

How to create Positive Pay

What is Positive Pay?

Positive pay is the leading method of check fraud deterrence available today. A positive pay process entails a daily reconciliation of a company's issued checks to checks presented for payment to the Bank to identify potentially fraudulent checks. Upon completion of a check run, a company prepares a formatted checks issued data file (including check number, amount and date as well as other bank and account information) and transmits this data to the bank. Stop payments, voided checks and manual checks can also be included in the formatted checks issued file. When checks are presented for payment against a positive pay protected account selected check information is compared to the checks issued file. Checks presented for payment that fail to match with checks issued by a company are rejected and a "suspect check" list is presented to the company for "pay/no pay" decisions. Suspect checks are resolved before the bank authorizes payment and the company retains the right to reject any checks it believes are fraudulent. In addition to providing you with a method of fraud prevention on your account, the positive pay system can also double as a reconciliation tool. As a result of you providing the bank with a list of issued checks, the bank is able to generate month-end reports that can aid with the reconciliation process. Reports can include a listing of checks paid, checks that were issued and not paid, and checks that had stop payments placed.

1. From Cash Management > click on Bank File Formats
2. If this is a first record, it will default to new Bank File Formats screen to add the bank file format record. Otherwise, it will open the Search Bank File Formats search screen. Click the New toolbar button to open the new Bank File Formats screen.
3. In new Bank File Formats screen,
 - a. Fill in the Name to call the Bank File Formats record in the **Name field**.
i.e. Positive Pay
 - b. In **Format combo box field** select Positive Pay.
 - c. In **File Type combo box field** select CSV.
 - d. In the grid area > Check Record tab, specify your Positive Pay setup. This is an example how a setup would be.

Field Number	Length	Type	Description	Field Name	Format	Filler Side	Active
1	12	Field	Effective Date	Date	M/d/yyyy		<input checked="" type="checkbox"/>
2	12	Field	Check Number	Check Number			<input checked="" type="checkbox"/>
3	120	Field	Description	Payee			<input checked="" type="checkbox"/>
4	15	Field	Amount	Amount			<input checked="" type="checkbox"/>
5	10	Constant	Space				<input checked="" type="checkbox"/>
6	10	Field	Routing Number	Bank Routing Number			<input checked="" type="checkbox"/>
7	10	Field	Account Number	Bank Account Number			<input checked="" type="checkbox"/>
0	0	Select a type					<input type="checkbox"/>

- e. Click **Save toolbar button** to save the bank file format record.
 - f. Click **Close toolbar button** to close the screen.
4. From Cash Management > click on Bank Accounts.
 - a. Under Electronic Bank File Information, select the bank file format "Positive Pay" created from step 3.

Electronic Bank File Information

Formats

Bank Stmt: [] [] []

ACH/NACHA: [] [] []

Positive Pay: Positive Pay [] []

Company ID: []

Bank Name: []

Transit No: []

Next No: [] 0

- b. Click **Save toolbar button** to save the bank accounts record.
- c. Click **Close toolbar button** to close the screen.

Note:

Positive Pay transaction should be:

- a. Posted
- b. Printed
- c. Payment Method is not Cash and ACH

5. From Cash Management > click on Bank File Export
 - a. Select the bank account you wish to generate the file from.
 - b. To filter the transaction record/s, click on **From** and **To** field.
 - c. Select Positive Pay on **Type** field.
 - d. Select the transaction/s on the grid to generate. The selected transaction will be processed and will automatically download the generated file.

Bank File Export - 941002693C

Generate Close

Bank Account: 941002693C Bank Name: Chase Savings From: 09/06/2015 To: 09/06/2015 Type: Postive Pay

Export Checks

Select All Clear All Filter Records (F3)

Date	Record No.	Payee	Check No.	Check Date	Transaction Type	Amount	Voided
<input type="checkbox"/> 09/06/2015	PAY-14748	TERRY ZORGER	00000007	09/05/2015	AP Payment	1,250.00	<input type="checkbox"/>