

**DSS ADMINISTRATIVE LETTER NO. ECONOMIC AND FAMILY SERVICES 3-2013
(Work First)**

TO: County Directors of Social Services

**ATTENTION: Work First Managers and Supervisors
Refugee Assistance Supervisors and Caseworkers**

DATE: July 15, 2013

SUBJECT: Electronic Benefit Issuance

EFFECTIVE DATE: Upon Receipt

I. GENERAL INFORMATION

The purpose of this letter is to provide local county Departments of Social Services (DSS) with information concerning the electronic issuance of Work First Family Assistance (WFFA) and Refugee Cash Assistance (RCA). Beginning July 2013, paper checks for WFFA and RCA payments will begin the transition to electronic payments. It will take several months for all 100 counties to change from paper checks to electronic payments.

Paper checks will be eliminated as counties implement the North Carolina Families Accessing Services through Technology (NC FAST) Case Management system. The NC FAST pilot counties will begin the transition to electronic issuance in July 2013. The changeover to electronic payments will continue through soft and hard launch of NC FAST for all 100 counties.

A check insert was included with the June and July 2013 checks to inform recipients of the transition to electronic payments. The July and August checks will include a [Direct Deposit Authorization](#) form for recipients to complete and return to the local DSS agencies. In addition DSS agencies are encouraged to explore various outreach methods to notify families of the county specific implementation of electronic issuance.

II. POLICY PROCEDURES

There are two methods of issuance for the cash benefit payment. The methods are Direct Deposit and Electronic Benefits Transfer (EBT). The primary method of issuance will be Direct Deposit. Direct Deposit allows for the monthly cash payment to be electronically deposited to the personal savings or checking account of the case head. EBT is an electronic system that allows recipients to access their benefits with a plastic card, similar to a bank card. Participants should be provided information about the issuance methods so they can make an informed selection. A Frequently Asked Questions (FAQ) flyer concerning electronic issuance will be provided to local DSS agencies to share with applicants and recipients.

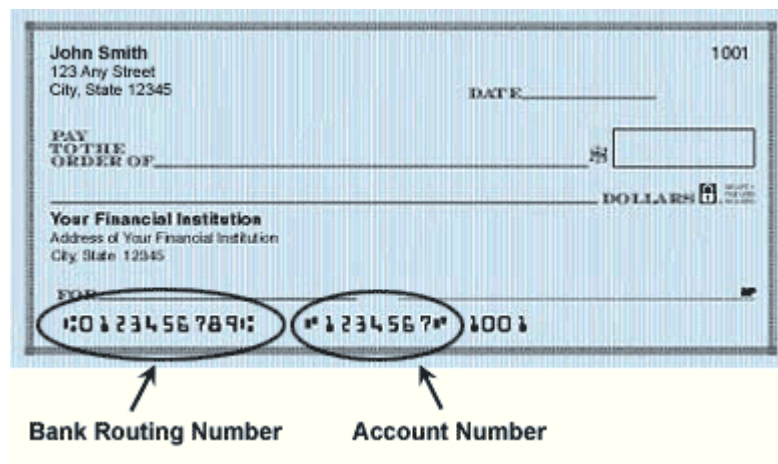
There are situations where the only option for issuing a payment may be an EBT card. These situations are as follows:

1. If the recipient is unable to establish a bank account due to a disability, resides in a remote geographic location or is unable to meet the requirements of a financial institution.
2. Benefit Diversion (BD) payments, as they are a one-time issuance.
3. Refugee Cash Assistance (RCA) recipients who do not have or are unable to establish a bank account.

Once an issuance method is selected, no changes are allowed until the next review. The county agency may change the issuance method before the next scheduled review if there is good cause or the financial institution cancels the recipient's direct deposit account.

A. Direct Deposit

1. The recipient must complete and submit to the local DSS agency the [Direct Deposit Authorization Form, DSS-5023](#). The recipient must attach a voided check (for a checking account) or have the financial institution complete section 2 of the form if depositing to a savings account. Direct Deposit is not allowed into a business checking account.
2. The caseworker must enter the information from the [DSS-5023](#) into NC FAST. The routing number is always on the lower left number on the check. The account number is in the middle bottom of the check and the check number is on the right. (see the example below)



3. There is a three day bank processing period when a direct deposit account is initially established in NC FAST. Funds are available to the recipient on the third banking day after the worker enters the information into NC FAST.
4. If the direct deposit is denied or rejected the caseworker will receive notification from NC FAST. The caseworker will need to contact the recipient immediately but no later than two business days from the date of the notification to determine why the deposit failed. If the recipient fails to designate an account suitable for direct deposit and fails to provide a new DSS-5023 within 5 business days, the county agency will update NC FAST to issue the payment on an EBT card. Once the family provides the updated account information, switch the issuance method from EBT to direct deposit in NC FAST.

Document the case concerning any correspondence or communication with the recipient.

5. The monthly payments will electronically deposit by the 7th business day of the month. For Work First Benefits cases, the payment will be made by the 7th business day after verified compliance with all program requirements as listed on the MRA Core Requirements and the Outcome Plan (MRA-B).
6. Whenever the bank information for the recipient changes a new DSS-5023 must be completed by the recipient. The case worker must update the information in NC FAST as soon as possible to ensure the timely issuance of benefits. Changes to direct deposit information for Work First Child Only cases should be completed no later than 5 business days prior to the end of the month to ensure benefits are available timely.
7. Maintain all direct deposit forms as part of the case documentation.

B. Electronic Benefits Transfer

1. Once eligibility and the benefit amount have been determined, an EBT card, similar to a bank card, is mailed by the EBT vendor to the recipient along with an EBT card carrier. The EBT card carrier instructs recipients to contact EBT Customer Service to activate the EBT card, by selecting a personal identification number (PIN). The recipient is able to select a PIN for the card and access the account without visiting the local DSS office.
2. Recipients can change their PIN number at any time by calling the EBT Customer Service line using the automated system, Interactive Voice Response (IVR). The contact number for the EBT Customer Service line is 1-888-622-7328.
3. The IVR procedures are as follows:
 - a. EBT cardholders will hear a prompt to enter their EBT Card Number. If the EBT Card Number is entered successfully, a second prompt will follow.
 - b. Cardholders will hear a prompt to enter the last four digits of their Social Security Number (SSN) to complete the PIN process. If the card holder does not have a SSN, the card holder will hear a prompt to enter their date of birth.
 - c. Cardholders will hear a prompt to enter a four-digit PIN. The cardholder will then re-enter the PIN number for validation.
4. If the case head is the same for the Food and Nutrition Services (FNS) case and the WFFA or RCA case the monthly payment will be issued on the existing FNS EBT card if the recipient is unable to establish a bank account. If there are different case heads on the FNS, WFFA or RCA cases, the payment will be issued on a separate EBT card.
5. If the FNS case head changes and is no longer the same as the WFFA or RCA case head, the FNS case will receive a new EBT card.

C. Fees Associated with the Method of Issuance

1. Direct Deposit
 - a. There may be fees associated with direct deposit that are imposed by the financial institution. These fees are the responsibility of the recipient.
 - b. The financial institution cannot impose charges for an account that it does not impose on its other customers for the same type of account.

2. Electronic Benefits Transfer (EBT)

- a. Certain transactions may incur fees associated with the EBT card.
 1. The first cash withdrawal transaction at an Automated Teller Machine (ATM) is free. There is a \$0.85 fee for each additional cash withdrawal. There are not any fees for POS transactions.
 2. There is a \$2.50 cost for each replacement card. If the EBT card is damaged there is not a cost. The recipient must contact the EBT Customer Service line to request a replacement card.
- b. Fees associated with the use of the EBT card will be deducted from the balance of the card based on the available benefits in the account. If the recipient is receiving FNS benefits and WFFA or RCA the \$2.50 card replacement fee will be deducted from the FNS allotment first. If there are not sufficient funds in the FNS EBT account or the recipient does not receive FNS, the replacement card fee will be deducted from the program account with funds available to cover the fee. If there are not sufficient funds in any single account, the EBT system will issue the card and deduct the funds at the next benefit issuance. See the example below.

Example: A participant has \$102.50 of cash benefits available on their EBT card and wishes to withdraw \$100 from an ATM. There is a \$2.00 ATM; fees vary by ATM. This is the participant's second ATM withdrawal in the current calendar month.

Beginning balance	\$102.50
Requested amount	\$100.00
ATM fee	\$ 2.00
EBT card ATM fee	\$ 0.85
Account shortage	- \$0.35

The transaction is denied since there are not sufficient funds for the requested withdrawal amount and the fees. The recipient may look for an ATM with a lower fee, or locate a store which allows for cash back.

- c. Fees deducted from the balance on the card will be identified on the recipient's account. The recipient can confirm the benefit online at www.ebtedge.com, text message or by calling the EBT Customer Service line.
- d. If the recipient disputes the fees associated with the use of the card, the local DSS agency shall refer them to the EBT Customer Service number.

- e. Advise applicants and recipients to keep their card in a safe place and to not throw away the card even if their case closes.

Provide a copy of the EBT brochure to applicants and recipients. The brochure provides instructions and information related to both the Direct Deposit and EBT process.

D. Benefits That Are Not Received

1. Direct Deposit

- a. If the recipient receives benefits by direct deposit and the bank account has closed or the direct deposit has been cancelled, the recipient must notify the local DSS agency.
- b. If the recipient fails to notify the local DSS agency prior to the issuance of the payment, the payment will not be accepted by the financial institution for deposit. It will be cancelled and returned to the Controller's Office.
- c. If a direct deposit has been rejected by a financial institution the DSS agency will be notified via NC FAST. The DSS agency should contact the recipient to determine if either a change in the direct deposit is needed or if there is good cause to change the issuance method to EBT.
- d. When the recipient provides updated information, the worker must reenter the updated information into NC FAST to resume payment issuance.

2. Electronic Benefit Transfer (EBT)

- a. If an EBT card is lost, stolen or not received, the recipients must contact the EBT Customer Service line to request a replacement card.
- b. Benefits accessed with an EBT card and a correct PIN are not replaceable.
- c. Benefits deposited into a savings or checking account are not replaceable.
- d. If the EBT card is returned due to an invalid mailing address, the DSS agency must verify if the correct address was entered into NC FAST and updated in EBTEdge. If not then the agency must update the mailing address in NC FAST, verify the address in EBTEdge and order an EBT card for the recipient. If the address was entered correctly, the DSS agency must contact the recipient to resolve any discrepancies.

E. EBTEdge

EBTEdge provides online transaction access to EBT Benefits (www.EBTEdge.com). For EBT cardholders, they can easily view their current account balance and review card transactions.

They can also get a report of their EBT card transactions. There is not a charge to recipients for contacting the EBT Service Line.

Agencies can also access EBT services, and view their agency specific EBT reports and access EBT documentation. Currently FNS staff is authorized to access reports within EBTEdge. As WFFA and RCA transition to electronic payments additional staff will need access to EBTEdge to view reports and perform other related administrative tasks. The DSS agency must submit an e-IRAAF (Information Resource Access Authorization Form) for each system user.

Consult with your local County Security Officer for information regarding access restrictions and update capabilities for the designated staff.

F. Inactive Electronic Benefits Transfer Account

The EBT Vendor transmits a report to DHHS on all EBT accounts that have not been accessed for 30, 60 or 90 days. Currently this information is accessible to county staff through NCXPTR. The Aged Authorization Detail Report is updated daily and only lists accounts that meet the 30, 60 or 90 day inactivity criteria for that date.

When an active case appears on the Aged Authorization Detail Report at 90 days; attempt to contact the recipient to determine the reason the recipient is not using the available benefits.

Do not take action on the case if the recipient fails to contact the agency. A case cannot be terminated for failure to use EBT benefits.

G. Expunged Benefits

After 365 days of EBT account inactivity, the EBT Vendor will expunge the remaining benefits and deactivate the card. When the entire account reaches 365 days of inactivity; all benefits are expunged at once. Benefits cannot be restored once expunged.

H. Changes in Situation

1. Direct Deposit

- a. Advise the recipient to report changes to the local DSS agency so that the direct deposit payment can continue with as little interruption as possible. This includes a change in the account number, financial institution or a change in the head of household.
- b. If there is a change in a bank account number or transit routing number, the recipient must complete a new Direct Deposit Authorization form. The caseworker must update the appropriate evidence in NC FAST no later than the 5 business prior to the end of the report month to minimize interruption of benefits.
- c. A change in county of residence will not result in a change in the issuance method.
- d. If there is a dispute or question relating to purchases or fees assessed on the direct deposit bank account, the recipient should contact the financial institution who holds the direct deposit account.

2. Electronic Benefits Transfer

- a. If there is an issue or questions regarding the amount of cash assistance benefits that are issued, the recipient should contact the local DSS agency.
- b. If there is a technical issue related to the use of the EBT card, the recipient should contact the EBT Customer Service line.
- c. If there is a dispute or question regarding purchases or fees assessed on the account, the recipient should contact the EBT Customer Service line.

I. Restrictions on EBT Card Usage

The local DSS agency must notify households that misuse of their EBT card benefits is against the law. It is a crime to defraud the system or sell their EBT card to others. An EBT card can not be used in any liquor store; any casino, gambling casino, or gaming establishment; or any retail establishment which provides adult-oriented entertainment. Misuse of the card may result in criminal charges against the individual and their benefits may end.

III. IMPLEMENTATION INSTRUCTIONS

The local DSS agencies should explain to all WFFA and RCA households the electronic benefit issuance process and provide the direct deposit form [\(DSS-5023\)](#) for completion. The local DSS agency is responsible for transferring the direct deposit information into the NC FAST system. As the Direct Deposit Authorization forms are returned to the local DSS agency ensure they are stored securely. The information contained on the completed form is confidential and is protected under North Carolina General Statute and the [Identity Protection Act of 2005](#).

If there is a FNS case with the same case head as the WFFA or RCA case the direct deposit information can be entered into NC FAST at this time. This information will be stored in NC FAST on the FNS case until the local DSS agency implements electronic issuance.

As long as the WFFA and RCA case is active in the Eligibility Information System (EIS) the benefits will continue to be issued on a paper check. Applications for WFFA and RCA that include any individual who is currently active in EIS at the time of application will be taken in EIS, issued a paper check, and the case will be maintained in EIS until the final phase (hard launch) of Project 2 & 6. Once counties hard launch NC FAST, ongoing cases will convert to electronic issuance.

At the conversion of cases from EIS into NC FAST there will be a pre-note period. The pre-note period sends a test file to ensure the direct deposit information is valid. Refer to instructions in Section II-A in the event the pre-note is rejected by the financial institution. Enter the account information into NC FAST during the county's hard launch and at least 7 business days prior to the next benefit issuance to ensure timely receipt of benefits for the households.

In the event the direct deposit information is not entered into NC FAST in a timely manner at hard launch, the benefits will be issued on an EBT card. This is considered a temporary method of issuance to minimize financial hardship for the recipient. The next month's payment must be issued to the account designated on the Direct Deposit Authorization form. If there is a need for temporary issuance of benefits on an EBT card; the local DSS agency should inform the recipient(s). All efforts must be made to ensure direct deposit account information is entered in NC FAST in a timely manner.

The EBT brochure and card carrier currently provided to FNS households is being updated to include procedures and information for WFFA and RCA programs. County DSS agencies will be mailed an inventory of the updated EBT Brochures once they become available. Please provide the brochure to all applicants and recipients. A Frequently Asked Questions (FAQ) flyer concerning electronic issuance will be provided to local DSS agencies to share with applicants and recipients until the EBT brochure is available. Counties will be notified when the FAQ is available on the DHHS website.

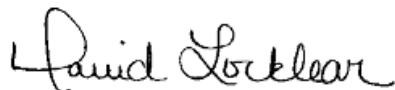
IV. EFFECTIVE DATE

This policy is effective July 15, 2013 for NC FAST pilot counties (Chatham, Johnston and Orange) and ongoing as counties implement the initial phase (soft launch) of the NC FAST Case Management System.

Apply this policy at next application, review or change in situation as counties implement Project 2 & 6 of the NC FAST Case Management system and upon the final phase (hard launch) of implementation for all cases.

If there are questions, please contact WorkFirst.Support@dhhs.nc.gov or gail.andersen@dhhs.nc.gov (Refugee Assistance Program).

Sincerely,



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