



iTracs[®] Positive Pay

Positive Pay and **Reverse Positive Pay** are important tools for managing your escrow account. Both tools are directed at reducing the risk that the bank honors a fraudulent disbursement against your trust account.

What is Positive Pay?

Positive Pay is a service most banks offer that electronically matches the check number and dollar amount of each check presented on your account against an authorized check listing you provide the bank each time you cut checks, typically daily. If a check is presented that is not on the authorized list, the bank follows instructions you previously placed on file with the bank, such as “do not pay.” Positive Pay is a fraud *prevention* tool.

What is Reverse Positive Pay?

Whereas Positive Pay is a fraud prevention tool, Reverse Positive Pay is a fraud *detection* tool. Reverse Positive Pay consists of reviewing checks honored by the bank each day on your account against the list of checks you issued according to your closing software. This review can be done automatically through **iTracs**, or it theoretically can be done manually (although it will be very time-consuming!). While it will not prevent fraud, it will detect potentially fraudulent check exceptions. If you review the list daily, and notify your bank immediately of any suspected fraudulent activity, you may be in a position to recover the missing funds.

How Can iTracs Help?

With Positive Pay, **iTracs** automates the submission of the authorized check list directly from your closing software to the bank, with no manual intervention. With Reverse Positive Pay, **iTracs** provides a daily report of checks honored by the bank which do not appear in your closing software.

Which is Right For Me?

If your bank offers Positive Pay, we recommend you utilize this service. Keep in mind, however, most banks charge an additional fee for Positive Pay. There is also an additional charge from **iTracs** to set up this service, and to handle the automated file submission. If your bank does not offer Positive Pay, or if you are not in a position to incur the additional charges, Reverse Positive Pay is included in the base **iTracs** service. With a commitment to review your exceptions daily, it, too, can be an excellent tool to mitigate risk.

Note: Whether you select Positive Pay or Reverse Positive Pay, it is essential that you notify your bank immediately if you suspect any type of fraudulent activity on your account. This is solely the responsibility of the client.