



Article # 1246

Technical Note: Understanding the Positive Pay Feature

Difficulty Level: Beginner Level AccountMate User

Version(s) Affected: AccountMate 8 for SQL and Express
AccountMate 7 for SQL and Express

Module(s) Affected: BR, PR, AP

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DESCRIPTION

A positive pay system helps reduce incidence of check fraud. With this system companies and their banks work together to detect counterfeit and unauthorized checks. A company will transmit to the bank a file called a positive pay file, which shows all checks the company has written. The bank will use the file to compare the checks presented against the company's account. If there is a discrepancy, there will be further investigation before the checks will be paid.

AccountMate 7 is enhanced with the positive pay feature. The feature allows you to generate positive pay files in various bank formats. It also allows you anytime to view a report for the positive pay files that have been generated.

This technical note discusses the positive pay feature in AccountMate 7; specifically how to set up the feature, how the Positive Pay File function works, and the available report.

SOLUTION

The following discussion outlines the procedures necessary to set up the positive pay feature. It also describes the Positive Pay file and Positive Pay Report.

Setting up the Positive Pay Feature

This section enumerates the steps necessary to set up the positive pay feature. You must perform the procedure below for each bank you are using for check payments and with which you employ a positive pay bank service.

Once you have completed the procedure, you may begin to generate the positive pay file.

Perform the following procedure to set up the feature:

1. Access the Bank Account Maintenance function in the applicable module.
2. Provide the bank's number; then, specify the required information for the following fields in the Positive Pay tab if you are using AccountMate 8 or the Positive Pay section if you are using AccountMate 7.

a. Format

Click the List box button to select the positive pay file format. Out of the box, AccountMate supports the positive pay file format for the following banks – Bank of America (BOFA), CNB Bank, Inc. (CNB), Hong Kong and Shanghai Banking Corporation (HSBC), LaSalle Bank ABN AMRO (LASALLE), Wachovia Connection (WACHOVIA), and Fifth Third Bank (FIFTHTHIRD).

Note: The WACHOVIA and FIFTHTHIRD positive pay file formats are available starting with AccountMate 7.3.

b. Directory

Specify the folder in which AccountMate will save the positive pay file.

c. File Prefix

Provide a prefix for the filename. This field accepts alphanumeric values.

d. Next Batch

Specify the number for the next batch housing positive pay information. The value increments by 1 each time you generate a positive pay file.

Note: AccountMate uses the values in the File Prefix and Next Batch fields for the filename of the positive pay file. For example, if you assign a "BOFA" file prefix and enter "001" in the Next Batch field, the filename for the positive pay file will be "BOFA001".

3. Click Update to save your changes.

Generating the Positive Pay file and Report

This section discusses the Generate Positive Pay File function and the Positive Pay Report. Both functions can only be accessed from the Bank Reconciliation module.

Generate Positive Pay File

This function allows you to generate positive pay files based on the selected criteria. Clicking the Generate button automatically creates the (*.DAT) files and saves them in the specified directory. Each bank will have a separate positive pay file. The information in the file is encrypted and it varies depending upon the bank's requirements.

Once you have generated a positive pay file for a batch of issued checks, you cannot generate another positive pay file for the same batch; therefore, be careful when specifying the criteria for the positive pay file.

If there are checks printed for a bank which is not set up for positive pay, AccountMate will display the message "Positive pay function [] is not found in Bank# [xxx]", where xxx is a bank number. To resolve this message, either set

up the subject bank for positive pay or enter criteria (Bank#, Check #, or Check Date) that will filter out the bank when generating positive pay file.

Each time you generate a positive pay file, AccountMate will update the Positive Pay Batch #, Exported Positive Pay File Name, and Positive Pay Date Send information in the BR Cleared Transaction File (BRCTRL table). The Positive Pay Date Send information is the system date at the time you generate the positive pay file and it does not mean that the system automatically sends the file to the bank. You still must send the positive pay files to the respective banks.

Positive Pay Report

After the system generates the positive pay file, it will display the message "Positive pay file has been generated. Do you want to view the report?" Click Yes to generate the Positive Pay Report. If you click No, you can later view the report by running the Positive Pay Report function from the Reports menu. The report contains information housed in the positive pay file. It includes the filename for the positive pay file and shows check amounts as negative values to indicate disbursements.

The positive pay feature is a security measure to prevent check fraud. In addition to the functionality necessary to generate positive pay file, AccountMate supports various positive pay file formats and enables you anytime to view a report for positive pay files that has been generated.

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