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Interactive Financial Exchange Business Message Specification

Purpose
Summarizes changes made to the IFX Business Message Specification for version 1.3. Changes from version 1.2 to 1.3 include:

- Allowing multiple addresses in contact info
- Addition of composite remittance or lockbox data
- Addition of payment credit status
- Enhancements to check ordering
- Provide a direct debit feature via the payment messages
- Addition of a deposit account application
- Addition of Status Code to the additional status aggregate, which was omitted in a previous release
- All instances of effective date now conform to DateTime

Change Summary

- Modified `<PostAddr>` repeating in `<ContactInfo>` allowing multiple contact addresses.
- Added `<AddrType>` to `<PostAddr>` to identify the address type.
- Added `<StartDt>` and `<EndDt>` to `<PostAddr>` to give effective start and end dates for the address.
- Added `<StatusCode>` as an optional element to `<AdditionalStatus>`.
- Modified all instances of `<EffDt>` to be `DateTime`.
- Added `<LegalName>` to `<CounterpartyInfo>` aggregate.
- Added `<CounterpartyInfo>` to `<RemitInfo>` aggregate to allow for payer information in the receipt processing.
- Added `<ChkURL>` to `<RemitInfo>` allowing the representation of an image of check.
- Added `<PmtId>`, `<RefInfo>`, and `<CurAmt>` to allow information relating to a payment to be shown in `<RemitInfo>`.
- Added `<PmtRemitAck>` to `<PmtRec>` to allow for the Status record for the “credit side” of the payment transaction `<PmtAddRq>`.
- Added `<PmtRemitStatus>` to `<PmtRec>` to allow for the identification of the Payment remittance (credit) status of a `<PmtAddRq>`.
- Added `<RecModelInfo>` allowing the ability to reorder checks with the same information.
- Added `<ChkOrdInfo>` giving the ability to reference various information associated with the check order process.
- Added `<OrgInfo>` to `<PmtInfo>` allowing for the population of Organization information related to the payment.
Address Type

There are many cases where customers have multiple addresses. They may have a seasonal home or a secondary home where some of their account information should be mailed. To accommodate this requirement, the specification now allows for multiple postal addresses each having its own address type. Also included are effective dates for when the address is active.

Composite Remittance/Lockbox Data

In order to facilitate collection of check payments made to the biller, lockbox relationships are established with a bank(s) throughout a regional location. The lockbox addresses are generally located in major cities in the region, i.e., San Francisco, Chicago, Dallas, Atlanta, etc. Boxes are at the post office site with direct delivery of items to the applicable bank lockbox processing site. Multiple deliveries can be made throughout the day.

The lockbox sites take a delivery from the post office and process the data, identifying each delivery as a batch. There are multiple cutoff times during the day for this processing which can result in multiple deposits being posted to an account. A batch or multiple batches are processed and posted to the biller’s account as a lockbox deposit. The batch information includes a batch number, item count of checks, batch total amount, processing date and lockbox number.

The lockbox site process includes the following:

- Opening envelopes containing check and one or more documents (invoice, correspondence, etc.)
- Data input or scanning of check information with verification of specific data either by data input or voice activation
- Data input or scanning of remittance detail associated with a check (based on instructions agreed out of band between biller and bank)
- Imaging of check and documents associated with check
- Mailing of copy of image of check with documents to biller (ranges from overnight to an infinite number of days based on agreement)
- Providing biller with CD Rom with images of check and documents or URL to viewing and/or obtain images on-line

The biller imports electronic data into their Accounts Receivable data base to perform cash posting processes. Utilizing identified data elements to successfully match payment with outstanding bills on the account, cash posting can result in a successful match and removal of the receivables item(s). Failures would result in exception processing requiring a copy of the check and/or documents sent with the check or obtaining the image of the check and associated documents. This process can also be facilitated via manual input by the Cash Application department.

Processes also exist to post the payment on the AR account if the appropriate MICR information is matched. This includes the Payor Bank Id and the Payor Account
Number. Individual items are still required to be reconciled, but the payment is posted on the account for credit facilitation and statistical calculations.

The Treasury and/or Cash Application departments at the biller require the batch information to reconcile the number of items processed at the lockbox site vs. the number of items processed during the cash application (whether automated or manual). Dependent upon the posting process, the total amount of the batches are also reconciled to the posted deposit amount on the account.

Services are provided by various FI’s to send a message to a client containing all of the receipts information received from various sources: ACH, lockbox, and wires. Therefore, a comprehensible receipts message could be facilitated from a lockbox remittance message.

The following objects were added to support this business process:

- Comprehensible Remittance Statement Add <CompRemitStmtAdd>
- Comprehensible Remittance Statement Inquiry <CompRemitStmtInq>
- Comprehensible Remittance Statement Audit <CompRemitStmtAud>
- Comprehensible Remittance Statement Sync <CompRemitStmtSync>

**Payment Credit Status**

Given a robust payment message <PmtAddRq>, there is the ability to send complex payment types such as an ACH payment where a single payment addresses one debit (payer) and multiple credits (payees) in a single <PmtAddRq> transaction with multiple <RemitInfo>. The acknowledgements <PmtAddRs> and <PmtStatusInqRs>, however, only address the “debit” side of the payment transaction and fail to provide status on the credit side of this complex type of <PmtAddRq>.

This acknowledgement is needed to address two levels: the detail level acknowledgement of the <PmtAddRq/Rs> and the high-level acknowledgement of the <PmtStatusInqRq/Rs>. This would allow financial institutions or CPP to convey credit side acknowledgement status of a complex type payment transaction such as an ACH payment, commonly used in the business banking.

The essential elements for the credit status acknowledgement are:
1) The status for each credit of a complex type payment.
2) The counts for successful and failed credits of a complex type payment.
3) Total amount for successful and failed credits of a complex type payment.

No new objects were added; the following were modified to support the acknowledgement of the credit side of the payment:

- Payment Status Inquiry <PmtStatusInq>
- Payment Add <PmtAdd>
Check Order Enhancements

Additional functionality has been added to the check order process. Modifications to the process include changes to: Check Order Inquiry, Check Order Modify, Check Order Cancellation, Check Order Audit, and Check Order Synchronization. The Check Order Info aggregate has been modified extensively to include additional elements required for check orders.

Other check order enhancements include the addition of a Recurring Check Order Model. This model allows clients to set-up recurring or repeating check orders. The Recurring Check Order Model includes the following messages: Recurring Check Order Add, Recurring Check Order Instance, Recurring Check Order Inquiry, Recurring Check Order Modify, Recurring Check Order Cancellation, Recurring Check Order Audit, and Recurring Check Order Synchronization. A Recurring Check Model aggregate and a Recurring Check Order Record aggregate are also new additions to the Recurring Check Order Model.

Direct Debit Payment

The Direct Debit Payment Process is a business process that is utilized by business banking to “draw” funds from the Payer. The originator of a direct debit payment transaction is the Payee or Beneficiary of the fund. In this business case, the Payee initiates a direct debit payment request to the (Payee or Payer) bank for the funds to move from the Payer’s bank account to the Payee’s bank account.

Direct Debit Payment process is utilized by many businesses to ensure payment is made on time, achieve better and more accurate float, and eliminate the payment issuance process for the payer. Direct Debit Payment process relationship between the payer and the payee must be established with the Payee (beneficiary’s) bank. Aside from initiating the Direct Debit Payment request, the Payee’s bank may also handle the Pre Advice of Direct Debit to Payer notification. Typically, a direct debit payment case is also a recurring transaction, where it is expected to occur periodically. The initiation of the direct debit request can be scheduled to automatically take place monthly or manually sent to the financial institution as required per the agreement between the payer and payee. Recurring direct debit payment could be set up for the same amount on the same date, a different amount on the same date, the same amount on a different date, or a different amount on a different date.

Deposit Account Application

Added to 1.3 are messages to support the submission of deposit account applications. Clients submit a deposit account application to apply for a deposit account. The application can result in a new customer addition and a new account addition to the permanent system of record, or the application can remain pending until account funding becomes available.
**Status Code in Additional Status**

AdditionalStatus was added in version 1.2; however, the element StatusCode was inadvertently omitted from the AdditionalStatus aggregate. Version 1.3 corrects this omission by including a StatusCode element in the AdditionalStatus aggregate.