



Purpose: This blog article provides basic information about exchanging electronic remittance information over an exchange framework and is meant to serve as a customizable template that can be tailored to suit the user's intended audience.

Faster Reconciliation with E-remittance

[Alternate Titles]:

Streamline Payments with E-Remittance: Enhancing Efficiency and Security
Seamless Reconciliation: The Benefits of E-Remittance and Exchange Frameworks

Remittance information explains the purpose of a payment and the reason for any variances between what was billed and what was paid. Electronic remittance, also known as e-remittance, is a modern payment solution known for its security, adaptability, and ability to efficiently meet reconciliation needs. Today, this information is often sent separately from the actual payment via email or proprietary web portals, requiring manual intervention for reconciliation.

The [Business Payments Coalition](https://businesspaymentscoalition.org/) (BPC) convened industry stakeholders to conduct a pilot to exchange digitized remittance information using a standard exchange framework. Utilizing this framework to send and receive electronic remittance information can alleviate many pain points in the reconciliation process. It's a great alternative for those frustrated by the multiple processes and connections required for various payments.

Electronic Remittance information sent over an exchange framework uses the ISO 20022 Remt.001 data model to provide a standardized process for transmitting rich structured data. This helps reduce manual effort and ensures data integrity. It allows for a more detailed level of payment information and addresses complexities required for B2B payments without truncation. Implementing e-remittance should increase cash application rates, enhance payment reconciliation efficiency, and bring the market closer to achieving straight-through-processing. E-remittance information is also more secure than sending remittance information via email due to network authentication, encryption, and AS4 protocols. Additionally, there is no stored data in an exchange framework.

E-remittance enhances the efficiency of payment methods like ACH, virtual card, and wire transfers by sending the supporting remittance information in a structured format that can be integrated into an AR processing software. It also accommodates newer payment methods like real-time transactions, making it a reliable and secure option for all payment types.

For more information on E-remittance and BPC efforts go to www.Businesspaymentscoalition.org