



This resource was created for the Nutrition Incentive Hub by National Grocers Association Foundation Technical Assistance Center (NGAF TAC) in July 2020.

Online SNAP Basics FAQ

In June 2020 NGAF TAC hosted a webinar for [Online SNAP Basics](#). These frequently asked questions are a product of our experience with retailers and a number of questions asked in that webinar.

Q: What must retailers do to be approved by FNS to accept SNAP online?

A: All FNS authorized retailers – farm direct and brick and mortar – are required to comply with the agency’s online SNAP purchasing system requirements. Here are the requirements and the process, you can also find them on [FNS’s website](#):

- 1) The retailer must be [eligible for SNAP authorization](#) and, if already a SNAP-authorized retailer, apply for *a separate SNAP authorization* for online SNAP purchases.
- 2) Have an online ordering system with a website that can be updated to meet online purchasing requirements including:
 - a. Integration of the secure online PIN-entry via the Third Party Processor (TPP) Application Programming Interface (API).
 - b. Error handling including messaging displayed to customer.
 - c. Matching refunds back to original purchase.
 - d. Handling estimated pricing for items variably priced based on weight.
 - e. Having only one SNAP card provisioned to a customer account.
 - f. Ensuring that only eligible foods can be purchased with SNAP benefits.
 - g. Allowing split tender transactions for the payment of non-SNAP eligible items and delivery fees.
 - h. Other requirements [here](#).
- 3) When the retailer’s online ordering and payment site has had these functions/capacities added, the store must email a letter of intent confirming that it can meet the requirements to sm.fn.snaponline@usda.gov. This email should include confirmation from the website developer that it has performed the work and affirms that the site complies with all FNS requirements.
- 4) The retailer must also arrange to provide secure PIN entry to the online ordering site. As of mid-July 2020, Fiserv/PaySecure was the only certified TPP for secure PIN-entry. Other TPPs are working on alternate solutions.
- 5) Once the retailer’s website has been updated to operate online EBT payment, the retailer has a contract with Fiserv, and a unique FNS SNAP authorization number for online purchases, the system must have an end-to-end test. EBT test cards come from the state SNAP agency and FNS conducts the test.



Q: What are the technical specifications online platforms must meet to be approved by FNS?

A: All of the necessary information is in this [FNS document](#).

Q: May farmers or farmers markets be approved to accept SNAP online?

A: Yes, as long as the farmer or market has an online platform that meets FNS's requirements and it contracts with Fiserv (or in the future, another approved PIN-encryption system) to process transactions.

Q: Have any farmers markets requested approval from FNS to accept SNAP online?

A: As of mid-July FNS has not received any requests from farmers markets to be approved for online SNAP.

Q: Has TotilPay applied to FNS to be approved to accept SNAP online?

A: As of mid-July TotilPay has not applied to FNS to process online SNAP transactions.

Q: How should a retailer proceed if it does not currently have an online shopping platform?

A: We suggest that the retailer consider the decision in the context of its whole business. The costs fall into two basic categories: 1) building and maintaining the online platform and 2) instore staffing and order management.

There is the initial design and development of a SNAP compliant e-commerce site including both "front of store" (photographs) and "back of store" (inventory systems, accounting) capabilities and monthly costs to update and maintain the system. Instore staffing considerations include staff to monitor incoming orders, pick the products ordered, communicate with customers about substitutions if a product is sold out, weigh and package goods sold by weight, and process the transaction. The store must dedicate space to keep orders with products at the appropriate temperatures and have staff available to collect and bring the orders to customers when they pick up at the retailer (either inside or outside).

Q: Can all of the e-commerce services companies build platforms approved by FNS to process online SNAP?

A: FNS will approve any retailer's online platform that successfully meets the agency's requirements. As of mid-July 2020, there are four retailers operating online SNAP. Of the four, one (Wright's Market) uses an e-commerce service provider; the other three (Walmart, Amazon, Wakefern for ShopRite and FreshGrocer) have internally-built systems.

Q: How long will it take for a retailer to develop an online shopping platform?

A: The process will vary but it is safe to assume that it will take several months and perhaps longer.



Q: What is the next step when a retailer's platform meets FNS's requirements?

A: The retailer sends an email to FNS with confirmation from the website developer that the site meets [specifications](#), see #3 above.

Q: What is Fiserv and what is its role in online SNAP?

A: Fiserv is a financial transaction processing company. Stores contract with Fiserv or another Third Party Processing (TPP) company to process their credit, debit, and EBT card transactions. TPP's charge retailers a standard monthly fee for their services and an additional fee for every card transaction they process, including SNAP transactions. This is true for both instore and online purchasing.

To date, Fiserv is the only company that has been approved to process SNAP transactions online. Fiserv may charge retailers a higher rate for SNAP online transactions than it does for instore transactions. We anticipate that other companies will offer this service in the future.

Q: What is Acculynk?

A: Acculynk was the name of a company that developed the one, online PIN-encryption system that FNS has approved to date. Fiserv bought Acculynk and now owns that technology and calls it PaySecure.

Q: How does the retailer contract with Fiserv once FNS has provided approval?

A: For grocers, checking with your wholesaler is a good first step. Most wholesalers offer their retailer customers access to a payment processing program which may be Fiserv. In some cases, the store may process their electronic payments with one processor for their in-store payments yet will need to establish a relationship with Fiserv for their online payment processing needs. For more from Fiserv, call 855-949-1290 or contact [Fiserv online](#).

Q: Does Fiserv charge a set-up fee when a store starts working with the company or just the monthly and transaction fees?

A: Yes, there may be certain fees associated with setting up new merchant processing accounts. Please contact Fiserv for complete details.

Q: Do stores sign contracts for specific time periods?

A: Yes, there may be a certain contractual timeframe.

Q: If a retailer has an active e-commerce business and already uses Fiserv is there an additional charge from Fiserv to add online SNAP transaction processing?

A: Yes, contact Fiserv for more details.



Q: Is the online SNAP “register” treated as a completely independent store with new contract required?

A: Yes.

Q: How does the retailer test its system once FNS has approved the online platform and there is a contract in place with Fiserv?

A: The retailer must go through end-to-end testing with all parties involved – FNS, the state agency and its SNAP processor, Fiserv, the retailer, and its online provider.

Q: Can store SNAP incentives, loyalty programs, and promotions be integrated into online shopping platforms?

A: Many online shopping platforms have this capability.

Q: How do online platforms manage transactions for products that are bought by weight?

A: The shopper indicates the desired amount by weight when ordering. The retailer is permitted to add a 10% cushion to the price of the weighted item. The shopper is provided the total and payment is taken when the order is placed. If the weighted item costs less than the purchase amount, then the retailer has to return the difference to the cardholder’s account, hence the requirement for a PINless return function.

Q: How do online shopping platforms manage transactions that use SNAP and another tender?

A: Online shopping platforms use electronic payments companies to process transactions for online purchases. As of July 2020, Fiserv is the only payment company that has been approved to process online SNAP transactions and the ability to manage split tender transactions is one of FNS’s requirements.

Q: How long does the process take from applying for approval from FNS to being able to accept SNAP online?

A: This is a new process that is being stood up. As of mid-July 2020, no new stores have gone through the process completely. The timing will depend on how long it takes a retailer to find an e-commerce provider, set up the website, work out the linkages with the TPP, and have the system tested. Retailers should expect that the process will take several months but as the process becomes more routine, we would expect it to happen more quickly.

Q: Why can’t Instacart be authorized for online SNAP?

A: FNS authorizes food retailers. Instacart is not a retailer, it is a grocery delivery and pick-up service which does not meet the eligibility requirements by law to be authorized to accept SNAP. It offers shoppers the ability to order online from a variety of retailers and workers go to the stores, pick the products, and deliver the order to the shopper. Customers pay Instacart – not the retailer from which the products they purchased come – and Instacart pays the individual retailers for the goods the Instacart



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shoppers have purchased. Instacart is reviewing this business process to determine if it needs to be modified to work in the EBT environment.

Instacart can work with interested retailers who want to become a SNAP authorized internet retailer in order to meet SNAP online requirements. Once Instacart and that retailer integrate, contract with an FNS-approved online PIN solution provider (only Fiserv in July 2020), and meet FNS online requirements, they will be able to accept online SNAP transactions.

In that scenario Instacart will essentially act as the retailer's e-commerce platform provider. The retailer will still have to go through the FNS application and requirement process.