



July 25, 2014

Subject: Notice of Termination of EBT-Only Retailer Agreement Effective October 25, 2014

Dear Authorized FNS Retailer:

As you may be aware, there have been recent changes to the Supplemental Nutrition Assistance Program (SNAP) that directly impact SNAP authorized retailers. These changes to the SNAP provisions for Electronic Benefits Transfer (EBT) are the result of passage of the Agricultural Act of 2014 (2014 Farm Bill) that was signed into law in February of this year. In April 2014, the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture began sending out a letter informing all SNAP retailers of these changes. These changes can be found on the USDA website (<http://www.fns.usda.gov/snap/2014-farm-bill-implementation>).

Xerox is aware that on occasion retailers may receive marketing attempts to change point of sale or third party services. Should you wish to verify the validity of this notice we recommend you contact the FNS SNAP Retailer Service Center at 1-877-823-4369.

The 2014 Farm Bill eliminates free Point of Sale (POS) equipment for the majority of retailers which use equipment that only processes EBT transactions ("EBT-Only" retailers). Except for those EBT-Only retailers which are exempt from the new provision, this equipment will no longer be provided at no-cost. According to our records, your location is one of the locations that no longer qualify for the free equipment. **In accordance with the Xerox Retailer Agreement Electronic Benefits Transfer Program (EBT-Only) that you entered into with Xerox State & Local Solutions, Inc., this letter will serve as notice that this agreement is being terminated, effective October 25, 2014, based on the change in Federal law.** Please be advised that unless you take action before October 25, 2014, the POS device installed in your location will be disabled on this date.

Xerox recognizes the impact that termination of this agreement and service may have on you and your business and is therefore providing you the option to maintain the current POS equipment and services through a trusted services provider, CDE, Inc. Should you wish to accept the terms of this agreement, please go to www.goebt.com and complete the application. For questions about the services, support or cost, please contact CDE at 1-800-320-3789.

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Should you elect to sign an agreement with CDE Services Inc. we highly recommend you contact them immediately to transition your services prior to October 1, 2014. Failure to act prior to October 1, 2014 may cause a delay in your application processing which could prohibit you from processing SNAP and EBT cash transactions on or before October 25, 2014.

If you choose not to continue your current EBT services by entering into an agreement with CDE, you will be expected to return the Xerox equipment. The instructions for returning equipment can found on the Go EBT web site (www.goebt.com). Should you need further assistance in returning the equipment call 1-800-320-3789. When returning the POS equipment, please remember to note the tracking number to confirm the return of the equipment. **If the equipment is not returned prior to November 4, 2014, the equipment will be considered lost and you will be held accountable for the replacement cost of the equipment.** The cost of the Xerox equipment is outlined in the EBT Processing and Equipment Agreement.

Xerox strongly encourages all retailers to take action now and not wait until the approaching termination date to make arrangements for continued processing. Should you have any questions concerning your agreement with Xerox, its cancellation or for additional guidance about your options, please feel free to contact the Xerox Retailer helpdesk.

Sincerely,

Xerox EBT Retailer Management

SNAP Provisions of the Agricultural Act of 2014

On February 7, 2014, Congress passed the Agricultural Act of 2014, P.L. 113-79, which reauthorizes the Supplemental Nutrition Assistance Program (“SNAP”). Below are the SNAP retailer provisions that are effective immediately.

EFFECTIVE IMMEDIATELY:

SNAP benefits cannot be used to pay bottle/can deposits unless it is a State-required fee.

SNAP benefits cannot be used to pay for a deposit fee unless it is a fee the State requires customers to pay to purchase food in a returnable container. Deposit fees added by manufacturers cannot be paid for with SNAP benefits, even if the fee is included in the shelf price of the product. Currently, only 10 States have some type of State deposit fee requirement. These States are: California, Connecticut, Hawaii, Iowa, Massachusetts, Maine, Michigan, New York, Oregon, and Vermont.

SNAP retailers must pay for their own Electronic Benefit Transfer (EBT) equipment.

Retailers will no longer be offered free EBT equipment, supplies and related services (“EBT equipment and services”) to participate in SNAP. Retailers that become SNAP-authorized after March 21, 2014, must pay for their own EBT equipment and services. Retailers authorized on or before March 21, 2014, and who have already been given free EBT equipment and services by the State may, at the State’s option, continue to use the EBT equipment and services for free until September 21, 2014. **Such SNAP-authorized retailers should arrange for lease or purchase of EBT equipment and services as soon as they can in order to ensure continued participation in SNAP. States may provide retailers that use free EBT equipment and services with further instructions and deadlines.** EXCEPTIONS: Eligible farmers’ markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements, treatment centers, and prepared meal services may continue to qualify for free EBT equipment and services until further notice.

New SNAP retailers cannot use manual vouchers to redeem SNAP benefits.

Except in disasters or in the event of an EBT system failure, manual vouchers will no longer be allowed as a way to accept SNAP benefits. Retailers that become SNAP-authorized after March 21, 2014, can no longer use manual vouchers for ongoing SNAP business. Instead, all new SNAP retailers must redeem benefits electronically through a commercial point-of-sale device, which they must obtain and pay for themselves as discussed above. Retailers authorized before March 21, 2014, and who are already using manual vouchers for ongoing business may continue to do so until further notice. EXCEPTIONS: Eligible farmers’ markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements, treatment centers, and prepared meal services may use manual vouchers until further notice.

SNAP benefits may be used to purchase Community-Supported Agriculture shares.

Both non-profit and for-profit farmers’ markets and direct marketing farmers that operate using a Community-Supported Agriculture model may accept payment up to 14 days before delivering the food to SNAP customers or making the food available for pickup.

To read the full text of the Omnibus Farm Bill Implementation Memo, go to: <http://www.fns.usda.gov/snap/policy>.

If you have any questions, please contact the Food and Nutrition Service at RPMDHQ-WEB@fns.usda.gov.

Service Program Details

- Flat Rate Transaction Processing Services
 - \$75 per month (\$50 one time setup fee)
 - NO HIDDEN FEES!
 - No minimum transaction requirements
 - No maximum transaction restrictions
 - No per transaction fees
- Reliable transaction processing services provided by Xerox
 - Established infrastructure and network for processing foodstamp transactions and account settlement
- Free technical support for your equipment via phone and on-line
- Free equipment replacement for equipment issues that are not the result of customer abuse/misuse
 - Proactive Replacement Process
 - We send a replacement unit out first, then you send the damaged unit back – no cost to the retailer and your transaction processing ability is restored faster
- No long term commitment with this agreement
 - The EBT service program is month-to-month and only requires 60 day advance notice to leave the program.
- Automated Clearing House (ACH) monthly payment system
 - Use the same account your EBT funds are deposited into
Payments are processed automatically each month, no need to remit or schedule payments



Contact us at goebt@cdeinc.com or (800) 320-3789