

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



June 5, 2002

ALL COUNTY LETTER NO. 02-38

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY EBT COORDINATORS

SUBJECT: ELECTRONIC BENEFIT TRANSFER (EBT)

REFERENCE: Manual Sections (M.S.) 16-000, 16-001, 16-001.1 through .4, 16-005 (a through z), 16-010, 16-015, 16-120, 16-130, 16-200, 16-210, 16-215, 16-300, 16-301, 16-310, 16-315, 16-320, 16-325, 16-400, 16-401, 160410, 16-500, 16-510, 16-505, 16-510, 16-515, 16-517, 16-520, 16-600, 16-601, 16-610, 16-700, 16-701, 16-750, 16-800, 16-801, 20-300, 44-302, 44-303 and 44-304.

The purpose of this letter is to notify counties of proposed regulations and revisions for implementation of the EBT System. The regulations are being adopted on an emergency basis and are effective May 1, 2002. The proposed regulations are posted on the Department's website at http://www.dss.cahwnet.gov/ord/Electronic_637.htm. Public Hearings are scheduled for June 19 and 21, 2002 and the regulations are subject to further revision. You will be notified of any revisions via All County Letter as soon as possible. A County Fiscal Letter will be forthcoming to transmit the EBT Settlement and Reconciliation Guide providing specific information on the forms and procedures necessary for the required daily reconciliation and settlement. In addition, the CalWORKs Eligibility Bureau will be issuing an All County Information Notice containing the program-relevant Notices of Action and forms to be used with EBT as well as instructions for their use.

If you have any questions, please contact Stan Cagle, Manager, Program Technology Bureau at (916) 654-1529 or David Badal, Program Analyst, Program Technology Bureau, at (916) 654-1405.

Sincerely,

Original Document
Signed By

BRUCE WAGSTAFF
Deputy Director
Welfare To Work Division

REASON FOR THIS TRANSMITTAL

- State Law Change
 Federal Law or Regulation Change
 Court Order or Settlement Agreement
 Clarification Requested by One or More Counties
 Initiated by CDSS

REGULATION CHANGES

M.S. 16-000 is being adopted to provide the chapter title “General.”

M.S. 16-001 is being adopted to provide the section title “General System Information.”

M.S. 16-001.1 is being adopted to provide a description of an Electronic Benefit Transfer (EBT) system.

M.S. 16-001.11 is being adopted to specify that an eligible recipient’s benefit information shall be loaded into a central computer account each month during the certification period.

M.S. 16-001.12 is being adopted to specify that a magnetic-stripe plastic card shall be used to access a recipient’s account in lieu of food stamp coupons for the purchase of food items at authorized food retailers or in lieu of cash benefits issued via warrant for the purchase of goods or services. The section further specifies that cardholders shall use the same card to access food stamp and cash benefit accounts (if the CWD elects to issue cash benefits through the EBT system).

M.S. 16-001.13 is being adopted to specify that the cardholder will access the benefit account by swiping the EBT card through a point of sale (POS) terminal at a retail location for a purchase transaction.

M.S. 16-001.131 through .136 are being adopted to describe the steps involved in a purchase transaction.

M.S. 16-001.2, .21, and .22 are being adopted to specify that the CWD shall issue benefits for the Food Stamp Program and the California Food Assistance Program via the EBT system.

M.S. 16-001.3, .31, and .32 are being adopted to specify that the EBT system may be used to issue CalWORKs benefits and, with the approval of the California Department of Social Services, other program benefits.

M.S. 16-001.4 is being adopted to mandate that counties implement the Division 16 EBT regulations and other EBT regulations in the Manual of Policies and Procedures including but not limited to, Division 20 and Division 44 when the statewide EBT system is implemented in the county.

M.S. 16-003 is being adopted to mandate that counties comply with all civil rights laws and rules and Division 21. This requirement also applies to all contractors and sub-contractors performing any county function.

M.S. 16-005 is being adopted to provide the section title “Definitions.”

M.S. 16-005(a)(1) is being adopted to provide a definition of the term “Account.”

M.S. 16-005(a)(2) is being adopted to provide a definition of the term “Administrative Terminal Interface.”

M.S. 16-005(a)(3) is being adopted to provide a definition of the term “Assistance Unit.”

M.S. 16-005(a)(4) is being adopted to provide a definition of the term "Authorized Representative."

M.S. 16-005(a)(5) is being adopted to provide a definition of the term "Automated Clearing House."

M.S. 16-005(a)(6) is being adopted to provide a definition of the term "Automated Response Unit."

M.S. 16-005(a)(7) is being adopted to provide a definition of the term "Automated Teller Machine."

M.S. 16-005(a)(8) is being adopted to provide a definition of the term "Availability Date."

M.S. 16-005(b)(1) is being adopted to provide a definition of the term "Balance Inquiry."

M.S. 16-005(b)(2) is being adopted to provide a definition of the term "Batch Interface."

M.S. 16-005(b)(3) is being adopted to provide a definition of the term "Business Day."

M.S. 16-005(c)(1) is being adopted to provide a definition of the term "Calculated Net Benefit Increase."

M.S. 16-005(c)(2) is being adopted to provide a definition of the term "Cardholder."

M.S. 16-005(c)(3) is being adopted to provide a definition of the term "Caretaker Relative."

M.S. 16-005(c)(4) is being adopted to provide a definition of the term "Case."

M.S. 16-005(c)(5) is being adopted to provide a definition of the term "Cash."

M.S. 16-005(c)(6) is being adopted to provide a definition of the term "Cash Withdrawal Transaction."

M.S. 16-005(d)(1) is being adopted to provide a definition of the term "Designated Alternate Cardholder."

M.S. 16-005(d)(2) is being adopted to provide a definition of the term "Doctor or Medical Licensed Practitioner."

M.S. 16-005(e)(1) is being adopted to provide a definition of the term "Electronic Benefit Transfer."

M.S. 16-005(e)(2) is being adopted to provide a definition of the term "EBT Card."

M.S. 16-005(e)(3) is being adopted to provide a definition of the term "EBT Contractor."

M.S. 16-005(e)(4) is being adopted to provide a definition of the term "EBT Host."

M.S. 16-005(e)(5) is being adopted to provide a definition of the term "Eligibility System Interface."

M.S. 16-005(f)(1) is being adopted to provide a definition of the term "FNS Authorized Retailer."

M.S. 16-005(f)(2) is being adopted to provide a definition of the term "Food and Nutrition Service."

M.S. 16-005(f)(3) is being adopted to provide a definition of the term “Food Stamp Merchandise Refund.”

M.S. 16-005(f)(4) is being adopted to provide a definition of the term “Food Stamp Program.”

M.S. 16-005(f)(5) is being adopted to provide a definition of the term “Food Stamp Purchase.”

M.S. 16-005(g) is being adopted as a placeholder.

M.S. 16-005(h)(1) is being adopted to provide a definition of the term “Host-to-Host interface.”

M.S. 16-005(i)(1) is being adopted to provide a definition of the term “Interoperable Transaction.”

M.S. 16-005(i)(2) is being adopted to provide a definition of the term “Issuer.”

M.S. 16-005(j) is being adopted as a placeholder.

M.S. 16-005(k) is being adopted as a placeholder.

M.S. 16-005(l) is being adopted as a placeholder.

M.S. 16-005(m)(1) is being adopted to provide a definition of the term “Magnetic Stripe.”

M.S. 16-005(m)(2) is being adopted to provide a definition of the term “Manual Food Stamp Transaction.”

M.S. 16-005(n)(1) is being adopted to provide a definition of the term “Non-settling Transaction.”

M.S. 16-005(o)(1) is being adopted to provide a definition of the term “Off-line.”

M.S. 16-005(o)(2) is being adopted to provide a definition of the term “On-line.”

M.S. 16-005(p)(1) is being adopted to provide a definition of the term “Personal Identification Number [PIN].)

M.S. 16-005(p)(2) is being adopted to provide a definition of the term “Point of Sale [POS].)

M.S. 16-005(p)(3) is being adopted to provide a definition of the term “Primary Account Number [PAN].)

M.S. 16-005(q) is being adopted as a placeholder.

M.S. 16-005(r)(1) is being adopted to provide a definition of the term “Receipt.”

M.S. 16-005(r)(2) is being adopted to provide a definition of the term “Reconciliation.”

M.S. 16-005(r)(3) is being adopted to provide a definition of the term “Reject.”

M.S. 16-005(s)(1) is being adopted to provide a definition of the term “Settlement.”

M.S. 16-005(s)(2) is being adopted to provide a definition of the term “Surcharge.

M.S. 16-005(t)(1) is being adopted to provide a definition of the term “Third-party Processor.”

M.S. 16-005(t)(2) is being adopted to provide a definition of the term “Trafficking.”

M.S. 16-005(t)(3) is being adopted to provide a definition of the term “Transaction day.”

M.S. 16-005(u)(1) is being adopted to provide a definition of the term “Unlinked Benefits.”

M.S. 16-005(v)(1) is being adopted to provide a definition of the term “Void.”

M.S. 16-005(w) is being adopted as a placeholder.

M.S. 16-005(x) is being adopted as a placeholder.

M.S. 16-005(y) is being adopted as a placeholder.

M.S. 16-005(z) is being adopted as a placeholder.

M.S. 16-010 is being adopted to provide the section title “County Interface and Administrative Transactions.”

M.S. 16-010.1, .11, .12 and .13 are being adopted to establish that each CWD shall utilize one or more of the following interface methods: Standard Batch Interface (required), Standard Host-to-Host Interface, and/or Administrative Terminal Interface.

M.S. 16-010.2(a through m) are being adopted to identify the administrative transaction functions of the eligibility system, including but not limited to: account setup, account information update, adding program benefits to an existing card, adding or removing cardholders to or from an existing account, benefit authorization, card issuance, card replacement, recipient PIN selection, Food Stamp conversion, card deactivation, recipient account inquiry, inactive account reactivation and voluntary claim repayment.

M.S. 16-015 is being adopted to provide the section title “EBT Security.”

M.S. 16-015.1 is being adopted to recommend that all EBT system users (other than cardholders) address security and privacy requirements in the following areas: System and application access and control of administrative terminals, security roles and responsibilities, physical security, personnel identification and authentication, data sharing, data transmission, audit control procedures, data backup, data care and storage, procedures for destruction of confidential data, and security incident reporting procedures.

M.S. 16-005.2 is being adopted to recommend that security policies be implemented prior to EBT implementation and that they be updated on a regular basis.

M.S. 16-100 is being adopted to provide the chapter title “EBT Account.”

M.S. 16-105 is being adopted to provide the section title “EBT Account Setup.”

M.S. 16-105.1 is being adopted to require that account setup information be provided by the CWD to the EBT contractor using the standard EBT interfaces.

M.S. 16-105.2 is being adopted to mandate that batch files be transmitted within the time frames required in M.S. 215.1 and .2.

M.S. 16-105.3 and .31 through .39 are being adopted to require that the necessary case data information for EBT account setup includes, but is not limited to: welfare case number, recipient name, date of birth, social security number, and address, transaction type identifier, recipient code identifier, other optional recipient identifier, worker and/or location identifier.

M.S. 16-105.4 and .41 are being adopted to mandate that the CWD must establish a new EBT account when a recipient moves from one county and establishes eligibility in another county.

M.S. 16-105.5 is being adopted to mandate that for all cases other than expedited issuance cases, the CWD shall transmit account setup data prior to card issuance.

M.S. 16-120 is being adopted to provide the section title "Account Aging and Expungement."

M.S. 16-120.1 is being adopted to establish that an EBT account aging status may be inactive, dormant, or expunged.

M.S. 16-120.11 is being adopted to identify inactive accounts as those in which there has been no debit activity by the cardholder for 45 days.

M.S. 16-120.111 is being adopted to establish that the CWD shall receive a monthly report identifying accounts to which no debits have been posted for 45 days.

M.S. 16-120.112 has been adopted to mandate that a recipient must be notified (at the time that the CWD becomes aware that there has been no debit activity for 45 days) that their benefits will become inaccessible after a total of 90 days of inactivity.

M.S. 16-120.12 is being adopted to identify dormant accounts as those in which no debit activity (by the cardholder) has occurred for a period of 90 days.

M.S. 16-120.121 is being adopted to establish that a client must contact the CWD in order to have access to benefits held in a dormant status.

M.S. 16-120.122 is being adopted to provide the methodology for reinstating benefits held in a dormant status.

M.S. 16-120.13 is being adopted to identify expunged benefits as those that have been available for a period of 270 days with no debit activity.

M.S. 16-120.131 is being adopted to mandate that expunged food stamp benefits shall not be reinstated.

M.S. 16-120.132 is being adopted to require that food stamp issuance reports shall reflect any adjustment in issuance totals to comply with federal reporting requirements.

M.S. 16-120.133 is being adopted to mandate that CWDs maintain an accounting of expunged cash benefits and reissue such benefits upon recipient request.

M.S. 16-120.134 is being adopted to state that the EBT contractor shall expunge benefits on a daily basis.

M.S. 16-120.2 is being adopted to require that food stamp benefits remaining in an account be expunged if the household fails to use the benefits within one week after conversion of electronic benefits to food stamp coupons, pursuant to M.S. 16-315.

M.S. 16-130 is being adopted to provide the section title "Account Balance and Transaction History."

M.S. 16-130.1 is being adopted to establish that the CWD shall have access to account balances and transaction history via administrative terminals.

M.S. 16-130.2(a through l) are being adopted to require that at a minimum, the transaction history record will include: recipient name and PAN, EBT account number and benefit program identifier, transaction type, FNS number for food stamp transactions, merchant identifier and retailer or bank name, transaction location, amount, and date, and itemized transaction fees or surcharges.

M.S. 16-130.3 is being adopted to require that a rolling 90-day transaction history be maintained and accessible through administrative terminals. The section further mandates that after 90 days, transaction history must be maintained off-line for 4 years.

M.S. 16-130.4 is being adopted to mandate that off-line transaction data be made available at CWD request within 5 days of the request.

M.S. 16-130.5 is being adopted to mandate that the CWD assist cardholders in obtaining transaction history via the ARU or the Customer Service Center (CRC).

M.S. 16-130.51 is being adopted to establish that at the cardholder's request the CRC will provide a two-month transaction history within 5 business days.

M.S. 16-200 is being adopted to provide the chapter title "EBT Benefits."

M.S. 16-201 is being adopted to provide the section title "Benefit Authorization."

M.S. 16-201.1 is being adopted to mandate that the CWD shall transmit benefit authorization records containing each day's authorizations to the EBT contractor.

M.S. 16-201.11 is being adopted to mandate that benefits be authorized at least once per month for ongoing cases.

M.S. 16-201.111 is being adopted to state that although benefit delivery dates will be staggered, the monthly authorization file will be transmitted once monthly.

M.S. 16-201.12 is being adopted to mandate that at a minimum, the CWD shall transmit benefit authorizations on a daily basis for new accounts and supplements.

M.S. 16-201.2 is being adopted to require that benefit authorization data fields shall include, but not be limited to: welfare case number, benefit program identifier, type, amount, and availability date, benefit month and year, and location and/or worker identifier.

M.S. 16-215 is being adopted to provide the section title "Benefit Availability."

M.S. 16-215.1 is being adopted to require that benefits issued via EBT be issued within the time frames mandated by existent program regulations.

M.S. 16-215.11 is being adopted to provide an example for M.S. 16-215.1.

M.S. 16-215.2 is being adopted to require that the CWD transmit account setup and benefit authorization date via the eligibility system interface to meet immediate need and expedited service time frames.

M.S. 16-215.21 is being adopted to establish that EBT card and PIN issuance may occur at designated county locations.

M.S. 16-215.22 is being adopted to state that the EBT system will be able to satisfy program requirements by providing same-day account setup, benefit authorization, and card.

M.S. 16-215.3 is being adopted to require that the CWD inform recipients of their benefit availability date.

M.S. 16-215.4, .41 and .42 are being adopted to permit the CWD to change the benefit issuance cycle, that any such change conform to CDSS benefit issuance requirements, and that recipients be notified of any such change as specified in MPP Section 22.001t(1).

M.S. 16-215.5 is being adopted to require that food stamp benefits issued via EBT be staggered over the first 10 calendar days each month.

M.S. 16-215.6 is being adopted to require CWDs issuing cash benefits via EBT issue such benefits on a staggered basis over the first 3 calendar days of the month.

M.S. 16-215.61 is being adopted to establish that CWDs may request a countywide waiver of the 3-day stagger requirement in M.S. 16-215.6.

M.S. 16-215.62 is being adopted to establish that the CWD may grant a case-by-case exemption of the cash stagger requirement in M.S. 16-215.6 based on hardship. Such hardship may include but is not limited to the incidence of late fees for housing costs.

M.S. 16-215.63 is being adopted to establish that General Assistance benefits may be staggered over a period longer than 3 days.

M.S. 16-215.7 is being adopted to establish that benefits remaining in an account beyond the month of issuance shall be carried forward month-to-month unless the benefits are subject to M.S. 16-120, Account Aging.

M.S. 16-300 is being adopted to provide the chapter title "Benefit Transaction."

M.S. 16-301 is being adopted to provide the section title "General Benefit Transaction."

M.S. 16-301.1 is being adopted to mandate that benefits under M.S. 16-001.2 may be issued via EBT provided that recipients have reasonable access to such benefits.

M.S. 16-301.2 and .21 through .26 are being adopted to establish the conditions under which an EBT transaction may be authorized.

M.S. 16-301.3 is being adopted to establish that if any of the conditions set forth in M.S. 16-301.2 through .26 are not met, the transaction must be denied. The transaction response shall include the reason for the denial and, if the denial is due to insufficient funds, the transaction shall include the available balance.

M.S. 16-310 is being adopted to provide the section title "Food Stamp Transaction."

M.S. 16-310.1 is being adopted to establish that no transaction fees be imposed on food stamp households using the EBT system to access their benefits.

M.S. 16-310.2 is being adopted to establish that food stamp benefits shall be transacted using EBT at FNS authorized retailers for eligible food items.

M.S. 16-310.21 is being adopted to establish that a recipient's food stamp account shall be debited for the cost of eligible food items purchased with food stamp benefits.

M.S. 16-310.22 is being adopted to establish that a recipient's food stamp account be credited for any refund related to the purchase of eligible food items and that they be provided with a receipt indicating their adjusted balance.

M.S. 16-310.3 is being adopted to establish that no minimum dollar amount per transaction or maximum number of transactions shall be established.

M.S. 16-310.4 is being adopted to establish that food stamp electronic benefits shall not be converted to cash and that no cash change shall be given to cardholders when using food stamp electronic benefits.

M.S. 16-310.5 is being adopted to prohibit EBT access to food stamp benefits outside of the United States and its territories.

M.S. 16-310.6 is being adopted to preface the conditions under which a manual voucher process shall be used in food stamp transactions.

M.S. 16-310.61, .611, .612, .612(a), .612(b), and .613 are being adopted to establish the conditions under which a manual voucher process is to be used for food stamp transactions. These include: retailers and non-traditional retailers do not have access to a POS device, the retailer's system cannot communicate with the EBT host, or the EBT host is unavailable for transaction processing.

M.S. 16-310.62 and .621 are being adopted to establish that if the EBT host is unavailable for transaction processing the EBT contractor shall invoke a floor limit.

M.S. 16-310.63 is being adopted to require that at a minimum, the manual voucher shall include the transaction amount and the authorization number and that the cardholder shall sign and receive a copy of the voucher.

M.S. 16-310.64 is being adopted to establish that manual vouchers shall not be used for cash transactions.

M.S. 16-310.7 is being adopted to require that CWDs identify recipients normal shopping patterns (which may extend three miles beyond the state border) to provide for minimal disruption of access to benefits.

M.S. 16-315 is being adopted to provide the section title “Food Stamp Benefit Conversion.”

M.S. 16-315.1 is being adopted require that the CWD convert food stamp electronic benefits to coupons at the recipient’s request when the household relocates to another state that is not EBT operable.

M.S. 16-315 .2 is being adopted to require CWDs to convert EBT food stamp benefits to food stamp coupons for short-term absences from the project area for family emergencies or similar occurrences.

M.S. 16-315.3 is being adopted to require CWDs to develop procedures for conversion that do not conflict with mailing restrictions for other authorization documents.

M.S. 16-315.4 is being adopted to provide CWDs the option of storing and converting food stamp coupons or having the EBT contractor perform this function.

M.S. 16-315.41, .411 and .412 are being adopted to describe the time frames for the conversion of electronic food stamp benefits to coupons.

M.S. 16-315.5 is being adopted to establish that benefits remaining in a food stamp account be rounded down to the nearest whole dollar amount for conversion purposes.

M.S. 16-315.6, .61 and .611 are being adopted to establish that the household is required to spend any remaining balance that cannot be converted to coupons within one week of conversion or the benefits shall be expunged in accordance with M.S. 16-120.

M.S. 16-315.7 is being adopted to establish that there is no limit to the number of times that a household’s electronic benefits can be converted to coupons.

M.S. 16-315.8 and .9 are being adopted to prohibit conversion to food stamp coupons solely for the purpose of shopping outside of the project area and to prohibit the splitting of electronic benefits and coupons at the time of issuance.

M.S. 16-320 is being adopted to provide the section title “Cash Transaction.”

M.S. 16-320.1 is being adopted to state that the issuance of cash benefits via EBT is a county option and that MPP sections 16-320 and 16-325 shall not apply to counties not issuing cash benefits via EBT.

M.S. 16-320.2 is being adopted to clarify that recipients shall access their cash benefits at ATM, POS or other devices that accept cash EBT transactions.

M.S. 16-320.3 through .34 are being adopted to specify the types of EBT cash transactions.

M.S. 16-320.4 is being adopted to require the CWD to provide information to cardholders regarding cash access locations and information on fees.

M.S. 15-320.41 is being adopted to specify that the CWD will receive a monthly report listing cash access locations and related features.

M.S. 16-320.5 is being adopted to specify that cardholders will not be charged a transaction fee by the EBT contractor for the first four cash withdrawal transactions per case per month.

M.S. 16-320.6 is being adopted to clarify that the cardholder may, at their option, choose to make cash withdrawals at locations that impose additional surcharges or fees.

M.S. 16-320.7 is being adopted to mandate that surcharges and fees attributable to the recipient shall be deducted from their account at the time of the transaction.

M.S. 16-325 is being adopted to provide the section title “Alternative Methods to EBT Cash Benefit Delivery.”

M.S. 16-325.1 is being adopted to specify that in counties issuing cash benefits via EBT, all such benefits are to be issued using either EBT or an alternative method (direct deposit or warrant).

M.S. 16-325.2 is being adopted to establish that at recipient option the CWD shall issue EBT cards and PINs to other adult household/assistance unit members or to an individual outside of the household/assistance unit.

M.S. 16-325.3 is being adopted to establish that to receive a warrant for cash benefits, an individual must demonstrate their inability to successfully use the EBT system.

M.S. 16-325.31 and .311 are being adopted to establish the criteria for the continued receipt of a warrant due to physical or mental incapacity.

M.S. 16-325.32, .321, .321(a), .321(b), .322, and .323 are being adopted to provide the verification procedures to be used in validating claims of physical or mental incapacity in relation to M.S. 16-325.31.

M.S. 16-325.33 and .331 are being adopted to allow CWDs the discretion to continue warrant issuance for recipients who are demonstrably unable to successfully use the EBT system to access their cash benefits for reasons other than physical or mental incapacity.

M.S. 16-325.4 is being adopted to specify that a recipient’s claim of their inability to successfully use the EBT system should be approved only after all other alternative methods of benefit delivery have been considered.

M.S. 16-400 is being adopted to provide the chapter title “Settlement, Reconciliation, and Reporting.”

M.S. 16-401 is being adopted to provide the section title “Cash Settlement Process.”

M.S. 16-401.1, .11, and .111 through .112 are being adopted to mandate and describe the responsibilities of the CWD to ensure the following: that a settlement account is established in a bank capable of processing the federal wire or Automated Clearing House debit transactions, that the bank is capable of processing transactions during every business day, and that monies are available in the funding account to cover daily settlement activities.

M.S. 16-401.12 is being adopted to specify that the State will monitor settlement activity.

M.S. 16-401.13 is being adopted to require each county to establish a management and operations structure to monitor settlement.

M.S. 16-401.14 and .141 are being adopted to specify that in the event a county fails to make settlement funds available, the EBT contractor must settle with retailers and ATM owners that have redeemed benefits. The EBT contractor will then assess interest charges and may assess the county

other fees for late settlement. The county is responsible for these interest charges and relevant late settlement fees at the time of the third occurrence of late settlement during a 12-month period.

M.S. 16-401.15 is being adopted to mandate that the State is responsible to reimburse the EBT contractor in the event of a county's failure to settle. The county will then be responsible to reimburse the State for such costs through direct payment to the State or by offset of funds owed to the county.

M.S. 16-401.16 is being adopted to specify that if a county refuses to or is unable to fund settlement, the State may terminate the cash EBT services of the county.

M.S. 16-401.17 is being adopted to establish the responsibility of the county related to problems with settlement in that county.

M.S. 16-410 is being adopted to provide the section title "Food Stamp and Cash Reconciliation Process."

M.S. 16-410.1 is being adopted as a header for the following sections pertinent to an overview of reconciliation for all system interfaces.

M.S. 16-410.11 and .12 are being adopted to mandate that CWDs must perform daily reconciliation for food stamps and for cash benefits entering into, out from, or remaining in the EBT system.

M.S. 16-410.13 is being adopted to specify that the county's eligibility system is the primary keeper of all benefit obligations created and that a benefit obligation is not created until the benefit is available and posted to the recipient account.

M.S. 16-410.14 and .141 through .143 are being adopted to describe the mandated interrelated but independent accounting systems that must be reconciled.

M.S. 16-410.2, .21 and .22 are being adopted to specify that food stamp and cash benefits entering the EBT system are either benefits issued or non-settling transactions.

M.S. 16-410.3 and .31 are being adopted to mandate that the county shall ensure that all files are created and transmitted successfully to the EBT contractor.

M.S. 16-410.32, .321 and .322 are being adopted to mandate that the county shall reconcile benefits issued by the availability date and transmit files for new accounts and supplements in accordance with M.S. 16-201.12 on a daily basis.

M.S. 16-410.33 is being adopted to require that the county send a monthly file containing recurring benefit issuance data to the EBT contractor in accordance with M.S. 16-201.11.

M.S. 16-410.34 is being adopted to require that each county produce and transmit its own specific batch files.

M.S. 16-410.35 is being adopted to require that each county verify receipt of the return file validating that batch ID, record counts and dollar amounts match what was originally transmitted by the county.

M.S. 16-410.36 is being adopted to require the county to correct errors discovered in the return file referenced in M.S. 16-410.35.

M.S. 16-410.37 is being adopted to require the county to track and manage unlinked benefits on a daily basis.

M.S. 16-410.4 and .41 are being adopted to mandate that CWDs shall track and manage rejects and voids on a daily basis.

M.S. 16-410.411 is being adopted to specify that the EBT contractor will return rejected records in the return file to the county on a daily basis.

M.S. 16-410.42 is being adopted to mandate that on a daily basis the county will remove or correct rejected benefit obligations without creating duplicate files in the eligibility system.

M.S. 16-410.43 is being adopted to mandate that the county remove and void rejected issuance records from its eligibility system.

M.S. 16-410.44 is being adopted to require the county to correct the issuance without creating a duplicate obligation in the eligibility system.

M.S. 16-410.5 and .51 are being adopted to mandate that benefit availability dates on the eligibility system match the availability date on the EBT system and that benefits are activated on the availability date.

M.S. 16-410.52 is being adopted to require the county to verify and reconcile returned non-settling benefits on a daily basis.

M.S. 16-410.53 is being adopted to require the county to identify and reconcile discrepancies in its net benefit issuance and that reported by the EBT contractor on a daily basis.

M.S. 16-410.54 is being adopted to require the county to contact the EBT contractor if it is unable to reconcile its issuance totals against that reported by the EBT contractor.

M.S. 16-410.541 is being adopted to establish that the county is responsible for resolving reconciliation discrepancies and for documenting the reasons for discrepancies.

M.S. 16-410.55 and .551 are being adopted to establish that CDSS will provide a reconciliation worksheet template for the counties and that the counties will submit the worksheet for the Food Stamp Program to CDSS by the 30th day after the end of each month.

M.S. 16-410.6 and .61 are being adopted to mandate that for the Food Stamp Program, the county shall reconcile the benefit issuance worksheet with the FNS 46 report.

M.S. 16-410.62 is being adopted to require the county to provide a copy of the FNS 46 and the monthly benefit issuance worksheet to CDSS by the 30th day after the end of each month.

M.S. 16-410.63 is being adopted to mandate that the county ensures that the benefit issuance worksheet is reconciled to the DFA 256.

M.S. 16-410.7 and .71 are being adopted to require that the county reconcile reductions in cash accounts by program.

M.S. 16-410.8, .81 and .82 are being adopted to require the county to reconcile remaining obligations for cash EBT programs and that the county ensure that adequate reserve funds remain to fund outstanding benefit obligations and to fund the settlement account on a daily basis.

M.S. 16-500 is being adopted to create the chapter title "EBT Card and PIN."

M.S. 16-501 is being adopted to create the section title "EBT Cardholders."

M.S. 16-501.1 is being adopted to establish that the CWD shall issue individual EBT cards and PINs to recipients and other designated cardholders.

M.S. 16-501.2 and .3 are being adopted to specify that each cardholder will have their own EBT card with a unique PAN and that multiple cards will be linked to the recipients account.

M.S. 16-501.4 and .41 are being created to specify that the EBT system can add new program benefits to an existing card and that if a recipient with an active card is eligible for additional program benefits those benefits will be added to the existing card.

M.S. 16-505 is being adopted to create the section title "Additional EBT Cardholders."

M.S. 16-505.1 is being adopted to establish that other adult household/assistance unit members shall be issued EBT cards and PINs enabling them to access the household's benefits.

M.S. 16-505.2 is being adopted to establish that the recipient head of household/assistance unit may designate one individual outside of the household/assistance unit to access benefits.

M.S. 16-505.21 is being adopted to specify that the head of household may designate one adult to act as authorized representative for food stamps, one adult to act as designated alternate cardholder for cash benefits, or the same adult to act in both capacities.

M.S. 16-505.22 is being adopted to specify that if no responsible adult is available, a minor outside of the household may be designated in accordance with M.S. 16-505.21.

M.S. 16-505.23 is being adopted to specify that an individual designated as authorized representative for EBT food stamps is subject to the provisions of MPP Section 63-402.6.

M.S. 16-510 is being adopted to provide the section title "EBT Card and PIN Issuance."

M.S. 16-510.1 is being adopted to require the CWD to determine when EBT cards are to be issued to applicants.

M.S. 16-510.21 is being adopted to provide CWDs with the option of issuing EBT cards and PINs either through the mail or over-the-counter.

M.S. 16-510.211 is being adopted to provide an example for M.S. 16-510.21.

M.S. 16-510.212, .212(a), (b) and (c) are being adopted to require that the CWD determine the number of issuance locations and the on-site preparations for such locations.

M.S. 16-510.213, .213(a), (b) and (c) are being adopted to specify the responsibilities of the CWD for over-the-counter card and PIN issuance.

M.S. 16-510.214 and .214(a) are being adopted to require that the EBT card and PIN be mailed separately and on separate dates.

M.S. 16-510.214(b)(1) and (2) are being adopted to specify the processes to be used for the mailing of EBT cards and PINs.

M.S. 16-510.214(c) is being adopted to specify that for mail-based card and PIN issuance, the CWD be equipped to perform over-the-counter issuance.

M.S. 16-510.214(c)(1) is being adopted to specify that the EBT contractor shall provide and maintain EBT card and PIN issuance equipment at designated county locations.

M.S. 16-510.3, .31 and .311 are being adopted to require the CWD to mail EBT cards and PINs to homebound recipients and other recipients with a hardship preventing them from travelling to the CWD.

M.S. 16-510.4 and .41 are being adopted to require the CWD to establish a new EBT account and provide a new EBT card with a new PAN for recipients who move from one EBT county to another.

M.S. 16-510.411 is being adopted to mandate that any benefits remaining in a recipient's account at the time they move to another county shall remain available to the recipient via the previous EBT card.

M.S. 16-510.412 is being adopted to establish that benefits referenced in M.S. 16-510.411 are to remain active until either used or aged per M.S. 16-120, Account Aging.

M.S. 16-515 is being adopted to provide the section title "Lost, Stolen, Inoperative EBT Card."

M.S. 16-515.1 is being adopted to require the CWD to immediately provide a cardholder with the toll-free telephone number in the event their card is lost, stolen, or rendered inoperable.

M.S. 16-515.2 is being adopted to specify that the EBT system will maintain a 24-hour toll-free telephone number for recipients to report that their card or PIN have been lost, stolen, or rendered inoperable.

M.S. 16-515.3 is being adopted to specify that the EBT system will immediately deactivate an EBT card that has been reported lost, stolen or rendered inoperable.

M.S. 16-515.4 is being adopted to specify that a record of all lost, stolen or inoperable EBT cards reported by households will be available to CWDs from the EBT contractor.

M.S. 16-517 is being adopted to provide the section title "EBT Card Replacement."

M.S. 16-517.1 is being adopted to require the CWD to provide a replacement EBT card within 3 business days of the cardholder's request for replacement.

M.S. 16-517.2 is being adopted to require that the CWD ensure that replacing the EBT card does not result in a duplicate benefit to which the household is not entitled.

M.S. 16-517.3 is being adopted to require that active cards be deactivated prior to the issuance of replacement cards.

M.S. 16-517.4 is being adopted to require replacement cards be issued with a new PAN.

M.S. 16-517.5, .51, .511, .512 and .512(a) are being adopted to establish that CWDs have to option of issuing replacement cards on existing cases using either over-the-counter or mail-based issuance and the methodology to be used for the chosen method.

M.S. 16-517.6 is being adopted to specify the information regarding card status that will be available via the administrative terminal.

M.S. 16-520 is being adopted to provide the section title "PIN Selection, Change, and Unlock."

M.S. 16-520.1 is being adopted to require the CWD to permit the cardholder to change and/or select their PIN either through the ARU or at a designated county location.

M.S. 16-520.2 is being adopted to specify that the CWD shall not limit the number of times a cardholder can change their PIN.

M.S. 16-520.3 is being adopted to require the CWD, at the request of the cardholder, to reactivate an EBT card that has been deactivated due to 4 consecutive invalid PIN attempts within a calendar day and the relevant required verification procedures to be followed.

M.S. 16-520.31 is being adopted to specify the verification criteria required to reactivate a card that has been deactivated pursuant to M.S. 16-520.3.

M.S. 16-520.32 is being adopted to specify the circumstances in which a card will be deactivated due to invalid PIN attempts.

M.S. 16-600 is being adopted to provide the chapter title "Training."

M.S. 16-601 is being adopted to provide the section title "Cardholder Training."

M.S. 16-601.1 is being adopted to require the CWD to provide EBT training and instructions to cardholders.

M.S. 16-601.2 is being adopted to require that the CWD provide training materials to cardholders prior to their use of the EBT system.

M.S. 16-601.3, .31, .32, .321, .322 and .323 are being adopted to establish that face-to-face training be available at designated county locations on an as-needed basis and the criteria identifying the need for face-to-face training.

M.S. 16-601.4 is being adopted to specify that training materials shall be provided for monolingual or bilingual households and may vary between district offices.

M.S. 16-601.41 is being adopted to mandate that written training material be provided in all languages currently required by the provisions of the Dymally-Alatorre Bilingual Services Act of 1973.

M.S. 16-601.5 is being adopted to specify that EBT training functions may be incorporated with certification procedures.

M.S. 16-601.6(a through z) are being adopted to identify the areas that, at a minimum, must be covered by cardholder training.

M.S. 16-610 is being adopted to provide the section title "County Training."

M.S. 16-610.1 is being adopted to require the CWD to conduct ongoing training for cardholders and for county staff.

M.S. 16-610.2 is being adopted to identify the materials that the training referenced in M.S. 16-610.1 must cover.

M.S. 16-700 (Chapter Title "Adjustments") and 701 (Section Title "Benefit Adjustment") are being adopted as placeholders. This chapter and sections will be included in regulations as soon as possible. Pertinent information will be transmitted via All County Letter in the near future.

M.S. 16-750 is being adopted to provide the section title "Food Stamp Overissuance Collections from EBT Accounts."

M.S. 16-750.1 is being adopted to require the CWD to allow a household to pay its food stamp overissuance claims using their EBT account benefits.

M.S. 16-750.11, .111 and .112 are being adopted to specify that the CWD may collect overissuances from active and reactivated accounts with written or oral permission from the recipient.

M.S. 16-750.12 is being adopted to provide the process necessary for the CWD to collect overissuances from stale EBT accounts.

M.S. 16-750.13 is being adopted to establish the procedure for the CWD to follow if adjusting an overissuance with expunged benefits.

M.S. 16-750.14 is being adopted to specify that a collection from an EBT account must be non-settling against the benefit drawdown account.

M.S. 16-750.15, .151, .152, .153, .154 and .155 are being adopted to identify the information that must be included, at a minimum, in any written agreement with the household authorizing collection using active EBT benefits.

M.S. 16-750.2 is being adopted to establish that the household shall not be entitled to a refund of an overpaid claim if the payment was made with expunged benefits.

M.S. 16-800 is being adopted to provide the chapter title "EBT Fraud and Suspected Violations."

M.S. 16-801 is being adopted to provide the section title "Fraud and Suspected Violations for Benefits Received via the EBT System."

M.S. 16-801.1 is being adopted to specify that all suspected fraud or misuse of EBT benefits should be referred to the county Special Investigative Unit (SIU) or other appropriate agency.

M.S. 16-801.2 is being adopted to specify the location of comprehensive procedures for investigation, referral for investigation, and Intentional Program Violations.

M.S. 16-801.3 is being adopted to specify that suspected fraud of EBT benefits should be investigated in accordance with the provisions of MPP Division 20.

M.S. 16-801.4 is being adopted to specify the information resources available to county investigators.

M.S. 16-801.5 is being adopted to require that the county SIU, State agency, or local law enforcement shall contact the CDSS Fraud Bureau or the USDA to coordinate investigations of potential fraud and/or trafficking.

M.S. 20-300.12 is being amended to replace phrase “coupons or ATPs” with the word “benefits.”

M.S. 20-300.312 and .313 are being amended to add the word “benefits.”

M.S. 44-302 is being amended to replace the term “Direct Deposit” with the term “Electronic Fund Transfer.”

M.S. 44-302.1, .11, .12 and .13 have been renumbered.

M.S. 44-302.2 is being adopted to specify that counties may elect to issue cash program benefits using the EBT system.

M.S. 44-304.53 is being adopted to specify that counties opting to use the EBT system to issue cash benefits shall do so pursuant to M.S. 16-215.

M.S. 44-304.611 has been amended to delete the phrase “to the recipient” and to add the phrase “to recipients using direct deposit and available on the designated payment date to recipients using EBT pursuant to M.S. 16-215.5.”

M.S. 44-303.611(a) has been amended to replace the phrase “first of the month” with “payment date,” to replace the phrase on the prior Friday or Saturday (depending on the financial institution)” with “in time,” and to replace the phrase “to the recipient” with “for recipients using direct deposit and available by the designated payment date for recipients using EBT.”