



CENTRIX SOLUTIONS, INC.

Exact / TMS™

Check Positive Pay ACH Positive Pay Check/Deposit Reconciliation

----- CORPORATE TRANSACTION MANAGEMENT VIA THE WEB -----

Exact/TMS™ is a transaction management system that encompasses check positive pay (with payee match), ACH positive pay, check/deposit reconciliation, and ACH/EDI reporting to clients. The system is a powerful fraud prevention tool that is focused on the transaction management needs of corporate clients, while also offering the institution back office efficiency.

EXECUTIVE OVERVIEW

Financial losses from check fraud reach into the billions each year and affect companies and financial institutions of all sizes. Additionally, the increasing volume of ACH payments means an increased potential for ACH Fraud. No longer is this white-collar crime viewed as a “big bank” problem, nor is risk limited to large corporations. To curb this activity, financial institutions must make check positive pay and ACH positive pay an integral part of business banking. Furthermore, commercial clients of all sizes must be educated as to the benefits of this technology in order to make the service a standard banking practice.

Keys to Success: Simple, Secure and Automated

For positive pay to be widely accepted, the process must be simple and secure. Furthermore, financial institutions must leverage technology so that manual intervention is minimized for all parties involved. Exact/TMS™ makes such a solution available.

Exact/TMS

by Centrix Solutions, Inc.

**Check Positive
Pay**

**ACH Positive
Pay**

**Check/Deposit
Reconciliation**

Exact/TMS offers a robust browser interface for commercial customers, which eliminates the need to install software on client workstations. The nightly account reconciliation process automatically alerts the client by email if either check exceptions or ACH exceptions require a pay or return decision. Clients can make such decisions, view images of checks in question, analyze reconciliation reports and submit electronic issued check files all via the web in a secure paperless environment. Additionally, ACH positive pay enables financial institutions to uniquely serve the changing needs of corporate clients as ACH continues to increase as a corporate payment method.

Benefits of Centrix Exact/TMS:

- Check positive pay reconciles each posted check against the customer’s issued check archive
- Payee match insures the payee name has not been altered
- ACH positive pay alerts clients of unauthorized or unusual ACH activity
- Automated emails to notify clients of exception items
- On-line exception management enables the client to make pay/return decisions
- Check image integration allows the client to view images of check exception items
- Integration with the teller system provides front line defense against check fraud
- Integrated data mapping for issued check file formats
- Reverse positive pay adds flexibility when presenting clients with fraud prevention options
- BAI2 transaction extract and customized transaction extract
- Client-level service charge parameters provide flexibility for service fee income
- On-line check reconciliation to assist clients with balancing to their bank statement
- Deposit reconciliation to summarize deposit activity by branch/location
- ACH reporting and EDI translation with automated report delivery to clients



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Exact/TMS™

Web Interface Manages All Client Interaction

The value of a secure web-based positive pay solution cannot be overstated. With no software to install or maintain on client workstations, installations and product upgrades are simplified. This architecture is a necessity for financial institutions looking to make positive pay a standard product offering to commercial customers.

Exact/TMS provides financial institutions with a comprehensive check management system to offer corporate clients. Via the browser, customers can electronically submit issued check files, manually input or void issued items, place stop payments and make daily pay or return decisions for exceptions. Additionally, the Exact/TMS reporting utility incorporates account reconciliation reports and historical analysis.

Clients' access Exact/TMS from either a link on the bank web site or an integrated link within the cash management solution. Centrix will work with the cash management vendor to facilitate single sign-on functionality.

ACH Positive Pay

ACH positive pay is an extension of traditional check positive pay but is focused on transactions that come through the ACH system. Business rules are defined at the account level for monitoring ACH activity. In turn, every ACH transaction that is presented for payment is scrutinized against the account's ACH rules to determine whether a transaction warrants further review. Corporate clients can receive a simple email alert when unauthorized or unusual ACH activity is present, or these items can be included in the positive pay exception list where a pay/return decision must be made.

The business rules that support ACH positive pay encompass both ACH Authorization and ACH Transaction Monitoring.

ACH Authorization rules define pre-approved ACH activity for an account. An ACH authorization rule can include the originating company, standard entry class, transaction type (debit/credit) and maximum dollar amount. If an unauthorized ACH item posts to an account, the rule determines whether the item requires a pay/return decision or whether a simple email alert will suffice.

ACH Transaction Monitoring is a list of general guidelines for monitoring ACH activity and alerting the client if an ACH item posts that exceeds these guidelines. An ACH monitoring rule can focus on the standard entry class, amount and debit/credit designation. The client is notified if an ACH item exceeds the threshold.

Exact/TMS also automates the production of an ACH Return Item Affidavit. If enabled, this feature will display the ACH Return Affidavit form and prompt the corporate client to print and fax to the institution whenever an ACH item is returned.

Automated Client Notification of Exceptions

On a nightly basis, Exact/TMS reconciles accounts by matching paid checks against the issued item archive. If exception items are present, corporate clients are automatically notified via email. The client then makes pay or return decisions via the web interface. Exact/TMS generates an email for the following reconciliation exceptions:

- Paid not issued checks
- Checks with zero/blank check number
- Paid check is "stale dated"
- Duplicate paid checks
- Paid item amount does not match issued item
- ACH exceptions

On-line Exception Management

Empowering corporate clients to view daily exception items on-line to make pay or return decisions is fundamental to the future of corporate positive pay. Not only is on-line exception management efficient, but corporate clients also feel a sense of control over transaction activity, thus enhancing the relationship with your institution. Furthermore, web-based exception management will optimize staff resources as daily faxes and other manual intervention are eliminated.

Using Exact/TMS, clients can make the pay/return decision, select a return reason (if applicable) and optionally enter notes. An automated cutoff process will “force pay” or “force return” all unresolved exceptions as of the cutoff time defined at the client level. Integrated audit controls track all maintenance actions including who made the decision.

Integrate Exception Management with Check Images

Check imaging has gained broad acceptance within the financial marketplace, and institutions continue to find innovative ways to leverage this technology. Both bankers and corporate clients agree that integrating images with a check management system positively impacts the fight against check fraud as it virtually eliminates the need for bank personnel to be involved with daily exception management.

Centrix Solutions supports this strategy as commercial clients can view the front and back images of exception items via Exact/TMS, thus simplifying and expediting the decision. No longer is there a need for bank personnel to research and fax copies of exception items. In the end, integrated check images represents both convenience and efficiency.

Payee Match to Insure the Payee Name is Valid

Payee match functionality enhances the check positive pay process by validating the payee on the check image against the payee name that the corporate client included in their issued check file. This process adds a layer of protection against unauthorized disbursements and fraudulent checks, beyond validating common data such as check number and check amount.

Data Mapping Utility Provides for Flexible Processing of Issued Check Files

For issued check file processing, many positive pay solutions define a specific file format or require custom interfaces to handle multiple file formats. Such requirements can have an adverse effect on implementation as they often represent additional costs and can delay implementation for a client.

Exact/TMS addresses this issue with an integrated data mapping utility that allows the financial institution to define the format(s) of the incoming files for each client. If multiple clients use the same accounting system, the file format is defined once and shared by all such clients. In the end, this design will facilitate broad acceptance of positive pay as specific file requirements and/or custom interfaces are virtually eliminated.

Automated Processing of Submitted Issued Check Files

Leveraging technology to minimize manual intervention is critical to any large-scale positive pay initiative. Principal to this is the daily processing of issued check files for corporate clients. Traditional positive pay models include bank operations personnel receiving and processing issued check files that have been submitted by corporate clients; a task that is time consuming and costly. Exact/TMS eliminates this by automatically processing issued check files upon submission and placing the items into the issued check archive. This feature makes Exact/TMS a very scalable solution with the ability to manage the file processing requirements for large numbers of corporate clients.

Submit Issued Check File

Step 1. Select a file to process.

Browse...

Step 2. Input details about the file.

Client ID: BCE Op Acct

File processing type: BCE Issued Ck

Items in file:

Dollar amount in file:

Step 3. Click the "Process File" button.

Process File

Furthermore, Exact/TMS validates each issued check file as it is processed. If validation errors exist, the appropriate bank/client personnel are notified via email. Possible validation errors include:

- Issued file totals do not match totals entered by client
- Issued file contains duplicate issued items
- Issued file contains items with blank/zero check numbers

Check and Deposit Reconciliation

Exact/TMS™ provides corporate clients with on-line check reconciliation that summarizes all check activity for the reconciliation period (i.e. issued, paid, stopped and voided) and is used in balancing on-line account balances with a customer statement. Moreover, clients can produce a detailed reconciliation listing to print or export to excel. A historical archive is kept of prior reconciliation periods in case the client has a need to access for research purposes.

For clients that do business at multiple locations/branches, deposit reconciliation proves a valuable tool. This feature provides the client with a detailed listing of all deposit activity for the reconciliation period, grouped by location. For corporate clients that bank at numerous branches/locations of the institution, deposit reconciliation reporting simplifies administration of their deposit activity.

Reverse Positive Pay (Transaction Extract) and BAI2 Extract

The preference of some corporate clients is to receive a daily file of posted checks rather than submit a file of issued checks - a concept known as Reverse Positive Pay. Although many financial institutions have the technical capacity to generate a reverse positive pay file, the challenge generally lies with delivery, which is often handled manually via email or file transfer.

Exact/TMS provides financial institutions with an accurate and efficient reverse positive pay utility that eliminates manual intervention. For clients that are setup for reverse positive pay, the Exact/TMS web interface is the portal from which they retrieve their paid items file. A simple click will present the client with a file that contains all paid items that have posted since the last time a reverse positive pay file was retrieved. This architecture not only removes bank personnel from the equation, but also insures that all paid items are delivered to the client, even if multiple days' pass between downloads. Additionally, Exact/TMS can optionally produce a **BAI2** file of transaction activity and Centrix offers customization services to customize the output transaction file format to meet the unique requirements of corporate clients.

Comprehensive Reporting

When it comes to account reconciliation, corporate clients have a need for information and financial institutions realize that it makes good business sense to accommodate. The challenge, however, is determining what is technically feasible and finding the most efficient means of delivering the information.

Exact/TMS addresses this need with a reporting utility designed to meet the account reconciliation requirements of even the most demanding corporate clients. Via a combination of standard reports and the “All Transaction Query Tool” users can research, analyze and balance check payment activity. Many reports are generated by date range, which enables the client to focus their search and expedite results. Standard reports are:

- Outstanding Issued Checks Report (by date range)
- Reconciled Checks Report (by date range)
- Exception Items Report (by date range)
- Stop Payment Report (by date range)
- Voided Item Report (by date range)
- Stale Dated Checks Report
- Account Balancing Report
- ACH Items Report
- Payee Names Report

Service Charging

Positive pay and account reconciliation services represent fee income opportunities for financial institutions. To this end, it is paramount that automated check fraud management systems incorporate flexible service fee capabilities. Exact/TMS service charge parameters allow fee amounts to be customized for each client, making it easy to accommodate unique pricing that is often negotiated with corporate customers. On a monthly basis, Exact/TMS will generate a service fee transaction file to be included in core application processing.

Integration with On-line Teller Systems

Preventing check fraud at the teller line is essential to a comprehensive fraud prevention strategy, and the most effective way to accomplish this is real-time integration between the on-line teller system and the corporate positive pay application. Exact/TMS makes this a reality with an optional teller system interface that automatically validates check-cashing activity (at the teller line) against the positive pay database.

ACH Reporting and EDI Translation with Automated Report Delivery to Clients

With features ranging from EDI translation & reporting to ACH returns reporting, the system provides an automated transaction reporting system including email notification to the client and secure, web-based delivery of the reports/files. The output formats available are PDF, Excel, NACHA, CSV and XML. From an operations standpoint, this all happens automated and unattended.

Customize Functionality by Client

The flexible security parameters in Exact/TMS allow system functionality to be customized at the corporate client level. This allows the financial institution to tailor the system specific to the client’s needs. For example, if a client is interested in ACH positive pay, but does not have a need for check reconciliation and check positive pay, Exact/TMS can be configured accordingly for the client. In the end, this single system - Exact/TMS - can be used as the platform for multiple product offerings that a financial institution takes to market.