-015, 16-120, 16-315, and 16-601

This manual letter has been posted on the Office of Regulations Development website at
<http://www.cdss.ca.gov/ord/PG606.htm>

The federal government regulates the Supplement Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program. Federal regulations provide rules to follow regarding account aging and expungement. State Electronic Benefit Transfer (EBT) regulations have reflected those rules in providing counties guidance on when to change account status.

Effective October 1, 2008, the Food and Nutrition Act of 2008, changed the time period for account aging. The new time periods are being updated in our EBT regulations. In addition to changing account aging time frames, the Act also de-obligated food stamp coupons as legal tender. Therefore all reference to coupons being converted to EBT benefits is being repealed in these regulations.

FILING INSTRUCTIONS

Revisions to all manuals are indicated by a vertical line in the left margin. The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing EBT changes was EBT-03-01.

<u>Page(s)</u>	<u>Replace(s)</u>
Title page	Title page
2 and 3	Pages 2 and 3
12 through 17	Pages 12 through 17
24 and 25	Page 24
42 and 43	Pages 42 and 43

Attachments

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Manual of Policies and Procedures

ELECTRONIC BENEFIT TRANSFER (EBT) SYSTEM



STATE OF CALIFORNIA
HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

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- (c) Add program benefits to an existing card
- (d) Add or remove additional cardholders to existing account
- (e) Benefit authorization
- (f) Card issuance
- (g) Card replacement
- (h) Recipient PIN selection
- (i) Food stamp coupon conversion
- (j) Status the EBT card (i.e., deactivate card)
- (k) Recipient account inquiry (including real-time balance by program)
- (l) Reactivation of inactive account
- (m) Voluntary claim repayment

NOTE: Authority cited: Sections 10077, 10553, 10554, 18904, and 18904.1, Welfare and Institutions Code. Reference: Sections 10065, 10069, 10077, and 10600, Welfare and Institutions Code, and 7 CFR 274.12(a) and (f).

16-015 EBT SECURITY 16-015

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- .1 It is recommended that all users, other than cardholders, of the EBT system and other connected systems address security and privacy requirements in the following areas:
- (a) System and application access/control for administrative terminals
 - (b) Security roles and responsibilities for administrative (personnel) tasks
 - (c) Physical security (building access, administrative terminals and associated peripheral devices)

HANDBOOK CONTINUES

16-015	EBT SECURITY (Continued)	16-015
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(d) Add or remove additional cardholders to existing account

(e) Benefit authorization

(f) Card issuance

(g) Card replacement

(h) Recipient PIN selection

| (i) Status the EBT card (i.e., deactivate card)

| (j) Recipient account inquiry (including real-time balance by program)

.2 Security policies should be implemented and updated on a regular basis prior to implementation of the EBT system.

HANDBOOK ENDS HERE

NOTE: Authority cited: Sections 10077, 10553, 10554, 18904, and 18904.1, Welfare and Institutions Code. Reference: Sections 10065, 10069, and 10077, Welfare and Institutions Code; 7 CFR 274.12(a), (f)(1), and (i)(3); 7 U.S.C. 2016(f)(3)(C).

CHAPTER 16-100 EBT ACCOUNT

16-105 EBT ACCOUNT SETUP 16-105

- .1 Account setup information shall be provided by the CWD and transmitted to the EBT Contractor using the standard EBT interfaces.
- .2 The CWD shall transmit batch files in a manner consistent with system interface time frames.
- .3 On-line transmission of account setup transactions shall be used to setup an account for an emergency/urgent case.
- .4 Recipient case data necessary for the setup of an EBT account shall include, but is not limited to:
 - .41 Welfare case identification number
 - .42 Recipient name (last/first/middle initial)
 - .43 Date of birth
 - .44 Social Security Number (SSN) or corresponding 000's if recipient does not have an SSN.
 - .45 Address
 - .46 Transaction type identifier (setup, change account data, or modify account status)
 - .47 Recipient code(s) (to indicate if the cardholder is the recipient, AR, etc.)
 - .48 Optional recipient identifier
 - .49 Location and/or worker identifier
- .5 Inter-County Recipient Move
 - .51 The CWD shall establish a new EBT account for a recipient who moves from one county and establishes eligibility in another county. See Section 16-510.3.
- .6 For all cases, other than expedited issuance cases, the CWD shall transmit account setup data prior to the issuance of a card.

NOTE: Authority cited: Sections 10077, 10553, 10554, 18904, and 18904.1, Welfare and Institutions Code. Reference: Sections 10065, 10069, 10072(a), and 10077, Welfare and Institution Code; and 7 CFR 274.12(a) and (f)(1).

16-120 ACCOUNT AGING AND EXPUNGEMENT

16-120

- .1 An EBT account aging status may be inactive, dormant, or expunged.
 - .11 Inactive Account Status are accounts for which no debit activity by the cardholder have been posted for 135 days.
 - .111 The CWD shall receive a monthly report to identify accounts to which no debits have been posted for 135 days.
 - .112 Upon receiving the 135-day report or when the CWD becomes aware that no debit activity has occurred for 135 days, the recipient shall be notified that after a total of 180 days of inactivity the benefits will become inaccessible, and how the recipient can reaccess the benefits.
 - .12 Dormant Account Status are accounts for which no debit activity by the cardholder have been posted for 180 days.
 - .121 The CWD shall receive a monthly report to identify accounts on which no debits have been posted for 135 - 179 days. When no debits have been posted on an account for 180 days, the recipient must contact the CWD in order to access the account benefits or upon reapplication.
 - .122 The CWD shall use the administrative terminal or host-to- host or batch interface to reinstate benefit availability. The benefits shall be reinstated and accessible to the recipient within 24 hours after the CWD has transmitted the request to the EBT system.
 - .13 Expunged Status – After the benefits have been available for a total of 365 days or more, with no debit activity, those benefits shall be expunged from the EBT host. The CWD will receive reports indicating benefits expunged and the benefit balance remaining at the time of expungement.
 - .131 Expunged food stamp benefits shall not be reinstated.
 - .132 Food stamp issuance reports shall reflect the adjustment in issuance totals in order to comply with federal monthly issuance reporting requirements.
 - .133 The CWD shall maintain an accounting of expunged cash benefits and reissue the cash benefits as soon as is practicable, but in no event more than 30 calendar days after receipt of the recipient recontact or reapplication.

16-120 **ACCOUNT AGING AND EXPUNGEMENT (Continued)** **16-120**

HANDBOOK BEGINS HERE

.134 The EBT Contractor expunges benefits on a daily basis.

HANDBOOK ENDS HERE

NOTE: Authority cited: Sections 10077, 10553, 10554, and 18904, Welfare and Institutions Code. Reference: Sections 10065, 10069, and 10077, Welfare and Institutions Code; 7 CFR 274.12(a), (g)(6)(vi), and (g)(7); FNS Letter to EBT Coordinators FS 9-5-1/EBT GEN, dated September 28, 1998; Preamble, Federal Register, Vol. 57, No. 63, April 1, 1992; and 7 U.S.C. 2016(h)(12).

16-130 **ACCOUNT BALANCE AND TRANSACTION HISTORY** **16-130**

.1 The CWD shall have access to recipient account balances and transaction history data through administrative terminals.

HANDBOOK BEGINS HERE

.2 At a minimum, the transaction history record will include:

- (a) Recipient name
- (b) PAN
- (c) EBT account number
- (d) Benefit program identifier
- (e) Transaction type (e.g., food stamp purchase, cash)
- (f) FNS number for Food Stamp Program transactions
- (g) Merchant identification

HANDBOOK CONTINUES

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- (h) Retailer or bank name
 - (i) Transaction location
 - (j) Transaction amount
 - (k) Transaction date
 - (l) Itemized transaction fees and/or surcharges.
- .3 A rolling 90 days transaction history will be maintained and accessible through administrative terminals. After 90 days, transaction history data will be maintained off-line for four years.

HANDBOOK ENDS HERE

- .4 Upon request of CWD, transaction history information stored off-line will be retrieved and provided in a time frame not to exceed five business days.
- .5 The CWD shall assist the cardholder obtain transaction history by directing the cardholder to use the ARU to review the last ten transactions or the Customer Service Center for more extensive transaction history.
- .51 Upon the cardholder's request, the Customer Service Center will send a two-month transaction history to the recipient's address within five business days.

NOTE: Authority cited: Sections 10077, 10553, 10554, 18904, and 18904.1, Welfare and Institutions Code. Reference: Sections 10065, 10069, 10077, Welfare and Institutions Code; and 7 CFR 274.12(a) and (g)(2).

16-315	FOOD STAMP BENEFIT CONVERSION	16-315
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| Repealed by Manual Letter No. EBT-11-01, effective 3/17/2011.

16-320	CASH TRANSACTION	16-320
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- .1 Using the EBT system for cash benefit issuance is a county option. MPP Sections 16-320 and 16-325 shall not apply to counties not issuing cash benefits via the EBT system.
- .2 Cardholders shall access their EBT cash benefits at POS devices or ATMs or other devices that accept cash EBT transactions.
- .3 Cash EBT transactions include the following:
 - .31 Cash withdrawal
 - .32 Purchase
 - .33 Purchase with cash back
 - .34 Balance Inquiry
- .4 The CWD shall provide the cardholder with information on locations where cash benefits may be obtained and information on additional charges (e.g. fees and surcharges).

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16-601 CARDHOLDER TRAINING (Continued) 16-601

- (s) All EBT transaction fees and surcharges, including those associated with ATM usage, which may be charged to the recipient
- (t) Card replacement and PIN change procedures
- (u) Reporting problems with the card or its use
- (v) Reporting a lost or stolen card
- (w) Use of the ARU and EBT client website, e.g., to obtain transaction history
- (x) Customer services (including TDD services)
- (y) Exposure to loss of benefits before reporting loss or theft of card
- (z) Error reporting and resolution procedures

NOTE: Authority cited: Sections 10077, 10553, 10554, and 18904, Welfare and Institutions Code. Reference: Sections 10065, 10069, 10072(h), and 10077, Welfare and Institutions Code; and 7 CFR 274.12(a), (f)(1)(v), and (g)(10); and California Approved Waiver Request #980090 for 7 CFR 274.12(f)(10)(ii) [subsequently renumbered to 7 CFR 274.12(g)(10)(ii)].

16-610 COUNTY TRAINING 16-610

- .1 The CWD shall conduct ongoing cardholder and county staff training for EBT.
- .2 The training shall cover:
 - (a) All training materials provided to cardholders
 - (b) Use of the administrative terminal
 - (c) System functions
 - (d) Card status

16-610	COUNTY TRAINING (Continued)	16-610
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- (e) County responsibilities
- (f) Equipment usage
- (g) Card issuance and PIN selection processes
- (h) Contractor contacts and escalation procedures
- (i) Security for equipment, cards and data
- (j) Error resolution process
- (k) Settlement and reconciliation
- (l) Using and understanding reports, and producing ad hoc reports
- (m) Use of administrative terminals for fraud investigation
- (n) Set-up and use of pseudo-households for investigative purposes

NOTE: Authority cited: Sections 10077, 10553, 10554, 18904, and 18904.1, Welfare and Institutions Code. Reference: Sections 10065, 10069, and 10077, Welfare and Institutions Code; and 7 CFR 274.12(a), (f)(1), and (g)(10).