Supplemental Nutrition Assistance Program (SNAP) at Farmers Markets:

A How-To Handbook

A joint publication by:
USDA Agricultural Marketing Service
USDA Food and Nutrition Service
Project for Public Spaces, Inc.

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Introduction

The Supplemental Nutrition Assistance Program (SNAP) (formerly the Food Stamp Program) is the Nation's largest nutritional assistance program and the cornerstone of Federal Government efforts to alleviate hunger in the United States and its territories. SNAP benefits are funded by the United States Department of Agriculture's Food and Nutrition Service (FNS). They are issued by individual States and redeemable at any authorized FNS SNAP retailer, which includes an increasing number of farmers markets.

SNAP benefits are accessed via an Electronic Benefit Transfer (EBT) card that is processed using electronic funds transfer technology. EBT cards look and operate like bank-issued debit cards. SNAP benefits are accessed by swiping the EBT card on a point-of-sale (POS) terminal at an FNS SNAP retailer location and entering a personal identification number (PIN). FNS SNAP retailers can either use EBT-only machines, which look like standard commercial POS terminals and are provided for free by FNS, or supply their own terminals. EBT-only machines require electricity and a phone line connection and accept only EBT cards. Many FNS SNAP retailers choose to pay for commercial POS terminals that accept EBT, debit, and credit cards on the same machine.

Electrical hookups and phone line connections are not available at many farmers market sites, preventing the use of the free EBT-only machines. Even when market managers and vendors are willing and able to invest in wireless POS terminals, the technology can be difficult to manage and promote at farmers markets.

Operating an EBT machine requires an FNS license. FNS allows markets to obtain a single FNS license for all eligible vendors at the market. SNAP benefits are redeemed using one centrally located POS terminal; transactions are processed throughout the farmers markets using scrip (paper certificates, tokens, or receipts). SNAP customers redeem their benefits by swiping their EBT cards at the POS terminal in exchange for scrip, which they can use to buy eligible food products. This process is similar to one sometimes used for accepting credit and debit cards at farmers markets. While it is possible for individual vendors to have their own FNS license and POS terminal, scrip projects are the most common way for farmers markets to accept SNAP benefits.

This handbook is a how-to guide for accepting SNAP benefits at farmers markets. Topics include:

- Why to accept SNAP benefits
- How to install EBT systems at farmers markets
- How to use scrip projects to accept SNAP benefits at farmers markets
- How to become an FNS SNAP retailer
- What equipment is required to accept SNAP benefits at farmers markets
- How to make SNAP EBT succeed at farmers markets
- A glossary and some tools and resources

Brief history

The USDA began issuing commodity vouchers (stamps) between 1939 and 1943, in one of the first efforts by the Federal Government to supplement the diets of low-income Americans by connecting supply with demand. The Food Stamp Act of 1964 created the Food Stamp Program, which funded pilot projects to test whether a federally funded program could help low-income households obtain a healthier diet. The Food Stamp Act of 1977 reauthorized the Food Stamp Program and set national eligibility requirements. Although the program initially issued paper food stamp coupons, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 required all States to issue food stamp benefits via EBT. The switch from coupons to EBT was completed nationwide in 2004.

The move from coupons to EBT cards was a step forward in increasing program integrity, reducing fraud, and eliminating the stigma for using food stamps. In 2008, Congress renamed the program the Supplemental Nutrition Assistance Program to more accurately describe it. Participation in SNAP is currently at a historic high. As of December 2009, almost 39 million Americans (one in eight) were receiving SNAP benefits. SNAP redemptions for fiscal year (FY) 2009 were approximately $50 billion.[1]

1 USDA, Food and Nutrition Service, Supplemental Nutrition Assistance Program, Fiscal Year 2009, Benefit Redemption Division Annual Report

What are the benefits of participating in SNAP?

Adopting EBT technology to accept SNAP benefits can help markets tap into a larger customer base by providing an easy and convenient way for consumers to redeem SNAP benefits on eligible food items.[2] For vendors selling eligible food items, the potential for increased sales from SNAP redemptions can be substantial. Between fiscal year 2008 and 2009, for example, the total value of SNAP redemptions at farmers markets and farm stands nearly doubled, from over $2 million to over $4 million.[3] Although the recent growth in SNAP redemptions at farmers markets has been impressive, it is important to recognize that the amount of SNAP benefits redeemed at farmers markets and farm stands in FY 2009 ($4.33 million) still only represents *less than one-hundredth of 1 percent* of the total ($50 billion).[4] Of more than 193,000 retailers participating in SNAP in 2009, only one-half of 1 percent, or just over 900, were farmers markets or farm stands, even though the number of farmers markets in the United States exceeded 5,200 in that year.[5] Therefore, there remains much room for growth in the ability of farmers markets to increase their share of the SNAP redemption pool by adopting EBT technology at their facilities.

EBT technology also allows markets that normally accept only cash to accept bank-issued debit and credit cards. While it is possible to increase vendor sales via EBT sales alone, the ability to process debit and credit cards, along with EBT, stimulates a sharper increase in vendor revenue, which can be used to offset EBT operating costs. However, when embarking on this process, it is essential to understand all the fees involved in accepting debit and credit cards, such as fees for connecting and disconnecting the POS terminal; bank and routing fees; monthly service fees (including those charged in the off season); and EBT, credit, and debit transaction fees.

Case Study: Greenmarket, New York, NY

Greenmarket, the largest network of producer-only farmers markets in New York City, has accepted SNAP benefits since 2005 at several of its farmers markets. Working with a variety of partners at all levels of the government and community, Greenmarket has been able to fund its SNAP project, reaching more potential customers. In 2006, it received a USDA Farmers Market Promotion Program (FMPP) grant to evaluate the implementation of wireless EBT terminals at the market and the impact on market sales. Greenmarket also partnered with the Human Resources Administration, which administers SNAP for New York City, to promote the project. The organization collaborated with several community groups and organizations, including food stamp offices, faith-based organizations, soup kitchens, and food pantries, to help spread the word that SNAP is accepted at many of its farmers markets. This multi-level support helped Greenmarket fund its SNAP program and allowed Greenmarket to increase SNAP sales from $101,000 in 2008 to $251,000 in 2009.

For more information, please visit: www.cenyc.org/greenmarket.

2 For more details about eligible food items, see www.fns.usda.gov/snap/retailers/eligible.htm
3 USDA, Food and Nutrition Service, Supplemental Nutrition Assistance Program, Fiscal Year 2009, Benefit Redemption Division Annual Report
4 *Ibid*
5 www.ams.usda.gov/AMSv1.0/WFMFarmersMarketGrowth

What is involved in setting up SNAP EBT at farmers markets?

Accepting SNAP benefits at farmers markets calls for a well-thought-out business plan, which considers not just the initial set-up costs, but ongoing operating and labor costs for administration and for promoting and marketing the program. Time and resources will be spent developing the infrastructure (equipment, staff time, and additional accounting procedures). Wireless POS terminals can cost nearly $1,000 to install and program, and operation costs can run even more.[6] Many expenses (monthly wireless network service, transaction fees, and labor) will exist for the life of the program. It may take a few years for SNAP redemptions to justify programmatic costs, thus, it is important to have realistic expectations about how quickly SNAP and credit card sales will grow.

How do farmers markets use EBT technology to accept SNAP benefits?

Implementing a scrip project is the most common way for farmers markets to participate in SNAP because it allows multiple vendors at a market to accept SNAP benefits without having to obtain individual SNAP licenses and POS terminals for each vendor. Instead, the farmers market gets one SNAP license and uses an alternate form of currency (paper scrip or tokens are the most common) to complete the transaction between individual vendors and SNAP customers, using a single POS terminal. Scrip can also be used to accept bank-issued credit and debit cards when there is a single POS terminal in use. Vendors process the scrip currency the same way—whether or not the shopper is making an EBT or a debit/credit card purchase—which can help lessen the stigma sometimes associated with using SNAP benefits. The market is responsible for the design and cost of the scrip.

How are SNAP purchases made in farmers markets that operate a scrip project?

Two types of scrip can be used: paper scrip/tokens or receipts. Markets can either swipe the SNAP customer's EBT card on a central POS terminal, or they can fill out a paper voucher to redeem SNAP benefits in exchange for scrip/tokens or receipts. Regardless of the system employed, the deposit is made directly into the market's bank account within 2 business days after the purchases are entered into the POS terminal. The market then follows its own procedures for reimbursing vendors.

Case Study: Eastern Market, Detroit, MI

In 2007, Detroit's Eastern Market began accepting SNAP benefits by using wooden tokens. In the beginning, customers redeemed SNAP benefits for the tokens at an EBT machine at one booth in the market. Due to demand by both customers and vendors, a second booth was added. By August 2009 over $137,000 in SNAP benefits were redeemed at Eastern Market, and in January 2010 SNAP sales topped $200,000. In September 2009, in cooperation with the Fair Food Network, Eastern Market piloted a 7-week program to offer an additional $10 in spending power to SNAP customers using benefits at the market via the Michigan "Mo' Buck" vouchers (Michigan's SNAP cards). More than 1,000 customers used this program during the limited time it was offered, yielding over $21,000 in SNAP sales at the market in 7 weeks. There are plans to renew the matching program again in June 2010.

For more information, please visit: www.detroiteasternmarket.com.

6 Hahn, Marcia, "EBTs Bring More Revenue to Farmers Markets," *Farmers Markets Today*, March/April 2008, p. 23.

Option 1 – Using scrip or tokens

1. A SNAP customer swipes the EBT card at the central POS terminal and enters the PIN.

2. The staff person enters the amount of scrip or tokens requested into the terminal.

3. Once the transaction is approved, the SNAP customer is given a transaction receipt and scrip or tokens.

4. The SNAP customer then uses the scrip or tokens at any participating vendor's stand to purchase eligible items.

Option 2 – Using receipts

1. A SNAP customer shops at a vendor's stand and receives a receipt from the vendor for food items purchased, and then leaves the purchased items with the vendor.

2. The SNAP customer goes to the central POS terminal without the purchased goods to swipe the EBT card for the amount on the vendor's receipt and enters the PIN.

3. Once approval is granted, the manager gives the customer another transaction receipt to confirm payment, which the customer brings back to the vendor to retrieve the purchased items.

Manual Vouchers

Farmers markets without a POS terminal, or that use an offsite terminal, can employ manual vouchers. Manual vouchers are also used if a customer's EBT card or the EBT system is not functioning. Manual vouchers can be used with either scrip, tokens, or receipts.

1. The market staff calls a customer's EBT card number into the retailer EBT customer service number for transaction approval, placing a hold on the customer's SNAP account for the amount of the transaction.

2. The staff member records the transaction on a manual voucher that the customer signs, as well as in the market's log book for bookkeeping.

3. The next step depends on whether the market has an offsite POS terminal:

   a. If it does, the manual vouchers are keyed into the offsite terminal for processing at the end of the market day.

   b. If the market does not have a POS terminal, the manual vouchers are mailed to the State's EBT contractor. Markets generally have 15 days to mail in the vouchers. The direct deposit into the market's bank account occurs within 2 business days after the EBT contractor receives the vouchers in the mail.

Key Contacts for EBT installation

- **FNS** is the USDA agency that administers SNAP and approves all retailers who participate in the SNAP program. (www.fns.usda.gov/snap)

- **FNS Field Offices** are located in each State and are the primary points of contact for any EBT- or SNAP-related questions, including completing and submitting a SNAP retailer application. (www.fns.usda.gov/cga/contacts/fieldoffices/default.htm)

- **State SNAP Offices** manage SNAP at the local level and may be referred to as the SNAP or EBT office. These offices inform participating vendors about changes and/or directives from FNS, and relay information to FNS about any changes reported by farmers markets (like change of location or contact information). More information about State SNAP offices can be found at: www.fns.usda.gov/snap/ebt/fm.htm.

- A list of toll-free EBT customer service numbers is available at: www.fns.usda.gov/snap/edt/pdfs/statelines.pdf.

Which farmers markets are eligible to participate in SNAP?

A farmers market is eligible to become an FNS SNAP retailer if the market sells eligible food products and meet at least one of two criteria, identified as criterion A and criterion B.

> Criterion A – 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 (includes plants and seeds for growing fruits or vegetables); Breads and Grains; Dairy; and Meat, Poultry, and Fish.
>
> or
>
> Criterion B – Have at least 50 percent of total gross farmers market retail sales in eligible staple food items (e.g., bread, flour, fruits, vegetables, beef, chicken, fish, etc.). Most farmers markets meet this requirement.

For more information on FNS SNAP retailer eligibility requirements, please visit: www.fns.usda.gov/snap/retailers/store-eligibility.htm.

How does a farmers market apply to become an FNS SNAP retailer?

To become an FNS SNAP retailer, a farmers market applies for a license on behalf of participating vendors. The market is considered the sponsoring organization on the application. The leader of the sponsoring organization, often the chair of the market's board of directors or the market's manager, is usually named as the "responsible party." All retailers, including farmers markets, are legally required to file a Social Security number at the time of application. The primary purpose of collecting Social Security numbers is to maintain program integrity and to discourage fraud. While the application may request the names of the board of directors, it is not necessary for all directors to submit their Social Security numbers. FNS will accept the name and Social Security number of one member. All Social Security numbers are kept strictly confidential and are only collected to help prevent fraud.

Applications to become an FNS SNAP retailer may be found at: www.fns.usda.gov/snap/ebt/fm.htm. A paper application can also be requested from FNS by phone at: (877)-823-4369.

What is the process for submitting an FNS application?

Follow these steps to submit an FNS application:

1. Complete the FNS SNAP application and provide supporting documents to FNS. Follow the links on the FNS Farmers Market Web site to find the FNS contact information for your State. (www.fns.usda.gov/cga/Contacts/FieldOffices/default.htm)

2. Determine which scrip system will be used at the market: paper scrip, tokens, or receipts. FNS will gather this information when the application is submitted.

3. Agree to comply with the FNS guidelines by signing and submitting the application.

Applications to become an FNS SNAP retailer can take up to 45 days to process. Applications may be approved faster if all required documents are filled out completely.

What happens after the FNS application is approved?

- FNS will send a training manual and video to the farmers market. Additional guidance is available at: www.fns.usda.gov/FSP/retailers/pdfs/Retailer_Training_Guide.pdf.

- FNS notifies the State EBT contractor. (Each State contracts with an EBT contractor who is responsible for SNAP EBT services in that State.)

- The EBT contractor will contact the farmers market to determine POS equipment needs.

EBT-Only Machines

- If the farmers market will use an EBT-only terminal, the State's EBT contractor provides a retailer agreement to be signed and returned by the responsible party.

- Once the EBT contractor receives the signed retailer agreement, the contractor will mail the EBT-only terminal to the farmers market within 2 weeks with instructions on how to install it. If the market needs additional assistance, the market can call the toll-free retailer customer service number provided by the EBT contractor. On-site assistance is also available upon request.

- Once the equipment is operational, the EBT contractor processes EBT transactions free of charge and distributes funds directly into the farmers market's bank account.

- Any changes in banking information should be reported to the EBT contractor 2 weeks in advance of the change. This notification is very important to continue the uninterrupted transfer of funds.

Commercial POS Equipment

- If the farmers market wishes to use a wireless terminal, or to accept debit and credit cards as well as EBT, a market representative must enter into a contract or agreement with a Third Party Processor (TPP) and purchase or lease the POS terminal.

- The State's EBT contractor will help identify the TPP that can supply wireless POS terminals capable of accepting debit and credit cards along with EBT cards.

- It can take up to 30 days to purchase and receive a wireless POS terminal. However, markets can begin the process of obtaining a commercial POS terminal before the FNS application is approved.

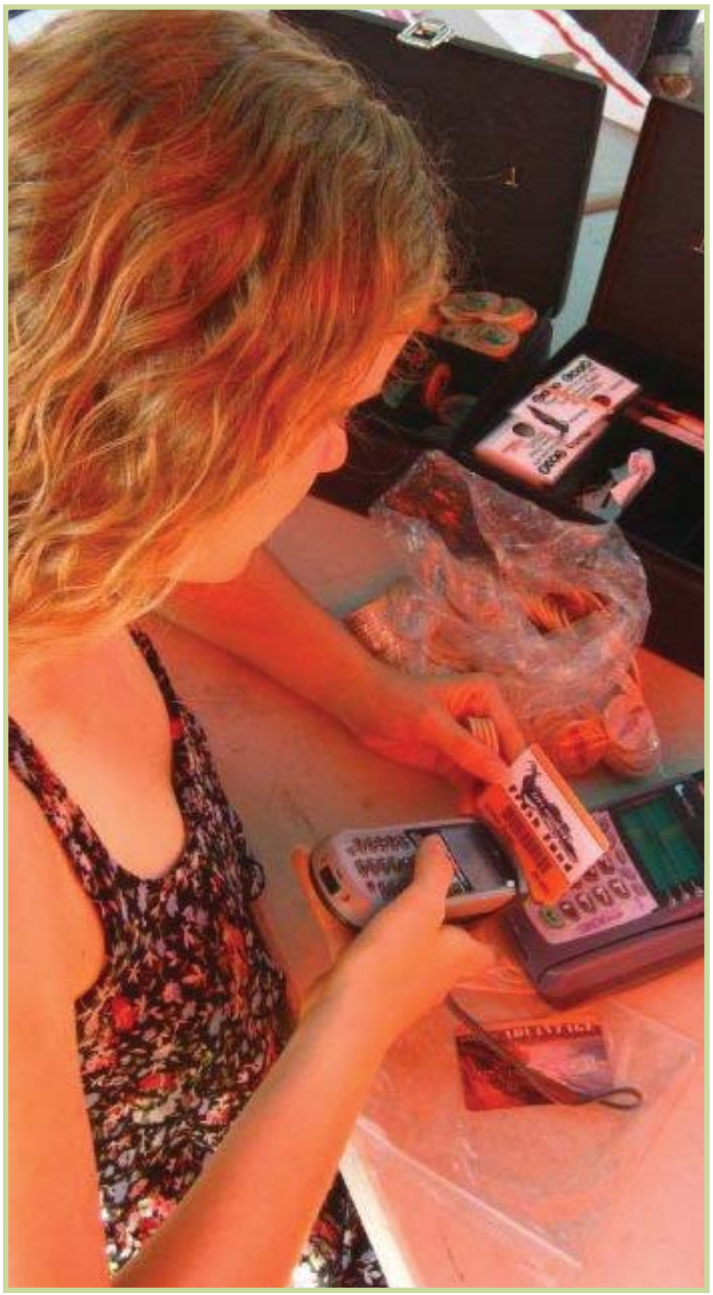
- All costs associated with this option are the market's responsibility.

Will grants and fundraising opportunities help cover some expenses?

The most popular method of funding SNAP at a farmers market is through grants. Several grant opportunities are available, such as the USDA's FMPP (additional USDA funding resources listed in Appendix D).[7] State farmers market associations may also have some funding ideas and suggestions on how to implement the program. Some markets defray the operating costs of SNAP participation by modestly increasing their vendors' stall fees. Vendors can also share all or some of the costs of the initial equipment and supplies. Some States may offer funding opportunities as well. States have the option to provide farmers markets free or subsidized wireless POS terminals that also accept credit and debit cards. The Federal Government will share administrative costs associated with the wireless terminals, but only for specific costs attributable to processing SNAP transactions.

Case Study: Colorado Farmers Market Association

In 2006, the Colorado Farmers Market Association (CFMA) was awarded an FMPP grant to educate farmers market managers and market vendors about SNAP and EBT use at farmers markets. The grant allowed CFMA to purchase wireless EBT machines for 21 markets across the State. CFMA also coordinated with the State-identified EBT contractor to provide training, technical support, and other resources to participating farmers markets and market managers.



7 www.ams.usda.gov/FMPP

Can farmers markets offer a bonus incentive program to attract SNAP customers?

In addition to marketing, education, and outreach efforts, some markets are turning to bonus incentive programs to increase their SNAP customer base. SNAP bonus incentive programs provide bonus or matching funds for SNAP purchases, usually by giving SNAP customers extra scrip when they use their EBT card at the market. Incentives like this encourage first-time SNAP shoppers at farmers markets; experience has shown that many become regular customers. SNAP bonus incentive programs are funded by nonprofit organizations, local governments, and private foundations. The Federal Government does not provide funding for these programs.

What are some good recordkeeping practices when accepting SNAP benefits?

Markets that operate a scrip project should keep records of scrip sales. Appendix B includes sample recordkeeping forms. Farmers markets typically track:

- Amount spent on scrip by customers using each of the different accepted payment types (EBT, debit, or credit cards).
- Scrip returned and credited back to the customer's EBT/debit/credit accounts. (SNAP customers cannot receive change or cash back. All returns must be credited back onto the customer's SNAP EBT account.)
- Scrip turned in for reimbursement by every vendor on each market day.
- Monthly and yearly sales reports.

FNS does not require any reporting for scrip projects. However, if markets have adopted a bonus incentive program, such as offering matching dollars or supplemental dollar coupons, the program's sponsors may require an additional set of records to evaluate the incentive program. Markets must submit a copy of any reports required by the incentive program's sponsors to FNS. FNS reserves the right to request additional information as needed.

Case Study: City Heights Open Air & Certified Farmers Market, San Diego, CA

The City Heights Open Air & Certified Farmers Market opened in July 2008. It was the first farmers market in San Diego county to have an EBT machine that accepted SNAP. The market uses wooden tokens to process SNAP purchases. In partnership with the Wholesome Wave Foundation (a private foundation that offers programs to match dollar values of SNAP benefits at farmers markets), the market offered an additional $5 in "fresh fund dollars" to SNAP customers who spent more than $10 of their SNAP benefits at the market. This incentive program proved so successful that SNAP redemptions nearly tripled. In 2008, the City Heights Open Air & Certified Farmers Market also received an FMPP grant to encourage the redemption of SNAP payments via incentive programs.

What is the process for designing and purchasing scrip and/or tokens?

Paper scrip or tokens can be purchased from various printing and specialty item companies (see Appendix E for a list). Keep these factors in mind when choosing between paper scrip or tokens. Although paper is less bulky to handle than wooden or plastic tokens, it is more easily counterfeited. Tokens are cumbersome and bulky in large quantities, but are not easy or cost-effective to counterfeit. When using paper scrip, select paper that cannot be photocopied to prevent fraud. Serial numbers on scrip are strongly advised.

Are taxes charged on SNAP purchases?

Some States have sales tax on all food purchases; however, **SNAP purchases cannot be taxed** regardless of State or local food tax rules. In States where food is taxed, market vendors traditionally fold the tax into the listed price of the food item. However, vendors must deduct the tax from the total price of an item purchased with SNAP benefits. Each State has different tax rates and, in some cases, they vary by counties within States. Check with the State's farmers market association or other designated State agency about obtaining a relevant tax adjustment table that vendors can use when adjusting for SNAP purchases.

Are vendor training and agreements necessary to participate in SNAP?

Neither vendor training nor vendor agreements are required by law, but it's a good idea for market managers to institute agreements and offer training to vendors participating in SNAP so they will know what to expect from the EBT system and what they will need to do to accept SNAP benefits. At least one training meeting should happen before the market's opening day, giving vendors an opportunity to walk through every step of the process and become familiar with the signage and equipment and the scrip, tokens, or receipts. They will need to understand the reimbursement procedures and recordkeeping forms that will be used in conjunction with the EBT system.

Market managers should also plan to make agreements with vendors that delineate requirements for SNAP program participation before the beginning of the market season. The agreements should include:

- A list of food items that *can and cannot* be purchased with SNAP benefits.
- Clear explanation of the types of records needed to process reimbursement.
- Information about the reimbursement process and schedule.
- Recommended and required signage.
- Guidelines on any additional rules associated with SNAP purchases (i.e., not giving change or cash back, no taxes charged, etc.).

A sample agreement can be found in Appendix C, and a preparatory checklist is in Appendix B.

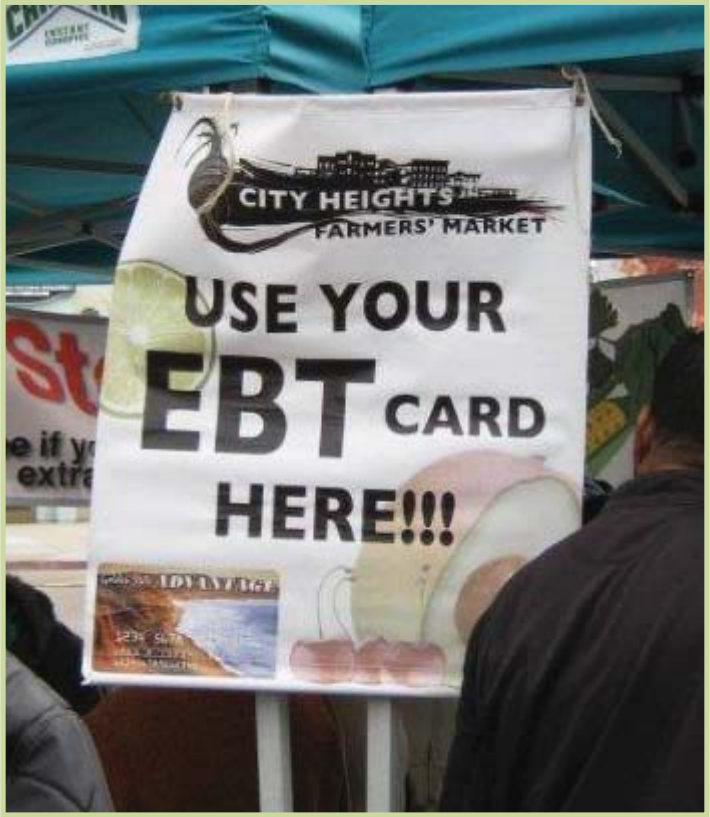
How do farmers markets tell customers they accept SNAP EBT cards?

Anecdotal reports indicate that customers often cite "word of mouth" as the number one way they found out about a market accepting SNAP benefits. Many markets develop banners and signage with the SNAP and EBT logos advertising that SNAP EBT cards are accepted at farmers markets. Vendors, especially those that are certified SNAP retailers, may also have their own signage. Some farmers markets may develop their own printed material or brochures about the SNAP program. All printed materials should be clear, simple, and concise and should include the SNAP logo according to the FNS guidelines, which are available at: www.fns.usda.gov/snap/roll-out/logo.pdf.

Printed material should include:

1. Clear indication that the market accepts SNAP EBT cards.
2. Location of the EBT machines and whether they also accept credit/debit cards.
3. The market's location and days and times of operation.
4. The products available for SNAP customers to purchase.
5. The State-specific name for SNAP EBT cards.

Useful SNAP outreach and nutrition education materials are also available online at the SNAP-Ed Connection: snap.nal.usda.gov.



Case Study: Athens Farmers Market, Athens, OH

The Athens Farmers Market, which began accepting SNAP in 2007, is located in Ohio's rural southeast corner. The market's mission is to offer business opportunities to regional growers and producers and to provide a place for the Athens community to buy fresh, local food. It has strived to be a welcoming place for people from all socioeconomic backgrounds. The market formed a partnership with Athens County Job and Family Services, which provided funding for staffing and marketing and helped connect their SNAP clients with the market.

Athens County Job and Family Services was also helpful in advising on the types of promotional materials and efforts that would work best for attracting new customers. SNAP clients received promotional postcards about SNAP at the market. In July 2008, the Athens Farmers Market offered $5 incentive coupons to SNAP customers to encourage them to shop at the market.

For more information, please visit: www.athensfarmersmarket.org.

How can community partnerships help publicize EBT programs at farmers markets?

Farmers markets partner with a wide range of groups, including city, State, and Federal government agencies; groups focused on "buy local" initiatives; food pantries; hospitals and clinics; faith-based organizations; and senior centers. Partners can help with promotion in many ways—they can hand out fliers about the market SNAP EBT program, host cooking demonstrations and nutrition education events at the market, and encourage their clients to attend the farmers market. Partners can promote SNAP at farmers markets at local health fairs, school events, and community festivals to reach targeted audiences. They can provide signage and flyers about farmers markets' SNAP participation to local SNAP and Women, Infants, and Children (WIC) offices, senior centers, hospitals, clinics, food pantries, schools, churches, and community centers to effectively notify the public that SNAP is available at the farmers market. Press releases and local calendar listings are also effective marketing tools. Special events and outreach initiatives produced with partner support can draw media and other community attention.

What other resources are available to boost SNAP and EBT use at farmers markets?

Many States have used their farmers market associations as a resource. Farmers markets that have successfully implemented and run SNAP EBT programs are also excellent resources. The following organizations can offer additional guidance:

- **AMS –** The USDA agency that supports public markets through funding opportunities, etc. (www.ams.usda.gov/wholesalefarmersmarkets)
- **FNS –** The USDA agency that administers SNAP. (www.fns.usda.gov/snap/ebt/fm.htm)
- **Know Your Farmer, Know Your Food Initiative –** A USDA-wide effort to create new economic opportunities by better connecting consumers with local producers. The initiative's Web site includes information on Federal grant programs available for farmers markets and farmers. (www.usda.gov/knowyourfarmer)

- **Farmers Market Coalition** – This nonprofit organization provides resources for farmers markets. Its Web site contains a list of resources to help markets accept SNAP and a list of State farmers market associations. (www.farmersmarketcoalition.org)

- **Project for Public Spaces –** A nonprofit organization that operates a public markets program dedicated to reconnecting communities and local economies through markets. Their Web site hosts resources to help markets accept SNAP benefits and other ways for farmers markets to become more accessible to low-income communities. The site includes a report on the W. K. Kellogg Foundation-funded Diversifying Markets Grant Program. (www.pps.org/markets/)

- **Wholesome Wave Foundation –** This nonprofit organization operates a program to double the value of SNAP, WIC Farmers Market Nutrition Program (FMNP), and Senior Farmers Market Nutrition Program (SFMNP) benefits when used at farmers markets. Wholesome Wave also provides technical support to participating farmers markets. The initiative, called "Nourishing Neighborhoods," operates in over 50 markets in 11 States and is rapidly expanding. (www.wholesomewave.org)

Appendix A: Glossary of Terms

Abbreviations Used in This Handbook

AMS USDA's Agricultural Marketing Service

EBT Electronic Benefit Transfer

FMPP Farmers Market Promotion Program

FNS USDA's Food and Nutrition Service

PIN Personal Identification Number

POS Point of Sale

SNAP Supplemental Nutrition Assistance Program

TPP Third party processor

USDA United States Department of Agriculture

WIC Special Supplemental Nutrition Assistance Program for Women, Infants, and Children

Agricultural Marketing Service (AMS): The USDA agency that, among other things, supports farmers markets with grants, research, and education.

Bonus incentive program: A program that provide matching "bonus dollars" for purchases made at farmers markets with SNAP or WIC benefits. The incentives, funded by private foundations, nonprofit organizations, and local governments, are structured to improve the purchasing power of low-income families at farmers markets, encouraging them to buy more fruits and vegetables and other healthy foods.

Commercial POS terminal: A point-of-sales (POS) terminal that can process bank-issued credit and debit cards as well as SNAP cards.

Electronic Benefit Transfer (EBT) System: An electronic payments system, maintained and managed by a State or its contractor, that uses electronic funds transfer and POS technology for the delivery and control of food and public assistance benefits.

Eligible food items: Products that can be purchased using SNAP benefits. Eligible food items include bread, cereal, fresh produce, meat, fish, poultry, dairy, and starter plants. SNAP benefits cannot be used to purchase hot meals, prepared foods, soap, or other body care items. A list of eligible food items is available at: www.fns.usda.gov/snap/retailers/eligible.htm.

EBT card: A plastic card issued to SNAP and other public assistance clients that, in combination with a PIN, allows them access to benefits issued by the State.

EBT-only machines: POS terminals deployed by the State EBT contractor to eligible FNS SNAP retailers for redeeming, free of charge, SNAP and other EBT benefits. These are wired—not wireless—terminals that do not accept bank-issued debit or credit cards. To be eligible, retailers must expect to have an average of at least $100 in SNAP business per month.

Farmers Market Promotion Program (FMPP): An AMS grant program that awards funds for the development or sustainability of farmers markets. By law, at least 10 percent of the funds must be directed towards new SNAP EBT projects.

FNS SNAP retailer: Any merchant that has been approved by FNS to accept SNAP as payment for eligible food items. Authorized SNAP retailers include retail grocery stores, food chains, farmers markets, roadside vendors, delivery services, and cooperatives.

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 people access to food, a healthful diet, and nutrition education.

Manual voucher: A paper document signed by the EBT cardholder to redeem benefits through telephone verification when the EBT system is down. It can also be used by retailers who do not have a POS terminal.

Personal Identification Number (PIN): A four-digit numeric code selected by or assigned to a household and used to verify the identity of an EBT cardholder when performing an EBT transaction.

Point-of-Sale (POS) terminal: Devices that process transactions through the use of EBT, debit, or credit cards to initiate electronic debits and credits of customer and retailer accounts. These terminals can be wired or wireless.

Scrip: A certificate that can be exchanged for goods at the farmers market that issued it. Scrip can be paper vouchers, tokens, or receipts.

Scrip project: A system for redeeming SNAP benefits by having a farmers market sponsor obtain an FNS SNAP license that allows market vendors to accept SNAP benefits using a central POS terminal to issue scrip. The scrip is used to shop for eligible food items anywhere in the market.

Special Supplemental Nutrition Assistance Program for Women, Infants, and Children (WIC): A Federal program that provides supplemental food, health care referrals, and nutrition education at no cost to low-income pregnant and postpartum women, and to infants and children up to 5 years old who are at nutritional risk.

State EBT contractor: An entity that is selected through a competitive process to perform EBT-related services for the State SNAP agency.

State SNAP agency: The State entity that administers SNAP at the local level. A State agency may represent a State department, agency, board or commission, authority, or other State institution.

Supplemental Nutrition Assistance Program (SNAP): A Federal program operated pursuant to the Food and Nutrition Act of 2008 (7 USC 2011-2036) and administered by the States to help low-income people buy the food they need for good health.

Third Party Processor (TPP): Any transaction processing provider that manages and maintains commercial POS terminals, routes EBT and commercial credit/debit transactions, and settles transaction amounts to retailer bank accounts for a fee.

Wired POS terminals: POS terminals that require electricity and phone line to operate; they are stationary.

Wireless POS terminals: Portable POS terminals that can operate anywhere there is cellular coverage.

Sample Checklist for installing EBT and accepting SNAP

The Day Before the Market Opens

- Charge terminal battery if using a wireless terminal.
- Organize scrip and ensure that there is enough for the market day.
- Organize vendor scrip redemption envelopes to be handed out during market setup, including the vendor redemption form in each envelope.
- Account for vendor reimbursement.
- Pack equipment:
  - POS terminal.
  - Receipt box or envelope.
  - Scrip.
  - Blank note cards to record lost sales and manual vouchers in case of machine failure.
  - Bag or fanny pack to hold returned tokens.
  - Nametags for individuals staffing the SNAP redemption booth.
  - Notebook for staff communication, machine instructions, resource contacts, etc.
  - Calculator, stapler, pens, and extra paper rolls.

Market Day, Before the Market Opens

- Organize booth and set up equipment.
- Hang signage and check that all participating vendors have their signs displayed.
- Check in with staff to answer questions and receive feedback.
- Review redemption and other procedures with vendors.
- Give participating vendors scrip redemption envelopes to store their scrip and completed log for that market day.

Market Day, During Operating Hours

- Ensure that someone is available to answer customer and vendor questions.
- Ensure that someone is available to operate the central POS terminal at all times.
- Record all scrip that is returned on the Daily Scrip Issuance Log.

Market Day, After Operating Hours

- Collect vendor reimbursement envelopes, which contain their scrip and log.
- Give vendors a receipt for scrip that has been turned in.
- Run a batch report from the POS terminal, which is a long paper document showing the day's transactions.
- Reconcile the batch report with all of the receipts, scrip received/returned, and vendor reimbursements.
- Record the amount of scrip given out and the amount returned in the daily scrip issuance log.
- Complete bookkeeping for vendor reimbursement.

Sample Food Stamp EBT Program Vendor Agreement
[ASSOCIATION NAME], [MARKET NAME]

This agreement is between _____, an association of eligible food vendors (herein referred to as "ASSOCIATION") organized within **[MARKET NAME]** and _____, an authorized food vendor (herein referred to as "VENDOR").

This agreement allows the above-mentioned VENDOR to participate in the Food Stamp Electronic Benefits Transfer (EBT) Card Program at the **[MARKET NAME]**.

VENDOR is bound by this agreement to follow all guidelines, as set forth by federal and state authorities and ASSOCIATION.

ASSOCIATION reserves the right to immediately suspend or terminate VENDOR from the program if ASSOCIATION observes, or receives evidence of, failure to abide by any of the agreements below.

VENDOR may voluntarily quit participating in the EBT program at any time, but must notify ASSOCIATION of such action.

The EBT Card Program will operate in the following manner:

Patrons who have been issued an authorized EBT card may purchase scrip in the form of wooden tokens, up to the amount authorized, from designated ASSOCIATION staff. The patron's EBT card will be debited for the value of the tokens purchased. Patrons will use the tokens only for purchase of eligible foods from authorized vendors at the ASSOCIATION. Patrons have no time limit on the use of purchased tokens at the ASSOCIATION. Patrons may return unused tokens to ASSOCIATION staff for credit only on the same day as purchase. Credit for the value of these tokens will be returned to the patron's EBT card. No patron will be credited for tokens returned above the amount of that day's purchase by that patron. ASSOCIATION staff will exchange tokens for cash, each market day, only with the designated agent of each authorized vendor, and only when the designated agent presents the appropriate written permit.

The only tokens used will be wooden tokens with the unique imprint of ASSOCIATION on each side, with the currency amount also imprinted on each side. The only tokens used will be in 50¢ and $1 denominations.

The EBT Card Program will be strictly and carefully monitored at all times by ASSOCIATION.

VENDOR Agreements:

- VENDOR agrees to designate a specific person to be an agent for this program. The designated agent shall be responsible for the vendor's participation in the program. The designated agent will be the only individual that may conduct EBT token redemptions with ASSOCIATION staff. The designated agent will be provided with a written permit from ASSOCIATION and must always present it to ASSOCIATION staff when redeeming EBT tokens or otherwise representing the vendor in EBT business.

  - The designated agent for this vendor is: _____. Any change in designated agent must be made by the authorized vendor, in writing, before a different authorized agent will be allowed to redeem tokens.

- VENDOR agrees to accept only ASSOCIATION wooden tokens and will not accept any other market's tokens and/or printed scrip.

- VENDOR agrees to accept tokens only for the purchase of food stamp program-eligible foods, including: bread products, produce, meat, fish, poultry, eggs, dairy products, seeds, and plants which produce food to eat.

- VENDOR agrees that no U.S. currency will be returned to the customer as change, if payment for product is solely by tokens. The value of the tokens received by VENDOR will not exceed the posted value of the product purchased by the customer. (Customers will receive full value for their tokens.)

- VENDOR agrees to not exchange any tokens for U.S. currency with any person except authorized ASSOCIATION staff.

- VENDOR agrees to post a sign (to be provided by ASSOCIATION) identifying VENDOR's stall as an authorized EBT vendor.

_____	_____	_____
EBT Program VENDOR Agent	Space Number	Date

_____	_____	_____
ASSOCIATION Representative **[MARKET NAME]**	Title	Date

Funding Options Within the USDA

- **Agricultural Marketing Service (AMS)**

  - Farmers Market Promotion Program (FMPP)
    - Focus: to improve and expand farmers markets, roadside stands, community-supported agriculture, and other direct producer-to-consumer market opportunities.
      - 2009 Priorities: New EBT Start-up, Growing Farmers, Professional Development
    - Eligible: agricultural cooperatives, local governments, nonprofit corporations, public benefit corporations, economic development corporations, regional farmers market authorities, and Tribal governments.
    - Grant Range: $2,500 - $100,000
      - No matching funds required.
    - Contact Information:
      - www.ams.usda.gov/AMSv1.0/FMPP
      - (202) 694-4000

- **National Institute of Food and Agriculture (NIFA)**

  - Community Food Projects Competitive Grants Programs
    - Focus:
      - To meet the food needs of low-income people.
      - To increase the self-reliance of communities in providing for their own food needs and promote comprehensive responses to local food, farm, and nutrition issues.
      - To meet specific State, local, or neighborhood food and agriculture needs for:
        - Improving and developing infrastructure.
        - Planning for long-term solutions.
        - Creating innovative marketing activities that benefit both agricultural producers and low-income consumers.
    - Eligible: private companies, nonprofits.
    - Grant Range: $10,000–$300,000/Matching funds required
    - Contact Information:
      - www.nifa.usda.gov/fo/communityfoodprojects.cfm

Sources of Scrip and Tokens

Scrip can be printed by local printers. You can have it printed on durable paper for longer life; ask your printer for recommendations. Emboss scrip with a stamp unique to your market to make it more difficult to counterfeit.

Wood or plastic tokens are available from:

Absorbent, Ink.
www.absorbentprinting.com/toys-and-novelties/wooden-nickels

Anickelsite.com
www.anickelsite.com/

ChurchSupplier.com
www.churchsupplier.com/shopsite_sc/store/html/ccoins.html

Drink Tokens.com
www.drink-tokens.com/nickel.htm?gclid=CNetp-Tm9KACFdlw5QoddTJuvw

Heirloom Wooden Toys
www.heirloomwoodentoys.com/-pr-18749.html

Imprint Items.com
www.imprintitems.com/custom/8222744

Ituit.com
www.ituit.com/

Oldtime Wooden Nickel Co.
www.wooden-nickel.com/

Promo Peddler
www.promopeddler.com/03-59/screened-wooden-nickels-qqp190019.htm

The Widget Source
www.thewidgetsource.com/

USImprints.com
www.usimprints.com/store/all-promotional-products/product/5-working-days-screened-wooden-nickels-1-1-2-dia-priced-per-thousand/

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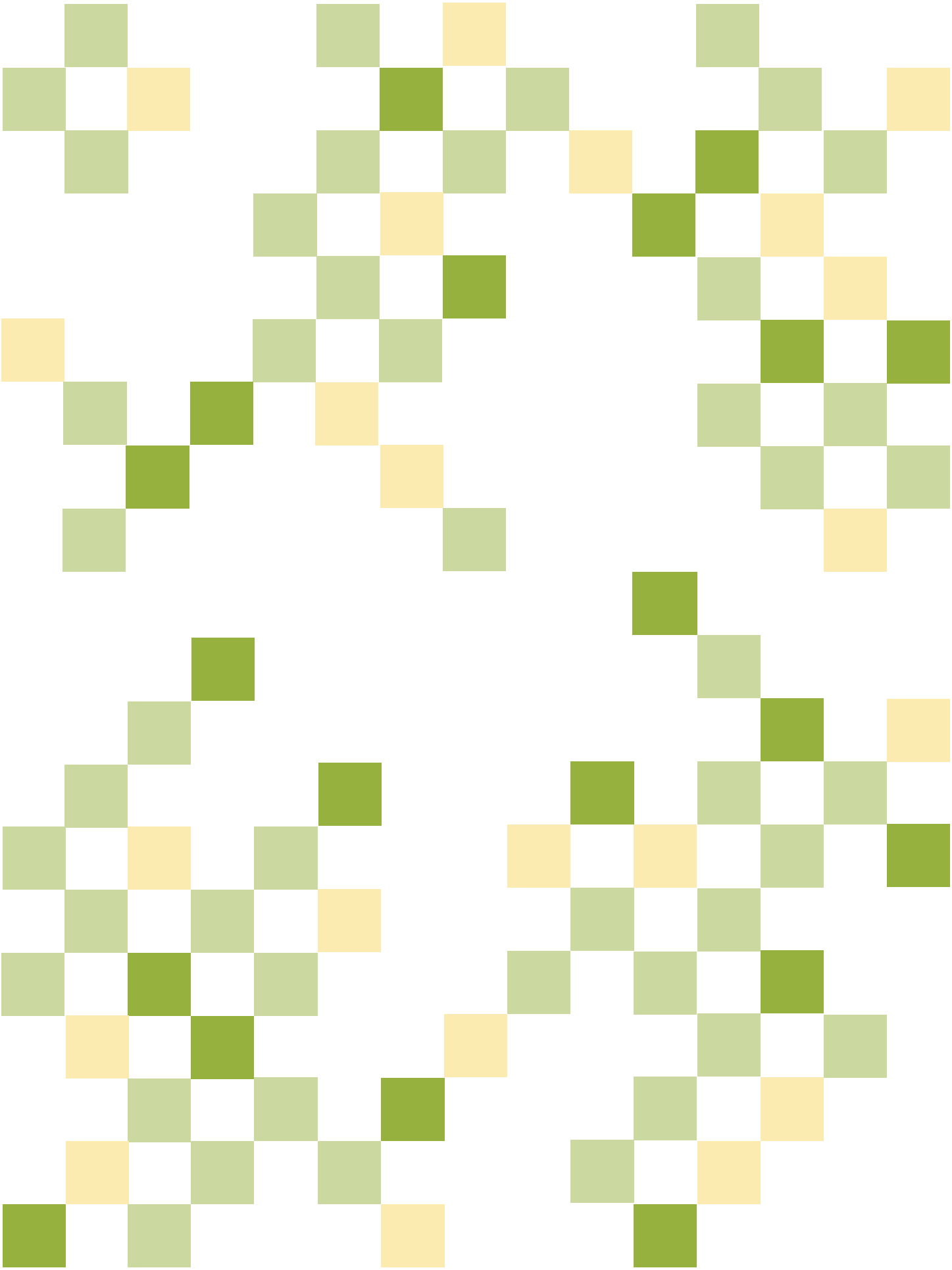
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