

6 Federal Government Notification of Change

Overview

Notification of Change (NOC) is used to change and/or correct account information for Federal government transactions processed through the Automated Clearing House (ACH). Although the Federal government basically follows NACHA Operating Rules for NOCs, some of the data requirements for Federal government NOCs are not the same as those for commercial NOCs. The procedures contained in this chapter apply only to Federal government NOCs.

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A. Introduction to Notification of Change

Notification of Change (NOC) is a method used by a financial institution to notify a Federal agency to correct or change account information in an entry the Federal agency processed through the ACH. Refer to the NACHA Operating Rules for formats and instructions.



Note: ENRs should not be used in place of NOCs to correct account information, unless the recipient is initiating a new Direct Deposit authorization or changing financial institutions.

When to use NOCs

NOCs are used for Federal government (both civilian and military) payments that are made on a recurring basis. Examples are:

Benefit Payments

- Department of Veterans Affairs
- Office of Personnel Management
- Railroad Retirement Board
- Social Security Administration
- Supplemental Security Income

Other Payment Types

- Federal salary
- *TreasuryDirect*
- Vendor and miscellaneous

When NOT to use NOCs

To change

Recipient must

Title/ownership of account Interest of the recipient or beneficiary in the account From one financial institution to another Account information for one-time payments (e.g., IRS Electronic Tax Refunds)]	Complete a new enrollment (ENR)
Name of recipient (e.g. following marriage)	. . .	Contact the Federal agency that authorized the payment.

Processing Timeframes

Generally, NOCs will be processed for the next ACH transaction. (Due to operational limitations, it may take two payment cycles for some NOCs to be processed. Treasury and the Federal agencies will continue to work to improve the NOC process.)

What to do if an agency does not respond to an NOC within two payment cycles

- Verify that the NOC was properly formatted. In particular, make sure that the NOC contained the correct original RDFI routing number.
- If the NOC was correctly formatted, contact your FMS Regional Financial Center (RFC) Customer Assistance Staff (CAS). See Chapter 8 for Contact information. The CAS will work with the agency for resolution.
- Make sure that rejected NOCs are acknowledged and resolved. (See below)

Questions? Contact the nearest FMS Customer Assistance Staff:

Austin (512) 342-7300

Kansas City (816) 414-2100

Philadelphia (215) 516-8015

San Francisco (415) 817-7300

Change Reason Codes

Due to limitations in the Federal government's disbursing systems, the government is only able to process the following six NOC codes: C01, C02, C03, C05, C06 and C07. At this time, these are the only authorized Change Reason Codes. Federal agencies will not process any others.

The following table shows when to use the Change Reason Codes.

Change Reason Code	Change Reason	When to Use
C01	Incorrect Account Number	Correct data entry errors in the account information. Issue a new number to an existing account. Modify the account numbering system (e.g., to drop a branch code).
C02	Incorrect Routing Number (RTN)	Accommodate a merger or system consolidation. Change the RTN to the preferred RTN for the financial institution.

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When to use the Change Reason Codes (continued)

Change Reason Code	Change Reason	When to Use
C03	Incorrect RTN and Incorrect Account Number	Accommodate a merger or system consolidation.
C05	Incorrect Transaction Code	Change from checking to savings or savings to checking.
C06	Incorrect Account Number and Incorrect Transaction Code	Correct a data entry error in the account information, and change from checking to a savings or savings to checking. Issue a new account number and transaction code.
C07	Incorrect RTN, Incorrect Account Number and Incorrect Transaction Code	Accommodate a merger or system consolidation.



Note: *The only Transaction Codes recognized by the Federal government for NOCs are:*

<u>For checking (demand)</u>	<u>For savings</u>
22 (credit)	32 (credit)
27 (debit)	37 (debit)

Claim Number Structure

Federal agencies have special structures for their claim numbers (Individual ID number). The claim number is important to identifying the payment recipient whose payment information must be changed.

Accurate formatting of the claim number is critical for processing changes. Note that pattern differences exist between Federal agencies. These claim numbers must include all spaces, hyphens, prefixes, suffixes, alphanumeric characters, and trailing or leading zeros that accompanied the original payment information.

Claim Number Structure Table

The following table represents correct claim number structures used in formatting NOCs.

Agency	Claim Number Structure	Example
Social Security Administration	999999999XXbSSA	123456789C1_SSA
	999999999XbbSSA	123456789A__SSA
	999999999bbbSSI	123456789___SSI
Office of Personnel Management	Xb9999999bXbXXX	F_1234567_W_CSF
	Xb9999999b9bXXX	A_1234567_0_CSA
Department of Veterans Affairs	999999999b99b99	162306890_10_01
	999999999b99b99	12345678_00_06
Railroad Retirement Board Retirement/Annuity	XXX999999999b9b	WCA123456789_7_
	Xbb9999999bbb9b	A_123456___1_
	XXbZZZZZ9bbb9b	WD_000006___8_
	bbb999999999	___123456789
Department of Labor	999999999XXbXXb	123456789LW_MB_

Key: X = alphanumeric, 9 = numeric, b = blank, Z = zero filled, _ = space

B. Other Change Methods

NOC will replace all other change methods in the near future. Meanwhile, financial institutions not using NOCs may continue to submit:

- corrected Direct Deposit Sign-Up Forms (SF 1199As) to Federal agencies, or
- letters to Federal agencies requesting changes

Financial Institution Actions

The table below contains instructions for financial institutions not using NOCs.

Type of Payment	Fewer than 100 payments, SUBMIT corrected photocopies of SF 1199As or letters to:	More than 100 payments, CONTACT
Air Force		
Active Duty Reserve	Defense Finance and Accounting Service	(303) 676-7171
Air National Guard	Denver/JFBA	
Active Duty Allotments	6760 E. Irvington Place Denver, CO 80279-3000	(303) 676-7213
Army		
Active Duty Reserve	DFAS-Indianapolis Center 8899 E. 56th Street	1 (888) 729-2769
Active Duty Allotments	Indianapolis, IN 46249-2801	

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Instructions for financial institutions not using NOCs (continued)

Type of Payment	Fewer than 100 payments, SUBMIT corrected photocopies of SF 1199As or letters to:	More than 100 payments, CONTACT
Bureau of the Public Debt		
Federal Housing Administration Debenture Payments	Bureau of the Public Debt Special Investments Branch P.O. Box 396 Parkersburg, WV 26106-0396	(304) 480-5299
<i>TreasuryDirect</i>	Bureau of the Public Debt Customer Assistance Branch P.O. Box 426 Parkersburg, WV 26102-0426	1 (800) 722-2678
<i>Note: Financial institutions should submit systemwide changes to TreasuryDirect with the understanding that they agree to pay the Treasury and security owners for any losses resulting from errors made by the institution. (31 CFR Part 370.12)</i>		
Savings Bonds Agent's Fees	Bureau of the Public Debt Classification and Reports Section P.O. Box 1328 Parkersburg, WV 26106-1328	1 (800) 322-1909
Series H/HH Savings Bond Interest Payments	Bureau of the Public Debt Current Income Bond Branch Parkersburg, WV 26106-2186	(304) 480-6112
State and Local Government Series Securities Payments	Bureau of the Public Debt Special Investments Branch P.O. Box 396 Parkersburg, WV 26106-0396	(304) 480-5299
United States Mortgage Guaranty Insurance Company Tax and Loss Bonds Payments	Parkersburg, WV 26106-0396	

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Instructions for financial institutions not using NOCs (continued)

Type of Payment	Fewer than 100 payments, SUBMIT corrected photocopies of SF 1199As or letters to:	More than 100 payments, CONTACT
Coast Guard		
Active Duty	Commanding Officer (Code PS) US Coast Guard Pay and Personnel Center 444 SE Quincy Street Topeka, KS 66683-3591	(785) 339-3506
Reserves	Commanding Officer (Code RES) US Coast Guard Pay and Personnel Center 444 SE Quincy Street Topeka, KS 66683-3591	(785) 339-3506
Retired	Commanding Officer (Code RPD) US Coast Guard Pay and Personnel Center 444 SE Quincy Street Topeka, KS 66683-3591	(785) 339-3416
Department of Veterans Affairs		
Veterans Compensation, Pension or Education (MGIB)	VA Regional Office that maintains the veteran's records	1 (877) 838-2778
Veterans Life Insurance		(215) 842-2000 ext. 14270
Federal Salary and Allotment payments (including payments by the military to civilian employees)(FED SALARY)	Federal employing agency authorizing the payment (address where original SF 1199As were mailed). If address is unknown, contact recipient/member.	
Marine Corps		
Active Duty/Reserve	DFAS - Kansas City Center 1500 E. 95th Street	(816) 926-5726
Active Duty Allotments	Kansas City, MO 64197-0001	(816) 926-7011

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Instructions for financial institutions not using NOCs (continued)

Type of Payment	Fewer than 100 payments, SUBMIT corrected photocopies of SF 1199As or letters to:	More than 100 payments, CONTACT
Navy		
Active Duty Reserve	DFAS - Cleveland Center/JFECA 1240 East Ninth Street Cleveland, OH 44199-2055	1 (800) 321-1080
Retirement Pay Army, Air Force, Navy, and Marine Corps	DFAS - Cleveland Center Retired Pay Operations P.O. Box 99191 Cleveland, OH 44199-1126	1 (800) 321-1080 fax: 1 (800) 469-6559 Washington, DC Metro area ONLY: (202) 606-0500
Office of Personnel Management		
Civil Service Retirement (Annuity) (CIVIL SERVE)	Office of Personnel Management Retirement Operations Center P.O. Box 45 Boyers, PA 16017	1 (888) 767-6738 fax: (724) 794-6633
Railroad Retirement Board		
Railroad Retirement (RR RET)	Railroad Retirement Board Direct Deposit Coordinator 844 North Rush Street Chicago, IL 60611	(312) 751-4704

C. Refused Notification of Change

Refused NOC is an automated method used by a Federal agency to notify the originating depository financial institution that the NOC information initiated cannot be processed.

Federal Agencies Using Refused NOCs

The Social Security Administration (SSA), the Railroad Retirement Board (RRB), and the Office of Personnel Management (OPM) are the only Federal agencies processing Refused NOCs at this time.

Processing Timeframes

NOCs that cannot be processed are usually refused to the financial institution before the next payment is submitted.

Refused NOC Codes

There are six refused NOC codes authorized for Federal government ACH entries:
C64, C65, C66, C67, C68, C69.

The table below shows the refused NOC code and the reason why the original NOC was refused.

Code	Reason
C64	Incorrect individual identification
C65	Incorrectly formatted corrected data
C66	Incorrect discretionary data
C67	Routing Number not from original Entry Detail Record
C68	DFI Account Number not from original Entry Detail Record
C69	Incorrect Transaction Code

D. Common Errors with NOCs

The following examples illustrate typical errors made during the preparation of NOCs. Correct formatting of the highlighted information in the examples will help ensure timely processing of the NOCs by the Federal government. Please note that the NOC screens used in the examples are from the Federal Reserve's FedLine® system. Other ACH processing software screens may differ and you should check with your ACH software provider for further information.

The following are examples of common errors that occur in the "For the Account Of" box:

Create an Active Batch Automated Clearing House 10/01/1999 13:24:22L12,C11
TEST MODE

ACH BATCH INFORMATION: ----- BATCH#: ---- STATUS: --
COLLECTED IN FILE: -----

NOTIFICATION OF CHANGE

Transaction Code --	Original Trace Number -----
Standard Entry Class Code COF	DI Account Number /-----/
Company Entry Description -----	Effective Entry Date /-----/

ORIGINATED BY:

Comp. Name -----	Change Field 1 -----
Comp. Discr Data (-----)	Change Field 2 /-----/
Comp. ID -----	
Comp. Descriptive Data (-----)	

RETURNED BY:

Originating DI ID -----	Change Code -----
Original Item Receiver ID(-----)	

REFUSAL OF CHANGE ONLY

Code ---	Trace #

111

Dashes:
123-45-6789A__SSA ..wrong
123456789A__SSA ..correct

Two Suffix indicator:
123456789C1wrong
123456789C1_ SSAcorrect

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- Error #1 is the insertion of dashes into the Social Security Number.
- Error #2 is not leaving a blank space and then indicating SSA. (For SSA payments, there should be three characters and/or spaces between the last digit of the Social Security Number and the letters "SSA".)

Note: These errors will cause a C64 reject.

The following are more examples of common errors that occur in the “For the Account Of” box:

Create an Active Batch Automated Clearing House 10/01/1999 13:24:22L12,C11	
TEST MODE	
ACH BATCH INFORMATION: ----- BATCH#: ---- STATUS: --	
COLLECTED IN FILE: -----	
NOTIFICATION OF CHANGE	
Transaction Code --	Original Trace Number -----
Standard Entry Class Code COR	DI Account Number /-----/
Company Entry Description -----	Effective Entry Date /-----/
ORIGINATED BY:	Change Field 1 -----
Comp. Name -----	Change Field 2 /-----/
Comp. Discr Data (-----)	FOR THE ACCOUNT OF
Comp. ID -----	Indiv ID(-----)
Comp. Descriptive Date (-----)	Individual Name -----
RETURNED BY:	Change Code -----
Originating DI ID -----	-----
Original Item Receiver ID(-----)	-----
REFUSAL OF CHANGE ONLY	
Code ---	Trace #
-----	-----

Does not indicate an SSI recipient:
 123456789.....wrong
 123456789__ SSI.....correct

Less than 3 blank spaces before SSI:
 123456789_ SSI.....wrong
 123456789__ SSI.....correct

- Error #1 is not indicating if the recipient is an SSI recipient.
- Error #2 is leaving less than three blank spaces before indicating SSI. (For SSI payments, there should be three blank spaces between the last digit of the Social Security Number and the letters “SSI”.)

Note: These errors will cause a C64 reject.

The following are examples of common errors that occur in the “Change Field” box:

NOTIFICATION OF CHANGE	
Transaction Code --	Original Trace Number -----
Standard Entry Class Code COR	DI Account Number /-----/
Company Entry Description -----	Effective Entry Date /-----/
ORIGINATED BY:	Change Field 1 -----
Comp. Name -----	Change Field 2 /-----/
Comp. Discr Data (-----)	FOR THE ACCOUNT OF: -----
Comp. ID -----	Indiv ID(-----) Discr Data(---)
Comp. Descriptive Date (-----)	Individual Name /-----/
RETURNED BY:	Change Code ---
Originating DI ID -----	
Original Item Receiver ID(-----)	
REFUSAL OF CHANGE ONLY	
Code ---	Trace # -----
.....	111

Spaces:
645 7 8642wrong
64578642correct

English used:
S/B 64578642wrong
64578642correct

Account # in Change Field 1..wrong
Routing # in Change Field 1..correct

- Error #1 occurs when the account number has spaces in it.
- Error #2 occurs when the English language is used.
- Error #3 occurs when using CO3 (incorrect Routing Number and incorrect DFI account number) and the account number is in Change Field 1 instead of the Routing Number. When changing both the Routing Number and the account number, the Routing Number must appear in Change Field 1 and the account number in Change Field 2.

Note: These errors will cause a C65 reject.

The following are examples of common errors that occur in the “Returned By” box:

NOTIFICATION OF CHANGE	
Transaction Code --	Original Trace Number -----
Standard Entry Class Code COR	DI Account Number /-----/
Company Entry Description -----	Effective Entry Date /-----/
ORIGINATED BY:	Change Field 1 -----
Comp. Name -----	Change Field 2 /-----/
Comp. Discr Data (-----)	FOR THE ACCOUNT OF: -----
Comp. ID -----	Indiv ID(-----) Discr Data(---)
Comp. Descriptive Date (-----)	Individual Name /-----/
RETURNED BY:	Change Code ---
Originating DI ID -----	
Original Item Receiver ID(-----)	
REFUSAL	
Code ---	Trace # -----
.....	111

Missing information:
Leaving out the Receiving DI ID information from the original item will cause a C67 Reject

- Error #1 is an RTN problem (Receiving DI ID information from the original item is missing).

Note: These errors will cause a C67 reject.

