

## Appendix 4 Electronic Benefits and Funds Transfer

### Electronic Benefits Transfer (EBT)



### Electronic Funds Transfer - Direct Deposit (EFT)

#### **What EBT does:**

- Delivers cash and food assistance benefits through a magnetic stripe debit card.
- Enables clients to access food benefits through Point of Sale (POS) devices and cash benefits through Automated Teller Machines (ATM) and at retailer option, through Point of Sale (POS) devices in food retailer stores

#### **Who EBT serves:**

- Clients who receive federal or state food assistance benefits and/or TANF, General Assistance, Refugee Assistance, and the Consolidated Emergency Assistance Program cash benefits.

#### **How it was done:**

- In 1996, Washington joined the Western States Electronic Benefits Transfer Alliance (WSEA) comprised of Washington, Alaska, Arizona, Colorado, Hawaii, and Idaho to conduct a joint competitive procurement to procure EBT services. Nevada later joined the alliance.
- In 1996, Citibank EBT Services was selected as the successful vendor for WSEA
- In 1997, Washington stakeholders were organized into several EBT workgroups to assure they had input on issues affecting them. Stakeholders included food retailers, client advocates, tribal members, disability community, financial institutions, federal agencies, and state staff representing the union, field operations, and headquarters.
- In 1998, business and technical requirements for Washington's EBT system were developed in association with Citicorp, ACES and stakeholders.

#### **Time frames:**

- In April 1998, Washington signed the EBT contract with Citicorp, Inc.
- In March 1999, the EBT Pilot started in Cowlitz, Grays Harbor, Clark, Klickitat, Pacific, Skamania, and Wahkiakum counties.
- In June 1999, the first of six regional rollouts began in Region 1.
- In November 1999, statewide implementation of EBT was completed.
- Federal Food Stamp rules require EBT in all states by October 1, 2002.
- Nationwide implementation of EBT was completed by June 2004.

#### **What EFT does:**

- At client's request, cash benefits are deposited directly into their personal checking/savings account versus being deposited into an EBT cash account.

#### **Who EFT serves:**

- Clients eligible to receive cash benefits via EBT, and who have or are willing to open a savings or checking account. EFT is an optional method clients may choose for receiving their cash benefits.

#### **How it was done:**

- EBT Steering Committee agreed to pursue EFT through the State Treasury's Office as a more cost effective approach than procuring the service from Citicorp, Inc. .

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- Beginning in June 1999, a workgroup including staff from the EBT Unit, ACES, and State Treasurer's Office met to determine business and technical requirements.

### ***Time frames:***

- In January 2000, the EFT Pilot started in two Pierce County offices, Pierce West Community Service Office and Pierce North Community Service Office).
- In May 2000, all EBT cash assistance clients statewide were given the option to use EFT.

### ***Reprocurement of WSEA EBT Services***

- Colorado's contract with Citicorp Electronic Funds Services (CEFS) expires in June 2003. To ensure EBT services continued without interruption, the WSEA states developed and published a second-tier Request for Proposal on December 5, 2001. The Territory of Guam, unable to attract a bidder due to its small caseload, joined the WSEA in this procurement.
- Citicorp Electronic Financial Services (CEFS) was announced as the successful second-tier vendor on May 8, 2002.
- Washington's first tier contract expires in April 28, 2003. Washington will exercise the two, one-year options under their existing contract.
- CEFS sold to J. P. Morgan Electronic Financial Services on January 05, 2004.
- Washington will begin negotiations of the second-tier contract by November 2004 to ensure that a replacement contract is in effect by April 28, 2005.