

Food Insecurity Nutrition Incentive (FINI) Grant Program Frequently Asked Questions (FAQs) – August 2016

Q1: Can FINI grant project funds be used to provide an incentive for the fruit and vegetable component of the Food Distribution Program on Indian Reservations (FDPIR) food package?

A1: Section 4405(a)(3) of the Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill), as amended by Section 4208 of the Agricultural Act of 2014 (the 2014 Farm Bill), defines “supplemental nutrition assistance program” as the Supplemental Nutrition Assistance Program (SNAP) established under the Food and Nutrition Act of 2008 (the Act). As amended by the 2014 Farm Bill, Section 4405(b)(2)(A)(ii)(II) of the 2008 Farm Bill requires that FINI applicants propose a grant project that “would increase the purchase of fruits and vegetables by low-income consumers participating in the supplemental nutrition assistance program by providing incentives at the point of purchase.”

FDPIR is a distinct and separate food assistance program that functions as an alternative to SNAP. Households may not receive both FDPIR and SNAP benefits in the same month. As a result, individuals receiving FDPIR benefits are not considered eligible to participate in a FINI grant project.

Q2: Can I promote my FINI grant project so that SNAP clients are aware of it? If yes, then how?

A2: Section (D)(5) on Page 29 of the FY16 FINI Request for Applications (RFA) explicitly prohibits certain types of SNAP promotion activities. These prohibitions include recruitment activities designed to persuade individuals to apply for SNAP benefits and the use of television, radio, or billboard advertisements designed to promote SNAP benefits and enrollment. For the purposes of FINI, billboards are considered to be large displays of 500 or more square feet. This does not mean, however, that FINI grant projects cannot be promoted in any way. It is allowable to promote your FINI grant project so long as it meets the following two criteria:

1. such promotion or educational campaigns are rendered in a medium other than television, radio, or billboards; and
2. such promotion of educational campaigns are factual statements intended to inform, not to persuade

In order to meet the first criterion FINI grantees may use any other medium, aside from the three listed. Some FINI grantees have used smaller signage (e.g., banners and posters), newspapers, social media, direct mailings, and/or arranged for promotional videos to play in the lobbies of State Agency (SA) and local SNAP offices. In order to meet the second criterion FINI grantees should limit themselves to factual descriptions intended to inform eligible households about the FINI grant project (e.g., Shop at the Main Street Farmers’ Market with your SNAP benefits and double your SNAP dollars.)

Q3: How can allowable forms of promotion be funded? How can promotion considered unallowable under FINI rules be funded?

A3: So long as your promotional or educational campaign meets the criteria outlined in A2 it is considered an allowable expense and may be paid for with either Federal or matching

funds. Any promotion or outreach activity that does not meet the criteria outlined in A2 is not considered an allowable expense and cannot be paid for with Federal or matching funds. Any promotion or outreach activity forms of promotion considered unallowable under FINI rules may be paid with third party funds (from a source other than Federal or match funds).

Q4: Can I do direct mailings to SNAP clients in my State in order to promote my FINI grant project? How would I go about this?

A4: FINI grantees have successfully conducted direct mailing campaigns to SNAP clients in order to advertise their FINI grant projects and such campaigns are allowable. In order to conduct such a campaign grantees must work closely with their SNAP State Agency (SA).

The personal information of SNAP households is considered confidential. Section 11(e)(8)(A)(i) of the Food and Nutrition Act of 2008 (the Act) and SNAP regulations at 7 CFR §272.1(c)(1) limit the use of SNAP households' information to the administration or enforcement of SNAP. SNAP regulations also require the protection of such information from unauthorized disclosure. As a result, SNAP SAs may not share information such as the names and mailing addresses of SNAP clients directly with FINI grantees or any other unauthorized external entities.

In order to conduct a direct mailing campaign, therefore, a FINI grantee should contact the relevant SA and negotiate an agreement with that SA. As part of such an agreement the FINI grantee may be asked to provide the SA with the informational mailers for the SA to address and mail. The details of such an agreement, including associated costs, should be worked out directly with the relevant SA. Please also note that any informational mailer for a FINI grant project must adhere to the requirements at Section 4018 of the Agricultural Act of 2014 (the 2014 Farm Bill) – educational campaigns or promotions must be limited to factual statements intended to inform and not to persuade.

Q5: My FINI grant proposal was awarded but I still haven't received the money. How do I gain access to my FINI grant funds? Who can I contact for assistance?

A5: FINI grantees need to make sure they read the entire ASAP letter and that is received with their award documents via e-mail attachment. This will instruct/inform them information on how to set up their ASAP account so they can draw down funds. The letter also gives them information on who to contact if they are having difficulty setting up their account.

Q6: As a FINI grantee I am required to report to FNS the store names, store addresses, and FNS numbers of all of the retailer partner outlets participating in my FINI grant project. Can SNAP State Agencies (SAs) send me the FNS numbers of SNAP authorized retailers in the States where my FINI grant project is active to make it easier for me to meet my FINI reporting requirements?

Additionally, I am required to perform a self-evaluation of my FINI grant project which may require a good deal of information, such as my retailer partner outlets' store-level SNAP transaction or redemption data. I am working with a large number of retailer partner outlets and

gathering all of this data from them individually is burdensome. Can SNAP SAs send me this data for the SNAP authorized retailer partner outlets participating in my FINI grant project to make it easier for me to conduct my self-evaluation?

A6: FNS cannot approve any such data sharing request, nor can any SNAP SA share or disclose confidential retailer information, such as FNS numbers or store-level SNAP redemption or transaction data, to any FINI grantee. Both the SNAP SA and FINI grantee should understand that there are serious statutory sensitivities and limitations pertaining to retailer data sharing under The Food and Nutrition Act of 2008 (the Act) and SNAP regulations. According to SNAP regulations at 7 CFR §278.1(q) release of this type of sensitive retailer information is limited to purposes directly connected with the administration and enforcement of SNAP and WIC. A grantee's administration and evaluation of their FINI grant project is not considered to fall within this category and such data sharing, therefore, is prohibited. Also note that, according to the Act and regulations at 7 USC §2018(c), penalties are prescribed for the divulgement or disclosure of this protected retailer data.

The names and addresses of SNAP authorized retailers, however, are available to the public and can be obtained via the SNAP retailer locator tool (<http://www.fns.usda.gov/snap/retailerlocator>). However, the FNS number for each SNAP authorized retailer partner outlet participating in the FINI grant project is not public information and is subject to SNAP regulations at 7 CFR §278.1(q); therefore, it must be obtained directly from the retailer. Likewise, SNAP redemption or transaction data at the individual store level is considered protected data and must be obtained directly from the retailer. FINI grantees should work in close concert with their retailer partner outlets in order to obtain any such required information. Both the FNS number and individual retailer redemption information, while necessary for data collection and evaluation purposes, are protected and shall not be published in a public report. SNAP retailer redemptions shall only be reported in aggregate.

Q7: Only SNAP households are entitled to receive incentives as part of a FINI grant project. Can my FINI grant project provide incentives without requiring a SNAP purchase as a trigger? How can I identify which customers belong to SNAP households for the purposes of administering my project?

A7: FNS encourages FINI grantees to structure their grant projects so that project participants are required to utilize their Electronic Benefit Transfer (EBT) cards to spend SNAP benefits and make qualifying purchases in order to become eligible to receive the incentives offered. Such a project model improves the precision of FNS efforts to evaluate the success of FINI grant projects and has the added benefit of verifying the SNAP household status of participants as well.

While “no purchase required” FINI grant project models are allowable, it is incumbent upon FINI grantees and their retailer partner outlets to verify that all FINI grant project participants are eligible SNAP households.

If a SNAP EBT purchase is not required as a trigger for your FINI grant project, then you may instead require participants to perform a SNAP balance check transaction using their SNAP EBT

card at an EBT point-of-sale (POS) device. This will confirm that the participant possesses an active SNAP EBT card (confirmed by a successful balance check transaction) and that the participant is an authorized holder of that card (confirmed through entry of the Personal Identification Number, PIN). This balance check can either be performed at the point of incentive receipt (i.e., when giving participants the coupon or incentive instrument), at the point of incentive redemption (i.e., when accepting the coupon or incentive instrument in exchange for eligible fruits or vegetables), or both when incentive coupons are received and when incentive coupons are redeemed by participants. FNS encourages FINI grantees that opt to implement a “no purchase required” grant project model to require a SNAP EBT balance check both at the point of receipt and the point of redemption in order to best safeguard the integrity of the FINI grant program.

Merely presenting an EBT card for visual inspection is not sufficient proof of SNAP household status as the EBT card may be stolen, expired, deactivated, or issued in advance of a household eligibility determination. Also, it is important to note that some States use EBT cards as a vehicle for State or Federal benefits other than SNAP benefits (e.g., Temporary Assistance for Needy Families, TANF or welfare, benefits). Per 4405(b)(2)(A)(ii)(II) of the Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill), as amended by Section 4208 of the Agricultural Act of 2014 (the 2014 Farm Bill), only SNAP households are eligible to receive incentives through a FINI grant project. It is, therefore, essential for every FINI grantee to ensure that the distribution of incentives is limited to eligible SNAP households and to verify all FINI grant project participants’ SNAP household status. Therefore, if no purchase is required to receive a FINI benefit or if the required purchase is paid for with a non-SNAP form of tender (e.g., cash), then a SNAP EBT balance check operation must be performed to verify the participant’s status as a SNAP household.

Q8: If I am planning to partner with a supermarket chain that uses a loyalty card for my FINI grant project and, if SNAP recipients consent, may we use the data on their purchasing patterns from the loyalty card to assess differences in purchase patterns as an effect of the incentive program?

A8: Loyalty card programs of this kind are usually bound by the terms and conditions set forth by the entity that creates and manages such programs. In order to be in compliance with the SNAP equal treatment provisions at 7 CFR §278.2(b) and 7 CFR §274.7(f), a retailer’s loyalty card program must gather data on purchasing patterns from all customers, regardless of whether they pay with SNAP benefits or pay with other forms of tender. If, however, this data is only being gathered from SNAP households (and not from customers paying with other forms of tender) then a waiver of SNAP equal treatment provisions is required. With such a waiver in place, a FINI grantee may work directly with such loyalty programs to obtain purchase data for purposes of assessing the effectiveness of a FINI grant project.

Q9: As a part of my FINI grant project I need to track the total dollar value of incentives distributed to project participants so that there is a maximum that each shopper can receive over the course of the grant period. Can I gather information (e.g., phone number and name) from participating SNAP in order to monitor individuals’ participation and maintain project limits?

A9: As a part of your FINI grant project you may gather from participants the information you deem necessary to ensure that participation is administered within your FINI grant project's predetermined parameters (e.g., limit one voucher per SNAP household). This information may include name and phone number, as well as similar pieces of necessary identifying information such as address.

Please note that it is prohibited to maintain a database of SNAP household data for any purpose other than to meet the necessary requirements of conducting your FINI grant project. Information regarding SNAP participants may never be sold or in any way used for marketing or commercial purposes. Any SNAP household data collected as a function of your FINI grant project must be safeguarded against disclosure for the duration of the project and must be destroyed at the conclusion of the project. Under no circumstances should the following types of information be gathered or retained for this purpose: full EBT card numbers, images (photographed, photocopied, scanned, etc.) of EBT cards, EBT PINs, and Social Security Numbers (SSNs).

Q10: Can I obtain SNAP household information from SNAP State Agencies (SAs) for purposes related to my FINI grant project?

A10: No, the personal information of SNAP households is considered confidential and Section 11(e)(8)(A)(i) of the Food and Nutrition Act of 2008 (the Act) and SNAP regulations at 7 CFR §272.1(c)(1) limit the use and disclosure of SNAP household information to the administration or enforcement of SNAP. SNAP regulations also require the protection of such information from unauthorized disclosure. SNAP SAs may not, therefore, divulge SNAP household data to FINI grantees.

Q11: When a retailer applies for SNAP authorization it prompts them to provide the owner's Social Security Number (SSN)? Is it possible to get authorized without supplying an SSN?

A11: The owner's SSN is a required piece of information necessary to apply for SNAP authorization. For Farmers' Markets (FM) run by non-profits with tax exempt 501(c)(3) status, however, an Employer Identification Number (EIN) is sufficient. An FM is a venue with a fixed location that consists of two or more vendors who produce staple foods and primarily sell their own produce (at minimum the majority, more than 50%, of their sales come from their own produce).

Q12: I'm a FINI grantee and some of my retailer partner outlets are not yet SNAP authorized. How can they get authorized? If they have questions about the authorization process, who should they call?

A12: Retail food store owners and farmers' market managers may apply online to get their firm authorized at <http://www.fns.usda.gov/snap/retailers-0>. Questions about the requirements and process for SNAP authorization should be directed to the SNAP Retailer Service Center at 1-877-823-4369.

Q13: How long does it take a retailer to get SNAP authorized?

A13: Per SNAP regulations at 7 CFR §278.1(a) FNS shall approve or deny applications for SNAP authorization within 45 days of receipt of a completed application. An application is considered complete when all information that FNS deems necessary in order to make a determination on the firm's application (other than the on-site visit) has been received by FNS. This information includes, but is not limited to, a completed application form, all information, identification, and documentation from the applicant, as well as any needed third-party verification and documentation. Please note that FNS, on average, authorizes retailers within 20 days of receipt of completed applications.

Q14: Do I need to apply to FNS for a waiver of equal treatment to operate a FINI grant project?

A14: SNAP regulations at 7 CFR §278.2(b) and 7 CFR §274.7(f) require that SNAP households receive treatment equal to that received by other customers at all retailers authorized to participate in SNAP with the exception that sales tax may not be charged on eligible foods purchased with SNAP benefits. These equal treatment provisions prohibit both negative treatment (such as discriminatory practices) as well as preferential treatment (such as incentive programs). Because the statutory language of the Agricultural Act of 2014 (the 2014 Farm Bill) requires FINI grantees to provide incentives specifically to SNAP households, the SNAP equal treatment provision does not apply to FINI grantees for the purpose of providing incentives through a FINI grant project. Aside from the provision regarding incentives to SNAP households, the remainder of 7 CFR §278.2(b) and 7 CFR §274.7(f) regarding equal treatment is applicable to FINI grantees and their retailer partner outlets. A FINI grantee who proposes to treat SNAP customers differently, beyond the allowed disbursement of incentives, must apply to FNS for a waiver of the SNAP equal treatment provisions.

Q15: Are the incentives disbursed and redeemed as part of a FINI grant project subject to sales tax?

A15: Per Section 4405(a)(3) of the Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill), as amended by Section 4208 of the Agricultural Act of 2014 (the 2014 Farm Bill), no State or local sales tax shall be collected on any purchase of food made using FINI grant project incentives.

Q16: Page 24 of the FY16 FINI RFA requires that grant applicants disclose the store type of SNAP retailer partner outlets that will be involved in a proposed FINI grant project. What are store types?

A16: Store types are categorical designations chosen and defined by FNS and used to identify SNAP authorized retailers based on the characteristics of their businesses. Each SNAP authorized food store is assigned a store type at the time of authorization. Included below are five common store types and how they are defined by FNS. When reporting the retailer partner outlets participating in your FINI grant project please report their store type using the most applicable of the following store types:

- **Farmers' Markets (FMs)** have two or more vendors operating market stalls; these vendors are producers of agricultural products, particularly fresh fruit and vegetables, as well as meat, fish, dairy, and/or grains; these vendors primarily sell their own produce (at minimum the majority, more than 50%, of their sales come from their own produce); these vendors sell directly to the general public; an FM operates at a single fixed location.
- **Direct Marketing Farmers (DMFs)** are individual producers of agricultural products, particularly fresh fruit and vegetables, as well as meat, fish, dairy, and/or grains; DMFs primarily sell their own produce (at minimum the majority, more than 50%, of their sales come from their own produce); DMFs sell directly to the general public; DMFs may sell produce from a direct marketing venue such as a roadside farm stand, a pick-your own operation, an independent market stall within a farmers' market, and/or a truck (when operated out of a motor vehicle, DMFs are often referred to as mobile markets or rolling stores).
- **Delivery Routes (DR)** are stores that do not have a permanent store location, but instead usually operate out of refrigerated trucks; DRs usually deliver and sell food at set locations and times; DRs typically sell milk, bread, produce, or other staple foods and are most common in rural areas; DRs may be operated by a non-profit organization, such as a food bank, and then they are often referred to as mobile markets or rolling stores.
- **Non-Profit Food Buying Cooperatives (co-ops)** are associations or corporations with non-profit 501(c)(3) tax exempt status established for the purpose of providing retail grocer services to shareholders/owners/members; any member of the public may purchase a stake and become a shareholder/owner/member of a co-op; co-ops generally provide food at market cost; co-ops often run Community Supported Agriculture (CSA) operations in partnership with local agricultural producers.
- **Brick-and-Mortar Store** is not a specific store type, but rather a catch-all term used for evaluation purposes for traditional retail grocery stores that operate at fixed locations; brick-and-mortar stores usually carry a selection of all four staple food categories; they may sell ineligible items as well, but their primary stock is food items; brick-and-mortar stores may also sell primarily (more than 50%) staple foods (e.g., fish markets and greengrocers); this category includes everything from corner convenience stores to chain super stores; for internal data collection and analysis FNS subdivides the brick-and-mortar store category into over ten store types, but for the sake of simplicity only the following three store types need be used for FINI purposes; **small stores** usually have two or fewer registers and sell less than \$1 million in staple foods annually; **medium stores** usually have two or more registers and sell between \$1 and \$2 million in staple foods annually; **large stores** usually have ten or more checkout lanes with registers, bar code scanners, and conveyor belts and sell more than \$2 million in staple foods annually
- **Community Supported Agriculture (CSA)** ventures require participants to pay an annual or seasonal subscription fee, in advance, for a set amount of food (share) that the business expects to produce that year/season; CSA shares are typically made available or delivered during regular intervals (e.g., weekly or bi-weekly) during the active (harvest) season; CSAs primarily sell local produce (at minimum the majority, more than 50%, of their sales come from local produce) where local produce is defined as agricultural products, particularly fresh fruit and vegetables, as well as meat, fish, dairy, and/or grains grown, gathered, or hunted either within the State where the CSA is headquartered or within 100 miles of the CSA's headquarters (so long as the point of origin is still within

the States or territories of the United States of America); a CSA is **NOT** considered a store type but simply a way of doing business; CSAs can be conducted by SNAP-authorized agricultural producers or co-ops.

Q17: What is a “staple food” for SNAP purposes?

A17: Per SNAP regulations at 7 CFR §271.2, “staple food” includes those food items intended for home preparation and human consumption in each of the following food categories: meat, poultry, or fish; bread or cereals; vegetables or fruits; and dairy products. Accessory food items including, but not limited to, coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices are not considered staple foods.

Q18: Some of the retailer partner outlets participating in my FINI grant project would like to conduct Community Supported Agriculture (CSA) operations. Are there any specific rules or regulations related to CSAs of which we should be aware?

A18: A CSA requires participants to pay an annual or seasonal subscription fee, in advance, for a set amount of food (share) that the business expects to produce that year/season. CSA shares are typically made available or delivered during regular intervals (e.g., weekly or bi-weekly) during the active (harvest) season. CSAs primarily sell local produce (at minimum the majority, more than 50%, of their sales come from local produce) where local produce is defined as agricultural products, particularly fresh fruit and vegetables, as well as meat, fish, dairy, and/or grains grown, gathered, or hunted either within the State where the CSA is headquartered or within 100 miles of the CSA’s headquarters (so long as the point of origin is still within the States or territories of the United States of America). A CSA is **NOT** considered a store type by FNS but rather a way of doing business. CSAs can be conducted by SNAP-authorized Farmers’ Markets, Direct Marketing Farmers, or Non-profit Food Buying Cooperatives.

SNAP regulations at 7 CFR §278.2(e) state that retailers may not accept SNAP benefits as payment for food before that food has been received by the SNAP household. As a result, SNAP households have been unable to participate in CSAs in the past. Because SNAP households have limited means and resources, they can neither afford, nor risk payment for a seasonal or annual CSA subscription. For that reason, SNAP authorized retailers operating a CSA may take payment from SNAP households for their CSA share only up to fourteen (14) days prior to the delivery or pickup of a purchased CSA share of food. In addition, due to the pre-payment CSA model, businesses operating CSA ventures rarely offer customers refunds (e.g., in case of customer no-show or harvest shortfall). Refund policies for customers paying with SNAP benefits must be the same as policies for customers paying with other forms of tender in order to remain compliant with SNAP equal treatment provisions at 7 CFR §278.2(b) and 7 CFR §274.7(f). If a FINI grantee or any of its retailer partner outlets would like to treat SNAP households any differently than customers paying with other forms of tender, then that grantee must contact FNS and apply for a waiver of the SNAP equal treatment provisions.

Q19: What is a SNAP eligible food?

A19: Incentives disbursed through a FINI grant project may only be redeemable for SNAP eligible food as defined by The Food and Nutrition Act of 2008 (the Act) and SNAP regulations at 7 CFR §271.2.

SNAP eligible food is any food or food products (including seeds and plants that produce eligible food) intended for home preparation and human consumption. The following types of products are ineligible for purchase using SNAP benefits: alcohol, tobacco, hot food, food sold for on-premises consumption, and nonfood items (such as soap, paper, medicine, etc.). Products that carry a “Supplement Facts” label are classified by the Food and Drug Administration (FDA) as supplements and are, therefore, not considered SNAP eligible food.

Seeds and plants are eligible for purchase with SNAP benefits only when the product of their cultivation is intended for consumption by the purchasing SNAP household. Seeds and plants may not be purchased with SNAP benefits if they are intended for cultivation for ornamental purposes. In addition, the seeds and plants of toxic or inedible flora, such as azaleas or hydrangeas, are not considered eligible for purchase with SNAP benefits as the products of their cultivation are not fit for human consumption. Finally, cut floral bouquets, ornamental gourds, or other plant products sold for decorative purposes are never SNAP eligible, as these products are not sold for human consumption.

Q20: What is a FINI eligible fruit or vegetable?

A20: A FINI qualifying fruit or vegetable is defined in the FINI RFA as “any variety of fresh, canned, dried, or frozen whole or cut fruits and vegetables without added sugars, fats, or oils, and salt (i.e., sodium).” Such qualifying fruits or vegetables would be considered SNAP staple foods in the fruit or vegetable staple food group. FINI grantees may choose to only incentivize a narrower subset of the qualifying fruit or vegetable category (e.g., incentivize only fresh, local fruit). Examples of qualifying fruits and vegetables include frozen spinach, fresh apples, sundried tomatoes, 100% orange juice, and canned artichoke hearts (so long as these products contain no added sugars, fats, oils, or salts). Examples of fruit-based and vegetable-based products that do not qualify for the purposes of FINI include accessory foods such as herbs and spices, fruit punch (less than 100% fruit juice), honey, ketchup and other condiments, as well as multiple ingredient foods that are not primarily composed of qualifying fruits and vegetables (such as pastries containing fruit, frozen pizza or burritos). If you are uncertain as to whether or not a fruit or vegetable product qualifies for the purposes of FINI, please check the ingredients panel for the presence of the four aforementioned additives. If sugars, fats, oils, or salts are present as an ingredient on a product, then that product is not considered a FINI qualifying fruit or vegetable. Please also note that small amounts of sugar are added to some foods that are naturally sugar-containing during the canning process to maintain the integrity of the vegetable (e.g., sweet peas and corn) but these products are considered FINI qualifying fruits or vegetables regardless.

If you remain uncertain as to whether a product is considered a SNAP eligible food or a qualifying fruit or vegetable for the purposes of FINI, please contact FINI@fns.usda.gov.

Q21: What are acceptable ways of incentivizing FINI eligible fruits and vegetables?

A21: FINI grant projects are expected to incentivize the purchase of FINI qualifying fruits and vegetables. As a result, a FINI grant project may choose to either have:

- participating SNAP households receive incentives ONLY through the purchase of a FINI qualifying fruit or vegetable and incentives are redeemable for the purchase of any SNAP eligible food product
- participating SNAP households receive incentives through the purchase of any SNAP eligible food product and incentives are redeemable ONLY for the purchase of a FINI qualifying fruit or vegetable
- participating SNAP households receive incentives ONLY through the purchase of a FINI qualifying fruit or vegetable and incentives are redeemable ONLY for the purchase of a FINI qualifying fruit or vegetable
- no purchase is required for participating SNAP households to receive incentives and incentives are redeemable ONLY for the purchase of a FINI qualifying fruit or vegetable

If no purchase is required to receive a FINI benefit or if the required purchase is paid for with a non-SNAP form of tender (e.g., cash), then an EBT balance check operation must be performed to verify the participant's status as a SNAP household.

Q22: How should SNAP and FINI benefit refunds handled at Farmers' Markets using scrip and other retailers?

A22: Farmers' Markets (FMs) with one central Electronic Benefit Transfer (EBT) point-of-sale (POS) terminal often utilize scrip or tokens for the redemption of SNAP benefits. Under such a system SNAP households swipe their EBT cards at the FM's central EBT POS terminal for a declared amount and receive specially marked tokens which can only be spent on eligible food at the FM's stalls and booths. If, after shopping, SNAP households still possess an excess of these tokens they may return to the FM's central EBT POS terminal for a refund on such tokens.

Refunds, both for such tokens and for any product purchased with SNAP benefits, can never be made in cash. Providing cash refunds for SNAP scrip or items purchased with SNAP benefits is considered trafficking SNAP benefits. This is a serious violation of SNAP rules and can have lasting legal ramifications for any retailer engaging in such practices. Refunds of SNAP scrip and purchases made with SNAP benefits must be returned to the SNAP household's EBT card through a refund transaction on an EBT POS device.

Incentives received through a FINI grant project are intended to increase the consumption of fruits and vegetables and must be spent accordingly. The returning or refunding of FINI benefits is not consistent with the intention of the FINI grant program. While spoiled or undesired food products purchased with FINI benefits may be exchanged for equivalent food products at the retailer's discretion, FINI benefits may neither be refunded with cash, nor refunded onto a SNAP household's EBT card through a refund transaction on an EBT POS device. Therefore, if an FM using a scrip system utilizes a distinct FINI benefit token (i.e., valid only for FINI qualifying fruits and vegetables), such tokens may only be redeemed as intended at the FM; they may not be refunded or exchanged.