MEMORANDUM FOR: CHIEF EXECUTIVE OFFICERS  
FROM: John E. Bowman  
SUBJECT: USDA Notice regarding Changes to Food Stamp Coupon Program

The U. S. Department of Agriculture (USDA) announced important changes to the Supplemental Nutrition Assistance Program (formerly the Food Stamp Program) pursuant to the Food and Nutrition Act of 2008. Since program participants are accessing their nutrition benefits with Electronic Benefit Transaction cards, rather than stamps or coupons, the USDA will deobligate paper coupons on June 17, 2009. After June 17, retailers can no longer accept paper coupons for food purchases. Retailers will have 30 days (until July 17, 2009) to redeem any coupons and savings associations will have 60 days from the final redemption date (until September 17, 2009) to submit properly redeemed paper coupons to the Federal Reserve for credit. The attached USDA notice provides additional guidelines for retailers and savings associations regarding the acceptance and redemption of paper food coupons.

If you have any questions about this or other matters, please do not hesitate to contact your OTS Regional office.

Attachment
PAPER FOOD STAMP COUPONS ARE SET TO EXPIRE

HOW TO DEPOSIT FOOD STAMP COUPONS

Although EBT cards have been used to deliver Supplemental Nutrition Assistance Program (formerly Food Stamp Program) benefits to recipients for several years, some recipients may have a few paper food stamp coupons left. As you know, you are required to accept paper food stamp coupons from recipients. However, the Food and Nutrition Act of 2008, has set an expiration date for paper food stamp coupons.

After June 17, 2009, recipients will no longer be able to use paper food stamp coupons and your store will no longer be required to accept them. If you have, or receive, paper food stamp coupons between now and June 17, 2009, you must redeem them at your bank or make a claim at your local Food and Nutrition Service (FNS) Field Office.

Retail store owners like you must submit all paper food stamp coupons for redemption by July 17, 2009. After close of business on that date, paper food stamp coupons will no longer have value and cannot be redeemed.

HOW TO DEPOSIT FOOD STAMP PAPER COUPONS WITH YOUR BANK

To get paid for the food stamp coupons you have taken in at your store, you must first deposit those coupons at your bank. Not all banks will accept food stamp deposits. Some banks will charge you if the coupons are not bundled properly. Check with your bank ahead of time.

To deposit food coupons, you must use one of these methods:

(1) You may rubber stamp or mark each food coupon on the back with your store’s name and/or its authorization number;

(2) Your bank may ask you to cancel the coupons. Instead of marking or stamping the reverse side of the food coupon, cancel the face of each coupon using a rubber stamp that contains:

(a) your food stamp authorization number;

(b) the word “paid” or “canceled”; and

(c) your bank’s American Bank Association (ABA) routing transit number.
Ask your bank what type of endorsement it wants you to use. Rubber stamps may be supplied by the bank. USDA does not provide cancellation stamps.

You must also submit a correctly completed Redemption Certificate to your bank along with the cancelled coupons. You may have Food Coupon Redemption Certificates with the name and address and authorization number of your store printed on each of them. The Redemption Certificate is like a bank deposit slip. You must use a separate Redemption Certificate each time you present food coupons to a bank for deposit. Instructions for completing the Redemption Certificate are on the inside front cover of each Redemption Certificate booklet. It is important that the total you enter in the box for “Firm’s Total” is exactly the same as your total deposit and that you sign the Redemption Certificate. If you need a supply of Redemption Certificates in order to deposit your food coupons, please contact your local FNS field office.

IF YOU ARE UNABLE TO DEPOSIT FOOD COUPONS AT YOUR BANK, YOU MAY SUBMIT A CLAIM FOR THE VALUE OF THE FOOD COUPONS WITH YOUR LOCAL FOOD AND NUTRITION SERVICE FIELD OFFICE

You may submit endorsed paper coupons to the local FNS field office. Along with the endorsed coupons, you are required to submit a signed statement that details why you are asserting the claim and state the amount of the food coupons that are being claimed. The field office will secure the food coupons and provide you with a receipt. The receipt shall state the amount of food coupons received (number of each denomination and total value of coupons), name and title of the person who surrendered the food coupons; and the date the field office received the food coupons. The FNS representative who receives the
food coupons will sign the receipt. The field office will then process the claim and will provide you with the date that you can expect to receive your reimbursement from FNS.

NOTE REGARDING THE ACCEPTANCE OF PAPER FOOD STAMP COUPONS

All food stamp coupons in a book of coupons have the same serial number. The $5 coupons and the $10 coupons must be presented along with the book cover which bears the same serial number as the coupons, except for starred coupons. The coupons may be loose as long as the customer has the cover with the same serial number as the coupons and the coupons have not been cancelled or endorsed by another retailer. Any $1 coupon may be accepted without the book cover because they have been used to make change for customers.

When a food coupon or a food coupon book cover is accidentally damaged during the manufacturing process, it is removed and replaced with a coupon or a cover that has a serial number that begins with a star (*). This is the only time when the number on a book cover and/or on some or all of the coupons will not be the same. If a customer presents a coupon book and coupons numbers do not match and there is no star (*) at the beginning of the serial number, do not accept these food coupons. If you do accept these coupons and it is determined that the coupons are counterfeits, you will not be reimbursed for them. If you have any questions, contact your local FNS Field Office.