

# Remittance Coalition Overview

## The Remittance Coalition

The Remittance Coalition is a group of organizations and individuals interested in working together to promote more use of electronic business-to-business (B2B) payments and electronic remittance data. The Coalition accomplishes this objective by addressing various problems that make it hard for businesses to use electronic payments and remittance data. As of May 2013, the Coalition includes over 240 representatives from small and large businesses, industry associations, financial institutions, software vendors, payment processors and service providers, standards developers, and others.

Participation in the Coalition is open to any individual or organization interested in the Coalition's objectives. There is no cost to join or to participate in Coalition efforts.

## Why Address Remittance Data?

While B2B checks are declining, they are not doing so as rapidly as are consumer checks, despite the benefits businesses report in using electronic payments. A number of studies, including the 2010 Association for Financial Professionals Payments Survey and the 2012 Remittance Coalition Corporate Survey have found that a lack of simple, easily adopted standards that automate the reconciliation of payments and remittance data is a key barrier to higher adoption of electronic B2B payments.

Because remittance data is typically sent with a paper check, reconciliation and posting of paper payments is easy. However, this simple process breaks down when B2B payments are made electronically. When remittance data flows with an electronic payment, it may not be forwarded to the corporate receiver with the notification of the payment. When remittance data flows separately to the corporate receiver, the receiver may not have sufficient information to reconcile it with the right payment. Too many alternatives for remittance exchange and too much variability in the way that remittance data standards are used by businesses makes it more difficult adopt electronic payments and remittance data and achieve straight through processing.

## Problem Statement

The Remittance Coalition's objective is to increase the efficiency with which business-to-business (B2B) payments are made and reconciled by all types and sizes of U.S. businesses. The Coalition will accomplish this objective by promoting more unified standards and processes and common automated tools that support: (1) Using more electronic payments for B2B transactions, and (2) Originating and delivering electronic remittance data that can be associated easily with the payment.

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## Goals & Objectives

Success in addressing the payments and remittance problems identified by the Coalition would lead to:

- Greater use of electronic payments by businesses
- Greater use of electronic remittance data by businesses
- Greater efficiency in the exchange and reconciliation of payments and remittance data, including less exception processing
- More ready availability of technology solutions and standard practices and procedures to support automated reconciliation of electronic payments and remittance data.

## Remittance Coalition Communications

As a member of the Coalition including its Leadership Steering Group, the Federal Reserve Bank (FRB) of Minneapolis coordinates, tracks, and distributes information about Coalition activities of interest to Coalition members. FRB Minneapolis also maintains on its public website information about the Remittance Coalition:

*<http://minneapolisfedpreview.mpls.frb.org/about/whatwedo/remittancecoalition.cfm>*

## Publication Policy

It is our practice to post on our web site meeting agendas, minutes, and other information relevant to the efforts of the Remittance Coalition. This information may include the names of participating individuals and organizations. We may also post presentations or other materials created by participants, with the relevant participant's consent.

## LinkedIn Group

Also, there is a Remittance Coalition group on LinkedIn that is a source of information about the Coalition.

## X9C Corporate Banking Subcommittee Liaison

Within X9, the X9C Corporate Banking Subcommittee coordinates, tracks, and communicates with its members about Remittance Coalition activities.

## Meetings

Meetings of the Remittance Coalition are held approximately every quarter through conference calls and/or in-person meetings. Generally, in-person meetings are held in conjunction with other industry meetings or conferences that are attended by many of the Coalition members, making it easier for members to attend.

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## How to Join the Coalition

Send an e-mail to [remittance.coalition.smb@mpls.frb.org](mailto:remittance.coalition.smb@mpls.frb.org) with your name, company, and e-mail address. You will receive a welcome packet, be added to the Coalition distribution list, and be invited to participate in specific Coalition initiatives that may interest you.

## Remittance Coalition Initiatives

A list of Coalition initiatives is maintained on the FRB Minneapolis public website and many Coalition members have volunteered to participate in one or more workgroups formed to address these initiatives. Workgroups establish their own schedule for completing their assignment and provide updates on progress to the Coalition on quarterly calls or at in-person meetings.