



October 17, 2003

**United States
Department of
Agriculture**

Food and
Nutrition
Service

Northeast Region

10 Causeway St.
Room 501
Boston, MA 02222

Food Stamp Program Regional Letter: 04-03

Subject: Guidance on the Treatment of Nutritional Assistance Program (NAP) Benefits when a NAP Recipient Applies for Food Stamps in a Mainland Office

Since 1988, the Food and Nutrition Service (FNS) has been counting NAP benefits as unearned income when NAP participants apply for food stamps in mainland offices in the same month the NAP benefits were issued. This policy made good sense when NAP benefits were issued as checks that could readily be converted to cash. Since the advent of Electronic Benefit Transfer (EBT), Puerto Rico has argued successfully that because many retailers in Puerto Rico do not have Point of Sale (POS) machines, it is reasonable to issue some portion of the benefit in a form that allows participants to obtain cash they can use for food purchases. Currently 75 percent of a NAP household's benefit can be redeemed only via POS, and 25 percent can be redeemed in cash.

It is clear that the 75 percent that is provided via EBT is not countable as income under Section 5(d) of the Food Stamp Act, because it is not provided "in the form of money payable directly to a household." The 25 percent provided in a form readily converted to cash is arguably "money payable directly to a household" but because the NAP cash benefit cannot be converted to cash in mainland Automatic Teller Machines, it is considered to be inaccessible.

For these reasons, States and territories must no longer count NAP benefits when determining eligibility and benefits. This policy is effective immediately.

If you have any questions concerning this policy, please contact Katie Blanchette at (617) 565-6415.

Sincerely,

Mary A. Ferris

Mary A. Ferris, Chief
State Program Improvement
Food Stamp Program
Northeast Region