

**CHAPTER 88****FAMILIES FIRST PROGRAM****Authority**

N.J.S.A. 30:4B-2.

**Source and Effective Date**

R.2000 d.173, effective March 28, 2000.  
See: 32 N.J.R. 436(a), 32 N.J.R. 1516(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 88, Families First Program, expires on March 28, 2000.

**Chapter Historical Note**

Chapter 88, Food Stamp Program Plan of Operation Manual, was adopted as R.1969 d.23, effective December 3, 1969. See: 1 N.J.R. 13(b), 1 N.J.R. 30(c).

Chapter 88, Food Stamp Program Plan of Operation Manual, was repealed by R.1983 d.246, eff. June 20, 1983. See: 15 N.J.R. 611(a), 15 N.J.R. 1034(b).

Chapter 88, Families First Program, was adopted as new rules by R.1995 d.294, effective June 5, 1995. See: 27 N.J.R. 1110(a), 27 N.J.R. 2223(b).

Subchapter 7, Regulation E Demonstration (Hudson County Only), was repealed by R.1999 d.126, effective April 19, 1999. See: 30 N.J.R. 2415(a), 31 N.J.R. 1065(a).

Pursuant to Executive Order No. 66(1978), Chapter 88, Families First Program, was readopted as R.2000 d.173, effective March 28, 2000. See: Source and Effective Date. See, also, section annotations.

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**APPENDIX. (RESERVED)****SUBCHAPTER 1. GENERAL PROVISIONS****10:88-1.1 Purpose and scope**

(a) The Families First Program is an alternate method of distributing Temporary Assistance for Needy Families (TANF) cash benefits, Food Stamp Program (FS) benefits, and Deficit Reduction Act (DEFRA) child support bonus payments to eligible households. Families First eliminates the need for the issuance of cash benefit checks and food stamp Authorization to Participate (ATP) documents by the local welfare agencies (LWAs). Families First utilizes a technology called Electronic Benefit Transfer (EBT). In EBT, each payee is issued a magnetic-stripe plastic card which the payee uses to access his or her benefits. This card is called a Families First card.

(b) Throughout this manual, the TANF and Food Stamp Programs shall be referred to as "public assistance."

(c) Food stamp benefits are accessible at retailers authorized to accept food stamp coupons by the Food and Nutrition Service (FNS) of the United States Department of Agriculture (USDA). Those retailers are equipped with Point of Sale (POS) devices which allow each payee to debit his or her Families First food stamp account by the amount of the food purchase.

(d) Cash benefits are accessible at MAC<sup>TM</sup> automated teller machines (ATMs), and at other State-approved businesses equipped to conduct Families First transactions.

Amended by R.2000 d.173, effective May 1, 2000.  
See: 32 N.J.R. 436(a), 32 N.J.R. 1516(a).

In (a) and (b), substituted references to TANF for references to AFDC; and in (c), substituted a reference to the FNS for a reference to the FCS.

**10:88-1.2 Benefits of Families First**

(a) EBT, as applied to public assistance programs, has several benefits.

1. EBT eliminates the need to print checks, ATPs, and food stamp coupons.
2. EBT minimizes fraudulent activities related to the trafficking of food stamps, as well as mail losses.
3. EBT provides for a better accountability in the reconciliation of payments.
4. EBT facilitates the recipient's access to his or her benefits.
5. EBT lessens the stigma associated with the utilization of food stamp coupons.

**10:88-1.3 Authority**

(a) The operation of a public assistance EBT system is authorized by both Federal regulation, and State statute.

(b) The operation of the Families First Program in New Jersey has been approved by both the USDA, and the United States Department of Health and Human Services (USDHHS).

(c) Section 1729 of the Mickey Leland Memorial Domestic Hunger Relief Act (P.L. 101-624) established regulatory guidelines under which state agencies must operate EBT systems in the Food Stamp Program. That law is reflected in Federal regulations at 7 CFR 274.12 (issued in Federal Register No. 57, Vol. 63, dated April 1, 1992).

(d) The USDHHS Administration for Children and Families (ACF) Transmittal No. ACF-AT-91-28 (issued on September 6, 1991) established guidelines under which a state agency must operate an EBT system with its TANF Program.

(e) The Families First Program is authorized in New Jersey Statute by N.J.S.A. 44:10-5.2.

Amended by R.2000 d.173, effective May 1, 2000.  
See: 32 N.J.R. 436(a), 32 N.J.R. 1516(a).

In (d), substituted a reference to TANF Programs for a reference to AFDC Programs.

**10:88-1.4 Mandatory participation**

The public assistance recipient receiving benefits from a LWA participating in Families First is required to receive benefits through the Families First Program. A recipient who does not comply with the requirements to receive his or her benefits through the Families First Program will be issued benefits, but will not be able to access them. Accessing benefits requires that the recipient has an active Families First Card.

**10:88-1.5 Properties of Families First accounts**

(a) Each Families First account has the following properties:

1. If otherwise entitled, each case shall have one account for cash benefits, and one account for food stamp benefits.
2. A Families First account shall be non-interest bearing.
3. Retailers shall not impose a minimum purchase amount to use a Families First card.
4. Account balances which are not used by a recipient in the month of issuance shall be carried forward into the following month. The accounts shall be accessed periodically, however, in order to avoid account Aging, as described at N.J.A.C. 10:88-4.
5. Account amounts shall include both dollars and cents.
6. A recipient shall not use the account to "borrow" against a future month's benefit.

Amended by R.1999 d.126, effective April 19, 1999.  
See: 30 N.J.R. 2415(a), 31 N.J.R. 1065(a).

In (a)3, substituted "Retailers shall not" for "The recipient shall not pay any fees or penalties for use of the account, nor shall retailers" at the beginning.

**10:88-1.6 Definitions**

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

"ACF" (Administration for Children and Families) means the organization within USDHHS which is directly responsible for the administration of the TANF Program.

"Aging" means the procedure of terminating a household's Families First account, and closing the household's public assistance case, when the household has not accessed the Families First account for at least 45 days.

"ATM" (Automated teller machine) means a machine installed by a bank, which reads a financial transaction card and permits the cardholder to make banking transactions.

"ATP" (Authorization to Participate) means the paper document which is provided to eligible food stamp households each month, which those households may negotiate to receive food stamp coupons.

"Business day" means Monday through Friday between 8:30 A.M. and 4:30 P.M., but does not include State and County holidays.

"Contractor" means the organization which has contracted with the State to administer the day-to-day operations of the Families First system.