

**A Guide
for Employers**

**Electronic Funds Transfer / Electronic Data Interchange
(EFT / EDI)**

With the

Mississippi Department of Human Services - Office of Child Support Enforcement

February 2012

Child Support Application Banking Convention: A Guide for Employers & Their Financial Institutions

The following information was taken from the *Child Support Banking Convention: Guide for Employers and Their Financial Institutions*, which was published by the National Automated Clearing House Association (NACHA) Bankers EDI Council, with information specific to the state of Mississippi incorporated. The Bankers EDI Council has also published another excellent document specifically for states, *Child Support Application Banking Convention: A Guide for CSE Entities and Their Financial Institutions*. Complete copies of these documents may be purchased by contacting NACHA at:

- Telephone: (703) 742-9190
- Fax: (703) 787-0996
- Email: bedic@nacha.org
- Web site: www.nacha.org

I. Purpose

The purpose of this information is to provide employers and their financial institutions with an overview of procedures, current formats, definitions and implementation recommendations to electronically remit child support payments and payment information through the Automated Clearing House (ACH) Network according to the conventions and standards supported by the banking and child support enforcement communities. Where needed, information specific to the State of Mississippi has been incorporated.

The convention forms the basis for remitting child support withholdings together with remittance detail about the payments using the National Automated Clearing House Association (NACHA) CCD⁺ format. Remittance detail for a single payment is conveyed in the 80 character Payment Related Information field of the single Addenda Record of the CCD⁺.

Some states also allow employers to electronically remit these payments using the NACHA CTX format containing an Accredited Standards Committee (ASC) X12 820 Payment Order/Remittance Advice Transaction Set. Use of the CTX/820 enables an employer to combine multiple child support payments with remittance information in one transaction to a single receiving entity. With a maximum allowance of 9, 999 Addenda Records, the CTX format allows the entire 820 transaction set to be “enveloped” within the ACH format.

A banking convention typically refers to standard format for the presentation of data within a single Addenda Record. When that convention is incorporated into the X12 standards, it is referred to as a data segment. The following information depicts the status of the DED data segment of the ASC X12 820 as of version release 3050, published in December 1994 by the Data Interchange Standards Association (DISA). Mississippi allows employers to remit these payments using CCD⁺ or CTX formats.

II. Process

An employer is notified to withhold wages of a particular employee by an income withholding order, generated either from a court, or a state, or local child support enforcement agency. The order instructs the employer to withhold wages from one of its employees and serves as the employer’s legal basis for doing so. The order either provides the Mississippi Department of Human Services - Child Support Enforcement (MDHS-CSE) case number, and the appropriate address for remitting payments and payment-related information or directs the employer where to call to obtain the necessary information.

The employer should contact its financial institution to determine the institution’s EDI and EFT capabilities, and to seek assistance with formats, standards and technical requirements to implement this application. The employer should also determine the software required to implement this application. **Note: MDHS-CSE does not provide software. The employer should contact their financial institution to determine whether software should be purchased or developed.**

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The employer should provide MDHS-CSE with a verification list/file of their current employees. MDHS-CSE will compare the list to our current files and notify the employer of any differences (e.g. employee names, case numbers, SSN verifications, service location, billing address, FEIN, etc.), if necessary. Contact Sharyn Allen at 601-359-4483 for any questions regarding verification lists/files.

Note: All verification lists/files must be reviewed by MDHS-CSE staff prior to transmittal of a pre-note/test file or a complete file. Pre-note/test file is discussed below.

In order to transfer the funds and data, the employer transmits the payment instructions and remittance information to its financial institution. The financial institution then originates the ACH entries to transfer the payments and remittance information through the ACH Network to MDHS-CSE's financial institution (e.g., court, state or local agency) to which the payments must be sent. This process should initially be completed using a pre-note/test file. The pre-note/test file allows all technical staff (the employer, the financial institutions, and MDHS-CSE) the opportunity to identify any possible errors, which should be corrected prior to transmittal of an entire file.

Once received, MDHS-CSE's financial institution posts the funds to the account and provides the remittance information associated with those payments in the agreed format. Please contact Beverly Williams, at 601-359-4615 for additional information concerning technical assistance, formats, and standards regarding any electronic remittances.

Mississippi child support enforcement will update its records and disburses the payment to the custodial parent.

IMPORTANT NOTE: An Employer upon registering for EFT/EDI must understand that reversals of payments will not be allowed by the MDHS Division of Child Support Enforcement.

III. NACHA Record Formats

The rules and guidelines governing the formats, specifications and exchange of ACH entries are published by NACHA. With respect to the data that is contained in the Addenda Records of ACH formats, the *NACHA Operating Rules* stipulate the type of data that may be exchanged as well as which standards and formats are permitted, but the structure of the data contents is managed outside of the NACHA rules.

For example, the NACHA Operating Rules permit the exchange of NACHA-endorsed banking conventions within the Addenda Record of the CCD⁺ format, but groups such as the Bankers EDI Council develop and maintain banking conventions. Also, the rules permit the exchange of certain EDI messages or transaction sets (e.g., 820 Payment Order/Remittance Advice) within the Addenda Records of the CTX format, and X12 syntax-based data segments within the Addenda Records of the CCD⁺ and the PPD⁺ formats, but those standards are developed and maintained by other standards development organizations, such as ASC X12 and UN/EDIFACT.

The following record formats are used to convey entries through the ACH Network:

- File Header Recorder
- Company/Batch Header Record
- Entry Detail Record
- Addenda Record
- Company/Batch Control Record
- File Control Record

An ACH file is bounded by one File Header Record and one File Control Record, which serve to facilitate transmission, identification and balancing of the file. A file may be comprised of one or more batches, which are denoted by the Company/Batch Header Record and Company/Batch Control Record. These records contain information specific to all of the Entry Detail Records contained within that batch. A batch may house one or more

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Entry Detail Records that share certain aspects as explained in the *NACHA Operating Rules*. The Entry Detail Record is the record that constitutes the payment order and is used within the banking system to execute EFT and settlement. An Addenda Record is used to supply additional payment related information related to the payment issued in the Entry Detail Record. Each Addenda Record includes an 80 position Payment Related Information Field within which this remittance detail is transmitted.

The CCD⁺ and CTX payment formats are used within the ACH Network to conduct the transfer of funds between business or government entities. To exchange data along with payments using EDI technology, Addenda Records are used. Under the *NACHA Operating Rules*, a CCD format may be accompanied by only one Addenda Record, which may carry X12 data segments or elements or NACHA-endorsed banking conventions. A CCD entry accompanied by an Addenda Record is referred to as a CCD⁺. The CTX format allows for the provision of 9,999 Addenda Records, which may be used to carry certain X12 transaction sets or UN/EDIFACT message in their entirety.

The NACHA record formats for CCD⁺ entries flow in the following order:

File Header Record

Company/Batch Header Record

Entry Detail Record

Addenda Record (1 addenda with 80 byte Payment Related Information Field)

Entry Detail Record

Addenda Record (1 addenda with 80 byte Payment Related Information Field)

Entry Detail Record

Addenda Record (1 addenda with 80 byte Payment Related Information Field)

Entry Detail Record

Addenda Record (1 addenda with 80 byte Payment Related Information Field)

Company/Batch Control Record

File Control Record

Layouts for the NACHA Entry Detail and Addenda Records used with the CCD⁺ and CTX formats are shown on the following page. To obtain a full citation of the rules, specifications and formats for the ACH Network, refer to the *NACHA Operating Rules*.

CCD ENTRY DETAIL RECORD

Sequence or Records for CCD Entries

ENTRY DETAIL RECORD

FIELD	1	2	3	4	5	6	7	8	9	10	11
DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DFI IDENTIFICATION	CHECK DIGIT	DFI ACCOUNT NUMBER	AMOUNT	IDENTIFICATION NUMBER	RECEIVING COMPANY NAME	DISCRETIONARY DATA	ADDENDA RECORD INDICATOR	TRACE NUMBER
Field Inclusion Requirement	M	M	M	M	M	M	O	M	O	M	M
Contents	'6'	Numeric	TTTTAAA	Numeric	Alphanum.	\$\$\$\$\$\$\$ cc	Alphanum.	Alphanum.	Alphanum.	Numeric	Numeric
Length	1	2	8	1	17	10	15	22	2	1	15
Position	01-01	02-03	04-11	12-12	13-29	30-39	40-54	55-76	77-78	79-79	80-94

ADDENDA RECORD

FIELD	1	2	3	4	5
DATA ELEMENT NAME	RECORD TYPE CODE	ADDENDA TYPE CODE	PAYMENTS RELATED INFORMATION	ADDENDA SEQUENCE NUMBER	ENTRY DETAIL SEQUENCE NUMBER
Field Inclusion Requirement	M	M	O	M	M
Contents	'7'	'05'	Alphanumeric	Numeric	Numeric
Length	1	2	80	4	7
Position	01-01	02-03	04-83	84-87	88-94

IV. Child Support Application Banking Convention

Within the 80 position Payment Related Information File of the CCD⁺ Addenda Record, remittance information corresponding to the child support payment originated from one CSE agency to another is presented in the following banking convention. This convention is referred to as the (DED) Deduction data segment under ASC X12 syntax and is composed of ten fields:

- Segment Identifier
- Application Identifier
- Case Identifier
- Pay Date
- Payment Amount
- Non-Custodial Parent Social Security Number
- Medical Support Indicator
- Non-Custodial Parent Name
- FIPS Code
- Employment Termination Indicator

Each of these fields is referred to as a data element, which is the smallest named item in a record. It can represent a qualifier, a value, or text. A data element has three primary attributes - length, field requirement, and type. Each data element is identified by an element identifier used for reference (e.g., DED01, DED02, etc.) and each data element has a specific position within the record (segment). In constructing the segment, each data element (except for the first) is preceded by the separator character. In the ACH Network, the data element separator is an asterisk (*). Each segment must end with a terminator, which in the ACH Network is a backslash (\).

The following is an example of the DED segment as used in the Payment Related Information field of the Addenda Record:

DED*application identifier*case identifier*pay date*payment amount*non-custodial parent ssn* medical support indicator*non-custodial name*FIPS code*employment termination indicator

Note the use of the asterisk (*) and backslash (\).

Data elements in a segment are either mandatory or optional. Data elements in a segment that are not mandatory as defined by the standard may be omitted. The omission of an optional element is noted by the placement of an asterisk in the place of that element. For example, in non-custodial parent name were to be omitted from the segment, it would look like this:

DED*application identifier*case identifier*pay date*payment amount*non-custodial parent ssn*medical support indicatorFIPS code*employment termination indicator**

Also, if an optional data element is the last data element in a segment, and that field is not being used, the preceding asterisk is replaced by the backslash. For example, if the employment termination indicator is omitted from the segment, it would look like this:

DED*application identifier*case identifier*pay date*payment amount*non-custodial parent ssn*medical support indicator*non-custodial parent name*FIPS code

The following grid delineates the format for the DED Segment (Convention) for interstate payments:

DED Child Support Segment/Convention for Employers

Element	Comments	Content	Attributes		
			1	2	3
	Segment Identifier	DED	M	ID	3/3
DED01	Application Identifier	XX	M	ID	2/2
DED02	Case Identifier	XXXXXXXXXX	M	AN	1/20
DED03	Pay Date	YYMMDD	M	DT	6/6
DED04	Payment Amount	\$\$\$\$\$\$CC	M	N2	1/10
DED05	Non-Custodial Parent Social Security Number	XXXXXXXXXX	M	AN	9/9
DED06	Medical Support Indicator	‘Y’ - Yes, ‘N’ - No	M	AN	1/1
DED07	Non-Custodial Parent Name	XXXXXXXXXX	O	AN	1/10
DED08	FIPS Code	XXXXXXX	O	AN	5/7
DED09	Employment Termination Indicator	‘Y’ - Yes	O	AN	1/1

Sample DED Segment

DED*CS*ZC146*951024*13547*975348431*N*SMITH,HARR*A4738*Y\

(Reminder: due to the one-addenda limitation of the CCD+ format, the DED segment is restricted to a maximum of 80 characters. Note the use of the asterisk and

backslash.) The column headings used on the grid

are as follows:

- **Element** defines the data element name
- **Comments** and **Content** define the data element
- **Attributes** are defined as follows:
 1. Field Requirement - The first column of the attributes is the field requirement for that data element. An ‘M’ denotes a mandatory element, whereas an ‘O’ denotes an optional element.
 2. Date Type - The second column of the attributes specifies the field data type.

‘AN’ denotes a string type data element. Contents of string data elements are a sequence of letters, digits, spaces and/or special characters (with the exception of the asterisk and backslash). The contents must be left-justified. Trailing spaces should be suppressed unless they are necessary to satisfy a minimum length requirement.

‘DT’ denotes a data type data element. Format for the date is YYMMDD. YY is the last two digits of theyear (00-99), MM is the numeric value fro the month (1-12), and DD is the numeric value of the day (1-31).

‘ID’ denotes an identifier data element from a pre-defined list of values.

'N2' denotes a numeric type data element with two decimal places to the right of a fixed, implied decimal point. The decimal point is not transmitted. It is intended that this number will always be positive for the child support application banking convention. Thus the amount, \$135.47 would appear as *13547*.

3. Length - The third column of the attributes signifies the minimum/maximum use of an element. This specifies the minimum and maximum length of a particular field. For example, 1/6 indicates that this date element must be at least one character, but not more than six.

Element Definitions

DED01 Application Identifier: Supported Code Value - 'CS' - *Child Support*

The application identifier indicates the type of deduction being withheld from an employee's pay.

DED02 Case Identifier:

The case identifier element is the IV-D case number or court order number. The case identifier always refers to the identification number of the case in the state receiving the EFT/EDI transaction (e.g., the child support receiving agency). This is true whether the transaction is from an employer or another state. The child support receiving agency determines which number to use.

DED03 Pay Date:

The pay date provides the obligor's (non-custodial parent) pay date or the date of the income withholding (i.e., the date the funds were withheld by the employer).

DED04 Payment Amount:

The payment amount element indicates the non-custodial parent's withholding amount for this pay period being paid to the child support receiving agency.

DED05 Non-Custodial Parent Social Security Number:

The non-custodial parent Social Security Number element provides the CSE agency receiving the transaction with the non-custodial parent's Social Security Number.

DED06 Medical Support Indicator: Supported Code Values - 'Y', 'N'

The medical support indicator indicates whether the non-custodial parent has family medical insurance coverage available through his/her employer. If medical insurance coverage is available through his/her employer, a 'Y' is used; if there is no coverage available, an 'N' is used.

DED07 Non-Custodial Parent Name:

The non-custodial parent name element indicates the first seven letters of the non-custodial parent's last name followed by the first three letters of his/her first name. A comma must be used to separate the last name from the first name of the custodial parent when the last name is less than seven characters.

DED08 FIPS Code:

The Federal Information Process Standard (FIPS) code refers to the FIPS Code of the child support entity receiving

the transaction. It is five characters when indicating both the state and county codes. It is seven characters when indicating state, county, and local codes.

DED09 Employment Termination Indicator: Supported Code Value - 'Y'

The employment termination indicator is used to notify the child support enforcement agency that an individual's employment has terminated. A "Y" is placed in this field if the employee has been terminated otherwise, the field is not used. The payment amount field may contain zero when this field is used.

V. CTX Format & ASC X12 820 Payment/Order Remittance Advice

At a minimum, state child support entities were required to accept employer originated child support withholding payments sent in the NACHA CCD⁺ format by October 1, 1997, and therefore many states already have this capability. An increasing number of states are capable of sending and receiving these payments made using the CTX format containing the ASC X12 820 transaction set. As indicated previously, the CTX format may have up to 9,999 Addenda Records associated with each Entry Detail Record, thus greatly expanding the reporting potential. Going forward, the number of child support entities supporting the CTX/820 option will rise; therefore, a state should check with the child support enforcement entity receiving the payment to determine if it can receive and process the CTX/820. The employer should contact its financial institution to verify input options as well as the institution's ability to originate a CTX format.

The Addenda Record of the CTX format containing the ASC X12 820 transaction set used to send child support payments would typically be comprised of the following data segments:

ISA Interchange Control Header: (mandatory)

A control segment used to start and identify an interchange of zero or more functional groups and interchange-related control segments.

GS Functional Group Header: (mandatory)

Control segment used to indicate the beginning of a functional group and to provide control information.

ST Transaction Set Header: (mandatory)

Control segment used to indicate the start of a transaction set and to assign a control number (e.g., ST*820 selects the 820 transaction set).

BPR Beginning Segment for Payment Order/Remittance Advice: (mandatory)

Segment used to indicate the beginning of a Payment Order/Remittance Advice Transaction set and total payment amount or to enable related transfer of funds and/or information from payer to payee to occur. This segment identifies the dollar value of the payment along with the bank routing information.

TRN Trace: (optional)

Segment used to uniquely identify a transaction to an application; identifies the transaction reference number.

REF Reference Numbers: (optional)

Segment used to specify identifying numbers; provides additional reference information.

N1 Name: (optional)

Segment used to identify a party by type of organization, name and code; provides name information.

ENT Entity: (optional)

Segment used to designate the entities which are parties to a transaction and specify a reference meaningful to those entities.

DED Deduction: (mandatory)

Segment used to specify payment information for child support payment deductions; provides the child support payment information (refer to DED segment grid); more than one DED segment may be conveyed in the transaction. The DED segment is optional within the 820 transaction set, but it must be used for the purpose of exchanging child support payments and payment information.

SE Transaction Set Trailer: (mandatory)

Control segment used to indicate the end of the transaction set and provide the count of the transmitted segments (including the beginning (ST) and ending (SE) segments).

GE Functional Group Trailer: (mandatory)

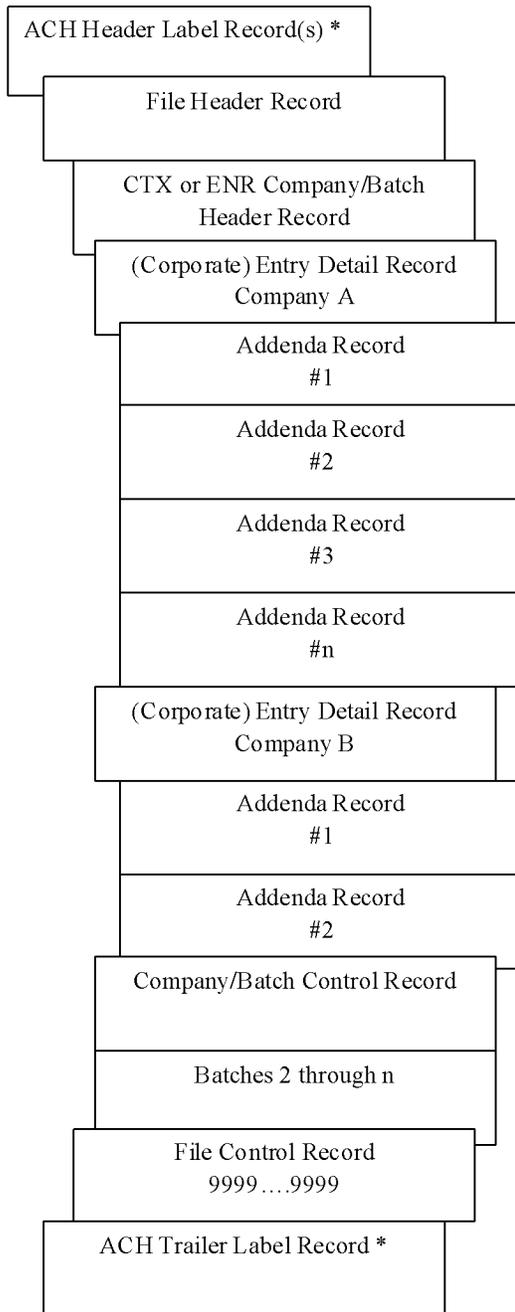
Control segment used to indicate the end of a functional group and to provide control information.

IEAI Interchange Control Record: (mandatory)

Control segment used to define the end of and interchange of one or more functional groups or interchange-related control segments, or a combination of functional groups and interchange control segments.

The above summary of data segments used within the 820 transaction set do not specify the data elements used within each of the segments. The DED segment is the same as within the CCD⁺ format Addenda Record, however, additional segments are used to construct the full 820 transaction set and exchange it in an EDI environment. Please consult ASC X12 standards documentation and the *820 Implementation Guide* published by the Bankers EDI Council for detailed standards and implementation information and instructions.

VI. Diagram of Sequence of Records for CTX and ENR Entries



*Contingency Use Only

CTX CORPORATE ENTRY DETAIL RECORD
Sequence or Records for CTX Entries

FIELD	1	2	3	4	5	6	7	8	9	10	11	12	13
DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DFI IDENTIFICATION	CHECK DIGIT	DFI ACCOUNT NUMBER	TOTAL AMOUNT	IDENTIFICATION NUMBER	NUMBER OF ADDENDA RECORDS	RECEIVING COMPANY NAME	RESERVED	DISCRETIONARY DATA	ADDENDA RECORD INDICATOR	TRACE NUMBER
Field Inclusion Requirement	M	M	M	M	M	M	O	M	M	N/A	O	M	M
Contents	'6'	Numeric	TTTTAAA	Numeric	Alphanum	\$\$\$\$\$\$\$ cc	Alphanum	Numeric	Alphanum	Blank	Alphanum	Numeric	Numeric
Length	1	2	8	1	17	10	15	4	16	2	2	1	15
Position	01-01	02-03	04-11	12-12	13-29	30-39	40-54	55-58	59-74	75-76	77-78	79-79	80-94

CTX ADDENDA RECORD

FIELD	1	2	3	4	5
DATA ELEMENT NAME	RECORD TYPE CODE	ADDENDA TYPE CODE	PAYMENTS RELATED INFORMATION	ADDENDA SEQUENCE NUMBER	ENTRY DETAIL SEQUENCE NUMBER
Field Inclusion Requirement	M	M	O	M	M
Contents	'7'	'05'	Alphanumeric	Numeric	Numeric
Length	1	2	80	4	7
Position	01-01	02-03	04-83	84-87	88-94

VII. Additional Information

We hope the information you have received and reviewed will assist you in your decision to electronically remit child support payments to the State of Mississippi. Please contact **Sharyn Allen** at sharyn.allen@mdhs.ms.gov or **601-359-4483** for information regarding verification lists/files or additional employer packets. If you need further information and/or clarification regarding electronic transmissions contained within this packet, you may contact Takedia Magee at takedia.magee@mdhs.ms.gov, or 601-359-4630 or Beverly Williams at beverly.williams@mdhs.ms.gov or 601-359-4615.