

# Positive Pay

*A simple but powerful way to stop the most common types of check fraud.*



**Kentucky**  
 **Bank**

[www.kybank.com](http://www.kybank.com)

## Welcome to Kentucky Bank's Positive Pay system

Positive Pay is one of the most powerful tools you can use to protect your company against check fraud.

We take the information from check batches that you provide to the Positive Pay system and compare it against the checks as they are presented for payment. 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. It's a simple but powerful way to stop the most common types of check fraud.

Kentucky Bank's Positive Pay can do even more. 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. For many companies, ACH transactions involve larger sums than most checks, which makes the new ACH fraud protection system within Positive Pay even more valuable to your bottom line.

The purpose of this guide is to get you started with Positive Pay, so let's get going!



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# SECTION 1: Uploading your check information into Positive Pay

## Entering a Batch of Checks

The screenshot shows the 'Submit Issued Check File' window. The left sidebar contains a menu with 'Submit Issued Check File' highlighted. The main area has three steps: Step 1: 'Select a file to process.' with a 'Choose File' button and 'no file selected' text; Step 2: 'Input details about the file.' with dropdowns for 'Client ID' (set to '( All )') and 'File processing type' (set to 'Excel'), and a text field for 'Items in file'; Step 3: 'Click the "Process File" button.' with a 'Process File' button. The top navigation bar includes 'User: User01', 'Home', 'Help Desk', 'Change Password', and 'Log Out'. The header shows 'Institution: Kentucky Bank' and 'Client: Demo'.

When we set up Positive Pay for your company, you provide us with a **Sample Export File** containing check data for a batch of issued checks. We use the Sample Export File to map the check data such as date, amount, and payee name to the corresponding import fields inside Positive Pay.

To get started, prepare your batch of checks using standard procedures in your accounting software. Once the batch of checks is complete, export the file in the format you have data-mapped with us.

1. Select **Submit Issued Check File** from the Positive Pay menu.
2. Select **Choose File** and locate the exported file for processing in the import dialogue screen.
3. Input the details of the import file including the File Type and Number of Items.
4. Select **Process File**.

That's it! You have successfully imported a batch of issued checks into the Positive Pay system. You are now ready to process the transactions.

## Entering Checks Individually

The screenshot shows the 'Add New Issued Check' window. The left sidebar has 'Add New Issued Check' highlighted. The main area contains fields for 'Client ID' (dropdown set to '(Not Selected)'), 'Check #' (text field), 'Amount' (text field), and 'Issued Date' (text field). There is a 'Payee' text field and a checked checkbox for 'Auto-Increment Check Number'. An 'Add Check' button is at the bottom. The top navigation bar and header information are identical to the previous screenshot.

To enter a newly issued check or a small number of checks on an individual basis:

1. Select **Add New Issued Check** from the Positive Pay menu.
2. Choose the appropriate Client ID.
3. Provide the Check Number, Amount, Issue Date and Payee for the check.
4. Click **Add Check** to enter the check into Positive Pay.

## SECTION 2: Processing Exceptions and Transactions

### Review Checks

User: User01      Home    Help Desk    Change Password    Log Out  
 Institution: Kentucky Bank  
 Client: Demo

**Review Checks**  
 (Count:3)(Amount:\$1,500.00)      Show Key

Status	Client ID	Issued Date	Paid Date	Check #	Amount	Payee	Details
1	1000	7/18/2017	7/23/2017	View Image 18008	500.00	Jones Plumbing	Display
2	1000	7/18/2017	7/23/2017	View Image 18007	500.00	Central Electric Inc.	Display
3	1000	7/18/2017	7/23/2017	View Image 18006	500.00	Mid-State Motors	Display

The **Review Checks** screen displays all the issued checks you have reported to the system. From here you can view the Status, Issued Date, Paid Date if posted, Check Number and Check Image, Amount, Payee and Details of the check.

User: User01      Home    Help Desk    Change Password    Log Out

**Transaction Detail Information**

Check #: 18008      Amount: 500.00  
 Jones Plumbing      Issued Date: 7/18/2017      Decision: ( Not Selected )  
 Paid Date: 7/23/2017      Return Reason: ( Not Selected )  
 Date Stop Req.:      Void Date:      Notes:

Stop Pay Status: Requested      Service Charge Waived      Reversal: NO  
 Delete      Update

The **Display** link in the details column will display all the details of the check and allow you to pay or return the check if it was marked as an exception in Positive Pay.

1. Review the Transaction Detail Information and select **Update** to process the exception, or select **Delete** to remove the transaction from the list.

## Void a Check

User: User01    Home    Help Desk    Change Password    Log Out

Institution: Kentucky Bank  
Client: Demo

**Void Check**

Step 1. Enter check information.

Client ID: (All)   
 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.

Client ID	Check #	Check Amount	Issued Date
1000	18008	500.00	7/18/2017

Step 4. Click the "Void Check" button to complete the void process.

1. Select **Void a Check** from the Positive Pay menu.
2. Enter the check information.
  - Select the Client ID from the drop down, or leave it at (All) to search through all clients.
  - Enter the Check Number, Check Amount and Issued Date.
3. Click **Find Matching Check** to search for a matching check in a list of those already submitted to Positive Pay.
4. Review the results to ensure that it is the correct transaction.
5. Click **Void Check** to complete the process.

## Quick Exception Processing

User: User01    Home    Help Desk    Change Password    Log Out

Institution: Kentucky Bank  
Client: Demo

**Quick Exception Processing as of 8/7/2017**

(Count:3)(Amount:\$7,098.37)     Only show exceptions with no decision

NOTE: Exceptions will be given a decision of "Pay" if no decision has been made by 11:30 AM.

Client ID	Paid Date	Check #	Amount	Payee	Exception Type	Pay	Return	Return Reason
1000	7/18/2017	ACH Rule	1,635.35		Blocked Transaction (WEB DR)	<input type="checkbox"/>	<input type="checkbox"/>	( Not Selected )
1000	7/18/2017	View Image 18007	1,798.34	Mid-State Motors	Paid Not Issued	<input type="checkbox"/>	<input type="checkbox"/>	( Not Selected )
1000	7/18/2017	View Image 18008	3,664.68	Central Electric, Inc.	Duplicate Paid Item	<input type="checkbox"/>	<input type="checkbox"/>	( Not Selected )

The Quick Exception Processing List displays the transactions where discrepancies were found and other helpful information such as the Paid Date, Check Number and Check Image on check transactions, Amount, Payee and the Reason for the exception all at a glance.

1. Select **Quick Exception Processing** from the Positive Pay menu.
2. From here you can make your payment decision on each item:
  - Selecting **Pay** will retain the item as posted.
  - Selecting **Return** will remove the transaction from your account, and credit the funds back to the account. If you choose Return, you must also select a reason from the drop down menu.
3. When you have completed your review of all exceptions click **Save** to complete the process.

## Check Search

User: User01 Home Help Desk Change Password Log Out

Institution: Kentucky Bank  
Client: Demo

Client: Demonstration Company  
Client ID:  All  Selected  
#1   
#2   
#3

Issued Date Start:  End:   
 Paid Date Start:  End:   
 Check # Start:  End:   
 Check Amount Start:  End:   
 Issued Payee Name:

Transaction Status:   
Stop Pay Status:   
Decision: (Not Selected)   
Return Reason: (Not Selected)

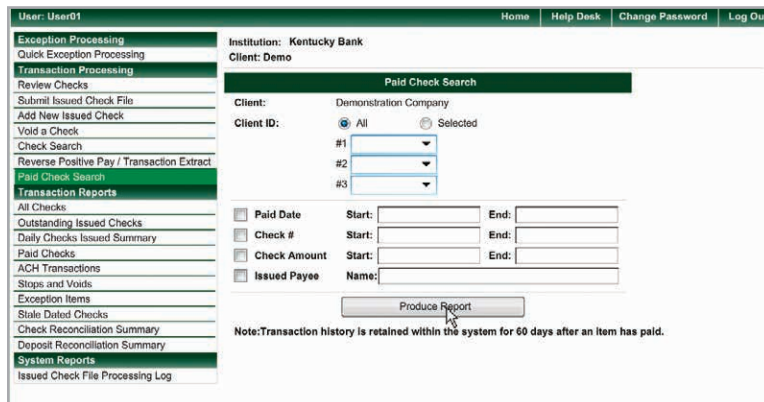
Produce Report

Note: Transaction history is retained within the system for 60 days after an item has paid.

Check Search provides a flexible way to produce customized reports on checks stored in Positive Pay. Enter any or all of the following information to create your customized report.

1. Select the Client ID:
  - Select **All** to include all of your client accounts. Or, **Selected** to select up to 3 specific accounts.
2. Select any of the following filters to limit the report:
  - Issued Date range
  - Paid Date range
  - Check Number range
  - Check Amount range
  - Issued Payee Name
  - Transaction Status
  - Stop Pay Status
  - Decision
  - Return Reason
3. Click **Produce Report** to display a list of all checks matching the criteria you chose.

## Paid Check Search



User: User01 Home Help Desk Change Password Log Out

Exception Processing  
Quick Exception Processing  
Transaction Processing  
Review Checks  
Submit Issued Check File  
Add New Issued Check  
Void a Check  
Check Search  
Reverse Positive Pay / Transaction Extract  
Paid Check Search  
Transaction Reports  
All Checks  
Outstanding Issued Checks  
Daily Checks Issued Summary  
Paid Checks  
ACH Transactions  
Stops and Voids  
Exception Items  
Stale Dated Checks  
Check Reconciliation Summary  
Deposit Reconciliation Summary  
System Reports  
Issued Check File Processing Log

Institution: Kentucky Bank  
Client: Demo

**Paid Check Search**

Client: Demonstration Company

Client ID:  All  Selected

#1   
#2   
#3

Paid Date Start:  End:   
 Check # Start:  End:   
 Check Amount Start:  End:   
 Issued Payee Name:

Produce Report

Note: Transaction history is retained within the system for 60 days after an item has paid.

To create a custom report for a specific paid check or series of paid checks, define parameters for the paid checks you would like to view.

1. Select the Client ID.
  - Select **All** to include all of your client accounts. Or, **Selected** to select up to 3 specific accounts.
2. Select any of the following filters to limit the report:
  - Paid Date range
  - Check Number range
  - Check Amount range
  - Issued Payee Name
3. Click **Produce Report** to view the results of your Paid Check Search.

## Reverse Positive Pay

**Reverse Positive Pay**, also known as Partial Account Reconciliation, is the practice of exporting a file of paid checks to load into your accounting system. The export file can be CSV, Excel, BAI2, or customized to the requirement of your accounting system.

You can then use your accounting system to reconcile each item and identify exceptions. If the reconciliation process in your accounting system flags an item as suspect and you determine the check should be returned, you can contact us. The check can then be reversed and returned.



## SECTION 3: Transaction Reports

### All Checks Report

User: User01 Home Help Desk Change Password Log Out

Institution: Kentucky Bank

All Checks

Client: Demonstration Company

Client ID:  All  Selected

#1

#2

#3

Issued Date Start: 7/18/2017 End: 7/23/2017

Paid Date Start: End:

Input Date Start: End:

Exception Date Start: End:

Issued Payee Name:

Decision: (Not Selected)

Return Reason: (Not Selected)

Produce Report

Select **All Checks** from the Positive Pay menu to generate a report of all the check transactions you have entered into the Positive Pay system.

1. Select the Client ID:
  - Select **All** to include all of your client accounts. Or, **Selected** to select up to 3 specific accounts.
2. Select any of the following filters to limit the report:
  - Issued Date range
  - Paid Date range
  - Input Date range
  - Exception Date range
  - Issued Payee Name
  - Decision
  - Return Reason
3. Click **Produce Report**.

User: User01 Home Help Desk Change Password Log Out

Institution: Kentucky Bank

ETMS 008 All Checks Export to Excel Print

	Client ID	Check #	Check Amount	Payee	Issued Date	Paid Date	Input Date	Status
1	1000	18008	500.00	Jones Plumbing	7/18/2017		7/18/2017 (M)	Issued
2	1000	18007	500.00	Central Electric Inc.	7/18/2017		7/18/2017 (M)	Issued
3	1000	18006	500.00	Mid-State Motors	7/18/2017		7/18/2017 (M)	Issued
			1,500.00					

Selection Criteria:  
Issued Date: 7/18/2017 to 7/23/2017

The resulting report will provide a detailed list of all checks matching the criteria you selected including the Client ID, Check Number, Amount, Payee, Issued and Paid Dates, Input Dates and Status of each item. You can export or print a report as needed.

## Outstanding Issued Checks Report

The screenshot shows a web application interface for "Kentucky Bank". The user is logged in as "User01". The main menu on the left includes categories like "Exception Processing", "Transaction Processing", "Transaction Reports", and "System Reports". The "Outstanding Issued Checks" report is selected. The form displays "Client: Demonstration Company" and "Client ID" options: "All" (selected) and "Selected" (with dropdowns for #1, #2, and #3). There are checkboxes for "Issued Date", "Input Date", "Outstanding as of Date", and "Issued Payee", each with "Start" and "End" date fields. A "Produce Report" button is at the bottom.

Select **Outstanding Issued Checks** from the Positive Pay menu to find outstanding checks you have issued.

1. Select the Client ID:
  - Select **All** to include all of your client accounts. Or, **Selected** to select up to 3 specific accounts.
2. Select any of the following filters to limit the report:
  - Issued Date range
  - Input Date range
  - Outstanding as of Date
  - Issued Payee Name
3. Click **Produce Report**.

When you produce the report, it will display any outstanding checks that match the criteria you selected. The report can be exported or printed.

## Daily Checks Issued Summary Report

The screenshot shows the "Daily Checks Issued Summary" report interface. The user is logged in as "User01". The main menu on the left is the same as in the previous screenshot. The "Daily Checks Issued Summary" report is selected. The form displays "Client: Demonstration Company" and "Client ID" options: "All" (selected) and "Selected" (with dropdowns for #1, #2, and #3). There is a checked checkbox for "Issued Date" with "Start" and "End" date fields. A "Produce Report" button is at the bottom. A note below the button states: "Note: Transaction history is retained within the system for 60 days after an item has paid."

Select **Daily Checks Issued Summary** from the Positive Pay menu to display a report showing the checks issued on a specific day.

1. Select the Client ID:
  - Select **All** to include all of your client accounts. Or, **Selected** to select up to 3 specific accounts.
2. Select the **Issued Date** check box, and enter a Start and End date to define the search date range.
3. Click **Produce Report** to view the results. The report can be exported or printed.

## Paid Checks Report

Select **Paid Checks** from the Positive Pay menu and define the parameters to create a report of checks that have been paid.

1. Select the Client ID.
  - Select **All** to include all of your client accounts. Or, **Selected** to select up to 3 specific accounts.
2. Select any of the following filters to limit the report:
  - Issued Date range
  - Paid Date range
  - Input Date range
  - Issued Payee Name
3. Click **Produce Report** to view the results. The report can be exported or printed.

## ACH Transactions Report

Select **ACH Transactions** from the Positive Pay menu and define the parameters to create a report showing your ACH transactions.

1. Select the Client ID.
  - Select **All** to include all of your client accounts. Or, **Selected** to select up to 3 specific accounts.
2. Select any of the following filters to limit the report:
  - Paid Date range
  - SEC Code
  - Company ID
3. Click **Produce Report** to view the results. The report can be exported or printed.

## Stops and Voids Report

The screenshot shows the 'Stops and Voids Report' interface for Kentucky Bank. The user is 'User01'. The institution is 'Kentucky Bank'. The client is 'Demonstration Company'. The 'Client ID' section has radio buttons for 'All' (selected) and 'Selected', and three dropdown menus labeled '#1', '#2', and '#3'. Below this are date range filters for 'Issued Date', 'Void Date', 'Stop Placed Date', and 'Item Stopped Date', each with 'Start' and 'End' fields. There is also an 'Issued Payee Name' field. The 'Stops and Voids Criteria' section has four checked checkboxes: 'Requested Stop Pay', 'Requested and Placed Stop Pay', 'Item Stopped', and 'Void'.

Select **Stops and Voids** from the Positive Pay menu and define the parameters to create a report that shows checks that were stopped or voided.

1. Select the Client ID.
  - Select **All** to include all of your client accounts. Or, **Selected** to select up to 3 specific accounts.
2. Select any of the following filters to limit the report:
  - Issued Date range
  - Void Date range
  - Stop Placed Date range
  - Item Stopped Date range
  - Issued Payee Name
3. If you want to view checks with a certain status, use the check boxes to select the **Stops and Voids Criteria** that you wish to include in your report.
4. Click **Produce Report** to view the results. The report can be exported or printed.

## Exception Items Report

Select **Exception Items** from the Positive Pay menu to display a report showing your exception items.

1. Select the Client ID.
  - Select **All** to include all of your client accounts. Or, **Selected** to select up to 3 specific accounts.
2. Select the **Exception Date** check box, and enter a Start and End date to define the search date range.
3. Select any of the following filters to limit the report:
  - Choose the Exception Type from the drop down.
  - Choose the Decision from the drop down.
  - Choose the Return Reason from the drop down.
4. If you want to include reversals, check the **Include Reversals** check box.
5. Click **Produce Report** to view the results. The report can be exported or printed.

## Stale Dated Checks Report

Select **Stale Dated Checks** from the Positive Pay menu to display a report showing your stale dated checks.

1. Select the Client ID.
  - Select **All** to include all of your client accounts. Or, **Selected** to select up to 3 specific accounts.
2. Select any of the following filters to limit the report:
  - Issued Date range
  - Input Date range
  - As of Date range
  - Issued Payee
3. Click **Produce Report** to view the results. The report can be exported or printed.

## Account Reconciliation Report

The screenshot displays the 'Account Reconciliation Report' interface. The top section shows the 'Produce Report' button. The bottom section shows the 'Check Reconciliation Summary' table with various transaction categories and their amounts.

Statement Balance Summary	
Statement Balance:	0.00
Outstanding Check Amount:	\$521,279.94
Check Register Balance:	-\$521,279.94

A powerful feature of our Positive Pay system is its ability to generate an Account Reconciliation Summary. Select **Check Reconciliation Summary** from the Positive Pay menu to display the report.

1. Select the account you wish to reconcile and the end date of the reconciliation. The beginning date is the last date the report was generated.
2. Click **Produce Report**.

Positive Pay will generate a reconciliation of your transaction activity during the selected period. Included in this summary is the breakdown of check activity in groups including issued items, voided and stopped items, along with all other transaction activity.

3. Click on any line item to view the transactions included in the total.
4. Click **Finish Reconciliation** to create a report which will appear in the history list. The report can be exported or printed.

## Deposit Reconciliation Summary Report

The screenshot displays the Positive Pay system interface. The top window shows the 'Produce Report' button being clicked. The bottom window shows the resulting report table with columns for Issued Date, Location, Deposit Amount, and Trace Number.

Issued Date	Location	Deposit Amount	Trace Number
1 7/28/2017	105	300.00	8001309
2 7/23/2017	105	400.00	0
3 7/18/2017	106	300.00	0
		1,000.00	

Positive Pay can also generate a Deposit Reconciliation Summary. This is especially valuable for businesses that make deposits at multiple branches. Select **Deposit Reconciliation Summary** from the Positive Pay menu to create a report.

1. Select the account you wish to reconcile.
2. Enter the end date of the reconciliation. The beginning date is the last date that the report was generated.
3. Click **Produce Report** to view the results.

Positive Pay will generate a reconciliation of your deposits, grouped by location, for the selected period. The report can be exported or printed.

## SECTION 4: System Reports

### Issued Check File Processing Log

The screenshot shows the 'Issued Check File Processing Log Report' interface for Kentucky Bank. The user is 'User01'. The client is 'Demonstration Company'. The interface includes a menu on the left with categories like Exception Processing, Transaction Processing, Transaction Reports, and System Reports. The main area has filters for Client ID (All or Selected), Upload Date, Item Count, and Dollar Amount (Start: 200.00, End: 300.00). A 'Produce Report' button is visible.

The resulting report displays the following data:

Client	Client ID	File Type	Results	Items	Amount	Upload Date	User
1	18008	1000	Standard Format	Rejected	11	1,000.00	7/18/2017 10:00 PM G.Washington
2	18007	1000	Standard Format	Rejected	23	23.00	7/18/2017 10:00 PM G.Washington
3	18006	1000	Standard Format	Processed	11	100.00	7/18/2017 10:00 PM G.Washington
					<b>45</b>	<b>1,123.00</b>	

Below the report is a 'Processing Output Totals' table:

File Status	Item Total	Amount Total
Processed:	11	1,100.00
Exception:	0	0.00
Rejected:	34	11,629.00

The Issued Check File Processing Log provides a report displaying the transaction files you have submitted to Positive Pay. Select **Issued Check File Processing Log** in the Positive Pay menu to create a report.

1. Select the Client ID.
  - Select **All** to include all of your client accounts. Or, **Selected** to select up to 3 specific accounts.
2. Select any of the following filters to limit the report:
  - Upload Date Range
  - Item Count Range
  - Dollar Amount Range
3. Click **Produce Report** to view the results.

The report displays the File Type, Results, Number of Items in the file, Amount of the items, Upload Date, User and File Name. The report can be exported or printed.