

USDA Food and Nutrition Service

Supplemental Nutrition Assistance Program

Electronic Benefits Transfer

Online Purchasing Pilot

Request for Volunteers

September 15, 2016



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Glossary of Terms

Term	Acronym Explanation	Definition
ANSI	American National Standards Institute	Promotes United States voluntary consensus and conformity to standards and systems across and within various industries and sectors of the economy
API	Application Program Interface	Set of routines, protocols, and tools for building software applications that specify how software components should interact
Applicant		Entity proposing to volunteer its website for the EBT Online Purchasing Pilot by submitting a formal response to this solicitation
BIN (also known as IIN)	Bank Identification Number (Issuer Identification Number)	First six digits of the PAN which are used to identify the card issuer and route transactions for authorization
CVV (also known as CVN, CVC)	Card Verification Value (Card Verification Number, Card Verification Code)	A 3- or 4-digit code recorded on the back of a commercial credit/debit card which allows a retailer to verify that the person making a purchase is actually in possession of the card. The code is not embossed on the card or included in the magnetic stripe. For online transactions, this code is sometimes referred to as CVV2 or CVN2.
DES	Data Encryption Standard	PIN encryption method required by FNS regulations and the EBT payment industry – current standard is DES3
Eligible Food		Defined by the Food and Nutrition Act of 2008 as any food or food product for home consumption and also includes seeds and plants which produce food for consumption. The Act prohibits the following items from being purchased with SNAP benefits: alcoholic beverages, tobacco products, hot food, and any food sold for on-premises consumption. Additional information can be found at http://www.fns.usda.gov/snap/eligible-food-items .
EBT	Electronic Benefits Transfer	Debit card system for government cash and food assistance benefits

Term	Acronym Explanation	Definition
EBT Processor		Company contracted by a State agency to run a turnkey transaction processing system for EBT
Farm Bill		Common name for the Agricultural Act of 2014 (PL-113-79)
FIS	Fidelity National Information Services, Inc.	One of the three EBT processors participating in this pilot.
FNS	Food and Nutrition Service	The agency within USDA that administers domestic government food assistance programs
Internet Retailer		Any website specifically authorized by FNS to accept EBT cards and redeem SNAP benefits online
ISO	International Organization for Standardization	Performs the same functions as ANSI, but at the international level
PAN	Primary Account Number	The 16-19 digit EBT card number entered as payment for purchases
Participant or Selected Site		Retailer website selected through this RFV to participate in this pilot project
PCI	Payment Card Industry	Credit and debit card industry and individual organizations such as Discover, MasterCard and VISA
PCI Certification		Official assurance that merchant is in compliance with the industry's set of security and privacy rules
PII	Personally Identifiable Information	Information that can be used to uniquely identify, contact, or locate a single person or can be used with other sources to uniquely identify a single individual
PIN	Personal Identification Number	Cardholder selected four-digit identifier required to be entered for all electronic EBT transactions
POS	Point of Sale	Usually refers to the terminal or other device used to generate transaction requests at the time a purchase is made
Retailer		Entity authorized by FNS to accept EBT cards and redeem SNAP benefits
RFV	Request for Volunteers	Document to solicit partners to voluntarily participate in a pilot program at no cost to the government

Term	Acronym Explanation	Definition
ROD	Retailer Operations Division	Division within FNS Regional Operations and Support responsible for retailer authorization, fraud detection and monitoring
RPMD	Retailer Policy and Management Division	Division within FNS SNAP that is responsible for EBT, policy development, system support and program innovation
SNAP or Program	Supplemental Nutrition Assistance Program	Formerly known as the Food Stamp Program, SNAP is a domestic Federal nutrition assistance program that provides a basic safety net to ensure that low income Americans receive adequate nutrition
State Agency		Organization within State government responsible for contracting with an EBT processor and operating SNAP and cash assistance programs
TPP	Third Party Processor	Commercial entity contracted by merchants to route transactions for card issuer approval and manage settlement
UAT	User Acceptance Testing	Testing of all functional aspects of system changes related to EBT online purchasing
USDA	United States Department of Agriculture	The Federal department responsible for agricultural production, rural services and food assistance programs
Website		Applicant's online purchasing system, its owners and its development staff

Chapter 1 – Introduction

1.1 Overview

The Agricultural Act of 2014 (PL-113-79), also known as the Farm Bill, calls upon the Secretary of the United States Department of Agriculture (USDA) to authorize retail food stores to accept Supplemental Nutrition Assistance Program (SNAP or Program) benefits via online transactions, subject to the results of a multi-retailer pilot project (pilot) conducted to test the feasibility of allowing such transactions. The USDA's Food and Nutrition Service (FNS) will be conducting these projects in order to collect sufficient information to provide the Secretary with a recommendation on whether allowing online purchases with SNAP benefits is in the best interest of the Program.

This Request for Volunteers (RFV) combines the need to conduct a pilot project with the extensive groundwork started by an FNS industry work group in 2010-2011, and invites retailers currently operating websites that sell SNAP-eligible foods and that meet the inventory requirements to be authorized as a SNAP retailer, to apply for participation in the projects.

This chapter provides information about past, present and future activities related to authorization of Internet Retailers to accept SNAP and cash Electronic Benefits Transfer (EBT) benefits online. Chapter 2 provides details on the requirements and conditions for participation in the pilot, and Chapter 3 addresses the application process and timeframes.

1.2 Purpose

Online grocery shopping has been a reality for many years. FNS sees this as an opportunity to address the needs of the elderly and disabled, who often cannot easily go out to shop. It will also be beneficial for those that lack consistent access to transportation or live in areas considered to be food deserts.

The purpose of this RFV is to solicit a small number of experienced online food retailers to test the implementation of EBT online purchasing and to prepare all necessary parties to accept and process EBT transactions originating from websites. FNS also plans to conduct an evaluation of the pilot as it proceeds, to determine client usage and satisfaction.

1.3 Background

For many years it was technologically impossible to use EBT cards online due to the requirement that every EBT electronic transaction include a customer-entered

personal identification number (PIN). Signature transactions and purchase 'pre-authorization' are not allowed in the EBT environment. The government programs that use EBT are exempt from certain requirements of Regulation E which governs consumer protections for credit and commercial debit cards. If someone steals a client's EBT benefits, they are not replaced. Therefore, the PIN is viewed as the ultimate form of identification in the EBT world. Secure PIN-entry requires an American National Standards Institute (ANSI) compliant device that can encrypt the PIN using the Data Encryption Standard (DES) algorithm from the point of entry. Computer keyboards and mobile devices are not ANSI-compliant for PIN-entry. Until a few years ago, all secure online PIN solutions required special user hardware and/or software and were impractical. Online purchases made with a commercial credit or debit card typically required the customer to enter a card verification value (CVV) to prove that they have the card in their possession. EBT cards do not have CVVs. Most Internet Retailers still do not accept PIN-based transactions. Instead, they handle commercial branded debit cards like signature-based credit cards for online transactions.

Over the years we have received increasing numbers of inquiries from Internet Retailers looking to accept EBT transactions, as well as from SNAP clients and advocates asking why they cannot shop online. We had to explain the barriers caused by the PIN requirement, but were not able to offer a solution.

1.3.1 Internet Shopping Workgroup

In fall of 2008, an open discussion on ways to surmount this problem was held at an EBT industry meeting. That led to establishment of an Internet Shopping Workgroup with representatives from FNS, State agencies, EBT processors and other technical consultants.

This group worked diligently to identify technical and Program policy issues that relate directly to online commerce. A technical subgroup came together to address each technical issue and develop logical standard solutions. This was done to ensure that EBT remains interoperable across State borders and follows common standards applicable to all online transactions, regardless of the retailer, State or processor. These were thoroughly documented and shared with a group of retailers and third party processors (TPP) that had expressed interest in online EBT or were already active in the EBT community. FNS held a conference call with this larger group to review the changes and field questions. As there were no significant concerns expressed, it was agreed that the documented modifications could be used for a pilot. See [Section 2.2.4, Technical Standards](#) and [Appendix G – ANSI Standard X9.58 Coding](#) for specific details about the changes.

FNS also identified over 25 legislative, regulatory, policy and operations issues and decided how to handle each. These cover a wide range of concerns and are discussed in Sections [2.3 Basic Requirements to Participate as an EBT Internet Retailer](#), [2.4 Operational System Requirements](#) and [2.5 Waivers and Conditions](#).

1.3.2 Acculynk Solution

In February 2009, a company named Acculynk announced that they had an online PIN-entry solution that had been accepted by regional banking networks. The Internet Shopping Workgroup contacted Acculynk and held several meetings. They are the technology provider of PaySecure™, a software-only service for Internet PIN debit payments that utilizes a graphical PIN-pad for the secure entry of a consumer's PIN online. The customer requires no special hardware, software or security certificates; they only need their card number and PIN. PaySecure™ is the standard for Internet PIN debit, with 4 issued patents and over 20 pending patents; 11 Electronic Fund Transfer (EFT) network partnerships; 6,000+ U.S. merchants live; and 9,000+ bank issuers.

After serious review and discussions with Acculynk, the Internet Shopping Workgroup agreed that PaySecure™ would be the best solution for EBT's PIN-entry and security concerns. It is secure and intuitive for the user and requires little change for EBT processors. However, the service does charge the merchant a fee similar to other payment cards, and websites will need to determine whether the transaction and upfront development costs are a good business decision.

1.3.2.1 Mandatory Use of Acculynk

FNS is aware that several other companies are in the process of developing alternative secure PIN-entry solutions. However, as of the date of this RFV's release PaySecure™ is the only method that is payment card industry (PCI) certified and proven in the marketplace. Therefore, unless the applicant is aware of another recognized, PCI-compliant, PIN-entry solution, for this pilot, FNS will require all selected sites to contract with Acculynk for PIN-entry services. Given that any new method would require thorough testing and PCI certification, it is not feasible for participating retailers to design and implement their own methods for PIN capture for use in the pilot.

We will continue to require that Internet Retailers use an industry recognized, PCI compliant, method for Internet PIN-entry. If the pilot

project is successful, FNS will review any new PIN-entry solutions to ensure that they meet minimum standards.

1.3.2.2 Routing Through Acculynk

For the demonstration, Acculynk will also act as the TPP, routing all transactions directly to the EBT processor's gateway. Therefore, any Acculynk fees would be instead of, not in addition to, the fees the retailer pays to its current credit/signature debit TPP. This service will require a contract between Acculynk and the retailer. Acculynk has agreed to limit the contract length to coincide with the pilot start and end dates identified in [Section 3.5, RFV Timetable](#).

1.3.2.3 Acculynk Commercial PIN-Debit Services

As noted above, Acculynk also provides secure PIN-entry services for purchases made with commercial debit and bank Automated Teller Machine (ATM) cards. Neither FNS nor Acculynk requires acceptance of commercial PIN-debit as a condition of participation in this pilot project. Participating retailers are permitted to negotiate with Acculynk for these services.

Online merchants may wish to discuss the potential cost differential between signature, PIN, and PINless debit with Acculynk in order to make an informed decision. If they opt to do so, retailers selected for pilot participation may implement commercial PIN or PINless debit before, during or after EBT implementation. As part of the evaluation of the pilot project, FNS is very interested in comparing the EBT versus the commercial customer experiences and perceptions and, with the retailer's permission, would like to include the latter group for data collection, voluntary surveys and interviews.

1.3.3 Economic Changes

Because most grocery websites charge fees for delivery, some thought that EBT customers could not afford to shop online. Others felt that few SNAP clients had access to personal computers. The EBT population had been generally overlooked by most online grocery services. However, economic changes have caused the SNAP caseload to grow. Currently there are 43 million people receiving SNAP benefits totaling \$5.4 billion per month. Cellular technology has also increased Internet access. As a result, many online sites have come to recognize that SNAP customers represent a significant market. More and more Internet Retailers have expressed interest in accepting EBT.

1.3.4 Agricultural Act of 2014 (Farm Bill)

In February 2014, Congress passed the Farm Bill. Section 4011(b) establishes additional requirements for acceptance of SNAP benefits by Internet Retailers and calls for a pilot project to test the feasibility of allowing certain retailers to accept SNAP benefits through online purchases if they can meet designated criteria. Specifically, the Farm Bill requires any retailer wanting to participate in the pilot project to submit a plan that includes, among other things:

- A method for ensuring that only eligible foods can be purchased with SNAP benefits online; the Act prohibits the use of SNAP funds for payment of delivery, ordering, convenience, or other fees or charges
- A description of how households will be educated about the availability and process for online purchasing
- Adequate testing of the online purchasing process before launching
- Provision of data requested by FNS that will allow for the evaluation of access, ease of use and program integrity

In lieu of requiring a narrative plan, FNS has developed an application form that addresses all of the necessary requirements. The RFV outlines the additional legislative, regulatory and operational requirements for participation in the Online Purchasing Pilot in Chapter 2, and addresses the application process in Chapter 3.

1.4 Online Purchasing Pilot Vision

Eventually, FNS hopes to incorporate Internet Retailers into our regular authorization process. But due to the nature of online purchasing, FNS must revise regulations, develop a standard authorization process addressing unique concerns related to Internet Retailers, and analyze and strengthen the processes for monitoring and detecting fraud for online transactions to address the unique nature of Internet commerce. FNS expects this pilot will provide the data needed to inform these activities. Because this is indeed a pilot, it is being conducted within the confines of the current EBT system, other than where waivers to existing requirements can be granted.

1.4.1 Demonstration Authority and Evaluation

FNS has authority to waive SNAP regulations, but not the law. However, Under Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026) the Secretary may undertake research that will help improve the administration

and effectiveness of SNAP. This provides authority to conduct demonstration projects that deviate from law, but requires an evaluation component.

The evaluation will involve analysis of additional transaction, user account and customer service data and statistics submitted to FNS (or an FNS-selected evaluation contractor) from the EBT processor, retailer website, Acculynk and/or State agencies. It will also include interviews with PIN debit customers, Internet Retailer representatives, State agency staff, Acculynk and EBT processors. The process for submitting such data will include appropriate restrictions on the exchange of personally identifiable information (PII).

FNS will use the collected information to assess the impact of online purchasing for the various parties involved in the pilot, identify implementation issues and analyze program integrity concerns. Evaluation requirements are addressed in more detail in [Section 3.12](#).

1.4.2 Report to the Secretary

The Farm Bill also requires FNS to submit a report of its findings based on the results of the evaluation to the Secretary of Agriculture. The Secretary will subsequently make a recommendation based on that report and other criteria deemed appropriate by that office to Congress on whether or not online shopping should be implemented program-wide. Should the Secretary recommend implementation, FNS will develop the process for ongoing authorization of Internet Retailers in SNAP, including the necessary regulatory and policy changes that specifically address web-based merchants, their eligibility to participate in SNAP and their responsibilities as authorized retailers.

1.4.3 PIN Debit vs. Credit Transactions

Online PIN debit transactions differ significantly from credit and signature debit transactions. The Fair Credit Billing Act (PL93-495), which applies only to revolving credit accounts, prohibits retailers from actually charging the customer until the goods are about to be delivered, shipped or picked up. Therefore, the “purchase” transaction actually consists of a preauthorization, where the retailer transmits the customer’s card number, billing address, CVV and estimated amount of the sale. This estimate can be padded sometimes by a significant amount. If approved, a hold for that amount is placed against the customer’s remaining credit limit. When the order is ready, the retailer transmits a second “advice” message with the final amount (which may be higher or lower than the originally authorized amount) when the customer is no

longer present. This finalizes the sale amount and releases the hold on any remaining funds. Split orders can also be debited separately.

Because the EBT infrastructure requires a PIN for every purchase transaction, and PINs may never be stored, the above dual transaction process cannot be supported. The only way that EBT can work online is to debit the account in real time upon approval of the online transaction. When completing the order for an EBT transaction, the retailer must provide an immediate refund of any overestimated value, out of stock items or substitutions. Because the customer will not be present to enter a PIN, which is a requirement for in-store refunds, Internet Retailers will be authorized to perform a special type of refund transaction with no PIN for both SNAP and cash EBT. This non-PIN refund will also be available for Internet Retailers to perform subsequent product returns or other customer credits.

These differences require a significant change in mindset regarding system logic and workflow for online transactions. See [Section 2.4.1.1.2, EBT PIN Purchase Process](#) for more specific details.

1.5 Pilot Description

Due to the number of system modifications that must occur prior to SNAP recipients actually using their EBT cards to purchase groceries online, the scope of this pilot will be very limited. The pilot requires a commitment from States, EBT processors, and retailers. Each State establishes a contract with a host processor to authorize EBT transactions. Allowing online purchases will require significant system upgrades for both the EBT processor and the State where a selected Internet Retailer is conducting business. As of release of version 1.02 of this RFV, three EBT processors have agreed to perform these system upgrades for the pilot in a limited number of States. They are Fidelity National Information Systems, Inc. (FIS), Solutran and Xerox State and Local Solutions¹.

Our primary objective with this RFV is to identify a small number of qualified Internet Retailers accepting transactions from customers living in States that will be actively processed by one of the above companies for the duration of the pilot. Because they will be in the process of procurement or conversion to a new processor during the

¹ In January 2016, Xerox announced that they plan to split into two independent companies by 2017. On June 16, 2016, they advised that the company that will take on their business process outsourcing, including EBT processing services, will be called Conduent. This change is expected to occur prior to pilot operations. In the meantime, and throughout this RFV, we continue to refer to their current name.

pilot period, the following States will NOT be considered for the pilot: AK, CA, HI, NC, VA, VI, WI and WV . Note, however, that many of the remaining States have concerns about the level of effort required to support implementation of the Online Purchasing Pilot. It will be essential for the State to approve the use of their system for the pilot. FNS will work closely with potential participants to negotiate State approval of their proposed pilot areas. We recommend that retailer applicants contact the States in which they are interested to gain support prior to responding to this RFV. See [Appendix A, Table A-1](#) for a list of States and their EBT processors.

Our second objective is to select a variety of website types, sizes, geographical locations, business models and distribution methods in order to ensure that any future Program changes address the full scope of potentially eligible Internet Retailers. This objective will be achieved by using a rigorous application evaluation process as outlined in [Section 3.10, Participant Selection](#).

1.5.1 Pilot Participants

In order to launch the pilot project, FNS has decided to limit the pilot to only certain types of SNAP retailers. Group living and dining facilities, meal delivery services and restaurants will be excluded, but may be considered in the future if authorization of Internet Retailers is implemented nationwide. All other types of food merchants that meet the eligibility requirements specified in [Section 2.3.1.2, SNAP Retailer Eligibility](#) may apply.

Additionally, FNS will consider such factors as online sales expertise and track record of the applicant, past customer satisfaction, product delivery in food deserts or to other vulnerable populations, data security and privacy practices and ability to make all necessary system changes to support SNAP redemption as part of the selection process. See [Section 3.10](#) for more information about the participant selection process.

1.5.2 Integration with Acculynk

The requirements for calculating a SNAP transaction total and recommendations on how to design the payment type selection screen are discussed in detail in [Section 2.4.2, Purchase Checkout Process for SNAP and Cash EBT](#). When that is complete, the website will send the transaction to Acculynk through a secure Internet connection, rather than to its regular TPP. Then the PaySecure™ PIN-pad will be invoked and appear over the checkout screen (see Figure 1-1 below). PaySecure™ does not allow PIN entry via the keyboard, so the customer must use the mouse pointer or touch screen to select the numbers. The cardholder enters the PIN and Acculynk's system scrambles the numbers on the pad after each digit is selected. The

procedure has the look and feel of the POS PIN selection process and is very intuitive for the user.

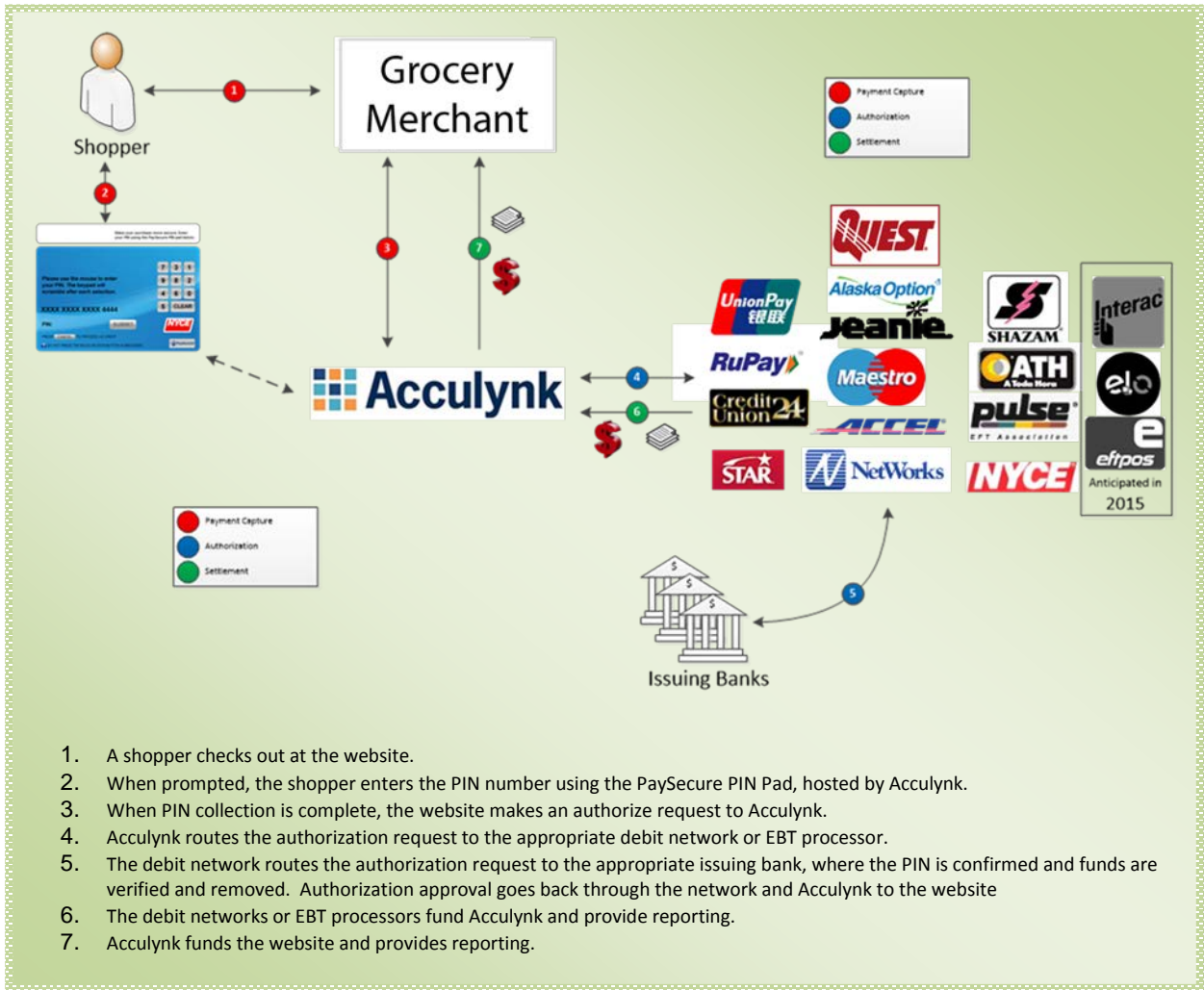
Figure 1-1 Acculynk Sample PIN Entry Screen



When the customer selects 'SUBMIT', Acculynk returns control to the website. The website will then use the PaySecure™ Application Program Interface (API) to request card authorization. Acculynk will route the transaction to the correct State's EBT authorization system. The message response received by Acculynk will be returned to the retailer as a response to the API call.

Settlement will be handled directly by Acculynk for the pilot. Acculynk will provide the website with settlement and reporting information. See the transaction and settlement funds flow diagram on the following page.

Figure 1-2 Acculynk Transaction Flow



1.5.3 Pilot Activities

In all, FNS expects that the Online Purchasing Pilot will involve two to three State agency EBT systems and three to five Internet Retailer participants in the demonstration and evaluation process. However, FNS reserves the right to select fewer or more participants or State agencies depending on the quantity and quality of applications received. If the early stage of the pilot is deemed a success, FNS expects to allow selected retailers to continue acceptance of online EBT purchases through the duration of the two-year pilot period, and may opt to expand to additional retailer participants and/or States. Any additional retailers would be selected from the original pool of applicants that responds timely to this RFV. FNS will work with all of the EBT processors and States to develop a rollout strategy to implement online transactions nationwide.

Selected participants may opt to start their pilot in a single State or part of a State. If the participant plans a statewide pilot, then customer usage can be determined by the Bank Identification Number (BIN) assigned to that State's EBT card. If the selected site wishes to pilot in a smaller area, then it will be the participant's responsibility to manage limitation to eligible EBT cardholders within the designated area, e.g., by ZIP code.

Once the participating retailers are selected, they, along with Acculynk, the EBT processor and FNS will have approximately eight months to finalize waiver agreements (see [Section 2.5, Waivers and Conditions](#)), to perform necessary contract negotiations, and to design, develop, test and implement changes to systems and workflow.

1.5.3.1 Initial Pilot

The initial implementation will begin with only one retailer participant, selected at FNS discretion. This retailer must operate in a single State for a minimum of one month, but potentially longer depending on results, to ensure that transaction processing and all periodic and data collection processes work as planned for the EBT processor, Acculynk and the retailer.

1.5.3.2 Rollout to Additional Areas and Retailers

Upon successful completion of the initial pilot, that participant may expand to additional Internet-ready States or areas at a rate that is agreeable to the participant, EBT processor(s) and State agencies. At that time, FNS will also allow additional selected retailers to begin their pilots. As with the initial stage, each new participant must operate in a single State, or part of a State, for a minimum of one month before further expansion. In addition, each new State system added to the pilot must run for at least one month with one selected retailer before adding additional participants. Participants must commit to actively pilot for a minimum of nine months in order to generate sufficient experience and data for the proposed evaluation. In order to support this phasing approach and ensure that selected participants have the opportunity to operate for the minimum time period, the pilot will operate for a total of two years.

1.6 Partner Responsibilities

1.6.1 Food and Nutrition Service

The FNS SNAP Retailer Policy and Management Division (RPMD) is responsible for EBT, policy development, retailer systems support and program innovations such as this Online Purchasing Pilot. The Regional Operations and Support's Retailer Operations Division (ROD) is responsible for retailer authorization, fraud detection and monitoring. For the pilot, FNS will be responsible for the following:

1. Overall management of the pilot project
2. Issuance of RFV and responses to related inquiries
3. Evaluation and selection of participants
4. Authorization of participants as SNAP Internet Retailers
5. Notification of new Internet Retailer authorizations and deauthorizations to EBT processor and Acculynk
6. Interpreting and making determinations about SNAP legislation, regulations and policies applicable to participants
7. Approval of necessary waivers
8. Review and approval of all technical documentation for design and development of EBT online purchasing system modifications
9. User acceptance testing (UAT) of all participant, EBT processor and Acculynk systems
10. Monitoring and assessing pilot implementation
11. Approving rollout to additional States and EBT processors
12. Identifying lessons learned and making appropriate changes to near-term process
13. Reporting to Secretary and Congress as mandated in the Farm Bill
14. Noting necessary legislation for addressing Internet Retailers in SNAP
15. Establishing regulations (including changes to current regulations) and associated standard operating procedures for future Internet Retailer authorization process
16. Working with industry leaders on related future changes to operating rules and message standards

1.6.2 Participant Website

Applicants for this RFV must make a substantial commitment to carry out the project without any form of payment from the government. To be considered responsive, applicants must thoroughly address all mandatory requirements detailed in [Section 3.9, Proposals](#) and in the [Instructions for Completion of the Online Purchasing Pilot RFV Participation Application Form](#). The applicant

must also agree that, if selected, it will comply with all of the following requirements:

1. Meeting all conditions for FNS retailer eligibility and authorization
2. Continuing to meet these requirements after authorization
3. Ensuring equal treatment of EBT customers except for sales tax exclusion and other Program or pilot-specific requirements.
4. Complying with conditions of all online purchasing waivers issued by FNS
5. Submitting all additional documentation required for SNAP licensing based on the site's business model that may subsequently be requested by FNS
6. Complying with FNS rules regarding acceptance of SNAP funds only for eligible foods and fraud prevention.
7. Reporting changes of ownership or address
8. Being reauthorized at least every five years
9. Entering into a contract with Acculynk for secure PIN-entry services using PaySecure™ for all SNAP, and if desired, cash EBT transactions and/or commercial PIN debit payment acceptance
10. Conforming to Acculynk specifications related to message format, system interfaces and other technical requirements including PINless refunds (see [Section 2.3.2.2](#) for more information)
11. Submitting all EBT purchase transactions to Acculynk for PIN-entry and routing
12. Identifying SNAP-eligible foods in its product database and updating as new products are added
13. For SNAP transactions, programming the system to meet all requirements specified in [Section 2.4, Operational System Requirements](#)
14. If opting to accept cash EBT, programming the system to meet cash requirements specified in [Section, 2.4 Operational System Requirements](#)
15. Ensuring that EBT purchase and refund transactions contain additional mandatory SNAP/cash EBT data elements
16. Providing documentation for SNAP-related website design changes to FNS and allowing for comments and recommendations
17. Allowing FNS to perform testing of website's EBT functionality and interfaces with Acculynk
18. Piloting in first State for a minimum of one month to ensure that all systems are operating properly and a minimum of nine months overall

19. Working in good faith with FNS, the EBT processor and affected State agencies to establish a schedule of rollout to other States from which the website accepts sales
20. Maintaining Payment Card Industry (PCI) certification for its online shopping site
21. Providing adequate service levels and timely delivery/pickup/shipping to EBT customers in accordance with FNS-approved waivers
22. Prohibiting the sale or sharing of PII data belonging to EBT cardholders without explicit consent of the EBT customer
23. Continuing to ensure that the website employs optimal security and privacy practices
24. Working with FNS and the evaluation contractor to identify appropriate methods to collect evaluation data from their employees, the system and customers
25. Providing ongoing evaluation data as required by the RFV and the FNS evaluation contractor

1.6.3 Acculynk

Acculynk has agreed to work with retailers, FNS and the EBT processor to ensure the success of EBT online purchasing. Acculynk will be responsible for the following:

1. Certifying to the EBT processor's message specifications for online purchasing
2. Developing and clearly documenting message format and interface specifications for websites to use for all SNAP and cash EBT transactions
3. Obtaining FNS approval of these specifications to ensure that they meet regulatory and ANSI standards
4. Programming necessary changes for EBT
5. Allowing FNS to test EBT functionality and interfaces with websites and EBT processor
6. Verifying that the participant is PCI-compliant
7. Testing and certifying that the selected site conforms to their standards
8. Contracting with each pilot participant for secure PIN-entry services using PaySecure™ for all SNAP and cash EBT transactions
9. Ensuring that all websites submitting EBT transactions through them have been authorized by FNS to accept SNAP benefits for online transactions

10. Using PaySecure™ to collect and process PIN data and DES encrypt results
11. Converting data submitted by website and encrypted PIN to EBT processor's specified format
12. Validating completeness of data prior to transmission
13. Routing transactions to EBT processor for authorization
14. Receiving message responses and transmitting them back to the website
15. Assigning a unique identification number to each approved transaction that must be used for subsequent refunds
16. Validating refunds against original purchases to ensure that their total value does not exceed the purchase amount
17. Settling funds for all online EBT transactions to the participant
18. Providing daily and monthly transaction and settlement reports to the participant
19. Working with evaluation contractor to provide information on implementation process and lessons learned
20. Providing other contracted services negotiated with the participant

1.6.4 EBT Processor

The EBT processor for each pilot State will work closely with FNS and Acculynk to ensure that online EBT transactions are properly received, processed, transmitted and settled. The EBT processor will be responsible for the following:

1. Designing, developing and implementing changes necessary for online purchasing
2. Making system changes and revising TPP certification specifications to implement X9.58-2013 changes necessary for online purchasing
3. Establishing an agreement with Acculynk and certifying them as a TPP under the updated specifications
4. Adding fields to transaction records to capture delivery/pickup/shipping street address and ZIP
5. Submitting pilot design details and related documents for FNS review and approval
6. Accepting online transactions only from Acculynk to ensure the integrity of PIN-entry
7. Checking all transactions against the current list of FNS-authorized stores to ensure that:
 - a. The Internet Retailer is currently authorized by FNS as an Internet Retailer

- b. Online purchase transactions from any merchant not authorized by FNS as an Internet Retailer are denied
 - c. PINless refunds from any merchant not authorized by FNS as an Internet Retailer are denied
 - d. Regular POS (i.e., card present) transactions performed by an Internet Retailer are denied
8. Validating that transactions conform to their specifications
 9. Validating remaining requirements (account, card number PIN, funds, etc.)
 10. Approving or denying the transaction
 11. Sending the response message back to Acculynk
 12. Storing and securing transaction data and including them in existing reports and files
 13. Creating a separate, expanded daily file of transactions performed by pilot participants for submission to FNS
 14. Settling funds for all participants to Acculynk
 15. Allowing FNS to test EBT functionality and interfaces with Acculynk and retailer websites
 16. Maintaining a test system to allow end to end testing for Acculynk and retailer websites as needed
 17. Reporting to State agencies and FNS
 18. Working with evaluation contractor to provide information on implementation process and lessons learned
 19. Fulfilling any additional State agency requirements

Chapter 2 – Detailed Requirements

Parts of this chapter address requirements that apply equally to Internet sites and to brick and mortar stores. Therefore, retail chains and stores that are currently authorized to accept SNAP benefits may already be familiar with much of the content of this section. Even so, we recommend that they read all of the requirements very carefully.

2.1 Introduction

Large scale SNAP and cash EBT programs have been operating successfully since the mid-1990s. Over time, various rules and standards have been developed and issued by different organizations to bring operational order to the payment process. These rules and standards were designed to facilitate fair and equitable treatment of EBT customers, minimize the potential for fraud, standardize processes for retailers and ensure interoperability among States. They work very well for face-to-face transactions where the card is present, the customer enters a PIN to prove identity and payment is made at the same time as goods are exchanged.

Due to the nature of Internet commerce, however, a number of changes to these rules are required. Chapter 2 describes the necessary rule changes, requirements for Internet sites to participate in this project, system operations, transaction flow, waivers needed and their conditions.

2.2 Rules and Standards Governing EBT

We expect that many potential applicants for this pilot project already redeem EBT benefits at their brick and mortar locations and thus are familiar with these rules and standards. This section provides an overview of all of the documented requirements that have an impact on EBT transactions, regardless of the merchant type or method of operation. For those that have never participated in EBT, we provide links so that you can become more familiar with the basic requirements.

2.2.1 FNS SNAP Laws, Rules and Policies

SNAP is governed by the Food and Nutrition Act of 2008 and United States Code of Federal Regulations (CFR) Title 7 Parts 271 – 285. For the purposes of this RFV, the most pertinent Parts of the SNAP regulations are 274, Issuance and Use of Program Benefits and 278, Participation of Retail Food Stores, Wholesale Food Concerns and Insured Financial Institutions. In addition, a number of policy memoranda provide further interpretation of the regulations.

Table 2-1 lists key requirements for retailers accepting EBT.

Table 2-1 – FNS SNAP Policy Citations

Citation	Requirement
SEC 3, [7 U.S.C. 2012](k)(1)	Limits bottle or can deposit fees that can be paid for with SNAP benefits only to the reimbursable amount and container product types specified by State law, whether or not the deposit fee is included in the shelf price. ²
SEC 3, [7 U.S.C. 2012](o)(1)(A)	Defines “Retail food store” as an establishment or house-to-house trade route that sells food for home preparation and consumption and meets one of the following criteria: offers for sale, on a continuous basis, a variety of at least <u>seven</u> foods in each of four categories of staple foods (meat/poultry/fish, bread/cereals, vegetables/fruits, dairy), including perishable foods in at least <u>three</u> of the categories (Criterion A ³); or has more than 50 percent of the total gross retail sales of the establishment or route in staple foods (Criterion B);staple foods are defined at SEC 3 [7 U.S.C. 2016] (q).
SEC 7 [7 U.S.C. 2016](b)	Benefits issued to eligible households shall be used by them only to purchase food <u>from</u> retail food stores which have been approved for participation in SNAP. ⁴

² The following States currently have container deposit laws covered under the Act: California, Connecticut, Hawaii, Iowa, Massachusetts, Maine, Michigan, New York, Oregon, and Vermont.

³ FNS is still in the process of implementing this Farm Bill requirement and it is unclear whether a final rule will be published before the start of pilot operations or if current regulations at 7 CFR 278.1(b)(1)(i)(A) will remain in force. See Section 2.3.1.2, SNAP Retailer Eligibility for further information.

⁴ The Agricultural Act of 2014 amended the Food and Nutrition Act of 2008 from the original language requiring that SNAP benefits be used only to purchase food in retail food stores authorized for participation in SNAP. This change was made specifically to allow SNAP benefits to be redeemed by online retailers.

Citation	Requirement
SEC 7 [7 U.S.C. 2016](k)(2)	A retail food store seeking to accept SNAP benefits through online transactions shall establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores; ensure benefits are not used to pay delivery, ordering, convenience, or other fees or charges; clearly notify participating households at the time a food order is placed of any delivery, ordering, convenience, or other fee or charge associated with the food purchase and that any such fee cannot be paid with benefits provided under the Act; ensure the security of online transactions by using the most effective technology available that FNS considers appropriate and cost-effective and that is comparable to the security of transactions at retail food stores; and meet other criteria as established by FNS.
SEC 7 [7 U.S.C. 2016](k)(4)(B)	To be eligible to participate in an online purchasing demonstration project, a retailer shall submit a plan for FNS approval that includes a method of ensuring that benefits may be used to purchase only eligible items under this Act; a description of the method of educating participant households about the availability and operation of online purchasing; adequate testing of the online purchasing option prior to implementation; provision of data as requested by FNS to analyze the impact of the project on participant access, ease of use, and program integrity; reports on progress, challenges, and results, as determined by FNS; and such other criteria, including security criteria, as established by FNS.
SEC 3 [7 U.S.C. 2012](o)(4)	Adds community supported agriculture (CSA) as a retailer type authorized to accept advance payment from SNAP benefits for agriculture shares.
SEC 10 [7 U.S.C. 2019]	Retail food stores authorized to accept and redeem benefits through online transactions may accept benefits prior to the delivery of food if the delivery occurs within a reasonable time of the purchase, as determined by FNS.
274.7(a) and 278.2(a)	SNAP benefits may be accepted by an authorized retail food store only from eligible households or the households' authorized representative, and only in exchange for eligible foods; eligible foods are defined at 7 CFR 271.2
274.7(c)	No minimum dollar amount per transaction or maximum limit on the number of transactions shall be established. Nor shall transaction fees be imposed on SNAP households using the EBT system to access their benefits.

Citation	Requirement
274.8(a)(2)	Transactions require primary account number (PAN), unique terminal identification number, and retailer identification numbers assigned by FNS, and require verification of a PIN for all transactions (purchases, refunds, voids, and balance inquiries) except manual vouchers.
274.7(f) and 278.2(b)	SNAP benefit shall be accepted for eligible foods at the same prices and on the same terms and conditions applicable to cash purchases of the same foods at the same store, except that tax shall not be charged on eligible foods purchased with SNAP benefits. No retail food store may single out SNAP clients for special treatment in any way.
274.8(b)	POS terminals must meet ANSI and International Organization for Standardization (ISO) standards where applicable.
274.8(b)	Requires use of EBT ISO 8583 Processor Interface Technical Specifications contained in the ANSI standard X9.58, which delineates a standard message format for retailers and third parties.
274.8(b)(3)(ii)(C) and 274.8(b)(6)(iii)	PIN encryption utilizing the DES algorithm shall occur from the point of entry in a manner which prevents the unsecured transmission of the PIN between any points in the system.
274.8(b)(6)(i)	Balance information shall not be displayed on the screen of the POS terminal except for balance-only inquiry terminals.
274.8(b)(7)	Households shall be provided <u>printed</u> receipts at the time of transaction, with date, merchant's name and location, truncated card number, transaction type, transaction amount, and remaining balance for the SNAP account. The household's name shall not appear on the receipt.
274.8(b)(9)	Minimum transaction set must include refund transactions. All transactions involving refunds for goods originally purchased with SNAP benefits, whether from an error in scanning or the return of an item, must be credited to the SNAP EBT account. The customer may not receive cash refunds or store credit.
278.2(e)	Except as provided by SEC 3 [7 U.S.C. 2012](o)(4) and SEC 10 [7 U.S.C. 2019] above, food retailers may not accept SNAP benefits before delivering the food. The only additional exception is for nonprofit food buying cooperatives, which may accept benefits up to 14 days prior to food delivery ⁵
Policy Memo BRD/EBT 2001-1	Card must be present for key entered transactions.

⁵ Pending publication of regulations, non-profits and agricultural producers operating using a CSA model are also authorized to accept SNAP benefits up to 14 days prior to food delivery.

Citation	Requirement
BRD Policy Memo 2007-1	When a manufacturer’s coupon is used for an item purchased with SNAP, the discount or amount of funds saved must be credited to the SNAP EBT account (or only the net value deducted). Crediting the SNAP benefit account eliminates a potential avenue for fraud. Sales tax, if applicable, that must be collected from the customer for the coupon savings, must also be paid by SNAP customers, but with another type of tender.

Please note that while the Federal government itself must comply with online website accessibility standards under Section 508 of the Americans with Disabilities Act, these requirements are not mandatory for retailers under this pilot. However, FNS encourages selected participants to provide such access to its customers. Applicants with Section 508 compliant sites will be considered more favorably in the selection process.

2.2.2 State Laws and Regulations

Approximately 35 State agencies also issue cash benefits through EBT. The remaining States use other methods such as prepaid branded electronic payment cards. Cash programs are the responsibility of the States, not FNS. States generally favor allowing Internet Retailers authorized by FNS under this pilot to accept cash EBT as well. Funds from the cash account may be used to pay for SNAP-ineligible products such as paper goods or for fees. While each State has its own eligibility rules and payment levels, cash EBT accounts and transactions are handled in a very similar manner to SNAP accounts.

Some States have features to block certain merchant type codes in order to limit card usage to what Federal and State laws deem suitable for cash recipients. However, SNAP-authorized food retailers do not generally fall into those categories.

2.2.3 Quest Operating Rules

Both SNAP and cash EBT are governed by the Quest Operating Rules in most States. The remaining States generally follow the same rules except for some small differences in adjustment policies. The Quest Operating Rules are published by the National Automated Clearinghouse Association (NACHA). They outline the responsibilities of issuers, acquirers, merchants, and third party service providers and address issues such as settlement, error resolution, and use of the Quest mark.

At least one provision will require modification for online purchasing. Quest Operating Rules currently prohibit refunds to the cash account. Cash refunds never apply to eligible items purchased using SNAP benefits. However, cash account refunds may be needed for online transactions in which a refund is necessary for items that were originally purchased with cash EBT benefits because there is no other way to reimburse the customer for overpayments or returned items. This has been brought to the attention of the committee responsible for the rules. We do not expect that there will be any problems making the necessary modifications once the pilot project is complete.

For more information click on the following:

[Complete Quest Operating Rules](#)

[Appendix A – State Specific Information](#) for listing of Quest States

2.2.4 Technical Standards

As noted above, FNS rules require that the EBT transaction messages arriving at the EBT processors for authorization must meet specifications contained in the EBT version of the ISO 8583 transaction message standard. The name of this standard is X9.58. For brick and mortar stores, it is the responsibility of the merchant's TPP to convert transaction data to this standard. The merchant must then conform to the TPP's EBT message specifications.

A number of changes were made to X9.58 in 2013 to accommodate online transactions. Acculynk will act as the TPP for the Online Purchasing Pilot transactions, and will be responsible for coding them to meet X9.58 specifications for online purchases and refunds. This will not be the responsibility of the pilot participants, who instead must code to Acculynk's EBT message specifications (see [Section 2.3.2.2](#)). For those desiring additional information, [Appendix G – ANSI Standard X9.58 Coding](#) contains a summary of changes and messaging codes applicable to online SNAP retailers.

2.3 Basic Requirements to Participate as an EBT Internet Retailer

Any retailer wishing to participate in the Online Purchasing Pilot should be sure that they will be able to meet these basic requirements. Every selected site must successfully complete the activities described in this section. Failure to do so within a

reasonable time will result in the retailer being dropped from the pilot, having their Internet Retailer SNAP authorization withdrawn, and being replaced by another participant.

2.3.1 Authorization by FNS as a SNAP Retailer

In order to redeem SNAP benefits, food merchants must meet the eligibility requirements outlined in Federal regulations. Once the store has been licensed by FNS it must continue to comply with those and other FNS rules governing EBT and interaction with SNAP customers. Retailer fraud and collusion with customers to trade SNAP benefits for cash or ineligible products such as alcohol and cigarettes are grounds for disqualification, in some cases, permanently.

For more information about program rules that apply to retailers please download our [FNS Retailer Training Guide](#).

2.3.1.1 Application for Authorization as a SNAP Retailer

Every applicant for this RFV must complete a SNAP Retailer application as described below, and enclose it electronically with their RFV response (see [Section 3.9.1](#) for proposal submission instructions). Do NOT use the FNS online application process to apply as an Internet Retailer for this pilot project. Please bear in mind that these forms were designed for brick and mortar retailers, so some questions will not apply. Copies of the application forms can be found in [Appendix E – FNS Retailer Application Forms](#).

2.3.1.1.1 FNS-252-C Corporate Supplemental Application

For supermarket chains that have more than ten brick and mortar locations authorized to accept SNAP, FNS assigns a corporation ID number to link each location to the corporate level information. Applicants that already have multiple locations authorized in this manner should complete [Appendix E – Form FNS-252-C](#), Corporate Supplemental Application. As an alternative, an applicant that already has a corporation ID may provide an updated copy of its FNS-developed chain retailer spreadsheet with a new row added to reflect appropriate data for its website. If you need a copy of this spreadsheet, please contact the FNS SNAP Retailer Service Center at (877) 823-4369.

2.3.1.1.2 FNS-252- Supplemental Nutrition Assistance Program Application for Stores

All other applicants must complete the full application, [Appendix E – Form FNS-252](#). You must also provide digitally scanned copies of the following:

1. One current business license in your name or the name of your business
2. Government issued photo identification for all owners, partners, and corporate officers; and in Community Property States, spouses of owners and partners
3. Government issued Social Security Number documentation for all owners, partners, and corporate officers; and in Community Property States, spouses of owners and partners

2.3.1.2 SNAP Retailer Eligibility

To be eligible for authorization, the applicant's website must sell food for home preparation and consumption, normally displayed in a public area,⁶ which meets one of two criteria, briefly described below.

1. Criterion A: The website must offer for sale, on a continuous basis, a variety of qualifying foods in each of four categories of staple foods (meat/fish, breads/cereals, fruits/vegetables and dairy)
2. Criterion B: More than 50 percent of the total gross retail sales of the website must consist of staple foods

As previously noted, FNS is in the process of implementing enhanced eligibility rules, as required by the Farm Bill. These changes may affect the definition of staple foods and increase the minimum variety of food types, stock keeping units and perishable products required for eligibility.

There is a possibility that these changes will be implemented prior to the start of pilot operations. Your website and order fulfillment site(s),

⁶ In an internet environment, this means that the products must be readily available on a consistent basis (i.e. not "sold out" or otherwise out of stock or on backorder on the website or in the warehouse).

e.g., warehouse, brick and mortar store, etc., must meet the staple food requirements in effect at the time of FNS-authorization.

For information about the current retailer eligibility requirements go to [Retail Store Eligibility USDA Supplemental Nutrition Assistance Program](#).

For information on the proposed changes go to [Enhancing Retailer Standards in the Supplemental Nutrition Assistance Program \(SNAP\)](#). Final regulations may contain substantial changes from this proposed rule.

2.3.1.3 Eligibility Determination

This is normally determined by visual inspection, marketing structure, business licenses, accessibility of food items offered for sale, tax records, purchase and sales records, counting of stock keeping units, or other inventory or accounting recordkeeping methods that are customary or reasonable in the retail food industry. FNS reserves the right to request additional documentation of food sales such as noted above if needed.

Brick and mortar stores often receive an onsite visit prior to authorization. Depending on the size and nature of the business conducted on your website, we may request an onsite visual inspection of your warehouse or other stock location.

Applicants that fail to provide the necessary information and onsite access, or do not meet the requirements identified in [Section 2.3.1.2, SNAP Eligibility](#), will not be selected for this pilot.

2.3.1.4 Special Situations

There are additional issues and requirements for certain types of retailers. These are described below.

2.3.1.4.1 Retailers Excluded from the Pilot

FNS authorizes a variety of retailer types that provide prepared meals for SNAP clients. These include, but are not limited to communal dining facilities, group homes, shelters, rehabilitation centers, meals on wheels programs and restaurants. Because this pilot project is designed to evaluate online purchasing of food products for home preparation and consumption, meal services and restaurants may not apply for pilot participation.

2.3.1.4.2 Retailers Already Eligible to Charge Customers in Advance

Nonprofit food buying cooperatives and agricultural producers that offer community supported agriculture (CSA) shares are currently eligible to accept SNAP benefits up to 14 days in advance of delivery. While they are allowed to apply for pilot participation, there are additional website design issues. These retailers should pay special attention to [Section 2.4.5, Nonprofit Cooperatives and CSAs](#).

2.3.1.4.3 Sites Owned by Already Authorized Retailers

Under FNS rules, each store location is authorized individually based on its own circumstances and inventory. The eligibility of websites owned by already authorized, or otherwise eligible, retailers will be based on the products actually sold on the website and stocked at the fulfillment site(s) for online orders, not on their in-store inventories. The website will be authorized as an Internet Retailer store type under a separate FNS number and be treated by FNS as a distinct retail firm.

2.3.1.4.4 Multiple Website Operations

Just as different store locations require separate FNS authorization and receive separate FNS numbers, online merchants that run multiple websites for different populations or a single website that can direct different populations to different product inventories require separate FNS authorization. This is because the product inventory available to each of the populations will be different, perhaps significantly, and product inventory is what is used to determine a retailer's eligibility to redeem SNAP benefits.

In addition, FNS's ability to monitor transactions and identify potentially fraudulent activity depends on an understanding of the geographic limitations of any retailer's customers.

As an example, a company that provides home delivery of its full line of products in its own local area, but also ships a more limited inventory of products nationally will require two separate FNS authorizations. Eligibility for each operation will be based on the level of sales and products sold under that operation only.

If the applicant's website(s) falls under this description, only one of the operations will be selected for the pilot. The response to the RFV must provide a description of the overall operation and potential FNS authorizations that will be required in the future. However, the application itself and all related answers to specific questions must be limited to just one of the operations.

2.3.1.4.5 Delivery Services

Independent delivery services⁷ that do not have their own food inventory and only deliver/ship products obtained at other retail establishments are not eligible to be authorized as FNS retailers and, therefore, may not apply to be pilot participants

2.3.1.4.6 Third Party Products

Many websites serve as an aggregator or marketplace for other businesses or individuals. The website's purpose is to list the products belonging to these third parties and, in many cases, accept online payment for them. If the website owner has no food inventory of its own and merely purveys products owned, stored and shipped by the third parties, they do not meet the qualifications for SNAP authorization, and may not apply for the Online Purchasing Pilot.

However, some website owners do have their own food inventory, but also feature products sold and shipped directly by third parties. These sites must meet the eligibility requirements identified in [Section 2.3.1.2](#) based solely on their own inventory and sales. Furthermore, at least 50% of their SNAP-eligible food sales must come from their own inventory. Third party products will not be considered SNAP-eligible and they may not be purchased on the website with SNAP EBT benefits. They may, however, be purchased with cash EBT benefits. This must be clearly explained on the site so that SNAP clients understand the difference between the two product sources, and know which products are eligible and which are not.

⁷ The Farm Bill does identify a new retailer type: non-profit or government organizations that purchase and deliver groceries for elderly and disabled individuals who are unable to shop for food. However, FNS is conducting a separate evaluation of these entities, and they are not eligible to participate in the Online Purchasing Pilot as well.

2.3.2 Acculynk Requirements

Acculynk is the payment processor for this EBT pilot and also sets pricing for the PaySecure™ platform. All pilot applicants must agree to work in good faith with Acculynk to negotiate services and pricing for secure PIN-entry, refund handling, transaction routing and settlement.

Selected participants must contract directly with Acculynk for these services, and conform to their specifications and requirements.

2.3.2.1 Contract

It is absolutely required for a selected participant to have such a contract in place if it wishes to participate in this pilot. We recommend that you contact Acculynk (see [Section 3.4, Points of Contact](#)) soon after reading this RFV, to discuss services, pricing structure, and requirements for EBT. If a selected site fails to have a contract in place within a reasonable time, FNS reserves the right to select another applicant for the pilot. Without an Acculynk contract, the website will not be authorized to accept any EBT benefits.

2.3.2.2 Specifications

Selected websites must conform to Acculynk's message specifications and other requirements. The following EBT specific information must be included in the message for all purchases and refunds:

2.3.2.2.1 Static Data that May be Contained in an Acculynk Table for the Retailer

- Terminal ID
- Card Acceptor ID Code
- Card Acceptor Name/Location
- National Point of Service Condition Code
- Merchant Type
- FNS Authorization Number

2.3.2.2.2 Variable Data that Must be Submitted with Each Transaction

- Card Number - PAN
- Account Type (SNAP or cash)
- Transaction Type (purchase, refund, balance inquiry)
- Amount
- Date and Time

- Delivery Address Line 1 (28 characters)
- Delivery ZIP Code (9 characters)

2.3.2.2.3 Data Not Applicable to EBT Transactions

- Expiration Date (default is 4912)
- Card Verification Value (CVV)

2.3.2.2.4 Important Data Returned in Response

- Approval/Denial Response Code
- SNAP Account Balance
- Cash Account Balance

2.3.2.3 Coding Requirements

The PIN-entry process requires the addition of PaySecure™ EBT code to the checkout page. Coding can typically be done with minimal technical resources, with implementation time of two to four weeks. The process uses a combination of industry standard Simple Object Access Protocol (SOAP) based application program interfaces and JavaScript which supports a number of features (some optional).

The Acculynk technology team, including a project manager, quality assurance specialist and web developer will be available throughout the implementation process to assist merchants.

For more information about Acculynk message specifications contact the Acculynk representative identified in [Section 3.4, Points of Contact](#).

2.4 Operational System Requirements

This section describes the EBT-specific functionality that websites authorized as SNAP Internet Retailers must provide.

2.4.1 Mandatory Transaction Types

The full set of face-to-face SNAP transactions that EBT processors and TPPs for brick and mortar stores are required to provide are:

- PIN POS Purchase
- PIN POS Refund
- PIN POS Void
- PIN POS Balance Inquiry
- POS Reversal

- Manual Voucher Authorization (signature based)
- Manual Voucher Clear
- Adjustment

However, retailers themselves are not required to use manual vouchers or allow in-lane balance inquiry if they do not wish to do so (although an alternative balance inquiry process must be available). Cash EBT transaction requirements usually include:

- PIN POS Purchase
- PIN POS Purchase with Cash Back
- PIN POS/ATM Cash Only Withdrawal (cash received without purchase)
- PIN POS Balance Inquiry
- PIN POS Void
- POS/ATM Reversal
- Adjustment

Essentially, every electronic EBT transaction initiated by a customer or retailer requires the cardholder to enter a PIN. However, the Internet environment has additional challenges that must be considered. Therefore, the transaction types that websites must be able to perform will be substantially different from those done in brick and mortar locations. Internet Retailers must be able to support the types of transactions addressed below.

2.4.1.1 Online PIN Purchase

Unlike commercial credit and debit, signature-based transactions are not allowed under EBT. The PIN is the only form of identification that the EBT client has. Therefore, FNS will continue to require that every purchase or other debit to the customer account be accompanied by a securely entered PIN. The only PIN-entry method that FNS will accept at this time is Acculynk's PaySecure™. Any website that wishes to accept cash EBT must meet the same conditions for cash account debits.

EBT PINs may never be stored for future use in subsequent transactions, either in the website or in any other system maintained by the retailer. The PIN must always be captured and immediately encrypted by Acculynk for each payment transaction. Acculynk does not store the PIN value after the transaction response is received, either. In addition, neither Acculynk nor the EBT processors support

preauthorization as done in the credit/signature debit environment. As a result, SNAP and cash EBT transactions must always be performed in real time at the time of online PIN entry, with immediate debit of funds from the cardholder's account and settlement to the retailer within two business days.

For this reason, EBT also cannot support standing orders (a one-time order for specific products to be delivered at a regular interval, such as monthly, usually at a discount). Selected participants must prohibit the use of EBT cards for standing orders.

2.4.1.1.1 Special Needs of Food Retailers

This creates some problems for the grocery and Internet industries. Many supermarkets that provide home delivery, or put together orders for pickup, deal with products that are sold by weight (e.g., produce, meats, fish and deli items). Therefore, prices for those items are only estimated and could be less or more once the order is fulfilled.

There may be instances where an item is not available at the time the order is put together. Companies have different ways of dealing with this: substitute with a similar product which could cost more or less, backorder, split the delivery, or remove the product from the order total.

2.4.1.1.2 EBT PIN Purchase Process

Based on input from State and industry partners, FNS has established the following guidelines for use during the pilot. The website may "pad" the amount initially debited from the customer's EBT account by no more than 10 percent of the calculated price of any weighed items, but must provide a subsequent refund for any amount overcharged. For example, if the total EBT order comes to \$50, of which \$15 is calculated for weighed meat and produce, the Internet Retailer may "pad" the debited amount by up to \$1.50 (10 percent of \$15), and charge the customer up to \$51.50. This must be clearly explained to the customer before the transaction is submitted for authorization.

Once the order is fulfilled, if the final price is less than the amount originally debited from the customer, the website must provide an immediate refund to credit the difference back to their account using the process described in [Section 2.4.1.2, EBT](#)

[PINless Refund](#). So if, in the above example, the weighed items actually totaled \$15.25, the retailer would provide a refund of \$1.25. If the final price is more than the amount originally debited, the retailer is liable for the difference and may not charge the EBT customer.

Because of the inherent delay built into online commerce, FNS will provide a waiver to all pilot participants, allowing them to collect funds up to seven (7) calendar days in advance of customer receipt of goods. Therefore, items cannot be backordered longer than that timeframe. This waiver and all of its related conditions are discussed more thoroughly in [Section 2.5, Waivers and Other Conditions, Prepayment](#).

The actual mechanics of selecting and performing a SNAP PIN purchase are described more thoroughly in [Section 2.4.2, Purchase Checkout Process for SNAP and Cash EBT](#).

2.4.1.1.3 Denial for Insufficient Funds

It should be noted that if a transaction is denied for insufficient funds, the return message will include current account balances for both the SNAP and cash accounts. This information should be presented on the screen to the client so that they can opt to perform another transaction for a lesser amount or select different tender.

2.4.1.2 EBT PINless Refund

This is a new EBT transaction type developed specifically for Internet Retailers. Although most States do not support POS refunds for cash EBT accounts, pilot participants will use the PINless refund process for both SNAP and cash EBT. In almost all cases, refunds will be performed when the customer is offline, and therefore, it will not be possible to capture the cardholder PIN. This transaction type will only be accepted from Internet Retailers; it may not be used by any brick and mortar stores. The process will be used for all instances where funds are due back to the customer. In addition to refunds for overestimated costs, as described above, it may be used for out of stock and returned items. At a minimum, there must be a process in place for human entry of a PINless refund transaction (e.g., through a customer service representative); however, websites are encouraged to

integrate automated refund processes into their existing operations for the issues described above.

FNS will provide a waiver to each selected site to allow PINless refunds. In no case may shipping charges be deducted from money refunded for items purchased with SNAP. The full value of any returned food item purchased with SNAP must be credited back to the client's SNAP account. Any shipping charges due for SNAP returns must be paid through an alternative payment method. Refunds for items purchased with cash EBT are not subject to these restrictions. This waiver and all of its related conditions are discussed more thoroughly in [Section 2.5.1, Waivers and Conditions, PINless Refund](#).

2.4.1.2.1 FNS Timeliness Requirements for Refunds

EBT refunds at brick and mortar locations are processed when the client is present to enter the PIN, so they are immediate. This is not the case for the online environment. FNS will expect that refunds for overestimated weight, substitutions, and out of stock items be made at the time the order is fulfilled or shortly thereafter. Post-delivery refunds, such as those for returned items or customer complaints, must be processed within two (2) company business days after receipt of the returned item or complaint.

2.4.1.2.2 Acculynk Refund Process

All PINless refunds must flow through Acculynk and comply with their specifications. These transactions must contain the authorization number of the original approval so that refunds can be accurately traced. Acculynk maintains a database of all approved transactions for up to 18 months. When a refund request is submitted Acculynk matches it against their database to ensure that it does not exceed the value of the original purchase. The system can track multiple refunds for the same purchase, ensuring the total of all refunds does not exceed the original purchase amount. If the value of the refund is excessive, Acculynk denies the transaction and sends it back to the website without forwarding it for authorization.

2.4.1.2.3 Website Refund Process

Because refunds are sometimes needed based on emails, telephone calls, and receipt of products returned in the mail, every site must have a method to securely enter refund requests

manually. The right to do so must be limited to authorized personnel using a password protected user ID. This may be set up in any manner that is effective for the website, as long as it can produce a transaction message that meets Acculynk specifications.

Websites that estimate for weighed items, or have the potential for out of stock products or substitutions, should also consider developing code to automatically create refund transactions at the time the order is finalized to correct overcharges.

Automation of this process will help ensure that resulting refunds are timely.

2.4.1.2.4 Refund Notification

EBT customers must receive a receipt or other notification for every refund so that they have a record of the transaction and remaining balances (see [Section 2.4.3 Customer Receipt and Notification](#) for information on content, method and timing).

2.4.1.3 Other Mandatory Transaction Types

Websites must be prepared to handle reversals and adjustments in accordance with Acculynk specifications. PINs are not required in reversal messages.

2.4.1.4 Optional Transaction Type

Websites may also employ a void transaction for the last purchase made, but if they do so, the customer must enter the PIN again. EBT processors cannot accept PINless voids. These are usually necessary when a clerk has miskeyed the sale amount so the need for them in the online environment is almost non-existent. Therefore, voids will not be a mandatory transaction type for Internet Retailers. If a situation arises where the sale must be cancelled after it has been processed, the website may perform a PINless refund instead.

2.4.1.5 Prohibited Transaction Types

The FNS authorization for all participants in the pilot will be as an Internet Retailer, only (store type code IR). The valid list of Internet Retailers will be shared with the EBT processor and Acculynk to ensure that only approved retailers perform online transactions. In addition,

they will be used by the EBT processor to prevent any retailer coded as IR from doing the following types of transactions:

2.4.1.5.1 Unsupported Transactions

The follow types of transactions identified above in [Section 2.4.1](#) for brick and mortar stores are not relevant to Internet Retailers and, therefore, may NOT be performed by pilot participants:

- SNAP Manual Voucher Authorization (signature based)
- SNAP Manual Voucher Clear
- PIN Purchase with Cash Back
- PIN Cash Only Withdrawal (cash received without purchase)

2.4.1.5.2 Transactions Not Allowed for Online Retailers

EBT processors will also use the IR retailer type code to ensure that approved Internet Retailers do not use their online FNS number to perform any face-to-face transactions involving a brick and mortar type electronic cash register, stand beside POS terminal or hand-held wireless device that accepts a swiped or key-entered card.

Any currently authorized FNS retailer may continue to do these types of transactions using their existing FNS authorization number(s). This includes a small number of Internet Retailers that currently have a special FNS waiver to allow for online ordering, with subsequent SNAP payment accepted at the time of delivery using a wireless or mobile POS device. All other online-only retailers that apply for this pilot demonstration will be limited only to the allowable online transaction types discussed in the Sections 2.4.1.1 through 2.4.1.3.

2.4.1.5.3 Store and Forward

In order to keep lane traffic moving and prevent the need for returning items to their shelves, some brick and mortar retailers opt to do store and forward transactions when their system cannot communicate with the EBT processor for authorization. The retailer accepts full liability for these transactions if they are subsequently denied for any reason, including bad PIN or insufficient funds. Please note that store and forward transactions will not be supported for this pilot project. FNS will revisit this issue after successful completion of the pilot.

2.4.2 Purchase Checkout Process for SNAP and Cash EBT

This section identifies EBT specific issues that must be considered and addressed once the customer has filled the “cart” or “basket” and is ready to complete the purchase.

2.4.2.1 Order Destination and Timing

Online food businesses use a variety of methods to get completed orders into the customers’ hands. Many deliver the order, themselves, to the customer’s home or other specified local address. Some ship the order using the post office or a commercial service such as UPS or FedEx. Others have the customer come to a specific location to pick up the order. The merchant may have a single pickup location, or might allow the customer to select from a list of designated stores or other locations.

As previously noted, it is mandatory for Internet Retailers to provide a delivery or pickup street address and ZIP code in every EBT transaction.

In addition, many online sites also allow the customer to specify the date and time that they would like to have their order delivered or ready for pickup. Other retailers may designate a very limited timeframe that will be available for delivery or pickup in a given area. Those that ship orders commercially also may offer customer flexibility to specify method and speed of delivery. EBT customers must be offered the same destination, method and timing options given to credit/debit customers. Except as noted below and in [Section 2.4.5, Nonprofit Cooperatives and CSAs](#), all EBT orders must be in the customers’ hands (or a refund provided) within seven calendar days.

2.4.2.1.1 Customer-Selected Options

When the retailer requests the customer to specify a delivery or shipping address, they usually collect up to two address lines, city, State and ZIP. The Address Line 1 and the ZIP code entered by the customer (or selected from their stored addresses) must be included in the transaction message submitted to Acculynk.

If the merchant allows every customer the ability to designate the date and time for local delivery/pickup, their EBT customers will

be allowed to select a date, for their own convenience, that is more than seven calendar days after payment.

Applicants should describe policies and maximum timeframes for customer-scheduled orders. FNS reserves the right to set a shorter maximum timeframe for EBT customers if we consider that excessive.

FNS plans to examine the reasonableness of the seven day timeframe during the formal pilot evaluation and is interested in gathering data on these sales to determine the range of delivery timeframes requested by EBT customers.

2.4.2.1.2 Retailer-Designated Options

If the retailer requires all customers to come to one specific site to pick up their orders, the address and ZIP code of that site will be the EBT delivery address for all EBT transactions submitted to Acculynk. If the customer chooses from a menu or list of store locations or other distribution points, or the merchant assigns a location from such a list, the address and ZIP code for that pickup location must be included in the transaction message.

In addition, FNS will require the retailer to provide a record of the full pickup site address to the customer (See [Section 2.4.3 Customer Receipt and Notification](#)). Therefore, the location menu must be associated with a system table that also includes the complete street address and ZIP code of each location.

If the retailer has limited delivery or pickup in certain areas or locations (e.g., only once per month) they may not accept payment by EBT for those deliveries until seven days before actual delivery. The requirements for nonprofit food buying cooperatives and CSAs (see [Section 2.4.5](#)) include a more detailed explanation of how limited distribution schedules must be handled.

2.4.2.1.3 Split Orders

Some online merchants, especially those that use commercial shipping, and/or have multiple warehouses, support split orders. Many also allow the customer to designate that different items from a single order be delivered to different addresses. FNS will not prohibit the use of split orders for the online pilot as long as

the entire order is shipped early enough to meet the required seven-day timeframe.

However, because FNS requires that every transaction be associated with a delivery location, the entire SNAP order must be delivered/shipped to the same address. Therefore, the retailer must prohibit EBT customers from selecting multiple addresses for a single order. One alternative would be to require the customer to submit the split order as separate SNAP transactions that include different addresses. PIN-entry would be required for each transaction.

2.4.2.2 Definition of Eligible SNAP Foods

Federal regulations stipulate that SNAP benefits may only be exchanged for eligible foods. Therefore, it is essential that the checkout process mirror, as closely as possible, that used by in-lane integrated supermarket systems. SNAP benefits may only be used to pay for the following:

- Foods for the household to eat, such as:
 - breads and cereals
 - fruits and vegetables
 - meats, fish and poultry
 - dairy products, and
 - other accessory foods such as coffee; tea; cocoa; soda; non-carbonated beverages such as sports drinks, punches, and flavored waters; candy; condiments and spices
- Seeds and plants which produce food for the household to eat
- State-mandated container deposits for eligible products (because the products cannot be sold without the containers); any deposit amount beyond that required by the State, such as a manufacturer or retailer-imposed bottle deposit, may not be paid with SNAP benefits

Households cannot use SNAP benefits to pay for:

- Alcohol or tobacco products
- Any nonfood items, such as:
 - pet foods
 - soaps, paper products, and household supplies
 - vitamins and medicines

- any product sold with a “Supplement Facts” label instead of a “Nutrition Facts” label
- Food that will be eaten in the store
- Hot foods
- Live animals
- Fees for bags (or other delivery/pickup/shipping containers) whether or not imposed by State or local law
- Fees of any kind, regardless of when they are charged, including those for:
 - shipping and/or handling
 - delivery
 - processing
 - membership
 - registration

Although the law also allows SNAP benefits to be used by certain Alaskan natives to purchase hunting and fishing equipment, these products will not be allowable for the Online Purchasing Pilot.

For more information about determining SNAP-eligible foods go to: [SNAP Eligible Food Items](#)

2.4.2.3 Eligible Product Identification

If the applicant only sells eligible products as described above, product identification will not be an issue. However, the vast majority of online food retailers also carry products that are not SNAP-eligible. Because there is no human intervention to perform visual identification of eligible foods in an online purchase, it is essential that the website’s product database be able to differentiate eligible and ineligible products automatically. The response to the RFV must describe how SNAP-eligibility of products will be determined, and whether this capability already exists or requires further development.

2.4.2.4 Ability to Accept Split Tender

Since many SNAP customers will need to use a separate payment method for part of the transaction (e.g., for ineligible items or fees), most sites will need to accommodate split tender. It is also essential that SNAP customers be allowed to choose the amount of SNAP benefits that they will use for each purchase, and pay for some or all

SNAP-eligible products with a different method. Acceptable forms of payment could include the cash EBT account, commercial debit/credit, gift cards, or other forms of payment accepted by the website. Other options acceptable to FNS would be:

1. Requiring that each order be limited to a single tender type
2. Waiving all fees for SNAP customers (but see [Section 2.4.4, Equal Treatment](#))
3. Allowing the customer to pay cash for necessary fees at the time of delivery or pickup

Applicants must address the various methods that they will consider for payment of ineligible items and fees.

2.4.2.5 Selection of EBT Payment Method

Most in-lane POS terminals have the following payment options from which the customer chooses before or after swiping the card: Credit, Debit, and EBT. In many cases, customers select “EBT” to use their SNAP benefits and “Debit” or “Credit” to use their cash EBT accounts. In other stores the customer selects “EBT” for both and the POS then prompts them to choose “SNAP” or “Cash”. Either method is acceptable, or alternatively the website could list both SNAP EBT and Cash EBT as initial options. The retailer may also opt to display the Quest logo as a visual identifier.

The Quest Logo seen below is recognized by most EBT customers as the universal indicator of EBT acceptance, similar to a Discover, MasterCard or VISA logo.



The screen for card number entry must be able to accept between 16 and 19 digits. This varies by State and the merchant may want to validate the correct length after entry.

For a list of BIN numbers and card number lengths for each State, see [Appendix A - State Specific Information](#).

In addition, please note that EBT cards do not have expiration dates⁸ or CVVs, so most SNAP customers will be confused about how to respond if prompted for these values. Therefore, FNS recommends that the card number entry screen of EBT cards not request these values. Since expiration date is a required data element for track 2 of the magnetic stripe, most EBT cards use a default value of 4912 (December 2049). It is recommended that the website automatically pass this default value on in the transaction message forwarded to Acculynk for all EBT cards.

2.4.2.6 Customer Fees

The Farm Bill requires the Internet Retailer to ensure that SNAP benefits are not used to pay for delivery/pickup/shipping, ordering, convenience, handling or other fees or charges. It also requires clear notification to participating SNAP households at the time a food order is placed of any delivery, ordering, convenience, or other fee or charge associated with the food purchase and that any such fee cannot be paid with SNAP benefits. If the retailer charges such fees, this notice must display as soon as the customer selects SNAP EBT as the payment method. The customer must also be given the opportunity to terminate the purchase or select a different form of tender before the sale is finalized.

SNAP benefits also may not be used to cover any manufacturer or retailer-imposed food/beverage container deposit (they may only be used for the reimbursable amount and container product types specified by State law – see [Section 2.2.1](#) for allowable States). Nor can SNAP be used for fees for bags, or other delivery/pickup/shipping containers (regardless of State or local law).

2.4.2.7 Calculation of SNAP Payment

If SNAP EBT is selected for payment type, the site must limit the total transaction to the subtotal of all SNAP-eligible items. The value requested for authorization may not exceed that subtotal. However, the SNAP customer must be given the chance to enter a lower value if they wish, since the funds remaining in the SNAP account may not be

⁸ Florida recently changed their card to include a true expiration date; however, they are not one of the States currently available for the Online Purchasing Pilot.

sufficient to cover the full amount calculated or the customer may wish to budget funds so that SNAP is not used too quickly.

This may be accomplished by allowing the customer to enter a specific lower value, or they can be prompted to delete or move one or more line items from their SNAP total, thereby reducing the total to the desired level. The retailer applicant may also propose an alternative to these solutions. See the last two paragraphs of [Section 2.4.4.1, Sales Taxes](#) for further information on how the sales tax calculation process may affect this decision.

2.4.2.8 Authorization of SNAP Purchase Transaction

When the SNAP amount has been determined and the website is ready to request authorization for the purchase, the transaction must be passed to Acculynk for PIN-entry using their message specifications. The approval or denial response will come back to the website from Acculynk. If approved, the website would automatically require the customer to designate another payment method for the balance of the total sale including fees, if applicable.

If the customer is unable to find a payment method with sufficient funds to cover the balance, and the website needs to cancel the original SNAP transaction, it would submit a forced reversal of the SNAP transaction through Acculynk.

2.4.2.9 Calculation and Authorization of Cash EBT

Cash EBT transactions are not restricted. Cash benefits linked to the EBT card may be used for fees and virtually any SNAP-eligible or SNAP-ineligible product available on the website. These must also be passed to Acculynk for PIN-entry using their message specification. The response and reversal procedures are similar to SNAP.

2.4.2.10 Denial Responses

If the transaction is denied, Acculynk will provide a reason code. The website must immediately provide the EBT customer with an onscreen explanation of the denial reason in order to enable correction. If the denial is based on insufficient funds, the retailer must also display the remaining SNAP and cash EBT account balances that Acculynk returns with the denial message.

In the brick and mortar environment, many electronic cash register systems then automatically display the appropriate remaining balance on the POS terminal and ask the customer if they wish to do a new transaction for that amount instead. The new submission requires reentry of the PIN but usually does not require a new card swipe. Applicant retailers may wish to mirror this process or offer the customer the opportunity to delete one or more line items from their order or “move” them to the subtotal for a different payment type.

2.4.3 Customer Receipt and Notification

Federal regulations prohibit the onscreen display of balance information except for balance-only inquiry terminals. They also require a printed paper receipt to be provided at the time of the SNAP transaction. At a minimum this information must include the date, merchant's name and location, transaction type (e.g., purchase or refund), transaction amount, and remaining balance for the SNAP account. It must also identify the SNAP customer's account number (the PAN) using only a truncated number (last four digits) or a coded transaction number. According to regulation, the household's name shall not appear on the receipt except when a signature is required on a manual transaction voucher. States also require that the remaining balance of the cash account be printed on all receipts.

The retailer's and customer's information needs are very different for online transactions than they are for in-store shopping. Receipts are generally displayed on the screen or sent in an email or text message, which the site cannot force the customer to print. These are not as easily lost as paper receipts, so the danger of including the cardholder's name is outweighed by necessity. The delivery/pickup/shipping address and time are also critical. Also, in lieu of, or in addition to, the website's physical location, the notice needs to display other website contact information such as a telephone number and/or email address. Finally, we understand that companies that make home deliveries may also need to obtain confirmation of receipt by obtaining a signature.

Therefore, FNS will provide a waiver to all pilot participants, allowing screen display of balance information, electronic receipts in place of paper, inclusion of the customer name and, if necessary, collection of a delivery confirmation signature. Websites must display, at a minimum, the following information on the screen after each online transaction is approved:

- Company Name
- Contact Information (physical address optional if not currently provided for other customers)
- Date of transaction
- Time of transaction if included for other customers
- Transaction Type
- Truncated Account Number
- Transaction Amount
- Remaining SNAP Balance
- Remaining Cash Balance
- For purchases only:
 - Delivery/pickup/shipping address
 - Actual or estimated delivery/pickup/shipping date
 - Actual or estimated delivery/pickup time if appropriate
 - Itemized fees for delivery/pickup/shipping, ordering, convenience, handling or other fees or charges
 - Itemized fees for bags or other delivery/pickup/shipping containers

Furthermore, for all purchase and refund approvals, whether conducted online or offline, the customer must be issued an electronic notification (e.g., email) including all of the above information within 24 hours of transaction completion or the system must securely retain the customer's order history online so that they (and no one else) can easily retrieve the above information. In lieu of an electronic receipt for refunds provided at the completion of order fulfillment (e.g., for weight overestimates or out of stock items), the retailer may provide a paper receipt for the refund along with the order. This may be combined with the final itemized order listing or on a separate paper receipt. This waiver and all of its related conditions are discussed more thoroughly in [Section 2.5.3, Waivers and Conditions, Printed Receipt](#).

2.4.4 Equal Treatment

Federal regulations at 274.7(f) and 278.2(b) stipulate that SNAP benefits shall be accepted for eligible foods at the same prices and on the same terms and conditions applicable to cash purchases of the same foods at the same store, except that tax shall not be charged on eligible foods purchased with SNAP benefits. In addition, retailers shall not establish special checkout lanes which are only for SNAP households.

This means that SNAP customers must be treated according to the same policies established for all other customers, especially in the area of privacy,

use of customer data, item returns and refunds, non-delivery, remedies for spoilage and other customer complaints. However, FNS is very interested in these policies and the level of service provided to all customers. Therefore, all applicants must provide copies of or links to these policies. FNS will consider this information when evaluating and selecting the pilot participants.

SNAP customers are subject to all of the same fees as other customers; they just cannot use their SNAP benefits to pay these fees. Not only must SNAP clients be given no less than the rights and levels of service given to other customers, they may not be given any special privileges or offers that are not available to other customers.

The only exceptions to the equal treatment rule are described below. If the applicant proposes any other differences in treatment between SNAP customers and those using other forms of payment, FNS will require an equal treatment waiver as described in [Section 2.5.7, Waivers and Conditions, Equal Treatment](#).

2.4.4.1 Sales Taxes

State sales tax is specifically exempted by law for all products purchased with SNAP benefits. In general, Internet sites are governed by the laws in which the corporate office is located and by those in which any of their retail stores or distribution warehouses are located. They usually are only required to collect sales taxes for products purchased by residents of those governing States or for products delivered to addresses in those States.

It will be necessary for each website to review their own sales tax liabilities and make appropriate programming changes to the tax calculation processes on their website.

Many States have no sales tax on any food items. Some charge sales tax only for certain types of goods such as soft drinks and snack foods. Others charge sales tax on all food products. If the selected participant is required to charge sales tax on any SNAP-eligible items, the system must be reprogrammed to exclude sales tax for all foods purchased with SNAP benefits. Any part of the sale paid by another tender, including cash EBT, is subject to sales tax in accordance with applicable State law. This is true even if some those items are SNAP-eligible.

For instance, if all food is taxable, and the cart contains \$100 worth of SNAP-eligible food, but the customer only has \$60 left in their SNAP account, the \$60 portion covered by SNAP is not taxable, but the \$40 portion covered by cash EBT or a commercial debit card is taxable.

If this occurred in a State where only some food is taxable, then the taxable items would be the first ones covered by the SNAP benefit. Only if the total of all taxable food exceeds the SNAP payment should tax be charged. In the above example, if \$20 of the SNAP-eligible items were taxable, those items would be covered by the \$60 SNAP payment and no tax would be charged for food. However, if \$70 of the SNAP-eligible items were taxable, tax would be chargeable for the \$10 that exceeded the SNAP payment.

New Jersey is an exception to the above generalities. According to their tax regulations, if a customer uses SNAP to purchase any items in the basket, then all SNAP-eligible items are non-taxable.

If a site is responsible for collecting sales tax from multiple States, the programming process for calculating the tax amount for each State must be examined to ensure that it is modified in accordance with the above requirements.

Retail chains that are already authorized to accept SNAP at brick and mortar locations may wish to consider porting the code that calculates sales tax from their electronic cash register systems to their website.

Many websites that are required to charge sales tax in multiple States or in States where county or local government also charge taxes at various rates, opt to use a tax calculation service provider such as ADP, Inc.'s Taxware. These services usually do the calculation by comparing each line item in the basket to the tax requirements for the designated location, and they cannot calculate tax for a partial item if the customer does not have sufficient SNAP funds to cover the entire item and wishes to split the cost between SNAP and another tender. This will have an impact on how the applicant addresses the requirements of [Section 2.4.2.7, Calculation of SNAP Payment](#).

Websites that use a tax calculation service may opt to reprogram their site to exclude non-taxable SNAP-eligible items, as described above, from the list of items sent to the calculation service for processing.

2.4.4.2 Manufacturer's Coupons

Websites that accept manufacturer's coupons may need to pay special attention to how sales tax is charged for items purchased with such coupons. Because the EBT system is capable of applying credit to a recipients account, all transactions involving cents-off or cash-back must be credited to the SNAP EBT account or netted out of the sale before debiting the SNAP account.

When a manufacturer's coupon is used, sales tax, if applicable, usually applies to the coupon amount and must be paid by the customer, including SNAP customers. This may appear to be punitive to a SNAP customer as sales tax is waived on eligible food items purchased with SNAP benefits. However, cents-off coupons are a form of payment separate from SNAP benefits and are governed by State law (i.e. these are not under the purview of FNS).

Using manufacturers' coupons is completely voluntary and families that choose to use them are able to stretch their SNAP benefits considerably. For example, if a SNAP recipient redeems a dollar-off coupon and pays five cents in sales tax the recipient ultimately has an extra dollar in SNAP benefits to use to purchase additional eligible food items.

Crediting the SNAP benefit account also improves Program integrity by eliminating a potential avenue for fraud, and eliminates the perception that recipients can exchange or get cash in return for SNAP benefits.

2.4.4.3 Website Design

Although Internet Retailers may not charge EBT customers different prices for products, they may identify SNAP-eligible items as such on the website, and may create pages that list only SNAP-eligible items for customer convenience.

2.4.5 Nonprofit Cooperatives and CSAs

Most nonprofit food buying cooperatives (co-ops) depend on the services of members or volunteers to collect orders and distribute the purchased foods to customers at reduced prices. Because of the financial savings that can be gained by SNAP clients through this purchasing model, nonprofit co-ops are allowed by law to collect funds for payment in advance. Co-ops must make

the food available within 14 days from the date they receive the SNAP benefits.

In addition, the 2014 Farm Bill added CSA as a business model authorized to accept advance payment and FNS has established a 14 day time limit for them as well.

FNS will not extend this time limit for online sales made through any co-op or CSA websites. As a result, there are special website design requirements for these business models.

Retailers that distribute orders at multiple pickup sites must have a system table containing the address of each site, as described in [Section 2.4.2.1.2](#). In addition, the website must be set up so that SNAP clients are not allowed to pay more than 14 days in advance of the scheduled delivery for the specified distribution location. Thus, if a customer attempts to use SNAP benefits for a purchase prior to that timeframe, the system must advise the customer that it is too early to accept payment, and identify the earliest date that they can use SNAP benefits for the purchase

If the co-op/CSA has a single delivery date for every distribution site, this can be greatly simplified by blocking all SNAP transactions attempted more than 14 days prior to delivery. In this case, the site can contain a general announcement of the next date when SNAP purchases will be accepted.

However, if there are different dates for different sites, FNS recommends that this information also be incorporated into the system table so that the specific date for that location can be calculated and displayed.

If desired, the website may allow the SNAP customer to select the items they wish to purchase in advance and store them until they are allowed to return and complete the sale.

2.4.6 Security and Privacy

It is imperative to ensure that every Internet Retailer that FNS authorizes to redeem SNAP benefits is secure, has adequate measures to prevent fraud, is compliant with credit/debit card industry security standards and protects their customers' privacy.

2.4.6.1 PCI Certification

Our preeminent requirement is that the Internet Retailer's website be compliant with the PCI Data Security Standard. Before a merchant can

be authorized to accept MasterCard or VISA, they must be certified as PCI-compliant by their acquiring institution. This certification is performed annually and covers a wide spectrum of security and privacy issues. FNS requires that every website authorized for SNAP be PCI-certified and maintain that certification for the life of the pilot. To be approved for this pilot, applicants must currently accept, at a minimum, Discover, MasterCard, and/or VISA. Acculynk will verify that the certification is valid and up to date.

PCI addresses the secure encryption and handling of sensitive data, such as card numbers and PINs while “at rest”, i.e., being temporarily or permanently stored. Compliance is not determined based on specific mandatory requirements. The actual methods and protocols employed by any given organization to achieve compliance will vary and must be continually upgraded and improved. However, there are many recognized industry “best practices”, which used in combination safeguard sensitive data and customer privacy.

Applicants must identify the best practices that they currently employ to achieve PCI compliance. These may include:

- Tokenization
- Device fingerprinting – comparison of current hardware/software characteristics to user’s previous usage such as physical device, browser version, IP address, app vs. browser, etc.
- Use of secure sockets layer (SSL) technology or other strong firewall configuration
- Minimum browser standards – version, 128-bit encryption, etc.
- Required use of logon IDs and passwords for internal and external access to website
- Strong policies for ID/password format/content and handling of forgotten IDs/passwords
- Established user roles restricting update/view of PII and card data based on business need to know
- Use of sitekeys or other customer/site authentication
- Use of commercial security/encryption products for both data in transit and at rest
- Trust seal certification
- Stringent information security policies for all company and contractor personnel
- Regular use and update of anti-virus software or programs

- Restricted physical access to personal data stored on the system

2.4.6.2 Use of Cookies

Some websites use “cookies” to store data related to access and use of the site on the customer’s personal computer, smartphone or tablet. FNS is very concerned about the use of cookies by FNS-authorized Internet Retailers. Many SNAP customers rely on public computers at places like libraries or schools for Internet access. To ensure optimum security for online EBT transactions, FNS would prefer that cookies not be used at all. However, if they are required for your system, it is essential that no PII data be recorded by the retailer on any user access devices.

Applicants must identify whether they use cookies, and if so, whether they:

- Retain PII data
- Can be easily deleted or avoided

2.4.6.3 Security Practices and Policies

FNS will require a copy of or link to the website’s security practices and policies. We expect that this would explain to the customer, in easily understood language, the precautions that the website has taken to secure customer data and the site’s liability should there be a breach that results in customer loss. It may also provide best practices and tips for the customer to follow in such areas as password selection and phishing.

FNS further expects all pilot participants to accept responsibility for any monetary loss or other damage to EBT customers that results from employee or subcontractor fraud, or external hacking resulting from failure to adequately secure the website and databases under the control of the retailer or any subcontractor. FNS requires applicants to agree that, if selected, they will replace all SNAP benefits that are stolen as a result of such breaches.

As noted in [Section 2.4.4, Equal Treatment](#), SNAP customers must be treated the same as those using other forms of payment. However, FNS has discretion in selection of participating retailers for a pilot project and wishes to ensure that we select sites that have published policies that are relatively easy for customers to find and afford a

reasonable level of protection against a breach and, should one occur, its aftermath. Therefore, a website that has no published security policies available to customers or has what we consider inadequate policies in relation to other applicants will not be selected.

2.4.6.4 Privacy Practices and Policies

It is common practice among many businesses and non-profit organizations to sell or share subscription and other data to outside parties. Web sites collect a substantial amount of data about demographics and purchasing behavior. Due to legislative privacy requirements it is necessary for FNS to ensure that personal information such as name, address, or email address collected by SNAP Internet Retailers is not compromised, sold, rented, or given away free to any third party without authorization. Websites that do share data at the individual level (e.g., with a supplier so they can send discount offers directly to a SNAP client's email address) must obtain explicit consent from EBT customers to release such information. In other words the EBT customer must "opt in" to allow such sharing and not have to "opt out" to prevent the sharing.

The only valid exceptions are for services directly related to the sale, such as third parties performing functions like delivering or shipping the groceries, processing EBT card payments, analyzing aggregate data, and providing customer service. These agents may not use the PII data for other purposes.

Sensitive data such as credit card information may never be sold, rented or given away free to third parties under any circumstances. All applicants must agree in writing, that the website will not share any private data with third parties for any current or future application or venture without the explicit consent of the EBT customer.

Internal use of personal information for marketing purposes does not require explicit customer approval, but the customer must have the opportunity to unsubscribe or opt out of receipt of such materials in the future.

FNS expects that each applicant website will have published privacy policies with a clearly identified, easy to find link from the home page. This must meet the above requirements and describe any exceptions for data use or sharing (which might include such reasons as fraud protection and credit risk reduction, purchase of the company and its

assets, or compliance with law, e.g., by subpoena). The policy should describe exactly how the website itself will or will not use information about individual customers, and with whom the data is and is not shared. Applicants must provide a copy of or link to the website's privacy practices and policies for FNS review.

The content and clarity of current policies will be considered during the participant selection process. If the applicant is accepted as a participant, FNS may require revisions of the policy to conform to these requirements.

2.5 Waivers and Conditions

This section describes all of the waivers that will be given to Internet Retailers to facilitate their ability to participate in the Program. These waivers will remain in effect for the duration of the retailer's participation in the pilot.

Each waiver details what must be done in place of the regulatory requirement and comes with a set of conditions that must be met to maintain the waiver. Each selected pilot participant must agree, in writing, that they will abide by those requirements and conditions. This is a prerequisite for pilot participation and authorization as an Internet Retailer. FNS reserves the right make necessary reasonable modifications to the conditions identified below before finalizing the written agreement.

Failure to comply with the conditions is grounds to rescind the waiver. If problems come to the attention of FNS, we will provide written notice and give the participant ten business days to reestablish compliance. If not corrected within that timeframe, FNS may rescind the waiver. If that happens, the Internet Retailer is no longer eligible to accept SNAP EBT and FNS will issue a notice of involuntary withdrawal. After that, no more SNAP transactions will be accepted from the website. FNS will provide a consolidated waiver packet to each Internet Retailer selected for this pilot, addressing the seven waivers listed below. Retailers will be required to attest in writing to their understanding of the waivers and conditions, as well as all penalties.

2.5.1 PINless Refund

Section 274.8(a)(2) of the regulations requires verification of a PIN for all transactions except manual vouchers. Because the customer will usually not be available to enter a PIN when a refund must be processed, it is necessary for Internet Retailers to perform refunds without PINs. This conforms to Acculynk's process for handling refunds.

Every website will receive a waiver from the PIN requirement for refund transactions.

2.5.1.1 Conditions

- The waiver will require that all PINless refund transactions go through Acculynk
- The website must maintain a secure, controlled method for a limited number of employees authorized to enter PINless refunds
- The website may never deduct the cost of shipping from the refund amount; the full value of the food item returned must be credited back to the customer's SNAP account and any shipping charges must be paid through an alternative payment method
- Refunds for returned items or other customer-initiated events must be processed within two company business days
- Electronic notice must be provided or online history updated in conformance with [Section 2.4.3, Customer Receipt and Notification](#) within 24 hours of refund completion
- If FNS receives complaints about refunds taking excessive time, the website may be put on notice that they must provide periodic reports about refund timeliness for SNAP customers
- If problems with timely refunds continue the waiver will be rescinded and pilot participation terminated

2.5.2 PIN-Entry Method

Section 274.8(b) of the regulations requires that PINs be entered only through ANSI-compliant POS devices. Sections 274.8(b)(3)(ii)(C) and 274.8(b)(6)(iii) provide that PINs must be encrypted, at a minimum, from the point of entry.

Personal computers, smartphones and tablets commonly used for online access do not meet the ANSI requirements for PIN-entry devices or allow encryption from the point of entry. Acculynk's PaySecure™ is the only FNS-approved PIN-entry product for the Online Purchasing Pilot.

However, it does not strictly comply with regulations because it uses a special process to collect the PIN from a secure overlay screen. Therefore, every website selected for the pilot will receive a waiver from these sections of the regulations.

2.5.2.1 Conditions

- The website must contract with Acculynk for secure PIN-entry services and carry out their responsibilities for that contract
- The waiver will require that all PINned transactions go through Acculynk's PaySecure™
- The website must conform to all Acculynk PIN-entry requirements and standards
- The website must continue to maintain its PCI certification and accept industry payment cards such as Discover, MasterCard, and/or VISA
- The site must continue to maintain a secure system that ensures the security and privacy of EBT customer data

2.5.3 Printed Receipt

Section 274.8(b)(6)(i) of the regulations prohibits the onscreen display of SNAP account balance information. Section 274.8(b)(7) requires that households must be provided printed receipts at the time of transaction, with date, merchant's name and location, truncated card number, transaction type, transaction amount and remaining balance for the SNAP account. The household's name shall not appear on the receipt and no signature may be required except for manual vouchers.

Internet sales do not generate printed receipts. Sites can, however, provide the following after the authorization is complete:

- A confirmation invoice screen showing company name, order number, transaction date, delivery/pickup/shipping address, actual or estimated delivery date/time, data on individual items purchased, subtotal, tax, shipping/delivery fee amount, final total, payment method and last 4 digits of the card number used. They do not normally display the website's physical location. Instead they provide a phone number and/or email address for customer questions. Also, customer name is usually displayed as part of the billing or shipping address.
- A subsequent email to the customer containing all of the information above. Some sites provide follow-up emails when the order is shipped or available for delivery. An email address is required for almost all Internet commerce.
- A printed invoice, included with the order, which details the actual items, unit pricing, subtotal, tax, shipping/delivery fee amount, and final

total. Some home delivery and pickup sites require the customer to sign for delivery confirmation.

There is no set pattern on how refunds are documented in the online environment, but web retailers have the capability to provide the customer with an email or text message containing information similar to that listed in the above bullets. Some sites provide secure online order history in addition to, or in place of, electronic messages.

Every website will receive a waiver from the requirements to provide printed receipts and display the store location (if not displayed for other payment type customers). The waiver will also allow the website to display account balances and the customer name, both onscreen and in electronic receipts, and to collect a signature to confirm delivery or customer pickup.

2.5.3.1 Conditions

The waiver will require that:

- For all denials, the website must provide an immediate screen display describing the reason the transaction was denied (e.g., invalid card number, invalid PIN, insufficient funds, etc.), and the customer shall be offered the opportunity to perform the transaction again, select a different payment method, or opt out of the sale
- In instances where the denial is for insufficient funds, the website must also display the remaining balances for SNAP and cash.

The site may opt to:

- Use the remaining balance data that comes back in the denial message to pre-fill the amount entered for the new transaction attempt, as long as the customer is allowed to enter a lower value
- Require the customer to delete individual SNAP basket line items or move them to a non-SNAP basket for payment with another tender, until a subtotal less than or equal to the remaining SNAP balance is achieved
- For all approved purchases, the site must provide both an immediate confirmation screen that the client can print or save if desired, and within 24 hours a subsequent email or text acknowledgement. Both must include, at a minimum, transaction date and time, merchant name, merchant phone number or other appropriate contact information, delivery/pickup/shipping

address, actual or estimated delivery/pickup/shipping date (and time if known), transaction Program (SNAP or cash EBT), total amount debited from SNAP and/or cash EBT account for the purchase, remaining balances for SNAP and cash EBT, and the truncated PAN. The site may also include the customer and/or delivery/shipping address names.

- In lieu of, or in addition to, a subsequent email or text message for purchases, the retailer may maintain a secure online customer order history that they (and no one else) can easily retrieve.
- All refunds require issuance of an email or text message to the customer within 24 hours, containing, at a minimum, transaction date and time, merchant name, merchant phone number or other appropriate contact information, transaction Program (SNAP or cash EBT), total amount credited to the SNAP and/or cash account for the refund, remaining balances for SNAP and cash, and the truncated PAN.
- In lieu of an electronic receipt for refunds provided at the completion of order fulfillment (e.g., for weight overestimates or out of stock items), the retailer may provide a paper refund receipt containing the above information with the order. This may be combined with the final itemized order listing or on a separate paper receipt.
- If site policy calls for return shipping, or original shipping costs if they were waived, to be debited from a refund amount, it may not be debited from SNAP benefits. The full value of any returned item purchased with SNAP must be refunded back to the customer's SNAP account. Sites must cover return shipment costs themselves, or ask the customer to pay those costs with an alternate form of tender. On the other hand, purchases made from the cash EBT account may have shipping or other processing fees deducted, if such fees are assessed to customers using other payment methods.
- The merchant address fields included in the transaction message submitted to Acculynk must be coded in the same manner as credit/commercial debit transactions (usually done by including a customer service number in the "city" field), so that this information can be appropriately displayed by the EBT system for customer use. FNS also requires a ZIP code as part of the merchant address.

2.5.4 Product Display

Section 278.1(b)(1)(i) of the regulations describes the depth of stock requirements that retailers must meet to be eligible to accept SNAP redemptions. These are addressed more fully above in [2.3.1.2, SNAP Retailer Eligibility](#). FNS will not waive these basic requirements for Internet Retailers. However, there is one clause at 278.1(b)(1)(i) (A) that requires the food products which substantiate eligibility to be offered for sale and normally displayed in a public area on a continuous basis. The intent is that ample numbers of physical, qualifying items be stocked on the store's shelves at all times. Display of the actual physical items is not possible in the virtual environment of online commerce.

Therefore, every website will receive a waiver from the requirements to have physical products on display.

2.5.4.1 Conditions

- The website must still meet the basic Criterion A or B requirements addressed in [Section 2.3.1.2](#)
- The food products that substantiate eligibility must be displayed on the website in sufficient numbers and available stock keeping levels to meet the ample quantity, variety and perishable requirements on a continuous basis
- The retailer's distribution facility (e.g., warehouse or brick and mortar store where the order is filled) must also meet the ample quantity, variety, and perishable requirements on a continuous basis

2.5.5 Prepayment

Section 278.2(e) of the regulations currently stipulates that food retailers may not accept SNAP benefits before delivering the food. The only exception is for nonprofit food buying cooperatives, which may accept benefits up to 14 days prior to food delivery.

However, the 2014 Farm Bill authorizes CSAs to be treated in the same manner as nonprofit co-ops. It also allows Internet Retailers to accept SNAP benefits prior to the delivery of food and gives FNS the authority to establish a reasonable timeframe for advance payment. After consulting with industry experts, FNS has determined that for this pilot project a reasonable timeframe is seven calendar days. Therefore, except as noted below, all online orders must be in the customer's hands within that timeframe.

- For websites that allow the customer to select their desired date and time for delivery or pickup, EBT customers may be allowed select a date that goes beyond seven days (see [Section 2.4.2.1.1, Customer Selected Options](#))
- Non-profit food buying cooperatives and CSAs are already allowed to accept payment up to 14 days in advance (see [Section 2.4.5, Nonprofit Cooperatives and CSAs](#) for additional information; their customers may not select a date that goes beyond 14 days.

2.5.5.1 Conditions

- Prior to submitting the transaction for authorization, the site must clearly explain the seven-day policy
- If the merchant allows EBT customers to designate the date and time for local delivery/pickup, those customers will be allowed to select a date, for their own convenience, that is more than seven days after payment
- Websites that do not allow the customer to select their own delivery/pickup time must provide the estimated receipt date, and allow the client to opt out before the sale is finalized
- The retailer must prohibit the use of EBT cards for standing orders
- If the retailer allows split orders, all portions of the order must be received by the customer within the mandatory timeframe
- The retailer must prohibit the use of multiple delivery addresses for a single EBT transaction
- If by the fifth day after the transaction it is clear that the seven-day limit will be exceeded, the site must notify the client by email or phone of the expected new receipt date and offer the opportunity for an immediate, full refund instead
- Refunds that result from overestimated weighed products, substitutions, or out of stock items must be made to the client immediately after fulfillment of the order
- The site must maintain statistics that document how long it normally takes between the time that the sale is finalized and the time that the customer receives the food order
- If FNS receives frequent complaints about late deliveries the website may be put on notice that they must provide periodic reports about delivery timeliness for SNAP customers

- If problems with timely delivery continue the waiver will be rescinded and pilot participation terminated

2.5.6 Card Must Be Present

Policy Memo BRD/EBT 2001-1 requires that the EBT card must always be present when a customer performs a transaction, be it swiped, key-entered, or by manual voucher. In the online environment, the customer key-enters the card number each time, or selects a card number that was key-entered at some previous time and then stored securely online. Because EBT cards do not contain a CVV, it is not possible for the website to determine if customers have the card in hand at the point in time that they enter the card number. Therefore, FNS will provide every Internet Retailer selected for the pilot project with a waiver from the “card must be present” requirement.

2.5.6.1 Conditions

- Transaction messages must always be coded as “card not present” for Internet transactions
- The participant must notify FNS whenever significant changes are made to the site’s policies and practices regarding refunds, customer complaints, privacy and security, and provide a copy of or link to the revised information

2.5.7 Equal Treatment

Federal regulations at 274.7(f) and 278.2(b) require equal treatment for SNAP clients. They may be treated no worse and no better than any other customers (see [Section 2.4.4, Equal Treatment](#) for more information). The above requirements, waivers and conditions address most foreseen differences. The retailer may propose some additional limited preferential treatment for SNAP customers. These will require additional waivers. FNS will tailor these to the circumstances and may attach conditions for approval.

Examples of such preferential treatment include:

- Waiving or reducing fees only for SNAP customers
- Allowing SNAP customers to pay cash on delivery for fees

Chapter 3 – Pilot Application, Selection and Evaluation

3.1 Issuing Agency

This RFV is being issued by the USDA Food and Nutrition Service.

3.2 Overview

Awardees for this solicitation will receive no Federal or State funds. As a result, this RFV and the responding retailer applications are not subject to normal contracting or grant award requirements. FNS SNAP staff will coordinate the evaluation of applications and will be responsible for the selection of the retailer websites for this pilot.

3.3 Announcement

This RFV has been shared with national and State-level food retailer and Internet merchant associations in order to reach the appropriate audience. It has also been shared directly with organizations that have previously expressed interest to FNS in SNAP online purchasing.

A copy of this RFV may be downloaded from the FNS public website at:
[Online Purchasing Pilot Request for Volunteers](#)

3.4 Points of Contact

All questions and comments about this solicitation must be directed to the individuals listed below. Other contacts within FNS are not authorized to respond to questions. This is so that all parties will receive consistent answers and instructions.

All questions about this RFV should be directed to:

Patrick Kelley
Retailer Policy and Management Division
Supplemental Nutrition Assistance Program
USDA Food and Nutrition Service
3101 Park Center Drive, 4th Floor
Alexandria, VA 22302
Patrick.Kelley@fns.usda.gov
(703) 756-0230

All questions about the Acculynk PaySecure™ service should be directed to:

Collin Flotta

Acculynk
 3225 Cumberland Boulevard, Suite 550
 Atlanta, GA 30339
cflotta@acculynk.com
 (678) 894-7028

3.5 RFV Timetable

The following are significant dates for this solicitation:

Table 3-1 – RFV and Pilot Timeline

Date	Event
September 15, 2016	Release of RFV
October 7, 2016	Letter of Intent (LOI) and Written Questions Due to FNS
Mid-October, 2016	Conference call/Webinar with all Retailer Website Owners Submitting LOI
October 21, 2016	Posting of Q&As
November 7, 2016	Applications Due to FNS
December 31, 2016	Selected Retailer Websites Announced
January 1, 2017 – July 15, 2017	Contracting with Acculynk, Development and Testing
August 15, 2017 – August 31, 2019	Initial Pilots and Subsequent Rollouts
July 1, 2018	Report to Secretary of USDA
October 1, 2018	Decision on Future of Online Purchasing

3.6 Letter of Intent

Retail grocery website owners interested in submitting an application to participate in the SNAP EBT Online Purchasing Pilot are asked to submit a Letter of Intent (LOI) with contact information. FNS also seeks advance information on the State(s) where retailers would like to conduct their pilots. This response should be made to FNS by 5:00 pm Eastern Daylight Savings Time (EDT) on the [LOI Due Date](#) listed in the above RFV Timetable. Submitting an LOI does not obligate a website owner in any way, but will provide useful information to FNS to prepare for the review and selection process. In turn, FNS will invite all LOI respondents to participate in a conference call roundtable discussion with Acculynk and FNS to review obligations and expectations of the RFV as an aid in developing application responses. All respondents will also be on the list to receive a link to any Q&As developed. Non-retailers interested in the RFV process may

also submit contact information, as requested in the LOI, to be included in conference calls and Q&A distribution.

The LOI must be emailed. FNS thanks website owners in advance for their cooperation with this request. The LOI should be submitted to the email address of the FNS contact listed in [Section 3.4, Point of Contact](#).

Please see [Appendix B – Letter of Intent](#) for the required content of the LOI.

3.7 Questions

Applicant websites should submit any RFV clarification questions by email to the FNS contact listed in [Section 3.4, Point of Contact](#). These questions will be compiled with their responses and posted on the FNS website. Questions will not be identified by individual or website affiliation. Answers to clarification questions received in time will be reviewed during the conference call/webinar scheduled with FNS and Acculynk ([Section 3.5, RFV Timetable](#)). FNS will provide interested parties with a link to Q&As whenever they are posted or updated.

3.8 State and Community Partners

It is essential for FNS to obtain early concurrence from State agency partners. FNS will advise States of the interest evidenced by potential applicants in their Letters of Intent, and work to encourage State involvement and buy-in. However, many of them have very legitimate concerns about their State's participation in the Online Purchasing Pilot. Several are in the process of converting to new EBT vendors or have other major systems projects under development that require their complete attention. Others have had significant staff turnover and do not believe they have the manpower or expertise to support a pilot.

However, we hope that a show of retailer interest in online purchasing and the potential broad benefit to clients in their State will have a positive impact. Should the State(s) listed in your Letter of Intent agree to further discussion, FNS will share relevant contact information for the State's EBT Manager. If none of the listed States agree to participate we will advise the affected retailer in order to allow identification of other potential pilot locations.

While not a requirement of the RFV, FNS believes that the success of the Online Purchasing Pilot will be greatly enhanced by the involvement of non-profits, health organizations, local government and other community partners who have an interest in expanding shopping opportunities for SNAP households. Advocates for the elderly and disabled, as well as those promoting healthier food options for inner city and rural clients without easy access to supermarkets would support the availability of online

SNAP retailers. Most would also be willing to assist in marketing and training activities shortly before and during pilot operations.

FNS encourages applicants to seek out such community partners and will give greater consideration during the selection process to those that do so. If you obtain such commitment, please include a statement of support from each partner. A content description for this statement of support is included in [Appendix C](#).

3.9 Proposals

Applicants must carefully follow the instructions provided below. Applications which do not meet the requirements will not be reviewed or considered.

3.9.1 Submission

All applications must be sent to the FNS contact listed in [Section 3.4, Point of Contact](#), and must be received by 5:00 pm EDT of the [Application Due Date](#), listed in [Section 3.5, RFV Timetable](#). All applications must be submitted electronically by email and contain all of the documents described below. Late and/or incomplete applications will not be considered in this pilot. If the website owner's email software does not allow ZIP file attachments as described in [Section 3.9.3, Proposal Format](#) then the applicant should make alternate arrangements with the FNS Point of Contact to submit the electronic portion of the application by mail or hand delivery by the date and time specified above.

Applicants should retain a copy of the proposal and all of its attachments for their own records. They should also retain the original signature pages for the RFV application and the retailer application. If you are selected for participation in the Online Purchasing Pilot, FNS will need the original signatures.

3.9.2 Content

To be considered complete the application must include the following documents:

3.9.2.1 RFV Participation Application Form

FNS has chosen not to require applicants to submit a narrative plan addressing the large volume of technical issues, operational requirements and website design variables addressed in Chapter 2 of the RFV. Instead, we have created a standardized PDF form containing a series of specific yes/no, multiple-choice and fill in the blank questions arranged in a simple, straightforward manner. These address the information we need to understand your business model, website design and ability to make the necessary changes required to support online payment with EBT benefits.

It also includes a section where applicants must assure their understanding of legal and project participation responsibilities and agree to comply with those requirements. Applicants should carefully read each assurance and respond with “Yes” or “No”. They may also select “Qualified Yes”, but must explain the issues they have with the requirement and any conditions they wish to apply to the assurance. Be advised that a “No” response to any of these assurances may be grounds for non-selection as a pilot participant. Should a “Qualified Yes” explanation result in significant deviation from the intent of the assurance, FNS reserves the right to consider it equivalent to a “No” response.

The form requires the applicant to include electronic versions of the following supplemental information in the response:

- Samples or screenshots of current customer notifications for
 - Proof of purchase
 - Refund
- Description of protocols and “best practices” employed by the website to secure data and protect cardholder information

We believe that this format will benefit both applicants and government, by reducing time and effort for Internet Retailers to apply, and simplifying FNS review and selection of pilot participants.

See [Appendix D – Request for Volunteers \(RFV\) Participation Application Form](#) for a facsimile of the application form, as well as instructions to download and complete the Adobe pdf form. All volunteers must use this pdf form to respond to the RFV.

If there is insufficient room to respond to a question so that it displays completely on the form, or more explanation is needed, applicants may include a separate document with the application to expand on their responses. If that is done, the appropriate block of the form should indicate that the response is continued elsewhere, and the separate document should identify the related application page and item numbers for each continuation. These additional explanations should be concise and to the point.

3.9.2.2 FNS-252 SNAP Application for Stores, FNS-252-C FNS Corporate Supplemental Application, or Chain Spreadsheet

More information about these forms can be found in [Section 2.3.1.1, Application for Authorization as a SNAP Retailer](#). Only websites owned by and doing business as a supermarket or other large chain that has at least

ten brick and mortar locations already authorized to accept SNAP, may file the FNS-252-C form. If the chain has access to their chain spreadsheet, which was developed by FNS, they may substitute it for the FNS-252-C, by adding a row at the bottom showing the appropriate information for the website operation. All other applicants must complete, sign and submit the regular FNS-252 form.

When completing any of the above retailer application forms, and identifying the store or site location, please enter the complete address of the primary inventory location for your website, for example a warehouse, depot, farm or store. FNS, at its discretion, may opt to schedule an onsite visit of the location, similar to those done for new brick and mortar applicants. If you plan to fulfill orders at multiple chain store locations, you should list your corporate address or the location of your website data center, instead.

3.9.2.3 Additional Documentation for Retailer Application

Retailer websites that are not eligible to submit form FNS-252-C are required to provide all three forms of documentation listed in [Section 2.3.1.1.2, FNS-252- Supplemental Nutrition Assistance Program Application for Stores](#). This type of documentation is required of all SNAP retailers and there are no exceptions to the requirement. Retailers that are eligible to submit form FNS-252-C have previously provided this documentation and FNS already has copies on file for the corporation. Other SNAP retailers, even those already authorized by FNS, will need to submit these documents as we require the documentation for our records.

FNS reserves the right to request additional documentation if needed to authorize your website as an FNS retailer. Such documentation may include additional business licenses, tax records, purchase and sales records, counting of stock keeping units, or other inventory or accounting recordkeeping.

3.9.2.4 Signatures

The RFV Participation Application Form, the FNS-252 and the FNS-252-C each have a signature page. The appropriate forms must be signed by an owner or company official who is authorized to make the necessary assurances and commitments contained in the documents. Scanned copies of the completed signature pages should be included with the electronic submission of the proposal. The full application forms should be submitted in their original Adobe format, not scanned.

3.9.3 Proposal Format

The proposal must consist of a ZIP file named “**Online Purchasing RFV Response from XXXXXXXXX.ZIP**”, where “XXXXXXXXXX” should be replaced by the name of the company or the store’s website. Each file within the ZIP file must also be clearly labeled to include the company or store’s website name in the file name itself, for example “**FNS-252 from XXXXXXXXX.pdf**” or “**RFV Participation Application Continuation Sheet from XXXXXXXXX.docx**”. Scanned photo IDs, Social Security Cards and/or signature pages should be in an easily read format such as .pdf, .jpg or .tif, and also include the name of the applicant’s website in the file name. Any attachment to the RFV Participation Application Form and/or statements of support from community partners (see [Section 3.8, State and Community Partners](#)) should be in Microsoft Word or .pdf format and use the naming conventions described above. The ZIP file should be submitted as an attachment to the submittal email as described above in [Section 3.9.1, Submission](#), unless the applicant is unable to attach a ZIP file, in which case the applicant should follow the alternative instructions provide by the FNS Point of Contact.

3.9.4 Withdrawal of Proposal

An applicant may withdraw its proposal in writing at any time. This should be submitted to the email address of the FNS contact listed in [Section 3.4, Point of Contact](#).

3.10 Participant Selection

Every application must meet minimum requirements to be considered responsive to the RFV. Those that fail to do so will be designated as non-responsive and eliminated from further evaluation and consideration. FNS will review the remaining responses and evaluate them in accordance with established criteria. As discussed in [Section 1.5, Pilot Description](#), FNS expects to select three to five retailers for pilot participation. Should a selected participant fail to contract with Acculynk or be unable to comply with the operational requirements identified in [Section 2.4](#), FNS reserves the right to select another participant from the remaining pool of respondents to this RFV.

3.10.1 Baseline Requirements

FNS will prescreen each application to confirm that it includes all of the essential attachments, including signatures, listed in [Section 3.9, Proposals](#), and that all questions have been answered in accordance with the application instructions. Proposals that do not pass this initial screening will be considered non-responsive.

FNS will then review the responsive applications to ensure that they comply with the following baseline requirements:

1. The applicant meets all eligibility criteria to become an authorized FNS retailer and is not classified as a meal service
2. Neither the retail organization nor or its owners have any:
 - a. previous or suspected SNAP violations
 - b. State or local licensing violations
 - c. other Federal or State violations of rule or law
3. The applicant has responded “Yes” (or “Qualified Yes” with an explanation acceptable to FNS) to every assurance in Section R of the RFV Participation Application Form
4. The website is PCI certified
5. Either the website never shares PII data outside of the organization or only does so with the customer’s explicit permission
6. There is no evidence that false information has been deliberately submitted

Applications that do not meet these baseline requirements will be eliminated from further review and consideration.

3.10.2 Evaluation Process

The remaining responsive applications will be reviewed by a panel of FNS program and technical representatives. In order to ensure selection of a variety of retailer business models, FNS will group applicants into the following categories:

1. Large national and regional chain stores
2. Internet-only businesses without brick and mortar operations
3. Other business models including:
 - Agricultural producers
 - Delivery routes
 - Non-profit cooperatives
 - Smaller local chains
 - Independent stores

We plan to select at least one website organization from each category. However, if FNS determines that it would best serve the purposes of the Program to select more than one retailer’s website in any category FNS reserves the right to do so. Or, FNS may determine that there are no suitable candidates at all in a given category.

3.10.3 Selection Criteria

FNS will evaluate all applications, regardless of grouping, using the following criteria and corresponding percentage weights. FNS reserves the right to consider certain other conditions in making its final decision on pilot participants. For example, it is essential that at least one State in the selected applicant's implementation and roll-out plan agrees to participate in the pilot.

3.10.3.1 Privacy and Data Security – 30%

Pilot participants must have adequate methods in place to ensure system and data security, as well as customer privacy, in order to prevent compromise of SNAP household privacy, identity theft and other fraud. Applications will be carefully evaluated for strong data security systems and policies and the use of industry-recommended practices.

3.10.3.2 System Changes and Rollout Plan – 30%

Responses will be assessed to determine if applicants are able and willing to make required changes to their website to handle SNAP eligible foods, sales tax and fees; FNS policies regarding refunds, notification and their timeliness; and interfaces with Acculynk for PIN entry and transaction routing. FNS will also review to determine if the system changes and rollout plan will meet the pilot launch date. Applications that include an initial pilot or rollout areas that target specific low-income populations, food deserts or other vulnerable geographic locations will receive greater consideration.

3.10.3.3 Customer Service – 20%

Applicants with a variety of policies that are favorable to customers, including SNAP households, will be more positively rated. Such policies may include, but are not limited to, convenient ordering, shorter delivery windows, customer-specified delivery day/time, easy access to order history, waiver of fees, flexibility in returns, no order minimums and timely attention to customer complaints.

3.10.3.4 Website Business Model – 20%

Applicants with a longer and more established online presence will be considered more favorably than websites with limited time in business and/or lower annual transaction and sales totals. In evaluating this area, FNS will consider fee structure and amounts, variety and pricing of food product inventory, delivery methods, geographic coverage, how and where customer orders are filled, the number of warehouses or other

currently unauthorized inventory points which must be visited and monitored, the nature and volume of third party sales, and the complexity of website design.

3.10.4 Selection Announcement

FNS hopes to advise participants of their selection by the date listed in [Section 3.5, RFV Timetable](#). Non-selected applicants will be notified shortly after confirmation that the participants have signed the necessary waiver agreements, as described in [Section 2.5, Waivers and Conditions](#).

Highly rated applicants who are not initially selected for the pilot may be invited to participate at a later point, especially if implementation issues arise with any of the selected participants. If this happens, it may be necessary for the applicant to submit an updated copy of the FNS-252 form.

Because there is no monetary award involved in this solicitation, there will be no formal protest procedures. However, non-selected applicants may request a conference call with FNS to review the reasons for our decision. Details on how to request such a conference will be made available at the time the applicant is notified of non-selection.

3.11 Project Management

In order to ensure that the selected participant's system correctly incorporates the necessary EBT changes and completes this work timely FNS will require the participant to communicate status regularly and provide certain project management materials, as identified below:

3.11.1 Communication

After selection, FNS will designate a Project Coordinator to be the primary contact for the participant for the Online Purchasing Pilot. FNS expects to schedule regular biweekly conference calls to discuss project status, challenges, progress and results with the following parties, as appropriate:

- Participant website staff
- FNS
- Acculynk
- Applicable EBT processor
- State agency

3.11.2 Project Plan

Within 30 days after selection, FNS expects the participant to submit a written plan outlining milestones and tasks the participant considers essential to

development, design and implementation of EBT online purchasing. At a minimum, the plan should address starting and completion dates for the primary activities discussed below, and sharing of necessary documentation.

The plan should also provide contact information for the retailer's own or contracted staff responsible for primary functions identified below who are critical to the success of the project. The plan and contact information should be updated and shared with FNS if any changes occur.

3.11.3 Joint Application Design

It is essential that the participant have a complete understanding of the system and procedural requirements and identify the modifications that will be required to implement EBT online purchasing. Appropriate staff from the participant, FNS and Acculynk will be critical to this process. Ideally these discussions can be handled through conference calls and/or Webinars, but if the participant believes that a face to face meeting would be more productive, FNS is willing to travel to a location of the participant's choice.

FNS expects the participant to document those modification requirements in writing and to share them with FNS. Sufficient time should be allowed for FNS review and comment prior to initiation of any significant changes. The participant should address these discussions and submission of resulting documentation in their Project Plan.

3.11.4 System Design and Development

In order to ensure that design decisions conform to the operational requirements identified in [Section 2.4](#) of the RFV, the participant should allow sufficient time in the Project Plan for design and development activities. FNS expects the participant to provide design documentation (of screens, notices, process flow, and functionality), and to provide demonstrations of completed modules via webinar. As the scope and complexity of changes will vary from one participant to the next, any additional documentation needs will be mutually determined between FNS and the participant.

During this time period, the participant will also need to complete negotiations with Acculynk and sign a contract. The participant will work directly with the assigned Acculynk project manager to implement the necessary interfaces and message formatting required to submit transactions for PIN-entry, authorization and response.

3.11.5 System Testing

The participant will test interfaces and messaging for purchases and refunds directly with Acculynk. Acculynk will also test its interfaces and messaging with

the EBT processors. FNS also expects to test the modifications that each EBT processor develops for the online purchasing pilot.

Once this testing is completed and the participant has finished development of their internal system and process flow changes, the system will be ready for end to end testing. FNS plans to conduct onsite end-to-end testing for each selected participant. The participant must provide a test platform and access to the test facility to perform this testing. To the extent possible, the testing must mirror the production environment and interfaces, so that test transactions flow from the participant's system through Acculynk to the EBT processor test platform.

FNS will be responsible for developing scenarios and test scripts for the full scope of SNAP and cash EBT transactions. These will address all potential situations for both purchases and refunds, customized to the participant's business model and functionality. FNS will share the scripts and other test requirements in advance for the participant's review and suggestions.

The participant should address internal testing, Acculynk interface testing and end to end testing in the Project Plan's timeline.

3.11.6 Training and Marketing Materials

The participant will be responsible for training of internal staff and new EBT customers as needed, as well as marketing and promotional strategies to ensure that EBT customers are aware of the availability of online purchasing. Such materials must be shared in advance with FNS to ensure that they are clear, complete and reasonable. As noted in [Section 3.8](#), FNS encourages applicants to partner with community organizations to assist in this effort.

3.11.7 Evaluation Preparation and Planning

FNS will require each participant to design and implement an online survey to gather information from PIN debit customers. This will be voluntary to the customer and may be integrated into the checkout and payment stream or set up as a separate process performed after delivery. In addition, FNS and the participant must share project data as described in [Section 3.12, Online Purchasing Pilot Evaluation](#). Prior to implementation, the retailer must work closely with FNS and its evaluation contractor to determine the most effective methods, format, content, timing and procedures for each. Mutually approved versions of the survey tool and data transmission specifications should be completed at least 30 days before implementation.

3.11.8 Implementation and Rollout

Every selected participant must operate their initial pilot for a minimum of one month prior to any expansion to additional areas, either within or outside of the initial State. Expansion beyond State borders will be dependent on the new State and EBT processor's readiness. Each new State implementation will also require a minimum of one month of operation with the first retailer before other retailers may expand to that State. The participant must pilot for a minimum of nine months overall and may continue to do so up until the end of the pilot period.

FNS will require a variety of data and assistance from the retailer before, during and after pilot implementation/rollout in order to satisfy the evaluation component (see [Section 3.12](#)).

The above requirements for submission of documentation and materials to FNS are summarized in Table 3-2.

Table 3-2 – Documentation Requirements

Document	Description
Project Plan/Timeline	Identification of and timelines for tasks and deliverables. Due within 30 days of selection
Requirements Documentation	Description of necessary system and procedural changes required to implement the pilot
Design Documents	Screen and notice content/layout, process flows, functional descriptions
Test Scenarios and Scripts	Comments and recommendations on FNS scripts
Training and Marketing Materials	Materials for internal training, EBT customer marketing and customer instruction/training to be submitted for approval prior to implementation.
Online Customer Survey	Design, content and process description for online survey of PIN debit customers
Data Transmission Specifications	Descriptions, file layouts, procedures and timetables for data sharing
Evaluation Data	Throughout the life of the project and immediately after completion

3.12 Online Purchasing Pilot Evaluation

FNS plans to conduct a study of this pilot project and will obtain the services of an independent evaluation contractor to collect data and perform interviews with the participating website's staff and PIN debit customers as well as representatives from community partners, Acculynk, the EBT processors, affected State agencies and FNS.

3.12.1 Evaluation Contractor Responsibilities

The evaluator will be tasked with three areas of analysis and additional deliverables as identified below. Data collection requirements to support the evaluation may continue through the full two years of the pilot demonstration or FNS may determine that a shorter period will be sufficient for our needs.

3.12.1.1 Online Purchasing Implementation Analysis

The evaluator will collect information to describe project design, operations, and outcomes for each selected participant, and identify specific lessons learned, challenges and recommendations regarding implementation, level of effort, interaction among key players, multiple forms of tender, and ability to meet FNS and Acculynk requirements. This will allow FNS to identify necessary improvements in policies and practices for potential nationwide implementation of online purchasing with SNAP benefits.

3.12.1.2 Online Purchasing Impact Analysis

The selected evaluation contractor will document the impact of the pilot on SNAP participants as far as ease of use, participant access, and customer satisfaction, both overall and as they may vary by household characteristics, among different retailer business models, and between online and in-store purchasing. The evaluation contractor will also be responsible for analyzing data collected through the required retailer-initiated online survey. FNS expects study topics to examine, among other things, delivery fees, tenders used in place of cash, and customer service issues and how they are perceived by EBT clients in comparison to commercial PIN debit customers.

3.12.1.3 Online Purchasing Integrity Analysis

The evaluation contractor will also identify the potential impact of online purchasing on program integrity overall and as it may vary with household and retailer characteristics. FNS expects to collect a variety of data from participating Internet Retailers, EBT processors, Acculynk and SNAP State agencies hosting the pilot projects to perform this analysis. Areas of immediate concern include transaction security, privacy of PII data, and the potential for new methods of fraudulent behaviors in the online environment. FNS is extremely interested in studying the relationships between delivery addresses, other addresses retained in customers' online profiles (e.g., "billing address"), and the address data reported by SNAP clients to the State agencies issuing SNAP benefits.

3.12.1.4 Report to the Secretary

The contractor will use the data collected for the above analyses during the first six months of operation to produce a report to the Secretary with recommendations on future rollout, as required by the Farm Bill. FNS expects that this will give us sufficient evidence to determine whether online SNAP purchasing should be expanded to all States and, if so, the best implementation strategy.

The Farm Bill requires the Secretary to determine that implementation in all States is in the best interest of the Program, before FNS can move forward and formalize interim procedures for ongoing authorization of Internet Retailers. One reason for the decision to pilot for two years is so that there will be ample time to develop the procedures with no interruption in service for the pilot retailers and their EBT customers. Ultimately, requirements for online purchasing and Internet Retailer eligibility will be addressed in regulation.

3.12.1.5 Data Collection Process

The evaluator will propose the actual data collection methods used for the above study areas, but FNS expects these to include, at a minimum:

1. Short online customer surveys conducted by the retailer as described above
2. Additional, more in depth interviews of a random sample of SNAP, cash EBT and other PIN debit customers of the Internet Retailer – the retailer will need to work closely with FNS and the evaluator to help identify the customers to be sampled and to facilitate communication with the selected interview subjects
3. Collection of a variety of data from each participating retailer to identify potential customer service and fraud concerns – see [Appendix F - Evaluation Data Collection](#), for more details on the type of data that FNS expects the contractor to examine
4. Interviews with retailer and/or contracted staff, including those fulfilling orders and handling customer complaints – FNS and the evaluation contractor will work with the retailer to identify the appropriate personnel and optimal timing of such interviews

3.12.2 Retailer Responsibilities

Selected participants are required to partake fully in the pilot's evaluation and to cooperate with FNS and its selected evaluation contractor by collecting and providing necessary data, working together to develop and implement an online

survey, and facilitating the interview process for customers and employees in order to ensure proper and timely progress in all aspects of the evaluation.

3.12.2.1 Applicants

To be eligible for participation in the Online Purchasing Pilot, interested applicants must agree to cooperate fully with the evaluation contractor that will be selected and overseen by FNS. Section R of the RFV Participation Application Form (See [Appendix D](#)) requires each applicant to make the following assurances related to the to the pilot evaluation. The intent of each assurance is addressed in parentheses:

- R17. We agree to provide the system data, statistics and customer survey responses required by FNS to assess pilot operations to FNS and/or its selected evaluation contractor (to ensure that data necessary to properly evaluate the pilot, as identified in [Appendix F](#) is provided as required to FNS)
- R18. We agree to cooperate with FNS and the evaluation contractor to identify a large enough sample of PIN debit customers to answer research questions designed for the formal evaluation, to obtain their prior informed consent, and to identify appropriate content and format for the required retailer-initiated online survey (to ensure that the retailer assists the evaluation contractor in identifying a sample of customers for interviews and obtain their consent, and to ensure that the retailer contributes to the design, language and format for the required retailer online customer survey)
- R19. We agree to facilitate access (including updated contact information) for evaluation contractor interviews or site visits with retailer staff, evaluation sample PIN debit customers, and other key participants in the pilot project (to ensure that the retailer provides necessary, up to date information for the evaluation contractor to contact and set up interviews or site visits with customers, retailer staff and/or contractors, community partners and other key staff for the purposes of collecting responses to evaluation questions)
- R20. We agree to work in cooperation with FNS and the evaluator to trouble-shoot and resolve issues and refine procedures (to address unforeseen problems and adjust processes and procedures as needed to resolve those issues)
- R21. We agree to make all efforts to maintain the integrity of the evaluation and ensure the quality of the data provided to FNS and the evaluation contractor (to ensure that the evaluation contractor is

able to complete the evaluation in a manner that meets the levels of quality and integrity expected by FNS).

See [Section 3.9.2.1, RFV Participation Application Form](#) and instructions for form completion in [Appendix D](#) for additional information on how to respond to the above assurances.

3.12.2.2 Pilot Participants

Evaluation-related responsibilities of selected retailers will include the following tasks:

- Facilitating access to data necessary for the evaluation (the list of data items potentially required for the evaluation can be seen in [Appendix F](#))
- Working with the evaluation contractor to assemble the data needed to select an adequately sized random sample of PIN debit customers for them to interview and evaluate
- Developing and implementing, in cooperation with FNS and the evaluation contractor, procedures and materials to ensure legally effective informed consent from participants in the evaluation sample
- Facilitating access (including updated contact information as needed) so that the evaluation contractor can perform interviews and site visits with sampled customers, retailer staff, and other partners or stakeholders in pilot operations
- Working in cooperation with the evaluator to trouble-shoot and resolve issues and refine procedures to the extent feasible
- Making every effort to maintain the integrity of the evaluation and ensure the quality and integrity of the data provided to the contractor
- Other reasonable assistance, as needed to ensure the success of the evaluation

Appendix A – State Specific Information

This table shows who the EBT processor will be by the time that the Online Purchasing Pilot begins. Please note that only those States that are NOT in process of procurement or conversion at that time may be selected by the applicant for the initial pilot and any rollout increments. **The States are shown in red are NOT available for pilot.**

The table also lists the BIN numbers (first six digits of card number) used to identify the State’s EBT card, the length of their card number, their Quest membership and whether they include cash on their EBT card (those that do not use a separate pre-paid, branded debit card, which is already usable for online purchasing).

Table A-1 – State Specific Information

State	BIN #	Quest/ Non- Quest	PAN (if not 16)	EBT Proces- sor	Cash Y/N	State	BIN #	Quest/ Non- Quest	PAN (if not 16)	EBT Proces- sor	Cash Y/N
AK	507695	Q		JPM	Y	MT	507714	N		Solutran	Y
AL	507680	Q		FIS	Y	NC	508161	Q		FIS	N
AR	610093	Q		FIS	Y	ND	508132	Q		FIS	N
AZ	507706	Q		FIS	Y	NE	507716	Q		FIS	N
CA	507719	Q		Xerox	Y	NH	507701	Q		FIS	Y
CO	507681	Q		FIS	Y	NJ	610434	Q		Xerox	Y
CT	600890	Q	18	Xerox	Y	NM	586616	Q		FIS	Y
DC	507707	Q		FIS	Y	NV	507715	Q		FIS	Y
DE	507713	Q		Xerox	N	NY	600486	Q	19	Xerox	Y
FL	508139	Q		FIS	Y	OH	507700	Q		Xerox	N
GA	508148	Q		Xerox	Y	OK	508147	N		Xerox	Y
GU	578036	Q		FIS	N	OR	507693	N		FIS	Y
HI	507698	Q		JPM	Y	PA	600760	Q	19	Xerox	Y
IA	627485	Q	19	Xerox	N	RI	507682	Q		FIS	Y
ID	507692	Q		FIS	Y	SC	610470	Q		Xerox	N
IL	601453	N	19	Xerox	Y	SD	508132	Q		FIS	Y
IN	507704	Q		Xerox	Y	TN	507702	Q		FIS	Y
KS	601413	Q		FIS	Y	TX	610098	N		FIS	Y
KY	507709	Q		FIS	Y	UT	601036	Q		Xerox	N
LA	504476	N		Xerox	Y	VA	622044	Q		Xerox	N
MA	600875	Q	18	Xerox	Y	VI	507721	Q		JPM	N
MD	600528	Q		Xerox	Y	VT	507705	Q		FIS	Y
ME	507703	Q	19	Xerox	Y	WA	507710	Q		FIS	Y
MI	507711	Q		Xerox	Y	WI	507708	Q		FIS	N
MN	610423	Q		FIS	Y	WV	507720	Q		JPM	Y
MO	507683	Q		FIS	Y	WY	505349	Q		FIS	N
MS	507718	Q		Xerox	N						

Appendix B – Letter of Intent

Retail grocery website owners interested in submitting an application to participate in the SNAP EBT Online Purchasing Pilot are asked to submit a Letter of Intent (LOI) to apply for the pilot. Please see [Section 3.6, Letter of Intent](#) for more information on the purpose of the LOI. Internet merchants should address all items below. Other parties interested in pilot related conference calls and Q&As may also submit an LOI and should provide the contact information requested in the first three lines. This response may be made by submitting the information to the FNS Contact identified in [Section 3.4, Point of Contact](#) by 5:00 pm EDT on the [LOI Due Date](#) listed in [Section 3.5, RFV Timetable](#). The LOI must be emailed. FNS thanks Internet Retailers in advance for their cooperation with this request.

Subj: EBT Online Purchasing Pilot Letter of Intent

Company Name and Address:

Company Contact Name for RFV:

Contact Telephone:

Contact Email:

Grocery Website Address/Link:

Available State(s) where you would be interested in conducting a pilot:

Non-available State(s)⁹ of future interest:

⁹ These would be the States shown in red in Table A-1 of Appendix A (only if they become available before the end of the pilot).

Appendix C – Statement of Support from Community Organizations

As described in [Section 3.8, State and Community Partners](#), FNS encourages RFV Applicants to work with community partners such as non-profits, health organizations, local government and other community organizations to obtain support and assistance for pilot implementation and operation.

Applicants who opt to do this should obtain a statement of support from each partner organization and include it with their application. This statement should be on the organization's official letterhead and can be provided in letter or outline form, but must address the following:

1. Organization's complete address
2. Identification of the type of organization, (e.g., health, government, non-profit, etc.)
3. Short description of the organization's mission or primary activities and how that interacts with SNAP clients
4. Reasons they wish to partner with the retailer in the implementation of the Online Purchasing Pilot
5. Description of the activities (e.g., outreach, training, etc.) or other assistance that they plan to provide as a partner
6. Full name, telephone number and email address of organization's primary contact for the partnership

Appendix D – Request for Volunteers (RFV) Participation Application Form

The form included on the following pages is a facsimile of the Adobe version (*onlinepurchasing-rfvapp.pdf*) contained in the *onlinepurchasing-rfv-application-packet.zip* file, available at [SNAP Online Purchasing Pilot Request for Volunteers Application Package](#). Please use the referenced pdf file and complete it electronically to submit your final response to this RFV.

All respondents to the RFV must complete this application and submit it in the manner described in [Section 3.9.1, Submission](#). The form itself includes brief instructions on its completion. More detailed line by line directions are included in this Appendix, immediately following the application form.

Please respond to all questions as instructed. If there is insufficient room to respond to a question so that it displays completely on the form, or more explanation is needed, applicants may include a separate attachment and refer to a page and item number in the appropriate block of the application form. Each item addressed in the attachment should also contain a reference to the application question number to which it refers.

Applicant Company Name:

C2a. Where does your website fulfill customer orders? (check all that apply)

<input type="checkbox"/> Single warehouse	<input type="checkbox"/> Multiple national warehouses	<input type="checkbox"/> Multiple regional warehouses
<input type="checkbox"/> Single FNS-authorized store	<input type="checkbox"/> Multiple FNS-authorized stores	<input type="checkbox"/> Other (explain)

C2b. If you selected any of the three options on the top line of Question C2a, list the city and State of each warehouse.

C3. If you checked multiple fulfillment sites or delivery methods above, do these all cover the same geographic area and product set? (e.g. if some of your products are delivered locally and some shipped nationally, or if different warehouses carry different products, answer "No" and explain)

Yes No (explain)

C4a. Does your website allow third parties to sell/ship food products directly to the customer? Yes No (skip to D1)

C4b. Do food sales from your website's own corporate inventory constitute more than 50% of all food sales? Yes No

C4c. Can you program your website to ensure that only items from your own corporate inventory can be designated SNAP-eligible? Yes No

Section D. SNAP Authorization Status

D1. Identify your business's SNAP authorization status. (select one and enter relevant information)

<input type="radio"/> Currently Authorized Individual Retailer	FNS #	<div style="border: 1px solid black; width: 80px; height: 20px;"></div>
<input type="radio"/> Currently Authorized Chain	FNS Corporation # (if known)	<div style="border: 1px solid black; width: 80px; height: 20px;"></div>
<input type="radio"/> Non-Authorized but Eligible Brick and Mortar Retailer	<input type="radio"/> Web Only	
<input type="radio"/> Other (explain)		

Section E. Website's Geographic Coverage

E1. Which States are covered by your website? (if "All" not selected, check those that apply) * See Section F

<input type="checkbox"/> All	<input type="checkbox"/> CO*	<input type="checkbox"/> ID*	<input type="checkbox"/> LA	<input type="checkbox"/> MS	<input type="checkbox"/> NJ	<input type="checkbox"/> OK	<input type="checkbox"/> TN*	<input type="checkbox"/> WV*
<input type="checkbox"/> AL*	<input type="checkbox"/> CT	<input type="checkbox"/> IL	<input type="checkbox"/> ME	<input type="checkbox"/> MO*	<input type="checkbox"/> NM*	<input type="checkbox"/> OR*	<input type="checkbox"/> TX*	<input type="checkbox"/> WI*
<input type="checkbox"/> AK*	<input type="checkbox"/> DE	<input type="checkbox"/> IN	<input type="checkbox"/> MD	<input type="checkbox"/> MT*	<input type="checkbox"/> NY	<input type="checkbox"/> PA	<input type="checkbox"/> UT	<input type="checkbox"/> WY*
<input type="checkbox"/> AZ*	<input type="checkbox"/> FL*	<input type="checkbox"/> IA	<input type="checkbox"/> MA	<input type="checkbox"/> NE*	<input type="checkbox"/> NC*	<input type="checkbox"/> RI*	<input type="checkbox"/> VT*	<input type="checkbox"/> DC*
<input type="checkbox"/> AR*	<input type="checkbox"/> GA	<input type="checkbox"/> KS*	<input type="checkbox"/> MI	<input type="checkbox"/> NV*	<input type="checkbox"/> ND*	<input type="checkbox"/> SC	<input type="checkbox"/> VA	<input type="checkbox"/> GU*
<input type="checkbox"/> CA*	<input type="checkbox"/> HI*	<input type="checkbox"/> KY*	<input type="checkbox"/> MN*	<input type="checkbox"/> NH*	<input type="checkbox"/> OH	<input type="checkbox"/> SD*	<input type="checkbox"/> WA*	<input type="checkbox"/> VI*

E2a. Do you operate in any States that require your website to collect sales tax on food products? Yes No (skip to E3a)

E2b. List the States that tax all food

E2c. List the States that tax only some food

E2d. Do you use a tax calculation service provider? Yes No

E2e. Can you program your website to ensure that items purchased with SNAP are not taxed? Yes No

E3a. Does your website sell any products that require a container deposit? Yes No (skip to E4a)

E3b. Do you operate in any States that require your website to collect container deposits on specific food products? Yes No

Applicant Company Name:

E3c. Can you program your website to allow payment of deposits required by State law, but not other deposits, with SNAP benefits?	<input type="radio"/> Yes	<input type="radio"/> No
E3d. Does your website ever have to redeem containers and give deposits back?	<input type="radio"/> Yes	<input type="radio"/> No
E4a. Does your website ever charge any fees for bags or other delivery Containers due to State or local law or any other reason?	<input type="radio"/> Yes	<input type="radio"/> No (skip to F1a)
E4b. Can you program your website to ensure that fees for bag are not paid for with SNAP benefits?	<input type="radio"/> Yes	<input type="radio"/> No

Section F. Pilot and Rollout Plan

NOTE: States or territories marked with an asterisk (*) at Question E1 are NOT available for the purposes of this pilot. The State agency must subsequently agree to allow the pilot, so we recommend that you also identify up to two alternative State locations.

F1a. Preferred Initial Area (must be only ONE State or a part of ONE State):

F1b. Alternative initial State(s) or location(s) within those States:

F1c. Rollout Increment 1:

F1d. Rollout Increment 2:

F2a. Will your initial pilot or rollout areas target any specific low-income populations, food deserts or other vulnerable geographic locations? Yes (explain) No

F2b. Are you partnering with any local government or non-profit groups for the pilot? Yes No (Skip to F3)

F2c. Who are your partners? (identify group name(s) below and attach statement of support from each)

F3. If selected as a pilot participant, how much additional time would you need before you are ready to launch? Take into consideration the time needed to recode the website, institute procedural changes and have legal counsel review the Acculynk contract (provide an estimated timeframe in weeks or months, or a specific estimated readiness date).

Section G. Fee Structure

NOTE: SNAP benefits may only be used to pay for SNAP-eligible food products. SNAP benefits may NOT be used to pay taxes, fees (e.g. delivery, shipping, convenience or service), or any other non-eligible charges. Furthermore, all SNAP authorized retailers are obligated by statute to inform customers, at the time of the order, what fees will be charged and that such fees may not be paid with SNAP benefits; customers must be given the opportunity to cancel an order after being informed of any such fees.

G1. Which of the following types of fees does your website charge? If these fees are fixed, indicate an amount. If fees are variable, indicate a range. (check all that apply)

<input type="checkbox"/> Not applicable	\$	0.00	<input type="checkbox"/> One-time membership fee	\$	<input type="text"/>
<input type="checkbox"/> Fixed handling fee	\$	<input type="text"/>	<input type="checkbox"/> Variable handling fee	\$	<input type="text"/>
<input type="checkbox"/> Fixed shipping cost	\$	<input type="text"/>	<input type="checkbox"/> Variable shipping cost	\$	<input type="text"/>
<input type="checkbox"/> Fixed delivery fee	\$	<input type="text"/>	<input type="checkbox"/> Variable delivery fee	\$	<input type="text"/>
<input type="checkbox"/> Fixed service fee	\$	<input type="text"/>	<input type="checkbox"/> Variable service fee	\$	<input type="text"/>
<input type="checkbox"/> No fees for orders over			<input type="checkbox"/> Annual membership fee	\$	<input type="text"/>
a certain amount	\$	<input type="text"/>	<input type="checkbox"/> Restocking fee for returns	\$	<input type="text"/>
<input type="checkbox"/> Other (explain)					

Applicant Company Name:

G2. Do you plan to waive or reduce fees for EBT customers? Yes (explain) No

G3. Can you program your website to advise customers about all fees identified by Question H1 before the transaction is processed and offer customers the opportunity to cancel the order? Yes No

Section H. Payment and Processing Methods

H1. Who is your processor for credit transactions?

H2. Which types of tender do you currently accept on your website? (check all that apply)

Discover MasterCard VISA American Express
 Company Credit Plan Company Gift Cards Other Gift Cards
 Other (explain)

H3. Are you willing to accept cash on delivery (COD) for fees? Yes No

H4. Can your website accept mixed tender? Yes No

H5. Do you also want to accept cash EBT? Yes No Unsure

H6. Will you add commercial PIN debit at the same time as EBT? Yes No Unsure

H7a. Do you accept manufacturers' coupons on your website? Yes No (skip to H8a)

H7b. Do any States require customers to pay tax on savings from these coupons? (If yes, list States) Yes No

H8a. Do you accept store coupons on your website? Yes No (skip to H9)

H8b. Are these taxable in the same way as manufacturers' coupons? Yes No (explain)

H9. How do you currently process transactions? (check all that apply)

Preauthorize sale at checkout and submit for payment once entire order is processed
 Preauthorize sale at checkout and submit each portion of order for payment as it is processed
 Other (explain)

H10a. Do you ever split orders for separate delivery, pickup or shipping? Yes No (skip to I1a)

H10b. Do these split orders ever get processed from separate warehouses or stores? Yes No

H10c. Do you allow split orders to be delivered/shipped to multiple addresses? Yes No (skip to I1a)

H10d. Can you program your website to limit each EBT order to a single address? Yes No

Section I. Non-Profit Cooperatives and Community Supported Agriculture (CSA)

NOTE: If your business is NOT a non-profit cooperative or an agricultural producer that markets agricultural products directly to consumers through a CSA share arrangement, skip to J1.

I1a. How many pickup dates are there each month overall?

Applicant Company Name:

I1b. Are there different pickup days for different distribution sites?	<input type="radio"/> Yes	<input type="radio"/> No
I1c. Do distribution sites have more than one pickup date per month?	<input type="radio"/> Yes	<input type="radio"/> No
I1d. What is the average number of pickup dates per month for each pickup site?	<input type="text"/>	
I1e. Can you program your website to ensure that SNAP sales cannot be performed more than 14 days before the pickup date?	<input type="radio"/> Yes	<input type="radio"/> No
I1f. Can you program your website to inform the customer of the first date that the sale may be accepted?	<input type="radio"/> Yes	<input type="radio"/> No

Section J. Handling of SNAP-Eligible Foods

J1. Does your website sell any SNAP-ineligible items?	<input type="radio"/> Yes	<input type="radio"/> No (skip to J4a)
J2a. Does your website currently identify which items are SNAP-eligible and which are not?	<input type="radio"/> Yes	<input type="radio"/> No
J2b. Explain how this is done (or how do you plan to do it).	<input type="text"/>	
J2c. If you answered "No" to J2a, how long do you project it will take you to implement this feature? (explain)	<input type="text"/>	

J3a. Can you program your website to calculate the total value of SNAP- eligible products (excluding any fees and non-eligible items)?	<input type="radio"/> Yes	<input type="radio"/> No
J3b. Can you limit the maximum amount requested in the SNAP transaction message to that calculated SNAP subtotal?	<input type="radio"/> Yes	<input type="radio"/> No
J3c. If you responded "No" to question J3a or to question J3b how do you propose to ensure SNAP benefits are never used to pay for fees or non-eligible products? (explain)	<input type="text"/>	

J4a. Can you program your website to allow the customer to debit less than the calculated value from SNAP (and use other tender for the balance)?	<input type="radio"/> Yes	<input type="radio"/> No
J4b. Will you support EBT balance inquiry transactions?	<input type="radio"/> Yes	<input type="radio"/> No
J4c. If there are insufficient funds can your system be programmed to display the customer's remaining EBT account balances?	<input type="radio"/> Yes	<input type="radio"/> No
J4d. How will your website handle reduced SNAP amounts? (check all that apply)	<input type="checkbox"/> System automatically enters remaining SNAP balance as new SNAP amount	
	<input type="checkbox"/> Customer enters a lower specified value (required if previous box is checked)	
	<input type="checkbox"/> Customer "moves" the items from the SNAP subtotal to another tender's subtotal	
	<input type="checkbox"/> Customer removes items from the basket completely until the SNAP subtotal reaches the desired value	
	<input type="checkbox"/> Other (explain)	
<input type="text"/>		

Section K. Weighed Products, Substitutions and Out of Stock Items

NOTE: EBT does not support pre-authorization. Because payment is made at the time the order is placed, SNAP customers must receive refunds for any overpayments resulting from underweight products, cheaper substitutions or out of stock items, when the order is finalized. In addition, all EBT purchase transactions require the cardholder to enter a PIN, so price increases resulting from overweight items or more expensive substitutes cannot be completed without the customer present to enter a valid PIN. FNS will allow web retailers to complete an original purchase that includes weighed items using an estimated cost as long as 1) it is padded by no more than 10 percent of the total value of all weighed items; 2) the EBT customer is provided with an advance explanation of this policy; and 3) the total amount of padding is identified to the customer prior to payment. Web retailers may not charge more than the original price if substitutions are made.

Applicant Company Name:

K1a. Does your website sell any items by weight? Yes No (skip to K2a)

K1b. How does your website currently handle estimated costs for weighed items? (check all that apply)

- No additional charge to the customer for overweight items
- Customer advised that price is estimated and final price may be higher or lower
- Customer provided with a maximum price for final sale
- Total price is padded with a specific percentage (indicate amount) %
- Weighed item subtotal is padded with a specific percentage (indicate amount) %
- Other (explain)

K1c. How does your website currently handle the final price for weighed items? (check all that apply)

- No additional charge to the customer for overweight items
- Customer charged for exact weight of items if under ordered weight
- Customer charged for exact weight of items if over ordered weight
- Other (explain)

K1d. Can you program your website to limit weight padding to no more than 10% over the total value of the weighed items? Yes No

K1e. Can you program your website to advise EBT customers in advance of weight estimation policies? Yes No

K1f. Does your website identify the total amount added to the purchase for padding and advise the customer before the sale is completed? Yes (skip to K2a) No

K1g. Can you program your website to advise EBT customers in advance of actual amount of weight padding? Yes No

K2a. How does your website handle items that are out of stock at the time the order is fulfilled? (check all that apply and explain where necessary)

- Backorder (How long before a refund is issued?) Substitution (How are cost differences handled?)
- Refund

K2b. If you checked more than one box for Question K2a, how are decisions made regarding which action to take and how is the customer notified of the action selected? (explain)

Section L. Order, Refund and Delivery Confirmation and Completion

L1a. What are the delivery methods that you use and the average and maximum delivery times (total days between transaction approval and customer receipt of goods) for each? (check all that apply)

- | | Average Time | Maximum Time |
|---|----------------------|----------------------|
| <input type="checkbox"/> Direct local home delivery | <input type="text"/> | <input type="text"/> |
| <input type="checkbox"/> Customer pickup | <input type="text"/> | <input type="text"/> |
| <input type="checkbox"/> Commercial shipping from central site(s) | <input type="text"/> | <input type="text"/> |
| <input type="checkbox"/> Other (explain) | <input type="text"/> | <input type="text"/> |

L1b. How and to what extent can customers select site, date and time for delivery or pickup? (explain)

Applicant Company Name:

L2a. How does your website provide proof of purchase, equivalent to a printed paper receipt, to your customers after completion of the online order? (check all that apply and attach samples or screenshots of each)

<input type="checkbox"/> Confirmation screen	<input type="checkbox"/> Text (SMS) notification	<input type="checkbox"/> Email notification
<input type="checkbox"/> Retained online order history	<input type="checkbox"/> Other (explain)	

L2b. If your website provides email or SMS notification(s), when does this happen? (check all that apply)

<input type="checkbox"/> Immediately after sale	<input type="checkbox"/> Overnight	<input type="checkbox"/> Within 24 hours
<input type="checkbox"/> When shipped	<input type="checkbox"/> When processed/fulfilled	<input type="checkbox"/> Other (explain)

L2c. Do the notifications include details on delivery/pickup date, time and location? Yes No (explain)

L2d. Can you program your website to meet FNS content specifications for these notices? Yes No

L2e. Do you provide an itemized paper receipt at the time of delivery/pickup/shipping? Yes No

L3. Do you provide order/shipment tracking? Yes (describe) No

L4. Do you accommodate standing orders (the same products automatically ordered and delivered at regular intervals)? Yes, at reduced price Yes, at same price No

L5a. Can you program your order fulfillment process to automatically calculate and transmit any necessary refunds (e.g. for under weight or out of stock goods) immediately after order completion? Yes (skip to L6a) No

L5b. How will you ensure that customers receive refunds when they are due at order completion? (explain)

L6a. How do you plan to provide proof of pre-delivery refund, including EBT account balances, upon order completion? (check all that apply and attach samples or screenshots of each, if available)

<input type="checkbox"/> Text (SMS) notification	<input type="checkbox"/> Email notification	<input type="checkbox"/> Retained online order history
<input type="checkbox"/> Include on printed, itemized receipt	<input type="checkbox"/> Separate printed notification	<input type="checkbox"/> Other (explain)

L6b. When do you propose to provide the above pre-delivery refund notification?

<input type="checkbox"/> Immediately after refund	<input type="checkbox"/> At time of delivery/pickup/shipping	<input type="checkbox"/> Other (explain)
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L6c. Can you program your website to meet FNS content specifications for these notices? Yes No

L7a. Does your website allow a customer to cancel an order that has been placed but not yet fulfilled? Yes No (skip to M1a)

L7b. How does a customer cancel such an order? (check all that apply)

<input type="checkbox"/> Online function	<input type="checkbox"/> Customer service call	<input type="checkbox"/> Other (explain)
--	--	--

L7c. Does this require customer authentication or other security? Yes No

Applicant Company Name:

L7d. How will you ensure that the customer receives a complete refund after cancellation? (explain)

L7e. How is the customer notified of the cancellation? (explain)

L7f. Can you program your website to meet FNS content specifications for these notices? Yes No

Section M. Problem Handling

M1a. For what reasons do you allow food product returns and refunds? (check all that apply)

<input type="checkbox"/> We never allow refunds (skip to N1a)	<input type="checkbox"/> For any reason
<input type="checkbox"/> Spoiled or damaged goods	<input type="checkbox"/> Mistake in the order
<input type="checkbox"/> Other (explain)	

M1b. Do you require customers who request a refund to return the product(s)? Yes No (skip to M2a) It depends (explain)

M1c. How may products currently be returned? (check all that apply)

<input type="checkbox"/> Website arranges shipping and covers costs	<input type="checkbox"/> Customer brings items back to an affiliated store
<input type="checkbox"/> Customer arranges and pays for shipping	<input type="checkbox"/> Website arranges shipping deducting costs from refund **
<input type="checkbox"/> Website arranges shipping deducting any original free shipping from refund **	<input type="checkbox"/> Other (explain)

M1d. If you selected a response in M1c marked with a double asterisk (**): Since the cost of shipping cannot be deducted from SNAP refunds, how would you propose to handle this for a SNAP-only purchase? (explain)

M2a. Is the post-delivery refund process automated? Yes (skip to M3a) No

M2b. How will you ensure that customers receive post-delivery refunds when they are due? (explain)

M3a. How is confirmation of a post-delivery refund provided to the customer? (explain)

M3b. Can you program your website to meet FNS content specifications for these notices? Yes No

Section N. Accessibility

N1. How do you plan to educate participating SNAP households about the availability and operation of online purchasing? (explain)

N2. Is your website available in any languages besides English? Yes (list below) No

N3. Is your website compliant with the Americans with Disabilities Act Section 508 accessibility requirements? Yes No

Section O. Privacy and Security

O1a. Is any Personally Identifiable Information (PII) such as name, address, email, etc. retained in your system? Yes No

O1b. Do customers create stored user accounts? Yes-Required Yes-Optional No

Applicant Company Name:

O1c. Does your website's privacy policy address the following? (check all that apply)

<input type="checkbox"/> Internal use of PII data	<input type="checkbox"/> Sharing of PII with third parties
<input type="checkbox"/> Promotional and marketing use of PII	<input type="checkbox"/> Customer ability to block such use of data
<input type="checkbox"/> Exceptions	

O1d. Do you ever sell or share detail level PII to third parties not essential to the sale, delivery or customer service processes? Yes (explain) No (skip to O2a)

O1e. Are customers able to opt out of data sharing with third parties? Yes No (skip to O2a)

O1f. Explain the opt-out procedures below and provide a link to your online instructions for the process.

O2a. Does your website use cookies? Yes No (skip to O3a)

O2b. Is PII ever stored in these cookies? Yes No (skip to O3a)

NOTE: Many SNAP customers rely on public computers at places like libraries or schools, so it is important that PII is not automatically retained on the device used to access your website.

O2c. Can these cookies be easily deleted or avoided? (explain) Yes No

O3a. Can customers store credit/debit card data online? Yes No (skip to O4)

O3b. Can cardholders opt NOT to store card data online and instead enter it each time? Yes No

O4. Is card number display on screens and in notices always truncated? Yes No

O5. Is your website PCI-certified as compliant with their requirements for protection of "data at rest"? Yes No

O6. Please attach a description of the protocols and "best practices" employed by your site to secure data and protect cardholder information. Examples include but are not limited to: tokenization, device fingerprinting (physical, browser version, IP address, mobile app vs. browser), secure firewall technology, minimum browser standards (version, 128-bit encryption, etc.), required use of logon IDs and passwords for website access, strong policies for ID/password format/content and handling of forgotten IDs/passwords, restricted physical access to cardholder data, use of sitekeys or other customer/site authentication, use of commercial security/encryption products, trust seal certification, stringent information security policies for all company and contractor personnel, use and regular update of anti-virus software, etc.

Section P. Website Policies

P1. Please provide a link to or attach a copy of policy statements for each of the following:

Remedies for customer dissatisfaction: _____

Item returns and refunds: _____

Non-delivery: _____

Security: _____

Privacy: _____

Section Q. Pilot and SNAP Retailer Application Documentation

NOTE: If you replied "Yes" to Question B2 or "No" to Question C3, you may be required to complete multiple SNAP retailer applications for rollout; however, only one application is required for initial response to the RFV.

Q1. Is your SNAP retailer application attached? Yes No (skip to Q3)

Q2. Which application type have you attached? FNS-252 FNS-252-C Chain spreadsheet

Q3. Are your photo IDs & SSNs attached? Yes No

Applicant Company Name:

Q4. Is at least one business permit attached?	<input type="radio"/> Yes	<input type="radio"/> No
Q5. Are copies of your customer notifications attached?	<input type="radio"/> Yes	<input type="radio"/> No
Q6. Is your response to Question Q6 attached?	<input type="radio"/> Yes	<input type="radio"/> No
Q7. Are any responses to Question P1 attached?	<input type="radio"/> Yes	<input type="radio"/> No
Q8. Is a continuation document for other questions attached?	<input type="radio"/> Yes	<input type="radio"/> No
Q9. Are any local government or non-profit group statements of support attached?	<input type="radio"/> Yes	<input type="radio"/> No
Q10. If you answered "No" to Question Q1, Q3, Q4, Q5 or Q6 what are the reasons? (explain)		
<input type="text"/>		

Section R. Assurances

NOTE: Applicants must respond individually to each of the following assurances. Any qualifications or additional retailer conditions must be identified. A "No" response to any of these assurances will be grounds for non-selection as a pilot participant. Should a "Qualified Yes" explanation result in significant deviation from the intent of the assurance, FNS reserves the right to consider it equivalent to a "No" response. If FNS selects your website for pilot participation, and later determines that you are not in compliance with these assurances, including acceptable qualifications, FNS will provide you written notification to identify the issue and necessary corrective action, which must be implemented within 10 business days. If you fail to remedy the situation within that timeframe, FNS will terminate your authorization as an internet retailer and your participation in the pilot.

R1. We will submit all SNAP and cash EBT purchase and refund transactions through Acculynk's PaySecure™.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Qualified Yes (explain)
<input type="text"/>			
R2. We will not use the pilot FNS authorization number assigned to our website for any transactions that do not pass through Acculynk (i.e. no face-to-face POS transactions in store or upon delivery)	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Qualified Yes (explain)
<input type="text"/>			
R3. We agree to negotiate in good faith with Acculynk for contracted PIN-entry services and pricing and to conform to their specifications and requirements.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Qualified Yes (explain)
<input type="text"/>			
R4. Our website will advise customers of any fees or charges that are NOT SNAP-eligible and allow customers to opt out of the purchase before processing.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Qualified Yes (explain)
<input type="text"/>			
R5. We agree to the timeframes as specified for customer receipt of goods purchased and for refunds.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Qualified Yes (explain)
<input type="text"/>			
R6. Our website will establish a secure, limited access method for entry of PINless refunds which conforms to Acculynk's specifications.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Qualified Yes (explain)
<input type="text"/>			
R7. Except as allowed by waiver, SNAP and cash EBT customers will receive equal treatment comparable to all other customers.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Qualified Yes (explain)
<input type="text"/>			
R8. We agree to the waiver requirements and conditions specified in the RFV and will sign a written agreement to that effect prior to authorization as an Internet Retailer.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Qualified Yes (explain)
<input type="text"/>			
R9. Our company and website are certified as PCI-compliant and will remain so as long as we are authorized by FNS. (This will be validated by Acculynk)	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Qualified Yes (explain)
<input type="text"/>			
R10. Personal Identification Numbers (PINs) will never be captured by and/or stored in our own website system.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Qualified Yes (explain)
<input type="text"/>			

Applicant Company Name:

R11. We accept responsibility for any monetary loss or other damage to EBT customers that results from employee or subcontractor fraud or external hacking resulting from failure to adequately secure our website and databases. We will replace all SNAP benefits that are stolen as a result of such a breach.	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Qualified Yes (explain)	
R12. Our website will not share any private data with third parties unessential to sale, delivery or customer service for any current or future application or venture without the explicit consent of the EBT customer.	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Qualified Yes (explain)	
R13. PII data, including card numbers, is, and will only be, entered into our website using secure methods and rigorous firewalls.	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Qualified Yes (explain)	
R14. We agree to participate in regular periodic conference calls to discuss progress, challenges, and results of the pilot.	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Qualified Yes (explain)	
R15. We agree to provide copies of the relevant pilot documentation as described in the RFV.	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Qualified Yes (explain)	
R16. We will adequately test changes made for SNAP online purchasing prior to implementation and will allow FNS to participate in such testing.	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Qualified Yes (explain)	
R17. We agree to provide the system data, statistics and customer survey responses required by FNS to assess pilot operations to FNS and/or its selected evaluation contractor.	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Qualified Yes (explain)	
R18. We agree to cooperate with FNS and the evaluation contractor to identify a large enough sample of PIN debit customers to answer research questions designed for the formal evaluation, to obtain their prior informed consent, and to identify appropriate content and format for the required retailer-initiated online survey.	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Qualified Yes (explain)	
R19. We agree to facilitate access (including updated contact information) for evaluation contractor interviews or site visits with retailer staff, evaluation sample PIN debit customers, and other key participants in the demonstration project.	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Qualified Yes (explain)	
R20. We agree to work in cooperation with FNS and the evaluator to trouble-shoot and resolve issues and refine procedures.	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Qualified Yes (explain)	
R21. We agree to make all efforts to maintain the integrity of the evaluation and ensure the quality of the data provided to FNS and the evaluation contractor.	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Qualified Yes (explain)	

Section S. Privacy Act Statement

PRIVACY ACT STATEMENT – Information on this form is collected primarily for use by the Food and Nutrition Service in the administration of the Supplemental Nutrition Assistance Program;

- Additional disclosure of this information may be made to other Food and Nutrition Service programs and to other Federal, State or local agencies and investigative authorities when the Supplemental Nutrition Assistance Program becomes aware of a violation or possible violation of the Food and Nutrition Act, as explained in the next section called "Use and Disclosure";
- Furnishing the information on this form, is voluntary but failure to do so will result in denial of this application;

USE AND DISCLOSURE - We may use the information you give us in the following ways;

- We may disclose information to the Department of Justice (DOJ), a court or other tribunal, or another party before such tribunal when the USDA is involved in a lawsuit or has an interest in litigation and it has been determined that the use of such information is relevant and necessary and the disclosure is compatible with the purpose for which the information was collected;
- In the event that the information in our system indicates a violation of the Food and Nutrition Act or any other Federal or State law whether civil or criminal or regulatory in nature, we may disclose the information you give us to the appropriate agency, whether Federal or State, charged with the responsibility of investigating or prosecuting such

Applicant Company Name:

- violation or charged with enforcing or implementing the statute, or rule, regulation or order issued pursuant thereto;
- We may disclose your information to other Federal and State agencies to verify the information, and to assist in the administration and enforcement of the Food and Nutrition Act as well as other Federal and State laws;
- We may disclose information to other Federal and State agencies to respond to specific requests from such Federal and State agencies for the purpose of administering the Food and Nutrition Act as well as other Federal and State laws;
- We may disclose information to private entities having contractual agreements with us for designing, developing, and operating our systems, and for verification and computer matching purposes;
- We may disclose information to State agencies that administer the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), authorized under section 17 of the Child Nutrition Act of 1966 for purposes of administering that Act and the regulations issued under that Act;

We may disclose information to the public when a retailer has been disqualified or otherwise sanctioned for violations of the Program after the time for administrative and judicial appeals has expired. This information is limited to the name and address of the store, the owner(s) name(s) and information about the sanction itself. The purpose of such disclosure is to assist in the administration and enforcement of the Food and Nutrition Act and Supplemental Nutrition Assistance Program regulations.

PENALTY WARNING STATEMENT - The Food and Nutrition Service can deny or withdraw your approval to accept Supplemental Nutrition Assistance Program benefits if you provide false information or try to hide information we ask you to give us. In addition, if false information is provided or information is hidden from the Food and Nutrition Service, the owners of the firm may be liable for a \$10,000 fine or imprisoned for as long as five years, or both (7 U.S.C. 2024(f) and 18 U.S.C. 1001).

CERTIFICATION AND SIGNATURE - By signing below, you are confirming your understanding of, and agreement with, the following:

- I am an authorized respondent to this RFV as defined in the RFV;
- I have provided truthful and complete information on this form and on any documents provided to the Food and Nutrition Service;
- If I provide false information, my application may be denied or withdrawn;
- Any information I have provided or will provide may be verified and shared by the USDA with other agencies as described above;
- I am aware that violations of program rules can result in administrative actions such as fines, sanctions, withdrawal or disqualification from the Supplemental Nutrition Assistance Program; I am aware that violations of the Supplemental Nutrition Assistance Program rules can also result in Federal, State and/or local criminal prosecution and sanctions;
- Disqualification from the WIC Program may result in Supplemental Nutrition Assistance Program disqualification and a disqualification from the Supplemental Nutrition Assistance Program may result in WIC Program disqualification;
- In accordance with Federal law and U.S. Department of Agriculture policy, no customer may be discriminated against on the grounds of race, color, national origin, sex, age, religion, political beliefs, or disability. Supplemental Nutrition Assistance Program customers must be treated in the same manner as non-Supplemental Nutrition Assistance Program customers;
- Participation can be denied or withdrawn if my firm violates any laws or regulations issued by Federal, State or local agencies, including civil rights laws and their implementing regulations;
- I am responsible for reporting changes in the firm's ownership, address, type of business and operation to the Food and Nutrition Service;
- I am responsible for reporting changes regarding any of the policies or assurances I identified above.

Supplemental Nutrition Assistance Program authorization may not be transferred to new owners, partners, or corporations. An unauthorized individual or firm accepting or redeeming Supplemental Nutrition Assistance Program benefits is subject to substantial fines and administrative sanctions.

I have read, understand and agree with the conditions of participation outlined in the Privacy Act, Use and Disclosure, Penalty Warning and Certification Statements as provided above, and agree to comply with all statutory and regulatory requirements associated with participation in the Supplemental Nutrition Assistance Program.

Signature	
	Print Name
Date Signed	Print Title

Instructions for Completion of the Online Purchasing Pilot RFV Participation Application Form

You must use the electronic pdf version of this form to apply. Type all text or numeric responses in the boxes provided. Most questions offer response options. If only one response is allowed, there will be radio buttons (a small circle:) immediately to the left of each potential response. If the question allows multiple answers, there will be a checkbox (a small box:) immediately to the left of each response. Each question requires a response unless otherwise instructed.

Please be sure to read the Privacy Act Statement contained in Section S of the application before you start. This mirrors the language from the FNS-252 SNAP Application for Stores. Except as noted in that statement, data contained in your application will not be shared beyond FNS and the evaluation contractor selected by FNS.

Section A – Applicant Identifying Information

- A1. Enter the name of your company as it is recognized by customers at your website, i.e. the name you are doing business as.
- A2. Enter the link to get to your website, e.g., <https://www.fns.usda.gov/>.
- A3. Enter the full name of the person who will be the primary contact for the application process and duration of the pilot.
- A4. Enter the primary telephone number for the person listed in A3.
- A5. Enter the email address for the person listed in A3.
- A6. Enter the street address where the person listed in A3 is stationed or can receive mail.
- A7. Enter the city of the address in A6.
- A8. Enter the State of the address in A6.
- A9. Enter the ZIP code of the address in A6.

Section B – Volunteer Business Category and Experience

NOTE: If you have multiple, distinct websites which are eligible for participation in SNAP, each of those websites is considered a separate “FNS retailer” and each will need to obtain a separate FNS authorization to participate in SNAP. This application is limited to only one of your websites.

- B1. Click on the button which best describes your business; if none apply, select “Other” and describe your business in the box directly below that.
- B2. Click on the button for “Yes” or “No”; examples of multiple websites, even if accessed by the same initial link, would be a) one that offers a full line of groceries for local delivery and another that offers a more limited selection of foods that can be shipped nationally, b) one that offers a different set of local products in different areas around the country. If you select “Yes”, explain the differences in the box directly below the question.
- B3a. Enter the number of years your company has been in business whether online or brick and mortar in the “All Sales” column and the number of years you have been selling food products in the “Food Sales” column.

- B3b. Enter the number of years your company has operated your website for online purchasing in the All Sales column and the number of years you have been selling food products on the website in the Food Sales column.
- B3c. Enter the estimated number of online purchase transactions performed on your website in calendar year 2015 in the All Sales column and the estimated annual number of online purchases in 2015 that included food products in the Food Sales column.
- B3d. Enter the estimated gross sales that resulted from online purchases through your website during calendar year 2015 in the All Sales column and the estimated gross sales of food products purchased through the website in 2015 in the Food Sales column.

Section C – Website Business Model

- C1. Identify all delivery methods used for products sold on your website by checking the appropriate boxes. If you select “Customer Pickup”, whether at retailer-owned stores or other designated locations, enter the number of different pickup locations in the box to the right of “Number of Pickup Sites” and respond to the question “Are all pickup site addresses identified in the system?” by clicking on the button for “Yes” or “No” (see [Section 2.4.2.1.2](#) of the RFV for further information). If you select “Other” explain the delivery method(s) in the box directly below.
- C2a. Identify the type of facility where your food inventory is stored and you put together the orders placed on your website. Check all boxes that apply to your operation. If you select “Other” explain the delivery method(s) in the box directly below.
- C2b. If you selected “Single warehouse”, “Multiple national warehouses” or “Multiple regional warehouses” under question C2A, identify the city and State of each warehouse location in the box directly below the question.
- C3. If you selected “Multiple national warehouses”, “Multiple regional warehouses”, checked more than one box under question C1, or more than one box under C2a, you must identify whether these carry the same food products at each location and use the same delivery methods for all customers at those locations by selecting “Yes” or “No”. If you select “No” explain the delivery method(s) in the box directly below. An example requiring a “No” response is a warehouse set up to deliver a full grocery line to local customers and a different warehouse that stores a smaller set of food items and ships them nationwide. Another example would be a site that does home delivery in multiple cities around the country, but the products sold in each city are locally produced and vary by location (see [Section 2.3.1.4.4](#) of the RFV for more information).
- C4a. Click on “Yes” if your website is set up to allow any third party companies, farmers, vendors or other individuals/organizations to sell and/or ship products directly to customers from their own inventories, regardless of which party accepts payment (see [Section 2.3.1.4.6](#) for more information). Click on “No” if your website does not allow third party sales and all products sold on the site come from your own inventory; if you click on “No”, skip to question D1.
- C4b. If you responded “Yes” to question C4a you must answer this question. Click on “Yes” if food sales from your own company inventory represent 50% or more of total food sales from all sellers that do business on your website. Click on “No” if food sales from your own inventory are less than 50% of the total value of food sold on your website by all sellers.
- C4c. If you responded “Yes” to question C4a you must answer this question. Click on “Yes” if you will be able to reprogram your website to limit SNAP sales only to products from your own corporate inventory, otherwise, click on “No”.

Section D – SNAP Authorization Status

- D1. Click on the button which best describes your current FNS authorization status. If you select “Currently Authorized Individual Retailer”, enter the 7-digit authorization number that was assigned to you by FNS in the box to the right of “FNS number”. If you select “Currently Authorized Chain”, enter the 7-digit corporation number assigned to you by FNS, if known, in the box to the right of “FNS Corporation #”. If none of the first four options apply, select “Other” and provide an explanation in the box to the right of that option.

Section E – Website’s Geographic Coverage

- E1. If your website sells to customers located in all 50 States, DC, Guam and the Virgin Islands, check the box to the left of “All”. Otherwise, check the box to the left of each State or territory where customers may make purchases from your website
- E2a. Click on “Yes” if any States where you do business charge sales tax on some or all food products. Click on “No” if there are no States where you do business that charge Sales tax on food; if you click on “No”, skip to question E3a.
- E2b. If you responded “Yes” to question E2a you must answer this question. List each State where your website normally charges tax for all food products in the box to the right of the question. If no States tax all food products, enter “none”.
- E2c. If you responded “Yes” to question E2a you must answer this question. List each State where your website normally charges tax only for some food products (e.g., snacks and carbonated beverages) in the box to the right of the question. If no States tax just some food products, enter “none”.
- E2d. If you responded “Yes” to question E2a you must answer this question. Click on “Yes” if you use a tax calculation service provider, otherwise click on “No”
- E2e. If you responded “Yes” to question E2a you must answer this question. Click on “Yes” if you will be able to reprogram your website to ensure that items purchased with SNAP benefits are exempt from all State sales taxes, otherwise click on “No”.
- E3a. Click on “Yes” if your website sells any products that require a container deposit, regardless of the entity imposing the deposit fee, Click on “No” if you do not sell any products requiring a container deposit; if you click on “No”, skip to question E4a.
- E3b. If you responded “Yes” to question E3a you must answer this question. Click on “Yes” if any State(s) where you do business have a law that requires you to collect container deposits (see [Section 2.2.1, footnote 2](#) of the RFV for a list of States with such laws). Click on “No” if there are no States where you do business that require collection of container deposits.
- E3c. If you responded “Yes” to question E3a you must answer this question. Click on “Yes” if you will be able to reprogram your website to prevent use of SNAP benefits to pay for any container deposit fees except for those fees specifically required by State law, otherwise click on “No”.
- E3d. If you responded “Yes” to question E3a you must answer this question. Click on “Yes” if your website is responsible for accepting empty containers and repaying the customer for the deposits. Click on “No” if such containers can only be redeemed at other locations (e.g., a State redemption center or one of your brick and mortar locations).
- E4a. Click on “Yes” if your website collects any fees for bags or other delivery containers based on State or local laws or for any other reason, even if such fees are not charged to all customers. Click on “No” if you never charge fees for bags or other delivery containers; if you click on “No”, skip to question F1a.
- E4b. If you responded “Yes” to question E4a you must answer this question. Click on “Yes” if you will be able to reprogram your website to prevent the use of SNAP benefits to pay for any fees for bags or other delivery containers; otherwise, click on “No”.

Section F – Pilot and Rollout Plan

NOTE: States or territories marked with an asterisk (*) at Question E1 are NOT available for the purposes of this demonstration pilot and may not be selected by the website as responses to any of the questions in Part F. For those States that ARE marked with an asterisk, the State agency must still subsequently agree to allow the pilot to be implemented in their State.

- F1a. Enter the State or part of a single State (e.g., a city, metro area, county or set of ZIP codes) where you would prefer to conduct your initial pilot for a minimum of one month. If you are selected as a pilot participant, FNS will work with you to gain that State's approval to perform the pilot there, but that approval cannot be guaranteed.
- F1b. Enter up to two additional States or portions of a single State that would be acceptable as alternate locations for your initial pilot if we are unable to obtain State permission for your first choice.
- F1c. If you would like to roll out to an additional State or portion of a State during the course of the pilot, enter the name of the next State or area to which you would like to expand; if you have no rollout plans, enter "None".
- F1d. If you would like to expand further to a third State or portion of a State for the pilot, enter the name of that State or area that will be your next and final rollout location; if you have no further rollout plans, enter "None".
- F2a. Click on "Yes" if any of the areas identified in section F1 specifically target SNAP client populations (low-income groups, food deserts or other vulnerable geographic areas) in need of delivery or pickup services, and describe those groups/areas in the box directly below the question. Otherwise, click on "No".
- F2b. Click "Yes" if you are partnering with a local government and/or non-profit group to provide input or assistance in your efforts to design system changes, market to SNAP clients or other efforts. Click on "No" if you are not partnering with such groups, and skip to question F3.
- F2c. If you responded "Yes" to question F2b you must answer this question. Enter the name(s) of your partner group(s) in the box below the question. You must also attach a statement of support from each identified group (See [Appendix C](#) of the RFV for sample statement content).
- F3. Identify the estimated amount of time that you will require to be ready to start your pilot if you are selected. Take into consideration the tasks identified in the question and in [Sections 1.6.2, 2.3.2](#) and [2.4](#) of the RFV.

Section G – Fee Structure

- G1. Identify all fee types that you charge for submitting orders on your website by checking the appropriate boxes under this question. If you check a box involving a fixed fee or single dollar amount, enter the appropriate dollar amount in the box to the right of each selected item. If you select a variable fee, indicate the potential range of the fee (lowest amount to highest) in the box to the right of each selected item. If you have any types of fees that are not listed, check "Other" and explain in the box immediately below.
- G2. Click on "Yes" if you plan to reduce or completely waive some or all fees for EBT customers during the pilot, and explain your plans (elimination of fees or reduction and if reduced, what you will charge instead) in the box immediately below. Otherwise, click on "No".
- G3. Click on "Yes" if you will be able to reprogram your website to identify all fees, as listed in question G1, to the EBT customer before the EBT transaction is processed and offer the opportunity to cancel the order before the sale is final; otherwise, click on "No".

Section H – Payment and Processing Methods

- H1. Identify the name of the transaction processor or merchant service provider that currently handles your credit and signature debit business in the box to the right of the question.
- H2. Identify all payment methods that you currently accept on your website by checking the appropriate boxes under this question. If you accept any payment methods not listed, check “Other” and explain in the box immediately below.
- H3. Click on “Yes” if you are willing to accept cash at the time of delivery or pickup for SNAP- ineligible costs such as fees and non-food products; otherwise click on “No”.
- H4. Click on “Yes” if your website is capable of accepting multiple payment methods (e.g., SNAP and commercial debit) for a single order. Click on “No” if you can only accept one payment type for the order.
- H5. Click on “Yes” if you wish to accept cash EBT as a separate payment method in addition to SNAP. Click on “No” if you only wish to accept SNAP EBT, not cash EBT. Click on “Unsure” if you are still evaluating that option (cash EBT requires additional design considerations and may be added later).
- H6. Click on “Yes” if you want to add commercial PIN debit (a separate service offered by Acculynk and described in [Section 1.3.2.3](#) of the RFV) at the same time as you add EBT. Click on “No” if you are not interested in this service. Click on “Unsure” if you are still evaluating that option (requires additional negotiation and design considerations; may be added later).
- H7a. Click on “Yes” if you accept manufacturers’ coupons for products sold on your website; otherwise click on “No” and skip to question H8a.
- H7b. If you responded “Yes” to question H7a you must answer this question. Click on “Yes” if any States require customers to pay sales tax on savings from manufacturers’ coupons and list those States in the box below the question; otherwise click on “No”.
- H8a. Click on “Yes” if you accept store coupons (e.g., from weekly flyers) for products sold on your website; otherwise click on “No” and skip to question H9.
- H8b. If you responded “Yes” to question H8a you must answer this question. Click on “Yes” if these store coupons are subject to tax in the same way as manufacturers’ coupons; otherwise click on “No” and explain how tax on store coupons is handled by your website in the box directly below the question.
- H9. Identify each method you currently use to process your commercial credit/debit sales by checking the appropriate boxes under this question. If any current method is not listed, check “Other” and explain in the box immediately below.
- H10a. Click on “Yes” if you allow a single order to be split up for delivery, pickup or shipping. Click on “No” if you require the entire order to be delivered, picked up or shipped together and skip to question H11a.
- H10b. If you responded “Yes” to question H10a you must answer this question. Click on “Yes” if you ever fulfill these split orders from different locations (e.g., stores or warehouses), otherwise click on “No”.
- H10c. If you responded “Yes” to question H10a you must answer this question. Click on “Yes” if you ever allow a single order to be split between two or more different delivery, pickup or shipping addresses, otherwise click on “No” and skip to question H11a.
- H10d. If you responded “Yes” to question H10c you must answer this question. Click on “Yes” if you will be able to reprogram your website to limit each EBT order to a single address; otherwise, click on “No”

Section I – Non-Profit Cooperatives and Community Supported Agriculture (CSA)

NOTE: This section of the application pertains only to non-profit cooperatives and to agricultural producers that markets agricultural products directly to consumers through a CSA share arrangement, authorized by the Family Nutrition Act to accept advance payment for SNAP purchases up to 14 days in advance of delivery. If your organization does not fall into one of these categories, skip to question J1. See [Section 2.4.5](#) for special technical requirements for these retailer types.

- 11a. Enter the number of days each month that you normally deliver to customers or provide order pickup in the box to the right of the question.
- 11b. Click on “Yes” if you distribute food to customers on different days for different locations (some days you provide delivery/pickup to one location and on other days you provide delivery/pickup to a different location). Click on “No” if you have only one delivery/pickup location or you distribute to all locations on each delivery/pickup day.
- 11c. Click on “Yes” if you distribute orders to some or all delivery/pickup locations on multiple days each month. Click on “No” if you only provide delivery/pickup on one day per month at each location.
- 11d. Enter the average number of days that you provide delivery/pickup at each site in the box to the right of the question.
- 11e. Click on “Yes” if you will be able to reprogram your website to ensure that SNAP sales cannot be performed earlier than 14 days before the scheduled delivery/pickup date for their location; otherwise click on “No”.
- 11f. Click on “Yes” if you will be able to reprogram your website to inform the customer of the first date that they can come back to the website to place an order if they attempt to make a purchase more than 14 days before the scheduled delivery/pickup date for their location; otherwise click on “No”.

Section J – Handling of SNAP-Eligible Foods

- J1. Click on “Yes” if your website sells pet foods, vitamins, health and beauty items, paper or cleaning products, alcohol, tobacco or any other SNAP-ineligible products. Click on “No” if you only sell foods that are SNAP-eligible on your website and skip to question J4a.
- J2a. If you responded “Yes” to question J1 you must answer this question. Click on “Yes” if your website currently identifies which products are SNAP-eligible and which are not, otherwise click on “No”.
- J2b. If you responded “Yes” to question J2a explain how your system identifies which products are SNAP-eligible and which are not in the box below the question and skip to question J3a. If you responded “No” to question J2a, explain the method you plan to implement to identify the difference in the box below the question.
- J2c. If you responded “No” to question J2a you must answer this question. Indicate how much time you will need to implement the ability to identify which products are SNAP-eligible and which are not in the box below the question.
- J3a. If you responded “Yes” to question J1 you must answer this question. Click on “Yes” if you will be able to reprogram your website to calculate a SNAP subtotal for the order, excluding any fees and SNAP-ineligible products, otherwise click on “No”.
- J3b. If you responded “Yes” to question J1 you must answer this question. Click on “Yes” if you will be able to reprogram your website to limit the maximum amount requested in the SNAP authorization request to the value calculated under question J3a, otherwise click on “No”.
- J3c. If you responded “No” to question J3a or “No” to question J3b, explain how you will ensure that SNAP benefits are never used for fees or SNAP-ineligible products in the box below the

question. An example would be that your website will waive fees for SNAP customers and not allow comingling of SNAP-eligible and SNAP-ineligible products in the same purchase.

- J4a. Click on “Yes” if you will be able to reprogram your website to allow, or it already does allow, the customer to use a smaller amount of their SNAP benefits than the amount calculated for the full SNAP subtotal under question J3a, and to pay the balance with another form of tender ([see Section 2.4.2.7](#)), otherwise click on “No”.
- J4b. Click on “Yes” if you plan to allow customers to perform EBT balance inquiries online (a separate EBT transaction type requiring entry of a PIN so that the customer can determine the balances remaining in both their SNAP and cash EBT accounts). Click on “No” if you do not plan to allow balance inquiries on your website.
- J4c. Click on “Yes” if you will be able to reprogram your system to display the available balances when an EBT transaction is denied for insufficient funds (SNAP and cash balances are always returned in the denial response when there are insufficient funds in an EBT account). Click on “No” if you will not be able to display remaining balances.
- J4d. Identify all methods that you will use to allow the customer to reduce the SNAP amount paid by checking the appropriate boxes under this question. Note that if you indicate that the system automatically replaces the SNAP subtotal with the value of the remaining SNAP benefits (first box) you are still required to allow the customer to reduce the SNAP amount even further by checking the second box. If a method you will use is not listed, check “Other” and explain in the box immediately below

Section K – Weighed Products, Substitutions and Out of Stock Items

- K1a. Click on “Yes” if any products on your website have variable pricing based on weight (e.g., produce, meats, fish, deli products), otherwise, click on “No” and skip to question K2a.
- K1b. If you responded “Yes” to question K1a you must answer this question. Identify all methods that you currently use to estimate pricing of weighed items by checking the appropriate boxes under this question. If a method you use is not listed, check “Other” and explain in the box immediately below.
- K1c. If you responded “Yes” to question K1a you must answer this question. Identify all methods that you currently use to handle final pricing of weighed items by checking the appropriate boxes under this question. If a method you use is not listed, check “Other” and explain in the box immediately below.
- K1d. If you responded “Yes” to question K1a you must answer this question. Click on “Yes” if you will be able to reprogram your system to limit any additional estimated value for weighed items for EBT customers to no more than 10 percent over the total value of all weighed items, otherwise click on “No”.
- K1e. If you responded “Yes” to question K1a you must answer this question. Click on “Yes” if you will be able to reprogram your system to advise EBT customers about your weight estimation policies in advance of weighed product selection, otherwise click on “No”.
- K1f. If you responded “Yes” to question K1a you must answer this question. Click on “Yes” if your website advises the customer of the total amount added for weight estimation padding before the sale is final.
- K1g. If you responded “No” to question K1f you must answer this question. Click on “Yes” if you will be able to reprogram your system to advise EBT customers about your weight estimation policies in advance of weighed product selection, otherwise click on “No”.
- K2a. Identify all methods that you currently use to handle items that are out of stock at the time the order is fulfilled by checking the appropriate boxes under this question. If a method you use is not listed, check “Other” and explain in the box immediately below.

- K2b. If you checked more than one box for question K2a, explain how you decide which action to take and how you notify the customer of that action in the box below the question.

Section L – Order, Refund and Delivery Confirmation and Completion

- L1a. Identify all delivery methods that you currently use for items sold on your website by checking the appropriate boxes under this question. If a method you use is not listed, check “Other” and explain in the box immediately below. For each item you select enter your estimate of the average time between completion of the online payment transaction and the customer having the purchased goods in hand in the Average Time column. For each item you select enter the maximum time that any order has taken from completion of online transaction to customer receipt of goods in the Maximum Time column.
- L1b. Explain in the box below the question whether and how the customer can select the location, date and time for delivery or pickup as well as any limitations that may be imposed on their ability to do so.
- L2a. Identify all of the methods you use to provide proof of purchase to customers after completion of the online order by checking the appropriate boxes under this question. If a method you use is not listed, check “Other” and explain in the box immediately below. For each method you select, include in your application package a scanned sample or a screen shot of the proof of purchase notification.
- L2b. If your website sends a notification to the customer via email or text message, indicate when this happens by checking the appropriate boxes under the question. If the time period is not listed, check “Other” and explain in the box immediately below.
- L2c. Click on “Yes” if your notifications include the date, time and location of delivery, pickup or shipping, otherwise click on “No” and provide an explanation in the box immediately below.
- L2d. Click on “Yes” if you will be able to reprogram your website or fulfillment system to meet content specifications for receipts as required by regulation, especially EBT account balances (see [Sections 2.4.3](#) and [2.5.3](#) of the RFV), otherwise, click on “No”.
- L2e. Click on “Yes” if you provide an itemized paper receipt at the time of delivery, pickup or shipping, otherwise click on “No”.
- L3. Click on “Yes” if you provide online tracking of delivery, pickup or shipping on your website and explain how this process works in the box immediately below. If you do not provide online tracking click on “No”.
- L4. If you allow customers to place a one-time order, in advance, for specific products to be delivered at regular intervals (monthly, every two months, etc.) for a price that is lower than the regular price of the products, click on “Yes, at reduced price”. If you allow standing orders as described in the previous sentence, but at the regular price, click on “Yes, at same price”. Click on “No” if you do not allow standing orders.
- L5a. Click on “Yes” and skip to question L6a if you will be able to reprogram your website or fulfillment system to automatically generate any refund due to an EBT customer (e.g., for underweight or out of stock items) after the order is completed, otherwise click “No”.
- L5b. If you responded “No” to question L5a you must answer this question. Explain how you will ensure that EBT customers receive any refund due after the order is completed.
- L6a. Identify all methods that you will use to provide proof of any refund given at order completion (including account balanced after the refund) by checking the appropriate boxes under this question. If you will use a method that is not listed, check “Other” and explain in the box immediately below.
- L6b. Identify the timing of the notifications identified in question L6a by checking the appropriate boxes below the question. If the timing is not listed, check “Other” and explain in the box immediately below.

- L6c. Click on “Yes” if you will be able to reprogram your website or fulfillment system to meet FNS content requirements for the refund notices identified in question L6a (see [Sections 2.4.3](#) and [2.5.3](#) of the RFV), otherwise click on “No”.
- L7a. Click on “Yes” if you allow a customer to cancel an order that has been completed online but not yet put together for delivery/pickup/shipping; otherwise click on “No” and skip to question M1a.
- L7b. If you responded “Yes” to question L7a you must answer this question. Identify all methods that customers can use to cancel an order by checking the appropriate boxes below the question. If you allow a method that is not listed, check “Other” and explain in the box immediately below.
- L7c. If you responded “Yes” to question L7a you must answer this question. Click on “Yes” if you require some form of customer authentication or use other security when a customer cancels an order, otherwise click on “No”.
- L7d. If you responded “Yes” to question L7a you must answer this question. Explain how you will ensure that the customer receives a complete refund after the order is cancelled in the box immediately below.
- L7e. If you responded “Yes” to question L7a you must answer this question. Explain how the customer is notified of the cancellation and refund.
- L7f. If you responded “Yes” to question L7a you must answer this question. Click on “Yes” if you will be able to reprogram your website or fulfillment system to meet FNS content requirements for the refund notices (see [Sections 2.4.3](#) and [2.5.3](#) of the RFV) identified in question L7e, otherwise click on “No”.

Section M – Problem Handling

- M1a. Identify the reasons you will allow a customer to return a product for a refund after the customer receives the order by checking the appropriate boxes below the question. If there is a reason that is not listed, check “Other” and explain in the box immediately below. If you check the box for “We never allow refunds...” skip to question N1a.
- M1b. If you indicated that you allow refunds in question M1a you must answer this question. Click on “Yes” if you require the customer requesting the refund to return the product to you. Click on “No” if you never require the customer to return the product and skip to question M2a. Click on “It depends...” if there are certain circumstances when you require the product to be returned and others that do not require a product return and explain those circumstances.
- M1c. If you responded “Yes” or “It depends” to question M1b, identify the methods that customers may use to return the product by checking the appropriate boxes below the question. If there is a method that is not listed, check “Other” and explain immediately below.
- M1d. If you responded “Website arranges shipping deducting costs from refund” or “Website arranges shipping deducting any original free shipping from refund” to question M1c, you must explain, in the box immediately below, how you will handle either of these situations for a SNAP-only purchase, because shipping costs cannot be charged to SNAP benefits or deducted from a SNAP refund.
- M2a. If you indicated that you allow refunds in question M1a you must answer this question. Click on “Yes” if your post-delivery refund process is automated and skip to question M3a, otherwise click on “No”.
- M2b. If you responded “No” to question M2a you must answer this question. Explain how you will ensure that the customer receives a post-delivery refund if one is required.
- M3a. If you indicated that you allow refunds in question M1a you must answer this question. Explain how you notify a customer that you have completed a post-delivery refund when one was due in the box below the question.

- M3b. If you indicated that you allow refunds in question M1a you must answer this question. Click on “Yes” if you will be able to reprogram your website or refund system to meet FNS content requirements for the notices (see [Sections 2.4.3](#) and [2.5.3](#) of the RFV) identified in question M3a, otherwise click on “No”.

Section N – [Accessibility](#)

- N1. Explain how you plan to educate EBT customers about the ability of your website to accept SNAP and cash EBT payment online and how the system operates for EBT payments in the box below the question.
- N2. Click on “Yes” if your website is available in any languages besides English and list those languages in the box immediately below, otherwise click on “No”.
- N3. Click on “Yes” if your website complies with the Americans with Disabilities Act Section 508 accessibility requirements (see [Section 2.2.1](#) of the RFV), otherwise click on “No”.

Section O – [Privacy and Security](#)

- O1a. Click on “Yes” if you retain any Personally Identifiable Information (PII) on any of your systems related to online purchasing (website, order fulfillment, customer service, etc.). PII includes name, address, email address, etc. (see [Section 2.4.6.4](#) of the RFV). If you do not retain PII in your systems, click on “No”.
- O1b. Click on “Yes-Required” if every customer must create a stored user account in order to purchase products from your website. Click on “Yes-Optional” if customers can create a user account if desired but could opt instead to shop as a “guest” and enter all pertinent data for every purchase. Click on “No” if there are no stored user accounts for your website.
- O1c. Identify which issues your website addresses in its online privacy policies by checking the appropriate boxes below the question.
- O1d. Click on “Yes” if you ever sell customers’ PII or share it with third parties that are not essential to the sale, delivery or customer service processes and explain what data is shared and with whom in the box immediately below. Otherwise “Click on “No”.
- O1e. Click on “Yes” if an individual customer can opt out of data sharing with other parties in order to protect their PII, otherwise click on “No” and skip to question O2a.
- O1f. If you responded “Yes” to question O1d, you must answer this question. Explain how the opt-out process works and provide a link to your online instructions for the process in the box below the question.
- O2a. Click on “Yes” if your website uses cookies (see [Section 2.4.6.2](#) of the RFV) to facilitate future access to the site, otherwise click on “No” and skip to question O3a.
- O2b. If you responded “Yes” to question O2a you must answer this question. Click on “Yes” if PII (e.g., account number, login ID, etc.) is ever stored in cookies, otherwise click on “No” and skip to question O3a.
- O2c. If you responded “Yes” to questions O2a and O2b you must answer this question. Click on “Yes” if these cookies can easily be avoided or deleted, otherwise click on “No”. Please provide further explanation of either response, describing how cookies can be deleted or why it cannot easily be done
- O3a. Click on “Yes” if customers store payment card numbers and related data in your website in order to make a purchase. Click on “No” and skip to question O4 if you do not allow users to store card information in your system.
- O3b. If you responded “Yes” to questions O3a you must answer this question. Click on “Yes” if customers can opt NOT to store their card number in your website and enter the number for each sale. Click on “No” if customers must store their card number in your website.

- O4. Click on “Yes” if card number display on screens and in notices is always truncated to the last 4 digits (except when the customer is initially entering the card number), otherwise click on “No”
- O5. Click on “Yes” if your website is Payment Card Industry (PCI) certified as compliant with their rules on protection of “data at rest” (e.g., card numbers), otherwise click on “No”.
- O6. Attach a pdf or Word document describing the protocols and best practices that you use to secure cardholder PII data and card numbers. The methods listed in the application are meant to be examples, not a list of requirements. None of them are specifically mandated for the pilot, but a combination of some of these practices is usually required to achieve PCI certification. Please identify the names of any third party security products or services that you use.

Section P – Website Policies

- P1. Provide customer links to your website’s written policies in each box to the right of the five listed categories. If any of these policies are not available for customers to see on your website, you may instead attach a pdf or Word document describing those policies. If you have no written policies for one or more of these areas, enter “None” in the box to the right of the applicable topic.

Section Q – Pilot and SNAP Retailer Application Documentation

NOTE: This section provides a checklist of items to include with this Online Purchasing Pilot application form. For most retailers all of these items are required in order for you to participate in the pilot as an FNS-authorized retailer. This checklist also assists FNS in making sure that we have received all of the attachments/files that you included in your application package. Failure to provide a complete application package is a reason to eliminate you from consideration as a pilot participant. If you replied “Yes” to Question B2 or “No” to Question C3 on the application form, you may be required to complete multiple SNAP retailer applications for rollout; however, only one application is required for initial response to the RFV.

- Q1. Click on “Yes” if you have included your SNAP retailer application (see [Sections 2.3.1.1, 3.9.2.2](#) and [Appendix E](#) of the RFV). Click on “No” if you have not included the application and skip to question Q3.
- Q2. If you responded “Yes” to question Q1, you must answer this question. Click on “FNS-252” if you have completed and included the standard SNAP Application for Stores. This version is required if you are not currently authorized by FNS to redeem benefits at any other location or if you are currently authorized to redeem SNAP benefits at one or more locations but do not qualify as a corporate chain (see [Section 2.3.1.1.2](#) of the RFV). If you are currently authorized by FNS as a corporate chain and have entered your FNS corporation number under question D1, the full FNS-252 is not required. Click on “FNS-252-C” if you completed and included the Corporate Supplemental Application form or click on “Chain spreadsheet” if you have access to your existing chain spreadsheet and have added all required information applicable to your website to a new line in the spreadsheet (see [Section 2.3.1.1.1](#)).
- Q3. Click on “Yes” if you have included scanned copies of photo IDs and Social Security Number (SSN) documentation for every company owner and/or corporate officer, otherwise click “No”. These are required for all applicants that completed the FNS-252 form (see [Section 2.3.1.1.2](#) of the RFV). Applicants eligible to submit a 252-C or corporation spreadsheet already have the necessary photo IDs and SSN documentation on file with FNS and do not need to submit them again.

- Q4. Click on “Yes” if you have included a scanned copy of your business permit (see [Section 2.3.1.1.2](#) of the RFV), otherwise click on “No”. These are also required for all applicants that completed the FNS-252 form.
- Q5. Click on “Yes” if you have included scanned copies or screen shots of all notices and receipts (See questions L2a and L6a), otherwise click on “No”.
- Q6. Click on “Yes” if you have included your response to question O6 (security protocols and best practices), otherwise click on “No”.
- Q7. Click on “Yes” if you have included a separate response to question P1 (website policies), otherwise click on “No”.
- Q8. Click on “Yes” if you had insufficient room within any other text box(es) to respond to the question(s) and it was necessary to continue the response in a separate document, otherwise click on “No”.
- Q9. Click on “Yes” if you responded “Yes” to question F2b and are attaching letters of support from local government or non-profit groups, otherwise click on “No”.
- Q10. If you responded “No” to Q1, Q3, Q4, Q5 or Q6 you must answer this question. Explain the reason for each “No” response.

Section R – [Assurances](#)

Carefully read each assurance in this section and for each one click on “Yes” if you agree to follow the requirement, click on “No” if you do not agree to follow the requirement, or click on “Qualified Yes” and explain your issues and/or any additional conditions you wish to apply to the assurance. Be advised that a “No” response to any of these assurances may be grounds for non-selection as a pilot participant. Should a “Qualified Yes” explanation result in significant deviation from the intent of the assurance, FNS reserves the right to consider it equivalent to a “No” response. The intent of each assurance is as follows:

- R1. As indicated in [Section 1.3.2.1](#) of the RFV, all pilot participants must use an FNS-approved secure PIN-entry service provider for both purchases and refunds. At this time and until FNS approves additional companies for this service, the only approved provider is Acculynk.
- R2. As indicated in [Section 2.4.1.5.2](#) of the RFV, EBT processors will only approve online purchase transactions and PINless refunds from retailers specifically authorized by FNS as Internet Retailers and will not approve any face to face POS or paper voucher transactions for Internet Retailers. You must have a separate FNS authorization number to perform these face to face transactions.
- R3. As noted above for assurance R1, you must use Acculynk as your secure PIN-entry service provider for this pilot. You will be required to sign a contract with Acculynk for those services and adhere to their requirements and message formats. You must agree to negotiate with Acculynk on terms and pricing if you are selected as a pilot participant. If you are unable to come to agreement with Acculynk and fail to sign a contract, you will be dropped from the pilot and your FNS authorization as an Internet Retailer will be terminated.
- R4. As indicated in [Section 2.4.2.6](#) of the RFV, the Agriculture Act of 2014 requires all Internet Retailers to clearly identify all fees before completing the purchase transaction and explain that they may not be paid for with SNAP benefits. If EBT customers are not willing or able to pay these fees with an alternate tender they must be able to terminate the order before it is finalized.
- R5. As indicated in [Section 2.4.5](#) of the RFV, EBT customers must receive their orders within 14 days if the retailer is a non-profit cooperative or a CSA. For all other Internet Retailers, customers must receive their orders within seven calendar days unless the customer specifically requests a later delivery date (see [Section 2.4.1.1.2](#)). Refunds for overweight or out of stock items must be issued immediately after completion of the order. All other refunds must be issued within two business days (see [Section 2.4.1.2.1](#)).

- R6. As indicated in [Section 2.4.1.2.3](#), of the RFV all refunds for online orders must be transmitted through Acculynk in accordance with their message format requirements and because there are no PINs required, the ability to generate refunds must be limited only to authorized personnel.
- R7. As indicated in [Section 2.4.4](#) of the RFV, by law SNAP clients must be treated in the same manner as other customers. There are some notable exceptions with the pilot requirements, covered under the waivers in [Section 2.5](#). [Section 2.5.7](#) provides the applicant with flexibility to propose some limited additional deviation, which will also require a waiver. If so, the applicant should respond to this question with “Qualified Yes” and explain their additional proposed differences in the explanation box.
- R8. As indicated in [Section 2.5](#) of the RFV, the Online Purchasing Pilot will result in deviation from a number of SNAP regulatory requirements. Therefore, FNS will issue a set of conditional waivers, as explained in the RFV, to pilot participants and require written agreement from each participant that they will abide by those conditions. Failure to do so will be grounds for terminating your participation in the pilot and your authorization as an Internet Retailer.
- R9. As indicated in [Section 2.4.6.1](#) of the RFV all retailers participating in the pilot and performing online transactions must be certified as PCI-compliant and must maintain that certification as long as they are authorized by FNS as an Internet Retailer. Failure to do so will be grounds for terminating your participation in the pilot and your authorization as an Internet Retailer. Acculynk will validate compliance.
- R10. As indicated in [Section 2.4.1.1](#) of the RFV, retailers must never capture or store PIN data even if it is encrypted. Customers must enter their PIN for every transaction (except for refunds) at the time of the online purchase or balance inquiry and the retailer must turn over all responsibility for PIN entry and capture to Acculynk.
- R11. As indicated in [Section 2.4.6.3](#) of the RFV, FNS will hold all retailer participants liable for any monetary losses or other damage to EBT customers as described in the assurance. Retailers are responsible for ensuring the security of PII data.
- R12. As indicated in [Section 2.4.6.4](#) of the RFV retailers may not share PII with outside parties without the explicit permission of the EBT customer. This is true even if the terms and conditions of the website for other customers allow such data sharing.
- R13. As indicated in [Section 2.4.6.1](#) of the RFV, Internet Retailers must have in place a security program and best practices to protect PII, as reported in the response to question P1. Retailers will be expected to maintain or improve this level of security as long as they are authorized by FNS as an Internet Retailer.
- R14. As indicated in [Section 3.11.1](#) of the RFV, selected pilot participants will be required to report on progress, challenges and results. FNS has opted to handle this through regular conference calls with all appropriate parties to be held at mutually agreeable dates, times and intervals.
- R15. As indicated in [Section 3.11](#) of the RFV FNS will require documentation from each selected participant such as, but not limited to, a project timeline, business requirements identification and analysis; description of EBT related functional design changes to the system, work flow and customer service; copies of changes to screens, notices and reports; and test results.
- R16. As indicated in [Section 3.11.5](#) of the RFV, participating retailers will be expected to thoroughly test EBT system changes before putting them into production. This includes testing of Acculynk message formats, end to end testing with the EBT processor, successful completion of an FNS-developed test script, identification and correction of issues and regression testing. FNS expects to participate in several days of onsite testing at the retailer's facility.
- R17. As indicated in [Section 3.12.2.2](#) and [Appendix F](#) of the RFV, FNS will require selected retailers to participate in a formal evaluation of the pilot. FNS has identified the type of data and summary statistics that we expect our evaluation contractor to collect from each participating retailer. This initial list may be modified during the course of the pilot. If the applicant is unable to comply with any of the data collection and evaluation requirements in the above cited sections, they should respond to this question with “Qualified Yes” and identify the areas of concern.
- R18. As indicated in [Section 3.12.2.2](#) of the RFV, selected retailer participants must work with the evaluation contractor to develop content and process flow for the retailer-initiated online customer survey, and to identify a sample of EBT (and if applicable, commercial PIN debit)

customers for the evaluation contractor to conduct additional research through interviews or other means.

- R19. As indicated in [Section 3.12.2.2](#) of the RFV, selected retailer participants must work with the evaluation contractor to facilitate necessary interviews or site visits with appropriate retailer staff, sampled customers and other key participants.
- R20. As indicated in [Section 3.12.2.2](#) of the RFV, selected retailer participants will be required to assist FNS and the evaluation contractor, as needed, when issues occur and require resolution, and be available to for consultation and input to refine evaluation procedures when appropriate.
- R21. As indicated in [Section 3.12.2.2](#) of the RFV the retailer must agree to exercise due diligence to ensure the integrity of the evaluation and the quality of the data the retailer provides to FNS and the contractor.

Section S – Privacy Act Statement

The individual signing the form must have the authority to make the assurances and commitments identified in Sections R and S of the RFV Participation Application Form (see [Section 3.9.2.4](#) of the RFV for additional information).

On page 12, enter the name of the person that will sign the application in the box above “Print Name”. Enter the date signed in the box above “Date Signed”. Enter the full title of the signer in the box above “Print Title”. Print page 12, and once it has been signed, scan a copy of the signed page to include in the application package. See [Section 3.9.1](#) of the RFV for instructions on submission of the application, signature page and attachments.

Appendix E – FNS Retailer Application Forms

The forms on the following pages are facsimiles of the Adobe PDF files for the application forms (*FNS-252.pdf* and *FNS-252-C.pdf*) used by retailers to apply for authorization as an FNS SNAP retailer. These are contained in the ***onlinepurchasing-rfv-application-packet.zip*** file along with this solicitation document, available at [SNAP Online Purchasing Pilot Request for Volunteers Application Package](#). Please use the appropriate Adobe file based on your corporate status and complete it electronically to submit with your final response to this RFV.

All applicants responding to the RFV must complete the appropriate FNS retailer application form. Only chain stores that have an FNS ROD corporate contact and have completed the [FNS-252-C](#) for brick and mortar stores in the past are eligible to submit the FNS-252-C for this pilot. We already have the necessary documentation on file for corporate applicants who are eligible to submit the FNS-252-C. Alternatively, the chain may submit their updated chain spreadsheet. Please complete the form or spreadsheet electronically as instructed in [Section 3.9.2.2, FNS-252 SNAP Application for Stores, or FNS-252-C FNS Corporate Supplemental Application, or Chain Spreadsheet](#), and attach it to your response.

All other applicants must complete the full form [FNS-252](#) and submit it along with digitally scanned copies of the following documentation, as discussed in [Section 3.9.2.3, Additional Documentation for Retailer Application](#) and [Section 2.3.1.1.2, FNS-252-Supplemental Nutrition Assistance Program Application for Stores](#), i.e.:

1. One current business license in your name or the name of your business
2. Government issued photo Identification for all owners, partners, and corporate officers; and in Community Property States, spouses of owners and partners
3. Government issued Social Security Number documentation for all owners, partners, and corporate officers; and in Community Property States, spouses of owners and partners

The following pages contain facsimiles of the FNS-252 and FNS-252-C forms.

FNS-252

Form FNS-252 US Department of Agriculture Food and Nutrition Service	SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM APPLICATION FOR STORES	OMB APPROVED NO. 0584-0008 Expiration Date: 08/31/2017
FOR FNS USE ONLY	FNS Number [][][][][][][][][]	Authorization Initials [][][]
	Date Authorized [][] / [][] / [][][][]	

1 When did or when will the store open for business under your ownership (MM/DD/YYYY):

2 Store Name:	3 Chain Store Number (if applicable):
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4 Store Location Address (do not enter P.O. Box here):

Street Number:	Street Name:	Additional Address (Bldg #, Unit #, Stall #, etc.):
City:	State:	Zip Code:

5 Store Mailing Address:
 (Skip if your mailing address is the same as your store location. If you have a PO Box address, enter it in the street name field):

Street Number:	Street Name:	Additional Address (Bldg #, Unit #, Stall #, etc.):
City:	State:	Zip Code:
If foreign address, add Country:		

6 Store Telephone Number:
 () -

7 Alternate Telephone Number:
 () -

8 Owner or Store Email Address:

9 Is your business a delivery route, farmers' market, farm stand/stall/u-pick, military commissary/exchange or specialty food store that primarily sells one food type such as meat/poultry, seafood, bread, or fruits/vegetables? Yes No

<input type="checkbox"/> Meat/Poultry Market	<input type="checkbox"/> Bakery	<input type="checkbox"/> Military Commissary/Exchange	<input type="checkbox"/> Farmers' Market
<input type="checkbox"/> Seafood Market	<input type="checkbox"/> Produce Market	<input type="checkbox"/> Delivery Route	<input type="checkbox"/> Direct Marketing Farmer (Farm Stand/Stall/U-Pick)

Do not use this Form FNS-252 if you are applying as a restaurant. Restaurants must use Form FNS-252-2, Application for Meal Services.

10 Type of Ownership (check only **one** box):

<input type="checkbox"/> Privately Held Corporation	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Government Owned
<input type="checkbox"/> Publicly Owned Corporation	<input type="checkbox"/> Partnership	<input type="checkbox"/> Nonprofit Cooperative	

11 Corporation or Government Agency Information: If privately held corporation or limited liability company, enter the name and address of your corporation as on record with the State. If government owned, enter the name and address of the responsible government agency. If publicly owned corporation, enter the name and address of the parent corporate office. **All others skip to the next question.**

11a Corporation Name:

11b Corporation Address:

Street Number:	Street Name:	Additional Address (Bldg #, Unit #, Stall #, etc.):
City:	State:	Zip Code:
If foreign address, add Country:		

11c If publicly owned or government owned, enter a contact person:

Contact Person Name:	Telephone Number: () -	Email Address:
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12 Owner/Officer Information: Enter the name and home address of all officers, owners, partners, and members. You must enter spousal information for each owner and officer if your business is located in a community property state (AZ, CA, ID, LA, NM, NV, TX, WA, WI). **If this is a public corporation or government owned store, skip to question 13.** See instructions for more information about this question.

12a Print name exactly as it appears on the social security card:

First Name:		Middle Name:		Last Name:	
Street Number:	Street Name:			Additional Address (Bldg #, Unit #, Stall #, etc.):	
City:			State:	Zip Code:	If foreign address, add Country:
Social Security Number:	Date of Birth: (MM/DD/YYYY)	Business Title (i.e. owner, partner, spouse, etc.):		Email Address:	

12b Print name exactly as it appears on the social security card:

First Name:		Middle Name:		Last Name:	
Street Number:	Street Name:			Additional Address (Bldg #, Unit #, Stall #, etc.):	
City:			State:	Zip Code:	If foreign address, add Country:
Social Security Number:	Date of Birth: (MM/DD/YYYY)	Business Title (i.e. owner, partner, spouse, etc.):		Email Address:	

12c Print name exactly as it appears on the social security card:

First Name:		Middle Name:		Last Name:	
Street Number:	Street Name:			Additional Address (Bldg #, Unit #, Stall #, etc.):	
City:			State:	Zip Code:	If foreign address, add Country:
Social Security Number:	Date of Birth: (MM/DD/YYYY)	Business Title (i.e. owner, partner, spouse, etc.):		Email Address:	

12d Print name exactly as it appears on the social security card:

First Name:		Middle Name:		Last Name:	
Street Number:	Street Name:			Additional Address (Bldg #, Unit #, Stall #, etc.):	
City:			State:	Zip Code:	If foreign address, add Country:
Social Security Number:	Date of Birth: (MM/DD/YYYY)	Business Title (i.e. owner, partner, spouse, etc.):		Email Address:	

13 Answer the questions for **all** officers, owners, partners, members, and/or managers.

13a Has any officer, owner, partner, member and/or manager ever been denied, withdrawn or suspended, or been fined for license violations (i.e. Supplemental Nutrition Assistance Program (SNAP), WIC, business, alcohol, tobacco, lottery, or health license)? Yes No

13b If Yes, provide an explanation:

13c Is any officer, owner, partner, member and/or manager currently or ever been suspended or debarred from conducting business with or participating in any program administered by the Federal Government? Yes No

13d If Yes, provide an explanation:

13e Is any officer, owner, partner, and/or member currently receiving SNAP benefits? Yes No

13f If Yes, and the store is already operating under this ownership, have the officer, owner, partner, and/or member reported this income from the store to their SNAP caseworker? Yes No

13g If No, provide an explanation:

13h Has any officer, owner, partner and/or member ever been disqualified from receiving SNAP benefits as a recipient for an intentional program violation (IPV) or fraud? Yes No

13i If Yes, provide an explanation:

13j Does any officer, owner, partner, and/or member currently own any other SNAP authorized stores? Yes No

13k If Yes, how many currently authorized stores do you own?

14 Was any officer, owner, partner, member, and/or manager convicted of any crime after June 1, 1999? Yes No

14a If Yes, provide an explanation:

15 Do you sell products wholesale to other businesses such as hospitals or restaurants? Yes No

15a If Yes, does your retail food sales meet or exceed \$250,000 or 50% of your total sales? Yes No

16 Does the sale of hot and/or cold freshly prepared foods that are ready-to-eat exceed 50% of your total sales? Yes No

17 Total Retail Sales. Enter the total retail sales from all products you sell at this location (both food and non-food products and services). If your store has been open under your ownership for more than one year, enter actual total retail sales from your most recent IRS tax return for this store (17a), or if your store has been open under your ownership for less than one year, you must provide estimated sales (17b). If you sell products wholesale to other businesses, do not include those sales. You must complete either 17a or 17b.

17a Actual Retail Sales: \$ _____ in Tax Year: 20 ____

17b Estimated Retail Sales: \$ _____ (check one) Day Week Month Year

17c If you have an Employer Identification Number (EIN) enter it here: -

18 Do you stock at least three different items in each of these food categories? Include fresh, frozen, canned, packaged. See instructions for more information.

Breads/Grains (Examples: bread, cereal, pasta, rice, flour, etc.) Yes No

Dairy (Examples: milk, butter, cheese, yogurt, infant formula, etc.) Yes No

Fruits/Vegetables (Examples: frozen corn, dried beans, applesauce, canned peas, bananas, 100% juice, etc.) Yes No

Meat/Poultry/Fish (Examples: canned meats and fish, ground beef, deli meats, bacon, frozen chicken, eggs, etc.) Yes No

18a What percent of your total retail sales comes from these food categories? %

18b Do you stock fresh, frozen or refrigerated foods in at least two of these categories? Yes No

19 Do you sell "other" foods, such as snack foods, soft drinks, or condiments? Yes No

19a If Yes, what percent of your total retail sales comes from these items? %

20 Do you sell non-food items or food that is hot at the time the customer pays for it? Yes No

20a If Yes, check the items you carry: tobacco products alcohol lottery gasoline hot food other

20b If Yes, what percent of your total retail sales comes from these non-food and hot food items? %

The sum of the three percentage figures above (18a, 19a, and 20b) must equal 100%

21 How many cash registers are at this store?

22 Is this store open year round? Yes No

22a If No, check which month(s) you are open:

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

23 Is this store open 7 days a week, 24 hours per day? Yes No

23a If No, indicate operating hours:

	Opening Time	Select AM or PM	Closing Time	Select AM or PM
Monday:	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM
Tuesday:	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM
Wednesday:	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM
Thursday:	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM
Friday:	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM
Saturday:	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM
Sunday:	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM	_____	<input type="checkbox"/> AM <input type="checkbox"/> PM

24 If you have additional information or comments you would like to provide to FNS (such as any special circumstances that FNS should know), please provide the information here:

PRIVACY ACT STATEMENT - Authority: Section 9 of the Food and Nutrition Act of 2008, as amended, (7 U.S.C. 2018); section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)); and section 6109(f) of the Internal Revenue Code of 1986 (26 U.S.C. 6109(f)), authorizes collection of the information on this application.

- Information is collected primarily for use by the Food and Nutrition Service in the administration of the Supplemental Nutrition Assistance Program;
- Additional disclosure of this information may be made to other Food and Nutrition Service programs and to other Federal, State or local agencies and investigative authorities when the Supplemental Nutrition Assistance Program becomes aware of a violation or possible violation of the Food and Nutrition Act of 2008, as explained in the next section called "Use and Disclosure";
- Section 278.1(b) of the Supplemental Nutrition Assistance Program regulations provides for the collection of the owners' Social Security Number (SSN), Employee Identification Number (EIN) and tax information;
- The use and disclosure of SSNs and EINs obtained by applicants is covered in the Social Security Act and the Internal Revenue Code. In accordance with the Social Security Act and the Internal Revenue Code, applicant social security numbers and employer identification numbers may be disclosed only to other Federal agencies authorized to have access to social security numbers and employer identification numbers and maintain these numbers in their files, and only when the Secretary of Agriculture determines that disclosure would assist in verifying and matching such information against information maintained by such other agency [42 U.S.C. 405(c)(2)(C)(iii); 26 U.S.C. 6109(f)];
- Furnishing the information on this form, including your SSN and EIN, is voluntary but failure to do so will result in denial of this application;
- The Food and Nutrition Service may provide you with an additional statement reflecting any additional uses of the information furnished on this form.

USE AND DISCLOSURE - Routine Uses: We may use the information you give us in the following ways;

- We may disclose information to the Department of Justice (DOJ), a court or other tribunal, or another party before such tribunal when the USDA is involved in a lawsuit or has an interest in litigation and it has been determined that the use of such information is relevant and necessary and the disclosure is compatible with the purpose for which the information was collected;
- In the event that the information in our system indicates a violation of the Food and Nutrition Act or any other Federal or State law whether civil or criminal or regulatory in nature, and whether arising by general statute, or by regulation, rule, or order issued pursuant thereto, we may disclose the information you give us to the appropriate agency, whether Federal or State, charged with the responsibility of investigating or prosecuting such violation or charged with enforcing or implementing the statute, or rule, regulation or order issued pursuant thereto;
- We may use your information, including SSNs and EINs, to collect and report on delinquent debt and may disclose the information to other Federal and State agencies, as well as private collection agencies, for purposes of claims collection actions including, but not limited to, the Treasury Department for administrative or tax offset and referral to the Department of Justice for litigation. (**Note:** SSNs and EINs will only be disclosed to Federal agencies authorized to possess such information);
- We may disclose information to other Federal and State agencies to verify the information reported by applicants and participating firms, and to assist in the administration and enforcement of the Food and Nutrition Act as well as other Federal and State laws. (**Note:** SSNs and EINs will only be disclosed to Federal agencies authorized to possess such information);
- We may disclose information to other Federal and State agencies to respond to specific requests from such Federal and State agencies for the purpose of administering the Food and Nutrition Act as well as other Federal and State laws;
- We may disclose information to other Federal and State agencies for the purpose of conducting computer matching programs;
- We may disclose information (excluding EINs and SSNs) to private entities having contractual agreements with us for designing, developing, and operating our systems, and for verification and computer matching purposes;
- We may disclose information to the Internal Revenue Service, for the purpose of reporting delinquent retailer and wholesaler monetary penalties of \$600 or more for violations committed under the SNAP. We will report each delinquent debt to the Internal Revenue Service on Form 1099-C (Cancellation of Debt). We will report these debts to the Internal Revenue Service under the authority of the Income Tax Regulations (26 CFR Parts 1 and 602) under section 6050P of the Internal Revenue Code (26 U.S.C. 6050P);
- We may disclose information to State agencies that administer the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), authorized under section 17 of the Child Nutrition Act of 1966 (CNA) (42 U.S.C. 1786), for purposes of administering that Act and the regulations issued under that Act;
- Disclosures pursuant to 5 U.S.C. 55 2a(b)(12). We may disclose information to "consumer reporting agencies" as defined in the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) or the Debt Collection Act of 1982 (31 U.S.C. 3711(d)(4));
- We may disclose information to the public when a retailer has been disqualified or otherwise sanctioned for violations of the Program after the time for administrative and judicial appeals has expired. This information is limited to the name and address of the store, the owner(s) name(s) and information about the sanction itself. The purpose of such disclosure is to assist in the administration and enforcement of the Food and Nutrition Act and Supplemental Nutrition Assistance Program regulations.

CERTIFICATION AND SIGNATURE - By signing below, you are confirming your understanding of and agreement with the following:

- I am an owner of this firm;
- I have provided truthful and complete information on this form and on any documents provided to the Food and Nutrition Service;
- If I provide false information, my application may be denied or withdrawn;
- Any information I have provided or will provide may be verified and shared by the USDA as described in the Privacy Act and Use and Disclosure statement;
- By my signature below, I release my tax records to the Food and Nutrition Service;
- I will receive Supplemental Nutrition Assistance Program training materials upon authorization. It is my responsibility to ensure that the training materials are reviewed by all firm's owners and all employees (whether paid or unpaid, new, full-time or part-time); and that all employees will follow Supplemental Nutrition Assistance Program regulations. If I do not receive these materials I must contact the Food and Nutrition Service to request them;
- I am aware that violations of program rules can result in administrative actions such as fines, sanctions, withdrawal or disqualification from the Supplemental Nutrition Assistance Program; I am aware that violations of the Supplemental Nutrition Assistance Program rules can also result in Federal, State and/or local criminal prosecution and sanctions;
- I accept responsibility on behalf of the firm for violations of the Supplemental Nutrition Assistance Program regulations, including those committed by any of the firm's employees, paid or unpaid, new, full-time or part-time. These include violations such as, but not limited to:
 - Trading cash for Supplemental Nutrition Assistance Program benefits (i.e. trafficking);
 - Accepting Supplemental Nutrition Assistance Program benefits as payment for ineligible items;
 - Accepting Supplemental Nutrition Assistance Program benefits as payment on credit accounts or loans;
 - Knowingly accepting Supplemental Nutrition Assistance Program benefits from people not authorized to use them;
- Disqualification from the WIC Program may result in Supplemental Nutrition Assistance Program disqualification and a disqualification from the Supplemental Nutrition Assistance Program may result in WIC Program disqualification;
- In accordance with Federal law and U.S. Department of Agriculture policy, no customer may be discriminated against on the grounds of race, color, national origin, sex, age, religion, political beliefs, or disability. Supplemental Nutrition Assistance Program customers must be treated in the same manner as non-Supplemental Nutrition Assistance Program customers;
- Participation can be denied or withdrawn if my firm violates any laws or regulations issued by Federal, State or local agencies, including civil rights laws and their implementing regulations;
- I am responsible for reporting changes in the firm's ownership, address, type of business and operation to the Food and Nutrition Service.

Supplemental Nutrition Assistance Program authorization may not be transferred to new owners, partners, or corporations. An unauthorized individual or firm accepting or redeeming Supplemental Nutrition Assistance Program benefits is subject to substantial fines and administrative sanctions.

PENALTY WARNING STATEMENT - The Food and Nutrition Service can deny or withdraw your approval to accept Supplemental Nutrition Assistance Program benefits if you provide false information or try to hide information we ask you to give us. In addition, if false information is provided or information is hidden from the Food and Nutrition Service, the owners of the firm may be liable for a \$10,000 fine or imprisoned for as long as five years, or both (7 U.S.C. 2024(f) and 18 U.S.C. 1001).

I have read, understand and agree with the conditions of participation outlined in the Privacy Act, Use and Disclosure, Penalty Warning and Certification Statements, and agree to comply with all statutory and regulatory requirements associated with participation in the Supplemental Nutrition Assistance Program.

X _____
Signature

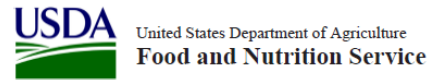
X _____
Print Name

Date Signed

Print Title

**MAIL YOUR COMPLETED APPLICATION TO THE RETAILER SERVICE CENTER
(SEE FIRST PAGE OF INSTRUCTIONS).**

Instructions for Form FNS-252 Supplemental Nutrition Assistance Program Application for Stores



General Instructions

Use Form FNS-252, Supplemental Nutrition Assistance Program Application for Stores to apply for authorization to participate in the Supplemental Nutrition Assistance Program.

These instructions should be used when submitting a paper application by mail to USDA, Food and Nutrition Service (FNS).

The information you provide on the application form will be used by FNS to determine your store's eligibility to accept and redeem Supplemental Nutrition Assistance Program benefits. Your store may be visited as part of this review. If approved, your store will be issued a Supplemental Nutrition Assistance Program license.

You must train your employees on the Supplemental Nutrition Assistance Program rules and regulations. Training materials are available on our public web for your convenience and included in your information packet if FNS approves your application. You may also obtain training information translated into other languages from this site.

Do not use this Form FNS-252 if you are applying as a restaurant. Restaurants must use Form FNS-252-2, Application for Meal Services.

Reminders

You must answer all of the questions on the application form, with the following exceptions:



If the store is owned by a sole proprietorship, partnership or nonprofit cooperative skip question 11.



If the store is owned by a privately held corporation or LLC skip question 11c.



If the store is owned by a public corporation or government agency skip question 12.

How to Apply

You can apply online or submit a paper application by mail. Use only one method.

Which Filing Method Can I Use?

Apply Online: Go to the USDA, FNS website at: <http://www.fns.usda.gov/snap> and follow the instructions to submit an online application.

Apply by Mail: Complete Form FNS-252, attach the required documents, sign and date the application, and mail it to the SNAP Retailer Service Center. The SNAP Retailer Service Center address is listed on the cover letter that was mailed to you with the application. You can also find the SNAP Retailer Service Center address at: <http://www.fns.usda.gov/snap>.

Authorization Processing Time

You must complete the application and submit all the supporting documents before FNS processes your application. An incomplete application or failure to submit documentation will result in a delay. FNS can take up to 45 days to process a completed application.



You cannot accept Supplemental Nutrition Assistance Program benefits until you are authorized and licensed by FNS.

Contact the SNAP Retailer Service Center to inquire about the status of an application.

Specific Instructions

Print or type your answers so they are clear and legible. Keep a copy of what you submit to FNS for your records.

Question 1 - Store Opening Date: Enter the date that the store opened for business or will open for business under your ownership. You can enter a future opening date.

Question 2 - Store Name: Enter the name your store is doing business as.

Question 3 - Chain Store Number: Enter the store number if the store is part of a chain of stores and you refer to it by a number, i.e., "Fine Foods #426". Enter only the number in this field (do not enter a pound sign).

Question 4 - Store Location Address: Enter the store location address. Do not enter a P.O. Box number here. Use the Additional Address line for the unit number, building number, stall number, etc., for addresses with multiple stores at one location.

Question 5 - Store Mailing Address: If your store has a mailing address that is different than the location address, enter it here. If you have a P.O. Box, enter it in the street name field.

Questions 6 - Store Telephone Number: Enter the store's telephone number, including area code.

Questions 7 - Alternate Telephone Number: Enter an alternate telephone number, such as a cellular number, including area code. We may use the alternate telephone number to your store during a disaster situation.

Question 8 - Email Address: Enter the owner or store email address where you want to receive Supplemental Nutrition Assistance Program information.

Question 9 - Special Store Type: Check Farmers Market if you represent a multi-stall-stall market, operating at one or more locations, where farmers sell agricultural products (fruits/vegetables/meats/bread, etc.), and you wish to apply for an umbrella authorization to allow multiple vendors in the market to accept SNAP benefits.

Check Direct Marketing Farmer (Farm Stand/Stall/U-Pick) if you produce and sell your own agricultural products at a road side stand, a stall at a market, and/or have a "pick-your- own" operation on your farm.

Check Produce Market if you primarily sell fruit/vegetable items purchased from others, rather than raised yourself.

Do not use this Form FNS-252 if you are applying as a restaurant. Restaurants must use Form FNS-252-2, Application for Meal Services.

Question 10 - Ownership Type: Select the ownership type that best describes your business.

Question 11 - Corporation or Government

Agency Information: For privately held corporations and limited liability companies, enter the name and address that is on record with the State. For publicly owned corporations, enter the parent corporation name and address. For government owned stores, enter the name and address of the responsible government agency. For publicly owned corporations or government owned stores enter the name, telephone number and email address of the contact person or the person responsible for the Supplemental Nutrition Assistance Program license.

Question 12 - Owner/Officer Information: Do not complete this question if you indicated the ownership type is publicly owned corporation or government owned store in question 10. For all other ownership types, you must provide information for all owners, members, partners, primary shareholders and officers of corporations. In community property states (AZ, CA, ID, LA, NM, NV, TX, WA, and WI) spousal information must be entered for each person listed.

For each Owner, Partner, Officer, Member, Shareholder and Spouse: Enter the first name, middle name, and last name of each person exactly as it appears on their social security card. Enter the home address, social security number and date of birth for each person.

Email Address: Enter the email address from all owners/officers here (optional).

If there are more than four primary owners make a copy of page 2 and enter the additional person(s) information.

Questions 13 and 14 - Ownership Questions:

For each question, check only one box.

Question 13b, 13d, and 14a: If you answer "Yes" to either question 13a, 13c or 14, provide an explanation.

Question 13g: If you answer "No" to question 13f, provide an explanation.

Question 13i: If you answer "Yes" to question 13h, provide an explanation.

Question 13k: If you answer "Yes" to question 13j, how many currently authorized SNAP stores do you own?

Question 15 - Wholesale Sales: Check the box to show if this store sells products to other businesses (i.e., sells to hospitals, restaurants, etc.)

Question 15a: If you answer "Yes" to Question 15, indicate if your retail food sales meet or exceed \$250,000 or 50% of the store's total sales.

Question 16 - Hot and/or Cold Freshly Prepared and Ready-to-Eat Foods: Check the box to show if the sale of hot and/or cold freshly prepared ready-to-eat foods meet or exceed 50% of your total sales.

Question 17 - Total Retail Sales: Enter the total retail sales from all products you sell at this store location. This should include both food and non-food products and services (e.g., if the store sells gasoline, include gasoline sales here). If the store has been in business for at least a year under your ownership, provide the actual retail sales amount for this store as reported to the Internal Revenue Service in question 17a. If the store has been in business under your ownership for less than a year, you may enter estimated retail sales for an entire year in question 17b.



You must complete either question 17a or 17b, but not both.

Question 17a - Actual Retail Sales: Enter the actual total retail sales amount as reported to the Internal Revenue Service for this store and the tax year.

Question 17b - Estimated Retail Sales: Enter an estimated total retail sales amount as a daily, weekly, monthly, or yearly figure, and check the method that you used (daily/weekly/monthly/yearly).

Question 17c - Federal Employer Identification Number (EIN): An EIN is a nine digit number assigned by the Internal Revenue Service to businesses for tax filing and reporting purposes. If you have an EIN number enter it exactly as assigned.

Question 18 - Food Inventory: For each of the food categories listed check the box to show whether or not your store stocks at least three different types of food items in each category on a daily basis. For example, cheese, milk, and yogurt are different types of dairy; whole milk, skim milk, and chocolate milk are not. Include fresh, frozen, and canned foods when answering this question. For example, the meat/poultry/fish category would include canned meats and fish, refrigerated lunch meats, and frozen meats, such as chicken nuggets, as well as any fresh meats you carry.

Question 18a - Sales Percent: Enter the percent of your total retail sales that comes from the sales of these food items.

Question 18b - Perishables: Check the box that applies if you stock foods that are fresh, refrigerated or frozen in at least two of the food categories listed in question 18.

Question 19 - Other Foods: Check the box to show if you sell other foods such as snack foods, soft drinks and/or condiments.

Question 19a: If you answered "Yes" to question 19, enter the percent of your total retail sales that come from the sales of these food items.

Question 20 - Non-Food/Hot Food: Check the box to show if you sell any non-food items or food that is hot when the customer pays for it.

Question 20a - Items Carried: If you answered "Yes" to question 20, check the boxes to show which items you sell. Check Other if you sell items like soap, pet food, paper products, baby diapers, cleaning supplies, health and beauty items etc.

Question 20b - Sales Percent: Enter the percent of your retail total sales that comes from the sales of these non-food items and hot foods.



The sum of 18a, 19a and 20b must equal 100 percent.

Question 21 - Number of Cash Registers: Enter the current number of cash registers at this store.

Question 22 - Store Open Year Round: Check the box to indicate if your store is open year-round.

Question 22a: If you answered "No" to question 22, check the boxes next to the months your store is open for business.

Question 23 - Open 24/7: Check the box to indicate if your store is open 24 hours a day, 7 days a week.

Question 23a: If you answered "No" to Question 23, enter the opening and closing time for each day your store is open for business and indicate AM or PM.

Question 24 - Additional Information or

Comments: Enter any additional information or comments you would like to provide to FNS such as any special circumstances that FNS should know regarding your store or this application.

Privacy Act and Paperwork Reduction Notice.

Public reporting burden for this collection of information is estimated to vary from 1 to 11 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. **An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.** Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Room 1014, 3101 Park Center Drive, Alexandria, VA 22302, ATTN: PRA (0584-0008). Do not return the completed form to this address. Instead, see the *How to Apply* section.

To file a complaint of Discrimination, write to the USDA, Director, Office of Adjudication, 1400 Independence Ave, SW, Washington, DC 20250-9410. Do not send the completed application form to this address.

FNS-252-C

Print

OMB APPROVED NO. 0584-0008
Expiration Date: 08/31/2017

Corporate Supplemental Application
(Addendum to Supplemental Nutrition Assistance Program Application for Stores)

FOR FNS USE ONLY		
FNS Number <input type="text"/>		
EIN:		
Items marked with an asterisk (*) are required.		
Centralization Plan Information		
*Centralization Plan: <input type="checkbox"/> Corporation has no eligible plans.		
New Store Information		
*Store Name:		
Store Number:	Number of Registers:	Optical Scanners:
Store Opened for Business: Enter future date for a scheduled opening		
Month:	Day:	Year:
Sales Information		
Enter Estimated Dollar Amounts or Percentages for the following:		
*Estimated Annual Retail Sales:	\$	
*Retail Sales that come from Staple Foods: (Bread, cereal, dairy, fruits, vegetables, meats, poultry, fish)		%
*Retail Sales that come from Additional Food Types: (Condiments, spices, coffee, tea, cocoa, candy, cold sandwiches, prepared salads, carbonated/noncarbonated drinks)		%
*Retail Sales from Hot Foods and Non-Food Items: (Gas, tobacco, alcoholic beverages, lottery tickets, paper, cleaning products)		%
*Estimated Wholesaler Annual Sales:	\$	
Store Operating Information		
Open Year Round? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If not open year round, indicate months store is open below.		
Months Open:		
Store Open 7 days, 24 hours? <input type="checkbox"/> Yes (If yes, skip to On-Site Manager Information section below) <input type="checkbox"/> No		
Enter Days Closed: <input type="checkbox"/> NA		
Enter Operating Days and Hours:		

On-Site Manager Information			
First Name:	Middle Name:	Last Name:	
Store Location Address			
Street Number: (e.g. 19023)			
Street Name:			
Additional Address Information (stall number, unit number, suite number)			
*Country:			
*City:	*State:	*Zip Code:	Zip Code + 4:
*County:			
Signature			
Signature:			
Privacy Act and Paperwork Reduction Notice			
<p>Public reporting burden for this collection of information is estimated to vary from 1 to 11 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Room 1014, 3101 Park Center Drive, Alexandria, VA 22302, ATTN: PRA (0584-0008). Do not return the completed form to this address. Instead, see the <i>How to Apply</i> section.</p> <p>To file a complaint of Discrimination, write to the USDA, Director, Office of Adjudication, 1400 Independence Ave, SW, Washington, DC 20250-9410. Do not send the completed application form to this address.</p>			

Appendix F – Evaluation Data Collection

Prior to developing the RFV, FNS met multiple times with a varied group of Internet Retailers, Acculynk, EBT processors and other industry experts interested in the design of the Online Purchasing Pilot. This was done to ensure that the pilot requirements were workable and would not cause undue hardship for participating retailers. During these calls we discussed the type of data that was available from the various parties and would be useful for the pilot evaluation. All agreed that the data elements identified in this Appendix could be shared with FNS for evaluation purposes.

The evaluation contractor and FNS will work closely with each data provider (EBT processor, Acculynk, State agency and participating retailer) to identify the best sources and methods of collecting the data, as well as timing and frequency. FNS proposes to collect the following types of data, but reserves the right to collect additional information that may be recommended by the evaluator or the data providers themselves.

If an applicant is unable to comply with any of the proposed requirements identified below, they should respond to question R17 of the application with a Qualified Yes and identify their areas of concern (see [Section 3.9.2.1](#) for more information on such a response).

X9.58 Transaction Data for EBT Transactions

FNS will collect the following transaction message data from the EBT processor. However, in order for FNS to cross reference any transaction information that is only available to the retailer, it may be necessary for the retailer to include some of these elements as well.

- Terminal ID
- Card Acceptor ID Code
- Card Acceptor Name/Location
- National Point of Service Condition Code
- Merchant Type
- FNS Authorization Number (only for SNAP transactions)
- Card Number – last four digits
- Account Type (i.e., SNAP, cash)
- Transaction Type (e.g., purchase, refund)
- Amount

- Delivery Address Line 1
- Delivery ZIP Code
- Response Code
- SNAP Account Balance
- Cash Account Balance
- Settlement Date

Other PIN Debit Transaction-Related Data

FNS proposes to collect the following additional transaction level data directly from the retailers. However, we realize that some retailers may only be able to provide summary level statistics or averages for certain types of desired data. FNS will discuss this in detail with each selected participant during the design phase of the project.

- Amount of time required for transaction from beginning of checkout to completion of purchase
- Time between order and fulfillment
- Whether or not a refund was required at fulfillment and reason
 - Weight estimate
 - Out of stock
 - Substitution
- Time between fulfillment and delivery
- Type of notifications and/or receipt(s) issued to customer (email, text, paper, etc.)
- Timing of receipt notification
- Delivery method (home delivery, pickup, commercial shipping, other)

Summary Level Data

FNS would like to receive the following information. The evaluation contractor will determine in advance which data would be submitted monthly, quarterly or at the end of the pilot. FNS will also work with Acculynk to determine which, if any, data is more easily gathered through Acculynk instead of each retailer.

- Number and breakdown of orders placed online with EBT cards
 - SNAP only
 - Cash EBT only
 - SNAP and cash EBT combo
 - SNAP and credit/debit combo
 - Cash EBT and credit/debit combo
 - SNAP, cash EBT and credit/debit combo
- Number of orders placed online with commercial PIN debit cards

- Number of orders placed online with credit cards
- Number of repeat customers
 - EBT customers
 - Commercial PIN debit customers
- Number of new EBT customers
- Number of EBT customers that created online profiles
- Breakdown of EBT profiles by ZIP code
- Number of EBT orders placed by guests (no profile)
- High level breakdown by delivery type
 - Company delivers to customer designated address
 - Company delivers to preset distribution points
 - Customer pickup at store or other company location
 - Shipping by mail or parcel service
 - Other
- Detailed breakdown by delivery type
 - For home delivery
 - Breakdown by ZIP code
 - Unable to deliver (and reasons if available)
 - For pickup/delivery at set alternate location
 - Breakdown by location
 - Failure to pick up
 - For pickup in store or other company
 - Breakdown by location
 - Failure to pick up
 - For shipping
 - Breakdown by method (FedEx, UPS, USPS, etc.)
 - Breakdown by ZIP code
 - Success of shipping (on time, late, never delivered)
- Number of profiles with delivery addresses that do not match billing address
- Number of profiles listing multiple EBT cards
- Number of EBT cards listed in multiple profiles (e.g., many users list same card number)
- Number of billing addresses listed in multiple profiles (many users living at same address)
- Number of delivery addresses listed in multiple profiles (many users receiving delivery at same address)
- Number of customers with more than one delivery address in profile
- Number of transactions using multiple tender
- Number of transactions performed by EBT cardholders using multiple cards for SNAP-eligible foods
 - Multiple SNAP cards

- Multiple Non-SNAP tenders
 - SNAP and other tender(s)
- Types of tender used for non-SNAP costs on SNAP transactions and volume breakdown
 - Credit
 - Signature debit
 - PIN debit
 - Gift card
 - PayPal
 - Other
 - Cash on delivery
- Breakdown of store locations fulfilling orders (if that model used)
- Breakdown of warehouse locations for orders (if more than one)
 - Number of transactions fulfilled from multiple warehouses by primary and secondary locations
- Average time between order and
 - Fulfillment
 - Delivery/receipt
- Number of refunds issued to EBT cards
 - To SNAP accounts
 - To cash accounts
- Breakdown of reasons for refunds
 - Overestimate of weight
 - Out of stock item
 - Order cancellation
 - Dissatisfaction with product(s)
 - Excessive time to complete order
 - Non-receipt of order
 - Other
- Breakdown of refund type
 - Full
 - Partial
 - Reduced (e.g. money deducted to cover return shipping or original free shipping is not allowed for SNAP but may affect other tender used by SNAP clients)
- Number of refunds involving actual product return
- Breakdown of customer service calls received from EBT customers and reasons

Customer Survey Responses

FNS will require the selected retailers to conduct online surveys to collect data regarding the customer experience and satisfaction. The retailer, FNS and the evaluation contractor will need to work cooperatively to identify questions/content and the optimal timing/methods for conducting the surveys, and to assure commonality of approach across the Internet Retailers participating in this pilot.

FNS also expects the retailer to provide the data necessary for the evaluation contractor to select a random sample of customers and to contact them directly for structured interviews. Between the two efforts, FNS wishes to collect data from or through the retailer to address the following:

- Satisfaction with the online shopping experience
- Satisfaction with the online checkout/payment process
- Perceived security of online payment process
- Time spent on shopping process prior to checkout
- e-Receipt method
- Satisfaction with e-receipt, when applicable
- Satisfaction with delivery process
- Satisfaction with delivery of paper receipt
- Satisfaction with refund process
- Ease of using multiple forms of payment
- Ease of order cancellation process
- Satisfaction with spoiled products policy
- Satisfaction with quality of perishable foods
- Challenges faced by clients using online payment systems
- Other comments and feedback as identified by retailer, evaluation contractor, and FNS

Geospatial Analysis

FNS will require the evaluation contractor to perform geospatial and other analyses that will require the SNAP client's home address and the address of the closest large SNAP authorized retailer, the date of benefit issuance, and other data which will require the contractor to obtain administrative data from States participating in the pilot project or their EBT processors, and from FNS itself. Unfortunately, the home address data on file at State agencies and EBT processors is not always current. Therefore, FNS will appreciate any assistance that the retailer can provide to cross match that data to the billing addresses in their records in order to identify and share information about discrepancies. FNS will discuss the retailer's ability to assist with this effort at the time of selection.

Appendix G – ANSI Standard X9.58 Coding

X9.58 – Financial Transaction Messages – Electronic Benefits Transfer (EBT) – Supplemental Nutrition Assistance Program (SNAP) and Cash Benefit Programs, is the United States EBT version of the ISO 8583 standard. As noted in [Section 2.2.4, Technical Standards](#), all transactions received by EBT processors must be in the X9.58 format. For the Online Purchasing Pilot, this will actually be Acculynk’s responsibility, not the retailer’s. Acculynk will provide their proprietary message format standard to interested applicants. The information in this Appendix is provided primarily as background for retailer technical staff.

A number of changes were made to X9.58 to accommodate online transactions. An industry technical workgroup developed the necessary modifications, which will be used for the duration of the pilot. These have since been incorporated into the 2013 version of the standard. The full Standard is copyrighted by the X9 organization and therefore cannot be shared with prospective applicants. It is available for purchase (\$60.00) at [ANSI eStandards Store](#). However, the relevant information is summarized below.

For applicants already knowledgeable about EBT transactions, the online modifications are summarized in Table G-1 below.

Table G-1 – X9.58 Modifications for Online Transactions

Bit	Data Element Name	Condition
3-1	Processing Code Transaction type	For online purchases and refunds, the only valid values are “01”, goods and services for purchases, “02” debit adjustment, “20” returns for refunds, and “22” credit adjustment.
3-2 and 3-3	Processing Code Account Types	For cash refunds, account type code 3-2 should always be “00” and account type code 3-3 should always be “96”. Therefore the full processing code for an online cash refund should be “200096”.
22-1	Point of service entry mode - Card reading method	For online purchases and refunds, value = “01”, manual (key entry).
22-2	Point of service entry mode - Cardholder verification method	For online purchases and refunds, value = “3”, online PIN.
26	Point of service PIN capture code	For online purchases, length of PIN captured (always actual PIN length, e.g., “04”); for online refunds value = “00”.
52	PIN data	Mandatory for online EBT purchase; not used for online EBT refunds
58-1	Terminal class	For online purchases, value is “101”, unattended, customer operated and off premises. For online refunds, value is “111”, unattended, card acceptor operated and off premises.

Bit	Data Element Name	Condition
58-2	Presentation type	For online purchases, value is “0100”, customer present, card not present, device does not have card retention capability and original presentment; for online refunds; for online refunds, value is “1100, customer not present, card not present, device does not have card retention capability and original presentment.
58-3	Security condition	For online purchases and refunds, value is “0”, no security concern
58-4	Terminal type code	For online purchases and refunds, value is “25”, Internet
111-1	Additional data dataset identifier	“IT”, Internet Transaction
111-2	Additional data length	“037”
111-3	Additional data	Shipping address (ans 28) and shipping ZIP code (an 9); mandatory when terminal type code (bit 58-4) = “25”

Applicants who are not currently accepting EBT at brick and mortar locations may also wish to familiarize themselves with existing X9.58 coding that is unique to EBT. Key data elements are listed in Table G-2.

Table G-2 – X9.58 EBT Specific Message Coding

Bit	Data Element Name	Condition
3	Processing Code	For cash purchases, value is “009600”, for SNAP purchases, value is “009800” and for SNAP refunds, value is “200098”.
54-1	Additional amounts, account type	Value is “96” for cash EBT benefit, “98” for SNAP EBT benefit
54-2	Additional amounts, amount type	Value is “01”, ending balance
54-3	Additional amounts, amount	Amount formatted as x + n 12
54-4	Additional amounts, currency code	Value is “255”
111-1	Additional data dataset identifier	“EB” (Required only for SNAP)
111-2	Additional data length	“007” (Required only for SNAP)
111-3	Additional data	FNS authorization number (n 7) (Required only for SNAP)

Additional X9.58 changes may be needed based on lessons learned from the pilot. These will be considered during the 2018 review of the X9.58 standard.