SNAP/NAP Policy

1. I am putting together a proposal for the GusNIP Nutrition Incentive Program and need to fulfill the requirement of a letter of support from our State SNAP office. I don't have a contact there yet, how do I get connected with the appropriate person?


2. Can GusNIP funds be used to purchase point of sale (POS) equipment?

The Food and Nutrition Act prohibits the use of Federal funds to pay for POS equipment for non-exempt retailers necessary for redeeming SNAP benefits. Any budget requests for POS equipment must be limited to upgrades to a retailers’ existing equipment specifically for the purpose of enhancing the issuance and/or redemption of GusNIP fruit and vegetable incentives.

As exempt retailer types, Farmers markets and direct-marketing farmers (including community supported agriculture (CSAs)) are eligible to receive SNAP-only wired POS equipment (i.e., equipment that does not accept commercial credit or debit transactions) at no cost. There is funding available from FNS to support farmers markets and direct marketing farmers to use a mobile app that can be operated from your personal smartphone. Please visit [https://www.fns.usda.gov/snap/state-ebt-equipment](https://www.fns.usda.gov/snap/state-ebt-equipment) and [https://totilpay.com/marketlink-program/](https://totilpay.com/marketlink-program/) for more information.
3. Can GusNIP funds be used to purchase bluetooth-enabled devices and/or software subscriptions (example: MarketLink or TotilPay Go) to support GusNIP program incentive management?

Please see above. Grant funds can be used to cover costs directly related to the issuance and redemption of incentives. Any partner firm is already required to have the ability to process SNAP transactions and, therefore, grant funds should not be used for this purpose. Furthermore, there are separate grant opportunities for Farmers and Markets for assistance in obtaining the necessary equipment and services to process SNAP transactions.

4. Can GusNIP project funds allow for the purchase of refrigeration equipment that the retailer can use to store items that would be sold to both SNAP/NAP and non-SNAP/NAP households?

Specialized supplies, such as refrigeration equipment must be apportioned to the use for grant activities. For example, if 1/3 of the space in a refrigerator unit will store CSA produce boxes for GusNIP fruit and vegetable incentives and the rest will be used for general inventory, only 1/3 of the cost may be included in the grant application budget.

5. Can GusNIP projects subsidize partner firms with grant funds by purchasing inventory that the retailer can sell to both SNAP/NAP and non-SNAP/NAP households?

Purchasing inventory for retailers is outside the scope of the grant program which is intended to provide incentives to SNAP/NAP households to increase the purchase of fruits and vegetables. Between September 1, 2020, and August 31, 2021, GusNIP Nutrition Incentive project participants redeemed $20,340,434 in fruit and vegetable sales at 1,615 SNAP authorized retailer firms. The estimated economic impact for firms and the surrounding community was $39,893,540.

6. Can cash refunds be given for products purchased with SNAP benefits?

Cash refunds are prohibited for any product purchased with SNAP benefits or SNAP incentives, including GusNIP nutrition incentive. Providing cash refunds for SNAP scrip (paper, tokens, or receipts) or items purchased with SNAP benefits or incentives is trafficking SNAP benefits. This is a serious violation of SNAP rules and can have lasting legal ramifications for any firm engaging in such practices. Refunds of SNAP scrip and purchases made with SNAP benefits must be returned to the SNAP household’s EBT SNAP. Incentive amounts should not be returned to the EBT card unless the incentives

---

1 https://www.nutritionincentivehub.org/media/fjohmr2n/gusnip-ntae-impact-findings-year-2.pdf
2 NAP policy may differ. Please reach out with specific questions about NAP policy.
3 Presently, Puerto Rico is the only NAP block grant territory that issues benefits through EBT. The other NAP territories use paper coupons.
process is specifically integrated into the EBT system, and the incentive funds are properly identified in the system.

7. What does an allowable refund process look like?

One way to ensure a compliant refund process is to have the receipts clearly identify what was purchased with SNAP benefits and what was purchased with Incentives so that the customer is not able to return a product paid in full or partially with incentives and receive a refund for the full retail price back onto the EBT card.

When using tokens, tokens purchased with SNAP benefits and incentive tokens must be distinct. If a customer wants to return unused SNAP tokens, then, for example, they might be required to return an equal amount of incentive tokens as well.

In general, the applicant should describe a process to help ensure that the customer is not able to receive the incentive without making the required SNAP purchase by using the refund process to get around it.

8. Can GusNIP projects restrict nutrition incentives only to specific groups?

Applicants who wish to provide fruit and vegetable incentives to only a certain subset of SNAP/NAP participants must show that: 1) the specific group meets the selection criteria listed in the request for applications; 2) proposal provides a strong, evidence-based justification for selecting the specific group for their intervention; 3) the method for recruiting participants does not raise privacy or ethical concerns; 4) outreach efforts to the specific group alone would not be sufficient to ensure comparable or satisfactory participation of the specific group; and 5) the State/Territory SNAP/NAP Agency provides a statement in their Letter of Support concurring with the applicant’s proposal to limit incentives to the selected group and the method for recruiting participants.

9. I am a GusNIP applicant, and I would like to utilize the State’s/Territory’s EBT system as a part of my project. Is this allowable?

Before applying, applicants should have already had extensive discussions with the State/Territory Agency and the State’s/Territory’s EBT processor to confirm feasibility and cost for any proposed system changes. Applicants must submit a Letter of Support from applicable SNAP/NAP State/Territory Agency as part of their grant application. This letter must explain the specific role(s) of the agency, including any activities the agency is expected to conduct in support of the project such as identifying SNAP/NAP participants, and/or sending them any correspondence related to the project. The letter must also identify any State/Territory Agency systems, including EBT systems, required to implement the
proposed project along with an acknowledgment of who will bear the costs associated with any activities or system changes, if applicable.

If the corresponding State/Territory SNAP/NAP Agency will be involved or have a role in the outreach plan, the required Letter of Support from the State/Territory must make mention of their involvement and the extent to which they will provide support.

10. Can GusNIP projects require individuals to participate in any evaluation activities to receive fruit and vegetable incentives?

Participation in evaluation activities such as surveys and focus groups must be voluntary and cannot be required to receive the incentive. Receiving the incentive should not be contingent on participating in the evaluation. Requiring SNAP households to participate in a survey, evaluation, or focus group may be perceived as coercion and is not acceptable.

11. Can GusNIP projects utilize E-Tokens for SNAP purchases?

Scrip projects are currently allowed under a demonstration waiver only for Farmers Markets and only for physical scrip/tokens or returning to the vendor with a receipt after processing the EBT transaction. The scrip waiver was meant as an alternative solution to electronic transaction processing due to the unique infrastructure and technology challenges Farmers Markets faced when EBT was first implemented.

There is a solution for individual farmers to electronically process SNAP benefits directly through the EBT system using the FNS App for Farmers Markets (EBT mobile payment app). Please visit https://www.fns.usda.gov/snap/state-ebt-equipment and https://totilpay.com/marketlink-program/ for more information.

At this time, neither EBT SNAP benefits nor incentives are allowed to be converted to e-tokens or any other type of currency not specifically approved under the scrip demonstration waiver.

12. I am a potential applicant with retailers who are currently authorized to process online EBT payments for SNAP eligible foods. What authorizations would I need in order to implement online purchasing for my GusNIP project?

Online purchasing is different from online ordering. Any FNS authorized retailer can receive orders via the internet if the payment is processed in-person at the time of pick up or delivery.

Online Purchasing allows retailers to accept EBT payment over the internet. This is a separate authorization and involves a much longer process with additional steps.

An authorized retailer that would like to accept SNAP EBT orders and payment online would require two separate authorizations. One authorization to accept SNAP benefits at their brick-
and-mortar location, and another authorization to accept online EBT payments. Grantees who wish to provide incentives as an online retailer must clearly state that in the proposal and indicate whether they have received a SNAP Online authorization from FNS. They must also clearly describe how the incentives will be provided through the online platform.

For more information, please visit https://www.fns.usda.gov/snap/online-purchasing-pilot.

13. When should I pursue a SNAP/NAP Waiver? Can this be done after I’m selected for award?

I waiver would be required to operate in any manner that is inconsistent with the SNAP regulations. However, SNAP requirements that are in statute (i.e., the Food and Nutrition Act) cannot be waived unless it is part of demonstration project. Such projects must meet specific and rigorous requirements outlined in the Food and Nutrition Act and, generally, must be proposed by the State SNAP agency where the project will operate. Approval of demonstration projects is a lengthy process and, therefore, would need substantial lead time for FNS consideration.

If any SNAP/NAP regulatory waivers will be required, they should be obtained from FNS prior to submitting a GusNIP nutrition incentive program application when possible. At a minimum, applicants should request required waivers from FNS prior to applying for the grant so that a determination about the waiver approval can be made prior to award. Waiver approvals and requests should be attached in Field 12.

14. Will my application be subject to any specific review for SNAP/NAP compliance?

A SNAP/NAP Policy Analyst will review grant applications for adherence to SNAP/NAP program rules and regulations.

15. How do I know if the retailer I want to partner with is SNAP/NAP authorized?

It is required to partner with SNAP/NAP authorized firms to conduct a nutrition incentive project. Types of SNAP/NAP firms include grocery stores, convenience stores, farmers markets, and direct-marketing farmers (CSAs and farm stands). Before a firm can participate in a GusNIP Nutrition Incentive Program project, the applicant/grantee organization must confirm the retailer is authorized. Authorized firms can be found on the SNAP Retailer Locator map. If the firm is on the map, that means the firm is authorized. This map is updated every two weeks. Once the applicant/grantee organization has confirmed that the firm is SNAP/NAP authorized, the grantee may move forward with the firm’s participation.

Grantees are required to submit monthly reports to FNS, these reports must include the firms (and FNS numbers) that were added to the GusNIP project in the previous month. These reports should be sent to the GusNIP mailbox. Please see the Request for Applications for

---

4 FNS does not authorize retailers in any of the NAP block grant territories.
more detailed information. NOTE: This process for reporting partner firms applies to all current GusNIP, GusNIP CRR, and FINI projects.

Information on the eligibility requirement and process for SNAP authorization can be found at: https://www.fns.usda.gov/snap/apply-to-accept

For any question regarding the status of a firm’s SNAP authorization, the firm’s owner should contact the SNAP Retailer Service Center at 1-877-823-4369.

16. What information must be included in an MOU with a participating SNAP/NAP authorized retailer (firm)?

Before a firm can participate in a GusNIP Nutrition Incentive Program project, the applicant/grantee organization and the partner firm must execute a signed MOU. The MOU provides grantees with a means to ensure that partner firms understand their role and responsibilities and to hold firms accountable for following GusNIP policy and SNAP/NAP rules and regulations. If the grantee is working with a chain of centrally owned and operated firms, then one MOU that includes all relevant information on every participating firm location will be sufficient. The applicant/grantee organization should keep the original MOU in their records and be able to present it in the event of an audit. The Training, Technical Assistance, Evaluation, and Information Center (NTAE) is available to provide applicants/grantees with assistance in developing the terms and conditions of the MOU.


Grantees are required to have a Data Use Agreement or an MOU with each firm or sub-grantee that guarantees each firm will provide information required for the core program data set and to complete an outlet survey of firms to be conducted by the NTAE center.

For additional questions, please see contact information in the RFA