

CHAPTER 88
FAMILIES FIRST PROGRAM

Authority

N.J.S.A. 30:1-12.

Source and Effective Date

Effective: August 22, 2014.

See: 46 N.J.R. 2041(b).

Chapter Expiration Date

Chapter 88, Families First Program, expires on August 22, 2021.

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Chapter 88, Food Stamp Program Plan of Operation Manual, was repealed by R.1983 d.246, eff.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Subchapter 7, Regulation E Demonstration (Hudson County Only), was repealed by R.1999 d.126, effective April 19, 1999.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: 32 N.J.R. 436(a), 32 N.J.R. 1516(a).

Chapter 88, Families First Program, was readopted as R.2005 d.134, effective April 1, 2005. See: 37 N.J.R. 17(a), 37 N.J.R. 1518(a).

Chapter 88, Families First Program, was repealed and Chapter 88, Families First Program, was adopted as new rules by R.2008 d.32, effective February 4, 2008. See: 39 N.J.R. 4046(a), 40 N.J.R. 781(c).

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 88, Families First Program, was scheduled to expire on February 4, 2015. See: 43 N.J.R. 1203(a).

Chapter 88, Families First Program, was readopted, effective August 22, 2014. See: Source and Effective Date.

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SUBCHAPTER 1. GENERAL PROVISIONS

10:88-1.1 Purpose and scope

(a) The Families First Program is the mandatory method of distributing Temporary Assistance for Needy Families (TANF) benefits, Food Stamp Program benefits, and child support bonus payments to eligible households. The Families First Program is also the mandatory method of issuing General Assistance (GA) benefits in the counties where the GA Program is administered at the county level. Families First utilizes a technology called Electronic Benefits Transfer (EBT). In EBT, each payee is issued a magnetic-stripe plastic card, which the payee uses to access his or her benefits. In New Jersey this card is called the Families First card.

(b) Food stamp benefits are accessible at retailers authorized by the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) to participate in the Food Stamp Program. Those retailers accept EBT transactions through Point of Sale (POS) equipment that allows each payee to debit his or her Families First food stamp account by the amount of the food stamp eligible purchase.

(c) Cash benefits are accessible at automated teller machines (ATMs) and POS locations that display the Quest[®] symbol.

10:88-1.2 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.

(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. 44:10-75.

10:88-1.3 Properties of Families First accounts

(a) Families First accounts have the following properties:

1. If otherwise eligible, each case shall have one account for cash benefits, and one account for food stamp benefits. While both cash and food stamp benefits are accessed with one Families First card, cash and food stamp benefits are maintained in separate accounts in the Families First system.

2. Retailers shall not impose a minimum purchase amount or other conditions on the use of a Families First card. Retailers who are authorized by FNS to participate in the Food Stamp Program are not required to accept EBT cash benefit transactions at the POS; however, if they choose to do so, their EBT cash back limits must be the same for public assistance clients as for their commercial customers.

3. 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 in order to avoid account aging, pursuant to N.J.A.C. 10:88-4.

4. The Families First card is not proof of Medicaid eligibility.

10:88-1.4 Definitions

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

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

“Aging” means the procedure of terminating or suspending a household’s Families First account, and closing or suspending the household’s public assistance case, when the household has not accessed the Families First account for three months.

“Authorized representative” means an individual designated by a recipient to have access to his or her benefits.

“Authorized retailer” means any merchant who has been approved by FNS to accept food stamps as payment for eligible food items and has also completed and signed a retailer agreement with the State’s EBT contractor. Authorized retailers include, but are not limited to, retail grocery stores, food chains, farmers markets, roadside vendors, delivery services and cooperatives.

“Automated/Audio Response Unit (ARU)” means a computer peripheral that accepts data from touch-tone telephones and responds with synthesized voice commands and information. ARUs are used by an EBT system to provide balance information or to authorize manual transactions.

“Automated teller machine (ATM)” means an unattended terminal that reads a magnetic stripe card and permits the cardholder to make transactions, such as cash withdrawals.

“Available balance” means the amount of funds that may be accessed by a cardholder for a transaction from a cash or food stamp account.

“Balance inquiry” means a non-financial transaction that permits the cardholder to obtain the current balance of his or her account(s).

“Case” means one or more individuals usually sharing family membership and eligibility classification, for example, a mother and child.

“Case number” means the 10-digit number that uniquely identifies a case in New Jersey’s FAMIS/EBT system. The case number begins with “C,” “S” or “G” followed by six numeric characters and ending with a three-digit county code.

“Client” means an eligible recipient of one of the State’s benefit programs.

“Contractor” means the organization that has contracted with the State to administer the day-to-day operations of the Families First system.

“Customer service representative (CSR)” means a live person who provides assistance to an EBT client or retailer via a telephone call to a customer service center. Examples of assistance include access to account information and action on reports of lost or stolen cards.

“Families First” or the “Families First Program” means the method by which public assistance benefits are disbursed in New Jersey through utilization of EBT technology.

“Food and Nutrition Service (FNS)” means the organization within USDA, which is directly responsible for the administration of the Food Stamp Program.

“Food Stamp Program (FSP)” means the Federally funded assistance program authorized by the Food Stamp Act of 1964 that enables individuals and households to purchase food items to maintain nutritionally adequate diets. Eligibility is determined and benefits are issued by the states.

“Food stamp purchase” means a payment for the value of eligible food items sold to a customer at an FNS authorized retailer.

“Food Stamp return” means a refund for the value of merchandise originally purchased with food stamp benefits that is brought back by a customer for a credit from the retailer.

“Group living arrangements/group home” means specific licensed residential living facilities for a number of individuals.

“Help Desk” means the Families First system operation, which assists recipients and retailers in the resolution of problems associated with Families First. The Help Desk is accessed via toll-free telephone numbers.

“Non-traditional” means a person, company or organization, retailer or vendor authorized by FNS to accept food stamp benefits in exchange for eligible food items that does not have access to a telephone line or electricity at the POS, and, therefore, is unable to use a standard POS device to authorize transactions (for example, farmers’ markets and route vendors). Others, such as group homes, treatment centers, food cooperatives and communal dining facilities may have special circumstances that require a variety of unique accommodations in order to continue FSP participation in the EBT environment.

“Off-line” means an EBT system or transaction in which individual purchases are authorized without telecommunication between the POS device and a central database. In an off-line EBT system, data on the recipient’s account balance is maintained on the access card and purchase authorization only requires contact between the card and the local device.

“On-line” means an EBT system or transaction in which authorization of individual purchases requires telecommunication between the POS device or ATM and a central database in which data on account balances is maintained.

“Personal identification number (PIN)” means a numeric code selected by or assigned to the recipient and used to control access to individual accounts. The PIN must be entered on a keypad before any transaction can be processed.

“Point of Sale (POS) device” means equipment, such as a terminal, PIN pad and printer, deployed at a retail location and used to initiate the electronic debit of recipient accounts and credit to retailer accounts.

“Primary account number (PAN)” means the assigned number that identifies the card issuer and cardholder. It includes the issuer’s identification number and an individual account identification number.

“Quest® EBT operating rules” means the uniform EBT rules established and maintained by the National Automated

Clearing House (NACH), which form the basis of a uniform operating environment for EBT.

“Receipt” means a hard copy description of a transaction that took place at the POS, containing at a minimum, the date, merchant name and location, truncated PAN, type of account accessed, transaction amount and account balance.

“Store and forward” means a process by which a food stamp transaction is electronically stored with an encrypted PIN by a POS terminal operator when the POS terminal operator is unable to communicate with the card issuer, and is later forwarded to the issuer for approval.

“United States Department of Agriculture (USDA)” means the Federal department, which is responsible for the Food Stamp Program.

“United States Department of Health and Human Services (USDHHS)” means the Federal department which is responsible for the TANF Program.

SUBCHAPTER 2. RECIPIENT TRAINING

10:88-2.1 Purpose of recipient training

The purpose of recipient training is to enable the payee to obtain balance information and to access cash and/or food stamp benefits using the Families First card.

10:88-2.2 Training responsibilities

(a) The CWA, which provides benefits to the recipient shall be responsible for training the recipient on EBT card usage and procedures.

(b) EBT training for each payee shall be performed when the recipient is issued the initial Families First card.

10:88-2.3 Card issuance

(a) At the time that a CWA certifies an individual’s eligibility to receive a public assistance benefit, the State’s automated case file and issuance system (Family Assistance Management Information System - FAMIS) generates an EBT case maintenance record for the payee and sends that record electronically to the State’s EBT contractor to establish the case on the EBT database.

(b) The CWA shall either mail an appointment letter to the recipient, or contact the recipient directly to schedule Families First training and card issuance.

(c) The payee shall receive training on the following items:

1. What Families First is;
2. The day of the month when benefits shall become available to the recipient;

3. How the card shall be used to obtain food stamp and cash benefits;
4. How to obtain account balances, including advice on maintaining receipts in order to track balances;
5. How to care for the Families First card;
6. Where the card may be used;
7. How to maintain the security of the recipient's PIN;
8. How to contact Families First client customer service via a toll-free telephone number to report a lost or stolen card or any other problem;
9. Families First card replacement rules and fees;
10. Transaction fees for the fourth and subsequent cash withdrawal from an ATM in a calendar month; and
11. The "aging" process, as specified in N.J.A.C. 10:88-4.2 and 4.3.

(d) Each payee shall be required to select a four-digit PIN. The PIN will serve as the payee's electronic signature when performing Families First transactions. The CWA shall emphasize that the payee needs to maintain the security of the PIN.

(e) Families First cards shall not be mailed to payees. Only if a payee who has benefits available in his or her cash or food stamp account has moved out of the county that issued the benefits and has lost his or her card, or the card has been stolen or damaged, may a CWA generate a replacement card and mail the card to the payee by certified mail. When the payee receives the replacement card, he or she may select a PIN through the automated ARU PIN-select process by calling EBT client customer service. The CWA must enter the payee's Social Security number on the EBT database in order for a payee to use the ARU PIN-select process.

SUBCHAPTER 3. CARD UTILIZATION

10:88-3.1 Obtaining benefits

(a) In Families First, each household shall receive its public assistance benefits by using a Families First card to access benefits at a location authorized to perform Families First transactions. The method by which the payee obtains benefits varies, dependent on whether the benefits are cash or food stamps. While both cash and food stamp benefits are accessed with one Families First card, food stamp and cash benefits are maintained within separate accounts in the Families First automated system.

(b) Cash benefits shall be obtained at ATMs and/or POS locations that display the Quest[®] mark.

1. After three free cash ATM withdrawals in a calendar month, a \$0.40 transaction fee will be deducted from the

recipient's cash account for each subsequent ATM cash withdrawal. No transaction fees will be assessed for transactions at POS devices.

(c) Food stamp benefits shall be accessed at retailers authorized by USDA/FNS to participate in the Food Stamp Program. Those retailers may accept Families First transactions on their own commercial POS equipment or on POS devices supplied by the State's EBT contractor, which allow each payee to debit his or her Families First food stamp account by the amount of the eligible food purchase. The payee shall be required to use his or her PIN in order to make a food stamp purchase, unless the retailer's access to validate the transaction on-line is temporarily disrupted. In that case, the retailer shall call the toll free EBT retailer call center telephone number to obtain an authorization to allow an off-line manual voucher transaction to occur.

(d) Food stamp benefits shall not be converted into cash.

(e) Families First cash benefits may be used to purchase food or non-food stamp-eligible items at FNS authorized retailers who have agreed to accept Families First cash transactions. Those retailers may also allow cash withdrawals at the POS. The amount of cash that can be withdrawn during one transaction shall be dependent upon the individual retailer's contract with the State's EBT contractor; however, cash back limits for Families First cardholders must be the same as those for commercial customers.

(f) In the event that the State's EBT contractor's database is inaccessible and a retailer cannot access the Families First system to determine whether a household has sufficient funds in the household's Families First account to make a purchase with food stamp benefits, the household shall be allowed to make a \$50.00 maximum purchase per day. The emergency purchase shall be documented by an off-line voucher completed by the retailer and signed by the Families First payee.

(g) Families First transactions that are performed at ATMs or POS devices shall generate receipts containing the truncated PAN, the date and location of the transaction and the amount of the transaction. For food stamp transactions all POS terminal receipts shall display the account balance.

10:88-3.2 Authorized representatives and payees

Each recipient household shall be allowed to designate a maximum of two payees to access cash benefits, and two payees to access food stamp benefits. The household may designate the same individual(s) to access both the household's cash and food stamp benefits. A Families First card shall be issued to each payee, each with its own PIN.

10:88-3.3 Staggered issuance

(a) A benefit authorization that represents a household's normal monthly assistance shall become available from the Families First account during the first five days of the month. The specific date of availability shall be dependent upon the

household's case number and the individual CWA's staggered issuance procedures. During Families First training, each recipient shall be advised of the day of the month on which each month's benefits shall be available.

(b) While staggered issuance is a method to disburse benefits over the first five days of the month, the establishment of cash and food stamp benefit program eligibility shall continue to be based upon a calendar month.

10:88-3.4 Non-traditional food retailers

(a) Food stamp recipients shall be able to utilize their Families First food stamp benefits at authorized retailers who are not equipped with POS devices. These transactions shall be performed by having the recipient sign an off-line manual voucher for the amount of the purchase, which authorizes the retailer to submit the voucher for payment to the State's EBT contractor. The recipient shall receive a copy of the voucher for his or her records. It is the responsibility of the retailer to contact the EBT retailer call center at the time of the sale to obtain a voice authorization for the purchase. The voice authorization includes an approval number for the transaction, which confirms the availability of funds to cover the transaction and places a hold on the recipient's funds for the approved amount. The retailer must record the approval number on the voucher.

1. Retailers will not be reimbursed and will be solely responsible for all manual voucher transactions when the retailer fails to obtain a voucher authorization number from the retailer call center at the time of the sale and prior to the submission of the manual voucher for payment.

10:88-3.5 Authorized institutions

(a) Drug or alcohol treatment centers, shelters for battered women, group living arrangements, and non-profit homeless feeding sites that are authorized by the USDA to participate in the Food Stamp Program shall be provided with a POS device by the State's EBT contractor. Pursuant to N.J.A.C. 10:87-7.8(a)2, residents of group living arrangements shall have their eligibility determined as one-person households when applying on their own behalf. The Families First card shall be issued to the resident as payee, and he or she shall select his or her own PIN. Certification may also be accomplished through an authorized representative of the group living arrangement or another representative chosen by the applicant. In that case, the Families First card shall be issued to the resident's authorized representative.

(b) Food stamp rules at N.J.A.C. 10:87-7.9(a) and (b) provide that narcotic addicts or alcoholics who reside in drug or alcohol treatment facilities may apply for food stamp benefits and have their eligibility determined as a one-person household, and that certification must be accomplished through an authorized representative.

1. In order to participate in the EBT Food Stamp Program, each drug/alcohol treatment facility must be au-

thorized by the USDA/FNS and receive an FNS authorization number. Each facility must designate one or more representatives from their staff to act as the food stamp payee for the food stamp clients who reside within the facility. Coding of this payee on the FANIS system will be such that the Families First cards for residents of the facility will be issued to this payee as the authorized representative for the clients. For coding and security purposes, the individual(s) who acts as the authorized representative must provide his or her full name and date of birth to the agency.

2. The CWA shall make arrangements with each drug/alcohol treatment facility to allow the designated authorized representative to come to the CWA to apply for food stamp benefits and to select a PIN and receive the card for each eligible resident.

3. When a resident of a drug or alcohol treatment center or group living arrangement facility leaves the facility, the facility shall immediately notify the CWA of the resident's departure. Upon receipt of this notice, the CWA shall immediately deactivate the resident's Families First card so that no further transactions can be made with the card. Prior to informing the CWA of a resident's departure, the drug/alcohol treatment center shall ensure that the resident's food stamp account has been debited/credited correctly in accordance with N.J.A.C. 10:87-7.8(d)1i. The payee shall visit the CWA to request a new Families First card, which will allow the payee to access any benefits that remain available in the account.

10:88-3.6 Communal dining facilities

Recipients qualified under N.J.A.C. 10:87-3.12(a)1 may utilize their Families First food stamp benefits to purchase meals at communal dining facilities. These transactions are performed by having the recipient sign a debit voucher that authorizes the communal dining facility to submit the voucher for payment to the Families First Program. The recipient shall receive a copy of the voucher for the recipient's records.

10:88-3.7 Meals-on-Wheels

Recipients qualified under N.J.A.C. 10:87-3.12(a)2 may utilize their Families First food stamp benefits to purchase meals from Meals-on-Wheels. These transactions are performed by completing an off-line manual voucher and having the recipient sign the voucher, which authorizes Meals-on-Wheels to submit the voucher for payment to the State's EBT contractor. The recipient shall receive a copy of the voucher for the recipient's records.

10:88-3.8 Adjustment

(a) Adjustment is the process whereby a debit or credit transaction is applied to a recipient's Families First food stamp account to correct a system error or to correct an out-of-balance condition that is identified in the settlement process.

1. A system error is defined as an error resulting from a malfunction at any point in the posting or redemption process, from the Families First host computer, to the switch, to the third-party processors, to a store's host computer or to a POS device.

2. A Families First account can be either a cash benefit account or food stamp benefit account.

(b) The State (including any contracted agent that the State employs to act as its EBT processor) shall correct a benefit amount erroneously posted to a recipient's Families First account, or an auditable, out-of-balance settlement condition that occurs during the food stamp redemption process as a result of a system error.

1. If an error is discovered prior to the date on which those benefits are accessible to the recipient, an adjustment shall be performed by the State or its contracted agent that corrects the erroneous posting. In this situation, the recipient shall not be provided with notification that the correction has occurred.

2. If an error is discovered in a food stamp account after the date on which those benefits are accessible to the recipient, an adjustment shall be performed by the State or its contracted agent to correct the error. However, in this situation, if the adjustment is a debit transaction, the recipient shall be provided with notification as described at (e) below.

3. The adjustment shall be equal to the amount of the original error transaction, and may result in either a debit or credit to the recipient's Families First food stamp account.

(c) A recipient initiated food stamp adjustment must be requested by the recipient within 90 days of the alleged error transaction and shall be addressed by the State agency or its contracted agent within 15 calendar days from the date the recipient notifies the State agency of the alleged error. Within this period, the State agency or its contracted agent must investigate, reach a decision and, if warranted, move funds into the recipient's food stamp account.

(d) A retailer- or commercial institution-initiated food stamp adjustment shall be addressed no later than 15 calendar days from the date the error occurred. Notification requirements are described at (e) below and the actual account adjustment shall be performed in accordance with (g) or (h) below.

(e) Upon receipt by the State of notification that a retailer or a commercial institution has requested a food stamp debit adjustment, the recipient shall immediately be notified of the adjustment request.

1. The notice shall specify:

i. The full amount and type (debit) of the adjustment, including the date, time and location of the original error transaction;

ii. That any adjustment amount still owing is subject to collection from the household's next month's food stamp benefits;

iii. Where the recipient may call to dispute the adjustment and request a fair hearing; and

iv. The right to delay the adjustment debit to the household, pending the outcome of a fair hearing, provided the hearing is requested within 15 calendar days of the notice date.

2. Subsequent transactions to move the funds or otherwise complete the food stamp adjustment do not require additional household notification.

3. No notice is necessary if an adjustment is a credit to the household food stamp account.

(f) The recipient shall have 90 days from the date of the notice of the adjustment to request a fair hearing.

(g) If the household does not request a hearing within 15 calendar days, the State agency or its contracted agent shall proceed to debit the recipient's Families First food stamp account for the total amount erroneously credited.

1. If the household requests a fair hearing after the 15th calendar day, but before the 90th day expires, the fair hearing request shall be accepted; however, the adjustment process continues.

(h) Should the household dispute the adjustment and a hearing request is made within 15 calendar days of the notice, no further action shall be taken to adjust (debit) the household's food stamp account until the fair hearing decision is rendered.

1. If the fair hearing decision is rendered in the household's favor, no additional action is needed.

2. If the Division of Family Development's (DFD) intended action regarding the adjustment is upheld by the hearing decision, DFD or its contracted agent shall debit the recipient's Families First food stamp account immediately for the total amount erroneously credited when the fair hearing was requested.

(i) If the recipient's Families First food stamp account does not have sufficient benefits to cover the total amount of the adjustment, the Division or its contracted agent shall only attempt the adjustment against a client's food stamp account for one future month before the adjustment debt is cancelled. This also applies to adjustments that cannot be collected from a household that leaves the Food Stamp Program, regardless of whether that household returns to the Food Stamp Program at a later date.

10:88-3.9 Penalties for inappropriate use of Families First cards

Any act that constitutes a violation of the Food Stamp Act, Food Stamp Program rules, or any State statute for the purpose of acquiring, using, presenting, transferring, receiving, possessing or trafficking of authorization cards used as part of an automated benefit delivery system is considered an intentional program violation and will be addressed in accordance with rules that govern the program(s) for which the card(s) delivers benefits (see N.J.A.C. 10:87-11.3 and 10:90-11).

SUBCHAPTER 4. INACTIVE ACCOUNTS (AGING)

10:88-4.1 Overview

The Families First system shall suspend or terminate Families First cash and food stamp accounts that have not been accessed for 90 days. This process is called aging. The aging process is generally the same for TNF and food stamp cases, with certain specific differences.

10:88-4.2 Aging of food stamp cases

(a) On the 13th day of each month, the State's EBT contractor performs the EBT aging process, which identifies those food stamp Families First accounts that have not been accessed by payees for one month (aging period one), two months (aging period two) and three months (aging period three). The EBT aging process produces the EBT aging file, which is transmitted electronically to the State's FAMIS system on or about the 13th of each month.

1. No action is taken for cases identified in aging period one (one month of inactivity).
2. When a food stamp case reaches aging period two (two months of inactivity), FAMIS shall retrieve and process the EBT aging file from the EBT contractor to produce aging warning notices for all of the payees in that file. The notices shall be produced in English and Spanish, and shall advise the payees that they have not used any of the benefits in their Families First account for two months and that if they do not use some of the benefits during the next month, their benefits may stop. The CWA shall mail the warning notice to the household without delay.
3. When a food stamp case reaches aging period three (three months of inactivity) in the EBT aging file, the case shall be suspended effective the first day of the following month, and no additional benefits shall be added to the case. The FAMIS system shall produce an adverse action notice that advises the payee that the case has been suspended because they have not used any of their benefits for three months.

4. All outstanding available benefits shall be expunged from the EBT food stamp account and shall be moved to the aged food stamp benefits file on or about the 13th day of the month in which they reach aging period three, where they shall be held off-line for one year. The aged food stamp benefits shall be reported on each month as to their age in the file on FAMIS report FM649, Aged Food Stamp Benefits.

10:88-4.3 Obtaining aged food stamp benefits

The household shall be entitled to receive aged food stamp benefits for up to one year from the date the benefits were aged (see N.J.A.C. 10:88-4.2(a)4). If the payee does not request replacement of those food stamp benefits within one year after the benefits were aged, the benefits shall be expunged and reported back to FNS.

10:88-4.4 Aging of cash cases

(a) On the 13th day of each month, the State's EBT contractor shall perform the EBT aging process, which identifies those cash Families First accounts that have not been accessed by payees for one month (aging period one), two months (aging period two) and three months (aging period three). The EBT aging process produces the EBT aging file, which is transmitted electronically to the State's FAMIS system on or about the 13th of each month.

1. No action is taken for cases identified in aging period one (one month of inactivity).
2. When a cash case reaches aging period two (two months of inactivity), FAMIS shall take the EBT aging file from the EBT contractor and produce aging warning notices for all of the payees in that file. The notices shall be produced in English and Spanish, and shall advise the payees that they have not used any of the benefits in their Families First account for two months and that if they do not use some of the benefits during the next month, their benefits may stop. The CWA shall mail the warning notice to the household without delay.
3. When a cash benefit case reaches aging period three (three months of inactivity) in the EBT aging file, the case shall be closed effective the first day of the following month, and no additional benefits shall be added to the case. The FAMIS system shall produce an adverse action notice (PA-15/PA-15S) that advises the payee that the case has been closed because he or she has not used any of his or her benefits for three months. All outstanding available benefits will be expunged from the EBT cash account and reported as aged on FAMIS history.
4. The payee shall not be entitled to receive any aged cash benefits once the cash case is closed due to aging.

SUBCHAPTER 5. REPLACEMENT OF BENEFITS AND CARDS

10:88-5.1 Replacement of benefits

Cash and food stamp benefits shall not be replaced once they are posted to a household's Families First account. A credit adjustment may be processed to correct a system error or an out-of-balance condition that is identified in the settlement process, such as an ATM misdispense.

10:88-5.2 Replacement of lost or stolen EBT cards

(a) Replacement Families First cards shall be made available no later than two business days from the date that the replacement request is made to the CWA.

(b) Each Families First payee will be allowed three free replacement cards. A replacement fee of \$2.00 shall be collected from food stamp or cash assistance recipients for the fourth and any subsequent replacement cards.

(c) The total fee for replacing a non-public assistance food stamp recipient's card shall be deducted automatically from the food stamp benefit account. The total fee shall be deducted from the cash benefit account for cash-only cases. For household's receiving both cash assistance and food stamp benefits, the fee shall be attempted first against the food stamp account. If there are insufficient funds in the food stamp account to cover the replacement fee, the fee will be attempted against the cash account. If neither account has sufficient funds available to cover the replacement fee, the system will create a pending status for the fee and it will be deducted from the next available benefit.

(d) The CWA shall exempt the first card issued to a reopened case from the replacement fee by waiving the fee. In addition, individual waivers of the card replacement fee may be granted by the CWA for certain recipients based upon the client's level of incapacity or impairment. In the case of a stolen card, the fee shall be waived provided that there is a police report to document the theft of the card.

10:88-5.3 PIN re-selection

A recipient who has forgotten his or her PIN or whose PIN is compromised shall not be required to obtain a replacement card, provided his or her card is still in his or her possession and is not damaged. These recipients shall be allowed to select a new PIN at the CWA card issuance unit within two business days of notifying the CWA that their PIN has been forgotten or compromised.

SUBCHAPTER 6. FISCAL PROCEDURES

10:88-6.1 Food stamp card replacement fees

Funds collected through replacement card fees will be an offset to the administrative cost category of each CWA ini-

tially charged to produce the replacement card. The dollar amount will be shown as a credit on Schedule A of the quarterly report, Form WFNJ-618, and the payment will be posted as an increasing adjustment to the funds due on the summary schedule.

10:88-6.2 Food stamp claims

(a) Households shall be allowed to repay recipient claims using Families First benefits.

(b) Any payments made using Families First benefits should be reported on line 15 of the FNS-209, Status of Claims Against Households report.

(c) CWAs shall ensure that involuntary claims repayments are not deducted from Families First accounts.

(d) The CWA shall secure and retain an FNS-135, Affidavit of Return or Exchange of Food Coupons, signed by the household.

(e) CWAs may offset Families First benefits that are about to be expunged against outstanding claims if the CWA is able to secure the household's written permission prior to expunging the benefits from the account. This collection would then be reported on line 15 of the FNS-209 report.

10:88-6.3 Aged Families First cash benefits

Aged Families First cash benefits shall be credited on the CWA's fiscal reports.

10:88-6.4 Security and control of Families First cards

(a) The CWA shall maintain a supply of Families First card stock in quantity sufficient to meet the demands of initial issuance and replacement.

(b) When a shipment of blank Families First cards is received by the CWA, the date of receipt and the primary account number of the first and last card in the shipment shall be checked against the card manifest and recorded by two CWA staff. Each subsequent distribution of Families First cards to CWA card issuance staff shall be checked and recorded in the same manner.

1. If any package shows signs of having been tampered with, then each card in that package shall be individually counted and compared with the card manifest. If any cards are missing, the CWA EBT coordinator shall be notified immediately and shall promptly deactivate those cards on the EBT system. The CWA chief investigator shall also be notified and shall file a report with the shipping agent concerning the circumstances and conduct an investigation.

(c) All supplies of Families First cards shall be maintained by the CWA Fiscal Unit in a secure area. Such area shall be separate from the area in which card forms/logs or records are kept.

(d) The CWA shall maintain a card log that contains the date of distribution, the number of cards dispensed and their PANs, as well as the signatures of both the Fiscal Unit staff member who dispenses the cards and the individual who receives them.

1. Completed log forms shall be retained for a period of three years. Such period shall commence with the most recent date of entry on the subject form.
2. Each subsequent receipt of a block of Families First cards shall be recorded on a separate form.
3. Families First cards shall be issued in numerical sequence within each block.
4. Any cancelled, damaged or returned cards shall be noted on the log form and shall be immediately identified as such on the EBT database.

i. Damaged or cancelled cards that are not required as part of an investigation shall be disposed of through shredding.

5. At the end of each working day, all unused cards shall be returned to a securely locked storage area. Returned unused cards shall be reconciled to the number of cards taken out of storage at the beginning of the day, less the number of cards issued that day. Under no circumstances shall any Families First cards be accessible to unauthorized persons or be left unsecured overnight.

(e) In circumstances where it appears that internal CWA security has been breached, the chief investigator, in coordination with the CWA EBT coordinator, shall take immediate steps to investigate the incident. This includes, but is not limited to, securing the originals of any documentation. These records shall be treated as possible evidence and handled in such a manner as to preserve any fingerprints.