

**CREDIT**

**CARD**



**BULK**

**PROVIDER**

**REQUIREMENTS**

**Nature of Changes**

| <b>Date/Version</b> | <b>Page</b> | <b>Paragraph</b>  | <b>Change Description</b>                   |
|---------------------|-------------|-------------------|---|
| 08/02/2006,<br>v5   | 76          | Notes for T 4A-10 | Separated IMF tax types IF&P/Stand Alone    |
| 03/06/2007,<br>v6   | 3           | TOC               | Added two chapters, adjusted page numbers   |
|                     | 14          | 2.A.3             | Rmvd phone number; added web address        |
|                     | 17          | 2.A.              | Added GE & IEA Segments                     |
|                     | 20          | 2.D               | Changed test plan responsibility            |
|                     | 34          | 4.A               | Added new chapter references                |
|                     | 92          | 4.C               | Added error code table                      |
|                     | 93          | 4.D               | Added Chapter 9                             |
|                     | 101         | 4.E               | Added Chapter 10                            |
|                     | 104         | 5.A.              | Changed IRS POC                             |
|                     | 104         | 5.B.4             | Added document format information           |
|                     | 104         | 5.B.4.C           | Added report requirements and clarification |
|                     | 106         | 5.B.4.E           | Added new document requirement              |
|                     | 108         | 5.B.12, 13 & 14   | Added new requirements                      |
|                     | 112         | First paragraph   | Updated wording                             |
| 06/11/2007          | 112         | First paragraph   | Corrected tax year                          |

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## **1. General Interest Items**

### **TREASURY FINANCIAL AGEMENT (TFA) CONTACT LIST**

**To be provided upon registering with the Treasury Financial Agent**

**A. EFTPS BULK PROVIDER REGISTRATION**

1. Each Credit Card Bulk Provider must complete the standard EFTPS Business Enrollment form (IRS Form 9779) and the attached “**TRADING PARTNER REGISTRATION FORM**”. The Treasury Financial Agent (TFA) will use the enrollment and Registration forms to initially set up the Credit Card Bulk Provider on the Electronic Federal Tax Payment System (EFTPS) and to track activity. The completed forms will be mailed to the address provided by the TFA.
  
2. **In the Integrated File and Pay Credit Card Program**, a balance due return is associated with an accepted e-file return. The approved credit card payment must wait for the acceptance of the e-file return. Upon acceptance of the e-file return, the credit card payment can be submitted using the Credit Card Bulk Provider Requirements and the approved entity and tax identifying information accepted by the IRS. In order to use this program, the credit card bulk provider must *annually* register with the IRS and sign an agreement indicating the company’s adherence to the IRS requirements. In addition, the bulk provider must register and test with the assigned Treasury Financial Agent. For subsequent years, the bulk provider must annually test with the TFA to be recertified. All testing is required to be completed and certification to be submitted by December 28 of each year. If December 28 falls on a Saturday or Sunday, the preceding workday will be the due date.
  
3. **For stand-alone credit card programs**, the IRS requires a proposal to be submitted in reference to an IRS Request for Proposal. The IRS will issue contract awards based on the best solutions for increasing e-file and electronic payment volumes.



## TRADING PARTNER REGISTRATION FORM

### Company Profile

\_\_\_\_\_  
Company Name - Your corporate name (up to 30 characters).

\_\_\_\_\_  
Address (up to 30 characters)

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Country

\_\_\_\_\_  
Business Unit - Your division name (up to 30 characters)  
Describing a specific business unit under the company name.

\_\_\_\_\_  
Business Hours

### EDI Envelope Information

\_\_\_\_\_  
Interchange Receiver ID (up to 15 characters)

\_\_\_\_\_  
Function group ID (up to 15 characters)

### Communications Contact

The person at your company that will be our ongoing contact for communications issues and concerns.

\_\_\_\_\_  
Communications Contact Name  
(Up to 30 characters)

\_\_\_\_\_  
Title  
(Up to 30 characters)

\_\_\_\_\_  
Phone (xxx-xxx-xxxx)

### EDI Contact

The person at your company that will be our ongoing contact for EDI translation issues and concerns.

\_\_\_\_\_  
EDI Contact Name  
(Up to 30 characters)

\_\_\_\_\_  
Title  
(Up to 30 characters)

\_\_\_\_\_  
Phone (xxx-xxx-xxxx)



**GENERAL INFORMATION**

Please list the following:

Hardware Platform: \_\_\_\_\_

Operating System: \_\_\_\_\_

Database: \_\_\_\_\_

Communications Software Protocol: \_\_\_\_\_

Translator: \_\_\_\_\_

Dedicated or Dial Up Connection \_\_\_\_\_

Type of Modem: \_\_\_\_\_

Modem Speed: \_\_\_\_\_

Production site area code  
and exchange number: \_\_\_\_\_

Disaster recovery site  
area code and exchange number: \_\_\_\_\_

Company business hours: \_\_\_\_\_

Contact name: \_\_\_\_\_

Contact Business Hours: \_\_\_\_\_

Contact Telephone Number: \_\_\_\_\_

**B. LETTER OF AGREEMENT**

A signed letter of agreement is required to be on file with the Treasury Financial Agent (TFA) before live entity validation and/or payments can begin. The letter of agreement will be provided by the TFA and will be signed and returned based on instructions from the TFA.

Note: The letter of agreement will contain a statement that:

"Every taxpayer for whom the Credit Card Bulk Provider will be submitting Electronic Federal Tax Payment System payments will have certified that the credit card processor is authorized to process the payment and to exchange information with the IRS necessary to process the payment."



**C. PROJECT SCHEDULES****BULK PROVIDER & TREASURY FINANCIAL AGENT  
DEVELOPMENT SCHEDULE**

| <u>PHASE</u> | <u>TARGET<br/>START DATE</u> | <u>TARGET<br/>END DATE</u> | <u>STATUS</u> |
|--------------|------------------------------|----------------------------|---------------|
|--------------|------------------------------|----------------------------|---------------|

EDI SOFTWARE INSTALLATION  
BUSINESS SYSTEM DESIGN

**ENTITY VALIDATION (Required for Credit Card processors who are contacted directly by the taxpayer)**

DETAIL DESIGN  
DEVELOPMENT  
SYSTEM TEST  
ACCEPTANCE TEST  
BULK PROVIDER TESTING  
LIVE ENTITY VALIDATION

**DEBIT PAYMENTS**

DETAIL DESIGN  
DEVELOPMENT  
SYSTEM TEST  
ACCEPTANCE TEST  
BULK PROVIDER TESTING  
LIVE DEBIT PAYMENTS



**TREASURY FINANCIAL AGENT TESTING SCHEDULE**

BULK PROVIDER Name \_\_\_\_\_

|   | <u>Earliest Available<br/>Start Date</u> | <u>Expected<br/>Start Date</u> |
|---|--|--------------------------------|
| TELECOMMUNICATION   | _____                                    | _____                          |
| ENTITY VALIDATION<br>(Entity Validation for Name Control) | _____                                    | _____                          |
| DEBIT PAYMENT   | _____                                    | _____                          |

Note: Allow a minimum of 2 weeks testing for each subsystem



**FINANCIAL AGENT ENTITY VALIDATION PROCESS SCHEDULE  
(For Credit Card Transactions Initiated Directly by Taxpayers)**

**BULK PROVIDER NAME** \_\_\_\_\_

**DESCRIPTION OF VALIDATION APPROACH**

---

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**EXPECTED START DATE** \_\_\_\_\_

**EXPECTED END DATE** \_\_\_\_\_

**NUMBER OF TRANSMISSIONS** \_\_\_\_\_

**FREQUENCY** \_\_\_\_\_

**TFA PAYMENT LIVE DATES**

BULK PROVIDER NAME \_\_\_\_\_

The following prerequisites must be complete prior to the live date.

- Financial Agent testing completed
- Signed Letter of Agreement
- Trading Partner Registration Form

Payment Method                      Bulk Debit \_\_\_\_\_

Expected Live date                      \_\_\_\_\_

Expected Initial Volume                      \_\_\_\_\_

Expected Frequency                      \_\_\_\_\_

Expected Growth                      \_\_\_\_\_

**D. CUSTOMER SERVICE**

1. The EFTPS support staff hours for Credit Card Bulk Providers are from 8:30 a.m. ET to 8:00 p.m. ET, Monday through Friday. It is imperative that all calls regarding operational concerns come through the Bulk Provider Customer Service line.
2. EFTPS needs to know the business hours of all Bulk Providers. Please be prepared to exchange this information at the time of the individual conference calls.
3. The Bulk Provider procedures for inquiring about an entity validation file and/or payment are as followed
  - STEP 1. Do **not** automatically resubmit the entity validation and /or payment.
  - STEP 2. Call Customer Service at the toll free 800 number to check on the status of the entity validation and/or payment.
  - STEP 3. The Customer Service Center will be able to give status information on the entity validation and/or payment by looking to our Customer Service Application Database.

## **2. SPECIFIC PROCESSING REQUIREMENTS**

### **A. EDI TRANSLATION**

1. If you are using an EDI translation software package, review where you are in the implementation process for the initial review conference call.
2. If you are doing your own EDI development, review your intended support of all EFTPS transaction sets. (NOTE: We continue to recommend that you purchase EDI translation software. Historically, in-house development of EDI translators have elongated the testing process for EDI newcomers, and complications may jeopardize your live date.)
3. Note that all data must be compliant with the 3050 version of the ANSI x12 EDI standards. To obtain a copy of the standards, visit [www.ANSI.org](http://www.ANSI.org). There is a cost.
4. Updates to new versions of the ANSI Standard will be reviewed as they become available. If EFTPS determines that the new standard will be utilized the change control procedures will be followed.
  - a. Six months notice will be given prior to implementing a new standard.
  - b. Old standards will be supported for a minimum of 6 months following the implementation of a new standard.
5. Review shared understanding of the contents of the ISA and GS segments (see attached). (e.g. - potential use of EINs or Dunn's numbers for Sender and Receiver IDs)
6. Bulk provider must verify that they use EFTPS EDI standards
  - A. The tilde "~" as a data element separator.
  - B. The backslash "\" as a segment separator.
  - C. The greater than sign ">" as a sub-segment separator.

**ISA SEGMENT -INTERCHANGE CONTROL SEGMENT - INCOMING TO THE TREASURY  
FINANCIAL AGENT**

| Element | REF. Nmbr | Name                              | Req. Desig | Elem. Type | Elem. Length | Comments                     |
|---------|-----------|-----------------------------------|------------|------------|--------------|------------------------------|
| ISA01   | I01       | Authorization Information Qualif. | M          | ID         | 2/2          | 00                           |
| ISA02   | I02       | Authorization Information         | M          | AN         | 10/10        | blanks                       |
| ISA03   | I03       | Security Information Qualifier    | M          | ID         | 2/2          | 00                           |
| ISA04   | I04       | Security Information              | M          | AN         | 10/10        | blanks                       |
| ISA05   | I05       | Interchange ID Qualifier          | M          | ID         | 2/2          | determined by bulk provider  |
| ISA06   | I06       | Interchange Sender ID             | M          | AN         | 15/15        | determined by bulk provider  |
| ISA07   | I05       | Interchange ID Qualifier          | M          | ID         | 2/2          | to be provided by TFA        |
| ISA08   | I07       | Interchange Receiver ID           | M          | AN         | 15/15        | to be provided by TFA        |
| ISA09   | I08       | Interchange Date                  | M          | DT         | 6/6          | current date                 |
| ISA10   | I09       | Interchange Time                  | M          | TM         | 4/4          | current time                 |
| ISA11   | I10       | Interchange Control Standards ID  | M          | ID         | 1/1          | U                            |
| ISA12   | I11       | Interchange Control Vers. Number  | M          | ID         | 5/5          | to be provided by TFA        |
| ISA13   | I12       | Interchange Control Number        | M          | N0         | 9/9          | determined by bulk provider* |
| ISA14   | I13       | Acknowledgment Requested          | M          | ID         | 1/1          | 0                            |
| ISA15   | I14       | Test Indicator                    | M          | ID         | 1/1          | 'T' or 'P'                   |
| ISA16   | I15       | Component Element Separator       | M          | AN         | 1/1          | >                            |

- This number will be validated in duplication checks and must be unique.

**GS SEGMENT - FUNCTIONAL GROUP HEADER - INCOMING TO THE TFA**

| Element | REF. Nmbr | Name                         | Req. Desig | Elem. Type | Elem. Length | Comments                      |
|---------|-----------|------------------------------|------------|------------|--------------|-------------------------------|
| GS01    | 479       | Functional Identifier Code   | M          | ID         | 2/2          | 838 = TD, 813 = TF            |
| GS02    | 142       | Application Sender's Code    | M          | AN         | 2/15         | To be provided by the TFA     |
| GS03    | 124       | Application Receiver's Code  | M          | AN         | 2/15         | To be provided by the TFA     |
| GS04    | 373       | Date                         | MIZ        | DT         | 6/6          | current date                  |
| GS05    | 337       | Time                         | MIZ        | TM         | 4/8          | current time                  |
| GS06    | 28        | Group Control Number         | MIZ        | N0         | 1/9          | determined by bulk provider * |
| GS07    | 455       | Response Agency Code         | M          | ID         | ½            | X                             |
| GS08    | 480       | Version/RIs/Industry ID Code | M          | AN         | 1/12         | 003050                        |

\* This number will be validated in duplication checks and must be unique.



**GE SEGMENT  
FUNCTIONAL GROUP TRAILER**

| Element | REF. Number | Name                            | Req. Desig . | Elem. Type | Elem. Length | Comments      |
|---------|-------------|---------------------------------|--------------|------------|--------------|---------------|
| GE01    | 97          | Number of Transaction Sets Inc. | M            | N0         | 1/6          |               |
| GE02    | 28          | Group Control Number            | MIZ          | N0         | 1/9          | (Must = GS06) |

**IEA SEGMENT  
INTERCHANGE CONTROL TRAILER**

| Element | REF. Number | Name                           | Req. Desig . | Elem. Type | Elem. Length | Comments |
|---------|-------------|--------------------------------|--------------|------------|--------------|----------|
| IEA01   | I16         | Number of Included Funct Group | M            | N0         | 1/5          |          |
| IEA02   | I12         | Interchange Control Number     | M            | N0         | 9/9          |          |

**B. ENTITY VALIDATION (Direct Taxpayer Contact with Credit Card Processor Only)**

Credit Card Bulk Providers are required to include taxpayer name control and zip code in the payment file sent to IRS. If the credit card transaction is initiated through an *e-file* service, the entity is validated upon receipt of the *e-file* confirmation.

Credit card processors who have been contacted directly by the taxpayer must initiate an entity validation process through the EFTPS financial agent to validate the taxpayer’s identity and obtain the name control and zip code.

1. Review the entity validation process. The entity validation process is located in the EFTPS User Requirements document.

New requests needing IRS validation in order to obtain name control can be transmitted daily along with the payment files for previously validated taxpayers.

2. Review of the bulk provider entity validation error codes (see the below list).

**EFTPS BULK PROVIDER ENTITY VALIDATION ERROR CODES**

| <b>Error Codes</b> | <b>Description</b> | <b>Comments</b>    |
|--------------------|--------------------|--------------------|
| 0005               | TIN mismatched.    | IRS Critical Error |
|                    |                    |                    |
|                    |                    |                    |
|                    |                    |                    |
|                    |                    |                    |

**C. PAYMENTS**

All credit card payments to IRS are initiated through the bulk debit procedures.

1) Transmission Schedules:

- a) The deadline for processing debit payments is 7:00 p.m. ET on the calendar day prior to settlement day. (Note: If a bulk provider wants to send in a file on Saturday or Sunday, they must communicate with the FA during normal business hours.)
- b) Settlement will occur on banking days only, Monday through Friday, excluding holidays.

2) Rejects:

- a) The FA will provide you with complete payment reject codes and conditions. A few possible reasons are:
  - 1) No name control
  - 2) Dollar amount over \$99,999,999.99 per transaction set (1,000 payments)
  - 3) File format error

3) Returns:

The process for handling returns of debits will start with the Receiving Depository Financial Institution (RDFI) sending EFTPS a valid return reason code such as NSF or Uncollected Funds. Note: The RDFI must adhere to NACHA rules regarding returns. Next, EFTPS will send the bulk provider a transaction set 827 that contains return reason information. EFTPS must send this transaction set 827 within 24 hours of the return settling.

4) Duplicate File

A duplicate file is one in which the ISA & GS control numbers are not unique. If a duplicate file is received by the TFA then the EDI translator will reject it and the bulk provider will receive a negative 997 functional acknowledgment.

However, if a file has unique ISA and GS control numbers, then the file will not be rejected and any previously processed payments will be processed again. Resolution will need to come from the IRS directly. EFTPS does not have the capability to initiate a reversal of debit payment transactions.

**D. TESTING PLAN**

**Below is a general test plan which should be used only as a guide to what will be expected. The final test plan will be provided by the bulk provider.**

EDI Transmission Test

Two Files  
Valid  
Invalid

Entity Validation Test

Valid X12 Format/Entity Validation  
Invalid X12 Format  
Syntax  
Duplicate Control Numbers  
Invalid Entity Validations  
Volume - 50% of Expected Volume

Payments

Valid X12 Format/Payments  
Invalid X12 Format  
Syntax  
Duplicate Control Numbers  
Invalid Debit  
Error Codes  
Volume - 50% of Expected High Volume Day

**SAMPLE BULK PROVIDER TEST CASES**

| <b>FUNCTIONALITY</b>                          | <b>TEST SCENARIOS</b>  |
|---|--|
| File Transmission Testing                     | VALID: The bulk provider will send through 1 file with a valid sender listed on the ISA segment. (NOTE: This will be an entity validation file with 1 - 5 entity validation requests. This will only be used for EDI file transfer testing.)   |
|   | The TFA will return a 997 Functional Acknowledgment to the bulk provider within 1 hour of receipt of the 838 file. The TFA and the bulk provider will work together to confirm the results.  |
|   | INVALID: The bulk provider will send through 1 file with an invalid sender listed on the ISA segment. (NOTE: This will be an entity validation file with 1 - 5 entity validation requests. This will only be used for EDI file transfer testing.)  |
|   | The TFA will return a 997 Functional Acknowledgment to the bulk provider within 1 hour of receipt of the 838 file. The TFA and the bulk provider will work together to confirm the results.  |
| "Valid" Entity Validation X12 Format (Syntax) | <p>The bulk provider will send a file to the TFA. This file will be used to verify that the format of the entity validation file mirrors the EFTPS EDI trading partner profile standards. The TFA will check the following (but not limited to) on the 838 Entity Validation and 997 Functional Acknowledgment Files:</p> <ul style="list-style-type: none"> <li>Proper Enveloping: <ul style="list-style-type: none"> <li>Content format of ISA and IEA Segments</li> <li>Content format of GS and GE Segments</li> <li>Content format of ST and SE Segments</li> </ul> </li> <li>Bulk Provider TIN</li> <li>File Creation Date / Time</li> <li>Bulk Provider Name / Telephone Number</li> <li>Taxpayer Name / TIN</li> </ul> |
| "Invalid" Entity                              | The bulk provider will send a second file to the TFA. This file  |

| <b>FUNCTIONALITY</b>                  | <b>TEST SCENARIOS</b>  |
|---------------------------------------|--|
| Validation X12 Format (Syntax)        | will contain errors with the format of the file in order for the TFA to send the bulk provider a REJECTED 997 Functional Acknowledgment. The TFA will check the following (but not limited to) on the 838 Entity Validation: <ul style="list-style-type: none"> <li>Improper Enveloping or X12 Format Errors:               <ul style="list-style-type: none"> <li>Content format of ISA and IEA Segments</li> <li>Content format of GS and GE Segments</li> <li>Content format of ST and SE Segments</li> </ul> </li> </ul> |
| "Valid" Entity Validation             | The bulk provider will create an 838 Entity Validation file with 50 taxpayers. Place at least 5 Entity Validation requests containing primary/secondary names on the file.   |
|                                       | The TFA will return a 997 Functional Acknowledgment to the bulk provider within 24 hours of receipt of the 838.  |
| "Valid" Entity Validation (continued) | The TFA will return an 824 Application Advice to the bulk provider within 3 days of receipt of the 838.  |
|                                       | The bulk provider will return a 997 Functional Acknowledgment to the TFA within 1 hour of receipt of the 824.  |
| "Invalid" Entity Validation           | The bulk provider will create an "invalid" 838 Entity Validation file with 50 taxpayers. Please be sure to include the following invalid TINs: <ul style="list-style-type: none"> <li>Blank TIN (Element N101 should be left blank)</li> <li>999999999</li> <li>345A24436</li> </ul>   |
|                                       | The TFA will return a 997 Functional Acknowledgment to the bulk provider within 24 hours of receipt of the 838.  |
|                                       | The TFA will return an 824 Application Advice to the bulk provider within 3 days of receipt of the Entity validation file.   |

| <b>FUNCTIONALITY</b>   | <b>TEST SCENARIOS</b>   |
|--|---|
|  | The bulk provider will return a 997 Functional Acknowledgment to the TFA within 1 hour of the 824.  |
|  | On DAY 2 the TFA will return an 824 (reject) Application Advice to the bulk provider. This 824 will be the rejection file containing all invalid TINs.  |
|  | The bulk provider will return a 997 Functional Acknowledgment to the TFA within 1 hour of receipt of the 824.   |
| Conditional Testing<br><br>Entity Validation<br>Volume Testing | The bulk provider will send an Entity Validation file to the TFA containing at least 50% of your largest Entity Validation file.  |
|  | The TFA will return a 997 Functional Acknowledgment to the bulk provider within 24 hours of receipt of the 838.   |
|  | The TFA will return an 824 Application Advice to the bulk provider within 3 days of receipt of the 838.   |
|  | The bulk provider will return a 997 Functional Acknowledgment to the TFA within 1 hour of receipt of the 824.   |
| "Valid" Bulk ACH Debit Format (Syntax)                         | The bulk provider will send 2 files to the TFA. This file will be used to verify that the format of the BULK ACH debit files mirror the EFTPS EDI trading partner profile standards. The TFA will check the following (but not limited to) on the 813 Tax Payment and 997 Functional Acknowledgment files: <ul style="list-style-type: none"> <li>Proper Enveloping:               <ul style="list-style-type: none"> <li>Content format of ISA and IEA Segments</li> <li>Content format of GS and GE Segments</li> <li>Content format of ST and SE Segments</li> </ul> </li> <li>Reference Information</li> <li>File Creation Date</li> <li>Date Sent to TFA</li> <li>Dollar Amount</li> </ul> |

| <b>FUNCTIONALITY</b>                            | <b>TEST SCENARIOS</b>  |
|---|--|
| <p>"Invalid" Bulk ACH Debit Format (Syntax)</p> | <p>Payment Method<br/>           Payment / Account Information<br/>           Settlement Date<br/>           Tax Form Information<br/>           Taxpayer TIN<br/>           Tax Period Date</p> <p>The bulk provider will send 2 additional files to the TFA. This file will contain errors with the format of the file in order for the TFA to send the bulk provider a REJECTED 997 Functional Acknowledgment. The TFA will check the following (but not limited to) on the 813 Entity Validation:</p> <p>Proper Enveloping:<br/>               Content format of ISA and IEA Segments<br/>               Content format of GS and GE Segments<br/>               Content format of ST and SE Segments</p> <p>Reference Information<br/>           File Creation Date<br/>           Date Sent to the TFA<br/>           Dollar Amount<br/>           Payment Method<br/>           Payment / Account Information<br/>           Settlement Date<br/>           Tax Form Information<br/>           Taxpayer TIN<br/>           Tax Period Date</p> |
| <p>"Valid" ACH Debits</p>                       | <p>The bulk provider will send a file of 50 payments. Be sure the transaction sets range from \$.01 - \$99,999.999.99 using various dollar amounts and cents.</p> <p>The TFA will return a 997 Functional Acknowledgment to the bulk provider within 1 hour of receipt of the 813 Tax Payment.</p>   |



| <b>FUNCTIONALITY</b>                | <b>TEST SCENARIOS</b>   |
|-------------------------------------|---|
|                                     | The TFA will return a 151 Electronic Filing of Tax Return Data Acknowledgment to the bulk provider within 3 hours of receipt of the 813 Tax Payment.  |
| "Valid" ACH Debits<br>(continued)   | The bulk provider will send the TFA a 997 Functional Acknowledgment within 1 hour of receipt of the 151.  |
| "Invalid" ACH Debits                | <p>The bulk provider will send a file of 50 payments. Include the following TINs:</p> <p style="text-align: center;">000000000<br/>34533ABCD<br/>410700000<br/>345558219 (valid TIN but unenrolled)<br/>452782525, tax type 941a (invalid tax type)<br/>345251872 (this will be returned as NSF)</p> <p>Be sure the transaction sets range from \$.01 - \$99,999.999.99 using various dollar amounts and cents with one transaction set for \$100,000,000.00.</p> |
|                                     | The TFA will return a 997 Functional Acknowledgment to the bulk provider within 1 hour of receipt of the 813 Tax Payment.   |
| "Invalid" ACH Debits<br>(continued) | The TFA will return a 151 Electronic Filing of Tax Return Data Acknowledgment within 3 hours of receipt of the 813 Tax Payment. This file will include the invalid TINs and the valid TIN with the invalid tax type.  |
|                                     | The bulk provider will send the TFA a 997 Functional Acknowledgment within 1 hour of receipt of the 151.  |
| Payment Return - Part I             | The TFA will send the bulk provider an 827 Financial Return Notice for TIN 345251872 that was used in the "invalid" ACH debit test case. This will be returned as NSF. (The payment   |

| <b>FUNCTIONALITY</b>   | <b>TEST SCENARIOS</b>   |
|--|---|
|  | <p>reversal will occur on DAY 2).</p> <p>The bulk provider will send a 997 Functional Acknowledgment to the TFA within 1 hour of receipt of the 827.</p>  |
| <p>Conditional Testing</p> <p>ACH "Bulk" Debit Volume Testing</p>    | <p>The bulk provider will send a debit file reflecting 50% of the expected high volume day. This file will run through as a normal ACH debit.</p> <p>The TFA will return a 997 Functional Acknowledgment to the bulk provider within 1 hour of receipt of the 813.</p> <p>The TFA will return a 151 Electronic Filing of Tax Return Data Acknowledgment within 3 hours of receipt of the 813.</p> <p>The bulk provider will send the TFA a 997 Functional Acknowledgment within 1 hour of receipt of the 151.</p> |
| <p>Conditional Testing</p> <p>"Bulk" Debit Transaction Set Limit</p> | <p>The bulk provider will send the TFA a bulk debit file with at least 1 transaction set with at least 1001 transactions</p>  |
|  | <p>The TFA will return a 997 Functional Acknowledgment to the bulk provider within 1 hour of receipt of the 813.</p> <p>The TFA will return a REJECTION 151 Electronic Filing of Tax Return Data Acknowledgment within 3 hours of receipt of the 813.</p> <p>The bulk provider will send the TFA a 997 Functional Acknowledgment within 1 hour of receipt of the 151.</p>   |
| <p>Conditional Testing</p>   |   |

| <b>FUNCTIONALITY</b>                      | <b>TEST SCENARIOS</b>   |
|---|---|
| File Limits                               | The bulk provider will send a debit file with 21 (813) transaction sets   |
|   | The TFA will return a 997 Functional Acknowledgment to the bulk provider within 1 hour of receipt of the 813.   |
|   | The TFA will return a REJECTION 151 Electronic Filing of Tax Return Data Acknowledgment within 3 hours of receipt of the 813.   |
|   | The bulk provider will send the TFA a 997 Functional Acknowledgment within 1 hour of receipt of the 151.  |
| Conditional Testing<br><br>Duplicate File | The bulk provider will send the debit file used in the Valid ACH debit scenario. Change ONLY the settlement date. Do not make any changes to the ISA or GS control numbers. |
|   | The bulk provider will receive a NEGATIVE 997 Functional Acknowledgment from the TFA within 1 hour of receipt of the 813.   |

**NOTES**

Please be sure that the ISA segment is marked for Test.

Some of the test conditions are being tested so that the bulk provider will recognize the conditions that the rejection acknowledgment file will be returned in "production".

**Other Optional Test Scenarios:****Test Case #1: (Optional)**

- Bulk Provider sends 813 file containing at least 1 ST with at least 2 payment records (1 payment with tax type code 10401 and another with code 10402) and a tax period end date (TFS segment, TFS07 element) other than the current year – 1.
- TFA returns an accepted 997 along with a 151 file containing rejected acknowledgement type and error code. Notice that all STs on the file (ISA) are rejected with error code 1104.
- Bulk Provider returns an accepted 997.

**Test Case #2: (Optional)**

- Bulk Provider sends 813 file containing at least 1 ST and 1 payment with tax type code 10402 and the Credit Card Authorization Date (DTM segment w/in the TFS Loop, DTM02 element) after [06/30/xx](#).
- TFA returns an accepted 997 along with a 151 file containing rejected acknowledgement type and error code. Notice that all STs on the file (ISA) are rejected with error code 1104.
- Bulk Provider returns an accepted 997.

**Telecommunications/Timing of 813 Payment Flow Test Case (Optional #3):**

- Bulk Provider sends an 813 file including at least 1 ST and one payment record
- TFA processes the 813 file and sends back a 151 confirmation file to the Bulk Provider.
- Bulk Provider returns an accepted 997 in response to the 151 confirmation file.
- TFA returns an accepted 997 acknowledgment (for the 813 payment file) to the Bulk Provider.

“ONE-ON-ONE” TEST CASE # 4: Entity Validation – Confirmation – Payment flow with multiple ST’s (transaction sets):

- Bulk Provider sends 1 Entity Validation file with at least two (2) 838 transaction sets (ST’s)
- TFA returns an accepted 997 and validates Entity Validation requests with IRS (simulated)
- TFA creates two (2) confirmation files, each containing an 824 ST that confirms each 838 ST and returns to Bulk Provider (Note: Based upon the timing of the 838 transaction sets that are sent will determine if the 824 sets are on one file or multiple files.)
- Bulk Provider returns an accepted 997 in response to the 824 confirmation file.
- Bulk Provider sends an 813 file with all validated Entity Validation requests.
- TFA returns a 997 acknowledging the 813 and also a 151 confirmation file to the Bulk Provider.
- Bulk Provider returns an accepted 997 in response to the 151 confirmation file. No duplicate payment file is generated and/or sent by the Bulk Provider.

### **3. TELECOMMUNICATIONS CONCERNS**

#### **A. Data Transmission Specifications**

##### **1. Communications Protocol**

File Transfer Protocol (FTP) or Connect Direct through the EFTPS wide area network (WAN) frame relay network. This network requires provisioning of appropriate telecommunication circuits and encrypted routers to connect to the EFTPS network. This provides hardware-based encryption and meets FIPS 140-2 requirements.

##### **2. Line Service**

Leased line, connection depending on capacity requirements.

##### **3. Initiation Function**

The FTP connection is always live to the TFA host.

##### **4. Common Carrier Interface**

Leased line connections will be coordinated at the time of circuit order.

##### **5. Line Type**

For a leased line connection, the TFA will coordinate the circuit order.

##### **6. Transmission Speeds**

56 KBS to 128 KBS (Leased)

##### **7. Security: Identification-Authentication-Encryption**

Encryption is required for all payment and entity validation transmissions.

Encryption router, providing router to router encryption across the EFTPS Bulk Provider WAN.

##### **8. Value Added Networks (VAN)**

VAN is not provided.

**B. Telecommunications Set-Up**

Vendor Name \_\_\_\_\_

Initiation Function \_\_\_\_\_

Communication Protocols \_\_\_\_\_

Line Type \_\_\_\_\_

Credit Card Bulk Provider:

IP Address To be provided by the FA

Line Speed \_\_\_\_\_

Number of Locations \_\_\_\_\_

Debit Payments

Transmission Frequency Daily

Transmission Volume \_\_\_\_\_

Wednesday \_\_\_\_\_

Friday \_\_\_\_\_

15th of Month \_\_\_\_\_

Quarter End \_\_\_\_\_

Transmission Times \_\_\_\_\_

Entity Validation Files (Only for Processors who are contacted directly by the taxpayer)

Conversion Volume \_\_\_\_\_

Transmission Frequency \_\_\_\_\_

Transmission Volume \_\_\_\_\_

Transmission Times \_\_\_\_\_

## **C. Disaster Recovery**

### **Treasury Financial Agent (TFA)**

The TFA maintains a hot backup site for all operations in case of a hardware/software failure. Every effort will be made to ensure all tax payments are received on a timely basis. Processing windows may be modified to ensure timely posting of all tax payments. If a telecommunication, data center or operations center failure occurs, the Credit Card Bulk Provider will be provided disaster recovery procedures by the TFA.



**D. Bulk Provider Disaster Recovery Plan**

- High level description of Disaster Recovery Plan as it impacts EFTPS
- Do you have a back-up modem at primary site?
- Is there a back-up site (Hot back-up or Cold start)?
- How long is the outage before moving to back-up site?
- How will the TFA be notified to dial the back-up site or back-up modem?
- Who is the primary contact?
- Back-up Site
- Where is the back-up site located (city, state)?
- What is the hardware/telecom setup (Is this different from the primary site)?
- If hot back-up, are the modems always active?
- What are the back-up phone numbers?

Disaster Recovery Testing

- When can we schedule initial test?
- Is periodic testing at the back-up site required? How often?

## **4. EDI Record Formats**

### **A. General**

#### **Important notes regarding the following material...**

- Chapters 3, 4, 9 and 10 are extracted from the *Implementation Guide for EFTPS Bulk Providers* and edited for credit card processors. Material from the remaining Chapters of the *Guide*, if applicable to credit card processing, is included in earlier portions of this document.
- All Electronic Data Interchange transaction set layouts in Chapters 3, 4 and 9 are in ANSI X12 version 003050.

## B. Chapter 3. Taxpayer Entity Validation

### Overview

This chapter describes the modified enrollment process for taxpayers submitting electronic Federal tax payments through a credit card processor. File layouts for taxpayer Entity Validation requests are shown in **Attachments 3A-3C** at the end of the chapter.

### Taxpayer Entity Validation Process

The modified enrollment process is intended to validate the Taxpayer Identification Number (social security number or employer identification number) for taxpayers who contact the credit card company directly to initiate a payment. This process is not required for taxpayers whose entity has been validated by the electronic filing system.

Credit card processors who have been contacted directly by the taxpayer must initiate a pseudo taxpayer enrollment process through the EFTPS financial agent to validate the taxpayer's identification number and obtain the name control and zip code.

#### Step ①

---

- The taxpayer authorizes the credit card processor/bulk provider to process the payment and to exchange information with the IRS necessary to process the payment.

#### Step ②

---

- The credit card processor/bulk provider transmits an entity validation file to the TFA. The format is ANSI X12 EDI **838-transaction set**. Each 838-transaction set is limited to a maximum of 1,000 Entity Validation requests.
- Within one hour after receipt of entity validation file, the TFA will send the Credit Card Bulk Provider an acknowledgment of receipt of file. The format for the acknowledgment is ANSI X12 EDI **997-transaction set**.

**Step ③**

---

- The Treasury Financial Agent exchanges an entity file with the IRS. The entity file will include only the critical fields of data collected from the bulk provider, including the taxpayer's SSN.

**Step ④**

---

- λ After the TFA receives the entity validation file from the IRS, the TFA notifies the bulk provider about acceptance or rejection of taxpayer Entity Validation requests. The acceptance file will contain the name control and ZIP code (may be present) of approved taxpayers. Rejected Entity Validation requests will include a reason code. The format is ANSI the X12 EDI **824-transaction set**. Process the IRS entity validation files whether a zip code is supplied or not (where the zip is blank). If the zip code field is received blank, the FA shall create the EDI 824 enrollment confirmation transaction set. The EDI 824 REF03 element will be blank and sent back to the Credit Card Processor without a zip code. For EDI 813 payments, the FA will not reject the payment transaction set if the zip code field is blank (Again, the REF03 element will be blank on the 813).
  - Within one hour after receipt of receipt of this file, the bulk provider will return the TFA an acknowledgment of receipt of file to the TFA. The format is ANSI X12 EDI **997-transaction set**.
-

**TRANSACTION SET 838**

**TRADING PARTNER PROFILE**

**VERSION 003050**

**SEND FROM BULK PROVIDER**

**REQUEST FOR ENTITY VALIDATION**

**ATTACHMENT 3A**

**838 - TRADING PARTNER PROFILE  
VERSION 003050**

**REQUEST FOR ENTITY VALIDATION SENT FROM BULK PROVIDER**

**TABLE 3A-1**

| SEG. ID | NAME  | REQ. DES. | MAX. USE | LOOP REPEAT |
|---------|---|-----------|----------|-------------|
| ST      | Transaction Set Header                        | M         | 1        |             |
| BTP     | Beginning Segment for Trading Partner Profile | M         | 1        |             |
| PER     | Administrative Communications Contact         | O         | 1        |             |
|         | LOOP ID - LX                                  |           |          | >1          |
| LX      | Assigned Number                               | O         | 1        |             |
|         |   |           |          |             |
|         | LOOP ID - N1                                  |           |          | >1          |
| N1      | Name  | O         | 1        |             |
| N9      | Reference Number                              | O         | >1       |             |
|         |   |           |          |             |
| SE      | Transaction Set Trailer                       | M         | 1        |             |

EFTPS will limit use of the LX loop to 1,000.  
 One N1 loop is used for each Entity Validation request.

The N3 and N4 segments are not used for credit card processing.  
 Only one N9 segment will be used

**838 - TRADING PARTNER PROFILE  
VERSION 003050**

**ST SEGMENT  
TRANSACTION SET HEADER**

**TABLE 3A-2**

| Element | REF. Number | Name                            | Req. Desig. | Elem. Type | Elem. Length | Comments |
|---------|-------------|---------------------------------|-------------|------------|--------------|----------|
| ST01    | 143         | Transaction Set Identifier Code | MIZ         | ID         | 3/3          | "838"    |
| ST02    | 329         | Transaction Set Control Number  | M           | AN         | 4/9          |          |

ST02 is a control number that must be unique within the functional group.  
The originator of the transaction assigns it.

Example:

ST~838~45678\

**838 - TRADING PARTNER PROFILE  
VERSION 003050**

**BTP SEGMENT  
BEGINNING SEGMENT FOR TRADING PARTNER PROFILE**

**TABLE 3A-3**

| Element | REF Number | Name                         | Req. Desig | Elem Type | Elem Length | Comments                  |
|---------|------------|------------------------------|------------|-----------|-------------|---------------------------|
| BTP01   | 353        | Transaction Set Purpose Code | MIZ        | ID        | 2/2         | “35” Request Authority    |
| BTP02   | 127        | Reference Number             | MIZ        | AN        | 1/30        | To be provided by the TFA |
| BTP03   | 373        | Date                         | MIZ        | DT        | 6/6         | (YYMMDD)                  |
| BTP04   | 337        | Time                         | M          | TM        | 4/8         | (HHMM)                    |
| BTP05   | 640        | Transaction Type Code        | M          | ID        | 2/2         | “S4” Submission           |
| BTP06   | 353        | Transaction Set Purpose Code | OIZ        | ID        | 2/2         | “00” (Original)           |
| BTP07   | 127        | Reference Number             | XIZ        | AN        | 1/30        | “CREDIT CARD”             |
| BTP08   | 373        | Date                         | XIZ        | DT        | 6/6         | Not Used                  |
| BTP09   | 337        | Time                         | O          | TM        | 4/8         | Not Used                  |
| BTP10   | 591        | Payment Method Code          | O          | ID        | 3/3         | Not Used                  |

BTP02 will contain the reference number (a 9 digit number assigned by the TFA at registration).

BTP03 will be the file creation date.

BTP04 will be the file creation Time (time expressed as 24 hour clock).

Example:

Reference ID= 999999999      File Creation Date = April 10, 2006

File Creation Time = 8:10 am

BTP~35~999999999~060410~0810~S4~00~CREDIT CARD\



**838 - TRADING PARTNER PROFILE  
VERSION 003050**

**PER SEGMENT  
ADMINISTRATIVE COMMUNICATIONS CONTACT**

**TABLE 3A-4**

| Element | REF. Number | Name                           | Req. Desig. | Elem. Type | Elem. Length | Comments                       |
|---------|-------------|--------------------------------|-------------|------------|--------------|--------------------------------|
| PER01   | 366         | Contact Function Code          | M           | ID         | 2/2          | "AA" Authorized Representative |
| PER02   | 93          | Name                           | O           | AN         | 1/35         |                                |
| PER03   | 365         | Communication Number Qualifier | X           | ID         | 2/2          | "TE"                           |
| PER04   | 364         | Communication Number           | X           | AN         | 1/80         |                                |

PER02 will contain the Name of the Bulk Provider.

PER04 will contain the Telephone number for the Bulk Provider.

Example:

Bulk Provider = We Pay Your Taxes

Telephone Number = (313)889-1234

PER~AA~We Pay Your Taxes~TE~3138891234\

**838 - TRADING PARTNER PROFILE  
VERSION 003050**

**LOOP ID - LX  
LX SEGMENT  
ASSIGNED NUMBER**

**TABLE 3A-5**

| Element | REF Number | Name            | Req. Desig. | Elem Type | Elem.Length | Comments |
|---------|------------|-----------------|-------------|-----------|-------------|----------|
| LX01    | 554        | Assigned Number | M           | NO        | 1/6         |          |

Use one LX Loop for each Taxpayer (TIN) to be validated.

LX01 is a unique number per transaction set control number and is assigned sequentially from 1-1000 by the Bulk Provider. It will identify each tax Entity Validation request.

The number in the LX01 will be sent back in the 824 to notify you of acceptance or rejection of the Entity Validation request.

Maximum use of the LX loop for EFTPS is 1,000.

Start another 838 for additional Entity Validation requests.

Example:

LX~999\

**838 - TRADING PARTNER PROFILE  
VERSION 003050**

**LOOP ID - N1  
N1 SEGMENT  
NAME**

**TABLE 3A-6**

| Element | REF. Number | Name                     | Req. Desig | Elem. Type | Elem. Length | Comments   |
|---------|-------------|--------------------------|------------|------------|--------------|--|
| N101    | 98          | Entity Identifier Code   | M          | ID         | 2/2          | "TP" Primary Taxpayer  |
| N102    | 93          | Name                     | X          | AN         | 1/35         | Space  |
| N103    | 66          | Identification Code      | X          | ID         | 1/2          | "24" Employer Identification Number, or<br>"34" Social Security Number |
| N104    | 67          | Identification Code      | X          | ID         | 2/20         | EIN or SSN   |
| N105    | 706         | Entity Relationship Code | O          | ID         | 2/2          | Not Used   |
| N106    | 98          | Entity Identifier Code   | O          | ID         | 2/2          | Not Used   |

Use one N1 Loop for each Qualifier you would like to use in the N101

Example:

Credit card payment Entity Validation Request for an SSN

SSN = 178989292  
N1~TP~ ~34~178989292\

Credit card payment Entity Validation Request for an EIN

EIN = 68-0123456  
N1~TP~ ~24~680123456\

**838 - TRADING PARTNER PROFILE  
VERSION 003050**

**LOOP ID - N1  
N9 SEGMENT  
REFERENCE NUMBER**

**TABLE 3A-7**

| Element | REF. Number | Name                       | Req. Desig | Elem. Type | Elem. Length | Comments                            |
|---------|-------------|----------------------------|------------|------------|--------------|-------------------------------------|
| N901    | 128         | Reference Number Qualifier | M          | ID         | 2/2          | "VU" Preparer's Verification Number |
| N902    | 127         | Reference Number           | X          | AN         | 1/30         | "8655"                              |
| N903    | 369         | Free-Form Description      | X          | AN         | 1/45         | Not Used                            |
| N904    | 373         | Date                       | O          | DT         | 6/6          | Not Used                            |
| N905    | 337         | Time                       | X          | TM         | 4/8          | Not Used                            |
| N906    | 623         | Time Code                  | OIZ        | ID         | 2/2          | Not Used                            |

This record confirms that the taxpayer has authorized the credit card processor/bulk provider to process the payment and to exchange information with the IRS necessary to process the payment.

Example:

N9~VU~8655\

**838 - TRADING PARTNER PROFILE  
VERSION 003050**

**SE SEGMENT  
TRANSACTION SET TRAILER**

**TABLE 3A-8**

| Element | REF. Number | Name                           | Req. Desig. | Elem. Type | Elem. Length | Comments |
|---------|-------------|--------------------------------|-------------|------------|--------------|----------|
| SE01    | 96          | Number of Segments Included    | M           | NO         | 1/10         |          |
| SE02    | 329         | Transaction Set Control Number | M           | AN         | 4/9          |          |

Example:

SE~8~45678\

Note: SE02 must be the same as the ST02.

**TRANSACTION SET 997**

**FUNCTIONAL ACKNOWLEDGMENT**

**VERSION 003050**

**ATTACHMENT 3B**

**997 - FUNCTIONAL ACKNOWLEDGMENT  
VERSION 003050**

**TABLE 3B-1**

| <b>SEG. ID</b> | <b>NAME</b>                       | <b>REQ. DES</b> | <b>MAX. USE</b> | <b>LOOP REPEAT</b> |
|----------------|-----------------------------------|-----------------|-----------------|--------------------|
| ST             | Transaction Set Header            | M               | 1               |                    |
| AK1            | Functional Group Response Header  | M               | 1               |                    |
|                |                                   |                 |                 |                    |
|                | LOOP - ID AK2                     |                 |                 | 999999             |
| AK2            | Transaction Set Response Header   | O               | 1               |                    |
| AK5            | Transaction Set Response Trailer  | M               | 1               |                    |
|                |                                   |                 |                 |                    |
| AK9            | Functional Group Response Trailer | M               | 1               |                    |
| SE             | Transaction Set Trailer           | M               | 1               |                    |

**997 - FUNCTIONAL ACKNOWLEDGMENT  
VERSION 003050**

**ST SEGMENT  
TRANSACTION SET HEADER**

**TABLE 3B-2**

| Element | REF Number | Name                            | Req. Desig. | Elem. Type | Elem. Length | Comments |
|---------|------------|---------------------------------|-------------|------------|--------------|----------|
| ST01    | 143        | Transaction Set Identifier Code | MIZ         | ID         | 3/3          | "997"    |
| ST02    | 329        | Transaction Set Control Number  | M           | AN         | 4/9          |          |

ST02 is a control number that must be unique within the functional group.  
The originator of the transaction assigns it.

Example:

ST~997~56766\



**997 - FUNCTIONAL ACKNOWLEDGMENT  
VERSION 003050**

**AK1 SEGMENT  
FUNCTIONAL GROUP RESPONSE HEADER**

**TABLE 3B-3**

| Element | REF. Num. | Name                       | Req. Desig | Elem Type | Elem. Length | Comments   |
|---------|-----------|----------------------------|------------|-----------|--------------|--|
| AK101   | 479       | Functional Identifier Code | MIZ        | ID        | 2/2          | "AG" Application Advice (824)<br>"FR" Financial Reporting (827)<br>"TA" Elec. Filing of Tax Return Data Ack. (151)<br>"TD" Trading Partner Profile (838)<br>"TF" Elec. Filing of Tax Return Data (813)<br>"TI" Tax Information Reporting (826) |
| AK102   | 28        | Group Control Number       | MIZ        | N0        | 1/9          |  |

AK101 is the functional ID found in the GS segment (GS01) in the functional group being acknowledged.

AK102 is the functional group control number found in the GS segment; element GS06 in the functional group being acknowledged.

Example:

AK1~TF~34566969\

**997 - FUNCTIONAL ACKNOWLEDGMENT  
VERSION 003050**

**LOOP ID - AK2  
AK2 SEGMENT  
TRANSACTION SET RESPONSE HEADER**

**TABLE 3B-4**

| Element | REF. Number | Name                       | Req. Desig. | Elem. Type | Elem. Length | Comments   |
|---------|-------------|----------------------------|-------------|------------|--------------|--|
| AK201   | 143         | Trans. Set Identifier Code | MIZ         | ID         | 3/3          | "824" Application Advice<br><br>"827" Financial Reporting<br>"151" Elec. Filing of Tax Return Data Ack.<br>"838" Trading Partner Profile<br>"813" Elec. Filing of Tax Return Data<br>"826" Tax Information Reporting |
| AK202   | 329         | Trans. Set Control Number  | MIZ         | AN         | 4/9          | From Trans. Set Identifier Code being acknowledged.<br>ST segment, element ST02  |

Example:

AK2~813~323232\

**997 - FUNCTIONAL ACKNOWLEDGMENT  
VERSION 003050**

**LOOP ID - AK2  
AK5 SEGMENT  
TRANSACTION SET RESPONSE TRAILER**

**TABLE 3B-5**

| Element | REF. Number | Name                            | Req. Desig | Elem. Type | Elem. Length | Comments                     |
|---------|-------------|---------------------------------|------------|------------|--------------|------------------------------|
| AK501   | 717         | Transaction Set Ackn. Code      | M          | ID         | 1/1          | “A” Accepted<br>“R” Rejected |
| AK502   | 718         | Transaction Set Syntax Error Cd | O          | ID         | 1/3          | Not Used                     |
| AK503   | 718         | Transaction Set Syntax Error Cd | O          | ID         | 1/3          | Not Used                     |
| AK504   | 718         | Transaction Set Syntax Error Cd | O          | ID         | 1/3          | Not Used                     |
| AK505   | 718         | Transaction Set Syntax Error Cd | O          | ID         | 1/3          | Not Used                     |
| AK506   | 718         | Transaction Set Syntax Error Cd | O          | ID         | 1/3          | Not Used                     |

Example:

AK5~A\

**997 - FUNCTIONAL ACKNOWLEDGMENT  
VERSION 003050**

**AK9 SEGMENT  
FUNCTIONAL GROUP RESPONSE TRAILER**

**TABLE 3B-6**

| Element | REF. Number | Name                           | Req. Desig. | Elem. Type | Elem. Length | Comments                     |
|---------|-------------|--------------------------------|-------------|------------|--------------|------------------------------|
| AK901   | 715         | Functional Group Acknow Code   | M           | ID         | 1/1          | “A” Accepted<br>“R” Rejected |
| AK902   | 97          | Number of Trans. Sets Included | M           | N0         | 1/6          |                              |
| AK903   | 123         | Number of Trans. Sets Received | M           | N0         | 1/6          |                              |
| AK904   | 2           | Number of Accepted Tran Sets   | M           | N0         | 1/6          |                              |
| AK906   | 716         | Functional Group Syntax Error  | O           | ID         | 1/3          | Not Used                     |
| AK907   | 716         | Functional Group Syntax Error  | O           | ID         | 1/3          | Not Used                     |
| AK908   | 716         | Functional Group Syntax Error  | O           | ID         | 1/3          | Not Used                     |
| AK909   | 716         | Functional Group Syntax Error  | O           | ID         | 1/3          | Not Used                     |

Example:

AK9~A~1~1~1\

**997 - FUNCTIONAL ACKNOWLEDGMENT  
VERSION 003050**

**SE SEGMENT  
TRANSACTION SET TRAILER**

**TABLE 3B-7**

| Element | REF. Number | Name                           | Req. Desig | Elem. Type | Elem. Length | Comments                              |
|---------|-------------|--------------------------------|------------|------------|--------------|---------------------------------------|
| SE01    | 96          | Number of Included Segments    | M          | No         | 1/10         |                                       |
| SE02    | 329         | Transaction Set Control Number | M          | AN         | 4/9          | From ST Segment of "997" element ST02 |

Example:

SE~5~56766\

**TRANSACTION SET 824**

**APPLICATION ADVICE**

**VERSION 003050**

**SEND FROM TFA**

**CONFIRM/REJECT ENTITY REQUEST**

**ATTACHMENT 3C**

**824 - APPLICATION ADVICE  
VERSION 003050**

**TABLE 3C-1**

| SEG. ID | NAME                   | REQ. DES. | MAX. USE | LOOP REPEAT |
|---------|------------------------|-----------|----------|-------------|
| ST      | Transaction Set Header | M         | 1        |             |
| BGN     | Beginning Segment      | M         | 1        |             |

**TABLE 3C-2**

| SEG. ID | NAME                                | REQ. DES | MAX. USE | LOOP REPEAT |
|---------|-------------------------------------|----------|----------|-------------|
|         | LOOP ID - OTI                       |          |          | >1          |
| OTI     | Original Transaction Identification | O        | 1        |             |
| REF     | Reference Numbers                   | O        | 12       |             |
| SE      | Transaction Set Trailer             | M        | 1        |             |

**824 - APPLICATION ADVICE  
VERSION 003050****ST  
TRANSACTION SET HEADER****TABLE 3C-3**

| Element | REF. Number | Name                            | Req. Desig. | Elem. Type | Elem. Length | Comments |
|---------|-------------|---------------------------------|-------------|------------|--------------|----------|
| ST01    | 143         | Transaction Set Identifier Code | MIZ         | ID         | 3/3          | "824"    |
| ST02    | 329         | Transaction Set Control Number  | M           | AN         | 4/9          |          |

ST02 is a control number that must be unique within the functional group.  
The originator of the transaction assigns it.

Example:

ST~824~56456\



**824 - APPLICATION ADVICE  
VERSION 003050**

**BGN  
BEGINNING SEGMENT**

**TABLE 3C-4**

| Element | REF. Num. | Name                         | Req. Desig | Elem. Type | Elem. Length | Comments  |
|---------|-----------|------------------------------|------------|------------|--------------|---|
| BGN01   | 353       | Transaction Set Purpose Code | M          | ID         | 2/2          | "00" Original   |
| BGN02   | 127       | Reference Number             | MIZ        | AN         | 1/30         | Assigned by transaction originator. The same as element BGN06 |
| BGN03   | 373       | Date                         | MIZ        | DT         | 6/6          | YYMMDD Transaction Set Date                                   |
| BGN04   | 337       | Time                         | XIZ        | TM         | 4/8          | Not Used  |
| BGN05   | 623       | Time Code                    | OIZ        | ID         | 2/2          | Not Used  |
| BGN06   | 127       | Reference Number             | OIZ        | AN         | 1/30         | Control Number from 838's ST02                                |
| BGN07   | 640       | Transaction Type Code        | O          | ID         | 2/2          | Not Used  |
| BGN08   | 306       | Action Code                  | O          | ID         | 2            | "CF" Confirm<br>"U" Reject                                    |

BGN02 is the transaction set reference number (assigned by originator) and is the same as element BGN06.

BGN06 is the transaction set reference number of a previously sent 838 transaction and is used to match the 824 to the 838.

If BGN08 is "CF", the transaction will confirm that all entity validations within the control number were accepted.

IF BGN08 is "U", the transaction will confirm that some or all of the entity validations were rejected for the indicated control number. The OTI segment will provide details.

**Example:**

Reference Number for EV Confirmation = 567898, Date = November 15, 2006

Original Control Number = 45678 (ST02 Control Number from Request for entity validation)

All Accepted: BGN~00~567898~061115~~~45678~~CF\

Some TIN's rejected: BGN~00~567898~061115~~~45678~~U\

**824 - APPLICATION ADVICE  
VERSION 003050**

**LOOP ID - OTI  
OTI SEGMENT  
ORIGINAL TRANSACTION IDENTIFICATION**

**TABLE 3C-5**

| Element | REF. Num. | Name                            | Req. Desig | Elem Type | Elem. Length | Comments                             |
|---------|-----------|---------------------------------|------------|-----------|--------------|--------------------------------------|
| OTI01   | 110       | Application Acknow. Code        | M          | ID        | 2            | "IA" Item Accept<br>"IR" Item Reject |
| OTI02   | 128       | Reference Number Qualifier      | M          | ID        | 2/2          | "2I" Tracking Number                 |
| OTI03   | 127       | Reference Number                | M          | AN        | 1/30         | 1 to 6 Digit Number from LX01 in 838 |
| OTI04   | 142       | Application Sender's Code       | O          | AN        | 2/15         | Not Used                             |
| OTI05   | 124       | Application Receiver's Code     | O          | AN        | 2/15         | Not Used                             |
| OTI06   | 373       | Date                            | OIZ        | DT        | 6/6          | Not Used                             |
| OTI07   | 337       | Time                            | OIZ        | TM        | 4/8          | Not Used                             |
| OTI08   | 28        | Group Control Number            | X          | N0        | 1/9          | Not Used                             |
| OTI09   | 329       | Transaction Set Control Number  | O          | AN        | 4/9          | Not Used                             |
| OTI10   | 143       | Transaction Set Identifier Code | O          | ID        | 3/3          | Not Used                             |
| OTI11   | 480       | Version/Release/Industry        | OIZ        | AN        | 1/12         | Not Used                             |

OTI03 will contain the reference number from the original the LX01 838 transaction. The LX01 is a sequential number generated by EDI from 1-1000.

Examples: Enrollment Reference Number = 999  
Transaction Set Accepted: OTI01~IA~2I~999\  
One Transaction Accepted, One Rejected: OTI01~IR~2I~999\

**824 - APPLICATION ADVICE  
VERSION 003050**

**LOOP ID - OTI  
REF SEGMENT  
REFERENCE NUMBERS**

**TABLE 3C-6**

| Element | REF. Num. | Name                       | Req. Desig | Elem Type | Elem. Length | Comments  |
|---------|-----------|----------------------------|------------|-----------|--------------|---|
| REF01   | 128       | Reference Number Qualifier | M          | ID        | 2/2          | "1Q" Error Identification Code<br>"BB" Authorization Number   |
| REF02   | 127       | Reference Number           | X          | AN        | 1/30         | Name Control for valid TIN's;<br>Error Code for invalid TIN's |
| REF03   | 352       | Description                | X          | AN        | 1/80         | ZIP Code  |

## Examples:

Enrollment Rejection Reason Code = 0005

REF~1Q~0005\

Acceptance - Name Control ABCD, ZIP Code 01234

REF~BB~ABCD~01234\

**824 - APPLICATION ADVICE  
VERSION 003050**

**SE SEGMENT  
TRANSACTION SET TRAILER**

**TABLE 3C-7**

| Element | REF. Number | Name                           | Req. Desig. | Elem. Type | Elem. Length | Comments |
|---------|-------------|--------------------------------|-------------|------------|--------------|----------|
| SE01    | 96          | Number of Included Segments    | M           | No         | 1/10         |          |
| SE02    | 329         | Transaction Set Control Number | M           | AN         | 4/9          |          |

Example:

Control Number = 56456  
 Number of Segments = 12

SE~ 12~56456\

## C. Chapter 4. ACH Bulk Debits

### **ACH Bulk Debits (One Debit Posted to Bulk Provider's Account)**

#### **Overview**

This chapter describes the process for submitting Federal tax payments through one debit to the bulk provider's account. File layouts for ACH Bulk Debits are provided in **Attachments 4A-B** at the end of the chapter.

#### **ACH Bulk Debit Process**

The graphic on page 65 depicts the process for submitting tax payments using the ACH Bulk Debit method.

#### Transmission Schedules:

The deadline for processing debit payments is 7:00 p.m. ET on the calendar day prior to settlement day. Settlement will occur on banking days only, Monday through Friday, excluding holidays.

#### Rejects:

Any payment rejects may result in the entire file rejecting back to the Credit Card Bulk Provider, for additional detail contact the FA.

#### Returns:

The process for handling returns of debits will start with the Receiving Depository Financial Institution (RDFI) sending EFTPS a valid return reason code such as NSF or Uncollected Funds. Note: The RDFI must adhere to NACHA rules regarding returns. Next, EFTPS will send the bulk provider an 827-transaction set, which contains return reason information. EFTPS must send this transaction set 827 within 24 hours of the return settling.

#### Duplicate File

A duplicate file is one in which the ISA & GS control numbers are not unique. If a duplicate file is received by the TFA, the EDI translator will reject it and the bulk provider will receive a negative 997 functional acknowledgment. However, if a file has unique ISA and GS control numbers, then the file will not be rejected and any previously processed payments will be processed again. Resolution will need to come from the IRS directly. EFTPS does not have the capability to initiate a reversal of debit payment transactions.

#### **Step ①**

---

- Taxpayers initiate the credit card payment through the electronic filing system or by contacting the credit card processor directly.

- As part of the credit card approval process, the taxpayer must certify that the credit card processor is authorized to process the payment and to exchange information with the IRS necessary to process the payment.

### **Step ②**

---

- The credit card processor/bulk provider completes a transmission to the TFA with payment detail. To settle on the next banking date, the file must be transmitted by 7:00 pm ET. Attachment 4A shows the format for the ANSI X12 EDI **813-transaction set**.
- For each 813-transaction set, one bulk debit will be originated.
- Each 813-transaction set is limited to a maximum of 1000 transactions. There is a limit of 50 (fifty) 813-transaction sets to a file, for a maximum of 50,000 transactions per file.

### **Step ③**

---

- Within one hour of receipt of the payment file, the TFA will send the bulk provider an acknowledgment file. Attachment 3B shows the format for the ANSI X12 EDI **997-transaction set**
- Upon receipt of the payment file, the TFA will begin the validation and editing process. The first level of validation is on a file level:
  - Validate that the detail totals to the header record. If the totals do not equal the TFA rejects the file.
- The second level of validation is at the transaction set level:
  - Validate for the dollar limit of \$99,999,999.99 per 813-transaction set. If the dollar amount is greater than \$99,999,999.99, the TFA rejects the transaction set.
  - Validate that the tax type for the payment is a valid IRS tax type. If a tax type is invalid, the TFA rejects the transaction set.

All rejects will have to be corrected and retransmitted the TFA.

- Within three hours of receipt of the payment file, the TFA will send the bulk provider a confirmation file that provides the detail and status of each payment record. Attachment 4B shows the format for the ANSI X12 EDI **151-transaction set**.
- Within one hour after receipt of receipt of this file, the bulk provider will return the TFA an acknowledgment of receipt of file to the TFA. Attachment B shows the format for the ANSI X12 EDI **997-transaction set**.

**Step ④** *For all files received before 8:00 PM ET step 4 will occur on same day file received.*

---

- The TFA will initiate an ACH debit to the bulk provider's account at the bulk provider's financial institution for each 813-transaction set.

**Step ⑤** *Step 5 & 6 will occur on Bulk Debit Settlement date.*

---

- The Federal Reserve Bank will deposit the bulk payment into the Treasury account.
- The Federal Reserve Bank will withdrawal the bulk payment from the Credit Card Bulk Provider's Financial Institution and the Financial Institution will withdrawal the Bulk Payment from the Credit Card Bulk Provider's account.

**Step ⑥**

---

- The TFA passes the payment detail to the IRS.

**TRANSACTION SET 813**

**ELECTRONIC FILING OF TAX RETURN DATA**

**VERSION 003050**

**SEND FROM BULK PROVIDER**

**TAX PAYMENT**

**ATTACHMENT 4A**



**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**TABLE 4A-1**

| <b>SEG. ID</b> | <b>NAME</b>  | <b>REQ. DES.</b> | <b>MAX. USE</b> | <b>LOOP REPEAT</b> |
|----------------|--|------------------|-----------------|--------------------|
| ST             | Transaction Set Header                             | M                | 1               |                    |
| BTI            | Beginning Tax Return                               | M                | 1               |                    |
| DTM            | Date/Time Reference                                | M                | 10              |                    |
| TIA            | Tax Information                                    | M                | 1000            |                    |
| REF            | Reference Numbers                                  | O                | >1              |                    |
| BPR            | Beginning Segment for Payment Order/Remittance Adv | O                | 1000            |                    |

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**TABLE 4A-2**

| SEG. ID | NAME                       | REQ. DES. | MAX. USE | LOOP REPEAT |
|---------|----------------------------|-----------|----------|-------------|
|         | LOOP ID - TFS              |           |          | 50000       |
| TFS     | Tax Form                   | O         | 1        |             |
| REF     | Reference Numbers          | O         | 10       |             |
| DTM     | Date/Time Reference        | O         | 10       |             |
|         | LOOP ID - FGS              |           |          | 100000      |
| FGS     | Form Group                 | O         | 1        |             |
|         | LOOP ID - TIA              |           |          | 10000       |
| TIA     | Tax Information and Amount | O         | 1        |             |

**TABLE 4A-3**

| SEG. ID | NAME                    | REQ. DES. | MAX. USE | LOOP REPEAT |
|---------|-------------------------|-----------|----------|-------------|
| SE      | Transaction Set Trailer | M         | 1        |             |

**NOTES:**

Only one iteration of each of the segments in Table 4A-1 is expected for normal payments.  
 EFTPS limits the use of the TFS Loop to 1000.  
 The REF and DTM segments in the TFS loop are limited to one iteration.

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**ST SEGMENT  
TRANSACTION SET HEADER**

**TABLE 4A-4**

| Element | Ref. Num. | Name                            | Req. Design. | Elem Type | Elem. Length | Comments |
|---------|-----------|---------------------------------|--------------|-----------|--------------|----------|
| ST01    | 143       | Transaction Set Identifier Code | MIZ          | ID        | 3/3          | "813"    |
| ST02    | 329       | Transaction Set Control Number  | M            | AN        | 4/9          |          |

ST02 is a control number that must be unique within the functional group.  
The transaction originator assigned the control number.

Example:

ST~813~323232\

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**BTI SEGMENT  
BEGINNING TAX SEGMENT**

**TABLE 4A-5**

| Element | Ref. Num. | Name                          | Req. Design. | Elem Type | Elem. Length | Comments   |
|---------|-----------|-------------------------------|--------------|-----------|--------------|--|
| BTI01   | 128       | Reference Number Qualifier    | MIZ          | ID        | 2/2          | "T6" Tax Filing                                    |
| BTI02   | 127       | Reference Number              | M            | AN        | 1/30         | "EFTPS"  |
| BTI03   | 66        | Identification Code Qualifier | MIZ          | ID        | 2/2          | "47" Tax Authority Identification                  |
| BTI04   | 67        | Identification Code           | M            | AN        | 2/20         | "IRS"  |
| BTI05   | 373       | Date                          | OIZ          | DT        | 6/6          |  |
| BTI06   | 818       | Name Control Identifier       | O            | AN        | 4/4          | Not Used   |
| BTI07   | 66        | Identification Code Qualifier | MIZ          | ID        | 1/2          | "48" Electronic Filer Identification Number (EFIN) |
| BTI08   | 67        | Identification Code           | X            | AN        | 2/20         | Assigned by the TFA                                |
| BTI09   | 66        | Identification Code Qualifier | XIZ          | ID        | 1/2          | "ZZ"   |
| BTI10   | 67        | Identification Code           | X            | AN        | 2/20         | "CREDIT CARD"                                      |
| BTI11   | 66        | Identification Code Qualifier | X            | ID        | 1/2          | Not Used   |
| BTI12   | 67        | Identification Code           | X            | AN        | 2/20         | Not Used   |

BTI01 & BTI02 define the tax exchange program or tax filing.

BTI03 & BTI04 define the tax authority

BTI05 is the creation date noted as YYMMDD.

Example: ID Code=-999999999, File Creation Date = April 10, 2006

BTI~T6~EFTPS~47~IRS~060410~~48~999999999~ZZ~CREDIT CARD\

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**DTM SEGMENT  
DATE/TIME REFERENCE**

**TABLE 4A-6**

| Element | Ref. Num. | Name                | Req. Design. | Elem. Type | Elem. Length | Comments           |
|---------|-----------|---------------------|--------------|------------|--------------|--------------------|
| DTM01   | 374       | Date/Time Qualifier | M            | ID         | 3/3          | "009" Process Date |
| DTM02   | 373       | Date                | X            | DT         | 6/6          |                    |

DTM02 should reflect the date the file is sent (YYMMDD).

Example:

DTM~009~060411\

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**TIA SEGMENT  
TAX INFORMATION AND AMOUNT**

**TABLE 4A-7**

| Element | Ref. Num. | Name                                  | Req. Design | Elem Type | Elem. Length | Comments                     |
|---------|-----------|---------------------------------------|-------------|-----------|--------------|------------------------------|
| TIA01   | 817       | Tax Information Identification Number | M           | AN        | 1/30         | "EFTPS"                      |
| TIA02   | 782       | Monetary Amount                       | X           | R         | 1/15         | (Element length limit is 10) |
| TIA03   | 449       | Fixed Format Information              | XIZ         | AN        | 1/80         | Not Used                     |
| TIA04   | 380       | Quantity                              | X           | R         | 1/15         | Not Used                     |
| TIA05   | 355       | Unit or Basis for Measurement Code    | X           | ID        | 2/2          | Not Used                     |
| TIA06   | 954       | Percent                               | X           | R         | 1/10         | Not Used                     |
| TIA07   | 782       | Monetary Amount                       | XIZ         | R         | 1/15         | Not Used                     |

The amount in the TIA02 is limited to 10 digits, including cents due to ACH constraints.  
Limit is \$99,999,999.99

Total Value of tax transactions within this 813 = \$900.00  
Bank of America Example: TIA~EFTPS~90000\

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**REF SEGMENT  
REFERENCE NUMBERS**

**TABLE 4A-8**

| Element | Ref. Num. | Name                       | Req. Design | Elem Type | Elem. Length | Comments                            |
|---------|-----------|----------------------------|-------------|-----------|--------------|-------------------------------------|
| REF01   | 128       | Reference Number Qualifier | M           | ID        | 2/2          | "VU" Preparer's Verification Number |
| REF02   | 127       | Reference Number           | X           | AN        | 1/30         | "8655" (REF01 of VU)                |

A REF segment with an REF01 of "VU" and an REF02 of "8655" is required for each 813.

The "VU" is a confirmation that the taxpayer has authorized the payment and has authorized disclosure to the credit card vendor/bulk provider of tax information needed to process the payment

Example:

REF~VU~8655\

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**BPR SEGMENT  
BEGINNING SEGMENT FOR PAYMENT ORDER/REMITTANCE ADVICE**

**TABLE 4A-9**

| Element | Ref. Num | Name                              | Req. Design | Elem Type | Elem. Length | Comments  |
|---------|----------|-----------------------------------|-------------|-----------|--------------|---|
| BPR01   | 305      | Transaction Handling Code         | M           | ID        | 1/2          | "Z" Bulk Debit                                  |
| BPR02   | 782      | Monetary Amount                   | MIZ         | R         | 1/15         | (Element length limit is 10)                    |
| BPR03   | 478      | Credit/Debit Flag                 | M           | ID        | 1/1          | "D" Debit                                       |
| BPR04   | 591      | Payment Method Code               | M           | ID        | 3/3          | "ACH" Automated Clearing House                  |
| BPR05   | 812      | Payment Format Code               | O           | ID        | 1/10         | Not Used  |
| BPR06   | 506      | (DFI) ID Number Qualifier         | XIZ         | ID        | 2/2          | Not Used  |
| BPR07   | 507      | (DFI) Identification Number       | X           | AN        | 3/12         | Not Used  |
| BPR08   | 569      | Account Number Qualifier          | OIZ         | ID        | 1/3          | Not Used  |
| BPR09   | 508      | Account Number                    | X           | AN        | 1/35         | Not Used  |
| BPR10   | 509      | Originating Company Identifier    | O           | AN        | 10/10        | Not Used  |
| BPR11   | 510      | Originating Co. Supplemental Code | O           | AN        | 9/9          | Not Used  |
| BPR12   | 506      | (DFI) ID Number Qualifier         | XIZ         | ID        | 2/2          | "01" ABA Transit Routing # with Check Digits(9) |
| BPR13   | 507      | (DFI) Identification Number       | X           | AN        | 3/12         | (9 digit RTN Number)                            |
| BPR14   | 569      | Account Number Qualifier          | OIZ         | ID        | 1/3          | "03" Checking Account<br>"SG" Savings           |
| BPR15   | 508      | Account Number                    | XIZ         | AN        | 1/35         | (Account Number)                                |
| BPR16   | 373      | Date                              | OIZ         | DT        | 6/6          | Settlement                                      |





**2008 Credit Card Bulk Provider Requirements**

|       |      |                             |     |    |      | Date(YYMMDD) |
|-------|------|-----------------------------|-----|----|------|--------------|
| BPR17 | 1048 | Business Function Code      | OIZ | ID | 1/3  | Not Used     |
| BPR18 | 506  | (DFI) ID Number Qualifier   | XIZ | ID | 2/2  | Not Used     |
| BPR19 | 507  | (DFI) Identification Number | X   | AN | 3/12 | Not Used     |
| BPR20 | 569  | Account Number Qualifier    | OIZ | ID | 1/3  | Not Used     |
| BPR21 | 508  | Account Number              | XIZ | AN | 1/35 | Not Used     |

**TABLE 4A-9 NOTES:**

BPR02 cannot be more than 10 positions including cents due to ACH constraints.  
All amounts must be dollars and cents.

Example: Total payment = \$9000.00

1. For Debit Payments:  
RTN = 987654789      Checking Account Number = 8989898989  
Expected Settlement Date (Date of funds transfer to Treasury) = April 12, 2006

Bank of America Example:      BPR~C~900000~D~ACH~~~~~~01~987654789~03~8989898989~060412\

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**LOOP ID - TFS  
TFS SEGMENT  
TAX FORM**

**TABLE 4A-10**

| Element | Ref. Num. | Name                          | Req. Design. | Elem Type | Elem. Length | Comments  |
|---------|-----------|-------------------------------|--------------|-----------|--------------|---|
| TFS01   | 128       | Reference Number Qualifier    | M            | ID        | 2/2          | "T6" Tax Filing   |
| TFS02   | 127       | Reference Number              | M            | AN        | 1/30         | 5 Digit Tax Type Code (see note)  |
| TFS03   | 128       | Reference Number Qualifier    | X            | ID        | 2/2          | "T9"  |
| TFS04   | 127       | Reference Number              | X            | AN        | 1/30         | Bulk Provider Reference Number  |
| TFS05   | 66        | Identification Code Qualifier | X            | ID        | 2/2          | "24" Employer Identification Number<br>"34" Social Security Number (Taxpayer TIN) |
| TFS06   | 67        | Identification Code           | X            | AN        | 2/20         | 9 Digit TIN   |
| TFS07   | 373       | Date                          | O            | DT        | 6/6          | Tax Period End Date   |
| TFS08   | 818       | Name Control Identifier       | O            | AN        | 4/4          | IRS Name Control  |

**Notes for TABLE 4A-10:**

**IMF**

Stand-Alone only

10400 for payment with an amended return, Form 1040X  
10401 for payment of amount due on a Form 1040 (series) tax return  
10402 for payment for an extension, Form 4868  
10404 for Form 1040 advance payment of a determined deficiency (audit adjustment or underreporter notice)  
10406 for payment of estimated tax, Form 1040ES  
10407 for payment due for an individual taxpayer in response to an IRS balance due notice  
84887 for Trust Fund Recovery Penalty (TFRP) – subsequent/balance due/IA payment

Integrated efile and pay only

10401 for payment of amount due on a Form 1040 (series) tax return  
10402 for payment for an extension, Form 4868

**BMF**

Stand-Alone only

09407 for Form 940 subsequent/balance due/IA payment  
94107 for Form 941 subsequent/balance due/IA payment  
94407 for Form 944 subsequent/balance due/IA payment  
10417 for Form 1041 subsequent/balance due payment

Integrated e-file and pay only

09401 for payment of amount due on a Form 940 (series) employment tax return  
94101 for payment of amount due on a Form 941 (series) employment tax return  
94401 for payment of amount due on a Form 944 (series) employment tax return

(Business payments will be accepted at all times throughout the processing year).

**Credit Card Processors Validations:**

Tax Types:

- Valid tax types shown above
- Each processor will have specific valid tax types assigned to prevent invalid tax types being submitted on the file.
- **Individual payments (1040) and business payments (94X and 1041) must be on separate transaction files.**



Payment amount limitation for **integrated file and pay**:

- 1040s - no limitation
- 941s - <\$2,500.00
- 940s - =<\$500.00
- 944s - <\$2,500.00

Payment amount limitation for **stand-alone processors**:

- 1040s - no limitation
- TFRP – no limitation
- 94X - no limitation

Bulk provider reference number is the Declaration Control Number (DCN) assigned by electronic filing or the authorization number given to the taxpayer by the credit card processor.

Tax Period Ending Date is in YYMMDD format.

- a. Must be formatted YYMMDD
- b. Must be 6 digit numeric. Spaces are invalid
- c. When building posting file use windowing for the century >79 =19

The integrated file and pay bulk provider should use the tax period ending date from the accepted e-file return.

**For stand-alone processors ONLY - does not apply to integrated file and pay applications** - the Name control is received from financial agent in Transaction Set 824, element REF02, or validated by electronic filing. Do not enter name control unless IRS has validated the TIN.

**For Integrated file and pay**, the name control should be taken from the accepted return submitted to IRS.

Use of the TFS Loop is limited to 1,000.

For additional tax transactions, use another 813.

Examples: Tax Form = 1040A, SSN = 787878787, Name Control = ABCD, DCN = 00123456123019, Authorization Number B2012001

Direct call from taxpayer: TFS~T6~10401~T9~B2012001~34~787878787~061231~ABCD\

Payment initiated through e-file: TFS~T6~10401~T9~00123456123019~34~787878787~061231~ABCD\

**Treasury Financial Agent File Edits:**

10402 payments can be accepted through **06/30/XX**.



No payment amount limitation edit will be performed (except normal ACH amount limitations and as noted above).

Tax Types:

- Shown above
- Each processor will have valid tax types assigned - valid tax types not assigned to a bulk provider are invalid and will cause the file to reject. (for BoA only - reject the transaction not the file)

Tax Period Ending Date is in YYMMDD format.

- a. Must be formatted YYMMDD
- b. Must be 6 digit numeric. Spaces are invalid
- c. When building posting file use windowing for the century >79 =19
- d. If an invalid condition is detected, reject the file (BoFA only - reject the transaction).

**For Individual Tax Types:**

**NOTE: Credit Card Processors must use the Processing Period Chart.**

10401 - Balance due on a return

During January 1 - 31 of the current year

Month = 12;

Year = previous year or previous year minus one year;

Day = no edit.

During February 1 through end of current year

Month = 12;

Year = previous year;

Day = no edit.

10402 - 4868 Extension

Month = 12

Year = previous year

Day = no edit

10404 – Form 1040 advance payment of a determined deficiency (audit adjustment or underreporter notice)

Month = 12

Year = previous year or previous year minus one or two years

Day = no edit

10406 - ES

Month = 12

Year = Previous year, if current month is "01/January OR 02/February"

Otherwise Year = current year

Day = no edit

10407 - Return or notice

Month = 12

Year = current year minus 1 through current year minus 11 (For example - On 1/10/2008 - the previous year is 2007 and is valid back to 1997)

Day = no edit

84887 – TFRP – subsequent/balance due/IA payment

Month = 03, 06, 09, or 12.

Year = prior year through prior year minus 10 (2007 through 1997)

**For Business Tax Types:**

**NOTE: Credit Card Processors must use the Processing Period Chart.**

**For 940,**

Month = 12;

Year = prior year through prior year minus 10 (2007 through 1997)

Day = 31

**For 941,**

Month = 03, 06, 09, or 12.

Year = current year through current year minus 11 (2008 through 1997).

Use the following table to determine the valid tax year:

TFA ONLY: Form 941 Processing Table

|            | Jan, Feb, March | Apr, May, June  | July, Aug, Sept | Oct, Nov, Dec   |
|------------|-----------------|-----------------|-----------------|-----------------|
| Tax 03     | CY-1 thru CY-11 | CY thru CY-11   | CY thru CY-11   | CY thru CY-11   |
| Quarter 06 | CY-1 thru CY-11 | CY-1 thru CY-11 | CY thru CY-11   | CY thru CY-11   |
| Ending 09  | CY-1 thru CY-11 | CY-1 thru CY-11 | CY-1 thru CY-11 | CY thru CY-11   |
| Months 12  | CY-1 thru CY-11 | CY-1 thru CY-11 | CY-1 thru CY-11 | CY-1 thru CY-11 |

**For 944,**

Month = 12;

Year = previous year or previous year minus one

Day = 31

**For 1041,**

Month = 01-12

Year must equal previous year

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**LOOP ID - TFS  
REF SEGMENT  
REFERENCE NUMBERS**

**TABLE 4A-11**

| Element | Ref. Num. | Name                       | Req. Design. | Elem. Type | Elem. Length | Comments                       |
|---------|-----------|----------------------------|--------------|------------|--------------|--------------------------------|
| REF01   | 128       | Reference Number Qualifier | M            | ID         | 2/2          | "F8" Original Reference Number |
| REF02   | 127       | Reference Number           | M            | AN         | 1/30         |                                |
| REF03   | 352       | Description                | X            | AN         | 1/80         | ZIP Code                       |

REF02 is an 8-digit number assigned by the sender of the transmission.

The REF02 is a unique number for each TFS Loop.

This number will be communicated back to the sender in the 151, along with the payment acknowledgment number for each tax transaction.

REF03 is the 5-digit ZIP code of the taxpayer, obtained in the following priority:

- 1 - Input by the taxpayer during credit card validation or electronic filing
- 2 - Obtained from IRS during E-file validation
- 3 - Obtained from EFTPS during TIN validation

Example:

REF~F8~98765432~01234\

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050****LOOP ID - TFS  
DTM SEGMENT  
DATE/TIME REFERENCE****TABLE 4A-12**

| Element | Ref. Num. | Name                | Req. Design. | Elem. Type | Elem Length | Comments                       |
|---------|-----------|---------------------|--------------|------------|-------------|--------------------------------|
| DTM01   | 374       | Date/Time Qualifier | M            | ID         | 3/3         | "009" Process Date             |
| DTM02   | 373       | Date                | X            | DT         | 6/6         | Credit Card Authorization Date |

Example:

Authorization Date: April 10, 2006  
DTM~009~060410\



**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050****LOOP ID - FGS  
FGS SEGMENT  
FORM GROUP****TABLE 4A-13**

| Element | Ref. Num. | Name                    | Req. Design. | Elem. Type | Elem.L ength | Comments                             |
|---------|-----------|-------------------------|--------------|------------|--------------|--------------------------------------|
| FGS01   | 350       | Assigned Identification | M            | AN         | 1/11         | Sequential number assigned by sender |

Example:

FGS~1\

---

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**LOOP ID - TIA  
TIA SEGMENT  
TAX INFORMATION AND AMOUNT**

**TABLE 4A-14**

| Element | Ref. Num. | Name                                  | Req. Design | Elem Type | Elem. Length | Comments                   |
|---------|-----------|---------------------------------------|-------------|-----------|--------------|----------------------------|
| TIA01   | 817       | Tax Information Identification Number | M           | AN        | 1/30         | Tax Type Code              |
| TIA02   | 782       | Monetary Amount                       | X           | R         | 1/15         | Element length limit is 10 |
| TIA03   | 449       | Fixed Format Information              | XIZ         | AN        | 1/80         | Not Used                   |
| TIA04   | 380       | Quantity                              | X           | R         | 1/15         | Not Used                   |
| TIA05   | 355       | Unit or Basis for Measurement Code    | X           | ID        | 2/2          | Not Used                   |
| TIA06   | 954       | Percent                               | X           | R         | 1/10         | Not Used                   |
| TIA07   | 782       | Monetary Amount                       | XIZ         | R         | 1/15         | Not Used                   |

TIA04 can not exceed 10 positions, including cents due to ACH constraints.

One TIA loop is required for each taxpayer payment.

Example:

Reporting on a Form 1040 payment for an amount of \$250.00 due with return.  
Bank of America Example: TIA~10401~250.00\

**813 - ELECTRONIC FILING OF TAX RETURN DATA  
VERSION 003050**

**SE SEGMENT  
TRANSACTION SET TRAILER**

**TABLE 4A-15**

| Element | Ref. Num. | Name                           | Req. Design. | Elem. Type | Elem. Length | Comments |
|---------|-----------|--------------------------------|--------------|------------|--------------|----------|
| SE01    | 96        | Number of Included Segments    | M            | NO         | 1/10         |          |
| SE02    | 329       | Transaction Set Control Number | M            | AN         | 4/9          |          |

Example:

SE~233~323232\

**TRANSACTION SET 151**

**ELECTRONIC FILING OF TAX RETURN DATA  
ACKNOWLEDGMENT**

**VERSION 003050**

**SEND TO BULK PROVIDER**

**CONFIRM/REJECT TAX PAYMENT**

**ATTACHMENT 4B**

**151 - ELECTRONIC FILING OF TAX RETURN DATA ACKNOWLEDGMENT  
VERSION 003050**

**TABLE 4B-1**

| SEG. ID | NAME                         | REQ. DES. | MAX. USE | LOOP REPEAT |
|---------|------------------------------|-----------|----------|-------------|
| ST      | Transaction Set Header       | M         | 1        |             |
| BTA     | Beginning Tax Acknowledgment | M         | 1        |             |
| BTI     | Beginning Tax Information    | M         | 1        |             |

**TABLE 4B-2**

| SEG. ID | NAME          | REQ. DES. | MAX. USE | LOOP REPEAT |
|---------|---------------|-----------|----------|-------------|
|         | LOOP ID - TFS |           |          | 50000       |
| TFS     | Tax Form      | O         | 1        |             |

**TABLE 4B-3**

| SEG. ID | NAME                    | REQ. DES. | MAX. USE | LOOP REPEAT |
|---------|-------------------------|-----------|----------|-------------|
| SE      | Transaction Set Trailer | M         | 1        |             |

Please note:

EFTPS will allow a maximum loop repeat of 1000 for the TFS Loop versus the standard of 100,000.

All other segments used as noted on tables.

**151 - ELECTRONIC FILING OF TAX RETURN DATA ACKNOWLEDGMENT  
VERSION 003050**

**ST SEGMENT  
TRANSACTION SET HEADER**

**TABLE 4B-4**

| Element | REF. Number | Name                            | Req. Desig | Elem. Type | Elem. Length | Comments |
|---------|-------------|---------------------------------|------------|------------|--------------|----------|
| ST01    | 143         | Transaction Set Identifier Code | MIZ        | ID         | 3/3          | "151"    |
| ST02    | 329         | Transaction Set Control Number  | M          | AN         | 4/9          |          |

ST02 is a control number that must be unique within the functional group.  
The originator assigns the control number.

Example:

ST~151~765468\

**151 - ELECTRONIC FILING OF TAX RETURN DATA ACKNOWLEDGMENT  
VERSION 003050**

**BTA SEGMENT  
BEGINNING TAX ACKNOWLEDGMENT**

**TABLE 4B-5**

| Element | REF. Number | Name                | Req. Desig | Elem Type | Elem Length | Comments  |
|---------|-------------|---------------------|------------|-----------|-------------|---|
| BTA01   | 587         | Acknowledgment Type | M          | ID        | 2/2         | "AD" Acknowledge - With Detail, No Change<br>"AC" Acknowledge- With Detail and Change<br>"RD" Reject with Detail<br>"RJ" Rejected - No Detail |
| BTA02   | 373         | Date                | O          | DT        | 6/6         | Acknowledgment Date YYMMDD  |
| BTA03   | 522         | Amount Qualifier    | X          | ID        | 1/2         | "AB" Adjusted Collected Balance   |
| BTA04   | 782         | Monetary Amount     | X          | R         | 1/15        | Element limit length of 10  |

BTA01: AD - used to acknowledge 813 as processed. Will receive one EFT Number per Tax Transaction

AC - used to ID that the 813 were accepted but one or more transactions were rejected.

Will see EFT number or error number for each tax transaction.

RD - used to identify rejection of single debit transactions.

RJ - used to identify that the entire 813 was rejected.

BTA03 is "AB" when the Debit processed is different from the original 813 debit amount.

The BTA04 contains the amount reflecting accepted tax transactions.

BTA03 & BTA04 are not used when the debit is processed per the original 813.

Examples:

All tax transactions processed as received: BTA~AD~061125\

Some Tax transactions rejected, Debit adjusted accordingly:

**Bank of America Example:**

**BTA~AC~061125~AB~450.00\**

Entire 813 rejected

BTA~RJ~061125\

**151 - ELECTRONIC FILING OF TAX RETURN DATA ACKNOWLEDGMENT  
VERSION 003050**

**BTI SEGMENT  
BEGINNING TAX INFORMATION**

**TABLE 4B-6**

| Element | REF Num | Req. Name                     | Elem. Desig. | Elem Type | Length | Comments  |
|---------|---------|-------------------------------|--------------|-----------|--------|---|
| BTI01   | 128     | Reference Number Qualifier    | MIZ          | ID        | 2/2    | "BT" Batch Number                               |
| BTI02   | 127     | Reference Number              | M            | AN        | 1/30   | Original Transaction Control Number (ST02)      |
| BTI03   | 66      | Identification Code Qualifier | MIZ          | ID        | 1/2    | "SV" Service Provider Number                    |
| BTI04   | 67      | Identification Code           | M            | AN        | 2/20   | Assigned by the TFA                             |
| BTI05   | 373     | Date                          | OIZ          | DT        | 6/6    | Not Used  |
| BTI06   | 818     | Name Control Identifier       | O            | AN        | 4/4    | Not Used  |
| BTI07   | 66      | Identification Code Qualifier | XIZ          | ID        | 1/2    | "93" Code Assigned by Originator of Transaction |
| BTI08   | 67      | Identification Code           | X            | AN        | 2/20   | Confirmation Number                             |
| BTI09   | 66      | Identification Code Qualifier | XIZ          | ID        | 1/2    | Not Used  |
| BTI10   | 67      | Identification Code           | X            | AN        | 2/20   | Not Used  |
| BTI11   | 66      | Identification Code Qualifier | X            | ID        | 1/2    | Not Used  |
| BTI12   | 67      | Identification Code           | X            | AN        | 2/20   | Not Used  |

BTI04 will contain a number assigned by the TFA

BTI08 will contain the 15-digit EFT number.

Example: Control Number from 813 = 323232, ID code = 999999999

Confirmation Number for Debit = 485954349484944

BTI~BT~323232~SV~999999999~~~93~485954349484944\



**151 - ELECTRONIC FILING OF TAX RETURN DATA ACKNOWLEDGMENT  
VERSION 003050**

**LOOP ID - TFS  
TFS SEGMENT  
TAX FORM**

**TABLE 4B-7**

| Element | REF. Number | Name                          | Req. Desig. | Elem Type | Elem. Length | Comments   |
|---------|-------------|-------------------------------|-------------|-----------|--------------|--|
| TFS01   | 128         | Reference Number Qualifier    | M           | ID        | 2/2          | "F8" Original Reference Number                             |
| TFS02   | 127         | Reference Number              | M           | AN        | 1/30         | (REF02 FROM TFS LOOP)                                      |
| TFS03   | 128         | Reference Number Qualifier    | X           | ID        | 2/2          | "93" Funds Authorization<br>"1Q" Error Identification Code |
| TFS04   | 127         | Reference Number              | X           | AN        | 1/30         | Acknowledgment EFT Number or Error Code                    |
| TFS05   | 66          | Identification Code Qualifier | X           | ID        | 1/2          | "ZZ"   |
| TFS06   | 67          | Identification Code           | X           | AN        | 2/20         | Bulk Provider Reference Number                             |
| TFS07   | 373         | Date                          | O           | DT        | 6/6          | Not Used   |
| TFS08   | 818         | Name Control Identifier       | O           | AN        | 4/4          | Not Used   |

**Notes for TABLE 4B-7**

This segment is used provide the acknowledgment EFT number for each payment record or error code for rejected record.

The Bulk Provider Reference Number is returned from 813 element TFS04

Payment Error Codes are listed in a separate attachment

Examples:

1. Accept and process debit as Transmitted - Payment Initiated through *e-file*

| Reference Number | Amount | Acknowledgment Number | Document Control Number |
|------------------|--------|-----------------------|-------------------------|
| 55566644         | 100.00 | 168910688123456       | 00123456123019          |
| 55566645         | 300.00 | 168910688123457       | 00123456123020          |

TFS~F8~55566644~93~168910688123456~ZZ~00123456123019\  
 TFS~F8~55566645~93~168910688123457~ZZ~00123456123020\
  
2. Accept and process debit as transmitted - Payment Initiated through Credit Card Processor
 

| Reference Number | Amount | Acknowledgment Number | Authorization Number |
|------------------|--------|-----------------------|----------------------|
| 55566644         | 200.00 | 168910699123456       | 12345678             |
| 55566645         | 400.00 | 168910699123457       | 12345679             |

TFS~F8~55566644~93~168910699123456~ZZ~12345678\  
 TFS~F8~55566645~93~168910699123457~ZZ~12345679\

Note: Qualifier 1Q (Error) is not expected to be used for credit card bulk provider payments.

**151 - ELECTRONIC FILING OF TAX RETURN DATA ACKNOWLEDGMENT  
VERSION 003050**

**SE SEGMENT  
TRANSACTION SET TRAILER**

**TABLE 4B-8**

| Element | REF. Number | Name                           | Req. Desig. | Elem. Type | Elem. Length | Comments |
|---------|-------------|--------------------------------|-------------|------------|--------------|----------|
| SE01    | 96          | Number of Segments Included    | M           | NO         | 1/10         |          |
| SE02    | 329         | Transaction Set Control Number | M           | AN         | 4/9          |          |

Example:

ST~23~765468\

**EDI 151 Payment Response Confirmation Error Codes  
(EDI TRS Segment: TFS04 value when TFS is '1Q')**

| <b>EDI Error Code</b> | <b>EDI Message</b>  |
|-----------------------|---|
| 1123                  | Name control required; cannot be blank  |
| 1125                  | Invalid TIN   |
| 1126                  | File cannot contain business and individual payments                              |
| 1127                  | Bulkfiler is set up for business processing and individual payments were received |
| 1128                  | Bulkfiler is set up for individual processing and business payments were received |

## D. Chapter 9 Return and Exception Item Reporting

### Overview

This chapter describes processing and times frames for bulk transactions that do not meet edit criteria. The following items are discussed:

- Single ACH Debit Posted to the Bulk Provider's Account
- ACH Return Transactions
- Record Layouts
- **Attachment 9, ANSI X12 EDI Transaction Set 827: Financial Return Notice** shows the file layout for ACH return items.

### Single ACH Debit Posted to the Bulk Provider's Account

- Within 3 hours of receipt of the bulk provider's transmission of an ACH debit file, the TFA validates that the batch totals equal the sum of the detail; otherwise, the TFA rejects the 813 (see **Chapter 4, Attachment 4A**).
- No 813 for an ACH transmission may exceed \$99,999,999.00 (the amount field limit for ACH) or the 813 will be rejected.
- If an individual transaction within an 813 transaction set fails the enrollment edit (no name control), that transaction will be rejected with the appropriate reject reason code. The total amount of the debit to be created will be recalculated by the TFA based on the sum of the valid transactions contained within the 813.
- If the TFA rejects any item, the bulk provider must fix the problem transaction and resubmit it by 8:00 p.m. ET.
- The TFA subsequently sends the bulk provider a confirmation file using the ANSI EDI standard 151 acknowledgment format (see **Chapter 4, Attachment 4B** and **ACH Return Transactions**).

### ACH Return Transactions

- An ACH transaction may be returned to the TFA by the Receiving Financial Institution (RDFI), for a valid reason such as **Insufficient or Uncollected Funds**.
- The TFA will initiate an ANSI X12 EDI Transaction Set 827 Financial Return Notice to the bulk provider (see **Attachment 9** at the end of this chapter). The 827 will contain:
  - Return reason
  - Dollar amount
  - Transaction type (credit or debit)
  - Original transaction confirmation number (see **Record Layouts**, below).
- The 827 transaction set will be transmitted to the bulk provider no later than 24 hours after the return settles.
- Once the 827 is received, the bulk provider will initiate a 997 Functional Acknowledgment (see **Chapter 3, Attachment 3B**) to the TFA indicating receipt of the returned transaction(s).
- The 997 will include an acceptance code as well as the functional group number being acknowledged.
- The bulk provider is expected to send the 997 immediately upon receipt of the 827 to ensure timely processing.

### Record Layouts

Record layouts for the transactions sets used for return and exception item reporting (in the order referenced in this chapter) and their location in this document are shown in **Table 9-1**.

**Table 9-1 EDI Transaction Sets Used for Return and Exception Item Reporting**

| Transaction Set Number and Name                         | Chapter | Attachment |
|---|---------|------------|
| 827 Financial Return Notice                             | 9       | 9          |
| 151 Electronic Filing of Tax Return Data Acknowledgment | 4       | 4B         |
| 997 Functional Acknowledgment                           | 3       | 3B         |

**TRANSACTION SET 827**  
**FINANCIAL RETURN NOTICE**  
**VERSION 003050**

**SEND TO BULK PROVIDERS**  
**NOTIFICATION OF FINANCIAL RETURNS**

**ATTACHMENT 9**

**827 - FINANCIAL RETURN NOTICE  
VERSION 003050**

**TABLE 9-1**

| <b>SEG. ID</b> | <b>NAME</b>             | <b>REQ. DES.</b> | <b>MAX. USE</b> | <b>LOOP REPEAT</b> |
|----------------|-------------------------|------------------|-----------------|--------------------|
| ST             | Transaction Set Header  | M                | 1               |                    |
| RIC            | Financial Return        | M                | 1               |                    |
| REF            | Reference Numbers       | O                | 10              |                    |
| SE             | Transaction Set Trailer | M                | 1               |                    |



**827 - FINANCIAL RETURN NOTICE  
VERSION 003050**

**ST SEGMENT  
TRANSACTION SET HEADER**

**TABLE 9-2**

| Element | REF. Number | Name                            | Req. Desig | Elem. Type | Elem. Length | Comments |
|---------|-------------|---------------------------------|------------|------------|--------------|----------|
| ST01    | 143         | Transaction Set Identifier Code | MIZ        | D          | 3/3          | "827"    |
| ST02    | 329         | Transaction Set Control Number  | M          | AN         | 4/9          |          |

ST02 is a control number that must be unique within the functional group.  
It is assigned by the originator of the transaction.

Example:

ST~827~785468\

**827 - FINANCIAL RETURN NOTICE  
VERSION 003050**

**RIC SEGMENT  
FINANCIAL RETURN**

**TABLE 9-3**

| Element | REF. Number | Name                             | Req. Desig | Elem. Type | Elem. Length | Comments                            |
|---------|-------------|----------------------------------|------------|------------|--------------|-------------------------------------|
| RIC01   | 647         | Application Error Condition Code | M          | ID         | 1/3          | "830" Refused<br>"011" Not Matching |
| RIC02   | 782         | Monetary Amount                  | M          | R          | 1/15         |                                     |
| RIC03   | 478         | Credit/Debit Flag                | M          | ID         | 1/1          |                                     |
| RIC0 4  | 508         | Account Number                   | X          | AN         | 1/35         | Not Used                            |
| RIC05   | 569         | Account Number Qualifier         | OIZ        | ID         | 1/3          | Not Used                            |
| RIC06   | 506         | (DFI) ID Number Qualifier        | X          | ID         | 2/2          | Not Used                            |
| RIC07   | 507         | (DFI) Identification Number      | X          | AN         | 3/12         | Not Used                            |

RIC02 is amount of Returned Transaction

Example:

Transaction Rejected from Financial Institution = \$350.00

RIC~830~35000~D\

If RIC01 = 011, then the transaction is a notification of a change.

Payment was processed, but data needs to be updated prior to next payment.

If RIC01 = 830, then the transaction is notification of a return/refusal.

Payment has been backed out. Tax is still due.

**827 - FINANCIAL RETURN NOTICE  
VERSION 003050**

**REF SEGMENT  
REFERENCE NUMBERS**

**TABLE 9-4**

| Element | REF. Number | Name                       | Req. Desig. | Elem. Type | Elem. Length | Comments   |
|---------|-------------|----------------------------|-------------|------------|--------------|--|
| REF01   | 128         | Reference Number Qualifier | M           | ID         | 2/2          | "93" Funds Authorization<br>"1Q" Error Code<br>"ZZ" Mutually Defined |
| REF02   | 127         | Reference Number           | X           | AN         | 1/30         |  |

Examples:

Return for insufficient Funds:

REF~93~484849501234512\  
REF~1Q~R01\  
REF~ZZ~123456666\  
REF~1Q~C02\  
REF~93~484849501234512\  
REF~1Q~R01\  
REF~ZZ~123456666\  
REF~1Q~C02\  
REF~93~484849501234512\  
REF~1Q~R01\  
REF~ZZ~123456666\  
REF~1Q~C02

REF~1Q~R01\  
REF~ZZ~123456666\  
REF~1Q~C02

NOC - Incorrect Routing Number

REF~93~484849501234512\  
REF~1Q~C02\  
REF~ZZ~123456666\  
REF~1Q~C02

REF~1Q~C02\  
REF~ZZ~123456666\  
REF~1Q~C02

REF~ZZ~123456666\  
REF~1Q~C02

First REF segment identifies the original EFT Number

Second REF identifies the ACH reason code

Third REF used to identify corrected data if second REF identified a Notification of Change

**827 - FINANCIAL RETURN NOTICE  
VERSION 003050**

**SE SEGMENT  
TRANSACTION SET TRAILER**

**TABLE 9-5**

| Element | REF.<br>Number | Name                              | Req.<br>Desig. | Elem.<br>Type | Elem.<br>Length | Comments |
|---------|----------------|-----------------------------------|----------------|---------------|-----------------|----------|
| SE01    | 96             | Number of Segments<br>Included    | M              | NO            | 1/10            |          |
| SE02    | 329            | Transaction Set Control<br>Number | M              | AN            | 4/9             |          |

Example:

SE~6~785468\

## E. Chapter 10 Daily Operation Procedures

### Overview

The operating procedures described in this chapter provide an overview of tax payment processing by the Treasury Financial Agent (TFA). Questions about these procedures or requests for assistance may be directed to the TFA's customer service representatives.

This chapter contains the following information:

- Federal Reserve Bank Holidays
- Input File Delivery/Verification
- Inquiries
- EFTPS Bulk Provider Tax Payment Processing Deadlines

### Federal Reserve Bank Holidays

Tax transactions will *not* be processed through FedACH or Fedwire Funds Transfer on Federal Reserve Bank holidays. A listing of Federal Reserve Bank holidays is provided.

### Input File Delivery/Verification

#### 1. ACH Debits (Single Debit Posted to the Bulk Providers) Account

- ACH Debit files transmitted directly to a TFA must be completely received by the TFA between the hours of 7:00 am ET and 7:00 pm ET on the banking day prior to the settlement date.
- Within three (3) hours after receipt of the bulk provider's transmission, the TFA validates that the batch totals equal the sum of the detail and the amount for an individual 813 and that the total amount is not greater than \$9,999,999,999.99 in accordance with NACHA rules. Otherwise, the TFA rejects the 813.
- If any items are rejected by the TFA, the bulk provider must fix the problem transactions and resubmit them by 8:00 pm ET.

For further information, see also **Chapter 4, ACH Bulk Debits.**

### Return Item Handling

ACH debit entries may be returned for a variety of reasons. Return entries are rejected by the receiving depository financial institution and sent, via the ACH, back to the TFA.

The bulk provider will be notified via a file transmission no later than 24 hours after the return settles. The ANSI X12 827 format will be utilized for this purpose.

**Inquiries**

If you have any questions regarding a file or item that you have sent to the TFA, contact a TFA Customer Service Representative at 1-800-555-4477 between 8:30 am and 8:00 pm ET for assistance.

**EFTPS Bulk Provider Tax Payment Processing Deadlines**

Table 10-1 EFTPS Bulk Provider Tax Payment Processing Deadlines

| <b>Process</b>  | <b>Deadline</b>  |
|---|--|
| Bulk provider transmits <b>ACH single debit</b> file to TFA                   | 7:00 a.m. - 7:00 p.m. ET on the banking day prior to the settlement date |
| Bulk provider retransmits previously rejected <b>ACH single debits</b> to TFA | 8:00 p.m. ET on the banking day prior to the settlement date             |

## Financial Services

**Holiday Schedules**

| Standard Federal Reserve Holidays | 2007   | 2008   | 2009    |
|-----------------------------------|--------|--------|---------|
| New Year's Day                    | Jan 1  | Jan 1  | Jan 1   |
| Martin Luther King, Jr. Day       | Jan 15 | Jan 21 | Jan 19  |
| Presidents' Day                   | Feb 19 | Feb 18 | Feb 16  |
| Memorial Day                      | May 28 | May 26 | May 25  |
| Independence Day                  | July 4 | July 4 | July 4* |
| Labor Day                         | Sept 3 | Sept 1 | Sept 7  |
| Columbus Day                      | Oct 8  | Oct 13 | Oct 12  |
| Veterans' Day                     | Nov 12 | Nov 11 | Nov 11  |
| Thanksgiving Day                  | Nov 22 | Nov 27 | Nov 26  |
| Christmas Day                     | Dec 25 | Dec 25 | Dec 25  |

\*For holidays falling on Saturday, Federal Reserve Banks and branches will be open the preceding Friday.

\*\* For holidays falling on Sunday, all Federal Reserve offices will be closed the following Monday.

## 5. IRS Requirements for Integrated File and Pay Credit Card Processors

### A. Registration

Each Credit Card Bulk Provider must annually complete the IRS Credit Card Bulk Provider Registration form below and send (email, mail or fax) to the IRS. The form should be submitted prior to **June 30** to meet the filing deadline for registration. If not received timely, the IRS is not obligated to honor the form. The mailing address is:

|  |   |
|--|---|
| Internal Revenue Service<br>Attn: Debbie McCollister C8-377<br>SE:W:CAS:SP:TPM:EP<br>5000 Ellin Road<br>Lanham, MD 20706 | Email address: <a href="mailto:debbie.a.mccollister@irs.gov">debbie.a.mccollister@irs.gov</a><br><br>Fax Number: (202) 283-2531 |
|--|---|

B. The Credit Card Bulk Provider must sign an agreement stating they will adhere to the following requirements (Note: The requirements apply to the credit card bulk provider and any sub-contractors):

- 1) Convenience Fees: Taxpayers must be notified of the dollar amounts of all fees to be charged to their credit card in relation to the federal tax payment including convenience fees and surcharges imposed by software developers. An acknowledgment or acceptance by the taxpayer of the fees shall be obtained prior to initiating credit authorizations. The Government shall be notified of the method of obtaining taxpayers' acknowledgement before the program commences. The software or instructions should note that the convenience fee is not charged or received by the IRS.
- 2) General Information: Taxpayers will be provided, upon request, IRS general information in an easily accessible, readable and print ready form through the return transaction software used by participating tax practitioners/taxpayers.
- 3) Confirmation Number: All taxpayers shall be provided an electronic confirmation of payment transactions through the return transmission software used by participating electronic return originators, tax practitioners or taxpayers. Taxpayers shall also be notified electronically through the return transmission software if the credit card authorization is denied.



- 4) Reporting Requirements: **Documentation formatting and content are subject to inspection, verification and approval by the IRS Point of Contact (POC). All reports are to be submitted to the IRS POC via email.**
- A) Schedule of Performance - This includes a project schedule (WBS) of the development, testing and implementation critical milestones and beginning and ending dates for each milestone.
- B) Monthly Development Status Reports - The credit card bulk provider shall provide monthly status reports on the 10th day of each month through the implementation date of the pilot. The last Monthly Status Report is due in the month following implementation. The report shall cover the overall progress of the pilot's development. The report shall contain the following information:
1. date of report,
  2. project manager name,
  3. project manager telephone number, fax number and e-mail address
  4. a brief description of the work accomplished, emphasizing the progress made since the last reporting period,
  5. a description of any unresolved and/or anticipated problems, if any (include schedule impacts),
  6. an estimate of the percent of work accomplished to date; and a statement on the status of the pilot as it relates to the work breakdown schedule, either confirming that the task is on schedule or explaining the nature and extent of the pending delay.
- C) Daily and Monthly Production Reports - The Credit Card Bulk Provider must report to the IRS on a daily basis during the timeframe of accepting payments. The daily volume and dollars report is due to the IRS by 9:00 am each business day. Monthly cumulative reports will be submitted by the 5<sup>th</sup> day of each month. The reports shall contain the following information:
1. date of report
  2. period covered
  3. total number of transactions
  4. dollar amount of transactions
  5. total number of successful attempts (good authorizations)
  6. dollar amount of successful attempts (good authorizations)
  7. total number of failed attempts (failed authorizations)

8. dollar amount of failed attempts (failed authorizations)
9. reasons for failed attempts
10. volume and dollars by tax type
11. volume and dollars by card type
12. customer service activity
13. largest dollar amount
14. aggregate payment volumes by payment type and dollar amount – provided daily
15. historical data should also be provided to compare changes from the prior year

**Each report file shall have its own unique name which includes the application transaction date. Daily reports should include the daily as well as YTD volumes and dollars. Monthly reports should include the monthly as well as YTD volumes and dollars.**

- D) Workflow – Schematic/Specifications – A detailed description of the functional work processes and data flow from payment initiation through confirmation, authorization/denial and taxpayer notification shall be provided to the Government before the pilot commences.
- E) Funds Settlement Timeline – Provide the best-case scenario timeline beginning with transaction authorization through ACH debit activities.
- F) Certification of Test Results – Once the credit card bulk provider/processor has successfully completed a full circle integrated test (internally and with external trading partners), the bulk provider shall certify in writing their readiness for use status to the IRS before commencing production.
- G) Incident Report - Any incident that results in any material outages, work stoppages, or other payment processing problems shall be reported to the IRS POC. The incident will be documented and emailed to the IRS POC. **The credit card bulk provider will notify the IRS of all incidents within 24 hours of occurrence or awareness. The incident report is due within 5 business days of occurrence or awareness of the incident.** Documentation should include a description of the incident, the cause, number of taxpayers impacted and dollars involved, duration and actions taken to rectify the situation.

- H) Findings Report - The Credit Card Bulk Provider (along with subcontractors) shall provide an initial and supplemental findings report. The report shall describe:
1. the program/application features,
  2. the conduct and findings of the program/application as they relate to the Contractor's and any subcontractor's performance (including a summary of all payment transactions, any problems, changes made during the pilot and lessons learned)
  3. recommendations for improvement including changes to the Contractor's and/or IRS processes, and
  4. practitioner and/or client feedback including customer satisfaction survey results.

The initial report (due June 15) will include activity occurring between January and April. The supplemental report (due November 30) will include a summary of the initial report's findings and activity from May through October.

- I) Web Site Statistics - Monthly Report of the number of unique visits to its Web site by way of a hyperlink from IRS.gov or hyperlink connections to IRS.gov. The report will be due on the 10<sup>th</sup> of the following month after the hyperlink is activated.
- J) Chargebacks – Provide weekly reports of all chargeback actions identifying the transaction, date, dollar amount, action request date, and reason for action. These actions shall be in conformance with chargeback procedures issued by the IRS and meet the definition of chargebacks provided. These reports are due by close of business each Friday.
- 5) The credit card bulk provider shall ensure that a merchant descriptor on the cardholder's credit card statement indicates the tax payment amount as a unique line item entitled "U S Treasury Tax Payment." The convenience fee must be separately stated on the statement. A unique identifier, such as the confirmation number, should be posted on the card holder's statement to facilitate error resolution.
- 6) The credit card bulk provider shall ensure that ACH Debit authorizations are initiated only upon acceptance of the e-filed tax return.

- 7) The credit card bulk provider shall ensure that credit card payment transactions are settled within 48 hours of acceptance of the e-file return. If unable to comply with the settlement timeframe, an exception must be requested. The exception must outline why the settlement timeframe cannot be met. FMS charges interest on any funds held overnight from one business day to the next and shall be reported to FMS. IRS/FMS must approve an exception process before funds are held overnight.
- 8) **Settlement files shall be forwarded to the Treasury Financial Agent each business day.** The credit card bulk provider shall ensure that settled credit card payments, where the authorization date is less than 11 days prior to the date the settlement file are forwarded to the Treasury Financial Agent (TFA).
- 9) The credit card bulk provider shall ensure that credit card authorization logs are retained for 72 months from the date of each transaction. The information in such logs shall include the transaction dates, times cardmember account number and expiration date, amount of transaction, and approval code. Retention of e-file information for 36 months following the end of each tax filing season.
- 10) The credit card bulk provider shall ensure an accuracy rate to the Government of 99% or higher for transmitted transaction data as provided by the taxpayer. This includes accuracy of electronic payment data resulting from intermediate actions taken by the Credit Card Bulk Provider necessary for coding, applying and transmitting payment data to the Government.
- 11) The credit card bulk provider must provide only guaranteed payments to the Government for the ACH debit file.
- 12) **Forward settlement files to the TFA one business day prior to settlement.**
- 13) Funds must be available in the credit card bulk provider's designated bank account one business day after the settlement file is submitted.
- 14) The credit card bulk provider shall schedule testing with the TFA as early as possible. Provide the TFA with a test plan and test cases if need be. Once completed, provide the certification, from the TFA, to the IRS point of contact by the date specified by the IRS. **Ensure that the TFA is aware of the certification date when coordinating the test effort.**

- 15) The credit card bulk provider shall ensure that all credit card discount fees and other transaction fees are paid.
- 16) The credit card bulk provider shall inform the IRS of plans to market the program and provide copies of all materials such as newsletters, software packaging, inserts, and ads for approval.
- 17) Disclosure – The confidentiality of any information relating to Federal credit card payments completed in a single transaction must be maintained. This includes absolutely no disclosure or use of information collected during this transaction for any purpose other than processing the transaction to the U.S. Treasury. Information collected during this transaction shall not be disclosed or used for any purpose prohibited by Section 6311 of the Internal Revenue Code or Treasury Regulation section 301.6311-2.
- 18) The credit card bulk provider and its subcontractors are subject to and shall comply with Section 6311 of the Internal Revenue Code or Treasury Regulation section 301.6311-2 regarding credit card payments.
- 19) Chargebacks - Process chargeback actions in accordance with the IRS's written procedures. This shall include reimbursing the Contractor for unauthorized charges that are substantiated by the cardholder and approved by the Contractor's duly authorized management representative. The Contractor must have completed and delivered the appropriate IRS chargeback form and supporting documentation to the IRS as described in IRS chargeback procedures. Such chargeback requests shall be processed based on the Contractor's determination of the appropriateness of this action as signified by its authorized claimant's signature. IRS reserves the right to deny any chargeback request that does not conform to the requirements

C. The IRS will provide the following items:

- 1) An electronic copy of General Information for Taxpayers which is required to be included in the software.
- 2) A hyperlink from the IRS Web site to the credit card bulk provider's web site. The link will be established within the electronic services page of [www.irs.gov](http://www.irs.gov).
- 3) Provide chargeback procedures for handling erroneous credit card payments.

- D. The IRS in conjunction with FMS will determine the Treasury Financial Agent (TFA), that the credit card bulk provider will be assigned; currently Bank of America.
- E. Non-compliance with any of the requirements may result in the termination of the agreement and the termination of acceptance of credit card payments.

## IRS Annual Credit Card Bulk Provider Registration

|  |   |                |
|--|---|----------------|
| Company Name   | Employer Identification Number          |                |
| Name of Parent Company (if applicable)   |   |                |
| Address  |   |                |
| City   | State                                   | Zip            |
| Type of Credit Cards to be Accepted (AMEX, DISC, MC, VISA)                         |   |                |
| Tax Types Accepted (1040, 4868s, etc.)   | Type /Brand Name of Software to be Used |                |
| Orientation of software (desktop, web based, taxpayers online, practitioners, etc) |   |                |
| Convenience Fees Charged to Taxpayers (all fees need to be presented)              |   |                |
| Projected Volumes  | CC Application Implementation Date      | Ending date    |
| Name of Subcontractors   |   |                |
| Project Manager's Name   | Telephone #                             | e-mail address |

## IRS CREDIT CARD BULK PROVIDER AGREEMENT

*In accordance with the specifications and requirements of the 2008 Credit Card Bulk Provider Requirements and the related Registration, the undersigned (Credit Card Bulk Provider) hereby acknowledge, in agreement with the IRS, to the following:*

- (1) All requirements listed in the Credit Card Bulk Provider Requirements will be complied with.
- (2) Any non-compliance with the requirements may result in termination of this agreement and ability to participate in the credit card bulk provider application.

\_\_\_\_\_  
Name of the Bulk Provider

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ACCEPTED AS OF \_\_\_\_ (date) \_\_\_\_\_,

Internal Revenue Service

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_