

The Bolsa Família Program (BFP)¹ provides monthly benefits to approximately 13 million families living in all of Brazil's 5,570 municipalities. The Caixa Econômica Federal (Caixa)², a public bank under the aegis of the Ministry of Social Development (MDS), is responsible for benefits management and follow-up, through its technical management and operation of the Federal Government's Unified Registry System for Social Programs (*Cadastro Único*)³ and the Citizens' Benefits System (SIBEC). The Caixa is also charged with payment arrangements to BFP beneficiary families, including issuing magnetic "Bolsa Família Social Cards" to enable cash withdrawals to be made.

BFP benefits management, payments procedures and operations are coordinated at the federal level by the MDS National Income and Citizenship Secretariat (SENARC), responsible *inter alia* for defining eligibility criteria, selecting target audiences and authorizing payments.⁴ At the local level, municipalities are responsible for informing families of their eligibility to join the program, ensuring that they receive the *Bolsa Família Social Card*⁵ and withdraw their cash benefits within the card's period of validity. Municipal responsibilities also include: entering families' self-declared data in the *Cadastro Único*; monitoring the set of conditionalities; familiarizing themselves with, and carrying out, general benefit management activities; and providing guidance to families to resolve situations that may have led to their benefits being blocked, suspended or cancelled.

Any changes detected in the *Cadastro Único*, together with the outcomes of conditionalities monitoring, are reflected in the BFP monthly payments to families. New benefits may be incorporated every month which, added to the benefits already in force, serve to make up the total Bolsa Família "payroll". In order to qualify for benefits, families must pass through the "qualifying and selection" stages. A program of this size and complexity naturally needs to operate on the basis of a "process flow", illustrated in Figure 1 below:

1 For more details see: www.org.br/en/social-policy/bolsa-familia/

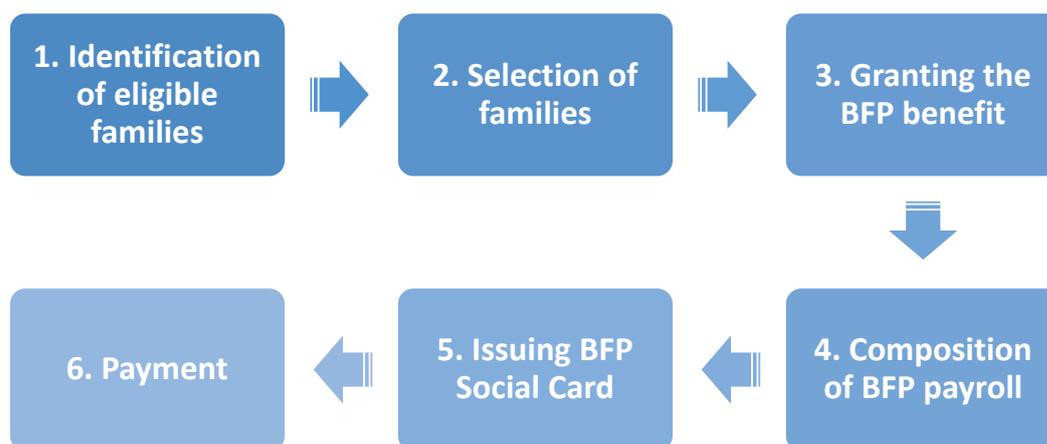
2 Public bank run by the Federal Government under the aegis of the Ministry of Finance, the *Caixa* is Brazil's fourth largest bank, with an extensive network of agencies. It has focused traditionally on the social area, such as releasing payments under the government's *Unemployment Insurance* scheme, managing the *Workers' Assistance Fund* (FAT), financing popular housing and basic sanitation, etc. Before creation of the BFP, the Caixa served as operating agent for the implementation of a wide spread of federal cash transfer programs.

3 For more details see: www.org.br/en/social-policy/unified-registry/

4 SENARC is also responsible for other benefit-related activities such as the consequences of non-compliance with BFP conditionalities, already addressed by the WWP in articles, etc. available at: www.org.br/en/publication/bolsa-familia-program-conditionalities-how-does-it-work/

5 Magnetic card for transferring BFP cash to beneficiary families. The card contains 13 numbers- the first eleven numbers correspond to the NIS (Social Identification Number) and the name of the head of family. The final two digits refer to the card verification number.

Figure 1: Bolsa Familia payments process flow



1. IDENTIFICATION OF ELIGIBLE FAMILIES

This first step is to identify all the families that are eligible to receive the BFP benefit. It is not a guarantee that they will receive the benefit. The families to be considered for admission to the program will be those registered in the Cadastro Único who have updated their data over the last two years. Such families must also fit the income profile and family composition to render them eligible for the benefits on offer.⁶

2. SELECTION OF FAMILIES

The next step involves defining how many families will receive the benefit that has been approved, and the order in which families will be absorbed into the program. The monthly calculation of the number of families is based on budget availability and the “poverty estimates” for the particular municipality.⁷ Priority is given to municipalities with the lowest BFP coverage and the largest estimated number of poor families. The sequence in which families are expected to join the program depends on the prioritization criteria related to specific groups, defined according to degrees of vulnerability.⁸ Priority is given to:

- » Families with children in a child labor situation;
- » Families with members who have been freed from situations analogous to slave labor;
- » Quilombola (‘maroon’) families;
- » Indigenous families;
- » Families containing recyclable waste collectors.

The order of selection of the remaining families is based on lowest per capita monthly income and the highest number of children and/or adolescents aged between 0-17 years in a household.

⁶ Currently families must have a per capita monthly family income of up to R\$ 85,00, or between R\$ 85,01 and R\$ 170,00 (monthly) provided they include children or adolescents between 0 and 17 years of age.

⁷ For more details see: www.org.br/en/publication/information-management-development-of-the-poverty-map-and-the-opportunities-and-public-services-map/

⁸ According to Article 7 of MDS Ordinance No. 341 of 2008.

3. GRANTING THE BFP BENEFIT

The BFP benefits are granted to families according to per capita income, number of family members, and whether there are children or adolescents aged 0 to 17 years or pregnant/lactating women in the household. The benefit award depends exclusively on the MDS, which issues instructions to the Caixa to include the entitled and selected families on the BFP payroll. This process, undertaken by SIBEC and operated by the Caixa, is impersonal.

4. COMPOSITION OF THE BFP PAYROLL⁹

Once the benefit is granted, family data are entered on the Bolsa Família payroll - a database, updated monthly, containing all the beneficiary families identified by the *Social Identification Number (NIS)*¹⁰ of the person responsible for the family unit, the amount of benefit approved and other information. The BFP Social Card, the main means of identification of the beneficiaries (containing the name and NIS of the person responsible for the family unit and the program's logo) is issued in parallel.

5. DELIVERY OF THE BFP SOCIAL CARD: OPERATIONAL ASPECTS

Before 2006, the Bolsa Família cards were available for collection at Caixa agencies. This involved beneficiaries often having to travel in order to receive them in person. From 2006 the cards were delivered by the Brazilian Postal Service (*Correios*)¹¹ to the beneficiaries' addresses reported in the Cadastro Único.



⁹ The *Basic Benefit* is granted to all families in extreme poverty. The *Variable Benefit (BV)* is granted to family members in the 0 to 15 years age group and to pregnant or nursing women, with a limit of five benefits per family. The *Variable Youth Benefit (BVJ)* is targeted at 16 and 17 year olds, with a limit of up to two benefits per family. The *Benefit to Overcome Extreme Poverty (BSP)* is only granted to families who, even if they receive other Bolsa Família benefits, remain in extreme poverty. The value of BSP is calculated as the amount of cash required for the total of a family's per capita incomes to exceed the extreme poverty line. To better understand the composition of the Bolsa Família Program, see the WWP article *How are the benefits of the BFP defined?* available at: www.org.br/en/social-policy/bolsa-familia/

¹⁰ Personal, nontransferable, social identification card (NIS) issued by the Caixa Econômica Federal. The rules require the card holder to provide details such as full name, date of birth, full name of mother and the number of his/her national identity document. The NIS enables registered individuals to be easily located in the payroll system, and facilitates data updating.

¹¹ Correios, under the aegis of the Ministry of Science, Technology, Innovation and Communications (MCTIC) is a federal public company responsible for Brazil's postal service.

Card delivery was improved by: (i) using management and data reports on the volume of cards to be delivered; (ii) municipal BFP management taking an active role in the delivery process; (iii) increased number of Caixa customer service channels to deal with card-related enquiries; and (iv) improved methods for identifying and registering family addresses in the Cadastro Único.

The card delivery process commences with the MDS advising the Caixa Econômica Federal after a family has been included in the MDS list of beneficiaries. The Caixa checks the details of the payee on the BFP payroll before generating the appropriate card. All cards are identified at this point by a Postal Service tracking number and subsequently mailed to the address reported in the Cadastro Único¹².

Together with the Social Card, the recipient family receives information and guidance about the program and instructions for activating the electronic benefits card as a prelude to receiving payment. These guidelines instruct the person responsible for the family unit to telephone the Caixa Call Center (*Serviço de Atendimento ao Cidadão*) to request activation and unblocking of the card, and authorization to register an electronic password in one of the Caixa lottery points (*lotéricas*) or in a branch of the bank. At this stage the titular owner of the card, i.e. the person legally responsible for the family, is required to sign a consent form (*Termo de Responsabilidade*). The entire procedure, from a beneficiary's name being included on the payroll to actual activation of the magnetic card, takes up to 45 days.

The card must be activated in a lotérica or Caixa bank branch in up to 180 days, after which the card expires. If the deadline is exceeded the card issuing process needs to be restarted.

The Social Card is the most common way to withdraw BFP cash. In May 2017, 73% of withdrawals were done this way. However, other ways of receiving Bolsa Família payments include: through a basic 'simplified' bank current account, or off-line payment by means of a bank money order, which may be used in situations where the beneficiary does not have the card for some reason. Non-electronic payments can only be accessed in Caixa bank branches by the person responsible for the family unit on presentation of appropriate ID. This form of withdrawal is however rarely used and carries high operational costs. A variation of this form of withdrawal is the "special withdrawal" procedure used by Caixa mobile teams (*equipes volantes*) in more remote areas where there are no functioning ATMs.

6. PAYMENT LOGISTICS

The Bolsa Família payroll is updated every month with the data of all the persons responsible for family units identified by their Social Identification Numbers (NIS). The Caixa Econômica Federal processes the BFP database at the beginning of each month, and the payments are released for withdrawal according to the payment schedule. Payment is made during the last 10 working days of each month, on different days depending on the final digits of the NIS of the responsible family member. In this way payment of the BFP cash avoids clashing with the period when banking transactions are highest (i.e. at the beginning of every month). This approach also contributes to organizing the "demand flow" by avoiding overloading the system with an excess of cash withdrawals on a single day.

¹² If the person responsible for the family unit is unable to receive the card, it can only be received by a person over 18 years old. If delivery fails after three attempts the card is retained at the Post Office for 20 days and then returned to the Caixa for collection by the beneficiary at a Caixa branch nearest to his/her home.

The BFP payment schedule, disclosed at the beginning of every year, informs the date from which the benefit is available for withdrawal in Caixa ATMs. The calendar is widely disseminated to beneficiaries by Internet (on the website) and posters. Since 2015 next payment dates are displayed on the printed benefit receipts.

Figure 2: Bolsa Familia payment schedule for 2017



Source: MDS, 2017.