

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, 2005.

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Chapter 88, Food Stamp Program Plan of Operation Manual, was repealed by R.1983 d.246, eff.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Subchapter 7, Regulation E Demonstration (Hudson County Only), was repealed by R.1999 d.126, effective April 19, 1999.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

(b) When a household leaves an authorized institution which acted as an authorized representative, the facility shall immediately notify the LWA. The LWA shall then immediately inactivate the Families First card. The household shall visit the LWA to have any remaining benefits restored, including the issuance and training on the use of a Families First card if the household is still residing in a Families First jurisdiction.

10:88-3.6 Communal dining facilities

Recipients qualified under N.J.A.C. 10:87-3.12 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 which 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 may utilize their Families First food stamp benefits to purchase meals from Meals-on-Wheels. These transactions are performed by having the recipient sign a debit voucher which authorizes Meals-on-Wheels 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.

10:88-3.8 Representation

(a) When there are insufficient funds in the food stamp EBT account to cover a manual Families First transaction, representation of the manual voucher amount shall be permitted under the following circumstances:

1. The manual transaction occurred because the Families First system was inaccessible, and the retailer obtained authorization for the transaction; or
2. The manual transaction occurred because telephone lines were down.

(b) Representation of manual vouchers is not to be permitted when the Families First card or POS device fails, and telephone lines are operational. Manual transactions shall not be utilized to extend credit to a household when the household's account balance is insufficient to cover the planned purchase.

(c) The State shall debit the benefit allotment of a household during the first month following the insufficient funds transaction in the amount of \$50.00. If the household's monthly allotment is less than \$50.00, the State shall debit the account for \$10.00. For each subsequent month, the deduction from the monthly allotment shall be the greater of \$10.00 or 10 percent until the representation is completely repaid.

(d) The State, the State's Families First system contractor, and the LWAs shall identify those households which are subject to representation. The LWAs shall establish the validity of each representation within their jurisdiction, and shall report this to the State's Families First system contractor. The State's Families First system contractor shall then issue representation notices to those households who will be subject to representation, and shall then perform the representation with the next month's benefits.

(e) The State shall ensure that retailers provide notice to households at the time of the manual transaction that representation may occur if there are insufficient benefits in the account to cover the transaction. The statement shall be printed on the paper voucher or on a separate sheet of paper. The State shall also provide notice to the household prior to the month when a benefit allotment is reduced when a representation is necessary. Notice shall be provided to the household for each insufficient transaction that is to be represented in a future month. The notice shall be provided prior to the month it occurs and shall state the amount of the reduction in the benefit allotment.

Amended by R.2000 d.173, effective May 1, 2000.

See: 32 N.J.R. 436(a), 32 N.J.R. 1516(a).

In (c), substituted "or" for "and" following "\$10.00" in the last sentence.

SUBCHAPTER 4. INACTIVE ACCOUNTS (AGING)

10:88-4.1 Overview

The Families First system shall terminate those Families First cash and food stamp accounts, as well as close TANF and/or food stamp cases on FAMIS, which have not been accessed for at least 45 days. This process is called Aging. The Aging process is generally the same for TANF and food stamp cases, with certain specific differences.

Amended by R.2000 d.173, effective May 1, 2000.

See: 32 N.J.R. 436(a), 32 N.J.R. 1516(a).

Substituted references to TANF for references to AFDC throughout.

10:88-4.2 Aging of food stamp cases

(a) On or about the 13th day of each month, the Families First system shall identify those food stamp Families First accounts that have not been accessed by payees for more than one month.

1. The FSP-907A F-1 or F-1S (English and Spanish versions, respectively), Notices of Expiration of Certification Period, shall be mailed, forewarning the payee that his or her food stamp case shall have its certification period shortened unless the payee either uses his or her Families First food stamp benefits, or contacts the LWA to explain why the household has not used those benefits. The FSP-907A F-1/F-1S shall be received by the household at least 30 days prior to the end of the certification period.

2. The food stamp case shall be closed effective the first day of the following month, and all Families First food stamp benefits shall be Aged unless the payee either contacts the LWA, or accesses the Families First FS benefits.

3. Food stamp benefits shall be Aged from the Families First system on or about the 13th day after the food stamp certification period expires.

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), deleted a former 2, recodified former 3 and 4 as 2 and 3, and rewrote the new 2.

10:88-4.3 Aging of WFNJ cases

(a) On or about the 13th day of each month, the Families First system shall identify those WFNJ Families First accounts that have not been accessed by payees for more than one month.

1. If the payee has not accessed his or her WFNJ benefits after two consecutive months, the LWA shall issue a PA-15/PA-15S Adverse Action Notice to the payee, advising that all Families First WFNJ benefits shall be removed if the payee does not access the Families First WFNJ benefits, and that his or her WFNJ case will close unless the payee uses his or her Families First benefits.

2. The WFNJ case shall be closed effective the first day of the following month.

3. The payee shall not be entitled to receive any Aged WFNJ benefits once the WFNJ case is closed due to Aging, which occurs on or about the 13th day after the WFNJ case is closed.

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

Substituted references to WFNJ for references to AFDC throughout; and in (a), deleted a former 1, recodified former 2 through 4 as 1 through 3, and rewrote the new 1.

10:88-4.4 Cancellation of the Aging process

Prior to the effective date of FAMIS case closure, if a payee contacts the LWA after receiving one of the notices at N.J.A.C. 10:88-4.2 or 4.3, the worker shall determine whether or not the closing of the public assistance case, as well as the Families First account, should be voided. If the termination actions are voided, the LWA shall take action to cancel the Aging process.

10:88-4.5 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.

Amended by R.2000 d.173, effective May 1, 2000.

See: 32 N.J.R. 436(a), 32 N.J.R. 1516(a).

Substituted a reference to FNS for a reference to FCS.

SUBCHAPTER 5. BENEFIT CONVERSION

10:88-5.1 Overview

Food stamp benefit conversion shall be limited to situations where the household is moving out of a county participating in the Families First Program to a non-Families First jurisdiction.

10:88-5.2 Moving into EBT jurisdiction

If a food stamp household moves from a non-Families First jurisdiction to a Families First jurisdiction, the household shall use any remaining food stamp coupons which were received in the previous jurisdiction at retailers in the Families First county.

10:88-5.3 Moving out of EBT jurisdiction

(a) When a household moves out of a jurisdiction participating in Families First, the household's food stamp benefits shall be converted into benefits which shall be negotiable in the household's new place of residence.

(b) Cash benefits remaining in Families First accounts shall be accessible throughout New Jersey via MACTM ATMs, and thus will not require conversion to cash unless the family moves out-of-state. If the family is moving out of New Jersey, the LWA shall convert the family's Families First cash account balance into a cash payment.

(c) Within one business day of the date of notification to the LWA that a household is moving from a Families First county, the LWA shall cancel the household's Families First account using the client's Families First card, and convert any balance in the household's Families First food stamp account to an ATP, provided that the LWA maintains a coupon inventory on site. For LWAs which do not maintain coupon inventories on location, the conversion time-frame shall be three business days. The recipient shall visit the LWA in order to provide the LWA with his or her PIN and Families First card.

(d) CWAs shall ensure that a recipient has access to a location which shall transact the ATP into food stamp coupons.

10:88-5.4 Conversion restrictions

The payee shall not have the option of converting its Families First food stamp account to paper-based benefits merely to accommodate the household's convenience.

10:88-6.3 Forgotten PINs

Payees who forget their PINs shall not be required to obtain replacement cards, provided they possess their original cards. Such payees, however, shall be referred to the CIS within two business days to select new PINs.

SUBCHAPTER 6. REPLACEMENT OF BENEFITS AND CARDS

SUBCHAPTER 7. (RESERVED)

10:88-6.1 Replacement of benefits

Cash and food stamp benefits shall not be replaced once they are posted to a household's Families First account. Benefits shall be replaced, however, if an ATM does not give the correct amount of cash, or a retailer overcharges the payee.

SUBCHAPTER 8. FISCAL PROCEDURES

10:88-8.1 Food stamp card replacement fees

Collected Families First card replacement fees are to be reported as a refund to the Administrative Account, specifically the Food Stamp Program.

10:88-6.2 Replacement of lost/stolen EBT cards

(a) Replacement Families First cards shall be made available no later than two business days from the date that the loss is reported to the LWA. Since payees, as part of the card replacement procedure, must visit the LWA's Card Issuance Site (CIS) in order to select a new PIN, it is critical that payees be referred to CIS in an expeditious manner.

10:88-8.2 Food stamp claims

(a) Households shall be allowed to repay recipient claims using Families First benefits as they are currently able to do with paper food coupons.

(b) A replacement fee shall be collected from food stamp or cash assistance recipients who are issued more than one replacement of a lost or misplaced Families First card within a one-calendar year period. Recipients have the option of paying the card replacement fee in cash or have the fee deducted from their 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.

1. The schedule of fees for card replacement is as follows:

Card replacement	Fee
First	Free
Second	\$2.00 + repeat training
Third	\$3.00 + repeat training
Fourth or subsequent	\$5.00 + repeat training

(d) The CWA must 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 which 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.

(c) The total fee for replacing a non-public assistance (NPA) food stamp recipient's card shall be deducted from food stamp benefits. The total fee shall be deducted from the cash benefits for cash-only cases. For household's receiving both WFNJ assistance and food stamp benefits, the fee shall be divided equally.

10:88-8.3 Aged Families First cash benefits

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

APPENDIX

(RESERVED)

Amended by R.1999 d.126, effective April 19, 1999. See: 30 N.J.R. 2415(a), 31 N.J.R. 1065(a). Designated the former section as (a); and added (b) and (c).

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