

# Alaska Child Support Services Division

Employer's guide to.....Electronic Funds Transfer for transmitting child support payments

## How Electronic Funds Transfer can work for you

Employers can submit child support payments electronically through the banking network known as the Automated Clearing House (ACH) Network. Your company already participates in the ACH if you currently offer direct deposit for your employees. Submitting child support payments electronically is a similar process. If you withhold child support payments for one or more employees, electronic funds transfer could benefit your company.

## Advantages of EFT

EFT offers a number of advantages to employers. These include:

- The security of knowing there are no checks to be lost, stolen or delayed.
- EFT eliminates the possibility of check fraud or mail fraud.
- The number of people with access to your financial institution account information is reduced.
- You may use EFT with any number of state child support agencies using a standard EFT formatted file.
- You have assurance that child support will be received by our state disbursement unit (SDU) and distributed to families accurately and efficiently.

## Is EFT right for my company?

Using EFT will be easy if:

- You already offer direct deposit to your employees for payroll
- You are doing child support wage withholding for one or more employees
- You use a payroll services company
- Your financial institution has ACH software, internet ACH access, or has provided you with a PC ACH software program.

## Where do I start?

If you use a payroll service, ask if they can submit your child support withholdings through the ACH. Otherwise, contact your bank representative or the ACH originator at your financial institution and ask if they use a CCD+ or CTX format.

### Wells Fargo Bank, N.A

Wells Fargo has one of the most advanced Automated Clearing House (ACH) systems in the country, processing over 1 billion ACH transactions annually. They have an ACH template in their program for EFT/ACH child support remittance. Their toll free number is **1-800-858-4062**.

### First National Bank Alaska (FNBA)

If you use FNBA's Business Link or Advantage Online program, please contact 777-4685 or 1-800-856-4FNB. They have an option to remit EFT/ACH child support payments electronically.

### Northrim Bank

Has **Cash Concentration & Disbursement (CCD)** Services- You can manage your funds more effectively with Northrim's CCD service. This safe and secure service allows you to transfer funds back and forth between other banks and your Northrim business account. Their local and toll free number for cash management is (907) 261-3334 or Customer Service (907) 562-0062 or 800-478-2265.

Almost all banks utilize the CCD+ and CTX820 format(s) will addenda records attached. Whichever you choose let them know you wish to use the NACHA ACH Child Support Application Banking Convention for submitting child support payments. If they are not familiar with the convention, they can get a copy of a booklet developed by NACHA – The Electronic Payments Association called the User Guide for Electronic Child Support Payments.

## How do I use EFT?

### **1. Obtain the data necessary to identify each child support payment submitted.**

Mandatory data includes employee name, social security number, child support case number, payment amount and pay date.

### **2. Contact the EFT Specialist at CSSD (907) 269-6750.**

CSSD will provide bank routing number, account number and further instructions.

**3. Convert data into a standard ACH format (CCD+ or CTX).**

**This can be done:**

- a. Through your payroll service
- b. Through your financial institution, or
- c. In house, using a software package designated to generate ACH files.

**4. Notify your financial institution when you're ready to send a test transaction.**

A test transaction verifies the accuracy of bank account and child support information, and checks formatting.

**5. Submit the ACH file into the ACH network.**

Your financial institution must do this, using the ACH convention for submitting child support payments.

## Resources

For information about remitting child support payments electronically, or interpreting the format of the child support addenda record, contact:

- Alaska CSSD EFT Specialist at (907) 269-6750
- [Brandi.Reischman@alaska.gov](mailto:Brandi.Reischman@alaska.gov)
- The Office of Child Support Enforcement website:  
<http://www.acf.hhs.gov/programs/cse/newhire/employer/contacts/contacts.htm>

For information about ACH and the ACH origination software, contact:

- Your financial institution
- National Automated Clearing House Association (NACHA)  
(703) 561-1100 or access their website at [www.nacha.org](http://www.nacha.org)
- Your regional ACH association  
Northwest Clearing House Association for Alaska is WestPay:  
(206) 622-7846
- A payroll service provider or the American Payroll Association (APA)

For information about the ACH child support convention, contact:

NACHA (703) 561-1100 or [www.nacha.org](http://www.nacha.org) and request a copy of the User Guide for Electronic Child Support Payments. Or, you may contact Brandi Reischman at (907) 269-6750 or [brandi.reischman@alaska.gov](mailto:brandi.reischman@alaska.gov).