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United States Department of Agriculture

SNAP
The USDA Supplemental Nutrition Assistance Program

Training Guide for Retailers



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United States Department of Agriculture
Food and Nutrition Administration

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Introduction

In the United States, many low-income individuals and families need help to have a nutritious diet. The Supplemental Nutrition Assistance Program (SNAP) provides that help to millions of low-income Americans — almost half of them children. Under the Program, State and local agencies provide monthly SNAP benefits to eligible households. These SNAP benefits, issued on Electronic Benefits Transfer (EBT) cards, are used to buy food from authorized retail food stores (also known as SNAP retailers).

SNAP is administered by the Food and Nutrition Administration (FNA) of the U.S. Department of Agriculture. FNA issues permits to qualified retailers to accept SNAP benefits, monitors SNAP retailers to ensure that they follow Program rules, and withdraws or disqualifies SNAP retailers who have broken the rules or no longer qualify to accept SNAP benefits.

If you participate as a SNAP retailer, you must follow all Program rules. This guide will answer common questions about SNAP and help you learn the Program's rules. Applying to become a SNAP retailer is an important decision. If you or your employees make errors through lack of training, attention to basic instructions, or poor supervision, you could lose your permit or face more severe penalties as explained in Part 5: What Happens if You Break the Rules?

The **Retailer Service Center** (RSC) is available to answer your questions. If you have a question about the Program, you can consult the RSC at (877) 823-4369.

Customers can learn more about SNAP by calling 1-800-221-5689 or visiting **www.fna.usda.gov/snap** to get contact information for their State.



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Part 1 Authorization

Application

If you want to be a SNAP retailer, you must complete an application that asks about your business. For example, you'll need to provide information about:

- The ownership of your business;
- Who runs the business;
- The food and non-food items that you stock, and what you actually sell; and
- The days and hours of operation.

You'll also be asked for supporting documentation, such as copies of your government-issued identification and social security card.

The easiest way to complete an application is to submit your information online at www.fna.usda.gov/snap. Please be sure to follow the instructions when submitting an online application.

If you make false statements or fail to provide required information, your application will be denied and you may be subject to additional consequences.

Cooperate with FNA and its Representatives

Prior to approving you as a SNAP retailer, an FNA representative may visit your store to ensure that you meet Program rules.

The representative will have identification and written authorization explaining who they are. The representative will take photos inside and outside of your store; make a sketch of the store's layout, including aisles, shelves, countertops, bins, refrigerators, freezers, and storage areas; and document your current inventory.

If your store is approved, FNA or its representatives may visit again to ensure that you continue to meet Program rules.

You are required to cooperate with FNA and its representatives and respond to all requests. If you don't cooperate, your application may be denied or you may be withdrawn from the Program.

If you have any questions regarding a visit, you can consult the RSC at (877) 823-4369.

Eligibility Criteria for Retailers

FNA will determine whether your store meets eligibility criteria to accept SNAP benefits. SNAP laws and regulations require that retail food stores must meet one of these two criteria:

A. The store must offer for sale, on a continuous basis, at least seven qualifying varieties in each of the four categories of staple foods:

- Dairy;
- Grains;
- Protein; and
- Vegetables or Fruits.

The store must also offer perishable food in at least three of the staple food categories.

OR

B. The store must have more than 50 percent of its total gross sales in staple foods, not counting accessory food items such as snacks, desserts, coffee, condiments, and prepared, ready-to-eat foods.

Key Stocking Definitions

Variety – three or more stocking units of a particular staple food product (Breadth of Stock)

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Stocking Unit – a can, bunch, box, bag, or package that a product is usually sold in (Depth of stock)

Perishable – Perishable foods can be fresh, unrefrigerated, refrigerated, or frozen.

Supplemental Information

Your application will be reviewed by FNA. You may receive a request for additional information if your application is incomplete or if information needs to be clarified.

Restaurants

Restaurants are not eligible to be SNAP retailers.

Restaurant – a store that has more than 50 percent of its total gross retail sales in foods cooked or heated onsite, before or after purchase; and hot and/or cold prepared foods not intended for home preparation or consumption, including prepared foods that are consumed on the premises or sold for carryout.

Program Permit

Your store must be authorized to accept SNAP benefits.

If your store is authorized, you will receive a SNAP permit, and a seven-digit SNAP number. FNA uses this number to identify your store and you as the owner of that store.

- **You can't begin to accept SNAP benefits until you have a SNAP permit.**
- You must obtain a SNAP permit for each store location where you want to accept SNAP benefits.
- **You can't use the SNAP permit or SNAP number that belonged to any previous owner of your store.**
- You can't transfer your SNAP permit to someone else or to another location.
- **If your store changes ownership or if you close your store, you must notify FNA.**



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Part 2 Basic Guidelines

Learn and Enforce the Program Rules

Accepting SNAP benefits can be a profitable part of your business, but Program violations can be much more costly.

- Learn the proper way to handle SNAP transactions and train your employees before they accept SNAP benefits.
- Document the training you provide to your employees.
- Monitor the actions of your employees.

Train Everyone Who Works in Your Store

As a SNAP retailer, **you are legally responsible for your actions and the actions of everyone who works in your store**, whether they are paid or not. If you, your employees, or your family break the Program's rules, you could lose your permit, be fined, and be subject to criminal prosecution.

Training everyone who works in your store is critical to protecting your business. When changes in the Program are announced, you should ensure that everyone learns them. This guide provides basic Program information. A set of training videos accompanies this guide. These resources are available at **www.fna.usda.gov/snap**.

You can use this guide and the training videos to help educate everyone who works in your store.

Respect Your SNAP Customers

You must treat SNAP customers the same as you do your other customers — with courtesy and respect.

- Don't require SNAP customers to make minimum purchases.
- Don't restrict SNAP customers to shopping at certain times, charge them higher prices, or make them use SNAP ONLY checkouts.
- Don't ask customers for their Personal Identification Number (PIN). Only the customer is allowed to enter his or her PIN into a Point of Sale (POS) device.

These are Program rules that you must follow at all times.

Display the "We Welcome SNAP Customers" Poster

FNA will provide a "We Welcome SNAP Customers" poster to you. You should display this poster in a prominent place to let your customers know that you participate in the Program. You will also receive a self-adhesive "We Welcome SNAP Customers" decal to place on a door or window.

Report Violations

FNA will provide a "Report Abuse of SNAP" poster to you. You must put this poster in a prominent place where people can easily see it.

If you know or suspect that someone is violating a Program rule, contact the USDA Office of Inspector General at (800) 424-9121. Your identity will be protected under the Whistleblower Protection Act of 1989 and the Inspector General Act of 1978. Your efforts can help us maintain SNAP integrity.

Maintain Invoices

You should retain all invoices for at least one-year for program eligibility and integrity purposes.

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What Can SNAP Benefits Buy? Part 3

Proper Use of SNAP Benefits

SNAP helps low-income households to obtain a more nutritious diet through the purchase of eligible foods.

Eligible Foods

Households CAN Use SNAP Benefits To Buy:

- Food to be prepared and/or eaten at home, such as:
  - Dairy;
  - Grains;
  - Protein; and
  - Vegetables or Fruits.
- Seeds and plants intended to grow food (but not for growing flowers or feeding birds).

Households CANNOT Use SNAP Benefits To Buy:

- Beer, wine, liquor, tobacco, or cigarettes;
- Foods that are hot at the point of sale;
- Vitamins or medicines;
- Pet foods; or
- Nonfood items such as tissue, soap, cosmetics, and other household goods.

If you have questions about specific food items, you can visit www.fna.usda.gov/snap for further guidance, or consult the RSC at (877) 823-4369.

"Using SNAP Benefits," a poster describing what can and cannot be purchased with SNAP benefits, is included with this guide.

Separate Eligible Foods and Ineligible Items

If you don't have electronic cash registers and scanners that automatically identify eligible and ineligible items, you should separate SNAP eligible foods from ineligible items. This will help you total the food items that can be purchased with SNAP benefits. If your store has electronic registers or scanners, you should periodically check the equipment to ensure that it correctly identifies eligible and ineligible items.

Sales Tax

You must not charge State or local sales tax on items purchased with SNAP benefits. If you don't have electronic cash registers and scanners, separating eligible and ineligible items can prevent you from accidentally charging sales tax on eligible items. If you have questions about your State's sales tax laws, you should contact your State tax department.

Credit Accounts

SNAP customers must pay for their purchases at the time that they receive their food items. **You must not accept SNAP benefits as payments on credit accounts.** You must not hold your customers' EBT cards or SNAP account information for future use.

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Part 3 What Can SNAP Benefits Buy?

Proper Use of SNAP Benefits

Bottle Deposits

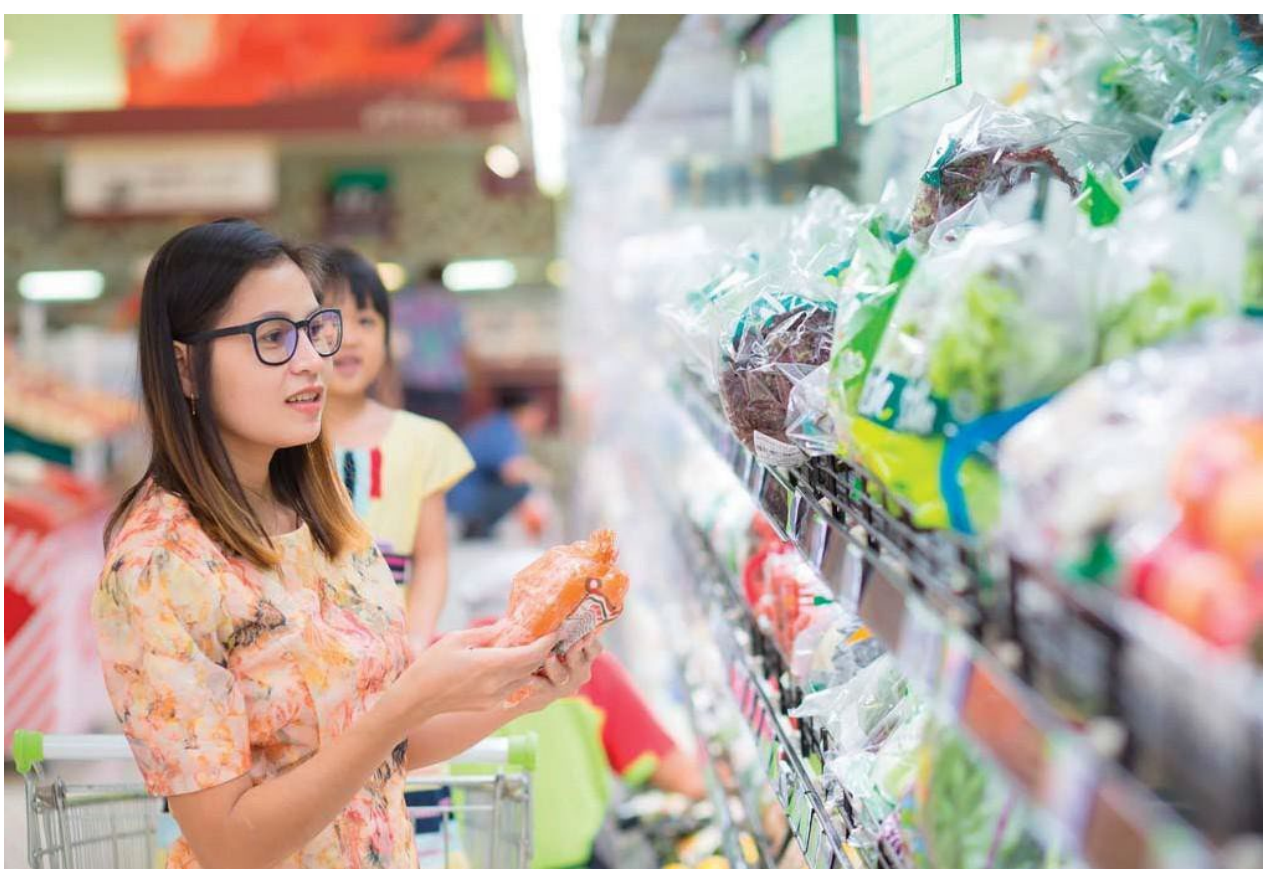
SNAP benefits can be used to purchase eligible items in returnable bottles where the price includes a specific bottle deposit. This is true even if the deposit is not included in the shelf price. A deposit fee paid with SNAP benefits can't exceed the State fee reimbursement amount. Contact your State government for information on the fee reimbursement limits in your State.

Store Coupons

If you accept coupons, or offer discounts or incentives through a store loyalty card program, you must do the same for SNAP customers. You must treat SNAP customers the same as you treat non-SNAP customers.

Bag Fees / Service Fees

Grocery bag fees may not be paid with SNAP benefits. These fees must be paid using another form of payment.



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Electronic Benefits Transfer (EBT) Cards Part 4

EBT Systems and Cards

SNAP benefits are only issued on EBT cards. When a purchase is made, the exact amount of the purchase is deducted from the customer's SNAP account and deposited into your store's bank account.

EBT Systems

EBT systems are like other debit card systems. When an EBT card is swiped, an electronic message is sent to the State's system for approval. If the purchase is approved, the customer's SNAP account is immediately debited and your bank account is credited. At the end of the business day, transactions are totaled and the funds are moved. You will usually receive money from a SNAP transaction within two banking days.

EBT Cards

Each State has its own EBT card design and may have its own name for SNAP. EBT cards are plastic and look like other debit cards. Almost all cards have numbers on the front and a magnetic strip and signature line on the back. Often, a toll-free number for Customer Service is on the back of the card. Your State's EBT system will accept EBT cards issued by any State.

EBT cards may also hold other government benefits, such as cash assistance benefits provided through the Temporary Assistance for Needy Families (TANF). If a customer's SNAP benefits have run out for a given month, the customer may still have other funds available on the card. Cash assistance benefits are separate from SNAP benefits. Accessing cash assistance benefits requires a separate card swipe.

Point-of-Sale (POS) Equipment

Once you receive your SNAP permit, you'll need to consider how you'll accept SNAP benefits. Certain retailers (called exempt retailers) are eligible for free, State-supplied POS equipment. Exempt retailers include farmers' markets, direct marketing farmers, military commissaries, nonprofit food buying cooperatives, and community meal services and programs.

If you aren't an exempt retailer, you must get commercial POS equipment from a Third-Party Processor (TPP) at your own cost. Commercial equipment is often integrated, meaning that the POS device, cash register, and scanning system are connected together to speed transactions and minimize errors.

If you aren't sure if you are an exempt retailer, you can visit **www.fna.usda.gov/snap** for further guidance, or consult the RSC at (877) 823-4369. Online, you can also view a list of Third-Party Processors. FNA does not endorse any particular company, and you aren't required to select a company from this list.

SNAP Purchase Transactions

You and your employees should follow these general steps for a successful SNAP purchase:

1. If you don't have an electronic cash register and scanning system, separate SNAP eligible foods from ineligible items.
2. Total the eligible food purchase amount on the register.

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3. Press the appropriate purchase key and have the SNAP customer swipe his or her EBT card through the POS device.
4. Enter the food purchase amount into the POS device, if it is not connected to the cash register.
5. The SNAP customer will enter his or her Personal Identification Number (PIN) and press the enter key. **Only the customer is allowed to do this.**
6. If there are sufficient funds and the PIN is entered correctly, an "Approved" message will appear and a receipt is printed.
7. If there are insufficient funds, the transaction will be denied. In this situation, the SNAP customer may use another form of payment.
8. Give a receipt to the SNAP customer that shows the purchase amount and the balance in the customer's SNAP account.

Other Types of Transactions

Manual (Key-Entered) Transactions

When an EBT card is swiped through a POS device, the device reads account information from the magnetic strip on the back of the card. If a strip is damaged, it won't be read by the POS device. If this happens, you may use the POS keys to enter the card number. **Don't manually enter numbers from an EBT card unless the SNAP customer is present**.

The customer must enter his or her PIN to authorize a key-entered transaction. SNAP rules allow key entry as a convenience for customers, but the customer should get a replacement card.

Don't use the manual key-entry method unless the POS device or the customer's card is not working. If your POS device frequently fails to accept EBT cards, it may need to be serviced. **FNA will monitor how often you use the key entry method and investigate suspicious behavior.**

Refunds

If a SNAP customer returns food bought with SNAP benefits, you can use the refund transaction on the POS device to return funds to the customer's SNAP account. **Don't provide refunds in cash.** The POS device may require a manager to approve the transaction. Your EBT retailer manual provides more guidance.

Voiding a Transaction

If you enter the wrong amount into a POS device and it is approved, most systems will allow you to immediately void that transaction, including both purchases and refunds.

A void must be done on the same POS device. Once approved, the transaction can be entered correctly. However, if a transaction is completed with the wrong amount and then a second transaction is completed, you can't void the first transaction. Instead, you must do a refund.

Paper EBT Vouchers

During a power outage or if telecommunications, the host computer, or your POS device fails, you can use paper vouchers to complete a SNAP transaction. You can get paper vouchers from the provider of your POS device.

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Whenever you complete a paper voucher, ask the SNAP customer to sign it. You should call your processor for approval while the customer is present. If you call your processor after the customer leaves your store and there aren't enough funds in the customer's SNAP account, you won't get paid.

You must electronically clear a voucher using your POS device or send the voucher to your processor within a certain time to be paid for the transaction. **Keep a copy of the voucher for at least six months in case of a dispute.** If you have questions on this process, contact the company that provided your POS device.

Payment for EBT Transactions

System End-of-Day Time

EBT systems have an end-of-day time when all transactions for the day are totaled and the transfer of funds begins. The State EBT vendor or your TPP can tell you when the day ends for your State's EBT system. You can track your SNAP business by creating end-of-day totals. Your EBT retailer manual explains how to do this.

Payment to Your Bank Account

If you have State equipment, the State EBT vendor will need your bank account information to make payments to you. Payments are usually deposited in your bank account within two banking days.

If you have commercial TPP equipment, your TPP will need your bank account information to make payments to you. Your processor will deposit payments into your account according to your agreement.

Making a Sale

SNAP EBT transactions require the presence of the EBT card and the customer's knowledge of the PIN associated with that card.

Customer ID and Signature

When using a POS device, a customer's PIN identifies the customer. No other identification is needed. If the EBT card has a photo on it, the person making the purchase does not need to be the person pictured on the card.

When a PIN is used for a SNAP purchase or refund transaction, you don't need the customer's signature. However, when using a paper voucher, the customer must sign the voucher.

POS Response

- Be sure your POS device is not in training mode.
- Read the messages on the POS device. These messages indicate the transaction type and results.
- Be sure the purchase is approved. Your store will only be paid for approved purchases.

If you have technical issues when processing a transaction, contact your TPP and tell them the response code that is displayed on your POS device. FNA can't resolve technical issues with a POS device.

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Part 4 Electronic Benefits Transfer (EBT) Cards

Never Keep a Customer's EBT Card or PIN

Depending on where the POS device is located, you may need to swipe an EBT card for a customer. Return the card to the customer immediately. Never keep the card or card number.

Never ask your customer for his or her PIN, don't enter the PIN for a customer, and don't watch the PIN being entered.

Insufficient Funds

If a customer doesn't have enough funds in his or her SNAP account to pay for all of the SNAP eligible items, you must allow the customer to pay the difference with another form of payment or not buy some items.

Credit Accounts

You must not extend credit to be paid by SNAP benefits later.

SNAP Transaction Guidelines

Balances

There are four ways that a customer can check the balance of his or her SNAP account:

1. Calling a toll-free number.
2. Checking online.
3. Looking at the POS receipt after a purchase.
4. Using the balance inquiry function on the POS device, if the function is programmed.

You must not charge a customer to do a balance inquiry.

No Cash Change

The exact amount of an eligible food purchase can be deducted from a customer's SNAP account. If a customer returns food bought with SNAP benefits, you must use the refund transaction on the POS device to return funds to the customer's SNAP account. **It is illegal for you to give a refund in cash, on a gift card or as store credit.**

No Trafficking Is Allowed

SNAP benefits must only be used by SNAP customers to purchase eligible foods. It is illegal to exchange SNAP benefits for cash, or to purchase food from a customer who has purchased the food elsewhere with their SNAP benefits.

Maintain Register Receipts

You should retain all register receipts for at least one-year for program eligibility and integrity purposes.

Questions about EBT

Q. Who does what in EBT?

A. FNA sets general EBT rules. Each State manages its own EBT system and hires a vendor to process transactions, issue EBT cards, and provide POS devices to exempt retailers.

Q. What is a Third-Party Processor?

A. A Third-Party Processor (TPP) is a company that provides EBT equipment and services to SNAP retailers to enable the processing of SNAP transactions.

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Q. What will EBT cost?

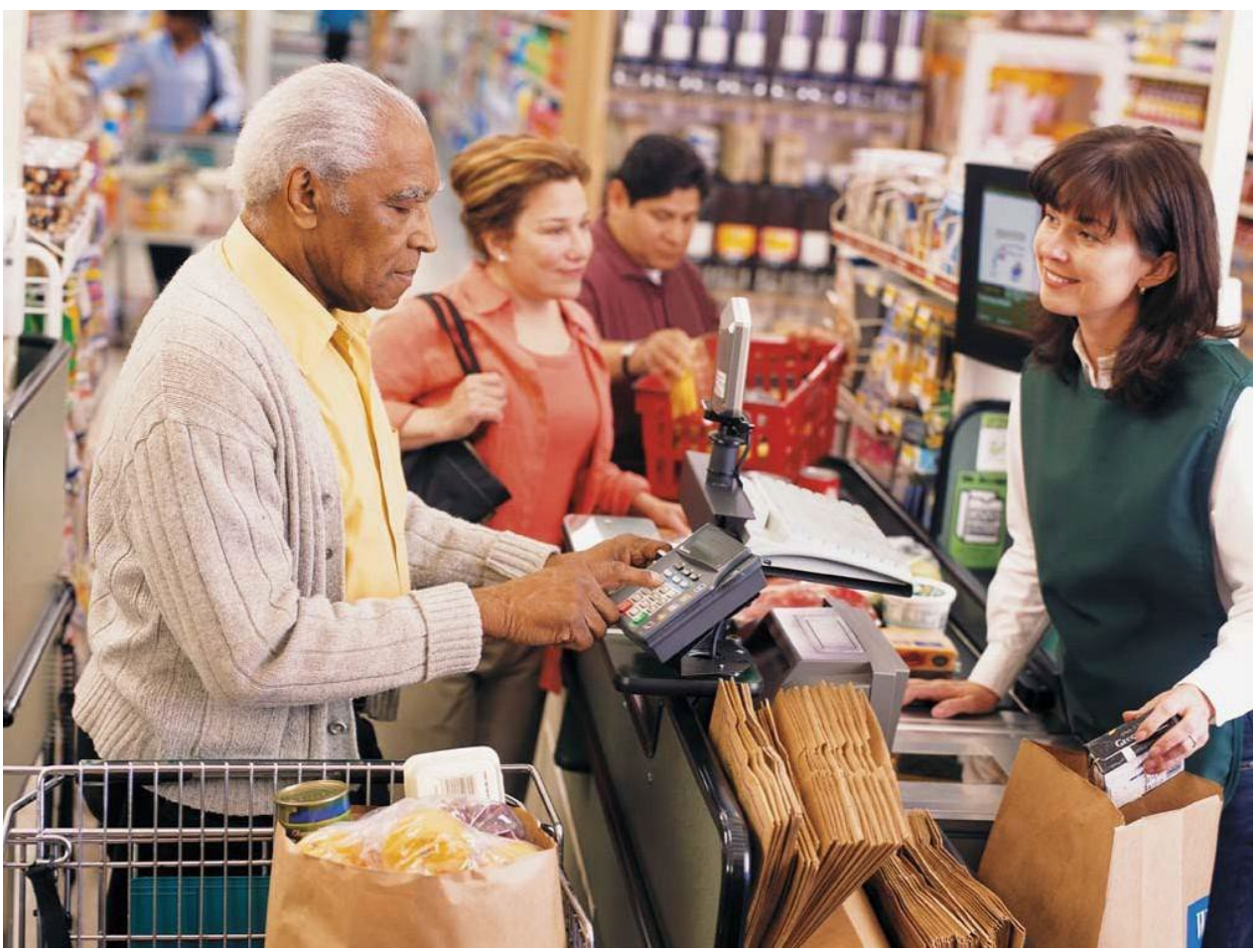
A. If you have a State-provided POS device, EBT is free for you. If you use a POS device provided by a TPP, you will negotiate costs with the TPP.

Q. What happens if a customer loses his or her card or forgets his or her PIN?

A. You must not process a transaction without a customer's card or PIN. A customer can call the State's Customer Service Line, a State, or local SNAP benefit assistance office, or look online at **www.fna.usda.gov/snap** for contact information to get a new card. If the customer has forgotten his or her PIN, a Customer Service number is on the back of the card.

Q. Is there a risk in accepting paper vouchers when system problems occur?

A. When system problems occur, there is no risk in accepting a paper voucher as long as you: (a) call Customer Service for an approval number at the time of the purchase, and (b) follow all voucher instructions in your EBT retailer manual.



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Part 5 What Happens if You Break the Rules?

Disqualifications, Fines, and Other Consequences

SNAP is a multi-billion-dollar investment by American taxpayers. USDA protects that investment by enforcing Program rules and aggressively prosecuting violators.

You are legally responsible for your own actions and the actions of everyone who works in your store whether or not they are paid. If you, your employees, or your family break the Program's rules, you can be disqualified from the Program, may be assessed a monetary penalty, and may face criminal prosecution.

Criminal prosecution may result in a prison sentence, seizure of your assets, and additional penalties. The Internal Revenue Service may conduct a more extensive investigation of your business.

You may also lose your State lottery, alcohol beverage sales, and other State or local business licenses.

If your store is disqualified or fined for violating Program rules, FNA may publicly disclose your store's name and address, owners' names, and the penalty. If your store is permanently disqualified, all owners' names will be publicly disclosed through the General Service Administration's (GSA) System for Award Management (SAM).
Being listed in GSA-SAM can affect your ability to buy a home or car, get financial aid for college, or get a job.

In addition to being disqualified from SNAP, you may also be disqualified from the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).



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What Happens if You Break the Rules? Part 5

To avoid Program violations, you should learn and follow Program rules, and train and monitor your employees' performance. If a situation arises that you are not sure how to handle, consult the RSC at (877) 823-4369 for assistance.

Violations and Penalties

Trafficking

Buying or selling SNAP benefits for cash or purchasing food from a customer who has purchased the food elsewhere with their SNAP benefits may result in permanent disqualification, forfeiture of property, and/or a monetary penalty for each violation.

Sale of Firearms, Ammunition, Explosives, or Controlled Substances

Selling firearms, ammunition, explosives, or controlled substances for SNAP benefits will result in permanent disqualification and/or a monetary penalty for each violation.

Sale of Cigarettes, Tobacco, and Alcohol

Selling cigarettes, tobacco, alcohol, or expensive nonfood items for SNAP benefits may result in a 3- to 5-year disqualification or equivalent civil money penalty. A fiscal claim may also be assessed.

Sale of Ineligible Items

Selling common ineligible items on a regular basis for SNAP benefits may result in a 6-month to 3-year disqualification or equivalent civil money penalty.

SNAP Benefit Redemptions Exceeding Food Sales

Redeeming SNAP benefits in excess of your food sales may result in a 3- to 5-year disqualification.

Accepting SNAP Benefits without Authorization

Accepting SNAP benefits without authorization or after the effective date of removal (before being authorized, or after withdrawal/disqualification of your authorization) will result in a fine of $1,000 for each violation, plus an amount equal to three times the value of the illegally accepted SNAP benefits.



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Part 5 What Happens if You Break the Rules?

Repeat Violations

Second and Third Violations

The period of disqualification will be doubled for a second violation. For a third violation, you will be permanently disqualified.

Civil Penalties

Hardship Civil Money Penalty (HCMP)

An HCMP may be assessed instead of disqualification, if a) the disqualification is less than permanent, and b) FNA determines that disqualification would cause hardship to SNAP customers.

Trafficking Civil Money Penalty (TCMP)

A TCMP may be assessed instead of permanent disqualification if: (a) you request consideration of a TCMP within 10 days of receipt of a letter charging you with trafficking, and (b) you submit documentation proving that an effective compliance program was established prior to when the violations occurred.

Selling a Disqualified Store

If you are disqualified and you sell your store before your disqualification period has expired, you may be assessed a Transfer of Ownership Civil Money Penalty (TOCMP) for an amount that reflects the portion of the disqualification period that has not expired.



Guidance documents lack the force and effect of law, unless expressly authorized by statute or incorporated into a contract. USDA may not cite, use, or rely on any guidance that is not available through their guidance portal, except to establish historical facts.