

# Guide to launching a state-funded emergency SNAP benefits program

Even if your state cannot fund full regular SNAP allotments, you can still provide meaningful support through a flexible, state-funded emergency SNAP program.

This guide outlines how to design and implement a program that works with the benefit amount and payment frequency that you choose. Such programs allow recipients to continue to use their existing EBT cards.

## Follow these steps to get started:

1. Contact your EBT processor to let them know of your plans and schedule a call.
2. Before the call, gather the following information:
  - a) Whether you have an existing state-funded SNAP benefit type(s) on the EBT processor's system.
  - b) The number of benefit types you need, and the acronyms and long descriptions of your desired benefit types.
3. Identify, secure and prepare available state funding.
  - a) Funding will route directly from the state to the EBT processor.
  - b) Identify the bank account you will use to fund these benefits.
    - i. Must be able to wire the funds daily to cover daily spend, or the EBT processor can ACH debit the identified account daily
  - c) EBT processor provides bank account information for daily funds transfer.
  - d) In which order will these benefits be dispensed? Before or after the remaining SNAP benefits?
4. Execute a contract modification to memorialize this important change to your SNAP EBT contract.
  - a) Document the scope of work and timeline for delivery
  - b) Document the cost for the change
  - c) Facilitate expedited contracts review and approval

5. Coordinate messaging on all platforms, including:
  - a) IVR
  - b) Mobile app/client portal
  - c) Social media
  - d) Direct mail
  - e) Agency website

## **Critical considerations**

### **Expungements, repayments, benefit cancels:**

- Expungements should follow the same expiration as federally funded SNAP benefits.
- Standard repayments and benefit cancels can both be performed.

### **Settlement and reports**

- State-funded SNAP settles as CASH.
- Not included in AMA batch, STARS, or ALERT files.
- Subprogram shows under SNAP in all reports except the Clearing Report:
  - If the State has cash programs, the subprogram will show under CASH.
  - States with no CASH programs will show as a separate “State SNAP” section.

### **Testing of funding (inbound and outbound)**

Testing should be completed as early as possible before the anticipated benefit issuances to cardholders.

#### **Wire**

- The Processor requires the state to send a \$1.00 prefunding test of receipt of funds into our bank account.
- The State will notify the Processor when the wire has been sent.
- The Processor will confirm receipt of the wire.
- The State can either write off \$1.00 or reduce the first true funding wire by that amount. The test must be successful before a new benefit type can be used by the State.

#### **ACH**

- The Processor requires testing to confirm the ability to debit the designated state account.
- This funding method requires more coding by the EBT processor.

- The State must provide on either state or bank letterhead the following:
  - Bank name and address
  - Bank account name
  - ACH bank routing number
  - Bank account number
- The State must name a contact person, other than the signer, to verify the banking information on official letterhead. This contact’s name and phone number must be included.
- The Processor will send a \$1.00 credit and \$1.00 debit to the state account to confirm the ability to debit the designated bank account.
- The State will notify the Processor if the test was successful in their bank account.
- Allow five (5) business days for the Processor to confirm a successful test and include that time in the go-live timeline for the new benefit. The test must be successful before the new benefit type can be used by the State.

State-funded SNAP benefit types exist	State-funded benefit type does not exist
<p><b>Step 1:</b> The State advises of plan to utilize existing state-funded SNAP benefit type(s) and confirms the assigned state-funded SNAP benefit type that will be utilized.</p>	<p><b>Step 1:</b> The State advises of plan to add state-funded SNAP benefit type(s) and provides the benefit type and disperse priority to be used.</p>
<p><b>Step 2:</b> The EBT Processor’s settlement team is notified to add to their list for daily settlement from the State. The Processor must be able to track funds separate from those for federal SNAP and other EBT program/subprogram.</p>	<p><b>Step 2:</b> Both the State and the Processor mutually agree on terms and pricing. Once executed, the team works with the State to gather the requirements and update the State documentation.</p>
<p><b>Step 3:</b> The State must submit SNAP benefit files using <b>ONLY</b> the agreed existing state-funded SNAP benefit for every issuance.</p>	<p><b>Step 3:</b> The State must work with their bank to set up ACH pull or wire funding for daily funding and create procedures internally to confirm what is required by their bank.</p>
<p><b>Step 4:</b> The state-funded SNAP benefits are settled daily by the State to Conduent and separately under “cash” on the settlement report. They are not settled via AMA.</p>	<p><b>Step 4:</b> Testing of funding is completed to ensure funding process is working; will require funding testing and confirmation in advance of the State sending the SNAP benefit files.</p>

**Step 5:** UAT testing is completed to ensure the new state-funded benefit type functionality is approved for release to production.

**Step 6:** New state-funded SNAP benefit types are released to the production system, and benefit files can be submitted.

**Step 7:** Once in production, this would follow the same flow as **state-funded SNAP benefit types exist** flow.



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