

Outcomes of Remittance Coalition 2013 Initiatives

Report prepared January 13, 2014

Initiative	Priority	Leadership	Outcome by Year End
1. Communicate & coordinate RC efforts among RC members; engage RC members in RC initiatives	High	Mpls FRB staff	Seven RC leadership Group calls held, two quarterly RC conference calls held, two semiannual face-to-face RC meetings held, one at NACHA 2013 Payments conference and one at AFP 2013 annual conference. Beginning of year kickoff communication was distributed & feedback from survey of members was used to improve RC workings. Website was redesigned & improved. LinkedIn group was maintained.
2. Coordinate development & facilitate publication of a simplified list of deduction codes	High	Mpls FRB staff & deduction code team	MOU between X12 and X9 was completed. The Core Deduction Reason Code technical report (TR) was approved by X9C Corporate Banking Subcommittee and is now subject to an X9 Board of Directors (BOD) ballot.
3. Facilitate development & publication of a glossary of remittance related terminology	Low	Mpls. FRB staff & glossary team	Remittance Glossary technical report (TR) is now in X9C Corporate Banking Subcommittee balloting process, to be followed by X9 BOD vote to approve. The TR is expected to be published and available free-of-charge for use in Q1 2014.
4. Facilitate development & publication of a remittance standards inventory	Low	Mpls FRB staff & standards inventory team	Remittance Standards Inventory technical report (TR) was approved by X9. The TR was published to X9 members via the X9.org website on January 13, 2014 at this link: https://members.x9.org/apps/org/workgroup/pas/document.php?document_id=12407 It will be available to the public on the American National Standards Institute (ANSI) website (http://webstore.ansi.org/) shortly.
5. Reach out & educate key audiences about RC efforts & electronic payment & remittance processing topics	High	Mpls FRB staff & RCLG & RC members	RC members were polled for ideas on additional conferences & venues for RC education. RC representatives spoke at eight national conferences and four webinars in 2013; slide decks used in these presentations were posted on RC website.
a. Communicate & educate business practitioners & vendors about the simplified list of deduction codes and its use & benefits	High	Mpls FRB staff & deduction code team	Publication deferred to 2014, pending completion of the Core Deduction Reason Code TR. (See #2 above.)
b. Communicate & educate interested	Low	Mpls. FRB staff & glossary team	Publication deferred to 2014, pending completion of the Remittance Glossary TR. (See #3 above.)

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parties about the glossary of remittance related terminology use & benefits			
c. Communicate & educate interested parties about remittance standards inventory and its use & benefits	Low	Mpls FRB staff & standards inventory team	Will proceed on this once document is available on ANSI website – most likely in January 2014. (see #4 above.)
6. Provide actionable education to small businesses about how to use electronic payments & remittance processing options	High	Mpls FRB staff; NY FRB staff; The Clearing House	<p>PIOO staff worked with a subgroup of subject matter experts recruited from the RC to review written materials and webinars on the benefits of small businesses adopting electronic B2B payments and/or remittance exchanges. Publications made available in 2013 include <i>Payment Types Explained</i>, <i>Extended Remittance Information Wire Transfer Format</i>, <i>Business Educational Tool on ACH Reconciliation Services</i>, and a case study on a <i>Small Business Experience with ACH Payments</i>. Available on our website at: http://www.minneapolisfed.org/about/whatwedo/remittancecoalition.cfm</p> <p>Also, RC representatives held a focus group with small business development center counselors at America’s Small Business Development Centers (ASBDC) annual conference as well as presented a half-day workshop: <i>Electronic Payments Basics</i>. A webinar given in November, <i>Electronic Payments Basics</i>, was attended by about 260 constituents of the Small Business Administration.</p>
7. Inform interested parties about formats, standards & solutions available & under development that facilitate interoperability & end-to-end automated processing, such as the wire extended remittance format, the balance & transaction reporting format, ISO 20022 remittance message, & X12 EDI	Med	<p>BTRS: X9C (James Wills)</p> <p>ISO 20022: IFX (Rich Urban & Rob Unger)</p>	<p>Work continues on the ISO 20022 Extended Remittance Information (ERI) Standard, an initiative led by IFX and NACHA. The ISO 20022 ERI message standard is expected to be complete and adopted by ISO by early 2014.</p> <p>NACHA announced its NACHA XML-ACH Remittance Information Opt-In Program. Carried in the ACH addenda record, this standard</p>

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formats			<p>is based on the ISO 20022 Standalone Remittance Standard and the wire transfer extended remittance information format. It allows participants to safely and securely transmit payment remittance information for B2B transactions in a standard XML format via the ACH network.</p> <p>See outcome to #8 below for additional work on this initiative.</p>
8. Engage relevant technology/software vendors to support standards & solutions that facilitate interoperability & end-to-end automated processing.	Med	Mpls FRB staff & RC members	<p>August meeting was held with software and technology vendors at the Credit Research Foundation conference and expo, featuring presentations by subject matter experts on selected standards (including those specified in #7 above.) Following this meeting, a survey of attendees and all Coalition vendors determined topics and meeting frequency going forward. Starting in Q1 2014, quarterly calls/meetings are planned with vendors to continue this dialogue.</p>
9. Facilitate further discussion on the merits & features of a secure B2B directory model, & support, as appropriate, industry actions to make practical progress	Low	RC B2B team	<p>A B2B Directory Project Work Group was formed to develop technical specifications for solutions that enable small & medium sized businesses to adopt more electronic payments & remittance information. The Fed's CRSO is staffing this group which consists of a small group of RC members interested in discussing the costs and benefits of developing and implementing a B2B directory. A scope statement was approved by the Remittance Coalition Leadership Group. Several planning calls have been held, and an initial in-person meeting of the group will be held at FRB Chicago on January 22, 2014. A technical white paper is expected later in 2014, which will provide a roadmap on how to proceed.</p>

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<p>10. Investigate business practitioner’s views on areas needing more standard business practices & processes related to electronic payments & remittance processing</p>	<p>High</p>	<p>Mpls FRB & RCLG</p>	<p>A focus group was held at the Retail Value Chain Federation (RVCF) fall conference to identify additional business practices & processes that need standardization to improve efficiency in B2B payments & remittance handling. One outcome is a potential new work item suggested to the X9C Corporate Banking Subcommittee at their January 13, 2014 call which involves the creation of an industry standard of best practices for debit balances, including more standardized terms and procedures.</p>