§274.7 Benefit redemption by eligible households.

(a) Eligible food. Program benefits may be used only by the household, or other persons the household selects, to purchase eligible food for the household, which includes, for certain households, the purchase of prepared meals, and for other households residing in certain designated areas of Alaska, the purchase of hunting and fishing equipment with benefits.

(b) Prior payment prohibition. Program benefits shall not be used to pay for any eligible food purchased prior to the time at which an EBT card is presented to authorized retailers or meal services. Neither shall benefits be used to pay for any eligible food in advance of the receipt of food, except when prior payment is for food purchased from a nonprofit cooperative food purchasing venture.

(c) Transaction limits. No minimum dollar amount per transaction or maximum limit on the number of transactions shall be established. In addition, no transaction fees shall be imposed on SNAP households utilizing the EBT system to access their benefits.

(d) Access to balances. (1) Households shall be permitted to determine their SNAP account balances without making a purchase or standing in a checkout line.

(2) The State agency shall ensure that the EBT system is capable of providing a transaction history for a period of up to 2 calendar months to households upon request.

(3) Households shall be provided printed receipts at the time of transaction in accordance with §274.8(b)(7).

(e) Access to retail stores. (1) The EBT system shall provide for minimal disruption of access to and service in retail stores by eligible households.

(2) The EBT system shall not result in a significant increase in the cost of food or cost of transportation to authorized retailers for SNAP households.

(f) Equal treatment. The EBT system shall be implemented and operated in a manner that maintains equal treatment for SNAP households in accordance with §278.2(b) of this chapter. The following requirements for the equal treatment of SNAP households shall directly apply to EBT systems:

(1) Retailers shall not establish special checkout lanes which are only for SNAP households. If special lanes are designated for the purpose of accepting other electronic debit or credit cards and/or other payment methods such as checks, SNAP customers with EBT cards may also be assigned to such lanes as long as other commercial customers are assigned there as well.

(2) Checkout lanes equipped with POS devices shall be made available to SNAP households during all retail store hours of operation.

(g) Households eligible for prepared meals. (1) Meals-on-wheels. Eligible household members 60 years of age or over or members who are housebound, physically handicapped, or otherwise disabled to the extent that they are unable to adequately prepare all their meals, and their spouses, may use Program benefits to purchase meals prepared especially for them at communal dining facilities authorized by FNS.

(2) Communal dining facilities. Eligible household members 60 years of age or over and their spouses, or those receiving SSI and their spouses, may use Program benefits issued to them to purchase meals prepared especially for them at communal dining facilities authorized by FNS for that purpose.

(3) Residents of certain institutions. (i) Members of eligible households who are narcotics addicts or alcoholics and who regularly participate in a drug or alcoholic treatment rehabilitation program...
may use Program benefits to purchase food prepared for them during the course of such program by a private nonprofit organization or institution or publicly operated community mental health center which is authorized by FNS to redeem benefits in accordance with §§278.1 and 278.2(g) of this chapter.

(ii) Eligible residents of a group living arrangement may use Program benefits issued to them to purchase meals prepared especially for them at a group living arrangement which is authorized by FNS to redeem benefits in accordance with §§278.1 and 278.2(g) of this chapter.

(iii) Residents of shelters for battered women and children as defined in §278.1(g) of this chapter may use their Program benefits to purchase meals prepared especially for them at a shelter which is authorized by FNS to redeem benefits in accordance with §§278.1 and 278.2(g) of this chapter.

(4) Homeless households. (i) Homeless SNAP households may use their Program benefits to purchase prepared meals from authorized homeless meal providers.

(ii) Eligible homeless households may use Program benefits to purchase meals from restaurants authorized by FNS for such purpose.

(h) Eligible households residing in areas of Alaska determined by FNS as areas where access to authorized retailers is difficult and which rely substantially on hunting and fishing for subsistence may use all or any part of the Program benefits issued to purchase hunting and fishing equipment such as nets, hooks, rods, harpoons and knives, but may not use benefits to purchase firearms, ammunition, and other explosives.

(i) State agencies shall implement a method to ensure that access to prepared meals and hunting and fishing equipment is limited to eligible households as described in paragraphs (g) through (h) of this section.

§274.8 Functional and technical EBT system requirements.

(a) Functional requirements. The State agency shall ensure that the EBT system is capable of performing the following functional requirements prior to implementation:

1. Authorizing household benefits. (i) Issuing and replacing EBT cards to eligible households;

   (ii) Permitting eligible households to select a personal identification number (PINs) at least four digits in length;

   (iii) Establishing benefit cards and accounts with the central computer database;

   (iv) Maintaining the master household issuance record file data and current authorization information;

   (v) Training households and other users in system usage;

   (vi) Authorizing benefit delivery;

   (vii) Posting benefits to each household’s account for regular and supplemental issuances;

   (viii) Providing households with access to information on benefit availability;

   (ix) Ensuring the privacy of household data and providing benefit and data security;

   (x) Inventorying and securing accountable documents; and

   (xi) Zeroing out benefit accounts and other account authorization activity.

2. Providing food benefits to households. (i) Verifying the identity of authorized households or authorized household representatives at issuance terminals or POS;

   (ii) Verifying the PIN and/or PIN offset, primary account number (PAN), terminal identification number and retailer identification number;

   (iii) Determining the sufficiency of the household’s account balance in order to debit or credit household benefit accounts at the point of sale;

   (iv) Sending messages authorizing or rejecting purchases;

   (v) Providing back-up purchase procedures when the system is unavailable;

   (vi) Ensuring that benefits are available and carried over from month-to-month;

   (vii) Responding to issuance problems in a timely manner.

3. Crediting retailers and financial institutions for redeemed benefits. (i) Verifying electronic transactions flowing to or from participating retailers’ bank accounts;