

ACH POSITIVE PAY



What is it?

ACH Positive Pay is a security feature offered by banks to protect against fraudulent ACH payment activity.

How does it work?

Step #1 - Establish Rules

- When a business issues ACH payments, they enter a list of rules into the Positive Pay system. This includes details such as approved recipients, accounts, date range, frequency, and amounts. The Positive Pay software uses this information to verify incoming ACH payments against the set rules.

Step #2 - Matching Process

- Once the ACH is presented for payment, the Positive Pay software compares it to the established rules. If the details match, it is considered "positive". If there are any discrepancies (e.g. wrong amount) the ACH payment is "flagged" for further review.

Step #3: Exception Handling

- For flagged payments, the account holder (usually the business) verifies whether the ACH payment is legitimate. The account holder can approve or reject the payment. If rejected, the bank does not honor the ACH payment.

Benefits



Reduce Fraud: ACH Positive Pay significantly reduces the risk of ACH fraud by preventing unauthorized payments from being sent, safeguarding the account holder's funds.



Protect Assets: By only processing authorized payments your business can benefit from peace of mind that your account is being handled correctly.



Control Finances: Since the account holder must verify all flagged payments, you'll have more control over your business's financial transactions.