TO: County Directors of Social Services
ATTENTION: Special Assistance Program Managers and Supervisors
DATE: July 23, 2013
SUBJECT: Electronic Benefit Issuance
EFFECTIVE DATE: Upon Receipt

I. GENERAL INFORMATION

The purpose of this letter is to provide county Departments of Social Services (DSS) with information concerning the electronic issuance of Special Assistance (SA) payments including SA In-Home (SA/IH). Beginning July 2013, paper checks for SA 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 August 2013. The changeover to electronic payments will continue as counties implement NC FAST soft launch (new SA applications) and hard launch (conversion of active SA cases in EIS.)

A check insert was included with the June and July 2013 SA checks to inform beneficiaries of the transition to electronic payments. The July and August checks will include a DSS- 5023 Direct Deposit Authorization form for beneficiaries 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. IMPORTANT CHANGE IN ALLOWABLE DIRECT DEPOSIT ACCOUNTS

The Division of Aging and Adult Services is announcing a change in previous guidance regarding the direct deposit of SA payments into collective accounts established by county DSSs or facilities for the direct deposit of benefits for multiple beneficiaries. Guidance and legal interpretation from the Social Security Administration (SSA) and the NC Attorney General’s Office allows collective accounts when specific accounting standards are maintained. These accounts must show individual deposit information and the facility must maintain current records with the SA beneficiaries share and transaction history. The collective account arrangement must be voluntary on the part of the beneficiary who has the right to terminate the arrangement at any time. According to the SSA, funds deposited by a fiduciary on behalf of a beneficiary into a collective account are owned by the beneficiary and not the facility. The beneficiaries’ funds cannot be mixed with the facilities’ operating funds.
III. POLICY PROCEDURES

The two methods of issuance for the cash benefit payment 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 a personal savings or checking account of the SA beneficiary or into a collective account for residents living in adult care homes or group homes or into a collective account maintained by the DSS on behalf of the beneficiary. EBT is an electronic system that allows beneficiaries to access their benefits with a plastic card, similar to a bank card. If there is no bank account information entered into the NC FAST product delivery case, the system will default to an EBT card.

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 beneficiary’s direct deposit account.

A. Direct Deposit

1) The beneficiary and/or the authorized representative must complete and submit to the local DSS agency the Direct Deposit Authorization Form, DSS-5023. The beneficiary and/or the authorized representative 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. A DSS-5023 must be completed for each individual. The DSS-5023 is the form that the beneficiary or authorized representative will use to authorize the funds to be deposited into the indicated account.

2) For COLLECTIVE ACCOUNTS (DSSs and Facilities’ collective accounts): Instructions for Completing the Direct Deposit Authorization Form, DSS-5023 and entering information into NC FAST. This information is also being provided to the facilities licensed to receive SA. The following instructions are critical in order for the payment to be credited to each case for individual deposit.
   a. A DSS 5023 must be completed for each SA beneficiary.
   b. When assisting an individual who has decided to allow their payment to go into a collective account, DO NOT ENTER AN ALTERNATE PAYEE.
   c. Section 1: Leave the BOX “Name of Payee” (if different than Case Head) BLANK
   d. Section 1: Under “Name on Account” – write Collective-
   e. Section 1: Under Casehead/Payee’s Address—write the address where the casehead resides.
   f. Section 1, last row: leave the box BLANK that says: [Print name of payee (if different than casehead)].
   g. Section 2: The DSS or facility staff may make copies of the voided check or voided deposit slip if available. If not available, the DSS business office or facility staff may complete and sign Section 2.
   h. The caseworker will not enter an Alternate Payee into NC FAST.
3) 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)

![Check Example]

4) There is a three day bank processing period when a direct deposit account is initially established in NC FAST. Funds are available to the beneficiary on the third banking day after the worker enters the information into NC FAST.

5) If the direct deposit is denied or rejected the caseworker will receive notification from NC FAST. The caseworker must contact the beneficiary and/or authorized representative immediately but no later than two business days from the date of the notification to determine why the deposit failed. The payment can only be reissued when the caseworker has verified the reason for failure and the beneficiary's current living address. The beneficiary/authorized representative must either provide new account information or agree to have the payment released via an EBT card once the beneficiary's SA eligible address has been verified. The issuance method must be updated in NC FAST. If the beneficiary cannot be located, propose timely termination of the SA case.

6) The monthly SA payments will electronically deposit by the 7th business day of the month.

7) Whenever the bank information for the beneficiary changes a new DSS-5023 must be completed by the beneficiary. The case worker must update the information in NC FAST as soon as possible to ensure the timely issuance of benefits.

8) Maintain all direct deposit forms as part of the case documentation.

9) When the SA beneficiary's payment is directly deposited into a collective account affiliated with a facility and a move to another facility or into the community is reported, the caseworker must obtain the new direct deposit account number or delete the prior account number no later than the 5 business prior to the end of the report month to assure that benefits go to the correct account or address.
B. Electronic Benefits Transfer

1) There are limited situations where the payment may be issued on an EBT card. For Special Assistance, the situations that apply are when a beneficiary 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 to establish a bank account.

2) 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 beneficiary along with an EBT card carrier. The EBT card carrier instructs beneficiaries to contact EBT Customer Service to activate the EBT card, by selecting a personal identification number (PIN). The beneficiary is able to select a PIN for the card and access the account without visiting the local DSS office.

3) Beneficiaries 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.

4) 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.

5) If the case head is the same for the Food and Nutrition Services (FNS) case and the SA/IH case, the monthly payment will be issued on the existing FNS EBT card if the beneficiary is unable to establish a bank account. If there are different case heads on the SA/IH case, the payment will be issued on a separate EBT card.

6) If the FNS case head changes and is no longer the same as the SA/IH 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 beneficiary.
   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 beneficiary 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 beneficiary is receiving FNS benefits and SA/IH, 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 beneficiary does 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.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance</td>
<td>$102.50</td>
</tr>
<tr>
<td>Requested amount</td>
<td>$100.00</td>
</tr>
<tr>
<td>ATM fee</td>
<td>$2.00</td>
</tr>
<tr>
<td>EBT card ATM fee</td>
<td>$0.85</td>
</tr>
<tr>
<td>Account shortage</td>
<td>- $0.35</td>
</tr>
</tbody>
</table>

   The transaction is denied since there are not sufficient funds for the requested withdrawal amount and the fees. The beneficiary 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 beneficiary’s account. The beneficiary can confirm the benefit online at www.ebtedge.com, text message or by calling the EBT Customer Service line.

   d) If the beneficiary 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 beneficiaries 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 beneficiaries. 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 beneficiary receives benefits by direct deposit and the bank account has closed or the direct deposit has been cancelled, the beneficiary and/or authorized representative must notify the local DSS agency.

b) If the beneficiary 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 beneficiary 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 beneficiary provides updated information, the worker must reenter the updated address and issuance 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 beneficiaries 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 beneficiary. If the address was entered correctly, the DSS agency must contact the beneficiary 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 beneficiaries for contacting the EBT Service Line.

Agencies can also access EBT services, and view their agency specific EBT reports and access EBT documentation. Currently Food and Nutrition Services staff are authorized to access reports within EBTEdge. As SA transitions 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-IRAAS (Information Resource Access Authorization Form) for each system user.
Consult with your 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 NCXPRTR. 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 beneficiary to determine the reason the beneficiary is not using the available benefits.

Do not take action on the case if the beneficiary 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) The beneficiary and/or authorized representative should be advised 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, or financial institution. **For SA beneficiaries this also includes any change in situation related to facility address and current placement.**

   b) If there is a change in a bank account number or transit routing number, the beneficiary 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) If there is a dispute or question relating to purchases or fees assessed on the direct deposit bank account, the beneficiary and/or authorized representative 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 beneficiary and/or authorized representative should contact the local DSS agency.

   b) If there is a technical issue related to the use of the EBT card, the beneficiary and/or authorized representative should contact the EBT Customer Service line.

   c) If there is a dispute or question regarding purchases or fees assessed on the account, the beneficiary and/or authorized representative should contact the EBT Customer Service line.

I. Restrictions on EBT Card Usage

   The DSS must notify the applicant/beneficiary and/or his/her authorized representative 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.

IV. IMPLEMENTATION INSTRUCTIONS

   The DSS should explain to all SA beneficiaries the electronic benefit issuance process and provide the Direct Deposit Authorization forms (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 SA/IH 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 SA case is active in the Eligibility Information System (EIS) the benefits will continue to be issued on a paper check. Applications for SA that include an 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 beneficiary.
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 beneficiary. 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 beneficiary(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 SA (including SA/IH) programs. County DSS agencies will be mailed an inventory of the EBT Brochures once they become available. Please provide the brochure to all applicants and beneficiaries. A Frequently Asked Questions (FAQ) flyer concerning electronic issuance will be provided to local DSS agencies to share with applicants and beneficiaries 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 19, 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 the Special Assistance listserv.

Sincerely,

[Signature]

Suzanne P. Merrill, Chief
Adult Services Section