

Community West Bank

**BUSINESS
Online Banking**

**Positive Pay
User Guide**

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ABOUT POSITIVE PAY

Positive Pay is a powerful tool to help protect against check and ACH fraud.

Check Positive Pay

When you issue a batch of checks through your accounting program, the specifics of those checks are recorded and exported from your accounting program and imported to the Positive Pay system. As these checks are deposited or cashed, the bank compares the details of the check to the details you provided when the check was issued. If differences or discrepancies are found, the check is flagged and placed in the Positive Pay exceptions list for you to review. You can then determine whether the check should be paid or rejected, based on your review.

Note: A check that is converted to ACH will only be flagged in ACH Positive Pay, not Check Positive Pay.

ACH Positive Pay

The ACH Positive Pay functionality allows you to set up rules to both pre-authorize specific ACH transactions and to monitor for ACH transactions that match specific guidelines. The system will then flag ACH transactions that fall outside of these rules.

Note: ACH transactions with codes of WEB (initiated on the Internet) or TEL (initiated on the telephone) will result in an exception to be decided.

CUSTOMER RESPONSIBILITIES

As a customer utilizing Positive Pay, you guarantee the following:

Business Continuity Plan

Businesses are required to have a business continuity plan which includes periodic testing of the plan. You will need to include an internal protocol for a back-up person to process Positive Pay daily in case the primary operator is unavailable. The back-up operator will need to have appropriate access and training.

Cut-Off Times

- Daily Pay/Return Exception Decisions – 11:00 AM Pacific Time
- Daily Upload of Issues Items – 9:00 PM Pacific Time (or manually as item is issued)

Daily Check and ACH Exception Decisions

The cut-off time for processing daily pay/return decisions is 11:00 AM Pacific Time. If no decision has been made and submitted by the cut-off time, checks will default to "Return" and ACH transactions will default to "Pay".

Daily Upload of Issued Items

In an effort to reduce potential exceptions, you must either submit a daily "Check Issue File" no later than 9:00 PM Pacific Time or manually enter individual items on the day the checks are issued. Failure to enter your issued checks in a timely manner may result in non-negotiation of checks which are presented at a Community West Bank branch. The Check Issue File must be in the format agreed to with the Bank and contain the issue date, serial number and amounts of all issued checks.

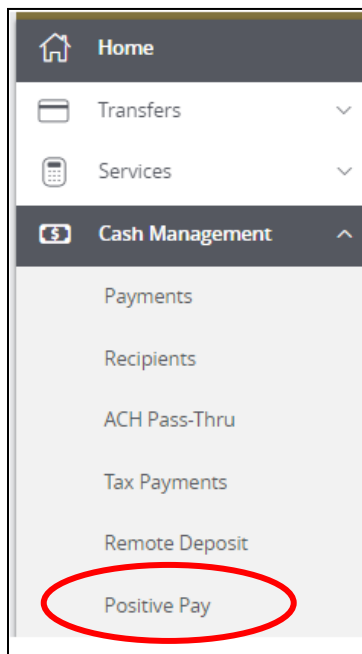
POSITIVE PAY PROCEDURES

Prior to processing Positive Pay, the bank will work with you during the initial setup phase so the proper file mapping can be established. This will ensure success with your Issued Check File upload. Once this has taken place and a test file has successfully been uploaded, you are ready to begin.

CUT-OFF TIME REMINDER: If no decision has been made and submitted by 11:00 AM Pacific Time, checks will default to "Return" and ACH transactions will default to "Pay".

Accessing Positive Pay

1. Log in to **Business Online Banking**
2. Click on the **Cash Management** menu
3. Select **Positive Pay**

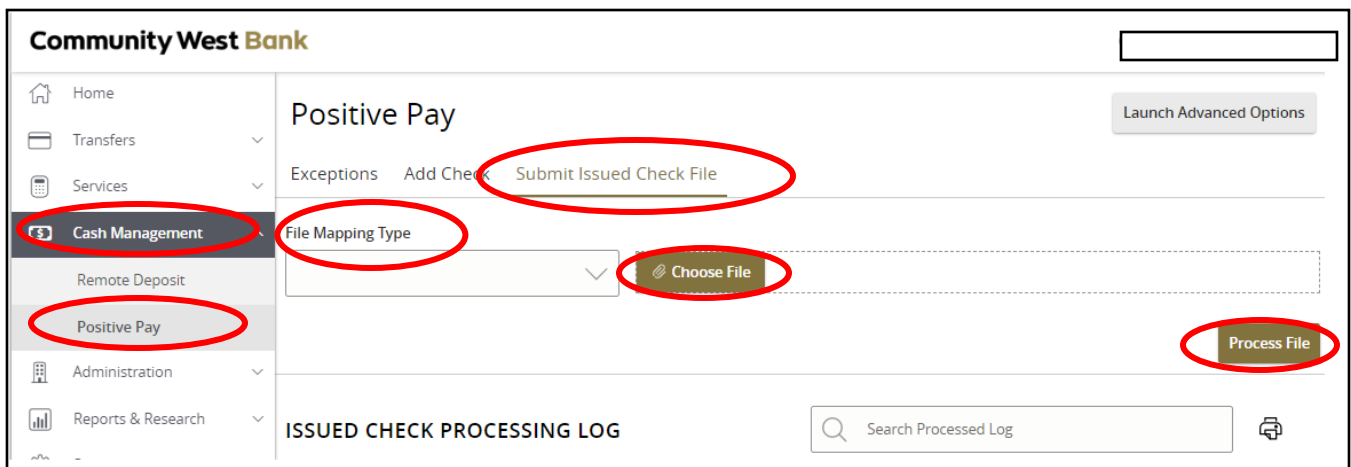


5. See page 7 for **Processing Daily Positive Pay Exceptions**.

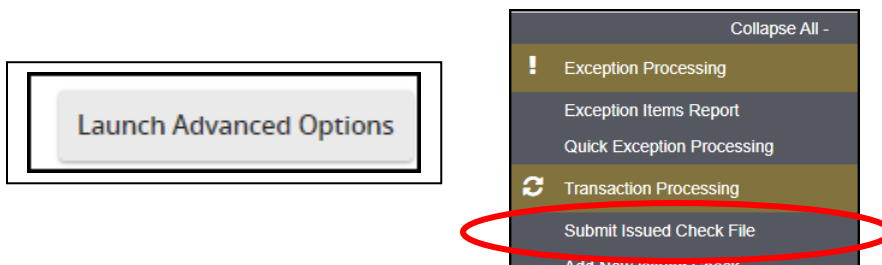
Submitting an Issued Check File to the Bank

Important notes:

- Maximum file size is 4 MB.
 - The word “void” may not be used in the issuance file. Include the dollar amount in the issuance file and then follow the steps on page 9 for “Voiding a Check” in Positive Pay.
1. Generate an Issued Check File with the day’s date from your accounting software and save it to your computer using the exact format as mapped by the bank from your test file.
 2. Submitting an Issued Check File may be done two ways.
 - **From the Positive Pay Quick Link:**
From the **Cash Management** menu, select **Positive Pay**, select **Submit Issued Check File**.
 - a. Select the applicable entity/account from the **File Mapping Type**.
 - b. Click **Choose File** to browse and pick up the file generated from your accounting software.
 - c. Click the **Process File** button.



- **From Advanced Options:**
From the **Cash Management** menu, select **Positive Pay**. Select **Launch Advanced Options** in the upper right and then select **Submit Issued Check File** from the menu on the left.



- a. Click on the **Browse** button to upload the issued check file from your accounting software that was saved to your computer.
- b. Select the applicable **Account** and **File Processing Type**.
- c. Click the **Process File** button.

Submit Issued Check File

Step 1. Select a file to process.

No file chosen

Step 2. Input details about the file.

Account Nickname:

File Mapping Format:

Step 3. Click the "Process File" button.

3. Once a file has been uploaded and processed, a window will be displayed indicating the processing status.

- Unprocessed = The file has been uploaded, but has not yet been processed.
- Processed = The file was processed successfully.
- Processed with Exceptions = The file was processed successfully, but duplicate checks were not loaded.
- Rejected = The file was rejected due to a mismatch or incorrect file format.

Manually Adding a New Issued Check

Manually adding an individual issued check may be done two ways.

- **From the Positive Pay Quick Link:**
Cash Management menu, select **Positive Pay**, select **Add Check**.
 - Complete the fields with the check information
 - Click the **Add Check** button.

Community West Bank

Home Transfers Services Cash Management Remote Deposit **Positive Pay** Administration Reports & Research

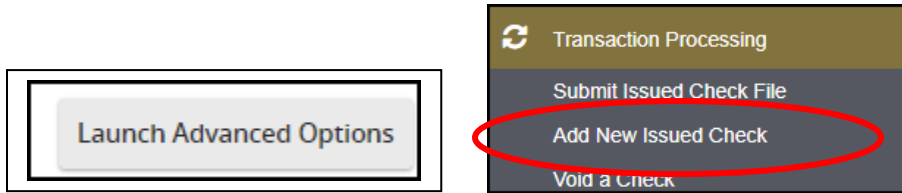
Positive Pay

Exception **Add Check** Submit Issued Check File

Amount \$ 0.00 Payee (optional) Account

Issue Date 08/05/2024 Check Number Auto Increment

- From the **Advanced Options**:
Cash Management menu, select **Positive Pay**, select **Launch Advanced Options**, select **Add New Issued Check** from the menu on the left.



Complete all fields, then click **Add Check**.

Processing Daily Positive Pay Exceptions

Positive Pay may be accessed and exceptions decided any time after 8:00 a.m.

CUT-OFF TIME REMINDER: If no decision has been made and submitted by 11:00 AM, checks will default to "Return" and ACH transactions will default to "Pay".

From the **Cash Management** menu, select **Positive Pay**. Exceptions may be decided here or for more details you may click **Launch Advanced Options** and then select **Quick Exception Processing** from the menu.

Review and work all exception items. (See below for sample lists of Exceptions and Return Reasons.)

All Account Nicknames
Quick Exception Processing

| | |
|----------------------|------------|
| Decisions Needed (1) | \$1,234.16 |
| Decided (0) | \$0.00 |
| Total (1) | \$1,234.16 |

There is 1 exception to review.

Check exceptions will be given a decision of **Return** and ACH exceptions will be given a decision of **Pay** if no decision has been made by 1 AM Pacific Time (US & Canada).

1
 Decision Needed
 \$1,234.16

0
 Decided
 \$0.00

Sample List of Exception Types

- Amount Mismatch – The paid check amount did not match the issued check amount
 - Note: If the check was posted for the wrong amount, select the box for Return and then select the reason of “Adjust Account – Wrong Amount Posted (Pay Item)”
- Duplicate Paid Item – The item was previously paid
- Paid Not Issued – The item was never loaded into the system as an issued check
 - Note: If the check was posted with an incorrect check number, select the box for Return and then select the reason of “Wrong Check Number (Pay Item)”
- Previously Paid Item Posted – The item was previously paid
- Voided Item – The check was voided in Positive Pay
- Blocked ACH Transaction – The transaction was blocked per the ACH Authorization Rules
- Unauthorized ACH Transaction – The transaction was not defined in the ACH Authorization Rules
- Transactions with a WEB or TEL code – The transaction will need to be decided

Sample List of Return Reasons

| Check Returns | ACH Returns |
|---|--|
| ▪ Adjust Account – Wrong Amount Posted (Pay Item) | ▪ Multiple Charges (Same Transaction Posted Twice) |
| ▪ Counterfeit Check - Fraud | ▪ Past Deadline Item Returned |
| ▪ Forged Signature - Fraud | ▪ Payment Made by Other Method |
| ▪ Item Previously Paid (Duplicate) | ▪ Posted on the Wrong Date |
| ▪ Past Deadline Item Returned | ▪ Revoked Authorization |
| ▪ Stale Dated – Issued Over 6 Months Ago | ▪ Unauthorized |
| ▪ Wrong Check Number (Pay Item) | ▪ Wrong Amount |

Voiding a Check

Note: Voiding a check in Positive Pay is not the same as placing a Stop Payment! Voiding a check on Positive Pay is like voiding a check in your check book. The item will still be included in your issuance file. If a stop payment is required, this may be done from the Stop Payment feature on Business Online Banking or through a local branch. Stop payments may not be done from the Positive Pay system.

1. Place a stop payment of the issued check in Business Online Banking or in a branch, if applicable.
2. From the Positive Pay page, select **Launch Advanced Options** in the upper right.
3. Select **Void a Check** from the menu.



4. Enter the voided check information, select **Find Matching Check**, verify, then select **Void Check**.

Void a Check

Step 1. Enter check information.

Account Nickname:

Check Number:

Check Amount:

Issued Date:

Step 2. Click the "Find Matching Check" button to find the check.

Step 3. Verify the check that will be voided.

Step 4.

Note: Void history is retained within the system for 90 days after an item has been voided.

Editing/Correcting an Issued Check

If you discover incorrect information was uploaded for an outstanding check, a correction may be made.

1. Access the Positive Pay **Launch Advanced Options** menu.
2. Select **Check Search**.
3. Select **Issued/Outstanding** in the **Check Status** field.
4. Enter the check number in the **Check Number From** and **To** fields.
5. Click **Search**.




The screenshot shows the 'Check Search' interface. On the left, a sidebar menu has 'Check Search' highlighted in green. The main content area is titled 'Check Search' and contains several search filters: 'Account Nickname' with a dropdown menu showing 'All Account Nicknames'; 'Check Status' with a dropdown menu showing 'All'; 'Check Number From' and 'Check Number To' with input fields; 'Date' with a dropdown menu showing 'Issued'; and 'Date From' and 'Date To' with input fields and calendar icons. Below these filters is a 'Show additional options' dropdown menu. At the bottom of the main area, there is a note: 'Note: Transaction history is retained within the system for 90 days after an item has paid.' A blue 'Search' button is circled in red at the bottom right of the interface.

6. If the check appears, click the Actions (three dots) menu and select **Edit Record**.

The screenshot shows a table with one row of data. The row contains a check number (redacted), an amount of '\$2,068.00', a date of '06/25/2020', and a status of 'Issued'. The amount is also listed below the check number. To the right of the row is an Actions menu (three dots) circled in red, which contains two options: 'Edit record' and 'View record'. Below the table, it says 'Showing 1 result' and 'View 10' with a dropdown arrow.

7. Make the applicable corrections and select **Save Changes**.

Edit record

| | |
|--|--|
| Account Nickname | Payee |
| <input type="text"/> | <input type="text"/> |
| Check Number | Amount |
| 13174 | \$2,068.00 |
| Issued Date | Paid Date |
| 06/25/2020  | <input type="text"/>  |
| Trace Number | Void Date |
| <i>No Trace Number to display</i> | <input type="text"/>  |
| Decision | Reason |
| <i>No Decision to display</i> | <i>No Reason to display</i> |
| Notes | |
| <input type="text"/> | |

Cancel

Common Reports and Logs

Following are some of the reports and logs that may commonly be used.

| REPORT/LOG | CONTENTS |
|-----------------------------|---|
| Exception Items Report | Listing of all exceptions on your Positive Pay account |
| Issued Check Processing Log | Listing of all issued check files with applicable exception information |

Sample of Exception Items Report

Exception Items Report

Account Nickname
All Account Nicknames

Exception Date From
09/11/2020

Exception Date To

Transaction Type
Both check and ACH exceptions

Include Reversals

Check Number From

Check Number To

Decision
All Decisions

Reason
All Reasons

Note: Transaction history is retained within the system for 90 days after an item has paid.

Search

Exception Items Report

[Back to Search Parameters](#)

| Account Nickname | Check Number | Amount | Issued Payee | Paid Date | Input Date | Exception | Transaction Description | Decision | Reason | Decided By | |
|------------------|--------------|--------------------|--------------|------------|---------------|-----------------|-------------------------|----------|--------|------------|--|
| | 35588 | \$25.00 | | 09/01/2020 | 09/02/2020... | PAID NOT ISS... | | Pay | | | |
| | 35709 | \$337.55 | | 09/03/2020 | 09/04/2020... | PAID NOT ISS... | | Pay | | | |
| | 35767 | \$787.28 | | 09/04/2020 | 09/05/2020... | PAID NOT ISS... | | Pay | | | |
| | 35768 | \$5,000.00 | | 09/03/2020 | 09/04/2020... | PAID NOT ISS... | | Pay | | | |
| | 35769 | \$36.54 | | 09/08/2020 | 09/09/2020... | PAID NOT ISS... | | Pay | | | |
| | 35770 | \$4,523.12 | | 09/09/2020 | 09/10/2020... | PAID NOT ISS... | | Pay | | | |
| | | \$10,709.49 | | | | | | | | | |

Showing 6 results

View 25

Sample of Issued Check Processing Log

< [Back to Search Parameters](#) Issued Check Processing Log

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Filter: **Status set** ▼

| Account Nickname | File Mapping Format | Status | Items | Amount | Input Date | File Name |
|------------------|---------------------|--------------|-------|-------------|------------------|----------------|
| | | ✔️ Proces... | 18 | \$33,304.82 | 09/02/2020 12... | CVCB_PP_202... |
| | | ✔️ Proces... | 8 | \$9,330.46 | 09/04/2020 9:... | CVCB_PP_202... |
| | | ✔️ Proces... | 13 | \$7,920.47 | 09/09/2020 11... | CVCB_PP_202... |

Showing 3 results 1 View 10 ▼

| Account Nickname | File Mapping Format | Status | Items | Amount | Input Date | File Name |
|------------------|---------------------|------------------------------|-------|--------------|-------------------|------------|
| | | ⚠️ Processed with Exceptions | 39 | \$933,928.34 | 09/11/2020 9:1... | 090420.csv |
| | | ✔️ Processed | 80 | \$582,197.27 | 09/03/2020 7:4... | 090320.csv |
| | | ❌ Rejected | 0 | \$0.00 | 09/03/2020 7:4... | 090320.xls |
| | | ✔️ Processed | 1 | \$1,000.00 | 09/10/2020 8:0... | N/A |
| | | ✔️ Processed | 1 | \$3,000.00 | 09/02/2020 7:5... | N/A |

Showing 5 results 1 View 10 ▼

Possible Results:

- Unprocessed = File has been uploaded, but not yet processed.
- Processed = File was processed successfully.
- Processed with Exception = File was processed successfully, but duplicate checks were not loaded.
- Rejected = File was rejected due to format mismatch.

Auto-Generated Notifications

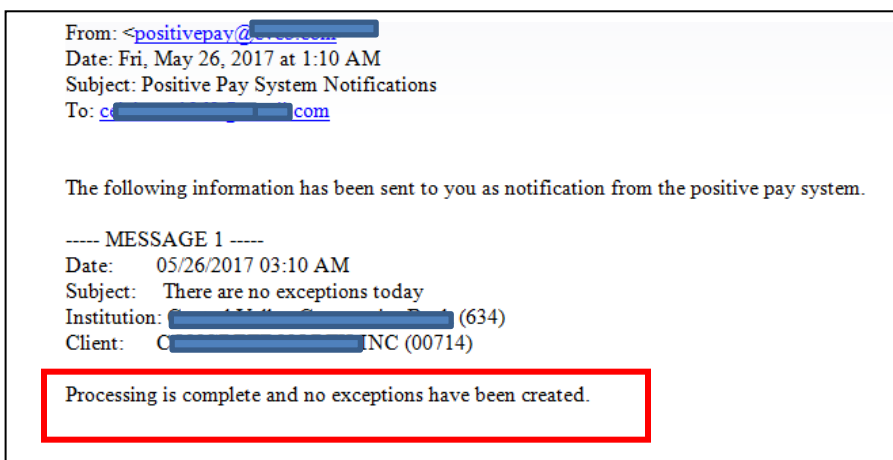
As a courtesy, auto-generated email notifications are sent to all users with access to Positive Pay.

There are two default versions of the notifications. Version one is sent if there are NO exceptions for that day (i.e. all inclearing checks match the uploaded outstanding/issued check file). Version two is sent an hour before cut-off if there ARE exceptions that still need to be decisioned.

Example of message if inclearing checks do not have any exceptions and no decisioning is necessary:

Note: Although these auto-generated notifications may be delivered to your email on Saturdays or other non-banking days, the information will apply to the next available business day.

Sent early morning, before start of business:



Example of message if there are exceptions to be decisioned that morning:

Sent at 10:00 AM:

