Check Positive Pay

GUIDE

Citizens Bank & Trust

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Introduction

Check Positive Pay is a Cash Management Online Banking fraud mitigation service to help protect your company from check fraud. It works by verifying incoming checks against a list of issued checks provided by your company.

Check Positive Pay services require a separate agreement. Please contact treasurymanagement@citizens-bank.com or your account relationship manager.

Your company provides a list of issued checks; including specific details of the check such as check number, date, amount and payee. When a check is presented for payment, it is validated against the list of issued checks. If there are discrepancies, an exception is created. The company then reviews these exceptions through online banking and determines if the item should be paid or returned. **If a decision is not made (cutoff time is 3:00 p.m. EST), the default decision selected by the company during the enrollment process is used.**

You can receive up to three email notifications per day when there are check exceptions to be reviewed. The first will come early in the morning from ibank@citizens-bank.com. If decisions are not made by noon, a second reminder email will come from positivepay@citizens-bank.com. Finally, if decisions are not made by 2:00 p.m. EST, a third reminder email will come from positivepay@citizens-bank.com. Note: The morning email goes to all online banking users that have access to the account, whether they are responsible for resolving positive pay exceptions or not.

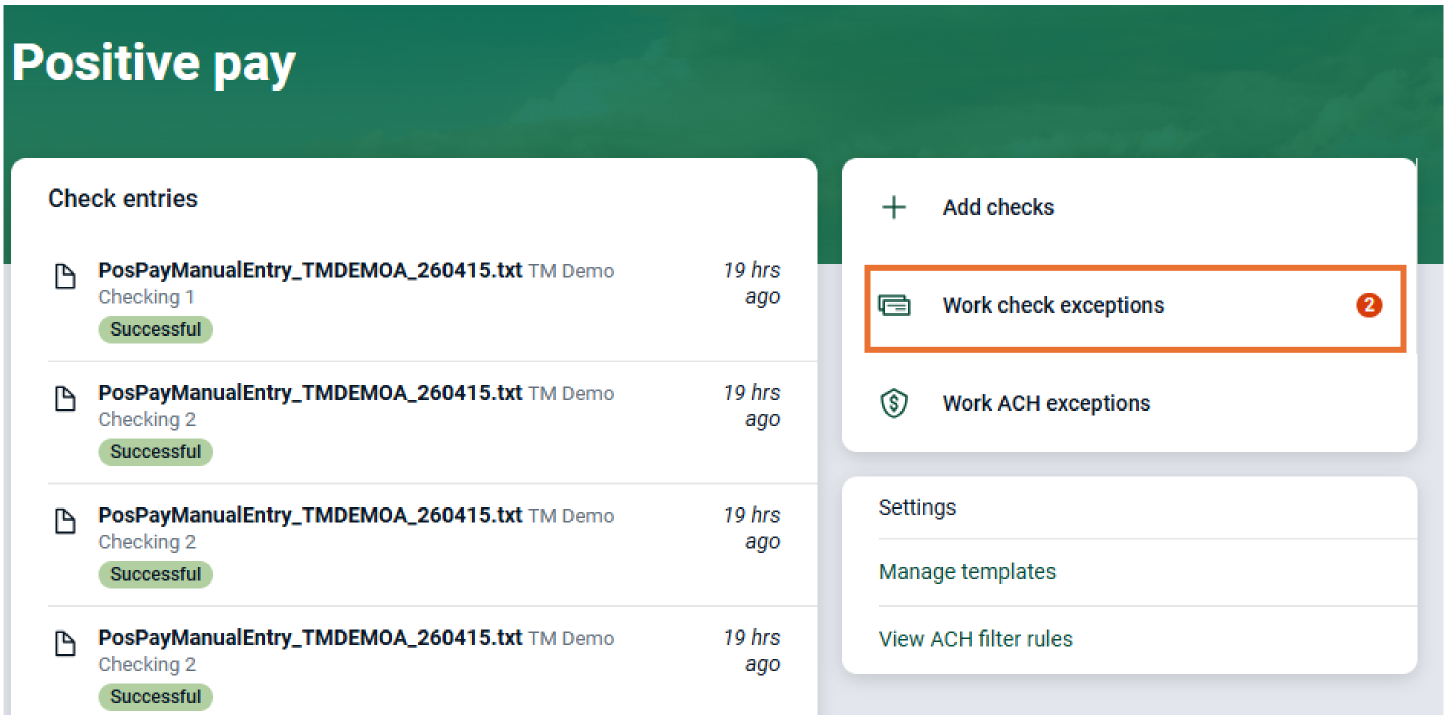
Decisions must be made by 3:00 p.m. on banking days. If a notification is received on a non-banking holiday or weekend, the decision deadline is 3:00 p.m. the next business day.

It is not uncommon for checks that match the information provided in the issued check listing to still exception for a pay/return decision. This is because the systems that analyze the checks use a multitude of factors when “reading” the check. For example, data contained in the MICR line is far easier to read than a payee name or check date. While the systems become more sophisticated every day, they will still reject for review if a certain “confidence” rating is not achieved upon review.

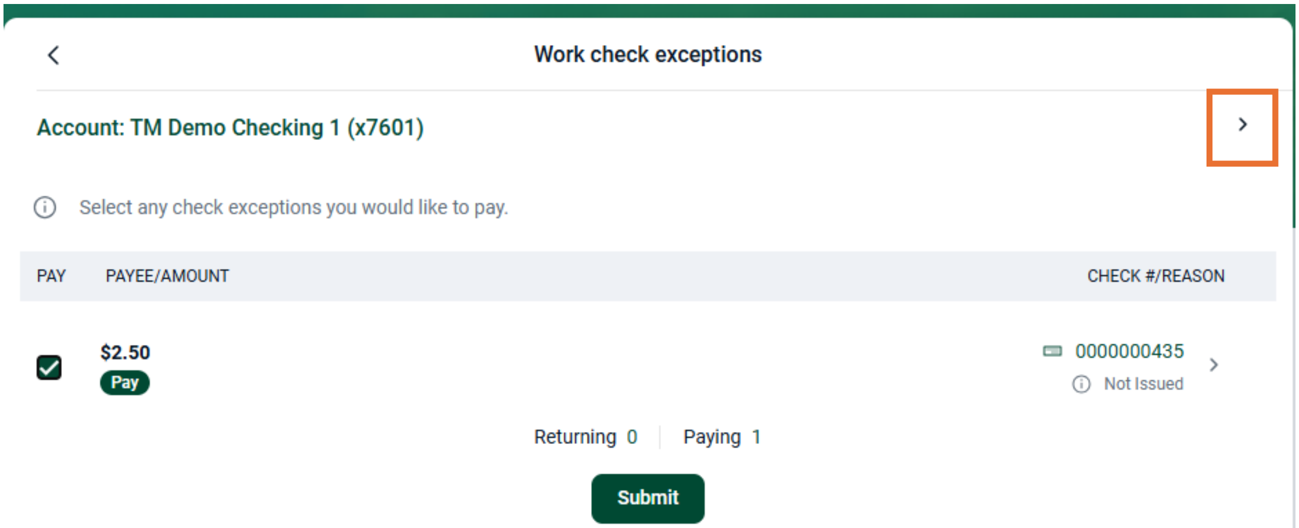
Working Check Positive Pay Exceptions

1. Navigate to **Positive Pay**. If you have a Payments option in the left-hand menu, Positive Pay will be located within that menu item.

   The Positive Pay home page will display. The number of exceptions will be indicated next to the Work with exceptions. Select *Work check exception*s to proceed:

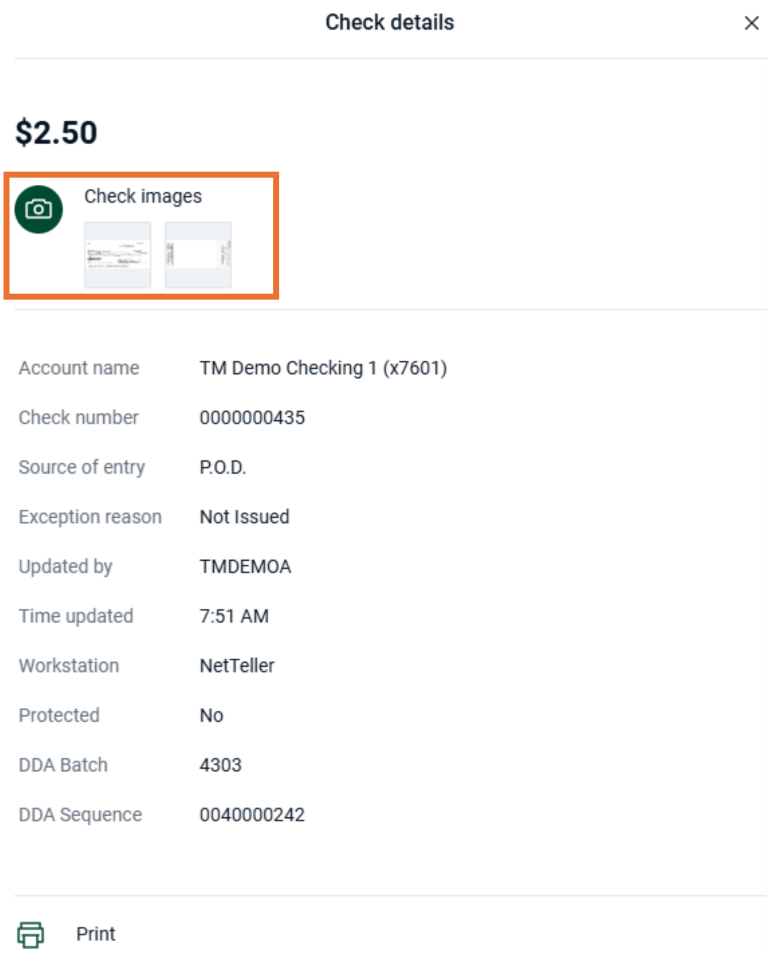


2. The first account will display along with any exceptions. To view to a different account, select the **>** icon to the right of the account. Note: the Pay checkbox will be pre-selected if the company default decision is Pay. It will be blank if the company default decision is Return:



3. Determine whether to Pay or Return the item. Additional information is available to assist with the decision:
   a. **Detail** –select the *check number* to view an image of the check as well as additional details such as the reason why it was flagged as an exception and who last updated the item.
      - <u>Exception Reasons</u>:
        - Invalid Amount: The issued check amount doesn't match the amount presented for payment
        - Paid no issue: A presented check that has not been issued yet is trying to clear (i.e. not in the issued check listing)
        - Payee mismatch: The presented payee name does not match the issued payee name
        - Voided Item: A check is being presented that has been changed to void in the issued list
        - Stale date: A check that is presented for payment a certain number of days past the issue date. For most companies, this is 180 days.

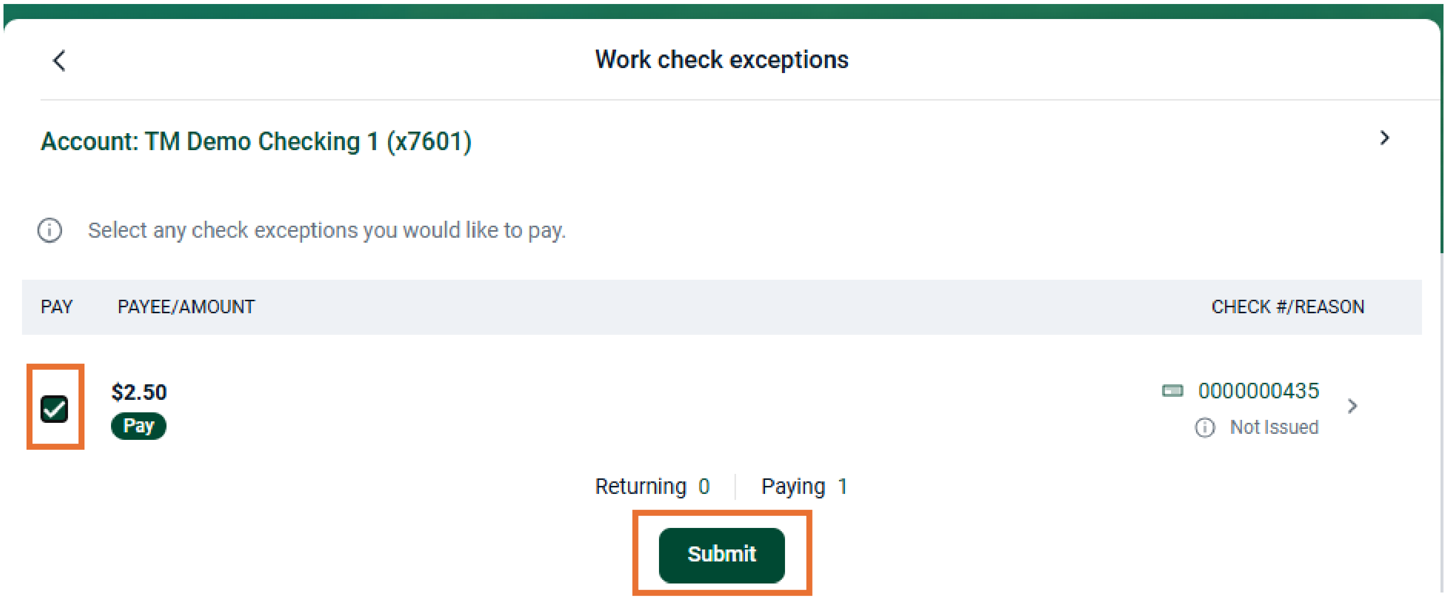
Click on the check image to enlarge.



Note: Items can be viewed after the 3:00 p.m. cutoff, however, changes to the decision cannot be made.

4. Select the checkbox to Pay the item or unselect to Return, then select Submit to save the decision(s).

   You can change the decisions up until the 3:00 p.m. EST cutoff.

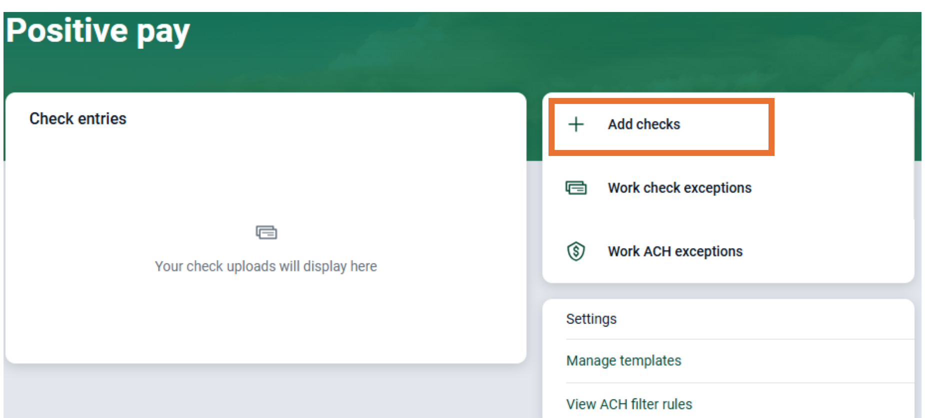


Manually Entering Issued Items

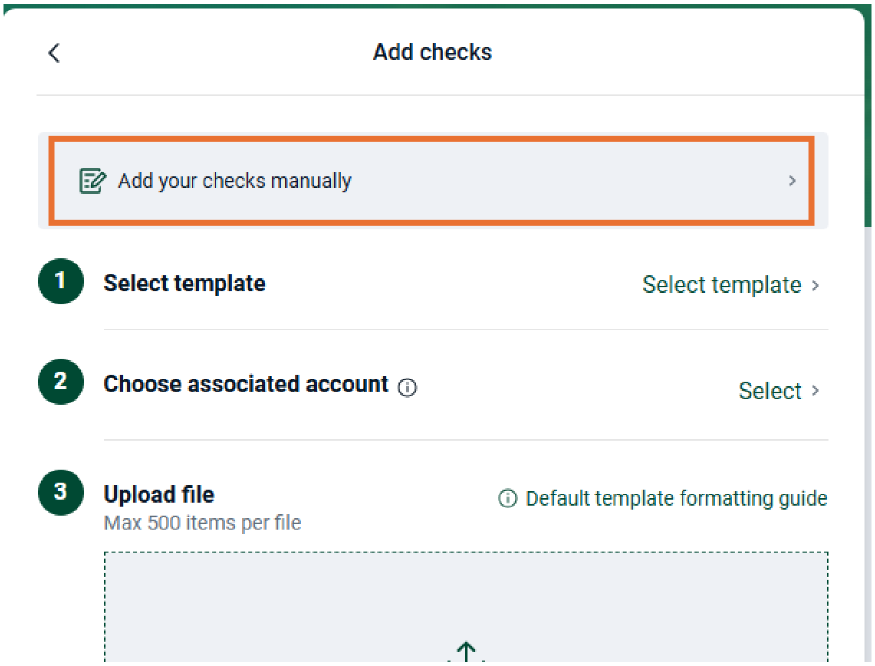
Positive Pay relies upon a list of issued checks from the company to match against when checks are presented for payments. One method for entering checks is manual entry. This method is also used if a voided check needs to be entered.

5. Navigate to **Positive Pay.** If you have a Payments option in the left-hand menu, Positive Pay will be located within that menu item.

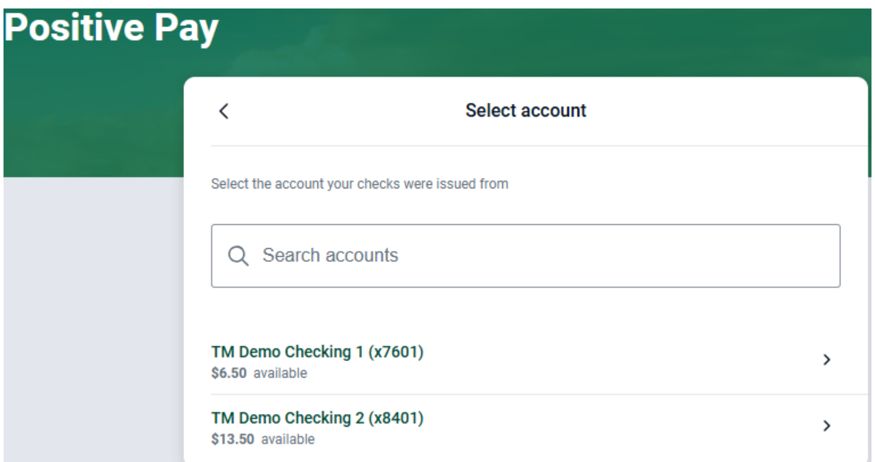
   Select *Add checks*:



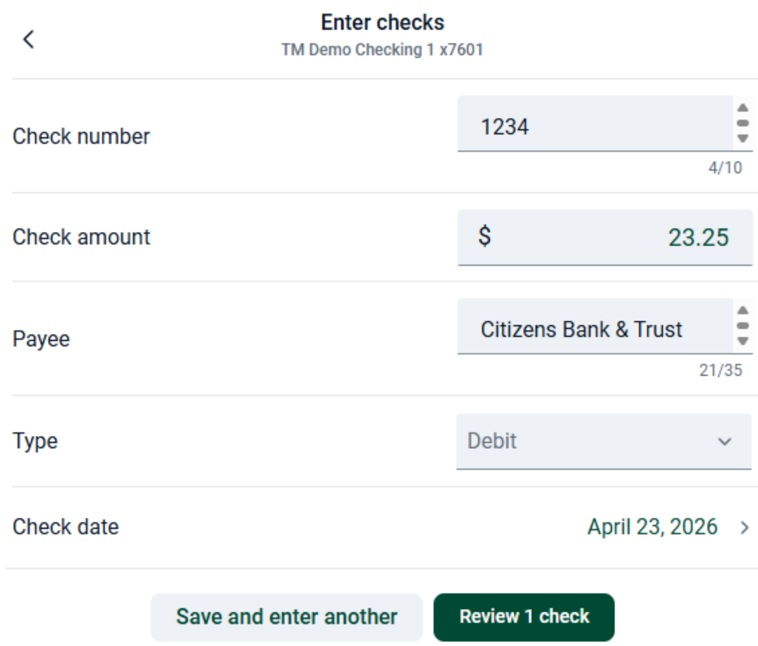
1. Select *Add your checks manually* from the Add checks window:



A list of available accounts will display. You can also use the Search accounts box to narrow the list of accounts. Select the account that you would like to enter checks for:



2. The Enter checks window will appear. Enter the check information:

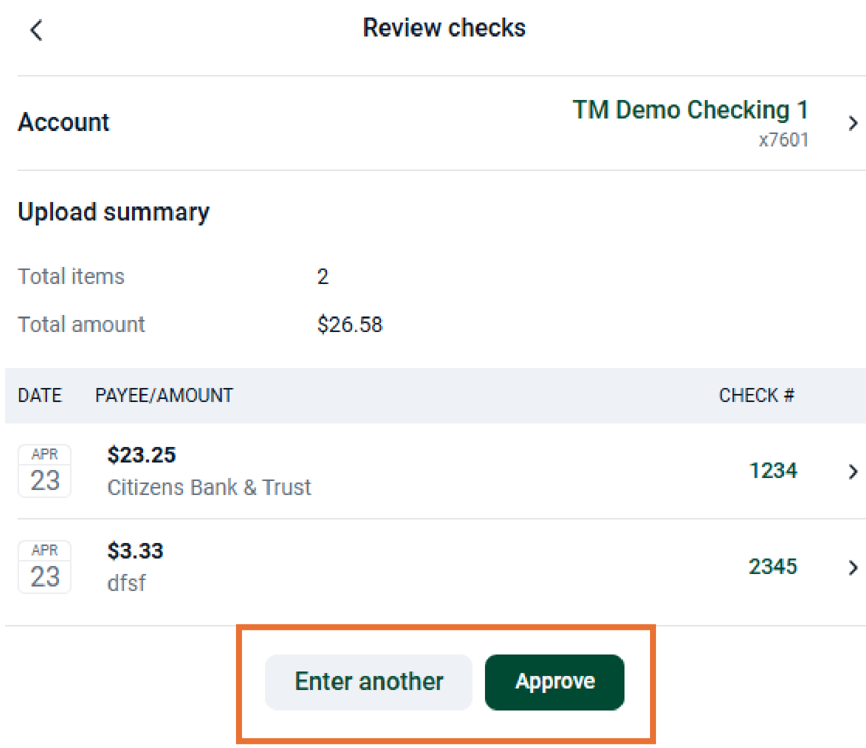


Check number: The number listed on the upper right-hand side of the check
Check amount: Amount listed on the check
Payee: The name in the “Pay to the Order Of” line
Type: Debit, Credit or Void.
- Most will be the default value of Debit
- Void will mark the check as voided, so it will exception if it tries to clear the account
- Credit is never used.

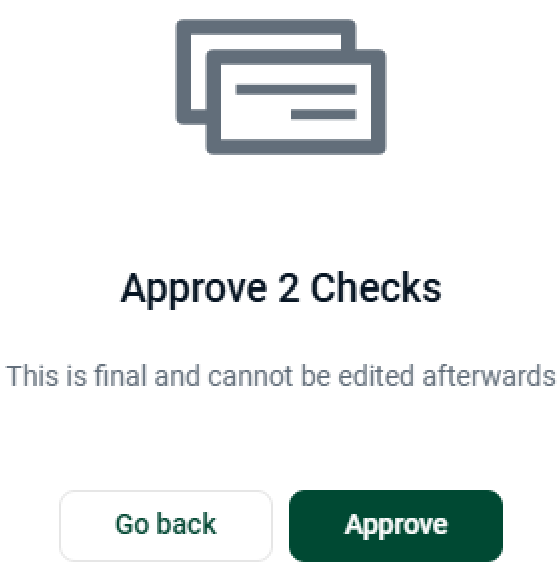
Check date: Select the issue date of the check

3. To enter another check, select *Save and enter another*. When done entering, select the *Review # checks*.

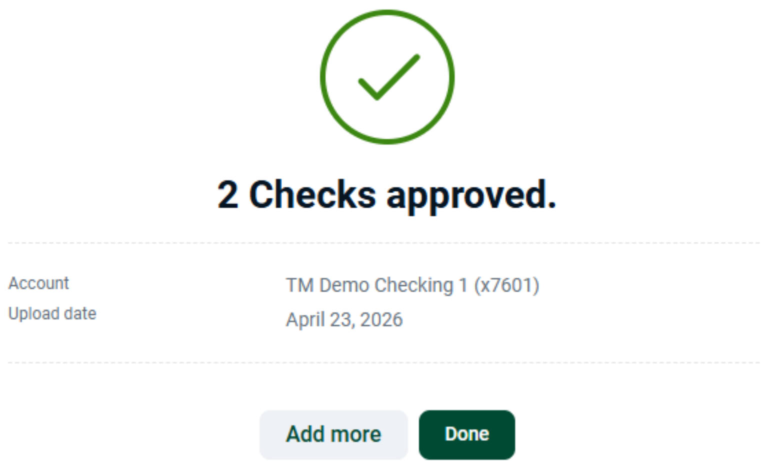
4. Review and approve the entered checks. A window will display allowing the opportunity to review and approve the checks that were manually entered. From this window select *Approve*, you can also continue to enter checks by selecting *Enter another*, or you can edit the information entered for a specific check by selecting the *CHECK #*.



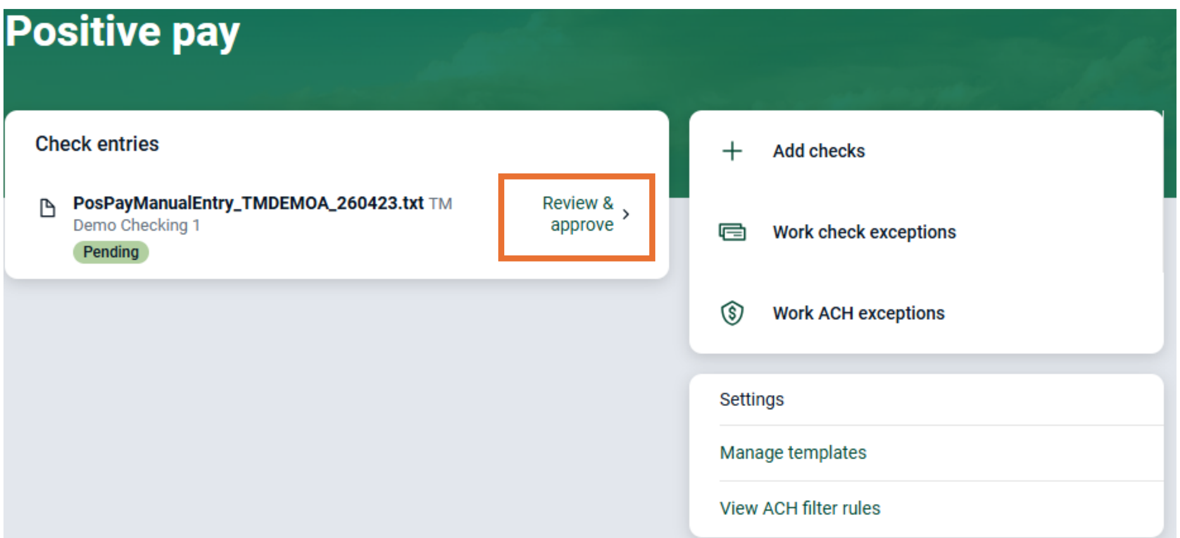
5. When you select Approve, a confirmation window will appear. Select *Approve* again to continue.



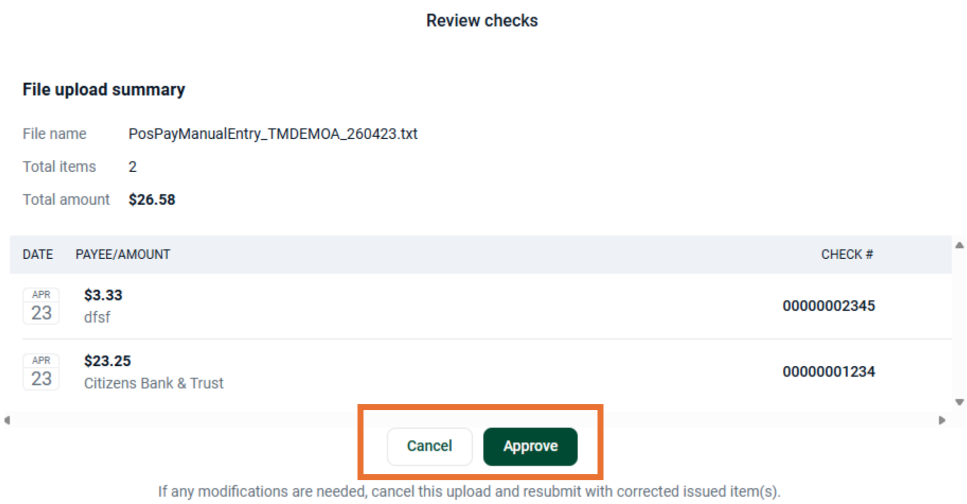
6. Another confirmation window will appear. Here you can either go back to the manual entry window to enter more items, or select Done if finished.



7. You will be returned to the Positive Pay home page. You will see the Check Entries just completed displayed in a Pending status. Select *Review & Approve:*

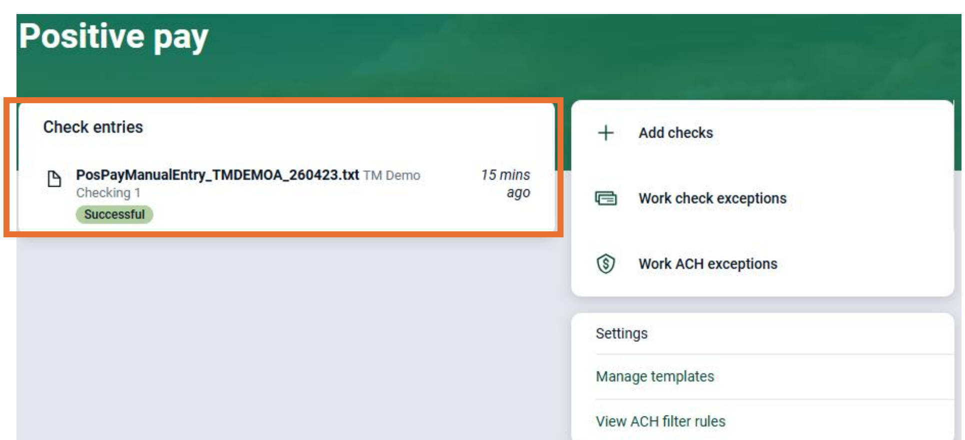


8. A Review checks window will appear. This will be the final opportunity to review the checks before they are uploaded to the bank. Select *Approve* to complete the upload or *Cancel* to discontinue.



9. A final confirmation message will appear confirming the upload of the checks. You can select *Done* to finish or *Upload* another will take you back to the Add checks screen.

10. When you return to the Positive pay home page, you will now see the batch of checks uploaded listed as Successful. This will display uploads done in the last seven days.



Uploading Issued Items

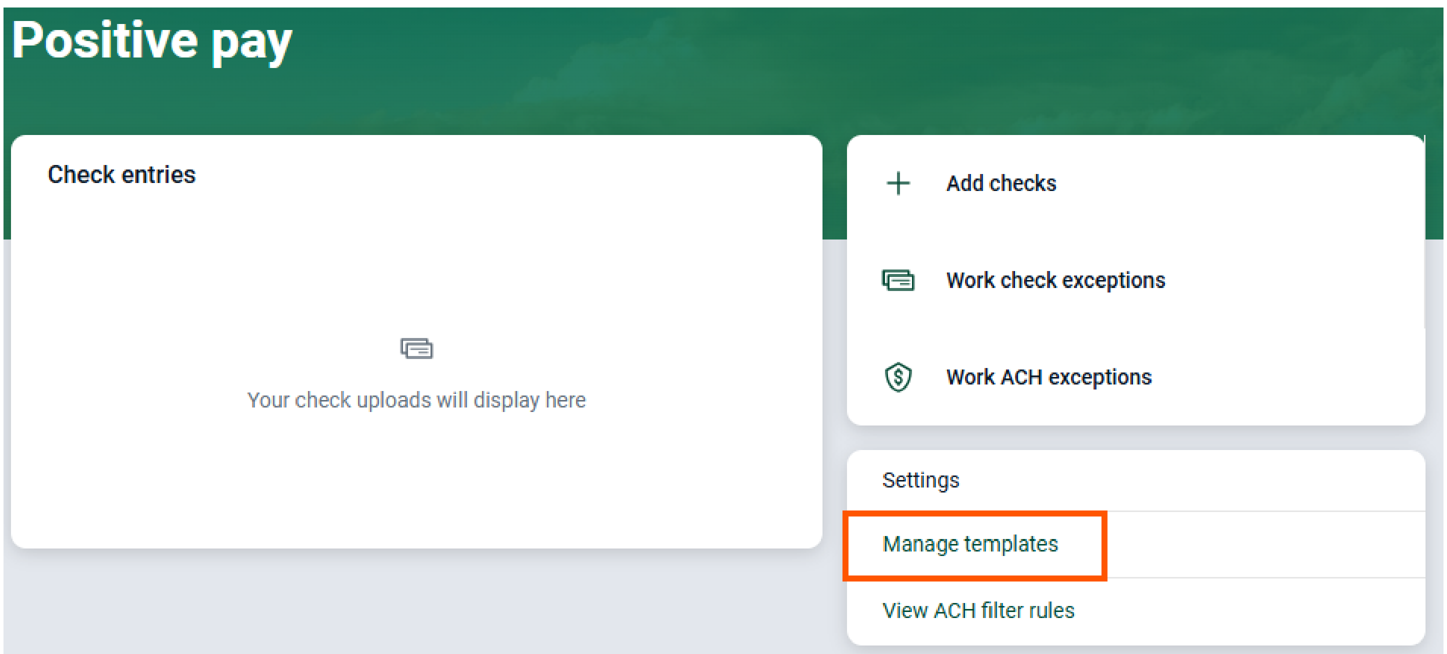
Defining the Upload Format

To upload a file of issued items, the format of the uploaded file must first be defined. Many accounting software applications provide a pre-defined issued items file, some allow for creation of a custom file.

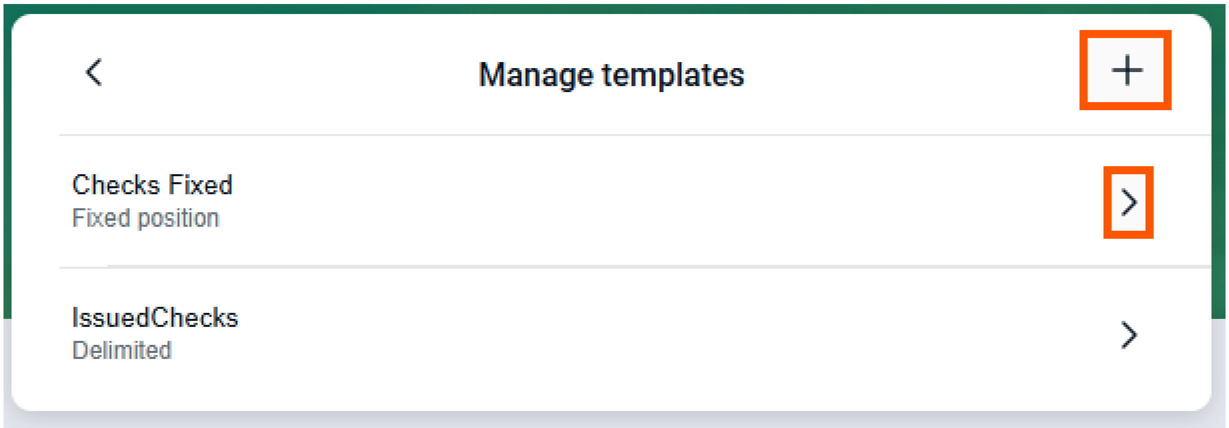
In order for an issued check file to be uploaded, a file format must be defined in online banking so the system knows what data is in what fields of the file.

Files can be in a delimited (i.e. .csv) format or a fixed format. A delimited format uses a delimiter of some sort, typically a comma (,), dash (-), semicolon (;), or tab. A fixed format designates a specific number of positions for each field. Data in the files cannot contain special characters such as /, $, #, etc.

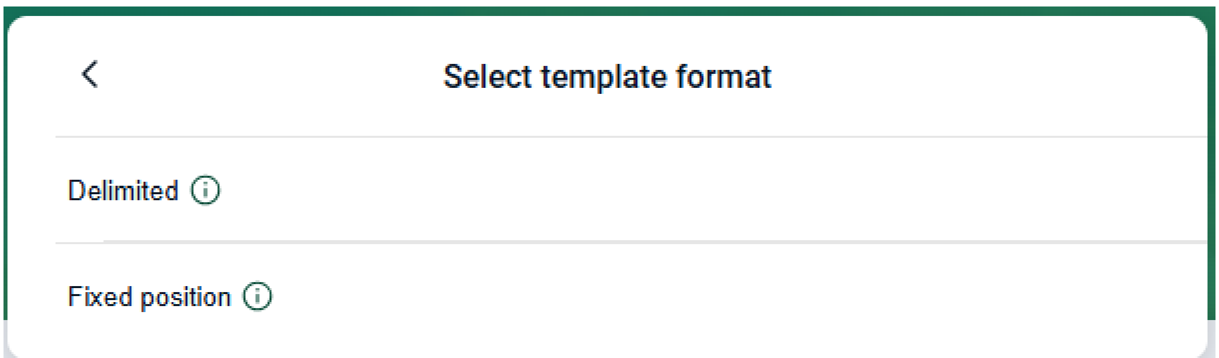
1. From the Positive Pay home page, select Mange Templates:



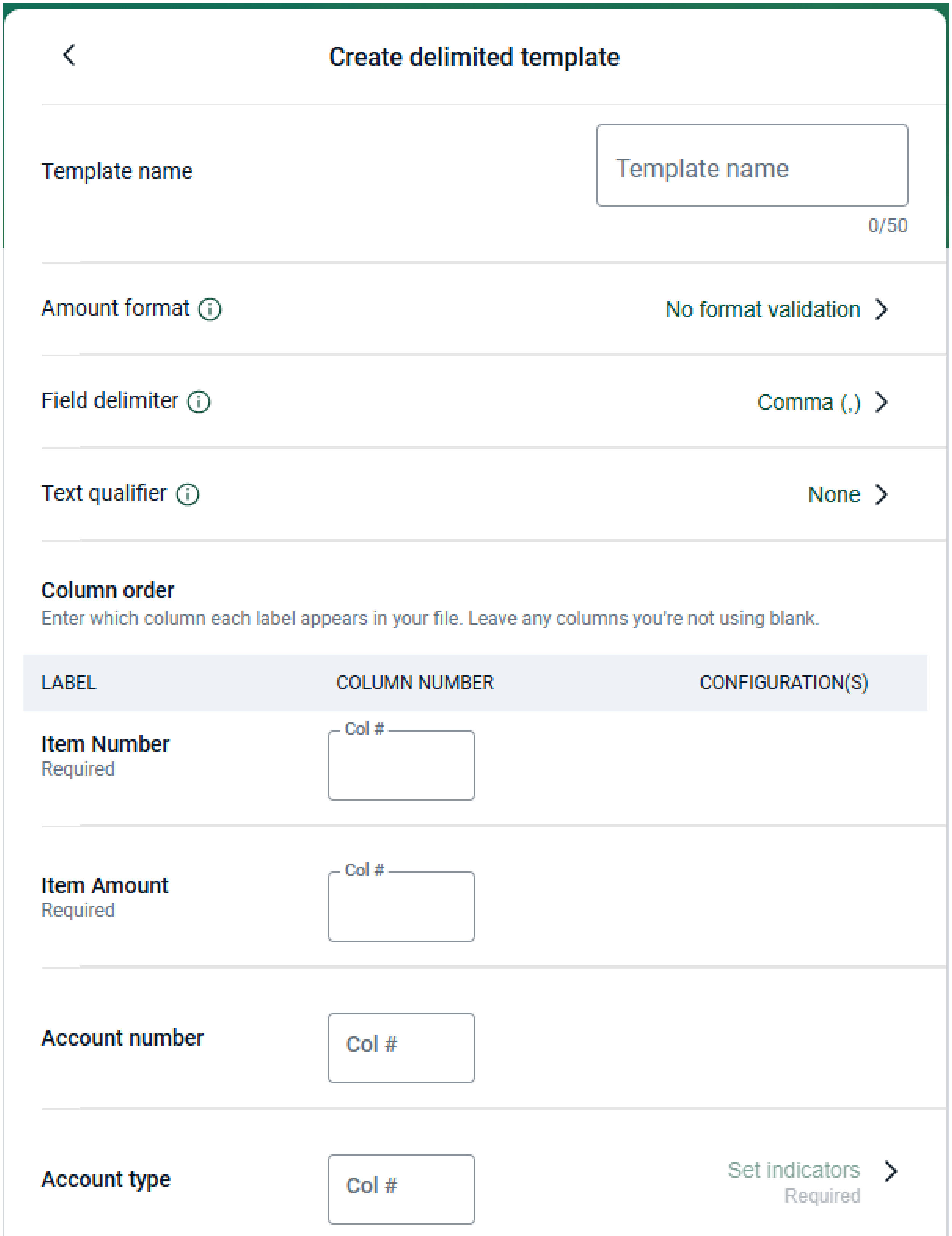
2. Select the + icon to add a new template or to edit an existing template, select the > next to the template.



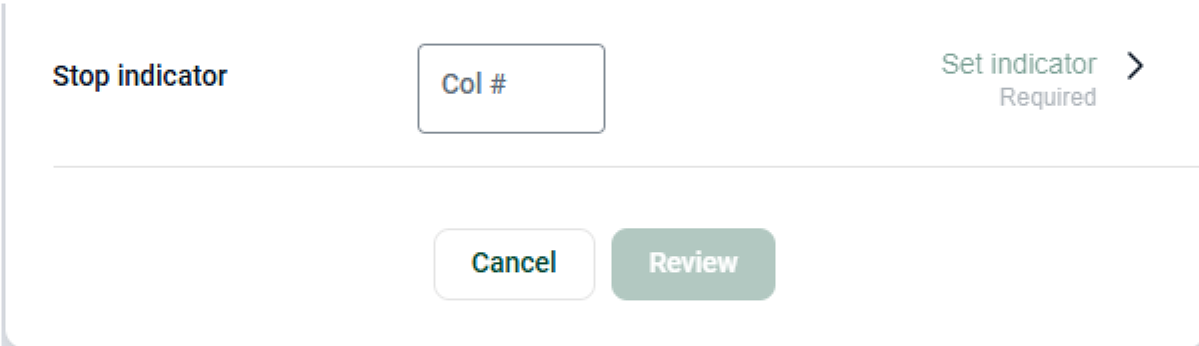
3. For a new template, select if the template will be for a Delimited or Fixed position file. Delimited files are most common as accounting software often generate .csv, comma-separated files.



Delimited Template



Issue date	Col #	Set date format Required
Payee Max 80 characters	Col #	
Debit/credit	Col #	Set indicators Required
Void indicator	Col #	Set indicator Required
Void date	Col #	Set date format Required
Payee address 1	Col #	
Payee address 2	Col #	
Payee address 3	Col #	
Payee address 4	Col #	



Template Name

Enter a name for the template

Amount Format

Select the format of the check amount as it will be provided in the upload file

- No format validation
- Decimal included
- Decimal not included, whole dollar (789 = 798.00)
- Decimal not included, implied decimal (798 = 7.98)

Field Delimiter

Select the delimiter being used in the file

- comma (,) – *try to avoid using commas in payee names on checks*
- dash (-)
- semicolon (;)
- tab

Text Qualifier

Select how text in the file is distinguished, if applicable

- None
- Double quote (“)
- Single quote (‘)

The next section of the template defines what data is contained in which columns of the upload file.

Item Number (Required)

Enter/Select the column number the item (check) number is contained in

Item Amount (Required)

Enter/Select the column number the item (check) amount is contained in

Account number

Enter/Select the column number the account number is contained in

Account Type

Enter/Select the field number the account type is contained in

If used, you must also define the Account type indicator that will be used in the file

- Checking indicator
- Savings indicator
- General ledger indicator

Issue Date

Enter/Select the field number the issue date is contained in

If used, you must also define the Date Format used in the upload file

Payee

Enter/Select the field number the Payee is contained in

Debit/Credit

Enter/Select the field number the Debit/credit indicator is contained in

If used, you must also define the indicator that will be used in the file

Void Indicator

Enter/Select the field number the void indicator is contained in

If used, you must define the value that will be used as the Void Indicator

Void Date

Enter/Select the field number the void date is contained in

If used, you must define the Date Format used in the file

Payee Address 1

Enter/Select the field number payee address 1 is contained in

Payee Address 2

Enter/Select the field number payee address 2 is contained in

Payee Address 3

Enter/Select the field number payee address 3 is contained in

Payee Address 4

Enter/Select the field number payee address 4 is contained in

Stop Indicator

Enter/Select the field number the stop indicator is contained in

If used, you must define the value that will be used as the Stop Indicator

Delimited File Format

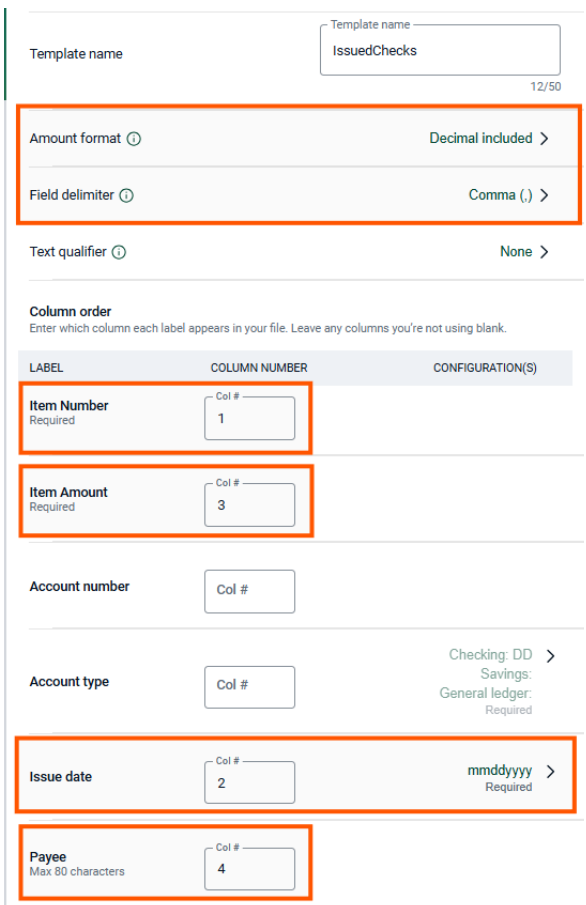
Example of a delimited upload file format

Here is a delimited issued items file:

	A	B	C	D
1	123456	6/15/2026	250.00	Homer Simpson
2	123457	6/15/2026	275.00	Bart Simpson
3	123458	6/15/2026	300.00	Lisa Simpson

This file contains the following fields and would be setup as follows:

Item Number
Issue Date
Item Amount
Payee



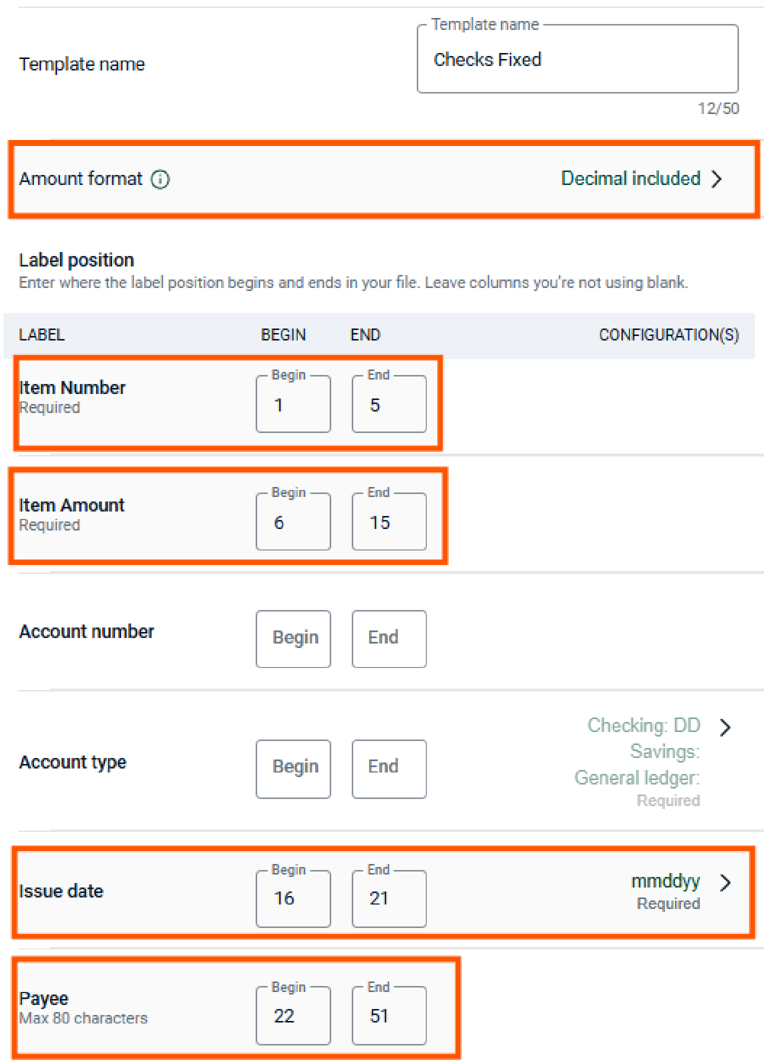
The fixed position format defines the starting and ending position of each data field.

Example of fixed position upload file format

Here is the same file in a fixed position layout:

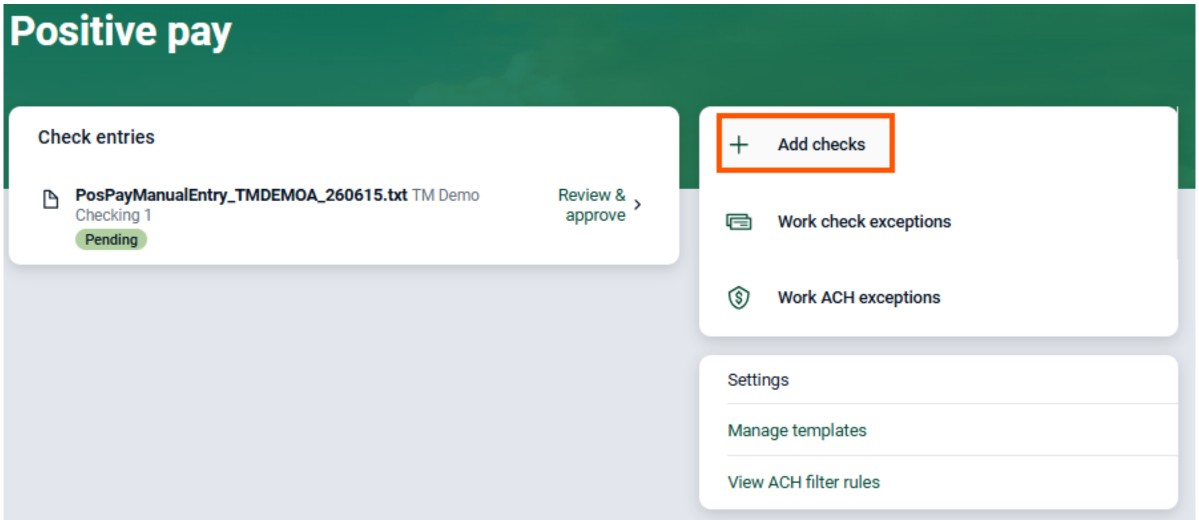
```
234560000200.00040925          Homer Simpson
234570000333.33040925           Lisa Simpson
234580001234.55040925           Bart Simpson
```

The format would be setup as follows:

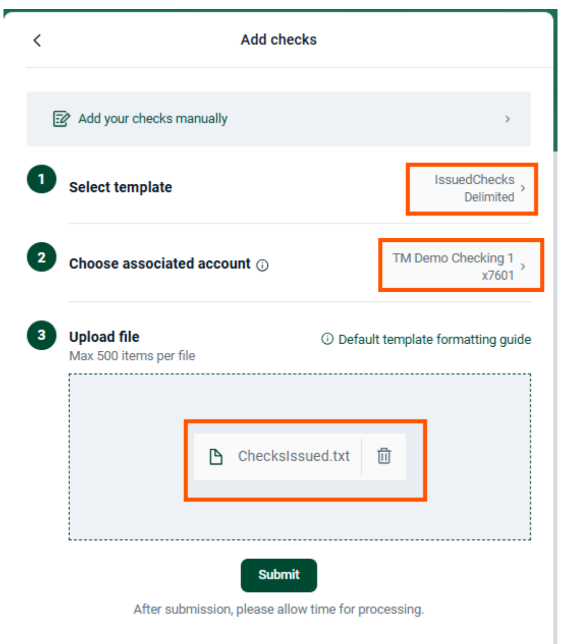


Uploading the File

1. From the Positive Pay home page, select Add checks

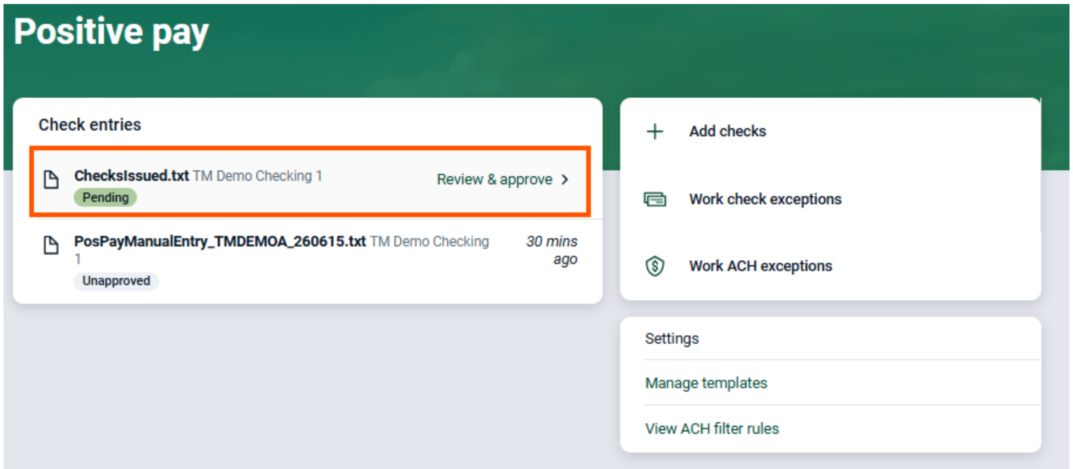


2. Select the template to be used, account for which the checks were issued and then drag or select the upload file:

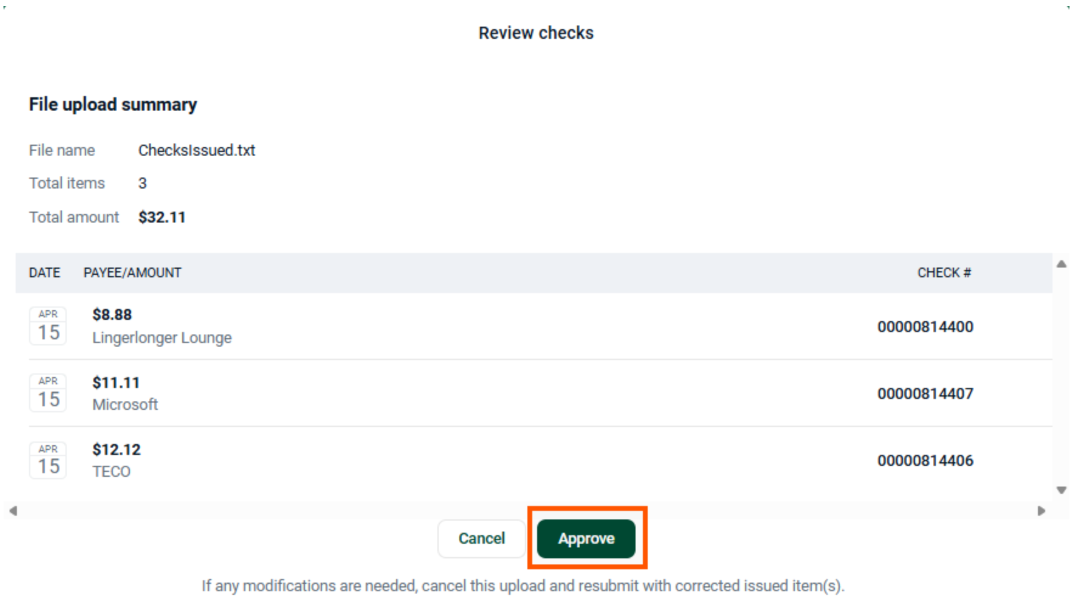


3. Select **Submit**

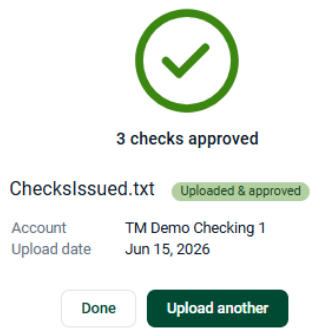
4. You will be navigated back to the Positive Pay home page and the uploaded file will display in a “Pending” status:



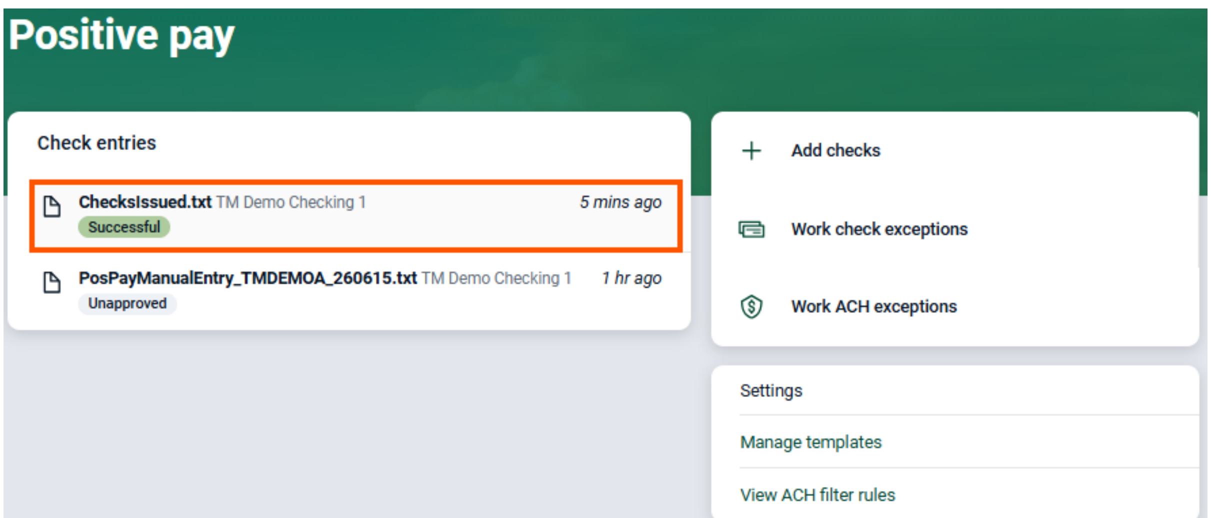
5. Click on **Review & approve**, the details of the uploaded file will display:



6. Select **Approve**, a confirmation window will appear and you can select Done if finished uploading, or Upload another if you have more files to upload.



7. Back on the Positive Pay home page, the file status will now display as “Successful”. This will display uploads done in the last seven days.

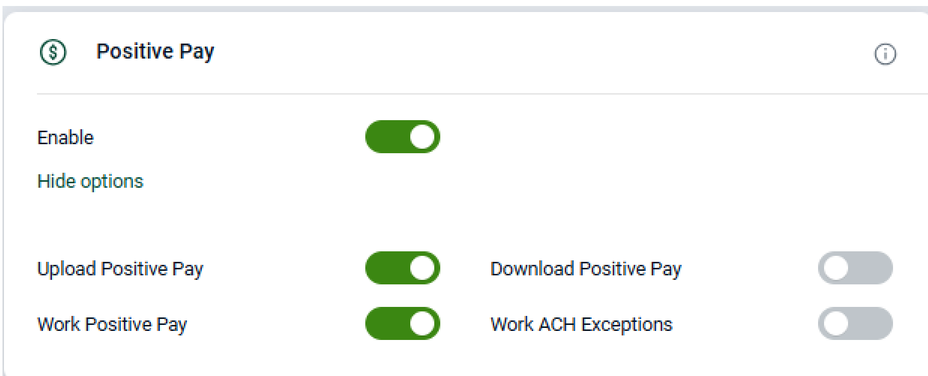


Check Positive User Permissions

Full information regarding cash management for company administrators is available in the Cash Management Online Banking Administrator Guide. This document discusses only those options related to Check Positive Pay processing.

When a company is setup for Check Positive Pay, Citizens Bank & Trust gives the Positive Pay permissions to the designated Company Administrator. The administrator is then responsible for providing access to new or existing users.

Under the User's Permissions, Positive Pay must be enabled first, then Upload Positive Pay and Work Positive Pay:



Then, the Upload Positive Pay and Work Positive Pay permissions must be enabled for <u>each</u> account the user is to have access to: