ACH CREDIT HANDBOOK

INTRODUCTION

This booklet contains general information about Electronic Funds Transfer (EFT) as well as instructions for making EFT payments using National Automated Clearing House Association (NACHA) rules and regulations through the Automated Clearing House (ACH) Credit method.

For the purposes of paying Unemployment Insurance Taxes to the North Carolina Department of Commerce, Division of Employment Security (DES), EFT entails a transfer of funds from an employer's designated bank account to the agency's designated bank account. Employers initiate the ACH credit payment by contacting their bank and providing Quarterly Unemployment Tax information in a designated format or sequence of information.

Some of the advantages for employers who opt to use EFT to pay Unemployment Insurance taxes include:

- Less expensive than processing of paper checks
- Reduced postage fees
- Knowledge of the exact time an account is to be debited

NATIONAL AUTOMATED CLEARING HOUSE ASSOCIATION RULES AND REGULATIONS FOR PAYMENT OF QUARTERLY UI TAXES

All ACH Credit transactions must utilize the NACHA CCD+TXP format with the TXP Banking Convention Addenda Record.

This guide is not intended to provide an explanation of the rules and regulations of the National Automated Clearing House Association (NACHA). It is intended to provide the specific requirements for using the ACH Credit method of paying quarterly Unemployment Insurance taxes to the DES Tax Department.   A complete set of ACH rules and regulations may be obtained from a local bank or the National Automated Clearing House Association.

COST OF USING THE CREDIT PAYMENT METHOD

Employers who choose the ACH Credit method for paying North Carolina Unemployment Insurance Taxes will need to contact their bank to learn about costs and procedures related to initiating ACH Credit payments.

DUE DATES FOR NORTH CAROLINA UNEMPLOYMENT INSURANCE TAXES

North Carolina Unemployment Insurance Taxes are due quarterly according to the schedule listed below:

First Quarter (January through March)	April 30
Second Quarter (April through June)	July 31
Third Quarter (July through September)	October 31
Fourth Quarter (October through December)	January 31

Payments initiated on the due date MUST be initiated before the banking day changes.

AVOIDING LATE PENALTIES AND INTEREST

The Tax Department assumes no responsibility or liability for tax payments made by the ACH Credit method unless and until the employer initiates payment. Any employer who chooses to use the credit method of EFT and who does not initiate a timely payment shall be subject to late payment and interest fees.

HOLIDAYS AND WEEKENDS

When a tax due date falls on a Saturday, Sunday, or a State or bank holiday, the EFT transaction must be initiated by the next business day. Banking and/or State Holidays include the following:

New Year's Day	Memorial Day	Veteran's Day
Martin Luther King, Jr.'s Birthday	Independence Day	Thanksgiving
President's Day	Labor Day	Christmas
Good Friday	Columbus Day	

DES BANKING INFORMATION

The following information is to be used to identify the agency's designated bank account with Bank of America, 8001 Villa Park Drive, Richmond, Virginia 23228,Telephone(800) 624-2907.

Bank Transit/Routing Number:	053000196
Bank Account Number:	000684198943

CCD+TXP RECORD LAYOUT

The ACH Credit payment must be submitted in the following format:

CCD Entry Detail Record

Field Name	Length	Start	End	Format
Record Type Code	1	1	1	"6"
Transaction Code	2	2	3	Numeric
Receiving DFI Identification	8	4	11	TTTTAAAA
Check Digit	1	12	12	Numeric
DFI Account Number	17	13	29	Alphanumeric
Amount	10	30	39	$$$$$$$$¢¢
Identification Number	15	40	54	Employer's seven-digit Unemployment Insurance Tax Account Number; fill positions 47 through 54 with spaces; *do not include dashes in the account number*
Receiving Company Name	22	55	76	Employer 's name
Discretionary Data	2	77	78	Alphanumeric
Addenda Record Indicator	1	79	79	Numeric
Trace Number	15	80	94	Numeric

Addenda Record in the Tax Payment (TXP) Banking Convention Format

Field Name	Length	Start	End	Format
Record Type Code	1	1	1	"7"
Addenda Type Code	2	2	3	"05"
Segment Identifier	3	4	6	"TXP"
Separator	1	7	7	"*"
Employer Account Number	7	8	14	Numeric
Check Digit	1	15	15	Numeric, if available ,or space
Separator	1	16	16	"*"
Tax Type Code	5	17	21	"01300"
Separator	1	22	22	"*"
Tax Period End Date	6	23	28	YYMMDD; *must be the quarter end date not the quarter due date*
Separator	1	29	29	"*"
Amount Type	1	30	30	"T" for tax payment or "Z" for prenote test
Separator	1	31	31	"*"
Amount	10	32	41	$$$$$$$$¢¢
Separator	1	42	42	"*"
Remitter Number	6	43	48	Payroll services should enter their six-digit remitter number in each addenda record; others should enter spaces
Terminator	1	49	49	"\"
Filler	34	50	83	Enter the name of the employer to which the payment applies
Addenda Sequence Number	4	84	87	Refer to ACH Rules
Entry Detail Sequence Number	7	88	94	Refer to ACH Rules

NON-MONETARY TEST OF ACH CREDIT PAYMENT

DES strongly encourages each employer who chooses the ACH Credit method for paying North Carolina Unemployment Insurance Taxes to conduct a non-monetary test of the transfer from the employer's bank account to the agency's designated bank account. This test is called a prenote or prenotification. ***In the prenote addenda record, the amount type should contain "Z" and the amount should be zeroes.***

QUESTIONS

Questions regarding the submission of ACH Credit payments should be directed to the Employer Call Center at (919) 707-1150 or toll free at (866) 278-3822. The Employer Call Center can also be reached by e-mail at des.tax.customerservice@nccommerce.com.

GLOSSARY OF TERMS

ACH Credit Method Automated Clearing House Credit Method. A method of electronically transferring funds, for quarterly payment of North Carolina Unemployment Insurance Taxes, from the employer's bank account to the Tax Department's designated bank account. This method is initiated and controlled by the employer during its entirety.

EFT Electronic Funds Transfer. An electronic method for transferring funds quickly and accurately from one entity's bank account to another's.

Employer An employing unit that is liable for North Carolina Unemployment Insurance Taxes.

Prenote/Prenotification A non-monetary test conducted between the employer's bank and the Tax Department's bank to ensure the accuracy of the electronic path between the employer's designated account and the Tax Department's designated account.

Settle (into) A banking term that means a payment has successfully moved from one bank account to another.

Tax Department The Tax Department of the North Carolina Department of Commerce, Division of Employment Security.