

Positive Pay

User Guide *for Business*

Version 1.0



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Overview

Positive Pay is a fraud prevention service that helps businesses protect against unauthorized or fraudulent transactions. The process involves the business submitting a list of authorized checks or ACH transactions to the credit union, including details such as check number, amount, and payee. The credit union compares presented transactions against this list and flags any discrepancies as exceptions. Businesses are then notified of exceptions and must decide whether to approve or reject them, ensuring that only verified transactions are processed.

How it Works

Issuer > Fraud Detection > Approve / Reject > Payment / Return

Issuer

The Issuer is the individual or business that originates the transaction (check or ACH). They are responsible for submitting a list of authorized transactions, including details such as check numbers, amounts, and payees.

Fraud Detection

Positive Pay is a fraud prevention system used collaboratively by the credit union and the business to safeguard against unauthorized or fraudulent transactions. Through Positive Pay, the business submits a list of approved transactions, which is cross-referenced against presented checks or ACH transactions, flagging any discrepancies for review and approval.

Approve / Reject

The business reviews flagged exceptions and decides whether to approve or reject each transaction.

Payment / Return

The credit union processes approved transactions and returns unauthorized or fraudulent ones.

1. Getting Started

This guide will help you understand the essential aspects of using Positive Pay, ensuring a smooth and secure process. Our goal is to provide clear guidance on your role and responsibilities while addressing any exceptions with transparency and efficiency. By following best practices and security measures, you can maximize the benefits of Positive Pay and enhance your overall banking experience.

2. The Key Essentials

Before we begin, it's important you feel well-informed and confident in navigating Positive Pay discussions, comply with regulatory requirements and optimize your operations.

Below is a list of items that will help with this process:

2.1 Role + Responsibilities

I. Understanding Positive Pay

Familiarize yourself with the procedures to ensure compliance and effective use.

II. Customer + Vendor Impact

- Failing to decision items may result in returned transaction, disrupting payments to customers or vendors.
- Returns can cause delays, including the need for check or ACH resubmissions from customers or vendors, which may disrupt payment schedules.

III. Personnel + Training

- Ensure employees handling Positive Pay transactions are trained on operational requirements including system usage, exception handling, and compliance.
- Assign designated personnel to be involved in the approval process to ensure proper decisioning.
- Avoid password sharing and maintain individual credentials to uphold security and accountability.

2.2 Fraud + Security

I. Safe Storage of Data

- Ensure that all documentation, whether physical or electronic, are securely stored in a locked or encrypted space. Securely shred documents to safeguard sensitive information and prevent fraud.
- Create a disaster recovery plan to ensure critical operations are safeguarded in the event of an unexpected disruption or system failure.

II. Fraudulent Activity

- Understand the risks of check and ACH fraud, including unauthorized transactions.
- Report any fraud or irregular activity to the credit union **immediately**.

2.3 General

I. Submissions

- Submit approved transaction lists accurately and in the required format to ensure proper validation.

- Positive Pay begins the return process. On the decision day, checks will have 'Cleared' and ACH transactions will be marked as 'Pending'. Account fees will apply if there are insufficient funds available.

II. Cutoffs, Holidays, and Weekends

- Notification will be sent as a reminder to decision items.
- Decisioning must be completed by **1:00 pm CST** before the effective date of the file.
- Items marked **return** will be returned; Items marked **pay** will be processed for payment

Note: At **1:00 pm CST**, the system will automatically process all unresolved items based on their current status.

"Business days" are days the Federal Reserve is open. ACH file transfers and online funds transfers will not be processed on days Verve is closed, including federal holidays, Saturdays, and Sundays. Originators must avoid setting settlement dates for these days.

For updates, visit [federalreserve.gov](https://www.federalreserve.gov) for the 'Holidays Observed - K.8'.

III. Returns + Errors

- Standard, Reverse, and ACH Credits must be decisioned on the file's effective date to prevent them from being returned at the cutoff time.

Note: ACH Credits will automatically pay items that are not decisioned in time.

2.4 Support

- Technical assistance and support for Online Wires is available by contacting:

Business Support at 800.448.9228, Option 5

3. Types of Positive Pay

The table below lists the Positive Pay types available for each account enrolled, a description of expected behavior and protection level ranking. Positive Pay relies on enrolled Companies to make daily decisions, when required, for the check activity that occurs on their account. When accounts are enrolled, a default setting is established for the system to return a transaction if the user fails to do so by the established end-of-day cut-off time. The last column in the table defines the default settings available for each type of positive pay service:

Type	Description	Protection Level	Default
Reverse Positive Pay	This service does NOT require Companies to provide a list of issued items. Companies will need to login every day to view checks presented for payment and select	Medium	Return

	the checks they want to return.		
Standard Positive Pay	Companies may provide the check number, dollar amount, and payee name for each issue item. Verve will compare the information in the issue item against the encoded check info and the name that appears on the “Pay to the Order of” line of the check presented for payment. A scoring method will be used to determine the likelihood of a match and if a score falls below Verve’s threshold, the item will be flagged as an exception.	High	Return
ACH Credit Positive Pay	This service does NOT require Companies to provide a list of issued items. However, users can build a list of items as they are presented for future approval or blocked for that specific Company ID. If items are not added to the lists, users will need to login each day to view items presented for payment and select the transactions they want to return.	Low	Pay
ACH Debit Positive Pay	This service does NOT require Companies to provide a list of issued items. However, users can build a list of items as they are presented for future approval or blocked for that specific Company ID. If items are not added to the lists, users will need to login each day to view items presented for payment and select the transactions they want to return.	Medium	Return

1. It is important to note that payee name scoring is subject to a lot of variables. Scoring can fail items that should pass if Companies fail to perform best practices. Refer to *Tips & Best Practices* in this guide for more information.
2. ACH Credit and ACH Debit Positive Pay are only offered together for a business user.
3. While Standard Positive Pay focuses on the use of added issuance items, users can still wait for items to be presented and approve or deny items then.
4. Positive Pay sends alert notifications for designated Company users to manage items when as they are presented. Email Alerts are standard, but SMS Text Message is available if needed. Verve will only send Service Level Alerts, meaning one alert per company when one or more exceptions are identified on one or more accounts.

4. Accessing in Online Banking

To access Positive Pay through online banking:

Tools + Reports > Positive Pay > Select Submit

5. Using the Dashboard

The Dashboard is the default landing page within the Verve’s Positive Pay portal. Depending on what modules (Check, ACH Credit, ACH Debit) each company is enrolled in, you will see 1 or 3 Summary Boxes

including the transaction summaries and decision statuses. Active links are embedded to permit user to navigate from the dashboard into the selected module. The dashboard status values are updated in real time as individual transactions statuses are changed.

5.1 Summary Boxes

Content displayed on the dashboard summary boxes include the following:

Service Name

What Transaction type and module is summarized.

End of Day Cut-Off Time

Displayed below the Service Name, indicating when transactions requiring decisions will no longer be eligible for user decisions.

Exceptions

Selecting the dollar amount hyperlink on the Exceptions line will direct the user to a filtered view of the transaction history displaying only the exceptions requiring a decision.

Set to Pay / Set to Return

Clicking on the dollar amount hyperlinks on the Set to Pay or Set to Return lines will expand the view to display a breakdown of the total for each category.

5.2 Types of Modules

From the Dashboard, a user can navigate to Transaction View and their Modules by selecting the following:

Transaction View

Shows all transactions of all types from the current day, allowing you to view each exception, status, type, value, and image (check only).

Change Module – Allows you to choose between your enrolled services and view settings and transactions specific to your transaction type selected.

6. Decisioning Items

The primary objective of Positive Pay is to give users the opportunity to make Pay and/or Return decisions on Check and ACH items presented for payment on enrolled accounts. The decision function is performed in the Transaction View screen off the Dashboard, or the Transaction History Tab in each module.

If your company has exceptions which require a Pay/Return decision, those users with permissions will receive an alert notification checks and ACH, indicating items require your attention. All decisions must be made before cut-off time.

The Dashboard is the default landing page within the portal. Summary information on current check and ACH transactions and decision status will be displayed for accounts the user has been granted access. Active links are embedded to permit users to navigate from the dashboard landing page into the Check or ACH modules or directly to transactions in the status selected. The member can also select the Transaction View tab to view all of the day's transactions compiled together.

6.1 How to View

Once viewing items, a member has viewing capabilities on a multitude of data:

I. Transaction ID

The user can click the arrow (>) next to the Transaction ID field to view more useful detail on each issued item. The Transaction History is stored for 12 months and can be filtered to display the desired transaction information.

- Each drop down shows an audit history of all the activity that has occurred on the issue item. Including information its exception reason or match information.

II. Transaction Type

The user can also view the Transaction Type, Description or Check Number, Account Number, Date, Dollar amount and Credit / Debit status, Current Status, Manage Selection, and Exception / Violation.

- For check items, the check number will be an embedded link showing you the front and backside images of the check being presented.

6.2 Update Transaction Status

To change the transaction status, a Pay or Return button will appear in a blue background for use. If the transaction is not eligible for a decision, the button will display as ineligible and greyed-out

I. Pay

If the Current Status on an issued item is set to Return, the Company can opt to change the status to Pay if the Company determines the check should be paid.

Click the **Pay** button under the Change Status column. The Change Status button will then change to Return, the Current Status column will update to **Pay-User** and the item background shading will be green.

II. Return

If the Current Status on an issued item is set to Pay, the company can opt to change the status to Return if the Company determines the check should not be paid.

1. Click the **Return** button under the Change Status column. For check items, the Check Return Reason window will display. Select the appropriate reason for the return.
2. Click **Save**. The Change Status button will then change to Pay, and the Current Status column will update to **Return-User** and the shading will be yellow.

6.3 Add Notes

The Add Notes feature allows company users to make notes regarding a transaction. Click the **Add Notes** button to enter in the pertinent information regarding the transaction.

7. Standard Positive Pay

Positive Pay services require Companies to maintain a list of issued items for the credit union to compare presented items against so exceptions can be identified. While issue items can be added after a check has been presented for payment, it is highly recommended. Companies enter or load issue items prior to disbursing paper checks to payees, as failure to do so could result in denial of payment if the check is presented at the teller line for deposit or to be cashed.

When an issued item is entered or loaded into Positive Pay, the status and disposition of the issued item is tracked. The list below describes the status and disposition labels associated with issue items.

If the Item is...	Description
Issued	The check has been issued and distributed for payment.
Voided	The check was issued but later voided and may or may not have been distributed.
Stopped	The check was issued but later stopped and will not be paid out.
Cancelled	The check is to be cancelled and removed from the outstanding issue items in the Issue Warehouse
Available for Matching	The check is an issued item and loaded into Positive Pay for future matching.
Paid	The check has been presented against an issue item, and it was paid by the system or user.
Returned	The check has been presented against an issue item, and it was returned by the system or user.

7.1 Manual Entry

From the Positive Pay Dashboard, select **Change Module** and then **Positive Pay Checks**.

Perform > Manual Issue Entry

The manual entry option appears:

1. **Account** – Select the appropriate Account Number from the drop-down menu.
2. **Row** – Each issue item will be numbered in the order they are entered. Once the cursor is placed in the current row, an additional row will appear for the next entry.
3. **Check Number** – Type the check number for this manual issuance file.
4. **Amount** – Type the dollar amount for this manual issuance file.

5. **Payee Name** – Type the payee’s name for this manual issuance file. Make sure to use all appropriate characters including commas and periods where needed.
6. **Status** – Select Issued or Voided.

Note: All fields can be edited before being saved.

When all fields have been entered, click the **Save** button.

7.2 Loading Issue File

The purpose of issue templates is to make it easy to load issue items into Positive Pay using files that can be generated out of most accounting systems. Positive Pay provides Companies a variety of flexible options for providing a list of checks that have been issued or voided. Issue templates allow users to select from a list of file formats supported and identify where the required data elements are located within the file.

Once a template has been set up, the template can be selected when loading a file to tell Positive Pay how to utilize the data contained in the file. Multiple file templates can be set up, displayed and used. Companies are allowed to create their own templates.

I. Creating Templates

From the Positive Pay Dashboard, select **Change Module** and then **Positive Pay Checks**.

Manage > Issue Templates

A screen will appear listing any existing templates available to view or edit, and a button to create a new template:

1. Select **Create New Template**
2. The upper portion of the template screen will not change, regardless of the file type selected. The template name, file type and template status values are required. The header and footer fields are optional.
 - a. Many accounting systems can export excel or fixed width files. Sometimes those files have header (beginning) rows or footer (ending) rows that contain data that is not required by Positive Pay.

For additional guidance on exporting QuickBooks (Account Register or Reports), refer to the outlined steps in the [QuickBooks](#) user guide (see “Exporting QuickBooks Online / Desktop”).

3. The mapping section on the lower part of the screen displays the required fields. The Check Serial #, Payee Name and Amount fields are always required. Add the corresponding File Column number to each input and save the template.
4. The Company may choose to import additional data by checking the Add box next to the desired data element.

II. Uploading Templates

From the Positive Pay Dashboard, select **Change Module** and then **Positive Pay Checks**.

Perform > Issue File Load

Note: Ensure both the correct Template and Account information are selected.

1. **Drag and Drop** your check file into the available space or browse the location. Select **Upload**.
2. The status bar will display the status of the file. If errors were encountered during the initial processing of the issuance file, the Parse Errors display will appear, allowing the user to view the error detail within the file. The most common reason this error would appear is because the file contains improper formatting.

At this point, the user will have the option to:

- **Correct those errors.**
 - **Delete individual errors.**
This feature only displays if there are errors in the file and is only available until errors have been corrected and the file is saved.
 - **Delete all errors**
This feature only displays if there are errors in the file and is only available until errors have been corrected and the file is saved.
 - i. This will retain the totals and counts for audit history.
 - **Discard the file**
This feature shows up when there is an error in the file. This option is not available after corrections have been made and saved. This will remove the file and its contents from the system.
3. If you are uploading a file and encounter errors, you can click on any field highlighted in red to make updates or changes. Once all errors have been corrected, the red highlights are no longer visible, and the file can be reprocessed by clicking the Save and Submit button.

7.3 Views

I. Issue Warehouse

Issue Warehouse provides companies with the visibility to see the status of all issued items and authority to modify items previously issued.

1. From the Positive Pay Dashboard, select Change Module and then Positive Pay Checks.

View > Warehouse

- a. Issue Items are arranged and viewable by their upload date. If you need to view past items, change the date range in the top right corner.
2. Items that are still outstanding can be:

Cancelled (purged)

Select the Update (pencil icon) next to an issued and outstanding item.
Change the status from **ISSUED** to **CANCELLED**.

Voided

Select the Update (pencil icon) next to an issued and outstanding item.
Change the status from **ISSUED** to **VOIDED**.

Modified

Select the Update (pencil icon) next to an issued and outstanding item.
Change the appropriate selection and save.

II. Issue Item Status

Create current reports of all outstanding, paid, returned, or voided items in positive pay.

1. From the Positive Pay Dashboard, select Change Module and then Positive Pay Checks.

Reports > Issue Item Status

III. Item Lookup

If an issued item cannot be located by the load date or you are unsure when it was loaded, the user may use item lookup to locate an outstanding or paid item.

1. From the Positive Pay Dashboard, select Change Module and then Positive Pay Checks.

View > Item Lookup

2. Select the account and enter the check number, select Apply. The issuance information will show including its load date and time. Any Paid items will show the status of the transaction and what it was compared to or scored.

IV. Issue File Status

The purpose of the Issue File Status feature is to provide Company users the ability to view or discard issue files loaded or manually entered by the Company.

1. From the Positive Pay Dashboard, select Change Module and then Positive Pay Checks. Select View > Issue File Status.
 - a. Files are arranged and viewable by their upload date. If you need to view past items, change the date range in the top right corner.

8. ACH Positive Pay

Positive Pay ACH Credit and Debit is designed to empower our business customers with the ability to prevent financial loss due to unauthorized incoming ACH transactions. Most actions for ACH items can be taken while using the Transaction View selection on the dashboard. All ACH Credits will default to Pay if not already added to an approved or blocked list. All ACH Debits will default to Return if not already added to an approved or blocked list.

8.1 Adding ACH Items to the List

1. Select the drop-down carrot to the left of your ACH Credit or Debit Transactions
2. Select Add to Approved List or Add to Blocked List
 - a. Keep the Company ID, Company Name, and Start Date.
 - b. End Date, Max Amount and Frequency can all be blank if a transaction is acceptable every time. Changing these variables will force approval of ACH Debit items if over / past the allotment.
 - c. Select Save.

8.2 Editing Lists

Note: An item must already be added to the approved or blocked list

1. From the Positive Pay Dashboard, select **Change Module** and then **Positive Pay ACH Credit or Debit**.

Manage > Approved List or Block List

2. Select the **Edit** button on the right side of the transaction. (Select the delete box if you would like to remove)
3. Select **Save**.

9. Best Practices

9.1 Check Positive Pay

I. Payee Name Scoring

- Payee name scoring can reasonably handle a variety of check styles, fonts, and even hand-written names on a payee line. However, it is important to note that scoring does not indicate with 100% certainty if the payee's name on a check matches the payee's name provided with the issue item information.

- The technology scores on the likelihood of a match and will fail or pass an item based on the scoring threshold set. The name scoring threshold is set to 800 out of 1000. The lower the threshold is set, the more likely it is that fraudulent items will pass. The higher the threshold is set, the less likely they are to pass through.

II. Check Formatting

- Use check stock with no backgrounds or lighter colored backgrounds and no logos or marks in the payee field. Any background patterns, images or watermarks on the check stock that is within the area of the data to be recognized can interfere with recognition results.
- Printing with an ink jet or laser printer will produce best results.
- “PAY TO THE ORDER OF” should not be italicized or underlined and must be printed horizontally at the same level to the left of the payee’s name.
- Payee Name should be printed only once on the check, within the Payee Block. Do not split the Payee Block into two non-adjacent parts (the Name and the Address)

III. Bad Scans + Poor Image Quality

- Poor image quality can interfere with scans. If Check Paper is inserted into the printer improperly, the payee’s name could print blurred/ slanted and cause issues with scanning.
- If the Payee area only states, “To the Order of” and is not horizontally printed, it could cause issues with the scoring an identification of the start of the payee’s name.

Resources

Resources are links to other User Guides and any other resources related to the topic of this guide.

- N/A

Feedback

This is a living document and is updated as needed. Please contact the credit union with your feedback.

To ensure that feedback is adequately addressed, please include:

- Document name and version
- Section name
- Suggested feedback