

This resource was created for the Nutrition Incentive Hub by Katie Myhre, Farm Direct Technology Manager with Farmers Market Coalition (FMC), and support from Joe Lesausky of Michigan Farmers Market Association (MIFMA).

## Your Farm Direct Outlet's Discovery Process for Choosing EBT Technology

**\*Not familiar with the ins and outs of SNAP EBT? Before you start, check out these resources:**

For more information on SNAP- and EBT-related terms: [FMC's SNAP Guide](#).

For more definitions and clarity on EBT-related terms: [The Big Picture of SNAP/EBT Processing](#).

For commonly made EBT Device mistakes: [7 Common Mistakes](#).

For device-specific information, check out [our EBT Point of Sale Technology Overview](#) or [Tech Bytes](#).



Ingenico Desk 3500



TotiPay Go



PAX S920



Verifone VX520



First Data 150 (FD150)



Clover Flex

### Commonly seen terminals for processing SNAP-EBT

#### How to use this document:

This document is intended for markets, farmers, and farm stands who are either searching for an EBT point of sale terminal for the first time, or perhaps are looking to upgrade an existing device at your retail location. We hope this will help jumpstart your thinking on *YOUR* specific technology needs at *YOUR* market or on your farm — as always, it's best used in conjunction with real feedback from farmers and market operators who use particular devices, or have faced similar challenges. Reach out to technical assistance providers in your area, email [EBT@farmersmarketcoalition.org](mailto:EBT@farmersmarketcoalition.org), or share questions through [FMC's listserv](#) for specifics.

**A note on Third Party Processors:** There are many TPPs out there that manage credit and debit — EBT is distinct from credit and debit, so requires a different level of processing. TPPs that process EBT are companies like Novo Dia Group (affiliated with [MarketLink](#), operating TotilPayGo, a mobile-based system), and Merchant Source (offering basic EBT packages, as well as Healthy Ways app, a mobile app that can be run on tablets, phones, or old school terminals). ***They act as a middleman*** – capturing the transaction onsite at the market and sending the data to the right sources, to ensure that money is flowing from the right place (for example, an EBT customer account) into your bank account. This whole process is attached to your FNS number. TPPs might help connect you with the right device, and manage your merchant account, too.

Your process in choosing a Third Party Processor (TPP, or sometimes referred to as a “Merchant Service Provider”) and device (whether it’s a tablet or a payment terminal) to process EBT can be tricky and depends on a wide range of factors. At worst, rushing into the wrong agreement may create huge problems down the road. Understanding your model’s specific needs are crucial for this process for choosing the right Third Party Processor and corresponding device.

You might be saying, “Tech needs? But all I need to do is process SNAP-EBT and for as cheaply as possible.” Based on our lessons learned, cheap isn’t always best; understanding your particular needs and envisioning your operating model will set you up for success from the beginning, rather than making choices that will make it harder for your market in the long run. Our goal is for you to enter the conversation with prospective TPP providers more familiar with the terms and your options, so that you can negotiate from a place of power and feel confident that your processor is holding up their side of the deal.

### **Questions to ask yourself before speaking with a TPP:**

**My market/farm’s operating model for SNAP-EBT: key details of our market/farm’s operations relevant to the process of choosing technology.**  
*Knowing core information about your market’s model will help your own planning and support clear communication with prospective TPPs. The answers to the following questions will also help you narrow down which devices and companies might be compatible with your market.*

- **Which state is your market operating in?**

- o *Before you buy anything, know that your state might offer free or subsidized equipment for processing SNAP at farmers markets or on farms. Does your state have an existing EBT program that will pay for your equipment? Check [here](#) to see if your state is set up and whether your farm or market qualifies.*
- o *If your state does NOT offer equipment programs, or if the options don't work for you, [Marketlink](#) might be the right choice for your market to get low cost or free EBT processing equipment. Worth noting, their program requires farms and markets to "bring your own device" -- meaning, you have to have a cellular enabled or wi-fi accessible smartphone or tablet.*
- **What is the demand for SNAP-EBT in your market's neighborhood?**
  - o *Have you done research on how many SNAP-eligible customers are in your area? Do you have an idea about the level of SNAP-EBT transaction volume your market will need to support?*
    - Understanding the demographics of your neighborhood and the demand for SNAP will help you understand which device will work best for your farm or market. Knowing the level of demand ("we expect to host 20 SNAP shoppers per week, averaging about \$150 of transactions total") will also help your TPP work with you to find the right technology solution for your market's size.
- **Evaluate your partnerships -- is there a community-based organization that can support you in this work?**
  - It's always a good idea to explore synergistic partnerships in your community. There may be a public health, hunger, or faith-based organization that has the funds and the interest in offering SNAP to your community. Work on crafting a pitch that will benefit your market, as well as a potential partner organization's goals. Some ideas to keep in mind:
    - Partnerships could work well for individual farms partnering with nonprofits or for-profits in the area, such as retail stores, to offer CSA shares. In this scenario, the partner might manage the transaction each week. They might already have a device or may have funds to purchase one themselves.

- This may be obvious, but before you jump in, understand the broader motivation of prospective partners. Make sure you work with trusted people or organizations who are willing to commit to obtaining and managing an FNS number and making the offering accessible each week. You may want to consider formalizing such a partnership in writing, and involve your board.
- **For Markets: Do your EBT-accepting vendors have smartphones? Are they interested in operating an app at their farm stand, similar to Square, for EBT transactions?**
  - *If it isn't feasible for your market to pay for a device or operate a SNAP EBT program, working with your farmers and other SNAP-eligible vendors to build their capacity and offer SNAP at their booth is a good route.*
    - There are mobile apps emerging; TotilPayGo is an example of a mobile based app that can work for individual farmers who have their own FNS number and is relatively low cost to start up.
- **Is your market seasonal? Jot down which months you're in business.**
  - *TPPs sometimes offer seasonal rates for markets - be sure to ask how much it will cost or if the company is willing to waive service fees when your market is not in operation.*

**About you as an operator:**

- **What is most important to you in a provider?**
  - No single solution does it all perfectly, so you may have to make some trade-offs, or you may decide to pay more for the particular service your market/farm really needs. Here are some of the common themes we see farmers markets prioritizing:
    - Customer service (being able to talk directly to a rep)
    - Startup Costs
    - Modern, or cutting-edge technology
    - Data tracking across many market sites
    - Manual voucher clearing
    - Ability to offer incentives

- **Do you manage inventory?**
  - *Some of the more advanced tablets and software-based point of sale apps, like the Pax A920, have broader capabilities for managing inventory. This may be important for farmers and farm stands, or larger markets.*
  - *Managing inventory may be an emerging need in the future with online SNAP or incentives at your market --- where SKUs may be required to offer certain regional incentive programs.*
- **Do you already have an FNS number?** *An FNS number is obtained by applying for USDA approval to accept SNAP-EBT benefits at your retail location. The retailer (market, farm stand, or CSA farmer) applies for the number, and your transactions are routed through this number.*
  - *Some TPPs and programs, like [Marketlink](#), will help you obtain your FNS number, which may factor into your choice of which company to select.*
  - **If you do not currently have an FNS number, whose name and info will you put on the paperwork?** *The FNS application requires an individual's name and social security number, even if you are a nonprofit or business. It's recommended that you choose someone that is committed to your market or farm in the long term, because it is a difficult process to change the name and SSN on your FNS application.*
- **Would you like to accept credit and debit as well as SNAP/EBT? How about Apple/Samsung Pay?**
  - *As new forms of payment emerge, consider the changing demographics and momentum of your market/farm's customer base. Do they prefer electronic payment? Is it possible that you're missing out on customers that would prefer to pay another way more conveniently?*
    - *Another question to ask is, are our farms using modern payment technology and accepting credit/debit? If not, would it add value to their businesses if a central market booth were to manage credit/debit transactions? If it would add value to farm businesses, don't undervalue the cost of the service that your booth will be providing to farmers -- the market may have to increase stall fees, or pass off*

convenience fees to the customers in order to fund this work.

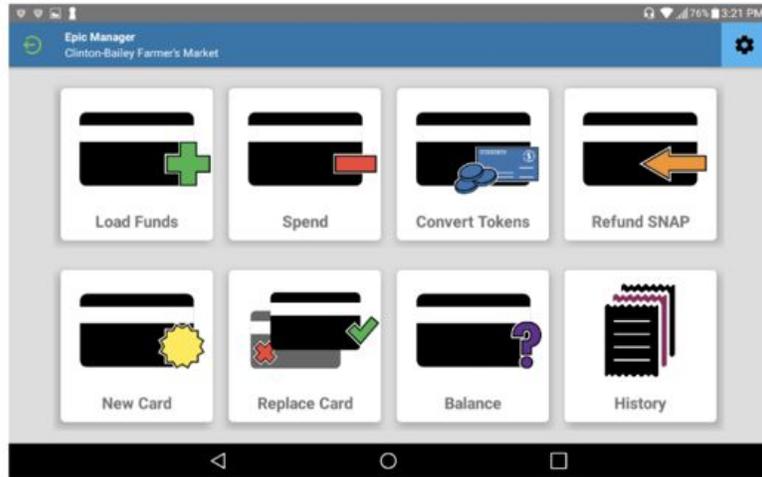
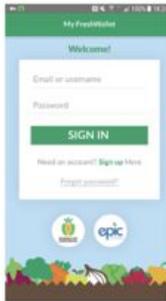
- We'd also recommend that you consider choosing a terminal that will adapt to changes easily -- contactless, EMV (chip), and mobile wallets are amongst the up-and-coming payment tools that markets should start to consider.
- **Will you be taking tips? Donations? Offering other products?**
  - Don't forget that a point of sale onsite at the market is a great way to offer your shoppers the chance to donate to the market, provide tips to market staff, or sell other products like featured merchandise, promotional items, and more.
- **How many locations does your farm, market, or organization operate?**
  - *FNS previously required farmers markets to operate a separate device for each physical location under their "one device, one location" legislation. In the most recent Farm Bill, this legislation was eliminated; however, the USDA and FNS have not released an update on rules for the "one device, one location" limit. With delays due in part to COVID, we are still waiting on an update. Farmers have never been restricted in the number of locations they can operate with a singular device.*
  - *Some market organizations operating multiple locations may want to look at devices with sophisticated reporting capabilities, or solutions that easily scale into multiple locations with multiple devices.*
- **Equipment needs.** Here, we'll hone in a bit more closely on the device itself that you'll be using for your market. Feel free to refer to our [EBT Device Overview](#) as you work through these questions.
  - **Does your market already have an existing mobile tablet or cellular-enabled device, or funds to purchase one?**
    - *If you have a tablet device owned by the market, with cellular capability, the fastest and cheapest way to get going might be TotilPayGo, [MarketLink](#) or another app-based solution. However, mobile devices might not meet all of your needs.*

- **Are you operating your market outside in extreme weather?**
  - *Often, hot or cold weather affects the battery life and performance of devices -- be sure to ask other markets who've used the device or the TPP about each device's performance in extreme weather or refer to our device resources.*
- Reporting:
  - **Would you like the device to auto close your batches every day?**
  - **Will there be multiple staff/volunteers managing the EBT terminal, or one?**
    - *If there is more than one staff person, you may need a system that is compatible with multiple clerk IDs.*
- **What sort of reporting data will you need your terminal to track?**
  - *Do you already work with QuickBooks, or another accounting app? If so, what sort of data do you need from your terminal? Clerk ID? Vendor ID? Sales by item? Sales by vendor? If you're not sure about this, refer to the accounting resource in FMC's SNAP Guide.*
- **Do you have funds to have an operator onsite to staff your booth during the entire market, or only for set-up?** There are companies working on developing a staff-less kiosk -- meaning you'd set up an iPad, and your SNAP shoppers would work directly with the iPad itself. This may be a good option down the road but is currently unavailable. Think about the cost of paying a staff to run your EBT station, and whether or not there is overlap of your other technology needs at the market (i.e, a staff person already dedicated to staffing a Q&A booth that could operate a technology terminal.)
- **How many terminals do you want to run at your market? Pin Pads?** *If you have a high-volume SNAP market, you may decide you need more than one terminal, and more than one PIN Pad. Think about the demand for EBT, and whether you might need an extra device down the road.*
- **Connectivity needs.** *Internet connections are required to process SNAP-EBT transactions – and a LOT of bandwidth, at that! Refer to our [Top 7 Mistakes or Tech Bytes: Device Categories](#) to learn more about what connectivity barriers and solutions exist for markets and farms seeking an EBT terminal.*

- What sort of connectivity potential do you already have at the market?
  - Are you operating in a year-round location with an ethernet wall jack, or dial-up internet? *If you have physical, wire capability, consider looking at Wired devices.*
  - Is there a neighboring business that offers a strong, password protected wireless internet? *If you trust this wireless connection and your TPP approves with [PCI compliance](#), a device with Wireless capabilities may work for you.*
    - If you don't have a private wireless connection, a hotspot may work for you. *Again, you'll want to check the strength of the connection before relying solely on a hotspot for processing SNAP-EBT.*
- *If you have none of the above, or you are a farm stand operating in multiple locations, you will likely need a mobile device with a cellular package. Work with your TPP and local cellular reps (AT&T, Verizon, etc.) to verify the strength of cellular reach in your specific market's location.*

**SNAP EBT in Market Operations: Bonus Round.** There are a few options for the type of systems you can operate as “alternative currency” for SNAP-EBT at markets, as seen on the SNAP Guide. Common options include a token or receipt-based system, where shoppers swipe their EBT cards in exchange for tokens or paper receipts, which they spend at each SNAP-eligible booth around the market.

There are new systems emerging that will enable markets to replace their token-based system to instead offer a market-specific “loyalty” card, which can be loaded with incentives and SNAP-EBT balance. In these cases, sometimes the farms/EBT-eligible vendors can accept EBT and/or loyalty cards directly at their stand, or the market may operate a centralized terminal that accepts EBT cards and adds a balance onto the shopper's market-specific loyalty card. As more systems emerge, we will share additional information comparing options. For now, here are some screenshots of loyalty card systems being piloted at markets across the US, which we talk about briefly in [Tech Bytes: Device Categories](#).



# Healthy Ways




Payment ID	Incentive Card #	Incentive First Use	Payment Card #	Bill Amount	Card Use Amount	Card Add Amount	Card Balance	Type	Latitude	Longitude
20211008180119	202000000018	7/23/2020 8:01:06 AM		0.00	0.00	0.00	14.00	Incentive Sale	38.836500871427	-89.837100891933
20211008180358	202000000228	10/8/2020 9:38:23 AM		1.00	1.00	0.00	8.00	Incentive Sale	38.8365011930379	-89.8368119992151
20211008180438	202000000228	8/19/2020 8:38:21 AM		4.00	4.00	0.00	0.00	Incentive Sale	38.8361008800	-89.83722291
20211008180478	202000000228	10/8/2020 9:38:23 AM		0.00	0.00	0.00	10.00	Incentive Sale	0	0
20211008180507	202000000228	10/8/2020 9:38:23 AM		0.00	0.00	0.00	-12.00	Incentive Sale	38.83642024	-89.8369504
20211008180547	10010	10/4/2019 12:03:38 PM		0.00	0.00	0.00	30.00	Incentive Sale	0.0	0.0
20211008181601	202000011927	8/5/2020 10:03:37 AM		0.00	0.00	0.00	17.00	Incentive Sale	38.836388776224	-89.837116888443
20211008181617	202000000102	7/6/2020 9:34:03 AM		-0.00	0.00	0.00	1.00	Incentive Refund	47.1711749	-122.4654895
20211008181617	202000000102	7/6/2020 9:34:03 AM		0.00	0.00	0.00	1.20	Incentive Sale	47.1718844	-122.4654750
20211008180810	202000000102	7/6/2020 9:34:03 AM		-0.25	0.00	0.25	1.00	Incentive Load	47.1718847	-122.4654756
20211008179820	202000000136	8/10/2020 8:40:21 AM		10.00	10.00	0.00	0.00	Incentive Sale	0	0
20211008179816	202000000227	10/8/2020 9:38:23 AM		10.00	10.00	0.00	10.00	Incentive Sale	38.836119988	-89.83719884
20211008179816	202000000204	10/8/2020 9:38:23 AM		0.00	0.00	0.00	0.00	Incentive Sale	38.836100839	-89.83725042
20211008174706	202000000204	10/8/2020 9:38:23 AM		0.00	0.00	0.00	12.00	Incentive Sale	38.836198289053	-89.837286010167
20211008174057	202000000204	10/8/2020 9:38:23 AM		7.00	7.00	0.00	0.00	Incentive Sale	0	0
20211008170040	202000000170	7/11/2020 8:17:51 AM		20.00	20.00	0.00	0.00	Incentive Sale	0	0
20211008174206	202000000208	10/8/2020 9:38:23 AM		0.00	0.00	0.00	17.00	Incentive Sale	38.8364985	-89.83733817
20211008174246	202000000168	8/24/2020 8:29:08 AM		20.00	20.00	0.00	0.00	Incentive Sale	38.836388000124	-89.837220220274
20211008173712	202000000170	10/8/2020 9:38:23 AM		7.00	7.00	0.00	1.00	Incentive Sale	0	0

