



July 25, 2014

## ***DHS Alerts Retailers Of EBT Changes Under Farm Bill Retailers will no longer get free equipment, services***

(Des Moines, Iowa) - The Iowa Department of Human Services is alerting some retailers that, because of changes under the 2014 Farm Bill, they will soon have to pay for equipment and supplies, or pay transaction fees, to accept the electronic benefit transfer (EBT) cards used by Food Assistance recipients.

The change will impact about 1,100 retailers in Iowa who use free point-of-sale machines, and is a result of federal action under the Agricultural Act of 2014, which was passed last February.

DHS administers the federally-funded Supplemental Nutrition Assistance Program (SNAP) in Iowa. Previously, the state used federal funds to provide free point-of-sale equipment and pay transaction costs for retailers who averaged \$100 per month or more in EBT transactions. Under the new Farm Bill, that's no longer allowed.

"Many larger retailers are already accustomed to paying fees related to EBT, debit and credit use, but some small mom-and-pop stores may not be able to take on the cost of this change," said Wendy Rickman, who administers the SNAP program in Iowa. "We'll be watching to see how this federal provision may impact our smaller retailers and low-income Iowans' access to food."

Iowa's EBT vendor, Xerox, which also contracts with many other states, says retailers will be receiving more information in the coming week. The option Xerox will be offering is leasing point-of-sale equipment through Xerox subcontractor CDE Inc. with a \$50 set-up fee and a \$75 monthly service fee. Another option for retailers is to check with their current processor of debit/credit services to see if EBT can be added to their system.

There are some exceptions under the Farm Bill, and the following users will continue to have access to free point-of-sale equipment and services: eligible farmers' markets, direct-marketing farmers, military commissaries, non-profit co-ops and organizations, group living arrangements, treatment centers and prepared meal services.

The 1,100 Iowa retailers currently using point-of-sale machines will be allowed to continue using them until October 25, 2014. They must arrange for lease of equipment and services through Xerox before that date, or integrate EBT with existing debit/credit systems in order to continue to accept EBT benefits.

For more information  
Amy Lorentzen McCoy  
515-281-4848  
amccoy@dhs.state.ia.us