

Positive Pay Agreement (Check and/or ACH)



Positive Pay Company Information	
Company Name:	
Service Charge Account:	Tax ID Number:

This Positive Pay Agreement ("Agreement") is made and entered into this _____ day of _____, 20____ by and between ("Customer" or "You") and Mountain Pacific Bank ("Bank", "We", "Us") which adds additional terms and conditions to our Online Banking Agreement to authorize us to extend Positive Pay (Check and/or ACH) Services to you. Positive Pay is a fraud detection and protection service that the Bank offers to its customers, which allows customers to identify checks (paper or converted ACH items with check numbers) or ACH items for review to help prevent items from posting against accounts without authorization.

The Bank and Customer hereby acknowledge and agree as follows:

1. General Provisions

- 1) Positive Pay:** Customers who participate in our Positive Pay Service can instruct us not to pay certain items presented against their accounts. If our Positive Pay reports of checks presented against your account matches the information you provide to us regarding the checks you have issued, you agree that we may treat the matching items as validly issued and properly payable, and that we may process such items for payment. If the information does not match, but the bank is able to verify the signature, we will pay the items unless notified by customer by 10:00 a.m. PT that item is invalid.
- 2) ACH Positive Pay:** ACH Positive Pay allows the customer to monitor ACH activity and flag unauthorized transactions for return. ACH Positive Pay processing applies to entries with any ACH debit entry.
- 3) Exceptions:** We assume no duty to identify and/or return duplicate checks, checks with duplicate serial numbers, checks that are not properly endorsed, checks missing signatures, mis-encoded items, or checks lacking an encoded serial number. The Service does not apply to items that have been finally paid before the effective date of any listing or items that are not processed via check or ACH through the account(s) enrolled in Positive Pay.
- 4) Reliance on MICR Encoding:** We will not be obligated to verify signatures on any checks that match the information you provide. You understand and agree that we may compare your information on approved checks with information that is encoded on the items presented to us for payment. We will not be required to physically examine matching checks to confirm that they are properly signed, completed, and encoded. You agree that we may rely on such a process and that the process will be deemed an acceptable standard of care for this Service and your account. You understand that the Service may not identify counterfeit or duplicate checks. As such, you agree to review promptly all statements, returned checks, reports and other check and transaction information we make available to you.
- 5) Stale-Dated Checks:** We may pay stale-dated checks unless you place a stop payment order on such items or remove them from your list of checks approved for payment.

2. Selection of Services

Indicate below which Positive Pay service(s) you want Mountain Pacific Bank to enroll you in for one or more of your accounts. Select all that apply.

Select Services to be Added	
<input type="checkbox"/> Check Positive Pay	<input type="checkbox"/> ACH Positive Pay

3. Accounts

The company will indicate in Schedule A which accounts will be designated to make use of Mountain Pacific Bank's Positive Pay Services.

4. Check Process

- 1) File Submission:** Customer understands they must submit a file to the Bank each time checks are issued. Files must be uploaded through online banking or the Positive Pay website provided by the Bank. File must be in the format established by the Bank and communicated to you via email or user guide. It must contain the following:
 - a. Account Number
 - b. Check Number
 - c. Issued Date
 - d. Transaction Amount
 - e. Payee Name
- 2) File Review:** Customer understands that it is their responsibility to log into online banking or the Positive Pay website, view exceptions daily, and notify the Bank of non-authorized items.
- 3) Return Checks:** Exceptions with valid signature will default to pay. Customer must submit return decisions online within online banking or Positive Pay, or notify the Bank via email at cmsupport@mp.bank or by phone at 425-249-5795, by 10:00 a.m. PT if items should be returned.
- 4) Information Processing and Reporting:** We will not be responsible for determining the accuracy, timeliness or completeness of any information that you or your designees provide to us. We will not have a duty to interpret the content of any data transmitted to us, except to the limited extent set forth in this Agreement. You assume the sole responsibility for providing us with complete and accurate information in the format we require. We are not obligated to detect errors in your transmissions.

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5. ACH Process

- 1) **ACH Posting Control:** When ACH Positive Pay is activated, authorized company records can be built as transactions attempt to clear the account.
- 2) **Adding ACH Approved Entities:** Any new company that attempts to Debit the account will be flagged for approval on the exception screen. Approval must be completed by 10:00 a.m. PT or the ACH item will be returned by default.
- 3) **Exceptions:** Customer must submit return decisions online within online banking or Positive Pay, or notify the Bank via email at cmsupport@mp.bank or by phone at 425-249-5795, by 10:00 a.m. PT if ACH items should be paid.
- 4) **Maximum Allowable Amount:** Maximum Amount indicates the maximum amount authorized for a transaction for a specific company or Standard Entry Class Code (SEC) as defined in the Nacha Rulebook. ACH entries with a transaction amount greater than this value will be treated as suspect transactions and will require approval.
- 5) **ACH Entries to Monitor:** You are able to monitor Debits.
- 6) **Information Processing and Reporting:** We will not be responsible for determining the accuracy, timeliness or completeness of any information that you or designee provide to us. We will not have a duty to interpret the content of any data transmitted to us, except to the limited extent set forth in this Agreement. You assume the sole responsibility for providing us with complete and accurate information in the format we require. We are not obligated to detect errors in your transmissions.

6. Processing Days and Cut-Off Times

All exception items must be submitted to Mountain Pacific Bank no later than 10:00 a.m. PT Monday through Friday on the date specified. The Bank will not process exceptions on Federal Holidays observed by the Federal Reserve Bank. Mountain Pacific Bank may close early on Christmas Eve, New Year's Eve, or on any other occasion the Bank may deem necessary; the Bank will give reasonable notice via online channels and/or email. In the event of early closure, all exception items must be submitted by the communicated time to be processed on those days. Any submissions after this time will not be processed until the next business day.

7. Security Procedures

- 1) **Website:** All issued check records must be entered or uploaded into the Positive Pay system. The system can be accessed via online banking or by using a direct link provided by the Bank. The Bank may create Login Credentials for the Customer; if issued, the Customer will be prompted to update the password at the initial login. The customer understands that a Digital Certificate may be required and will make the necessary installation on the device(s) to be used for Positive Pay processing. Customer also agrees to install any needed software to ensure software application security (i.e., Active X, Multi-factor authentication, etc.)
- 2) **User Security:** The Bank will create an admin user who must be authorized by a signer on the account. This role will have the ability to add other users who will have authority to upload and review files. Customer is obligated to ensure all users keep Login Credentials secure. Customer agrees to be bound by any return or payment order we receive through these services.
- 3) **Security Agreement:** Customer agrees that the Bank's security procedures as outlined above are commercially reasonable. Customer agrees that Bank will use such procedures to detect an unauthorized or incorrect file prior to accepting such request. Customer furthermore agrees that any file submissions or exceptions acted upon by the Bank follow these security procedures, whether authorized by the Customer or not; and shall be treated as the Customer's authorized request.
- 4) **Changes in Security:** Customer acknowledges that the Bank reserves the right to change its security procedures from time to time and agrees to follow all security procedures as communicated by the Bank.

8. Authorized Users

Mountain Pacific Bank will create users as outlined on Schedule B unless the Customer otherwise notifies the Bank in writing. The Bank may rely on instructions received by the individual users for exception processing and reporting. The Customer agrees to pay the Bank all applicable service fees.

9. Notices

Except as otherwise provided in this Agreement, any written notice or other written communication required or permitted to be given under this Agreement shall be delivered or sent by United States mail, postage prepaid, and, if to Mountain Pacific Bank, addressed to:

Mountain Pacific Bank
Attn: Deposit Operations
3732 Broadway
Everett, WA 98201

Notices shall be sent to the address maintained in the Bank's core system. Failure or refusal of a party to accept receipt of a notice or other communication hereunder shall in no manner invalidate the notice.

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10. Systems

Customer acknowledges that it is not possible for the Services to be totally free from operation, programming or equipment error, and that errors in processing and compiling data may occasionally occur (e.g., due to the failure of others to provide accurate information, telecommunication failures, or breakdown in an electronic data interchange). The Bank will make every reasonable effort to communicate such errors and attempt to process downloads and reviews using alternative methods. Customer agrees to hold the Bank harmless from any check processed during such a period.

11. Assignment

This Agreement is binding upon and shall inure to the benefit of the legal successors and assigns of the Company and Mountain Pacific Bank, except that the Company shall not have the right to assign this Agreement or any of the rights and duties hereunder to any person or entity without the Bank's written consent upon 60 days' advance written notice.

12. Amendments

Mountain Pacific Bank may amend any part of this Agreement, including any schedule or addendum hereto, from time to time 30 days after written notice to you or 30 days after posting the amendment on the Bank's website.

13. Entire Agreement

This Agreement, including the Schedules and Addendums hereto, constitutes the entire agreement between the parties and supersedes all prior agreements, oral or written.

14. Indemnity

The Bank will exercise reasonable care in providing the services hereunder, but in no event will the Bank be liable for any loss to the Customer unless clearly attributable to gross negligence or willful misconduct on the part of the Bank. The Bank will not be liable for any special, incidental, consequential, or punitive damage. No third party will have any rights or claims against the Bank under this Agreement, and the Customer agrees to indemnify and hold the Bank harmless from and against any, and all such rights and claims.

15. Termination

Mountain Pacific Bank reserves the right to terminate this Agreement and service at any time for any reason deemed reasonable by applicable law or if there is violation of this Agreement or any corresponding Agreements. You or the Bank may terminate the service at any time by giving written 30-day notice to the other party. Until such notice is given, this Agreement will remain in full force.

16. Positive Pay Service Fees

Refer to Fee Schedule for current pricing of Check Positive Pay and/or ACH Positive Pay.

Schedule A

Account Access

In accordance with Section 3 of this Agreement, the following accounts will be enrolled in Positive Pay Services.

Account Number(s)	Positive Pay Service (Check and/or ACH)

Schedule B

Appointment of Primary Administrator and Additional Contacts

In accordance with Section 8 of this Agreement, the user listed below will act as the administrator for the Positive Pay system. The administrator has the authority to, but is not limited to, grant user access, remove user access, create new users, and terminate users. When a user is given authorities, the Bank will not be held liable or responsible for the actions of that user. If Mountain Pacific Bank issues a User ID and initial password, the administrator will be required to change the password upon initial access to the Positive Pay website.

Administrator Setup		
Name	Mobile Phone	Email Address

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Mountain Pacific Bank is authorized to communicate with the following individuals in the event of transmission problems or technical questions.

Name	Mobile Phone	Email Address

Schedule C

User Alerts

The alerts selected below will be assigned to the administrator. The administrator is responsible for assigning alerts to other users created. If receiving text alerts, the administrator and/or user agrees with their mobile carrier's terms and conditions for receiving text/SMS to their mobile device.

Administrator User Alerts		
Message	Email	Text
No exceptions	<input type="checkbox"/>	<input type="checkbox"/>
ACH reporting file sent as email attachment	<input type="checkbox"/>	<input type="checkbox"/>
ACH reporting system new file notification	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Exception notification	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reminder to process exceptions	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Filtered / blocked transaction notification	<input type="checkbox"/>	<input type="checkbox"/>
Unauthorized ACH transaction notification	<input type="checkbox"/>	<input type="checkbox"/>
Issued file processing status	<input type="checkbox"/>	<input type="checkbox"/>
New ACH authorization rule added	<input type="checkbox"/>	<input type="checkbox"/>
New transaction filter / block added	<input type="checkbox"/>	<input type="checkbox"/>

Acknowledgment

I agree to the above terms and conditions of this Agreement, Schedule A, Schedule B, and Schedule C. The undersigned is duly authorized by the governing Authority of the Company to execute and deliver this Agreement and Schedules.

Mountain Pacific Bank

By: _____
 Print Name

 Signature

 Title

 Date

 Company Name

By: _____
 Print Name

 Signature

 Title

 Date

Date Submitted:	Accepted by CM Support:	CIP Updated:
<input type="checkbox"/> Agreement Received In-Person	<input type="checkbox"/> Agreement Received Electronically and Callback Verification was Completed	