



Positive Pay FAQs

Q: What is Positive Pay?

A: Positive Pay provides you with an opportunity to reduce exposure to fraud by identifying unauthorized transactions, such as altered, forged, and counterfeit checks, before they are posted to your account. A list of checks authorized by you is compared to checks being presented for payment. Any check not in your list of authorized checks is reviewed and verified as either legitimate or unauthorized. The service is easy to use and can even save your business time and money, all while mitigating risk.

Q: Why should I use Positive Pay?

A: There are several great reasons why you should use Positive Pay:

- 1. Allows you to be proactive instead of reactive in protecting your account and your money.*
- 2. Check fraud is on the rise and is getting harder to detect. Positive Pay significantly reduces the risk of fraudulent or altered checks posting to your account.*
- 3. You have a limited amount of time to report unauthorized debits to avoid liability. Positive Pay significantly reduces this risk and liability.*

Q: Why do I need Positive Pay?

A: Check fraud is relatively easy because your account number is printed on every check you issue. Checks you issue to individuals are only as safe as the payee, and your account number could be obtained by friends, family, or mere acquaintances of the payee. Checks you send to other businesses could be handled by several individuals before being deposited. Checks & account numbers are at risk when mailbox contents are stolen which is a rapidly increasing crime. Being proactive and mitigating the risks of check fraud with Positive Pay is essential.

Q: How does it work?

A: When you print/issue checks, you provide us with the details of those issued checks through online banking. As checks are presented for payment, those checks are verified against the list of issued checks that you provided to us. Checks presented for payment that do not match one of the checks in the issued list are classified as an “exception.” CLB&T will contact you so you can decide if any “exceptions” should be paid or returned as unauthorized.

Q: What details of issued checks are provided to CLB&T?

A: You provide us with the following information for each issued check: payee’s name, check amount, check issue date, and check number.

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Q: Reporting the details of checks I issue sounds too time consuming. How long does it take?

A: Most accounting software that prints checks can create a Positive Pay file that includes the details of the checks you issue. You simply submit that file to CLB&T through online banking. The process can take as little as 5-10 minutes each time you issue checks. If you do not have accounting software, you can simply enter the details of issued checks through online banking.

Q: What if I do not use an accounting solution or do not use an accounting solution that can create file of checks I issue?

A: You can manually enter the details of issued checks for Positive Pay through online banking.

Q: What if I forget to notify CLB&T about a check or checks I issue?

A: Every day CLB&T will review checks being presented for payment on your account that are not in the list of issued checks you provided. We will contact you to determine if these checks should be returned to the bank of first deposit or paid from your account.

Q: Is there a fee to use Positive Pay?

A: No, there is no fee to use Positive Pay. This is a FREE service.

Q: What is my liability when unauthorized checks are posted to my account?

A: Liability for unauthorized checks posting to your account varies depending on the situation. You must ensure you are following best practices and exercising due care with your own internal accounting processes and procedures, including a daily review of banking activity. As a business, poor practices for issuing checks, lack of dual control, untimely account review, etc. can increase your liability.