Food and Nutrition Service

Electronic Benefits Transfer (EBT) System Transition Guide

Version 2.0

June 6, 2005

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1 INTRODUCTION

The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) has developed the Electronic Benefits Transfer (EBT) System Transition Guide to provide guidance, recommendations, best practices, and lessons learned to States involved in an EBT system transition. This Transition Guide assumes that States will be procuring or re-procuring a "turnkey" EBT system where there is a single contract with an EBT contractor who provides or subcontracts for host processing, retailer management, and call center services.

This guide addresses the needs and requirements of the Food Stamp Program. Although other programs are addressed in some sections, the discussions of other program matters are not complete. The guide is divided into 6 sections: Introduction, Request for Proposal (RFP), New Contract Components, Transition Activities (one year prior to database conversion), Database Conversion, and Post Transition Activities.

The term "transition" is used in this guide to refer to the general work involved in changing from one contract to the next. The term "database conversion" or "conversion" is used specifically for the work to change from one contractor's host to another for transaction processing. Material in this guide may be superseded by any FNS regulations published on these subjects.

2 REQUEST FOR PROPOSAL (RFP)

2.1 Overview

This section of the Transition Guide identifies items that States should include in their RFPs to address major components of EBT system transition. The RFP should be released 18-24 months before the end of the current term. It should then be available for vendor review and response for 60-90 days. States should make an effort to avoid, if possible, releasing RFPs at the same time as other states to maximize competition. FNS does track the expected release dates of RFPs and may be of assistance in this planning. These sections are not intended to encompass all material that should be contained in an RFP for EBT services. Examples of State RFPs and standardized RFP language can be found on the FNS EBT Partner Web, however.

2.2 RFP Requirements

The RFP should provide full details about the current system so bidders can recognize and plan for all aspects of system transition. In addition, outside bidders need to have operational information already known to the incumbent contractor. Any waivers the State has received from FNS that it wishes to employ in its new EBT contract, should be mentioned here as well. The RFP should ask for a description of previous corporate and key personnel experience with EBT and financial systems transitions. Bidders should be asked to list any current contracts and their schedules for implementation or transition work that may divert their resources.

The RFP should address the requirements for completion and submission of all State requested deliverables associated with the transition process, the terms of acceptance for all deliverables, and their due dates. The State should define the time needed for State review and assume 30 days for Federal review when required.

Bidders should be asked to address the following in their proposal:

- Management Plan
- Detailed Transition/Conversion Plan
- EBT-Only Retailer Agreement and Equipment Transition
- EBT Database Conversion
- Training
- System Testing
- End-of-Contract Transition.

A description of each of the items listed is provided in the following sections:

2.2.1 Management Plan

The RFP should require a comprehensive plan for managing the transition process. At a minimum, this plan should provide the following information:

- A description of each member of the project team to be assigned to the State
- Identification of subcontractors employed to perform any component of the work required by the contract, as well as copies of subcontractor agreements
- The degree of coordination expected between the prospective incoming processor's project manager and the State
- The decision-making authority of the project manager on issues related to the EBT project
- Demonstration that the prospective incoming processor's management structure can ensure adequate oversight and provide executive direction for its project manager
- Identification of the corporate officer(s) to be contacted should major problems arise during the performance of the contract and their timeframe for responding to the State
- Description of the lines of authority and communication that will exist within the prospective incoming processor's project team.

2.2.1.1 Problem Management

The RFP should require that the bidder have a formalized system to report problems and an effective capability to identify problems, identify personnel responsible for problem resolution, estimate timeframes for resolution, monitor status of all problems, invoke (as necessary) escalation procedures, and maintain a formal record of the final outcome. This is particularly important if the transition will include a database conversion.

2.2.1.2 Change Management

The RFP should require a formal standardized change management process. This process should address how the incoming contractor will apply the principles and practices of change management to the design, development, production, deployment, and operations support of EBT system technologies in all life-cycle phases.

2.2.1.3 Risk Management

The RFP should require a description of its methodology for identifying, monitoring, and controlling project risk factors.

2.2.2 Transition/Conversion Plan

The RFP should require a detailed Plan as a deliverable with all activities needed for the migration from the State's current EBT system with minimal disruption. The plan should include a description of the overall approach, the order in which the transition activities will occur, tasks to be performed, the parties responsible for performing each task, and a back-up plan if any or all of the transition activities are delayed. The plan should define milestones and timelines. As applicable, the State should request the following activities be addressed:

- Migration of transaction acquirers (TPPs) and retailers
- EBT only retailer transitions (including getting retailer contracts signed), POS device deployment and installation at retailer locations (if applicable), PIN pad installation
- EBT card replacement and reissuance if the state opts to change their cards
- State, client, and retailer training
- Migration of client, retailer, and provider databases, to include account aging information, expungement dates, transaction history, recipient card and demographic data, and benefit data
- Client notification of database conversion outage if the state opts to do this
- Retailer notification of database conversion outage, 2 must be sent
- Selection of an appropriate date and timeframe for database conversion, including an appropriate backup date
- A detailed work breakdown structure including phases, activities, deliverables specifically addressing account transfer, card issuance procedures, ability to respond to retailer concerns
- Testing procedures, verification and validation of the migration process
- Deployment of card activation devices (if applicable)
- Customer service
- Whether or not there will be two separate files of individual transaction data for ALERT sent to FNS for the conversion month (one from the incumbent processor for transactions occurring before the conversion date and one from the new processor for transactions occurring after the conversion date) or if the new processor will be providing the ALERT data for the entire conversion month. FNS prefers receiving data from each processor.
- Quality assurance checkpoints and critical paths

2.2.3 EBT-Only Retailers and Other Equipment Transition

The RFP should specify who owns the point-of-sale (POS) equipment supplied to EBT only retailers, card embossers, and any system infrastructure components. It should also explain fees or any reimbursement arrangements in the current system. The RFP must specify if new equipment is required, and if so, in what quantities. If the State owns some or all of the POS equipment, they should instruct the bidders on reuse or replacement. The State can allow the bidders to offer their own solutions in order to obtain the most cost competitive proposals.

2.2.3.1 Cards, Embossers, PINs, and Card Activation Devices

The RFP should explain the status of equipment deployment and ownership and state any requirements for bidders. The State has the right to maintain its current card design, embossing format, magnetic stripe format, and client PINs. Unless there has been a history of problems with the State's existing cards, keeping the current card design and magnetic stripe format is least disruptive. Altering the magnetic stripe format or the track 2 format will require issuance of new cards, which can be costly in terms of time and effort for State EBT personnel.

2.2.3.1.1 Cards

The RFP should define technical data requirements affecting card characteristics, including card design, formatting, and the type of data required on track 2 of the magnetic stripe. The RFP should explain any requirements for information embossed and/or printed on the front and back of the card (i.e. the client name and their PAN).

The RFP should discuss current distribution of cards, whether new cards will be issued or not. If a specific methodology for card distribution will be required, this should be explained in the RFP. The Federal requirements for timely accessibility to benefits must be met regardless of the distribution methods required or proposed.

2.2.3.1.2 Embossers

If new cards will be issued and embossers are used in State offices, they may not accommodate new personalization. The RFP should specify whether new embossers must be acquired at the expense of the bidder if the current embossers must be replaced.

2.2.3.1.3 PINS

The RFP should state the preference that client PINs will not change. If the prospective EBT processor proposes a PIN change, they should provide a plan and the equipment required to perform such changes.

2.2.3.1.4 Card Activation Devices

Most card activation devices signal the host processor to put a card in active status and allow cardholders to select a PIN. Since processors have unique solutions for this activity, it is not advisable to keep the devices or require that the dial-out number be transferable. Card activation devices must send a user selected PIN in an encrypted format (Federal regulations currently require the Data Encryption Standard (DES) from the device to the processor.)

2.2.3.1.5 Administrative Terminals

Most states do not have dedicated administrative terminals but have software to emulate an administrative terminal, or they use web based access. The RFP should explain the State operating system and network configuration and include administrative terminal requirements. The State should retain approval authority for the timeframe for administrative development and installation.

2.2.4 EBT Database Conversion

Details about database conversion are required as part of the Transition Plan deliverable. At a minimum, the bidder should be responsible for coordinating the transmittal of the history, online authorization, card, benefit, and clients' demographic files. The conversion should be timed to minimize disruption to retailers and clients. This depends on the State's own issuance cycles and other State factors. If the State has dates, notices, or actions they must meet or use they should be included in the RFP. States may want to ask for suggestions or innovations from bidders.

2.2.5 Training Plan

The RFP should explain training requirements for clients, retailers, and State and county staff. It should also explain requirements for creating and distributing information packets, quick reference materials, training videos, and language requirements. The RFP should make clear that the training plan and materials would become the property of the State.

2.2.6 System Testing

2.2.6.1 Acceptance Testing

The RFP should explain State and Federal test needs. If a new processor is selected, a Federal acceptance test will be required prior to database conversion. If the State selects their incumbent processor and their incumbent processor proposes significant changes to the existing system, a Federal acceptance test will also be required. All functional areas must be tested within the State's network configuration.

2.2.6.2 Database Conversion Trial Runs

The RFP should require at least two trial runs of the data conversion prior to the actual database conversion.

2.2.6.3 Interface Testing

The RFP should require that the new processor begin testing the interface at least two months before the functional demonstration. The tests should at a minimum include:

- Rejection of duplicate files
- Rejection of duplicate records
- Detection and correction of transmission error
- Rejection of incorrect headers or footers
- Adequate return files.

2.2.7 End-of-Contract Transition

The RFP needs to address expectations of the successful bidder when the end of their own contract term takes place. The RFP should require potential bidders to include in their proposal, an agreement to:

- Work with the State and any other organization(s) designated by the State to facilitate an orderly transition of services at the end of their contract term.
- Work in a professional manner with the State's next contractor/processor to execute a smooth and timely transition at the end of their contract term.
- Coordinate with the next contractor/processor on migration of customer service functions on the night of database conversion. This may require both to develop special ARU messages approved by the State for use during database conversion.
- Provide the State the right to serve as a mediator between the old and new contractor/processor, subcontractors, retailers, and TPPs.
- Allow for fallback in case of database conversion failure.
- State purchase of POS devices if the State wants them and at depreciated cost.

3 NEW CONTRACT COMPONENTS

3.1 Overview

In this section the old contractor is referred to as the incumbent and the newly awarded contractor is referred to as the new contractor. Whether the State selects a new contractor or the incumbent, a new contract must be negotiated and executed. FNS must approve the contract.

3.2 Negotiations

Negotiations usually take one to three months. If a database conversion will be necessary because the transaction processor will change, then negotiations should be completed one year before the expected database conversion.

3.3 Transition Elements in New Contract

The contract must clearly document the State's expectations and the new contractor's obligations during the approaching transition and database conversion, if one is necessary. The contract should resolve all open-ended issues mentioned in the RFP and address the new contractor's duties when their term ends. The main objective is to obtain cooperation between contractors whenever a change occurs as a result of competitive bidding.

3.3.1 Schedule

In advance of contract award, the State should have its own tentative transition schedule in mind. A detailed Transition/Conversion Plan should be included as a contract deliverable. (Any plan involving a database conversion, must be approved by FNS and the State.)

3.3.2 Incentives or Penalties

The State may want to establish incentives for on-time milestone completions or penalties for failures to stay on schedule. States may tie payment to the deliverables or milestones and hold back all or a portion of monthly payments or individual payments for specific items. States should be extremely careful about monetary penalties since transition work requires cooperation among many players, possible including an incumbent that has just lost the bid. The RFP should be explicit that penalties will only be imposed if the new contractor is fully responsible for the delay.

3.3.3 Ownership – EBT telephone numbers, POS devices, cards, etc.

The contract should specify who owns the rights to the telephone numbers, POS devices, card stock, embossers, encoding equipment, card design, card activation devices, and other EBT infrastructure items. The contract should specify the requirements for, and timing of, transfers of these. If the State acquires ownership of POS, then they should consider becoming a party to the retailer agreements.

3.3.4 New Contractor's Responsibilities When Their Contract Term Ends

The contract should require that the new contractor (and host processor if that is a subcontractor) will work in a professional manner with any future EBT contractor and/or host processor during transition and database conversion. The new contractor should agree to provide test and production data for transition at the end of their term. The new contractor should agree to provide a complete reconciliation of their benefit records to balances remaining in the State's account. The costs of these items may be separately paid or contained within the CPCM or within monthly costs. The State may specify how these costs are to be handled in the RFP or during contract negotiations.

The new contract should cover the possible need for supplying missing data, records, files, etc. to the State after the contract expires. The format of the data, the period of time after the contract that data can be requested, and associated costs should be addressed in the contract.

3.3.4.1 Data Files

The contract should address the need for database clean up towards the end of the contract as well as the need to provide test data to the next contractor. The contract should specify a period of time at the end of the term (usually the last 6 months) for these actions.

Clean up should eliminate erroneous data, incomplete case files, aged benefits ready to be expunged, and other extraneous data. This will reduce the amount of time needed for database conversion at the end of the term.

3.3.4.2 Equipment

The contract should require cooperation in transferring equipment or an agreement that the next contractor may begin replacing equipment (e.g., EBT-only POS) prior to database conversion. If POS or other equipment is replaced before database conversion, the State may be able to negotiate for a reduction in costs as compensation for the replaced equipment.

3.4 Liabilities

The contract should address possible liabilities for discrepancies in database values at the end of the term. Minor discrepancies in values may be discovered which are not substantial enough to stop the conversion. Both contractors would then need to investigate the differences, determine where the error occurred, and decide if either one of them needs to accept liability. Although the details cannot be anticipated, there should be an understanding that discrepancies may result in liability and payment to the State. The contractor should be held responsible even if host processing is provided by their subcontractor.

4 TRANSITION ACTIVITIES (ONE YEAR PRIOR TO DATABASE CONVERSION)

4.1 Overview

This section identifies the major transition activities that should take place during the last 12 months before database conversion. Early activities are addressed in sections 4.2 through 4.17. Activities that take place in the last month prior to a database conversion are addressed in section 4.18. The term "contractor" is generally used in this section because of their overall responsibility; however, the term "processor" is used in items related to host processing.

4.2 State Issues

The State must get approval from FNS for administrative funding prior to incurring any costs from the new contractor. If payment begins only after database conversion, the State should submit their Implementation Advanced Planning Document (IAPD) at least one month prior to database conversion. If development or any other costs will be incurred earlier, the IAPD should be submitted one month in advance of incurring costs. Even if the same contractor wins the bid, an IAPD must be submitted for the new contract period before costs are incurred under the new contract terms.

4.3 Transition Management

Transition managers should be designated at the State, the old contractor and host processor (if they differ), and the new contractor and new host processor (if they differ). The State should oversee all major aspects of the transition process.

The new contractor should be responsible for developing and submitting a weekly report describing the major completed activities associated with each task during the reporting period. It should provide:

- Description of identified problems
- Corrective actions and timeframes
- Identification and status of tasks required by Federal and State agencies
- Description of delayed tasks, reasons for delays, and revised completion date(s)
- Schedule of activities for the next reporting period
- Status on:
    - POS device deployment and installation
    - Deployment of other equipment
    - Training (State and county, financial, program, and EBT staff, recipients, and retailers)
    - Training site acquisitions, if needed
    - Card issuance
    - Progress on Retailer agreements
    - Progress on TPP certification
    - Testing
    - Record conversion

4.3.1 Transition Team

There should be one responsible party from the State and each contractor. The transition team may also include other state, contractor, host processor staff, as well as retailers, advocates, FNS, etc. It is critical that State team members come from both program and information technology (IT) areas. Both sides need to be represented so that technology or telecommunications needs don't override policy requirements.

There should be frequent meetings and/or teleconferences to determine if the transition process is on schedule or if modifications to the schedule are necessary. Table 4.1 below describes the main responsibilities.

Table 4.1. Roles and Responsibilities

Role	Responsibilities
State	• Ensures state workers are trained and familiar with the functionalities of the new administrative interface • Catalogues all reports from the old system and eliminates the ones unused in the new system • Approves all notification letters to clients, retailers, and TPPs • Determine go/no-go decisions • Works with all stakeholders • Approves and accepts deliverables • Posts transition plans on State website (if applicable) • Decides whether vouchers will be used during down time
Incoming Processor	• Chairs progress meetings • Ensures timetables and milestones are met • Receives status reports from all parties • Updates transition schedule • Coordinates transition tasks • Coordinates training • Ensures stores are equipped prior to system cutover • Ensures TPPs are certified to new processor • Re-contracting with retailers and TPP • Transition trial runs • Notices and info to retailers and TPPs • Tracks progress with EBT-only and TPPs
Incumbent Processor	• Ensures transfer of files • Coordinates activities • Conducts trial runs • Performs database clean up • Reports on extraction leftovers • Retrieves POS terminals, if applicable

Retailers & Retailer Assoc	• Sign and return new contract(s) • Act as conduit for retailers' questions

4.3.2 Problem Tracking

Problems should be documented and tracked by a single person on the transition team. Tracking should include tracking number, the date the problem was identified, a description of the problem, the individual who identified the problem, who is responsible for action, a description of resolution, and the date the issue was closed. To effectively track problems, an accessible system should be made available to those involved in the project.

4.4 Third Party Processor (TPP) Participation

The new contractor must obtain approval of TPP agreements from the State and FNS, before executing contracts with the TPPs. This approval request must be done even if the same contractor wins the bid, and the TPP agreement is not changing. The State should be advised of any costs or fees associated with the certification of TPPs. Progress or problems in TPP certification should be reported regularly.

4.5 Equipment

Any changes to equipment have to be planned and coordinated with the outgoing contractor, and notices given to the stakeholders before the changes are implemented.

4.5.1 EBT-Only Retailer Participation

The agreements with the EBT-only retailers must be approved by the State and FNS. In addition to providing retailer agreements, the new contractor should also provide an explanation of the retailer's participation in the transition process. The new contractor must have POS equipment deployed in at least 80% of the EBT-only retailers without large geographic gaps before database conversion.

The State's decision on whether to buy POS equipment, instead of the equipment being part of the overall costs or instead of leasing the equipment, will determine whether or not the new contractor will deploy new POS terminals and down line loads. The old/incumbent contractor is responsible for removing its POS terminals. The State should approve the method for new terminal distribution and installation. The amount of time it will take to install POS terminals at all locations will depend on the number of EBT-only retailers. Installation time should allow for delays due to weather, retailer availability, and geographical disbursement of retailers throughout the State.
If new POS terminals are installed at the retailer sites before actual cutover, all incoming transactions should be routed through the new processor who acts as a TPP until cutover. This routing may also be used if the State has acquired the POS.

4.5.2 Cards, Card Activation Devices, PIN Selection Devices, Card embossers, etc.

Clients will retain their current cards, unless the State requires replacement. The new contractor can perform card issuance before or after database conversion, however, the optimal time is to issue them incrementally following the conversion. The new contractor may be responsible for developing a process for notifying clients concerning card issuance procedures if cards are being replaced. If so, the State should approve this client notification process. Current cards should remain active until the new cards are activated. The new contractor may also be responsible for providing sufficient card transition facilities and staff to adequately support the State's client caseload, depending on the State's requirements.

4.6 Administrative Terminals

The new contractor should be responsible for installing software on all State computers as specified in the RFP. The State should decide on the timeframe that allows staff to become familiar with the functionality and operations of new administrative terminals. The new contractor is also responsible for providing State personnel with new user IDs and passwords. The State will need to provide the new contractor with a list of all State personnel requiring access to the administrative system and clearly identify each individual's access privileges. This is also an opportune time for the State to determine if those with access to the old EBT system will continue to need access to the new EBT system.

4.7 Web Based Administrative Terminal Access

Web-based administrative terminals have no immediate transition concerns other than the security posture of the host for the terminal access. States should require the contractor to identify any specific security issues related to the browser the State would use.

4.8 Food Stamp Benefit Account (AMA and ASAP)

In cases where a new contractor is selected, a new account number will need to be established. The State and the new contractor must coordinate and insure that Account Management Agent (AMA) and Automated Standard Application for Payment (ASAP) accounts are set up prior to transition. Unless the State draws the funds, the new contractor must get a new Treasury account number. FNS sends an "AMA Profile" form to the State to begin the process, which can take up to10 weeks.

The incumbent contractor must perform an overall reconciliation of all EBT funds entering into, exiting from, and remaining in the system at the end of its EBT contract with the State.

During the transition phase from an existing contract period to a new contract period, the incumbent EBT contractor must ensure that the file transferred to the new EBT contractor is totaled and compared to the balance in the new ASAP account.

4.9 Transition Reconciliation

It is imperative that the incumbent EBT contractor conduct a reconciliation prior to and during the transition phase as it involves transferring cardholder benefits from its system to the new processor's system. Concurrently, that amount of funds will need to be switched from the old ASAP account to the new ASAP account. The incumbent contractor is responsible for ensuring that the level of funding in the old ASAP account reconciles to the level of benefits moved between the contractors, or between the contract periods, if the contractor remains the same. The incumbent contractor must research and resolve any discrepancies. The incumbent contractor must also make payment to FNS for any outstanding shortfall that may exist in ASAP revealed by the reconciliation process. The incumbent EBT contractor must keep the State appraised of its actions in such matters. The incumbent EBT contractor must also advise the State of any overages found in ASAP during this reconciliation period so that the State can advise FNS to authorize the necessary adjustment and reduce the outstanding value of benefits being transferred to the new contractor.

4.10 Pseudo Retailer Numbers

The State needs "psuedo retailer numbers" in order to report non-federal liabilities to the FNS Store Tracking and Redemption System (STARS). They may also need numbers for card replacement fees. States no longer need to perform cash-out conversions for recipients moving to another State; therefore, no tracking numbers will be assigned for this purpose.

4.11 Database Clean up

The State should require their incumbent EBT contractor clean up the database. Unnecessary data includes client and case information that should have been expunged, incomplete cases, and other data that is no longer needed. This clean up should be completed prior to any data conversion trial runs.

4.12 Telecommunications

The State needs to insure that the new contractor establishes links to the State, all its field offices, and any other designated State facilities. The new contractor should test all hardware, software, and telecommunication links connecting to the State, TPPs, networks, etc. It is critical that all communication links have been thoroughly tested before the day of database conversion.

4.13 Federal Acceptance Testing

A formal Federal acceptance test is required; although, FNS may decide that only a scaled down version is necessary under certain circumstances. Prior to Federal acceptance testing, the new contractor must provide a detailed system design, system test plan, and acceptance test scripts. The test plan should be provided 2-3 months before testing and the scripts 1-2 months before testing.

4.14 Transition Testing – Trial Runs

The new contractor should provide a test plan to the State that describes the trail runs that will be conducted prior to database conversion. The plan should describe the purpose and function of the trial runs and the expected outcome of each scenario. The test plan should also include specific testing processes and back-up solutions if needed. The following processing components should be included:

- Client Eligibility Systems
- Merchant Processing
- Client Processing
- Reporting
- Administrative Processing.

The new contractor should maintain a test database before production to validate transactions from the State eligibility system, POS terminals, and ATM networks. Initial testing of the new system will occur once the files are received from the incumbent host processor and the test database is populated. Network connectivity should be tested to ensure that all online and batch files are received and transmitted properly. The State should send the new processor a dummy file. A return file should be transmitted to ensure that the file was processed successfully.

The trail runs should be done the same way and in the same sequence as they will be done the night of conversion. Estimates and expectation based on the trial runs are only useful if everything is done exactly the same.

4.15 Key Exchange

Key exchange is a critical component of EBT system security and protects client PINs, which is the item most in need of safeguarding. The incumbent host processor needs to arrange a key exchange to transfer client PINs to the new processor's host system. The working key is exchanged between processors and the key exchange key is imbedded within this working key. PINs must not appear in the clear at any time. The incumbent processor must decrypt the PINs from their host system and then encrypt these PINs with the new processor's key within approved cryptographic hardware.

4.16 Establish a Go/No-Go Decision Matrix

The State should develop a go/no-go decision matrix before the database conversion. This matrix should include logical decision points that will occur throughout the night of the actual database conversion. The matrix should identify maximum discrepancy and liability amounts that the State and their contractors are willing to accept. Maximum delay times should also be identified in the matrix.

Table 4.2. Go/No-Go Decision Matrix

Condition	Discussion	Go/No-Go
History files do not transfer completely or	History files can be sent at a later date.	Go

Condition	Discussion	Go/No-Go
at all		
File transmission from old to new processor fails	Determine the time it will take to resend the files and the cause of the failure.	If the cause of the failure was transitory then resend the files if the delay is within agreed to parameters. If a resend is likely to fail, States should give a no-go decision.
Voucher authorization records do not transfer	Voucher authorizations can be resolved at a later date.	Go
New processor error file from load shows many unexpected errors and rejections	Determine the cause and estimate time for correction.	Base decision on previously identified parameters.
Reconciliation of active demographic records fails	If the new processor shows more beneficiaries than the old processor, determine if the counts were recorded with the same methodology. (E.g., do both systems count authorized rep records the same way.) If the methodologies agree then determine if the new processor received records other than from the old processor. (E.g., test cases or a daily file loaded earlier.) If there are fewer records, determine if the load had errors that caused records to be rejected. Determine if the transmission of files completed normally.	If the cause for the discrepancy cannot be discovered but the benefits reconcile, States should still consider a no go decision. If there are large inconsistencies and the difference in benefits reaches the previously identified parameters, a no go decision should be made. If the differences are negligible then States should give a go decision.
Database conversion takes longer than projected time (based on trial runs) for completion	If time is exceeded, a determination of the new duration should be estimated and the cause for delay found. Other jobs can be suspended until the main databases are operational and the system can begin authorizing transactions.	If the identified parameters are exceeded, a no go decision should be made unless the State is ahead of schedule already.
New processor shows fewer benefit dollars than old processor	Parameters for discrepancy and liabilities should be determined in advance.	If discrepancy exceeds the allowable error for the State a no go decision is required.
New processor shows more benefit dollars than old processor	This is an unusual condition and should be examined closely regardless of the amount. New processor should check to make sure its reports are not counting some benefits twice. Parameters for discrepancy and liability should be determined in advance.	If cause for discrepancy cannot be determined and the parameters are exceeded, then a no go decision should be made.

Condition	Discussion	Go/No-Go
Reconciliation of active benefit records fails	Some time should be used to discover the cause of the discrepancy.	If the State limit has been exceeded and the cause for the discrepancy cannot be determined in a reasonable period of time, States should give a no-go decision.
New processor does not receive TPP transactions after going on-line	Ensure all lines are configured correctly. (Check the line configuration before the conversion begins). Try to bring up another third party processor. Ensure that host logon passwords have not changed. Ensure that all processes on the new processor host are up and active. Determine where message queues are forming.	If correction will delay longer than previously identified parameters, fall back to old system.
New processor declining abnormal number of transactions	Determine the cause for the declines. (An increase in declines for insufficient funds is normal after conversions). If the cause is a new processor error, determine the fix, the risk for implementing the fix quickly, and consequences for implementing the fix.	If no quick fix is found, the State should consider fall back to the old system.

4.17 Communications

Third party processors, direct connect chain stores, EBT-only retailers, ATM networks, and any other connected parties to the incumbent processor must be informed in advance about the expected duration of the down time and the new processor's connections.

4.17.1 Transition Web Site

States are strongly encouraged to develop a web site dedicated to their EBT system transition. The web site should post the transition schedule, deliverables associated with the transition, contacts for the various stakeholders, and other pertinent information. A web site would provide a single point of reference for State and county personnel, retailers, and others to access information regarding the plans and progress of the transition.

4.17.2 FNS Letters to Retailers

FNS has mandated two notices be sent to all retailers about the expected outage caused by database conversion. The first should be mailed 60-90 days prior to database conversion. The second should be sent 15 days prior to database conversion. FNS will coordinate with the State to help provide information to the retail community and will provide mailing at State request.

4.18 Final Items and Activities - One Month Prior to Database Conversion

The State and the contractors (incumbent and new) should have completed the majority of transition activities before the last month prior to database conversion. The new contractor needs to provide the States with a complete schedule for planned activities and also provide a batch job checklist for the night of database conversion. Checklists need to include several jobs that will print record and dollar totals to be transferred to the new host processor.

Last month activities and decisions:

- Vouchers settlement process for those approved by old contractor that need to be settled by new contractor
- Voucher authorization procedures, limits, liabilities during downtime
- Help desk messages during downtime
- Conversion schedule for conference calls (usually hourly) between incumbent and new contractors and processors, State personnel, and FNS representatives
- Cut-Off Activities – vouchers, automatic card mailing, administrative terminal changes, State security profile changes, State issuance files, expungements, etc.
- Second retailer notice 15 days before outage
- Last trial runs.

5 DATABASE CONVERSION

This section describes the activities that occur during the night of database conversion.

5.1 Batch Process Transition

At the agreed upon time, the incumbent processor ceases to receive transactions and the system data is copied. This data is then uploaded to the new processor and reconciled (see Section 5.2). If the systems reconcile, the new system is brought online. If they do not reconcile, an analysis is conducted to determine the cause and a recovery time is estimated. If the required corrections can be made in a predetermined timeframe, this is done and the systems are reconciled again. The new system is brought online if no reconciliation issues remain. If the required fixes cannot be made in the predetermined timeframe, the old system is brought back online. A new transition is scheduled and the process begins again.

5.2 Periodic Reconciliation

All processors have different file structures, file hierarchies, record structures, layouts, and file relationships. It is impossible to count the total number of various records for similar types of files (for example, the total number of on-line access records) because system architectures differ. However, it is meaningful to count record entities that are significant for the States themselves. At a minimum, States should ensure the following aggregate values:

- Benefit dollars*
- Active cases*
- Active retailers*
- Number of history records transferred*
- Active Cards*
- Pending Benefit dollars*
- Inactive cases
- Voucher authorization dollar value during transition activity
- Benefit dollars added during month before transition
- Active cases added during month before transition
- Settlement values for day of transition
- Number of Card/PIN orphan records (if applicable)
- Number of orphan demographic cases (if applicable)
- Number of orphan benefits cases (if applicable)
- Dollar value of orphan benefit cases (if applicable)

* The incumbent and new processors will independently generate these values. These values should be equal.

The incumbent will generate counts and totals when they extract the files for transfer to the new processor. These numbers should be immediately given to State personnel. The dollar figures should represent the previous day settlement dollars affected by the daily transactions. The incumbent processor should run settlement once the files have been transferred to the new processor and the settlement reports should be sent to State personnel. The new processor should account for dollars and caseload numbers while they are extracting the transfer files for processing. These numbers should immediately be sent to State personnel. The State personnel

will then compare the figures from the incumbent and new processors and take the pre-determined actions if the numbers are not equal.

5.3 Transfer of Files

The incumbent and new processors should agree on two distinct file transfer methodologies. One is the primary, and the other is the backup. For example, a common methodology for file transport is the File Transfer Protocol (FTP), which is fast and can be secure if the files are encrypted. If FTP is the primary method, then the second may be via a host-to-host dial-up with an encrypted download to a designated directory by the new processor. Manual methods should be avoided but can be used as a last resort. Files can be downloaded to tape (as long as the new processor has the equipment to read the tape) and then shipped to the new processor by car or air. The manual method is expensive and time consuming and should only be used in the event that no other method has succeeded.

Routinely, the first job the new processor will run is to verify file data with header and footer information and contact the incumbent processor to verify verbally that the data is correct. In the event that communications between the two files becomes temporarily disrupted, then the new processor should contact the incumbent immediately and have the file currently in the process of transfer stopped and then restarted from the beginning to ensure that no corrupt data will be loaded on the new processor's host.

Both processors should create batch control language jobs that will help operations in the event of a communication failure. These batch files should have explicit instruction to operations on their use. If communication does fail, operations should be informed of any dependencies on the file transfer and operators should ensure that no new files begin the transfer until the previous file has been sent and validated by the new processor as error free. Some of the contingencies can be practiced during trial runs so that operations staff will be aware of all contingency procedures. The vital part of the transfer procedure is to keep delays to a minimum. This is possible only if the staff involved with the transfer know how to proceed regardless of the contingency encountered. The actual run should be compared in time to the trial run time and the projections that came from the trial runs. If the transfer time starts to exceed the expected times by greater than 10 per cent, then the processor should look at the processing to determine the cause for the delay. Typically delays are caused by routine jobs that are unexpectedly processing during the transfer process.

The State should instruct both old and new processors that non-critical processes should not be run during the conversion by either processor.

5.4 Description of Files to be Transferred

The new processor should obtain from the incumbent processor, the data currently being used by the State's EBT system. File transfers of some data from the incumbent processor to the new processor should commence prior to the day of conversion. All data should be transferred upon termination of the contract between the State and the incumbent processor. The new processor is mainly responsible for converting file layouts for all data files into its own EBT database. The new processor should frequently reconcile all State records and account for any anomalies found.

The new processor should perform significant testing of the conversion process, including performing test transactions against the converted database in the test system. The new contractor should also perform testing to validate that PINs have been converted successfully. The new processor should be responsible for maintaining the EBT databases and receiving the following files from the incumbent processor:

- Transaction History
- Benefit
- Demographic
- Retailer

During database conversion, the new processor should be responsible for ensuring the following:

- The acceptance of the three years of transaction history that is transferred from the current EBT contractor
- Conversion of ninety days of online transaction history onto the new system
- Having checkpoints and reconciliation procedures built into the transition process to ensure that no benefits or records are dropped
- Having a contingency fallback plan in case the transition cannot be completed in a timely manner due to problems.

5.4.1 Transaction History Transfer

Transaction history is stored on-line and off-line. Typically States require processors to store 90 days of transaction history on-line and three (3) years of transaction history off-line. Depending on the State's requirement and contractual agreements, the amount of on-line benefit history transactions accessible to the client will vary from State to State. The two transaction history files should contain all the food stamp, cash, POS, ATM, and voucher transactions for all clients and benefit types.

The new processor can populate the history database by one of the following two approaches. First, the new processor can receive client transactions from the incumbent processor via batch up to the day of database conversion. Using this approach, the new processor can incrementally receive daily transactions to slowly build up its database in advance. For example, if the State requests one month worth of transaction history, the new processor could begin to build up its history database exactly a month prior to the day of database conversion. Incrementally building up the database should provide the processor more time to resolve any issues that might occur. The second method for populating the history database involves transferring all history transactions from the incumbent processor's database to the new processor's database at one time. This method is riskier, but would require less time.

5.4.2 Online Authorization Transfer

The incumbent processor should be responsible for providing the new processor with the client file and the online authorization file. This file is a database that contains information establishing each client's identity and provides individual account data. At a minimum, the client file typically contains the following fields:

- Card number
- Encrypted PIN
- Food Stamp and/or Cash program
- Balance
- Card Status
- Date account last used
- Benefit authorization
- Benefit date.

The incumbent processor should be responsible for assisting the new processor with developing the file format definitions.

5.4.3 Demographic File Transfer

The incumbent processor needs to work with the new processor to develop the layouts for all files, which will include header, trailer and detail information. The demographic file will contain, but is not limited to, the following fields:

- Client Name
- Address
- Phone number
- Social Security Number
- Date of Birth
- Case number
- Account number
- Date card was last used
- Any linking elements to other files (these need to be known in advance)
- Authorized representative (if exists)
- Card status
- Encrypted PIN
- Past benefits still unspent
- Pending adjustment and status of notice.

5.4.4 Retailer Files

The new processor is responsible for obtaining the retailer database and the Retailer EBT Data Exchange (REDE) files.

5.4.4.1 Retailer Database File Transfer

The new processor should acquire the following information for retailer transfer:

- Terminal Numbers
- POS Serial Numbers
- Logon Ids
- Passwords
- Banking Data
- Point of contact (POC)

- POC Phone Number
- Address

5.4.4.2 REDE File

The new processor is responsible for obtaining the Retailer EBT Data Exchange (REDE) file from FNS on a daily basis. The REDE file is used to update the retailer database with newly authorized retailers and deletions of existing retailers. This file contains the following data:

- Store name
- Store address
- Ownership information
- FNS Retailer authorization number.

5.5 Loading New Host Processor Files

The new processor should load the files in the exact order and with the exact methodology employed during the trial runs to ensure that the timeframes are comparable. Jobs should be continually monitored to ensure that they complete in a timely manner. At critical junctures during the loading process, the new processor should have planned for jobs to report on the records loaded, the time it took for the load, the dollar amount (if applicable) loaded, and any other element that would be helpful to verify the accuracy of the loading process. States should define their limits for loading errors well before the actual loading process begins. If there is a discrepancy between either the dollar amounts or the actual number of records loaded the new processor should immediately notify the State. If the amounts exceed pre-determined limits for error then the State and the new processor should discuss the variance and decide if the transfer should continue or abort.

For example, if the new processor looks at the error file produced during a file load (error files should contain detailed entries of why records did not load properly) and finds that a large number of records were rejected because a single value of a particular element was not expected by the processor, then it is legitimate for the processor to change the loading software so that type of record does not reject and rerun the batch job. Before such action is taken however, the processor should inform the State, estimate how long it will take to change the software, whether the database needs to be recreated or whether the original file can be reloaded with no adverse consequences to any partially loaded file. It is best if loading software creates two types of files in addition to the database file. The first file should be a text error file that shows all elements of the offending record and the cause for its rejection. A typical record in this file should have the following attributes:

- Error number (From a system calls, not from validation rejections)
- Error message (along the lines of “Duplicate Record” or “Illegal Value”)
- The verbatim record itself with translated binary values
- An arrow indicating where the record failed on the insertion attempt
- The routine that rejected the record.

The other file created during the loading process is a duplicate error record file created in the same file format as the input file that can be used for reprocessing. The file should contain all rejected records and proper header and footer files so it can be used to directly feed the corrected

software. States should carefully consider the value of the second file. It will cost processing time during the conversion. If the trial runs occur without significant errors, States may wish to forgo this particular insurance policy. However, the time used to create the error input file will be proportional to the actual amount of error records placed in it. If the overall time for the input job took one and one half hours to process 20 million records, but the overhead for the duplicate error input file added an additional one half hour to reject 10,000 records, then the State will have lost the half hour to overhead, but the time it will take to reprocess the error file will be far less than the time to reprocess the original file.

If the new processor provides no adequate explanation for excessive loss of data initially, the State should allow a pre-determined amount of time for research. With meaningful error files, research should be relatively fast unless the loading process enters an infinite loop. Processors should be able to quickly diagnose looping if good time estimations were made during trial runs and if it appears the loading process seems to be sticking at some point. The State should ensure that not only can a determination of infinite looping be made, but also where and how the situation occurred within the loading software.

If the diagnosis starts to add excessive time to the database conversion process, States should consider that the transfer failed, and the database conversion needs to occur at a later date.

5.6 Bringing the New Processor On-Line

Once the new processor loads the files with only minor discrepancies then the new processor should be brought on-line. Typically, there are two types of processors; those with either a subcontracted or in-house gateway or those which have the gateway function as a part of the overall transaction approval process.

The new processor first brings up the line between the external gateway and the new processor. Once the connection has been established and the gateway shows that it has established an enduring connection to the host, one of the third party processors should establish a connection to the gateway and allow transactions to flow across that connection. The line should have been tested and configured long before the actual database conversion. The first TPP should be one of the smallest so the new approval process begins with a relatively low amount of traffic. The processor should closely monitor the transactions as they begin to flow to ensure that approvals and rejections are occurring normally. It is reasonable to expect a fair number of transactions to be rejected because of insufficient funds. It is unreasonable to see all or even many transactions being declined because of:

- Bad PINS
- Uncertified Retailer
- No account found
- No card on file
- PIN count exceeded
- No benefit found.

It is also unusual to see numerous bad format messages, (0600 messages) flowing in any direction between the gateway and third party processors. If these conditions occur it is probably best to sever the connection between the TPP and the gateway and determine the cause

of the declined transactions. The State should only allow a limited time for a diagnosis to occur (unless the transition is ahead of schedule). Another TPP should connect to see if the situation still occurs. If the declines continue then it is almost certain that the new processor has a problem with the authorization process. If the problem goes away, the problem is with the original TPP.

The same general activities should take place when the new processor incorporates the EBT gateway within their EBT host. The only real difference is that the gateway already connects to the processor so that line does not have to connect first. The TPPs should still be brought up one at a time so that any problems can be limited to a small traffic volume.

5.7 Making an Assessment of the Situation

Assuming the batch method is used, there should be an estimate for how long the entire process will take (determined during the trial runs). If the conversion remains relatively on-schedule, and the periodic comparisons of data show few discrepancies then an hourly meeting to review the status should be short and the decision to continue would be normal.

The parties managing the conversion should constantly monitor two critical components, time and data matching. If the conversion itself is taking more time than the trial runs then the reason for the delay should be researched. If no cause is found and the projected time for the new processor to go on-line slips by a pre-determined margin, then the State must consider aborting.

Similarly, if the databases of the two processors do not reconcile, and no explanation of the anomaly is found, then the State must consider aborting.

If the processors can determine causes for time or balance anomalies but the new system will be brought on line with an unacceptable amount of missing funds, missing data, or much later than originally expected the State should also consider aborting.

If the processors can resolve issues with reasonable explanations and timely actions then they should be given the chance to do so. The situation can be re-assessed after correction has been attempted.

6 POST-TRANSITION ACTIVITIES

If the database conversion is a complete success, there are no missing funds, reports, records or tapes, the new system balances on the first day, all reporting to FNS and to the State shows correct and meaningful data, and there are not unusual transactions, then there is little left to be done except the daily activities that were performed with the incumbent.

If the conversion did not work perfectly, then the State, the incumbent, and the new contractor must work quickly to determine the cause for all errors and take corrective measures.

The new contractor should coordinate the daily settlement and clearing reports to assure the State that all daily activity on the day of database conversion has been properly accounted for in coordination with the State, the Federal Reserve, and FNS.

6.1 Post-Transition ALERT and STARS Data

The Anti-Fraud Locator for EBT Retailer Transactions (ALERT) and Store Tracking and Redemption System (STARS) data for the month of database conversion will come from both contractors. The State should ensure that each supplies their portion in a timely manner to FNS.

6.2 Watching for New Anomalous Activity

Table 6.1: Types of Missing Data

Type of Missing Data	Likely Cause	Resolution
Retailer Database differs substantially	New processor did not correctly process REDE file	Ensure REDE file from FNS is current and is the full monthly update. Rerun job to load retailer database
New Processor shows substantially less benefits	Current benefits do not reflect additions from State, or all benefit data was not passed correctly from the incumbent processor to the new processor	Ensure that daily benefits from the State have been processed correctly without errors, if not rerun jobs to load benefits from State. Ensure that a complete benefit file was sent correctly from the incumbent processor to the new processor (this should have been done before the new processor was brought on-line). If benefits were missing then the incumbent processor must correctly extract missing benefits, and resend them. The new processor must load the missing benefits, ensure that benefit file was correctly processed (check error log) and rerun load of benefits if necessary
New processor does not show adequate history	Complete history files not sent from incumbent processor to new processor. Complete history file not extracted from	Determine the location in the chain where the history data failed to be correctly extracted, extract the data, send it, and have the new processor load it

Type of Missing Data	Likely Cause	Resolution
	incumbent processor. Complete history file not loaded by new processor	
PIN data corrupt	Incorrect encryption key	Ensure correct encryption key shared by processors and rerun load of on-line database

The State should carefully review the transaction and settlement data in the following weeks to ensure that the new system is in balance, stores are receiving funds, and beneficiaries are receiving their correct benefits at the correct time. The State should also ensure that the bills from the old and new contractors correctly reflect the caseloads hosted by each. The State should also monitor for normal amounts of format errors, reversals, processing from the help desk, adjustments, and reports of fraud. If there are statistically relevant increases in complaints over a sustained period of time, the States should investigate the causes and take action as appropriate. States can expect to see some minor increases in complaints especially if the help desk numbers did not transfer to the new contractor and the card stock lists the old number for the help desk. Increases in reversals or other on-line transaction processing errors may indicate capacity problems or incorrect timing configurations. Increased format errors may indicate an undetected software error.

6.3 Administrative Terminal Access

It may be necessary for some State offices to maintain access to the old contractor's system for the purpose of obtaining end-of-month reports. When these are completed and reviewed, that access should end. FNS and OIG should also have access to the new processor's system as of the first day of processing under the new system.

6.4 Old Contract Assessments

Any discrepancies or errors for which the old contractor is responsible should be determined soon after the conversion. Penalties need to be assessed under the former contract terms and may be withheld from the last payments.

6.5 Listening to Retailers and Beneficiaries

The State should expect some retailer complaints and problems but be concerned only if these are excessive or reveal serious problems. Both the State and the new contractor should remain ready to act quickly to investigate and resolve retailer problems. Staffing should be increased for the first several days of new system operations.

6.6 Transition Report

The State should document all activities that occur during the entire transition process. The report can serve as a "lessons learned" as well as a guide to future successful EBT system transitions.

APPENDIX A – Glossary of Terms and Acronyms

Account Management Agent (AMA)	Process used by processors to enter issuance and returned issuance data. Located at the Federal Reserve.
Anti-fraud Locator using EBT Retailer Transactions (ALERT)	File sent to FNS for use in retailer fraud detection.
Automated Standard Application for Payment (ASAP)	Treasury's electronic payment system for Federal benefit funding
Audio/Automated Response Unit (ARU)	Automated telephone system that is used to process all EBT helpdesk calls. Clients can call and utilize the ARU to obtain EBT balance inquiries, report a lost/damaged/stolen card, and obtain transaction history
Automated Clearing House (ACH)	A secure payment transfer system for the movement of all Electronic Funds Transfer (EFT) transactions among participating institutions and processors.
Automated Teller Machine (ATM)	An electronic transaction device which enables a client to perform basic banking activities, such as checking one's balance and initiating an electronic fund transfer
Customer Service Representative (CSR)	Help desk operator familiar with EBT
Encryption	Refers to the process of translating data into a cipher, a more secure form of data. Encrypted data is less likely to be intercepted and accessed by unauthorized persons.
Implementation Advanced Planning Document (IAPD)	Plan submitted by States to FNS for administrative funding.
Key Management	The process and means by which keys are generated, stored, protected, transferred, loaded, used, revoked, published, and destroyed.
Magnetic Stripe (Mag Stripe)	Plastic card technology designed to electronically retain basic information, including the Primary Account Number (PAN) and expiration date. Transactions must be executed at terminals (i.e., POS devices) that have online access to authorizing systems.
Personal Identification Number (PIN)	A private series of numbers that a user knows that are used to increase confidence in a user's professed identity.

Point of Sale (POS) Terminals	The terminal in an EBT system that provides the origination point of all EBT transactions by allowing the client to swipe their card to obtain EBT benefits. POS terminals are located at the retailer's checkout lane.
Primary Account Number (PAN)	A unique identifying number used to reference a financial account.
Third Party Processor (TPP)	An entity that facilitates an organization's access to financial networks. With regard to EBT, it provides merchants with access to transaction acquirers (i.e., eFunds, Concord) that in turn route messages to the authorization engines maintained by the EBT processors.
Track 2 Format	A format for laying out data on EBT magnetic cards. Track 2 format was developed by the American Bankers Association (ABA) for on-line financial transactions.

APPENDIX B – Sample Timetable

Item	Number of months (or days, if noted) before database conversion	Comments
FSP EBT waivers	-25	FNS approves, need them in RFP, State can submit to FNS through e-mail (need original approval # , a brief description of each (reg. citation) and whether each is a renewal or new waiver request)
RFP	-24	FNS approves
Contract	-12	FNS approves
Transition Team	-9	
Detailed Transition Plan	-8	FNS approves
Retailer Assoc contacts	-7	
Layouts, data elements, etc.	-6	
Telecom hardware	-6	
Retailer Imp Plan	-6	
TPP contacts	-5	
ATM Network contacts	-5	
Acceptance Test plan	-4 to –2	
Acceptance Test scripts	-4 to –1	
Links for trial runs	-4	
Data clean-up	-4	
AT user clean-up	-4	
EBT-only Retailer Agreement	-4	FNS approves
TPP Agreement	-4	FNS approves
CS phone number transfers	-3	
PIN encryption key transfer	-3	
EBT-only POS replacements	-3	Obtain reduction in billing from incumbent if possible
TPP certifications	-3	
Trial run #1	-3	
AMA/ASAP Profile	-3	FNS initiates by sending profile form to the State
Voucher decision for outage	-3	
State Functional	-3	
Retailer Notice of outage	-2	FNS will do mailing
FNS pseudo-retailer numbers	-2	FNS sends via email
Trial run #2	-2	
Fed Acceptance Test	-2	FNS approves ‘GO’
Customer Service messages for outage	-2	
EBT-only, TPP, ATM access evaluations	-2	For FSP, need 80% coverage with no sizable geographical gaps
Trial Run #3	-1	

Item	Number of months (or days, if noted) before database conversion	Comments
IAPD to FNS	-1	FNS must approve
Retailer Notice #2	-2 weeks	FNS will mail
Stop State input	-1 day	
Incumbent Cut-0ffs: Vouchers (settle what is at old processor) Adjustments Automatic card mailing AT profile changes Expungement sweeps POS maintenance	-1 day	
Cut-off incumbent processing	0	
Database conversion	0	
Validation/Reconciliation	Day 1	Advise FNS
Old processor ALERT and STARS data for their portion of last month	+1	
Last monthly reports from former processor	+1	
Old processor last ACH	+2 days	
New processor first ACH	+2 days	
Obtain any missing data from old processor	+2	

APPENDIX C – Lessons Learned

Topic	State(s)	Lesson Learned
New ASAP account numbers	AR	FNS needs to initiate obtaining payment requester ID from Treasury 10 weeks before conversion date and to follow up on this request before conversion.
Conversion night-telecommunications	All States	Make sure that the telecommunications companies involved have not scheduled any downtime for maintenance, etc. during the night of conversion.
Conversion night-communications	AR	States should be certain that their e-mail system will be up during conversion so that State workers can receive transmission messages from the new processor.
Conversion night-State office environment	AR	Have the air-conditioning/heat on over the conversion weekend.
Case/demographic file	AK, AZ	Before conversion, make sure that special characters in the case/demographic file will be recognized in the new system. This will help to ensure that data will be transferred correctly and accurately and that the same number of case records will be transferred from the old processor to the new processor.
Contract	KY	If possible, try to get several 2-year extensions with your EBT contract versus 1-year extensions to allow for time in between to relax and plan your next RFP.
Transfer of benefit files	AZ, NC	Both the incumbent processor and the State should query the total number of benefit, demographic, account, and card records prior to conversion to ensure that the proper number of files will be transferred and that no benefits are left on the old system.
Vouchers and client notices	All States	The State should decide well in advance on whether it will implement a voucher process on the night of conversion and whether it will notify clients of the outage. The State should also determine who will be liable and to what extent during the outage. (If possible, have this in the RFP and/or Contract.)
Timeliness-Reprocurement RFP	All States	Assume that a new vendor will win the next contract, that everything will take longer than you plan, and that materials and documents will need time for revision and approval.
Support	All States	State EBT staff should get input and support from all program areas and all levels of management, including retailer associations and advocacy groups before beginning reprocurement process (30 months prior to current contract end.)

Topic	State(s)	Lesson Learned
ARU /VRU Messages during outage	NC	Special messages on the ARU are helpful to direct retailers to new phone numbers, provide special messages, or provide voucher authorizations. Test the special messages from outside and inside the State because phone companies regional systems may differ.
Contract transition language	NC	If your current contract does not address transition and database conversion, begin discussion to negotiate changes now. NC was pressed into timing they did not want because they had no time to argue and no contract term to support their preferences.
Data cross-references	SD	If reference numbers for cases will change, obtain or devise cross-reference table. SD found old Electronic Demand Account (EDA) numbers were needed.
Data-restoration after contract expires	LA	Include contract language to require contractor (or host processing subcontractor) to provide the State any missing data discovered after contract expiration. There should be a grace period, possibly 90 - 120 days, during which data is provided at pre-determined or at no additional cost if the contractor caused the loss. Lost data is likely to be historical data and should be provided in a format agreeable to the State.
Database conversion timing	All	Should occur at time of month no benefits are being issued and most issued benefits have been depleted. This depends on the State's method of staggering issuance but is usually one of the last two Saturdays in the last month of the incumbent's contract. This allows for a fail back to the last weekend before the contract expires. The outage should begin after 11pm and be completed before 7am. If the conversion runs longer than expected, Sunday morning is a low volume shopping day. Also state staff are not using the admin terminals on weekends. Do not schedule near holidays when shopping increases.
EBT-only POS deployment	All	POS deployment almost always takes longer than expected or planned. Field test devices in a pilot area to troubleshoot.
Processor staffing during database conversion	NC	At least two people should be present at the incumbent and the new database facilities. The overnight work and the pressure make this an untenable position for one person even if others are on call. Actions should be checked or monitored by at least two people. With sound communications (e.g. T-1 line) the work may be possible from another office or facility.

Topic	State(s)	Lesson Learned
Retailers	TX, NC	Inform retailers of need for rebidding, new EBT contractor selection, and all plans in advance. Engage them in planning. Create a website for transition information if possible and publicize the site.
State staff training	LA, SD	Be careful about decision to use State staff for training. State was unable to keep on schedule because they were diverted to other unexpected but urgent duties. Extensive travel needed to do the training was exhausting and disruptive. Include financial training to ensure reconciliation continues and problems are quickly identified.
TPP – Store and Forward	NC	Do not assume low numbers of voucher transactions during system outage reflect activity precisely. Survey retailers during the outage if possible. Larger stores may be using their own store and forward functionality. Advise retailers of exact process for vouchers during outage so that they can assess the impact on their own processes. In NC, temporary voucher authorization numbers had to be replaced by system-generated numbers after conversion occurred. Some stores could not accommodate changing authorization numbers in their own systems.
Trial runs-communications	TX	Practice aspects that affect state and local staff and other parties. Practice communications, use website, broadcast telephone notices, email broadcasts and email distribution lists for all stakeholders. Set up the escalation processes to inform everyone if problems occur.
Trial run-data sequence	LA	Trial runs and actual conversion should be done exactly the same way. The time estimates are valuable gauges of progress during actual conversion only if the work is done the same way. Run files in the same order and sequence. Eliminate or reduce other jobs during conversion.
Trial run-extraction	NC	During trial runs of data conversion, determine whether all data extracted. If there are case, card, or other files that did not extract, determine what they are and what needs to be done with them. You may need to “sweep” them off the system.
Vouchers during outage	SD, NC	Extend timeframe for voucher clearance so that delays caused by retailer confusion or mailing problems do not result in retailer’s losing legitimate payments. Have special voucher process explanations or new phone numbers for authorization on ARU.