

Remittance Coalition Conference Call February 28, 2013 Meeting Summary

Roy DeCicco opened the call. He noted that there are now over 200 Coalition members and a groundswell of interest in the work of the Coalition to lower barriers to greater use of electronic payments.

Update on Discount Code Standard

Claudia Swendseid reported on progress with the discount code initiative. She said that the X12 electronic data interchange (EDI) standard for adjustment code values, the “426 Adjustment Reason Codes” include over 650 codes used by buyers to explain why they are taking a discount, deduction, or other payment adjustment. Because there are so many codes and little descriptive information on how to use them, there are many conflicting uses resulting in the need for non-standard business process.

The Coalition Discount Code team has selected about 70 codes that are most needed and are working with the standards organizations X9 and X12 to develop a technical report that will explain how to use the simplified code list.

There are plans to work with Coalition member organizations like the Credit Research Foundation (CRF), Association of Financial Professionals (AFP), and Institute of Financial Operations (IFO) to publicize the list, and plans to work with vendors to encourage them to adopt the list.

Update on New ISO 20022 Extended Remittance Information Message Standard

Rich Urban, President of IFX, said that the development of the new ISO 20022 extended remittance message is almost complete. The final review is planned next week, and the message should be ready to submit to the ISO 20022 registration authority by the end of March. Rich said that there would be an update on the new message at the NACHA Payments 2013 conference.

Claudia asked how the Coalition could assist in promoting the standard. Rich said that once the standard is published, it would be helpful if the Coalition would communicate its availability and benefits in presentations and articles, and suggested that the meeting with vendors at the summer CRF Open Forum would be a timely venue to discuss the new message.

Roy DeCicco added that as a global standard, adoption of the ISO 20022 remittance format provides benefits to cross-border trade.

Rich was asked whether the ISO 20022 remittance standard would replace EDI standards like the X12 820. Rich said that the ISO 20022 message was mapped to include X12 820 fields, and he expected it would co-exist with the EDI standards for a long time, given the widespread adoption of EDI.

Rob Unger said NACHA is looking at allowing the ISO 20022 remittance message to be carried in the addenda of an ACH payment. They are looking at a two-phase implementation

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strategy. First would be an extensive period in which receivers could opt-in to receive XML data in the addenda of CTX message. Once the standard is published in the ISO 20022 data dictionary, the NACHA rules will reference it. NACHA rules require receivers to pass on data carried in addenda.

B2B Directory

Claudia said that in the corporate survey, the B2B directory was ranked fourth with mixed feedback in terms of importance. The Coalition is facilitating discussions about the usefulness and features of a B2B directory with about 40 Coalition members participating. Claudia invited additional participation in the group.

The AFP developed high level user requirements for the directory.

At this time, only one additional call is scheduled to discuss how to go forward with tangible action. Two models have been discussed, one is distributed, in which financial institutions would retain customer data and communication responsibilities; the other is a directory of directories, which would require a central governance function to define the rules for participation.

Small Business Education

Mary Hughes said that five documents are under development to improve small business understanding and use of electronic payments and remittance data. A small business review team has been established to review and suggest improvements on the documents. The first document completed describes options for receiving remittance data carried by an ACH payment. (i.e., Fed Reporter and EPN EDI Ready). Four other communications (handouts and webcasts) are planned:

- Payment types explained
- How to begin using ACH recurring payments
- How to begin receiving ACH
- Fedwire and CHIPS extended remittance information

Mary asked that participants share with her any similar documents they may have to assist in developing the documents planned. Claudia said that Coalition documents are not copyrighted and may be copied, shared, and posted freely.

Update on Remittance Glossary & Catalog

Deb Hjortland said that a draft glossary has been developed by the glossary team. It is under review. Once finalized, the glossary will be published as an X9 technical report and the X9 process to develop the technical report is underway.

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Outreach to Software Vendors

Lyle Wallis said that there are plans to host a meeting with vendors during the August CRF forum, which draws many e-invoice and AR vendors. Some topics to be discussed include wire ERI, ISO 20022, and BTRS. Planning is underway. Bill Trust (Bill Hinkle) and Sungard (Matthew Dragiff) expressed interest in participating in the discussions and assisting with planning for the session.

Industry Outreach

Claudia Swendseid said that presentations about the Coalition and Coalition activities are planned at:

- The NACHA Payments Conference
- The New England chapter conference of the National Association of Credit Managers
- IFO Fusion
- National Association of Purchasing Card Professionals (NAPCP) annual conference
- The fall conference of the Association of Small Business Development Center consultants
- APF Annual Conference
- Retail Value Chain Federation (formerly the Vendor Compliance Federation) fall conference

She invited Coalition members to let her know if interested in speaking, or if they are aware of any other industry conferences that may be appropriate for the Coalition message.

Remittance Coalition Feedback Survey

Mary Hughes reviewed the results of the member feedback survey. She said that there were 59 respondents (27 percent of members). In terms of feedback on Coalition objectives, 93 percent said that the Coalition mission was still relevant; 90 percent said that the Coalition is fulfilling its mission; 90 percent said Coalition communication is appropriate; and 80 percent said that they have been offered opportunities to participate.

Results of the survey will be distributed to all members. Claudia added that the Coalition will continue as long as members see value in its work.

Plans for 2nd Quarter Face-to-Face Meeting

Deb Hjortland said that a face-to-face meeting is being planned at the NACHA conference for Sunday afternoon, April 21. A general all-member session will begin at 2:00 p.m. PT,

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followed by breakout sessions, and the meeting will conclude by 5:00 p.m. with an all-member session. Claudia asked for ideas for breakout sessions. Rich Urban volunteered to assist with a session on the new ISO 20022 remittance message.

Roy DeCicco reported that NACHA recently published statistics on 4th quarter 2012 volume, with business-to-business payments growth much higher than average ACH growth. CTX transactions grew 12.7% compared to 2011. CTX transactions make up only a small percentage of all ACH transactions, but none the less, this appears to be impressive growth. This data will be discussed further at the April meeting. Alan Dupree said that he would look into operator statistical information that may be of interest to the Coalition.

Other Business

Claudia mentioned that the Minneapolis website is being updated to improve the availability of Coalition documents. Once the update is complete, members will be notified. In addition to the website, the Coalition has a LinkedIn presence.