



## Electronic Benefit Transfer

Electronic Benefit Transfer, often referred to as EBT, is the primary mechanism in Minnesota for issuing Supplemental Nutrition Assistance Program (SNAP) benefits and cash assistance. Electronic Benefit Transfer cards can be used at point-of-sale devices for cash or food purchases, or at ATMs for cash only. These cards for Supplemental Nutrition Assistance Program purchases can be used in all 50 states and U.S. territories as mandated by the U.S. Department of Agriculture's Food and Nutrition Services Division. Cash purchases or withdrawals with these cards can only be made within Minnesota and its four bordering states.

### Card use statistics

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Public assistance recipients in Minnesota receive different combinations of benefits, depending on their circumstances and program eligibility rules. On average, more than 204,521 households per month in fiscal year 2019 accessed benefits through Electronic Benefit Transfer cards. Of those:

- 128,908 households with an income at or below 165% of the federal poverty guidelines received SNAP assistance only.
- 52,577 households received both cash and nutrition assistance.
- 23,036 households received cash assistance only through programs such as Diversionary Work Program, General Assistance, Minnesota Family Investment Program, Minnesota Supplemental Aid and Refugee Cash Assistance.

Approximately \$717 million in nutrition assistance was redeemed in fiscal year 2019, involving more than 20 million transactions. Of those:

- About 97% occurred in Minnesota.
- About 2% occurred in border states.
- About 1% occurred in another state or territory.

Of more than 4.3 million cash transactions, involving approximately \$226 million:

- 99% occurred in Minnesota.
- 1% occurred in the four states bordering Minnesota.

### Federal and state regulations

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Minnesota prohibits the use of Electronic Benefit Transfer cards at terminals located in, or attached to, gambling establishments. The U.S. Food and Nutrition Act of 2008 clarified restrictions for SNAP.

- The food portion (SNAP) of an Electronic Benefit Transfer card can only be used at U.S. Department of Agriculture-authorized food retailers or authorized farmers markets to purchase foods such as breads, cereals, fruits, vegetables, meats, fish, poultry and dairy products.
- Nonfood items such as pet foods, soaps, paper products, medicines, vitamins, household supplies, grooming items and cosmetics are also ineligible for purchase with SNAP.
- Alcoholic beverages, tobacco products, hot food and any food sold for on-premise consumption results in a variety of actions, including temporary or permanent program disqualification.
- Access to cash assistance program benefits with Minnesota Electronic Benefit Transfer cards was restricted to Minnesota, Iowa, North Dakota, South Dakota and Wisconsin.
- Federal regulations prohibit accessing Temporary Assistance for Needy Families benefits at gambling or retail establishments that provide adult-oriented entertainment.

## Legislation

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- The 2013 Minnesota Legislature required that an Electronic Benefit Transfer card for General Assistance, Minnesota Supplemental Aid, Minnesota Family Investment Program and Diversionary Work Program be issued with the name of the head of household printed on the card.
- The card must include the following statement: “It is unlawful to use this card to purchase tobacco products or alcoholic beverages.”

## Methods available for cash assistance

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SNAP is only available through Electronic Benefit Transfer cards. Most clients eligible for cash assistance receive it through this card, but they may choose other methods. In fiscal year 2019:

- 107,056 households received their benefits on Electronic Benefit Transfer cards.
- 40,001 households received cash benefits via state-issued warrants.
- 32,794 households received direct deposits to bank accounts.

## Electronic Benefit Transfer administration

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Minnesota has a vendor contract with Fidelity National Information Services Inc., which handles the processing of all Minnesota Electronic Benefit Transfer transactions, provides customer and retailer support and supplies cards for clients. The total amount paid for these services in fiscal year 2019 was \$1.98 million. Average activity included:

- 2 million point-of-sale transactions per month
- 97,659 ATM withdrawals per month, including three cash withdrawals per household, per month, at point-of-sale machines or ATMs.



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