

 **PROSPERITY BANK**<sup>®</sup>  
Treasury Management

## Positive Pay Fraud Protection Reference Guide

Positive Pay is an electronic fraud detection service that can be used with both check and ACH transactions. The system matches the check number and dollar amount of each check presented to the bank for payment against a list of checks previously issued and authorized by the company. ACH items are filtered through a list of approved vendors. Payee Match is an additional feature available for customers enrolled in Check Positive Pay. Payee Match electronically compares the payee name from the check image to the payee name that was in the issued check file uploaded into the system.

### I. Getting Started

### II. Login to Treasury Center

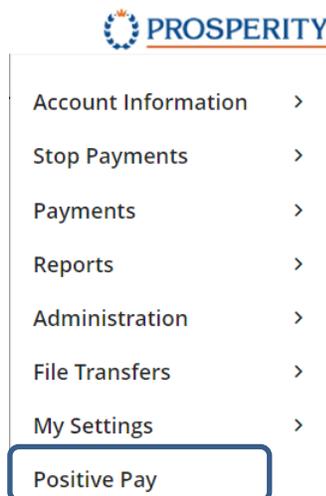
- **Secure Browser User**

- a. The Positive Pay icon is located on the Secured Apps Page. Click the following icon to begin.



- **Token User**

- a. Access the menu and select Positive Pay





### III. Decision Exception Items

The Positive Pay Exception Decision Cutoff Time is 12 noon CST Monday – Friday.

1. Click the **Quick Exception Processing** link on the menu
2. Choose All Account IDs or specific accounts to view check and/or ACH exceptions

Decisions Needed (3)			\$13,481.59
Ops1000	BLOCKED TRANSACTION		\$1,635.35
Ops1000	UNAUTHORIZED ACH TRANSACTION		\$1,848.24
Ops1000	AMOUNT MISMATCH	#17849	
Decided (0)			\$0.00
Total (3)			\$13,481.59

#### BLOCKED TRANSACTION

Client ID: Ops1000      Amount: \$1,635.35  
 WEB / 345678912 / DR  
 ebay Bob

  
 Pay

  
 Return

3. Click the **Pay** or **Return** decision button during review, making sure to save each exception
4. Select a reason for **Return** items
5. Items with a pay decision will display this symbol: 
6. Items with a return decision will display this symbol: 

- *Exception Items are displayed as “read only” after the daily cutoff time*
- **Amount mismatch** – Select return with reason of encoding error
- **Check number correction** – Select pay with reason of encoding error
- **Payee Match**



#### IV. Pay All or Return All Exception Items Option

This feature allows users to quickly select **“Pay all”** or **“Return all”** for all undecided exceptions from the Quick Exception Processing page. Select the vertical ellipsis (vertical three dots) as shown below and the option to **“Pay all”** or **“Return all”** will display. Once Pay all or Return all is selected, the user will be prompted to select the reason for return or payment with the reason being applied to all.

A user is able to change individual exceptions for separate decisioning and reasons for return.

The screenshot shows the 'Quick Exception Processing' interface. At the top, there is a search bar and a dropdown menu for 'All Account IDs'. Below the search bar is a table of exceptions. The first row is highlighted and has a red box around its vertical ellipsis menu, which contains 'Pay all' and 'Return all' options. A blue arrow points to this menu. To the right of the table, there is a summary section with the following data:

Category	Count	Amount
Decisions Needed	51	\$1,131,582.47
Decided	0	\$0.00

Below the table, there is a 'Total (51)' row showing a total amount of \$1,131,582.47. A note on the right states: 'There are 51 exceptions to review. Default decisions will be applied if decisions are not made by 2:00 PM Central Time (US & Canada).'

After a user has selected Pay All or Return All, the user may choose to decision a check separately as to change the reason code or handle the check differently from the “pay all” decision. The user will need to make this change prior to submitting their decisions to the bank.

For illustrative purposes, the following screenshots will be shown for each type of Positive Pay service a customer may be enrolled in for example, Check Only or ACH only. If customer uses both Check and ACH Positive Pay, the system does not distinguish between the two systems so selection is all or nothing.

Please note: For all Positive Pay services, after a customer has selected Pay All or Return All, the user may choose to decision a check separately as to change the reason code or handle the check differently from the group marked together. The user would need to complete this prior to submitting their decisions to the bank.



### A. Pay All/Return All Check only

Decisions Needed (2) \$889.80

PAID NOT ISSUED (2)  
STREET

Decided (0)

Pay all

Return all

Pay all exceptions

By selecting Pay all, you are marking 2 exception(s) totaling \$889.80 with a decision of Pay.

Check Reason (Optional)

Duplicate

Encoding Error

Payment Stopped

Stale Dated

Cancel

Pay all

### B. Check Only Return All

Return all exceptions

By selecting Return all, you are marking 2 exception(s) totaling \$889.80 with a decision of Return.

Check Reason (Optional)

Duplicate

Encoding Error

Fraudulent

Payment Stopped

Refer to Maker

Stale Dated

Cancel

Return all



### C. ACH Only Decisioning

The screenshot shows a 'Quick' interface with a search bar and a table. The table has three rows: 'Decisions Needed (2)' with a value of '\$1,059.08', 'Decided (0)', and 'Total (2)'. A dropdown menu is open over the 'Decisions Needed' row, showing 'Pay all' and 'Return all' options.

### D. ACH Only Pay All Exceptions

The 'Pay all exceptions' dialog box contains the following text: 'Pay all exceptions', 'By selecting Pay all, you are marking 2 exception(s) totaling \$1,059.08 with a decision of Pay.', and an 'ACH Reason (Optional)' dropdown menu with 'Payment Stopped' and 'Test New ACH Pay' options. There are 'Cancel' and 'Pay all' buttons.

### E. ACH Only Return All Exceptions

The 'Return all exceptions' dialog box contains the following text: 'Return all exceptions', 'By selecting Return all, you are marking 2 exception(s) totaling \$1,059.08 with a decision of Return.', and an 'ACH Reason' dropdown menu with 'Payment Stopped', 'Test New ACH Return', and 'Unauthorized' options. There are 'Cancel' and 'Return all' buttons.



## Check and ACH Pay All Exceptions

Pay all exceptions ×

By selecting Pay all, you are marking **19** exception(s) totaling **\$89,390.99** with a decision of **Pay**.

Check Reason (Optional) ▼

---

ACH Reason (Optional) ▼

---

Cancel **Pay all**

**Check Reason (Optional)**

- Duplicate
- Encoding Error
- Payment Stopped
- Stale Dated

**ACH Reason (Optional)**

- Payment Stopped
- Test New ACH Pay



## F. ACH & Check Return All Exceptions

Return all exceptions ✕

By selecting Return all, you are marking **19** exception(s) totaling **\$89,390.99** with a decision of **Return**.

Check Reason ▼

---

ACH Reason ▼

---

Cancel Return all

**Check Reason**

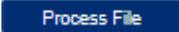
- Duplicate
- Encoding Error
- Fraudulent
- Payment Stopped
- Refer to Maker
- Stale Dated

**ACH Reason**

- Payment Stopped
- Test New ACH Return
- Unauthorized



## V. Submit an Issued Check File

1. Click **Submit Issued Check File** in the Transaction Processing Menu
2. Click browse and select a file
3. Select the Account ID and File Processing Type
4. Click 
5. Processing results for the file upload will be displayed (See example below)
6. Issued check file status

**Submit Issued Check File**

**Step 1.** Select a file to process:

Browse...

**Step 2.** Input details about the file:

Client ID:

File Processing Type:

**Step 3.** Click the "Process File" button.

Process File

File Name	Upload Date	Status	Items	Amount
Training File 1.xlsx	3/18/16 4:08:21 PM	Processed	110	\$50,406.25

### System Reports Issued Check File Processing Log:

1. Click **Issued Check File Processing Log** in the systems reports menu
2. Select the account ID
3. Choose the date range
4. Click  to list all files uploaded into the system during the specified date range

Client	Account ID	File Mapping Format	Status	Items	Amount	Input Date	File Name
PROSPERITY BANK ...	12345	PROSPERITY TEST FILE	✔ Processed	6	\$68,042.58	07/28/2020 3:34 PM	Training_File_1.xlsx
PROSPERITY BANK ...	12345	PROSPERITY TEST FILE	⚠ Processed with Exceptions	16	\$84,584.77	07/28/2020 3:35 PM	Training_File_3.xlsx
PROSPERITY BANK ...	12345	PROSPERITY TEST FILE	✘ Rejected	6	\$68,042.58	07/28/2020 3:35 PM	Training_File_2.xlsx



Status/Results Definitions:

- Processed – File processed with no errors
- Processed with Exceptions – File has duplicate check numbers and only the duplicates were rejected or checks in the file have already posted to the account and were not included in the upload
- Rejected – File was completely rejected

\*The status of each upload (Processed, Processed with Exceptions, Rejected) is an active link which can be clicked to display more results regarding what was successfully uploaded.

## VI. Add a Manually Issued Check

### Steps to manually add a check to the positive pay system

1. Click **Add New Issued Check** in the systems reports menu
2. Select the account ID
3. Enter check number, amount, and payee
4. Change the issue date to match the check
5. If adding multiple sequential checks, check the box for auto-increment check number
6. Click **Add Check**
7. A summary of the check added will appear below the Add New Issued Check box

**Add New Issued Check**

Client ID: -Not Selected-

Amount:

Issued Payee:

Check Number:

Issued Date: 07/29/2020

Auto-Increment Check Number

Add Check

	Account ID	Check Number	Amount	Issued Date	Payee
1	1234-TEST ONLY	123456	\$100.00	03/29/2016	Prosperity Bank Employee
			<b>Total: \$100.00</b>		



## VII. Void a Check:

1. Click **Void a Check** in the Transaction Processing Menu
2. Select the account ID
3. Enter in the check information
  - The amount and date can be left blank to search by check number
  - Only checks that have been issued are able to be voided
4. Click **Find Matching Check**
5. Verify that the check to be voided is the check displayed
6. Click **Void Check**

**Void a Check**

**Step 1.** Enter check information.

Client ID: <Not Selected>

Check Number:

Check Amount:

Issued Date:

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

**Find Matching Check**

**Step 3.** Verify the check that will be voided.

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

**Void Check**

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

### Please note:

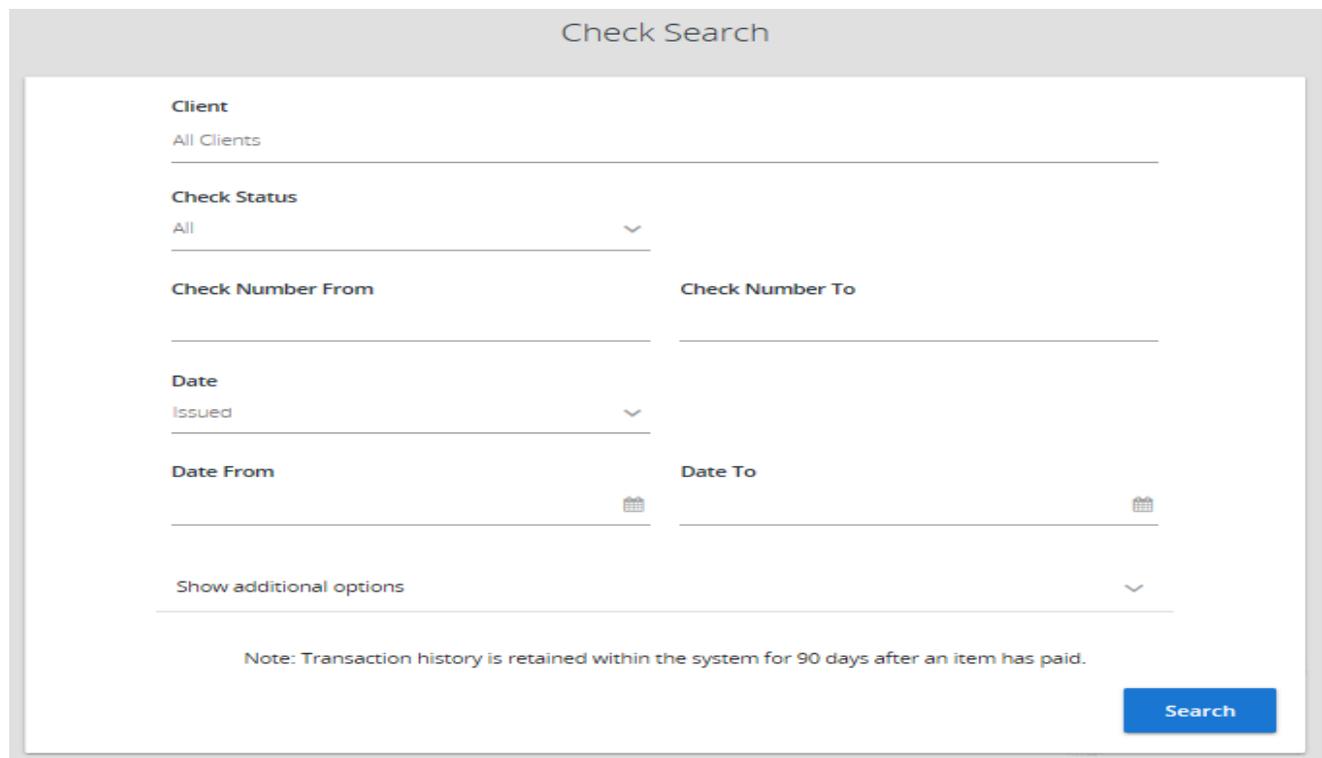
- Voiding a check will cause the check to become an exception in positive pay if it is paid.
- Stop payment requests **cannot** be done through positive pay. Please continue to do stop payments through Treasury Center or contact Treasury Management Support at 855-888-2242, [treasurymanagement.support@prosperitybankusa.com](mailto:treasurymanagement.support@prosperitybankusa.com)



## VIII. Conduct a Check Search

1. Click **Check Search** in the Transaction Processing Menu
2. Select the account ID(s)
3. Enter the desired search criteria (or leave fields blank to review all items)
4. Click the arrows to view and select options for the check search
5. Click 
6. The Status column will display the current status of each check

\*Issued, Paid, Exception, Void, Stop Payment



The screenshot shows a web interface titled "Check Search". It features several input fields and dropdown menus for filtering search results:

- Client:** A dropdown menu currently set to "All Clients".
- Check Status:** A dropdown menu currently set to "All".
- Check Number From:** An empty text input field.
- Check Number To:** An empty text input field.
- Date:** A dropdown menu currently set to "Issued".
- Date From:** A text input field with a calendar icon.
- Date To:** A text input field with a calendar icon.
- Show additional options:** A dropdown menu.

At the bottom of the form, there is a note: "Note: Transaction history is retained within the system for 90 days after an item has paid." and a blue "Search" button.

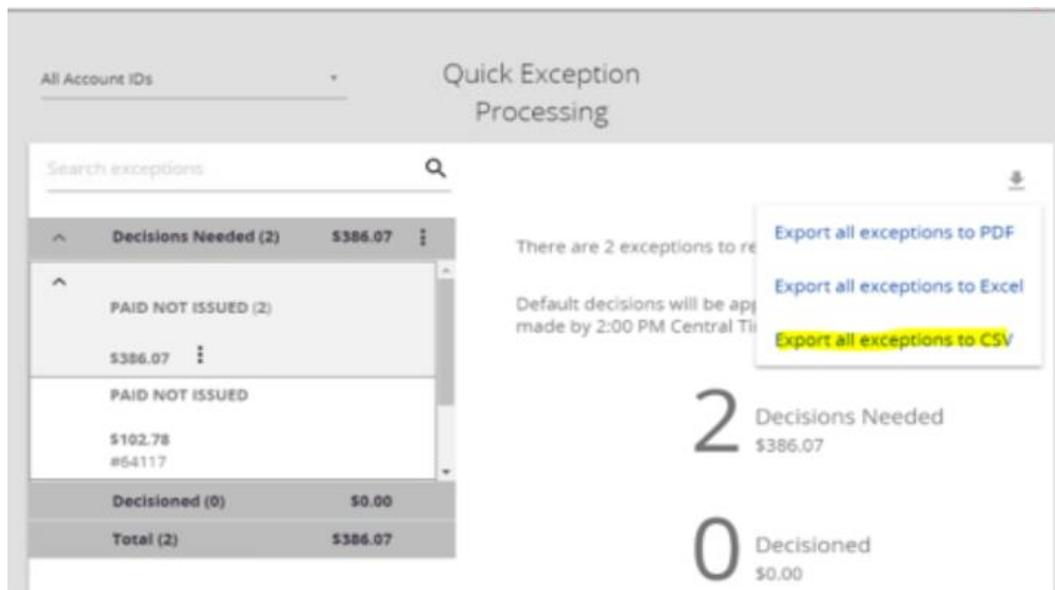
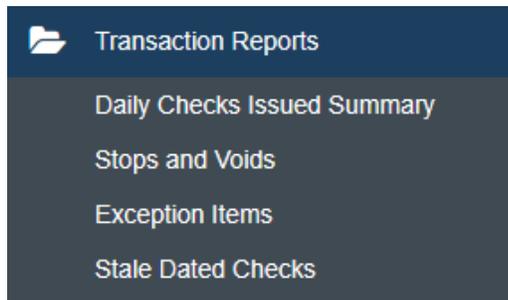
### Transaction history by check type

- Paid Checks – 90 days from paid date
- Outstanding Issued Checks – Stored 7 years (unless voided or stopped)
- Voided Checks – 90 days from void date
- Stopped Payment – 90 days from stop payment date
- Deleted Checks – Immediately removed from history



## IX. Create Transaction Reports

1. Click a report name in the Transaction Reports menu list to create the report
2. The reports are available to view, print, or export to Excel, PDF, and CSV formats
3. CSV format is also available for the Check and ACH Transaction Search Reports and Exception Items report.



The Check and ACH Transaction Search reports include the ability to export information with the full account number unmasked.



## **X. Mobile Access for Positive Pay**

View and make positive pay exception decisions using your smartphone. Access is easy and timely pay and return decisions can be made from anywhere. You can now use both desktop and mobile for decisioning exceptions.

The cut-off time for submitting exception decisions is 12 p.m. (noon) CST. This is the same as decisioning positive pay exceptions via desktop. The Company default you have chosen if no decisioning is made remains the same.

All Lead Administrators have access to entitle mobile banking to company users. It remains a company decision as to whether to allow users to access company information using smart phones or tablets. The mobile functionality for Positive Pay is dependent upon whether the user is entitled for Check Positive Pay, ACH Positive Pay or both. A user's Positive Pay entitlements and access authority is the same as established for desktop. If a user is entitled for both Check Positive Pay and ACH Positive Pay, exception items for both services will be shown on mobile. A user entitled for only one positive pay solution can make decisions via mobile for the single solution.

Positive Pay mobile access is established by the bank. To add this feature, please have your Company Lead Administrator contact your Treasury Sales Officer or Treasury Management Support at 855-888-2242 or email [treasurymanagement.support@prosperitybankusa.com](mailto:treasurymanagement.support@prosperitybankusa.com).

## **XI. User Access for Mobile Positive Pay**

### **A. Users with current mobile access to Treasury Center**

Identify existing Positive Pay users you want to have mobile access. This access will be setup by the bank.

### **B. Users currently not enabled for mobile access to Treasury Center**

The Company Lead Administrator entitles the user for mobile access at the company level. Once enabled, the user can download the following App from the Apple or Google store.



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& Treasury**

Prosperity Bank

The Lead Administrator will provide the Activation Key to the user as part of the mobile banking setup process. Once the user is setup for mobile banking, the Lead Administrator will contact the bank for the Positive Pay mobile setup.

### **C. New user for Positive Pay mobile access**

Contact the bank for a new Positive Pay full user setup.

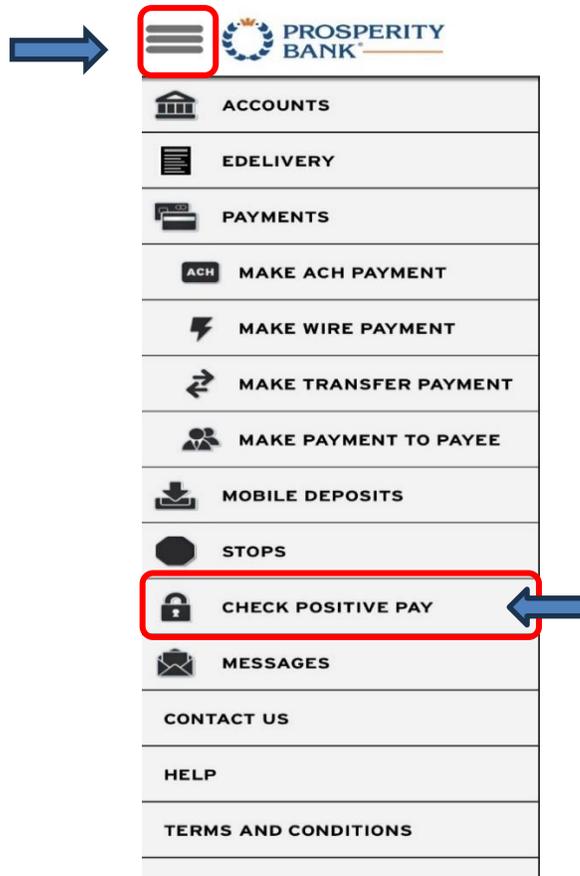
PLEASE NOTE: A user enabled for mobile access to Positive Pay will also have mobile access to all other Treasury Services the user is entitled to.



## **XII. Positive Pay Mobile Functionality**

Once setup for Positive Pay mobile access, proceed by logging into the Treasury Center mobile banking app. Select the top left menu to open menu options within Treasury Center. The options are based upon a user's access to services within Treasury Center.

Select the Check Positive Pay menu option to access both Check and ACH Positive Pay decisions.

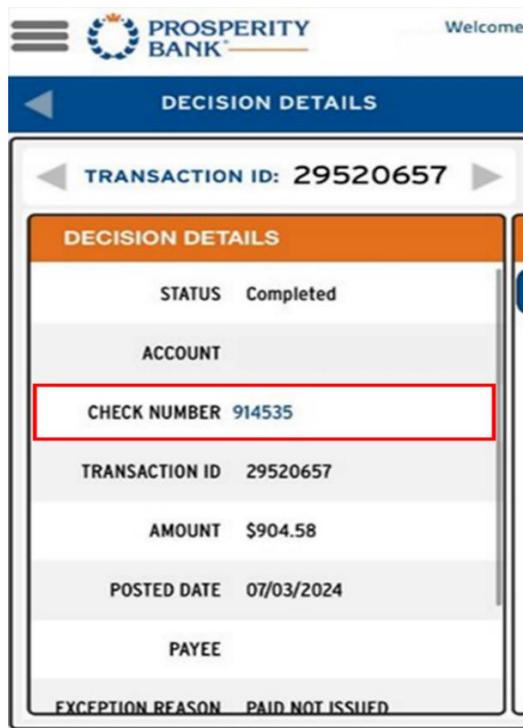




### **XIII. View Mobile Positive Pay Exceptions**

Exception check images can be reviewed along with options to pay or return the items and a pay/return reason. You can conduct a search with options available to decision all accounts or specific accounts. Your company exception items will be available for those users currently enabled for your company to access mobile banking. Users with this access can make exception decisions either through mobile or desktop.

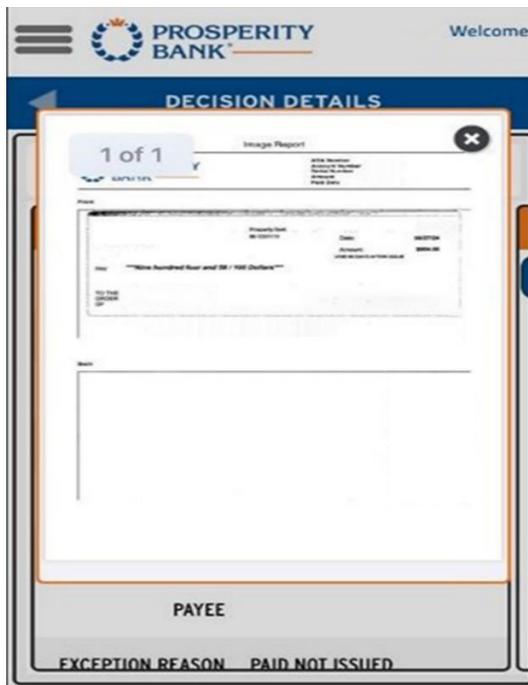
The system allows you to make exception decisions as to pay or return, review items and decisions made before submission, and assigns a confirmation number.



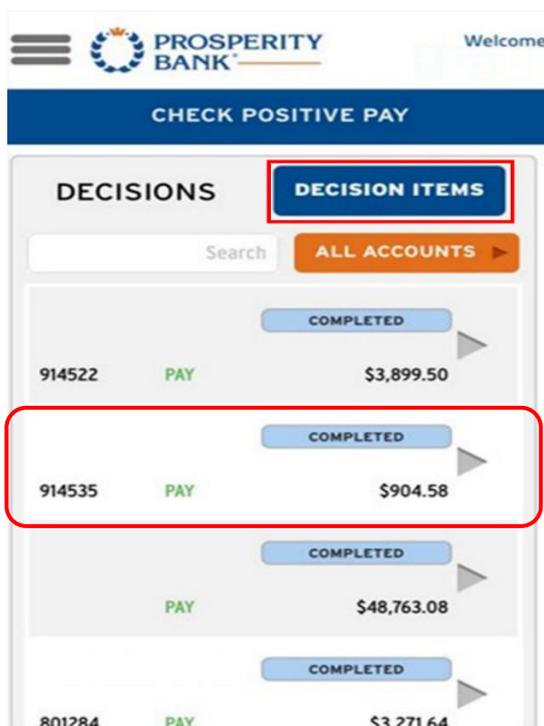


#### **XIV. Mobile Transaction and Check details**

View transaction details and check image for the previous transaction. Edits can be done until submission of the exception decisions.



#### **XV. Mobile Decided items showing as completed are ready for review and submission**





**XVI. Exception decisions are available for review and edits prior to submission**

The screenshot shows the Prosperity Bank 'DECISION ENTRY' interface. At the top, there are three tabs: 'Decision Entry', 'Review', and 'Confirmation'. Below the tabs is a list of items. Each item has an 'Encoding Error' label, a 'PAY' toggle (which is turned on), and a 'RETURN' toggle (which is turned off). The items are:

Item ID	Amount	Status
914535	\$904.58	PAID NOT ISSUED
914522	\$3,899.50	PAID NOT ISSUED
324054	\$16,604.01	PAID NOT ISSUED

At the bottom of the interface, there are two buttons: 'REVIEW' and 'CANCEL'. The 'REVIEW' button is highlighted with a red box.

**XVII. Review check and payee details for the item being decided**

The screenshot shows a detailed view of an item in the Prosperity Bank 'DECISION ENTRY' interface. The title is 'DECISION ENTRY' and the subtitle is 'Image Report'. The interface shows a '1 of 1' indicator and a close button. Below the title, there is a table with columns for 'Payee Name', 'Payee Address', 'Payee City', 'Payee State', and 'Payee Zip'. The table contains one row with the following data:

Payee Name	Payee Address	Payee City	Payee State	Payee Zip
11111111111111111111111111111111	11111111111111111111111111111111	11111111111111111111111111111111	11111111111111111111111111111111	11111111111111111111111111111111

Below the table, there is a 'Notes' section with a text area. At the bottom of the interface, there are two buttons: 'REVIEW' and 'CANCEL'. The 'REVIEW' button is highlighted with a red box.



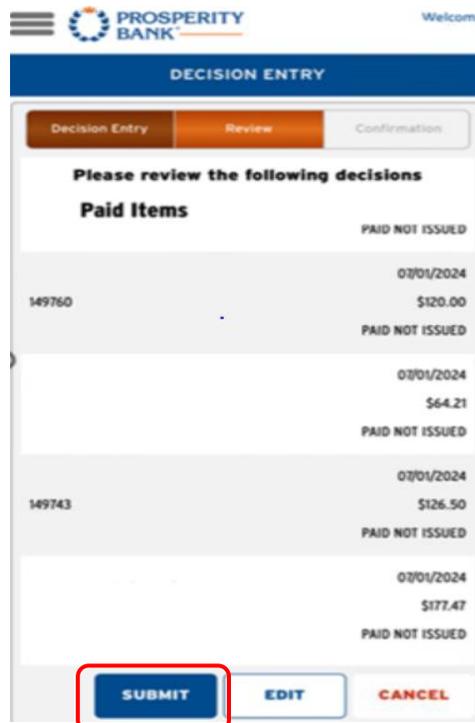
### **XVIII. Reason for Return**

A reason for return is required for any item selected to be returned. Reasons can be edited until decisions are submitted.



### **XIX. Mobile Decisions to Pay**

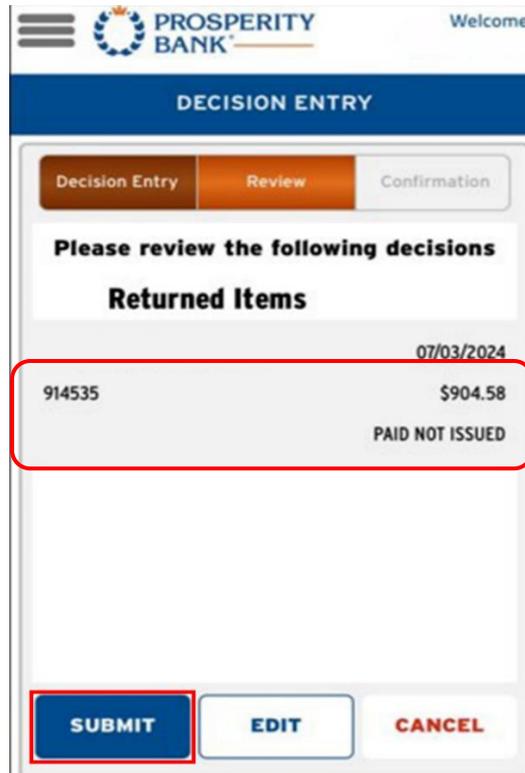
A customer can select reasons for items paid. This is optional for items selected for payment. Upon review of the decisions, a user can edit the decision or submit the final exception decisions.





## **XX. Mobile Decisions to Return**

A user will review the exception decisions before submitting the entries to be returned. Returns do require a return reason. A user can change the reason until the final submission.



## **XXI. Mobile Confirmation of Submission of Exception Item Decisions**

Once submitted, the customer will receive confirmation of the Positive Pay decisions being recorded.



If submitted after the processing deadline, the screen will display that the cut-off time has passed.



## Payee Match Guidelines

### A. Overview

The payee match process uses Optical Character Recognition (OCR) to identify the payee on the check image.

There may be factors that make OCR unable to fully identify the payee, including but not limited to:

- Image quality from the bank of first deposit
- Resolution of the check image
- Inconsistent check stock format
- Ink spots, watermarks, etc.
- Condition of scanned check (ie. wrinkles, folds, etc.)
- Font (weight/size of text)

The payee match process is an additional layer of security to help prevent payee fraud and will error on the side of caution creating payee name mismatch exceptions for review. The following requirements minimize unnecessary exceptions along with all standard check-printing guidelines.

### B. Payee Match Guidelines

#### 1. Check Stock

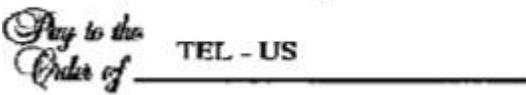
- Check background must be light in color and plain (no pictures or lines) to ensure payee name field can be easily viewed.
- Watermark/pantograph features are not acceptable in the Pay To the Order Of or Payee name area of the checks. When checks are image captured, these features may “bleed” through the document causing background interference in reading the payee name.

#### 2. Font/Characters

- Payee name must be typed.
- All uppercase type is recommended for the payee name.
- Recommended font size is 12-point; fonts less than 10 points or greater than 16 points are not recommended.
- Bold font is not recommended.
- Recommended font styles are noted below in order of preference (fixed space fonts achieve the highest match rates).
  - Verdana
  - OCR A
  - OCR B
  - Arial
- The words “PAY TO THE ORDER OF” or acceptable variations (outlined in Printing/Placement section) must be printed in a machine-readable style vs. script and should be to the left of the payee names.



- Unacceptable font style:



### 3. Printing and Placement

- Letters must have enough space between them so that they are not touching each other.
- Additional lines of data below the payee name should be spaced such that the characters do not touch the payee name.
- The number of spaces between words should not be more than 2 spaces.

Example:

- Acceptable: JOHN DOE
- Not acceptable: JOHN DOE
- Do not add characters and names close to the valid payee name information; any special codes or characters included on the same line as payee name should be at least two inches away. If they are not at least 2 inches away, include this information on your Positive Pay issue file as part of the payee name.
- Recommended to only include payee name on check one time
- Special codes, characters or bar codes should not be in the proximity of the TO THE ORDER OF, PAYEE NAME/ADDRESS field.
- Payee name may not be located in the top one inch of the check.
- The following variations of “PAY TO THE ORDER OF” are acceptable:
  - PAY TO THE ORDER
  - PAY TO
  - PAY
  - TO THE ORDER OF
- A minimal amount of space, 2-8 characters, must be left between “PAY TO THE ORDER OF” and payee name; the payee name must not touch “PAY TO THE ORDER OF”
- The payee name must be located not more than 15 characters (one inch) from the last word of the PAY TO THE ORDER OF variation.

### 4. Issued Check Requirement for Payee Match

- Words or symbols used in conjunction with payee name (e.g. MR., MRS., MISS, or, &, AND) must be included on the issue file
- Payee names listed on checks must match exactly the name listed on the Data Transmission issue file. Do not list check as JOHN DOE and put the same name on the issue file as DOE,JOHN
- If more than one payee name is printed on more than one line, it is recommended that



the line break should be indicated on the issue file with the vertical bar character “|”

- Character positions on the transmission after the payee name may be left blank (preferred). If filler is needed, the asterisk (\*) symbol must be used. Any other symbol would be construed as part of the payee name.
- Only the first 120 characters of the issued payee name uploaded into Positive Pay will be compared against the paid check image.

## 5. “Attention To” or “Care Of” Recommendations

- The following variations of “ATTENTION TO” or “CARE OF” are acceptable; (colon is optional)
  - ATTENTION TO:
  - ATTENTION:
  - ATT:
  - ATTN:
  - IN CARE OF:
  - CARE OF:
  - C/O:
- Clearly identify names in the address field with the words “ATTENTION TO” or “CARE OF” to distinguish the distribution point from the payee name; placing a distribution point in the address field will minimize exceptions.
- “C/O” or “ATTENTION” or any variation will not be included in the payee name match process and should not be included on the issue file.
- If “C/O” or “ATTENTION” is not used, include the name and distribution point in the issue file.

Issued File Format Requirements are detailed on the following pages.



## **Issued File Format Requirements**

The Positive Pay System is extremely flexible and can handle a wide variety of different file formats.

### **a. Required Fields**

The following fields must be supplied for each issued check:

1. Issued Date – the date the check was issued (mm/dd/yyyy is the recommended format, m/dd/yy will not work)
2. Check Number – the check serial number (recommended format is to have no leading zeros)
3. Check Amount – the amount of the check (recommended format 999999.99 with no leading zeros)
4. Payee Name\* – If enrolled for payee match, the payee name is a required field. It is also recommended the Payee Name for check positive pay.

\*For customers enrolled for Payee Match, all issued checks or check file **must** contain a payee name. This requirement pertains to uploading a check file or manually adding a new issued check into the system. Any check not containing the payee name will be rejected.

### **b. Optional Fields**

The following fields may optionally be supplied for each issued check:

1. Record Type – “I” for issued check, “V” for voided check
2. Client ID – a bank-assigned value that represents the checking account
3. Account Number – the account number for the check
4. Notes – miscellaneous notes related to the check
5. Do not include the following symbols \$ and –, or parenthesis.

### **c. Other Fields**

If additional fields are included in the issued check file, these fields can be ignored. However, it is recommended that only the fields listed above are included.

### **d. Field Formatting**

Fields must be consistently formatted in each file that is submitted. Field formats other than the recommended formats listed above can be supported if consistent.

### **e. Supported File Types**

1. Delimited text files
2. Microsoft Excel files (Including .XLSX files)
3. Fixed-width text files



**f. Delimited Text Files**

A delimited text file is a file that has each field separated by a field delimiter. The most common delimited file format is a comma-separated values (csv) file. Separator characters other than commas are also supported. Other commonly used separator characters are semi-colon “;” and the pipe “|” character. Double quote characters may be used to surround the actual values between delimiters, but they are not required unless the field value contains a delimiter. For example, if the field value is “Lincoln, NE” is contained within a comma delimited file, then the field value must have double quotes around the value since the value contains a comma between “Lincoln” and “NE”. An example of records from a comma-delimited file may look like this:

```
I,123,100,12/31/2006,123.66  
I,123,101,12/31/2006,1500.00  
I,123,102,12/31/2006,40000.00
```

**g. Microsoft Excel Files**

For Microsoft Excel files (xls & xlxs), each field should be listed in a separate column.

**h. Fixed-width Text Files**

In a fixed-width text file format, each field occupies the same columns in each record. This record format is most commonly generated by mainframe-based accounting systems. An example of records from a fixed-width file may look like this:

```
I1230001001231200600000123.66  
I1230001011231200600001500.00  
I1230001021231200600040000.00
```

**i. Header and Trailer Records**

It is recommended that header and trailer records be omitted from all issued files regardless of the file type.

For assistance, please contact our Treasury Management Support team at 855-888-2242, [treasurymanagement.support@prosperitybankusa.com](mailto:treasurymanagement.support@prosperitybankusa.com)