Appendix 4: Electronic Benefits & Funds Transfer

SFY

2025

ESA Briefing Book

EBT—Electronic Benefit Transfer

What EBT does

- Delivers cash and food assistance benefits through a magnetic stripe debit card.
- Enables clients to access food benefits through Point of Sale (POS) devices and cash benefits through Automated Teller Machines (ATM) and at retailers.

Who EBT Serves

Clients who receive food assistance through the Basic Food program and/or cash assistance through Temporary Assistance to Needy Families (TANF), Aged, Blind, or Disabled (ABD), Pregnant Women Assistance (PWA), State Supplemental Payment (SSP), Refugee Cash Assistance (RCA), Working Family Support (WFS), and the Consolidated Emergency Assistance Program (CEAP). RCW 74.04.050, Department to administer public assistance programs.

How EBT evolved

- In 1996, Washington joined the Western States Electronic Benefits Transfer Alliance (WSEA) comprised of Washington, Alaska, Arizona, Colorado, Hawaii, and Idaho to conduct a joint competitive procurement for EBT services. Nevada later joined the Alliance.
- In 1996, Citibank EBT Services was selected as the successful vendor for WSEA.
- In 1997, Washington stakeholders participated in EBT workgroups to solicit their input. Stakeholders included food retailers, client advocates, tribal members, the disability community, financial institutions, federal agencies, and state staff representing the union, field operations, and headquarters.
- In 1998, business and technical requirements for Washington's EBT system were developed in association with Citicorp, ACES and stakeholders.

EBT Time Frames

- April 1998 – Washington signed an EBT contract with Citicorp, Inc.
- March 1999 – EBT started pilot programs in Cowlitz, Grays Harbor, Clark, Klickitat, Pacific, Skamania, and Wahkiakum counties.
- June 1999 – the first of six regional rollouts began in Region 1.
- November 1999 – the statewide implementation of EBT was completed.
- October 2002 – Federal Food Stamp rules required EBT in all states.
- June 2004 – the nationwide implementation of EBT was completed.
- March 2014 – an instructional memo was issued reminding staff of the changes to the Basic Food trafficking rules and excess EBT replacement policy.

Who Belongs to the Western States EBT Alliance (WSEA)

- In 1996, Washington joined the Western States Electronic Benefits Transfer Alliance (WSEA) comprised of six (6) states: Washington, Alaska, Arizona, Colorado, Hawaii, and Idaho to conduct a joint competitive procurement for EBT services. The Territory of Guam, Nevada, Wyoming, and Nebraska later joined the Alliance.
- In July 2013, Nevada officially withdrew from the WSEA Coalition, leaving eight (8) states and the Territory of Guam to begin procurement for EBT-4 service in 2014.

- In August 2013, Utah officially joined the WSEA Coalition, increasing the number again to nine (9) states and the Territory of Guam. Utah procured EBT-4 services in 2014 with the Coalition.
- In March 2014, Washington withdrew from WSEA.
- In July 2018, Washington rejoined WSEA. The current WSEA membership includes Alaska, Arizona, Colorado, Guam, Hawaii, Idaho, Nebraska, Washington, and Wyoming.

Reprocurement of EBT Services

- In December 2001, the Western States EBT Alliance (WSEA) developed and published a second-tier Request for Proposal to ensure EBT services continued without interruption. The Territory of Guam, unable to attract a bidder due to its small caseload, joined the WSEA in this procurement.
- In May 2002, Citicorp Electronic Financial Services (CEFS) was announced as the successful second-tier vendor.
- On April 28, 2003, Washington's first tier contract expired. Washington exercised the two one-year extension options under the initial contract.
- In January 2004, CEFS was sold to J. P. Morgan Electronic Financial Services (EFS).
- In April 2009, WSEA awarded the EBT Request for Proposal to the successful bidder, J. P. Morgan EFS.
- In April 2014, Washington awarded the EBT Request for Proposal to the successful bidder, J. P. Morgan EFS. The contract provided for a two-year term through April 29, 2016 with options for two extensions, one six-month and one three-month. The short contract term was due to J. P. Morgan EFS' November 2013 announcement to exit the EBT and pre-paid card business.
- In July 2015, Washington awarded the EBT Request for Proposal to the successful bidder, Fidelity Information Services. The contract provided for a five-year term with options for two one-year extensions. EBT services were successfully converted from J. P. Morgan EFS to Fidelity Information Services in July 2016.
- In November 2019, Washington and WSEA began reprocurement activities to solicit a consultant to create the next EBT services Request for Proposal.
- In October 2020, WSEA selected Maximus as the Request for Proposal consultant through a competitive procurement.
- In July 2021, the Request for Proposal for EBT services was posted nationwide and Fidelity Information Services was selected as the winning bidder.
- In June 2022, Washington began negotiations with Fidelity Information Services to execute the fifth iteration of EBT services, which resulted in a seven year contract with two optional one-year extensions.

Contract History with J.P. Morgan Electronic Financial Services (EFS)

- In March 2005, Washington signed a new seven-year contract with J. P. Morgan EFS through April 2012. An Internet Web Browser application was made available to clients for obtaining their own EBT account information at www.ebtaccount.jpmorgan.com.
- In June 2008, an amendment to the March 2005 contract was signed by J. P. Morgan EFS and the State of Washington for an

additional two-year contract extension, from May 2012 through April 2014.

- In April 2012, an amendment to the March 2005 contract was signed by J. P. Morgan EFS and the State of Washington to provide implementation and support for the Washington State Summer Electronic Benefits Transfer for Children (SEBTC) pilot program for the summer of 2012.
- In August 2012, an amendment to the March 2005 contract was signed by J. P. Morgan EFS and the State of Washington to eliminate the $0.85 cent ATM withdrawal charge from client EBT accounts.
- In December 2013, J. P. Morgan announced they would be exiting the business of EBT and other prepaid cards; Washington was in the middle of contract negotiations at the time of the announcement and J. P. Morgan agreed to a short-term contract.
- In April 2014, Washington signed a new, limited two-year contract with J. P. Morgan.

Contract History with Fidelity Information Services (FIS)

- In July 2015, Washington awarded the EBT Request for Proposal to the successful bidder, Fidelity Information Services. The contract provided for a five-year term with options for two one-year extensions. EBT services were successfully converted from J. P. Morgan EFS to Fidelity Information Services.
- In October 2015, Washington and Fidelity Information Services agreed to and signed a five-year contract.
- In July 2016, EBT services were successfully converted from J. P. Morgan EFS to Fidelity Information Services.
- In February 2017, Basic Food monthly distribution was expanded from the first ten days of the month to the first twenty days.
- In April 2017, certain retailer MCC codes were blocked, preventing POS transactions at prohibited retailer locations.
- In July 2019, FIS launched an EBT mobile application for smartphones which allows Washington EBT cardholders to view benefit deposits and transactions from their mobile device.
- In January 2020, Washington became the 2nd state in the nation (after New York) to offer online EBT purchases for delivery. This accomplishment was made possible due to a two-year federal demonstration project with FNS and FIS to test the feasibility of internet purchased made by EBT cardholders. Amazon and Walmart were the pilot merchants.
- In February 2020, FIS activated Card Authentication Validation (CAV) for all Washington EBT cards. CAV protects EBT cards from being cloned.
- In April 2020, FIS' mobile application was updated to allow EBT cardholders to report cards as being lost, stolen, or damaged, and to request a replacement card to be sent via the US Post Office. EBT cardholders can also use the app to change their Personal Identification Number (PIN) for an existing EBT card or add a PIN to new cards.
- In June 2020, FIS rolled out a new Pandemic EBT (P-EBT) benefit type and began distributing benefits through a unique P-EBT card issued to eligible children statewide.
- In October 2021, FIS implemented security enhancements to the ebtEDGE Cardholder portal and mobile app where customers

have the ability to limit unauthorized benefit use and "Freeze Card." This feature temporarily disables the card from being used for purchases and PIN inquiries.

- In June 2022, FIS implemented *Protect My Account* where cardholders can instantly protect their benefits by enabling features to block out-of-state and internet transactions. Clients can log in to their ebtEDGE web account or mobile application to turn these features on or off when traveling.
- In May 2023, FIS implemented a healthy eating incentive option for identified retailers to offer produce rewards directly on the EBT card. This feature changed a paper-based farmer's market coupon to an electronic deposit that can be used on any SNAP eligible item at any retailer that accepts SNAP.
- In June 2023, FIS enhanced security for staff by adding Multifactor Authentication to the agency portal. The state began participating in FNS sponsored listening sessions to learn more about the new 2024 Summer EBT program.

EFT—Electronic Funds Transfer

What EFT Does

- At the client's request, cash benefits are deposited directly into their personal checking/savings account instead of being deposited into an EBT cash account.

Who EFT Serves

- Clients who receive federal or state-funded cash assistance, such as Temporary Assistance to Needy Families (TANF), Aged, Blind, or Disabled (ABD), Refugee Cash Assistance (RCA), State Supplemental Payment (SSP), and those who have or are willing to open a savings or checking account. EFT is an optional method that clients may choose to receive their cash benefits.

How EFT evolved

- EBT Steering Committee pursued EFT through the State Treasurer's Office as more cost effective than procuring the service from Citicorp, Inc.
- In June 1999, a workgroup with staff from the EBT Unit, ACES, and State Treasurer's Office met to determine business and technical requirements.

EFT Timeframes

- In January 2000, the EFT pilot program started in two Pierce County offices: Pierce West Community Services Office and Pierce North Community Services Office.
- In May 2000, all EBT cash assistance clients statewide were given the option to use EFT.