

# Commonwealth of Massachusetts

## Glossary of Terms

Term	Definition	Acronym
<b>Acceptance Test</b>	The process of testing system components and system functionality to determine whether the system is ready for implementation. This includes: functional requirements testing, error condition testing, and regression testing to ensure that deficiencies are resolved without creating new deficiencies.	
<b>Account (SNAP or Cash)</b>	The record kept and maintained by the EBT contractor for each program type a recipient receives: SNAP, Cash, or other program types as identified by the Commonwealth.	
<b>Account Management Agent</b>	An automated application that supports the activities of the Federal Reserve Bank of Richmond's operations in providing Automated Standard Application for Payments (ASAP) account management data to the Food and Nutrition Service (FNS) for the Federal SNAP Program	<b>AMA</b>
<b>Acquirer</b>	The financial institution that established an account with a retailer and processes authorizations and payments. In the context of this RFP, it also refers to the TPP that accepts transactions from the retailer and routes them to the EBT host processor.	
<b>Acquirer System</b>	The telecommunications and processing system (including software and hardware) operated by, or on behalf of, an Acquirer through which transactions originating at ATM or POS terminals of the Acquirer are processed and routed to the Issuer.	
<b>Active Case</b>	Term used for billing purposes. A case for which one or more benefit(s) has been authorized and transmitted to the EBT Contractor to be made available during the billing month. A single cardholder who has benefits made available by the State from both a cash program and a SNAP program is billable at the applicable cash cost per case-month and the applicable SNAP cost per case-month.	
<b>Adjustment</b>	A debit or credit transaction initiated by an Acquirer, terminal operator (on behalf of an Acquirer), or the State and/or its Contractor to correct a system error and/or an out-of-balance condition identified in the reconciliation/settlement process.	
<b>Administrative Functionality</b>	A PC-based application that enables the State(s) and its designees to access on-line data (current and historical) on the Contractor's host processing system. Access may be for inquiry or reporting purposes only or for making live changes to the database, depending on the authorized user's security profile.	

<b>American National Standards Institute</b>	The US Standards group responsible for issuing US standards and maintaining consistency with similar international standards.	<b>ANSI</b>
<b>Anti-fraud Locator of EBT Retailer Transactions</b>	The automated system that FNS uses to analyze data, provided by the EBT Contractor, to identify and investigate suspected fraudulent retailer activity.	<b>ALERT</b>
<b>Applicable Law</b>	Any federal, state, or local law, regulation, rule, or ordinance in effect and applicable to the subject matter referenced. This includes any changes made to such federal, state, or local law, regulation, rule or ordinance with an effective date during the term of the RFP, the resultant contract, and any contract extension period(s).	
<b>Authorized Payee</b>	A person authorized by the household primary payee to act on their behalf to make application for cash benefits and, if so designated, to receive and transact the cash benefits on behalf of the household. Authorized payees are secondary payees in addition to the primary payee and are provided with an EBT card with their name on it, their own PIN, and full access to the cash benefits in the EBT account.	
<b>Authorized Representative</b>	A person authorized by the household primary payee to act on their behalf to make application for SNAP benefits and, if so designated, to receive and transact the SNAP benefits on behalf of the household. Authorized payees are secondary payees in addition to the primary payee and are provided with an EBT card with their name on it, their own PIN, and full access to the benefits in the EBT account. Sometimes referred to as the Alternate Payee.	
<b>Authorized Retailer</b>	Any retailer or facility that has been approved by FNS to accept SNAP benefits as payment for eligible food.	
<b>Automated Standard Application for Payments</b>	An all-electronic payment and information system developed jointly by the Treasury Department's Financial Management Services (FMS) and the Federal Reserve Bank of Richmond. The latter, in its capacity as Treasury's fiscal agent, operates the system. ASAP is a system through which grantee organizations receiving federal funds can draw from accounts preauthorized by federal agencies. Provides daily account activity data to AMA.	<b>ASAP</b>
<b>Automated Clearing House</b>	Electronic clearing and settlement system for exchanging electronic transactions among participating depository institutions; such electronic transactions are substitutes for paper checks and are typically used to make recurring payments such as payroll or loan payments. The Federal Reserve banks operate an automated clearinghouse, as do some private-sector firms.	<b>ACH</b>
<b>Automated Response Unit</b>	An interactive dial-in voice response unit accessed by digital phone and utilized by clients, state staff and retailers for various	<b>ARU VRU</b>

	functions. Also referred to as a Voice Response Unit, Automatic Voice Response and Interactive Voice Response.	<b>AVR IVR</b>
<b>Automated Teller Machine</b>	An electronic hardware device designated by an Acquirer to accept cards that, when activated by a cardholder, are capable of automatically dispensing US currency directly from such device and providing balance inquiries.	<b>ATM</b>
<b>Automated Voice Response</b>	See Automated Response Unit	<b>AVR</b>
<b>Balance Inquiry</b>	A transaction whereby the Cardholder obtains their account balance at an ATM, POS terminal or by ARU.	
<b>Bank Identification Number (Institution Identifier Number)</b>	A set of numbers assigned by the American Bankers Association that appears as a part of the primary account number (PAN) on the face of the card and that identifies the Contractor for purposes of interchange. Sometimes referred to as an Institution Identifier Number (IIN).	<b>BIN</b>
<b>Bay State Access card</b>	The EBT card issued by the Commonwealth of Massachusetts.	
<b>Benefit Type</b>	A category of benefits used for claiming purposes that are defined by the Commonwealth.	
<b>Bid/Proposal</b>	The documents submitted by Offerors in response to this Request for Proposals.	
<b>Buddy State</b>	Any of the States, territories or District of Columbia who have entered into an agreement with another state, territory or the District of Columbia to provide post-disaster recovery support in the event of a catastrophic disaster.	
<b>Business Day</b>	<ol style="list-style-type: none"> <li>1) For purposes of financial institutions, all weekdays excluding those days on which the Federal Reserve bank is closed.</li> <li>2) For purposes of State offices, all weekdays excluding those days on which the State offices are closed due to state or federal holidays, decrees or orders such other days as announced and approved by the Governor's Office.</li> <li>3) For purposes of retailers and similar benefit providers, the business day is defined through the Retailer Agreement.</li> <li>4) For settlement purposes, the period between cut-off times established by an Issuer for host processing.</li> </ol>	
<b>Cancelled Transaction</b>	The termination of a transaction by the terminal operator or retailer prior to receiving the response for the transaction request from the Cardholder Authorization System.	
<b>Card Authentication Value</b>	A cryptographic value encoded on Track 2 of the magnetic stripe	<b>CAV</b>

	located on the back of an EBT card used to validate its contents.	
<b>Cardholder</b>	An individual to whom an EBT card has been issued by the state agency and for whom the state agency maintains one or more government benefit accounts that may be accessed through the use of an EBT card.	
<b>Cardholder Authorization System</b>	The telecommunications and processing system operated by, or on behalf of, an Issuer who authorizes or declines transaction requests.	<b>CAS</b>
<b>Cardholder Customer Service</b>	A service provided by the Contractor and accessed by a toll-free telephone number cardholders may call to report a lost, damaged, or stolen EBT card, inquire on their EBT account balance(s), select/change PINs, or ask questions regarding EBT or account(s).	
<b>Case</b>	A number unique to each recipient for whom the Commonwealth issues benefit(s). A case number will be attached to each benefit record sent from the Commonwealth to the EBT Contractor.	
<b>Claim</b>	A request made by a retailer/acquirer or cardholder/issuer/state agency for account adjustment, debit or credit.	
<b>Comm-PASS</b>	Comm-PASS is the Commonwealth's official system of record for all procurement information which is publicly accessible at no charge at <a href="http://www.comm-pass.com">www.comm-pass.com</a> .	
<b>Electronic Benefit Transfer Card</b>	The identification card used in the delivery of SNAP and cash benefits issued to eligible households in the Commonwealth.	<b>EBT card</b>
<b>Electronic Benefit Transfer Card Issuance System</b>	The Commonwealth's administrative system that generates plastic, magnetic stripe cards that conform to all ISO and ANSI financial card standards.	<b>CIS</b>
<b>Contract</b>	A Contract resulting from this Request for Proposal.	
<b>Contractor</b>	The firm selected, and awarded a contract, to provide the services contained in this Request for Proposals and as contracted.	
<b>Cost Per Case Month</b>	The total fixed cost that the Contractor will bill to the State(s) for each case on a monthly basis for all core services (i.e., those not specifically addressed in the Pricing Schedule under start-up, purchase, lease, hourly, fee for service, fee per unit, State Specific, or core optional pricing). Billing for this item must be made on an active case basis. See definition for active case in this section.	<b>CPCM</b>
<b>Customer Service Representative</b>	A person who provides assistance to an EBT cardholder or retailer, via a dial-up to a customer service center. Examples of assistance include access to account information, action on reports	<b>CSR</b>

	of lost or stolen cards, and selection, as well as voice authorization of manual vouchers.	
<b>Data Encryption Standard</b>	An encryption/decryption algorithm published by ANSI as X3.92-1981 used to encrypt PIN data in EBT transactions for secure transmission.	<b>DES</b>
<b>Disaster Card</b>	A pre-numbered, pre-pinned Baystate Access Benefit EBT card reserved for issuance and use following a disaster. The term “Disaster Card” replaces the cardholder name in the name field.	
<b>Downtime</b>	A condition that exists when the EBT system (as defined in this section) encounters problems that arise due to either partial or total hardware or software failure of the EBT processor and/or the transaction switch. In addition, this condition includes failure of the telecommunications connections within the system or if the system is unable to receive transactions due to insufficient telecommunication capacity.	
<b>EBT System</b>	The Electronic Benefit Transfer (EBT) functionality developed, operated and maintained by the Contractor, that allows the EBT processor to receive transactions from Automatic Teller Machines (ATMs), Point of Banking (POB) terminals, and Point of Sale (POS) terminals that are either State-owned or owned and operated by other third party processors (TPPs). The EBT system includes the host computer (primary or back-up), the communications facilities between the host and the transaction switch, and the transaction switch components, regardless of whether the switch is operated by a subcontractor or a vendor.	
<b>EBT-Only Retailer</b>	Refers to retailers who opt to accept government-provided POS equipment for EBT rather than contracting with a commercial TPP.	
<b>EBT-Only Agreement</b>	An agreement signed between the Contractor and authorized FNS retailers at each retailer location for the issuance of SNAP Benefits or government delivered cash assistance benefits, in the State and the EBT region.	
<b>Emergency Aid to the Elderly, Disabled and Children</b>	Commonwealth funded cash assistance program for the elderly, disabled, those caring for a disabled person and caretaker families who are not receiving TAFDC or SSI. DTA issues EAEDC benefits via EBT.	
<b>Encryption</b>	The method used to protect PIN data by transforming it into a	

	cryptographic form. The translation of data by hardware devices or software programs that renders transmitted data unintelligible, thereby protecting the privacy of information.	
<b>Expungement</b>	The procedures used to purge benefits based on state- designated timeframes and to report the reduction in liability to the state.	
<b>Federal Nutrition Service (FNS) Regulations</b>	The final rules and regulations as published by FNS. The regulations serve as the set requirements that regulate the operation of EBT systems to issue SNAP.	
<b>Federal Nutrition Service (FNS) Retailer Number</b>	A seven digit number assigned by FNS that identifies a retailer who has been authorized to participate in the SNAP Program.	
<b>Federal Reserve Bank</b>	The central bank of the United States, created by Congress and made up of a seven (7) member Board of Governors in Washington, DC, twelve (12) regional Federal Reserve Banks, and their twenty-five (25) branches. The Richmond, VA branch of the FRB has been delegated by FNS to perform as an Account Management Agent for the federal SNAP Program funding accounts.	<b>FRB</b>
<b>Food and Nutrition Service</b>	An agency of the United State Department of Agriculture that is responsible for administering the SNAP Program.	<b>FNS</b>
<b>Gateway</b>	The central switch used by the Contractor to accept EBT transactions, direct them to the proper authorization engine or the host processor system (or to other interoperable states' processors), send responses back to the terminal owner, and compile settlement values.	
<b>Hold</b>	A temporary restriction placed on all or part of the funds in an account as a result of a manual voucher authorization or adjustment. The amount of funds on hold becomes unavailable to the cardholder.	
<b>Hot Backup</b>	A real-time, off-site, duplicate of a primary processing system that maintains the real-time transaction and account information.	
<b>Department of Transitional Assistance</b>	The Commonwealth agency responsible for determining eligibility for SNAPs and cash benefits.	<b>DTA</b>
<b>International Standards Organization</b>	The international group responsible for issuing technical standards.	<b>ISO</b>
<b>Interoperability</b>	The ability of the EBT system to process interstate transactions within the Commonwealth for SNAP and Cash benefits at a retailer or ATM acquirer for an EBT cardholder issued benefits by another state. The EBT system must accept these transactions and route them to the Commonwealth's EBT system for authorization	

	and settlement in accordance with Quest® Operating Rules. FNS requires SNAP benefits be interoperable.1	
<b>ISO 8583</b>	International Standards Organization standard for retail financial transactions. Approved, adopted and modified by the X9 Committee.	
<b>Issuer</b>	State or Federal agency, or designee, responsible for issuing benefits.	
<b>Magnetic Stripe</b>	A stripe of magnetic tape affixed to the reverse side of cards that meets all applicable standards contained in Chapter 1 of the Quest® Operating Rules.	
<b>Manual Authorizations</b>	See Voice Authorizations	
<b>Manual Voucher</b>	A paper document used to execute an off-line EBT SNAP transaction. The document contains client and retailer information and a client signature.	
<b>National Automated Clearing House Association</b>	The national association that establishes the standards, rules, and procedures that enable depository financial institutions to exchange ACH payments on a national basis.	<b>NACHA</b>
<b>Network</b>	A Switch, together with all other computer hardware and software connected to the Switch, all telecommunications facilities and equipment utilized in connection therewith, and all other agreements and documents including the Quest® Operating Rules utilized by the Network for the purpose of supporting the interchange of transactions.	
<b>Non-Sufficient Funds</b>	A condition that indicates insufficient funds in the cardholder's account for the host processor system to approve a transaction, which results in a denial.	<b>NSF</b>
<b>Non-Traditional Retailers</b>	A person, company or organization authorized by FNS to accept SNAP benefits in exchange for eligible food items that does not operate like a normal retail enterprise. Usually this means that the retailer does not have access to a phone line or electricity at the point of sale and therefore is unable to use a standard POS device to authorize the transaction (e.g. farmers' markets and route vendors). Others, such as group homes, treatment centers, food cooperatives and communal dining facilities have special circumstances that require a variety of unique accommodations in order to continue SNAP participation in the EBT environment.	
<b>Northeast Coalition of States Regional Management Council</b>	A coalition of six northeastern states (New York, Massachusetts, Connecticut, New Hampshire, Vermont, Rhode Island) which operate under a Memorandum of Understanding to jointly re-procure EBT services in their states.	<b>NCS-RMC</b>

<b>Offeror</b>	Any entity, organization, or individual qualified to submit a proposal in response to this Request for Proposals.	
<b>On-line Transaction</b>	A transaction processed through to the EBT system at the time of initiation.	
<b>Over-the-Counter Sites</b>	The face-to-face delivery of an EBT card to the client at one of the Commonwealth's transitional assistance offices.	<b>OTC</b>
<b>Paper Voucher</b>	See Manual Voucher.	
<b>Personal Identification Number</b>	A confidential number that is used to initiate electronic transactions in order to access benefits or secure balance inquiry through an ATM or POS device.	<b>PIN</b>
<b>PIN Pad</b>	A device that meets all applicable standards set forth in the Quest® Operating Rules and EBT Security Manual Guidelines through which a cardholder may select their PIN at a terminal.	
<b>Point-of-Sale (POS) Device/Terminal</b>	Devices deployed at authorized retailers and cash or SNAP access sites, used to initiate an EBT transaction.	<b>POS</b>
<b>Primary Account</b>	The EBT account that maintains the balance(s) for one or more secondary account benefit types, which may include one or more benefit programs.	
<b>Primary Account Number</b>	The number that identifies the Issuer and the cardholder and that is fully displayed and encoded on the card.	<b>PAN</b>
<b>Primary Cardholder</b>	A cardholder designated by the Commonwealth's eligibility system to be the primary recipient of benefits.	
<b>Processor</b>	Any company processing transactions on behalf of an Issuer, Acquirer, or retailer, including any terminal operator that is not also an Acquirer or a Network.	
<b>Program Type</b>	SNAP, cash or other identified government programs included in the EBT system.	
<b>Quest® Mark</b>	The Quest® design mark and such other service marks as may be adopted from time to time in accordance with the Quest® Operating Rules.	
<b>Quest® Operating Rules</b>	Set of rules (including all exhibits and documents incorporated therein and as amended from time) developed by the National Automated Clearing House Association (NACHA), that set forth the requirements for the distribution of government benefits and interoperable EBT transactions under the Quest® service mark.	

<b>Recipient</b>	An individual who has been determined eligible to receive one or more government benefits or services.	
<b>Reconciliation</b>	For EBT, a daily, point-in-time, complete balancing of the system to ensure that funds entering into, exiting from, and remaining in the system each day are accurate and match up with source documentation. Reconciliation is required at each of the following levels: host processing system, gateway, and EBT-only acquirer system.	
<b>Retailer</b>	A person or entity that has entered into a retailer agreement with a financial institution acquirer to accept EBT cards.	
<b>Retailer Agreement</b>	A written agreement between an Issuer or its Designated Agent and a Third Party Processor or EBT-only retailer pursuant to which the parties confirm agreement to be bound by, and comply with, the Quest Rules, as such rules may be amended from time to time.	
<b>Retailer Customer Service</b>	A service provided by the Contractor and accessed by a toll-free number that retailers can call for assistance with the EBT program.	
<b>Retailer EBT Data Exchange</b>	The automated exchange of retailer data between FNS and EBT Contractors for notification of additions, deletions, and changes affecting retailers participating in the SNAP Program.	<b>REDE</b>
<b>Reversal</b>	A partial or complete nullification of a previous transaction that cannot be processed as instructed (undeliverable, for example), is canceled, or the acquirer times out waiting for a response.	
<b>Settlement</b>	The exchange of information that results in the transfer of funds between an Issuer and an Acquirer in satisfaction of a financial transaction.	
<b>Settlement Day</b>	The period between cut-off times established by an Issuer's switch for settlement. This may be different for individual states.	
<b>Settlement Date</b>	The calendar date on which funds are transferred for settlement.	
<b>Simple Object Access Protocol</b>	SOAP is a protocol that allows program-to-program communication across the network using closed network infrastructure. SOAP is a type of remote procedure call (RPC) that works over HTTP and uses XML to encode requests and responses. Not currently used by the Commonwealth of Massachusetts.	<b>SOAP</b>
<b>Speech Interactive Voice</b>	An automated response unit that is activated by either touch tone	<b>SIVR</b>

<b>Response</b>	telephone pads or speech command.	
<b>Stand-In Processing</b>	A back-up process that shall be activated if the Contractor's host processor system is unavailable for reasons outlined in FNS regulations, wherein the Contractor will guarantee payment of up to \$40 for SNAP purchases.	
<b>Store and Forward</b>	A transaction that is electronically stored with an encrypted PIN by a retailer or TPP when the retailer/TPP is unable to communicate with the issuer and that is later forwarded to the issuer for approval when the cardholder is no longer present.	
<b>Supplemental Nutrition Assistance Program</b>	Supplemental Nutrition Assistance Program (SNAP) benefits are issued to clients who meet all of the federal eligibility rules. The federal government funds 100 percent of these benefits.	<b>SNAP</b>
<b>Supplemental Nutrition Assistance Program Regulations</b>	<a href="#">Title 7 Code of Federal Regulations, Subchapter C - Food Stamp and Food Distribution Program (Parts 271 - 285)</a>	<b>SNAP Regulations</b>
<b>Supplemental Nutrition Assistance</b>	A Commonwealth funded program, SNA is a work incentive benefit provided to families in receipt of SNAP-only benefits who meet SNA program requirements. The benefit is issued in addition to the regular SNAP benefits.	<b>SNA</b>
<b>Surcharge</b>	A fee added to a transaction by an Acquirer, Terminal Operator, or Retailer.	
<b>Switch</b>	The computer hardware and software operated by, or on behalf of, a network for the purpose of routing transactions among participants.	
<b>Switch Settlement</b>	The processing, reporting, and funds settlement of daily transaction activity within a network.	
<b>Terminal Driver</b>	The entity that operates the POS terminals for a retailer or financial institution.	
<b>Third Party Processor</b>	A non-member organization or individual who provides EBT services as an Independent Sales Organization, Encryption Support Service Provider, network and/or processor as described in the Quest® Operating Rules.	<b>TPP</b>
<b>Trace Number</b>	The number assigned by the Acquirer's system to identify a transaction.	

<b>Transaction</b>	An electronic message interchanged between participants resulting in the exchange of financial information and in which the Quest® mark is utilized to identify the card, ATM terminal, and/or the retailer.	
<b>Transitional Aid to Families with Dependent Children</b>	A transitional program which provides cash assistance to needy families with dependent children and pregnant women, with little or no assets or income. DTA issues TAFDC benefits via EBT.	<b>TAFDC</b>
<b>Usage Fee</b>	A transaction, interchange or switch fee (does not include surcharges) imposed by a financial institution.	
<b>Voice Authorization</b>	The verbal or electronic approval over the telephone of a request for a manual SNAP transaction. This request is made via ARU or CSR through the retailer toll-free line. Also referred to as a manual authorization.	