

# 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                               |  |
|--|--|
| <b>Formats</b>   | <b>Company ID:</b> <input type="text"/>        |
| <b>Bank Stmt:</b> <input type="text"/>                         | <b>Bank Name:</b> <input type="text"/>         |
| <b>ACH/NACHA:</b> <input type="text"/>                         | <b>Transit No:</b> <input type="text"/>        |
| <b>Positive Pay:</b> <input type="text" value="Positive Pay"/> | <b>Next No:</b> <input type="text" value="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 process 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: Positive Pay

Export Checks

☒ Select All

☐ Clear All

Layout

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"/> |