

Accepting SNAP @ Utah Farmers Markets

I. Key introductory resources

1. How it works

- ⇒ SNAP (formerly “food stamp”) customers bring their Electronic Benefits Transfer (EBT) “Horizon” cards to the market info booth before they shop.
- ⇒ Next, they decide how much money they would like to spend. The attendant at the booth will swipe the cards for the requested amount, and will give customers wooden SNAP tokens worth one dollar each that they can use to purchase [eligible foods](#) from vendors at the market. The attendant at the booth should record the transactions using some kind of ledger (Utahns Against Hunger can provide you with a ledger).
- ⇒ Customers can use the tokens right away or save them for another day. Vendors cannot give change back to customers for purchases made with SNAP tokens, so purchase totals should be in whole dollar amounts.
- ⇒ At the end of the day the market manager reimburses vendors for the cash value of tokens each vendor accepted as payment for eligible foods. The money that SNAP EBT customers spend to purchase the SNAP tokens goes into an account connected to the USDA authorized entity who owns/operates the EBT POS terminal (the organization that owns and operates the market).



2. Farmers Market Legal Toolkit – Implementing SNAP

The Farmers Market Legal Toolkit is an amazing new resource that includes legal resources, best practice recommendations, and case studies for market leaders on selecting and enhancing business structures, accepting SNAP benefits, and managing common risks. <https://farmersmarketlegaltoolkit.org/snap/>

3. Important links from the USDA Food Nutrition Service (FNS)

- SNAP at Farmers Markets <https://www.fns.usda.gov/ebt/snap-and-farmers-markets>
- List of SNAP-eligible foods <https://www.fns.usda.gov/snap/eligible-food-items>
- Retail store eligibility (including farmers markets) <https://www.fns.usda.gov/snap/retail-store-eligibility-usda-supplemental-nutrition-assistance-program>
- SNAP-Authorized Market and Organization Responsibilities <https://www.fns.usda.gov/ebt/snap-authorized-market-and-organization-responsibilities>
- FAQs <https://fns-prod.azureedge.net/sites/default/files/snap/SNAP-Farmers-Market-FAQs.pdf>

II. Steps to get your market set up to accept SNAP

STEP 1: Determine if your market qualifies to accept SNAP

- ⇒ More information here <https://farmersmarketlegaltoolkit.org/snap/legal-topics/becoming-a-retailer/> or here: <https://www.fns.usda.gov/snap/my-store-eligible>

STEP 2: Apply for your SNAP-authorization license



- ⇒ To accept SNAP (food stamps) your market will first need to apply for a FNS SNAP-Authorization license through the USDA (to become an approved SNAP retailer). You will need to create an eAuthentication USDA account, fill out a short online application, and send in supporting documentation. The application processing time can take up to 45 business days, so better to submit this well in advance.
- ⇒ Here's where you apply: <https://www.fns.usda.gov/snap/retailer-apply>
- ⇒ Step-by-step guide to applying (PDF): <https://fns-prod.azureedge.net/sites/default/files/snap/Farmers-Market-Application-Guidance.pdf>

STEP 3: Obtain EBT POS equipment to process SNAP benefits

- ⇒ You will need to rent or buy a POS terminal configured to accept SNAP Electronic Benefits Transfer (EBT) cards **AND THEN** set up an account with an EBT service provider.
 - See this link for more background information about **selecting a EBT POS device**: <https://farmersmarketlegaltoolkit.org/snap/legal-topics/equipment-and-scrip/obtaining-a-point-of-sale-device/>
 - There might be funding available to cover the cost of EBT POS equipment at your market. Contact info@uah.org to inquire about free equipment opportunities.
- ⇒ You will need to sign an agreement and set up an account with an EBT service provider before your equipment is ready to go. They will connect your FNS SNAP-authorization number to your equipment.
 - An EBT service provider - also referred to as a “third-party processor” - is the entity that processes EBT, debit, and credit charges. Click here for FNS’ November 2018 list of third-party processors: <https://fns-prod.azureedge.net/sites/default/files/snap/SNAP-EBT-TPP-guidance.pdf>

STEP 4: Set up your token or scrip and vendor reimbursement systems

- ⇒ Next, you will need to design and purchase the tokens (or paper scrip) that SNAP customers will use to make purchases from vendors at your market. See <https://www.fns.usda.gov/ebt/scrip-system-paper-scrip-token-or-receipts> Most markets use market-branded wooden tokens in \$1 denominations.
- ⇒ Finally, you will need to develop an accounting system and method for reimbursing vendors for tokens or scrip. Your vendors will need to be trained in tokens/scrip redemption rules and procedures (Utahns Against Hunger has a vendor agreement template and vendor record sheet that you can use).

III. Main costs associated with accepting SNAP

1. **Staff time** to manage the SNAP EBT booth (many small markets use volunteers or pay interns a small stipend)
2. **EBT POS terminal** (typically \$400-\$1,000) + **wireless fees** (typically \$50 per month). EBT terminals can also be rented rather than purchased (typically \$40-\$50 per month).
3. **Transaction fees** of ~\$0.15-\$0.20 per EBT transaction
4. **Purchasing wooden SNAP tokens** (~\$0.20 each) For example: <https://www.ot-wooden-nickel.com/price-calculator>
5. **Marketing the program to customers in your area:** See this link for more information about the cost of obtaining and operating an EBT POS device <https://farmersmarketlegaltoolkit.org/snap/legal-topics/equipment-and-scrip/obtaining-a-point-of-sale-device/#costs-fees-pos>

IV. Other resources

1. **Farmers Market Coalition – SNAP Guide**
<https://farmersmarketcoalition.org/education/snap/>
2. **Should you offer SNAP at your market? Do you have the capacity?**
<http://farmersmarketcoalition.org/education/snap/should-you-offer-snap-ebt-at-your-market/>
3. **SNAP at Farmers Markets: A How-to Handbook**
<https://www.ams.usda.gov/sites/default/files/media/SNAPat%20Farmers%20Markets%20Handbook.pdf>
4. **USDA FNS Farmers' Market Hotline:** 312-353-6609

Questions? Contact us!



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To increase access to food through advocacy, outreach, and education.