



1201-1 Payment Methods

TANF Bulletin - 82	<p>Date: January 7, 2014</p> <p>To: All Temporary Assistance to Needy Family (TANF) Program Manual Holders</p> <p>From: Pam Barragato, TANF Policy Specialist Policy and Systems Bureau, Central Office</p> <p>Subject: TANF Bulletin - 82</p> <p>Please place this bulletin between pages 3 and 4 in section TANF 1201-01</p> <p>=====</p> <p>SECTIONS: Payment Methods</p> <p>SUBJECTS: Restriction on EBT-Transactions</p> <p>REFERENCES: Section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96); Sections 402, 408(a), and 409 of the Social Security Act</p> <p>EFFECTIVE DATE: 2/1/2014</p> <p>INTRODUCTION: Section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) amends the Social Security Act (the Act), State programs funded under this part are restricted from using any electronic benefit transfer transaction in any liquor store; any casino, gambling casino, or gaming establishment; or any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.</p> <p>POLICY CHANGE: Participants will no longer be able to use Electronic Benefits Transaction (EBT) cards at the following establishments:</p> <p>Liquor store – This means any retail establishment that sells exclusively or primarily intoxicating liquor. This does not include a grocery store that sells both intoxicating liquor and groceries that include staple foods. (Staple foods means foods in the following categories: meat, poultry or fish; bread or cereals; vegetables or fruits; dairy products. Staple foods do not include accessory food items such as coffee, carbonated drinks or candy.)</p> <p>Casino, gambling casino or gaming establishment – This does not include a grocery store that sells groceries including staple foods and that also offers, or is located in the same building or complex as, casino, gambling casino or gaming activities. This also does not include any establishment that offers casino, gambling or gaming activities that are incidental to the main purpose of the business.</p> <p>Retail establishment that provides adult-oriented entertainment in which</p>
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	<p>performers disrobe or perform in an unclothed state for entertainment.</p> <p>UPDATED MANUAL MATERIAL WILL BE DISTRIBUTED AS SOON AS POSSIBLE. UNTIL THAT TIME, USE THIS BULLETIN AS A GUIDE. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT YOUR REGIONAL POLICY SPECIALIST.</p>
<p>TANF Bulletin - 83</p>	<p>DATE: June 25, 2014 TO: All Temporary Assistance to Needy Family (TANF) Program Manual Holders FROM: Pam Barragato, TANF Policy Specialist SUBJECT: TANF Bulletin - 83 TANF MANUAL: Please place this bulletin between pages 3 and 4 in section TANF 1201-01</p> <p>=====</p> <p>SUBJECT: Penalties for violation of EBT Transactions REFERENCES: Section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96); Sections 402, 408(a), and 409 of the Social Security Act; and TANF Bulletin 82.</p> <p>EFFECTIVE DATE: July 1, 2014</p> <p>INTRODUCTION: TANF bulletin 82, "EBT Restrictions" dated February 1, 2014, states participants may no longer access benefits from an Electronic Benefits Transaction (EBT) card at the following establishments: liquor store; any casino, gambling casino, or gaming establishment; or any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.</p> <p>POLICY CHANGE: Effective July 1, 2014 participants in violation of the EBT restrictions listed above will be subjected to a penalty.</p> <p>The penalty policy is as follows:</p> <p>1st violation: Warning notice Notice must be sent to the primary individual informing the household of the current violation and the penalty associated with a third violation. No negative action will occur. Adequate or timely notice is not required.</p> <p>2nd violation: Warning notice Notice must be sent to the primary individual informing the household of the current violation and the penalty associated with a third violation. No negative action will occur. Adequate or timely notice is not required.</p> <p>3rd violation: 6 month penalty imposed Notice must be sent to the primary individual informing the household of the penalty period and negative action associated with a third violation. Timely notice is required.</p> <p>The penalty period refers to the time period a household may not receive TANF</p>

	<p>cash benefits on an Electronic Benefit Transaction (EBT) card. Benefits will be issued via Warrant unless participant completes form HCS-180, “TANF payment selection form” and HCS-179 “Direct Bank Deposit Authorization Form” prior to issuance to receive benefits direct deposit.</p> <p>Penalty Period: The penalty period will start on the 1st of the month after timely notice has been given. Benefits will continue to issue via warrant or Direct Deposit after the penalty period ends. Participants must complete the HCS- “TANF Payment Selection Form” if they want to receive payment by EBT after the penalty period.</p> <p>NOTE: If a participant chooses to receive TANF benefits via Direct Deposit during the penalty period, the 28 day “prenote” period will apply. Refer to TANF 1201-1.</p> <p>UPDATED MANUAL MATERIAL WILL BE DISTRIBUTED AS SOON AS POSSIBLE. UNTIL THAT TIME, USE THIS BULLETIN AS A GUIDE. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT YOUR REGIONAL POLICY SPECIALIST.</p>
Supersedes:	TANF 1201-1 (07/01/05)
References:	ARM 37.78.102; MCA 17-8-303 and 17-8-306
Overview:	<u>GENERAL RULE</u> –TANF participants can choose one of three different ways to receive their TANF cash assistance. These are summarized below for each payment method. Participants must be provided all information about the TANF payment options before they can make an informed selection.
PRESENTING PAYMENT OPTIONS TO PARTICIPANTS	Every TANF cash assistance household must sign off on the “TANF Cash Assistance Payment Selection Form” (HCS-180) each time they apply for benefits or change the method of payment. This form explains the options available to participants.
SWITCHING PAYMENT METHODS	TANF participants can select a new payment method at any time.
WARRENT	<p>Check Received in the Mail</p> <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Once participants cash their checks, they have access to all of their money. • Participants receive checks in the mail the first working day of the month after authorization and issuance. <p><u>Disadvantages:</u></p> <ul style="list-style-type: none"> • Some participants have trouble finding a place to cash their check, or have to pay fees to cash the check.
DIRECT DEPOSIT	<p>Participant’s Bank Account</p> <p><u>Advantages:</u></p>

	<ul style="list-style-type: none"> • The deposit is made into the participant’s account on the first banking day of the month after authorization and issuance (eliminating the wait for the mail to arrive). • any banks offer a no-fee, no-minimum-balance checking or savings account when a person is having money directly deposited into the account. • Once the benefit is deposited, participants could get their money by using a debit card, writing a check, or withdrawing money from the bank. <p><u>Disadvantages:</u></p> <ul style="list-style-type: none"> • Some participants have credit problems and cannot open a checking or savings account. • Participants will not receive a confirmation of the deposit. If a participant writes checks without first confirming that a deposit was made, the participant could have overdrawn accounts and service charges if for some reason the benefits were not authorized. • Some participants have a garnishment orders against them and money deposited in an account may be garnished (for child support or debts). Public assistance cannot be garnished. However, the bank may not be able to tell if the deposit is public assistance or the funds in the account may be commingled with other money (e.g., wages). If the money were taken through garnishment, it would be the participant's responsibility to request the money back. This should be discussed with his/her bank.
<p>EBT</p>	<p>Montana Access EBT Card</p> <p>All customer service for the EBT system, such as, requesting a replacement EBT card, selecting a Personal Identification Number (PIN) and account balance inquires is being handled through the Interactive Voice Response (IVR) system. The toll free phone number is 1-866-850-1556.</p> <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Benefits are available the first calendar day of the month after authorization and issuance, even on a weekend or holiday. • Participants can use their card to purchase items at most Food Stamp retailers. • Participants can access cash at ATM’s. <p><u>Disadvantages:</u></p> <ul style="list-style-type: none"> • Fees may be charged to the participant to access the ATM. Most charge a

	<p>service fee between \$1.00 and \$2.00, but it could be even higher depending on the ATM.</p> <ul style="list-style-type: none"> • While the Montana Access card does not impose a limit, many ATMs limit the amount of cash that can be withdrawn from the ATM each day. • Some retailers offer the option of receiving cash back with a purchase or withdrawing cash without a purchase. The retailers may limit the amount of cash they are willing to give out at a time, and may charge a fee to provide cash. • The OPA cannot have a list of retailers that give out money and cannot direct participants as to which retailer to use. <u>It will be up to participants to obtain this information for themselves and to watch for the Montana Access Card logo.</u> • If the participant gives his or her PIN number and card to another person, that person can access the cash. (For example: A boyfriend who is included in the food stamp assistance but not in TANF cash assistance could access the TANF cash using the same card and PIN used to access the food stamp benefits.) • The pin number can be changed by anyone with knowledge of the participant’s name, social security number, date of birth and mailing address. If identity is stolen, the perpetrator can change the pin number and access the funds. <u>However, by contacting the toll free number the participant can request to add a password in addition to the pin number, which would provide additional security.</u>
<p>REPLACEMENT OF EBT CARD</p>	<p>Montana has determined the cost of a replacement Montana Access EBT card to be \$2.00. The participant’s first card will be created and mailed for free upon approval of the application. Any replacements of Montana Access EBT cards will be charged the \$2.00 replacement fee, regardless of the circumstances.</p> <p>The Montana Access EBT card is used to access food stamp, TANF Cash assistance and child support payments. When a participant requests a replacement card the EBT system will check to see what benefits/payments are currently available in the Montana Access account(s).</p> <p>If the participant is receiving food stamp only benefits, the EBT system will deduct the \$2.00 fee from the food stamp allotment. If the participant is receiving food stamps, TANF Cash assistance and/or child support payments, the system will first attempt to deduct the \$2.00 fee from the food stamp allotment. If there is not a sufficient amount in the food stamp EBT account and the participant is receiving TANF Cash or child support payments, the system will deduct the \$2.00 fee from TANF Cash first and child support second. If there is not a sufficient amount of funds in any account, the EBT system will issue the card and deduct the funds at the</p>

	<p>next benefit issuance.</p> <p>Because participants are charged a \$2.00 card replacement fee, it is important OPA Case Managers advise them of this policy. Participants should also be reminded at redetermination to keep their card in a safe place and never throw it away, even if their case closes. There are no exceptions for replacement card fees.</p>
DIRECT DEPOSIT	<p>If the participant selects direct deposit on the HCS-180 form, the household must complete the “Direct Bank Deposit Authorization Form” (HCS-179). This form explains that if a household changes banks they must give the Eligibility Case Manager four weeks’ notice to make the change. This is because there is a 28-day “pre-note” period between the time the direct deposit information is entered and the first direct deposit occurs. (A “pre-note” is a test file that is sent to the bank to ensure the account information is valid.) Until the pre-note date has passed, benefits are issued by check.</p> <p>Households must attach a voided check (for a checking account) or a voided deposit slip (for a savings account) to the HCS-179. The form must be kept in the case file. Account information from the HCS-179 is entered. The routing number is always the lower left number on the check. The account number is in the middle on the bottom of the check and the check number is on the right.</p> <p>What would happen if the pre-note failed?</p> <ol style="list-style-type: none"> 1. All failed pre-note tests will be returned to Department of Administration (DOA). 2. DOA will contact DPHHS Fiscal. 3. Fiscal staff will contact the Eligibility Case Manager with this information. 4. The Eligibility Case Manager reviews to make sure that the correct bank information was entered. If the information entered matches the information on the voided check, the Eligibility Case Manager contacts the participant to determine why the pre-note failed. 5. Checks will be issued to the household until a successful pre-note has been accomplished. <p>When a household has direct deposit and changes banks they will need to convert back to a warrant until 28 days after the pre-note is sent to the new bank.</p> <p>What would happen if the participant did not report that they have closed their bank account and a direct deposit is sent to a closed account?</p> <ol style="list-style-type: none"> 1. All rejected or denied direct TANF direct deposits will be returned to Department of Administration (DOA).

	<ol style="list-style-type: none"> 2. DOA will contact DPHHS Fiscal. 3. Fiscal staff will send a replacement warrant and contact the Eligibility Case Manager with this information. 4. The Eligibility Case Manager will need to contact the participant to determine why the deposit failed. <p>This is required because an account must be identified specifically as a checking or savings account for direct deposit. Monthly deposits will be made to the participant's account on the first banking day of the month. For daily issuance, benefits will be available by the third banking day after the benefits were authorized. (This assumes the 28-day pre-note period has already passed.)</p>
Date Revised	January 1, 2006