



# Electronic Benefits Transfer

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Electronic benefits transfer is a way of distributing cash and food assistance through electronic debit card format.

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## What is electronic benefits transfer?

Since October 1998, cash and Food Support benefits have been issued by Minnesota counties to all recipients in an electronic debit card format known as EBT, or electronic benefits transfer. An EBT card looks and works like any other bank debit card. Benefits are issued directly to families receiving Minnesota Family Investment Program (MFIP) and Food Support benefits. As part of the 1996 federal welfare reform, all states were required to move to EBT systems by October 1, 2001.

## How do the assistance programs work?

MFIP benefits are based on family size, with the MFIP grant composed of a cash portion and a food portion. Counties issue both the cash and the food portion of an MFIP family's grant in EBT form. MFIP families receive the food portion of assistance as a part of the MFIP grant, instead of receiving a separate benefit payment through the federal Supplemental Nutrition Assistance Program (SNAP). The MFIP food portion uses the same EBT mechanism to deliver the MFIP food benefits as the stand-alone Food Support program does. However, the two kinds of MFIP benefits (cash and food) are electronically segregated on the family's EBT card. This ensures that the family can only use the food portion of their MFIP benefit to purchase food items that are approved under SNAP, from a retailer that has been approved under that program.

Food Support assists households composed of eligible single individuals and families. Generally speaking, the basic Food Support household consists of individuals living together who purchase and prepare meals in common. A household qualifies for the Food Support program if it satisfies certain eligibility requirements or if its income and assets are below the program's established limits.

The Food Support program benefits and MFIP food portion are adjusted as needed to reflect cost-of-living adjustments to the federal SNAP. The MFIP cash portion is not automatically adjusted.

## Are there restrictions on what EBT can be used to purchase?

Food Support may only be used to purchase federally approved food and food products, excluding alcohol, tobacco, and pet food, in approved stores. Approved stores include grocery stores and convenience stores that sell a variety of foods and have been authorized to accept Minnesota EBT cards. Individuals over 60 (and their spouses), blind and disabled persons, and homeless individuals can also use Food Support to purchase meals in authorized restaurants. In addition, Food Support can be used to purchase hot foods or hot food products through nonprofit meal delivery services, at communal dining facilities, and at institutions serving meals to drug addicts, alcoholics, and battered women and children.

There are no such restrictions on the cash portion of the MFIP benefit; the family accesses these benefits through point-of-sale terminals or automatic teller machines (ATMs). (There are certain locations at which no person may obtain cash benefits through the use of an EBT card, including gambling establishments, liquor stores, tobacco stores, and tattoo parlors.)

However, EBT cardholders may not use the EBT card to purchase tobacco products or alcoholic beverages. A recipient found to be guilty of using an EBT card to purchase prohibited items is disqualified from receiving assistance for one year for the first offense, two years for the second offense, and permanently for the third offense.

Additionally, EBT cardholders are limited to using the cash portion on the EBT card in Minnesota and the four surrounding states.

### **How often do benefits get issued?**

Each month, a family's EBT account is credited with their cash and Food Support benefits. During the month, the family uses the EBT card to purchase items or withdraw cash. The family swipes their EBT card through a point-of-sale terminal or ATM, and the purchases or withdrawn cash are deducted from their account balance. Cash may only be withdrawn from the cash portion of the MFIP benefit.

In federal fiscal year 2020, a family of three with no earnings would receive an MFIP cash benefit of \$632 and food benefit of \$412 per month. In March 2020, the average monthly Food Support amount issued per household was \$207.39.



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