

Iowa Department of Human Services

RETAILER AGREEMENT

This agreement sets forth the conditions and procedures which merchants desiring to participate in the Iowa Department of Human Services (IDHS) electronic benefit transfer (EBT) food stamp demonstration project are required to follow as a condition for participation.

Under the authority of the United States Department of Agriculture, IDHS is piloting electronic delivery of food stamp benefits as an alternative to food stamp coupons. The project uses the Iowa Transfer System (ITS) network.

1. The existing commercial network of automated teller machines and point-of-sale terminals will be used. IDHS will not provide equipment for EBT processing.
2. The merchant shall be authorized by the United States Department of Agriculture as an authorized food stamp retailer.
3. The merchant shall maintain a bank account at a financial institution of merchant's choice for purpose of electronic settlement of transactions.
4. Participation in the program is voluntary on the part of the merchant and the client. However, if a merchant is participating in the project all clients choosing to use EBT to access benefits will be allowed to do so.
5. EBT card holders shall not be identified or otherwise singled out as recipients of the Food Stamp Program or the AFDC (Aid to Families with Dependent Children) Program.
6. The merchant agrees that no transaction fee or other cost for any EBT transaction may be charged or otherwise passed on to the customer as a recipient of the Food Stamp or AFDC program.
7. The Personal Identification Number (PIN) is issued to clients for security and identification purposes. Clients are not to be asked to divulge the PIN.
8. At the merchant's option, the merchant may issue cash to AFDC recipients from their cash account. Cash amount limits can be imposed provided the limits are the same limits for all debit card users. Merchant may not charge the customer a fee for obtaining cash from the AFDC recipient's cash account.
9. In the event the merchant is unable to process EBT transactions on-line due to failure of communication lines or failure of ITS, merchants may process the SHAZAM POS Voucher. IDHS will guarantee purchases up to \$40 with the following limitations:
 - a. IDHS will not guarantee purchases when the EBT card, magnetic stripe, PIN pad, card reader or POS terminal fails when the communication systems lines, the merchant's system and the network systems are operable.
 - b. The manual voucher shall not be used to extend credit when the account balance is insufficient to cover the planned purchase.

- c. The maximum guarantee is \$40. IDHS will guarantee only the difference between the amount in the client's account and \$40.
 - d. IDHS will guarantee only one \$40 manual voucher for a cardholder at the same retail establishment in one business day.
 - e. The use of the manual voucher is intended to cover short-term system failures. In the event of a major system failure, such as a natural disaster or local power outage lasting longer than 24 hours, IDHS will not guarantee the vouchers beyond the initial 24-hour period.
 - f. The client shall sign the manual voucher as the only authorized substitution for the entry of the PIN on line. The client shall be given a copy of the manual voucher containing the statement: "Attention State of Iowa benefit card holder: Please understand that if your account contains insufficient funds to cover this purchase, you are responsible for the difference. The Department of Human Services may take future benefits to cover any such mistake."
 - g. This \$40 guarantee applies only to food stamp benefits. The guarantee does not apply to the AFDC cash account or cash advances from the AFDC cash account.
10. The merchant will comply with all food stamp regulations.
11. The term of this Agreement shall begin on the date executed below and shall continue through the food stamp demonstration project and any planned continuance of this issuance method, as long as the retailer remains an authorized food stamp retailer.
12. This participation agreement shall automatically terminate upon the termination of the EBT project or upon termination of the merchant's authorization to participate in the Food Stamp Program. In the event of breach of any provision of this agreement, or disagreement about the provisions, this agreement may be terminated by either party upon 60-day notice in writing to the breaching party, provided that the breach is not cured during the 60-day period. The breaching party shall notify the terminating party within 10 days of the notice their desire to cure the breach. This agreement will terminate immediately upon notification of USDA'S termination of the merchant's authorization to participate in the food stamp program and will not be subject to cure. The Merchant may also terminate this authorization at any time upon written notification to IDHS.

The signatures below affirm our acceptance of responsibility for executing the provisions of this agreement.

Manager	Retailer	Date
DHS Area Administrator or designee	County Office	Date