

# Positive Pay

Positive Pay is a valuable service offered by banks to help businesses combat check fraud. By implementing this proactive measure, businesses can enhance their financial security, reduce the risk of fraud, and gain peace of mind in their day-to-day operations.

## Benefits of Positive Pay:



### Cost Savings

Businesses can avoid financial losses associated with fraudulent transactions. This can save companies both time and money in the long run.



### Peace of Mind

Businesses know that their financial transactions are being monitored and protected against potential fraud attempts.



### Increased Security

Added layer of security for businesses, ensuring that only authorized checks are processed for payment. It helps protect against altered check amounts or forged signatures.



### Fraud Prevention

Powerful deterrent against check fraud. By cross-referencing check details with the business's issued check list, it helps identify potential fraudulent checks before they are paid.

## Who would benefit from Positive Pay?

- Wide range of businesses, but any business that relies on check payments.
- Any business that has had fraud or is concerned with fraud
- A business that has lost checks
- Business that has more than one person with access to checks.
- Any Business or Organizations that need internal controls for compliance.

## How It Works

### Business submits a list

The business compiles a list of checks they have issued, including the check number, date, and amount. This list is typically created through an electronic file provided to the bank.

### Bank verification

When a check is presented for payment at the bank, the bank's system compares the check details, such as the check number, date, and amount, against the list provided by the business.

### Exception handling

If the check details match the information on the list, the check is cleared for payment. However, if there is a discrepancy, such as a mismatched check number or amount, the check is flagged as an exception.

### Notification to the business

The bank notifies the business about the exception, providing details of the discrepancy. The business then has the opportunity to review the exception before cutoff time and decide whether to approve or reject payment.

### Decision by the business

If the business identifies the exception as a legitimate check, they can instruct the bank to proceed with the payment. If the business determines it as fraudulent or suspicious, they can instruct the bank to reject the payment.