

# Wholesale Lockbox Standards and Options

US Sites – Atlanta, Boston, Chicago, Dallas, Los Angeles, St. Louis



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As a wholesale lockbox client, we want to provide you with upfront processing options prior to actual box setup. This guide explains:



## Lockbox Workflow

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Basic lockbox services for the receipt and depositing of your remittances



## Optional Services

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Value added services to help you meet your needs



## Outputs & Reporting

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Types of outputs and reports that will assist with posting your receivables

# Lockbox Workflow

Service	Standard(s)	Option(s)
Lockbox Processing	Full imaging with online reporting and/or transmission	Imaging with online reporting, transmission, and/or paper reporting (copies)
Mail Receipt	Mail is received at the USPS using a client-specific PO Box number	Express mail and/or courier-delivered mail may be received directly at the processing site
Transaction Sources	<ul style="list-style-type: none"> <li>•Checks</li> <li>•Correspondence</li> <li>•Check-Only (no remittance detail)</li> </ul>	<ul style="list-style-type: none"> <li>•Credit Card (expected and/or accepted)</li> <li>•EDI</li> <li>•Wire Transfer</li> </ul>
Document Imaging	All documents are imaged as a standard	Provide backside images of checks and supplemental documents in output(s)
Batching	Uniform batching – all batches are numbered within the specified batch range	<ul style="list-style-type: none"> <li>•Batching by Transaction Source</li> <li>•Batching by Deposit Cut</li> <li>•Batching by Deposit Group</li> </ul>
Batched Transactions	Transactions from different Sources, Deposit Cuts, and Deposit Groups may be mixed within a single batch	Transactions from different Sources, Deposit Cuts, and Deposit Groups may <b>not</b> be mixed within a single batch
Batch Numbering	Client may provide specific batch number range(s) to be used; Correspondence items are always batched as 99999 and Rejects are batched as 88888. Lockboxes with HealthLogic may only use 3-digit batch numbers.	
Batch Size	<ul style="list-style-type: none"> <li>•Wholesale batches are limited to 50 transactions</li> <li>•Scannable batches are limited to 250 transactions</li> </ul>	Client may specify batch size
Deposit Cut(s)	Client may select any of the available deposit cuts for the specific processing site	

# Lockbox Workflow

Service	Standard(s)	Option(s)
Deposit Groups	Deposit Groups are not offered as a standard unless Scannable Processing is also enabled	Deposit Groups may be specified: <ul style="list-style-type: none"> <li>•To distinguish between Transaction Sources such as Scannable versus Wholesale</li> <li>•To distinguish between other types of transactions provided they may be systemically sorted based on specific criteria such as a keyed field</li> </ul> *In addition, client may specify distinct batch number ranges for each Deposit Group
Negotiability	By default, these transactions are accepted for processing: <ul style="list-style-type: none"> <li>•Missing signature</li> <li>•Restrictive Notation (ex: Paid In Full)</li> <li>•Written and numeric amounts disagree</li> <li>•Missing Date</li> <li>•Stale Dated</li> <li>•Post Dated</li> </ul>	Client may specify rejection of any/all of these types of transactions
Payees	Client provides a specific list of Acceptable Payees	Client may specify acceptance of: <ul style="list-style-type: none"> <li>•Reasonable Variations of the listed payees</li> <li>•Accept All Payees</li> <li>•Accept Third-Party Checks</li> <li>•Accept Joint Payees</li> </ul> *Additional documentation is required

Standard and/or optional fees may apply

# Lockbox Workflow

Service	Standard(s)	Option(s)
Canadian Checks	Canadian checks in Canadian dollars are converted and deposited; Canadian checks in US Dollars are deposited	Reject either or both
Foreign Items	Accept the item for deposit – The item will be converted and deposited, or sent for Collections (depending on the currency type.)	Reject all
Data Capture	MICR check information is captured by default for the processing of the item, and will be available for output(s)	<ul style="list-style-type: none"> <li>•Client may specify supplemental data to be captured from remittance documents</li> <li>•Backside data capture is available</li> <li>*Data must be easily identifiable</li> <li>*If Deposit Groups are established, client may specify Data Capture for any/all of the groups</li> </ul>
Scannable Processing		<p>Enable Scannable Processing</p> <ul style="list-style-type: none"> <li>•By default, Supplemental Data Capture will also be enabled</li> <li>•Client to provide 50 sample coupons and definition of each field (name, length, algorithm)</li> <li>•Standard coupon specifications are available</li> <li>•<b>Please note that any changes to existing scannable coupons needs to be tested thoroughly with Lockbox Implementation. Due to the complexity of some specifications it may require six to eight weeks to modify the existing instructions and thoroughly test the readability with clients.</b></li> </ul>

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# Lockbox Optional Services

Service	Standard(s)	Option(s)
Balancing	During check keying, items are reviewed to check for keying errors; discrepancies between the check and invoice are released as unbalanced	Forced balancing is available <ul style="list-style-type: none"> <li>•Client must enable Supplemental Data Capture of the Invoice Amount field</li> <li>•If discrepancies are identified between the check amount and invoice amount, the bank will plug the amount difference as a dummy invoice to reconcile the transaction</li> </ul>
Match and Compare		A manual review of the documents is performed; any documents not appearing to belong with a particular check will be imaged as remittance backup with the last check in that transaction. Offered for Healthcare clients and may be used in conjunction with HealthLogic (EDC)
Stop File		Client may specify criteria which would either allow the bank to accept or reject specific transactions based on: <ul style="list-style-type: none"> <li>•Check MICR information</li> <li>•Stop File data (as transmitted to the bank by the client)</li> <li>•Data as captured from a Scannable coupon</li> <li>•Data as manually captured</li> </ul>
MarkSense		Provided Scannable Processing is enabled, client may elect to have the bank identify specific portions of the coupon such as: <ul style="list-style-type: none"> <li>•Printed Address</li> <li>•New Address</li> </ul>

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# Lockbox Optional Services

Service	Standard(s)	Option(s)
Customer Correction/Decisioning		<p>Client may perform online, intra-day correction of any transaction(s) that do not meet minimum defined criteria, to add/edit data or reject the transaction.</p> <ul style="list-style-type: none"> <li>•Stop File</li> <li>•Unbalanced transactions</li> <li>•Incomplete or missing data</li> <li>•Client to specify the default action to be taken if no client interaction (accept/reject)</li> <li>•Client to specify amount of review time – the amount of time the transaction may suspend, from 2 business hours up to a maximum of 18 business hours</li> <li>•Client may elect to be notified via email of pending transactions</li> </ul>
AR Matcher with Online Correction		<p>Client may elect to perform online, intra-day correction of any transaction(s) that cannot be populated from an open A/R file.</p> <ul style="list-style-type: none"> <li>•Client to transmit A/R file to the bank</li> <li>•Client to specify the default action to be taken if no client interaction (accept/reject)</li> <li>•Client to specify amount of review time – the amount of time the transaction may suspend, from 2 business hours up to a maximum of 18 business hours</li> <li>•Client may elect to be notified via email of pending transactions</li> </ul>

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# Lockbox Optional Services

Service	Standard(s)	Option(s)
Multi-DDA		<p>Client may specify a depository DDA account for certain transactions:</p> <ul style="list-style-type: none"> <li>•Supplemental Data Capture from the check or invoice</li> <li>•Data captured from a Scannable coupon</li> <li>•May be used in conjunction with Deposit Groups</li> <li>•May also be used in conjunction with a client provided table</li> <li>•A default DDA is required for transactions not matching any criteria</li> </ul>
HealthLogic (EDC)		<ul style="list-style-type: none"> <li>•Requires enabling weekend Deposit Cuts</li> <li>•The Expanded Data Capture (EDC) service converts paper explanation of benefit (EOB) remittance documents sent by health insurance companies to Lockbox, into a standard electronic EDI 835 format.</li> </ul>
Credit Card Processing	<ul style="list-style-type: none"> <li>•Requires the client to establish a relationship with Bank of America Merchant Services (BAMS)</li> <li>•Card transactions will be authorized by the bank</li> <li>•Processed Card items are not returned to the client</li> </ul>	<ul style="list-style-type: none"> <li>•Client may specify that Credit Card transactions are not acceptable for processing; the lockbox will be setup with a notation that Credit Card transactions may be “expected” and will require a traceable courier method for the return of the rejected Card item</li> <li>•Client may elect to have the processed Card items returned to them. Redacted copies of these items will be returned via a traceable courier</li> </ul>



# Lockbox Outputs and Reporting

Service	Standard(s)	Option(s)
Cash Equivalency		Based on certain MICR and check characteristics, a code will be applied for specific payment instruments. For example: Money Orders classified as “MO” or Cashier’s Checks classified as “CC” and included in reported output.
Zero Deposit Notification		Client may elect to be notified via paper return or transmission, that no items were received for processing that specific day or deposit cut.
Paper Reports	<p>All lockboxes will receive the following:</p> <ul style="list-style-type: none"> <li>•Rejects – Image Replacement Documents (IRDs) of rejected transactions</li> <li>•Credit Card Rejects – if applicable</li> </ul>	<p>Client may elect any/all of the following:</p> <ul style="list-style-type: none"> <li>•Check copies</li> <li>•Correspondence only</li> <li>•Duplicate copies (to be sent to the same or alternate address)</li> <li>•Batch, Deposit or Deposit Group Summary Report</li> <li>•Transaction Detail</li> <li>•Inclusion/Exclusion of specific Deposit Groups</li> <li>•Inclusion/Exclusion of envelopes (may also specify for which type(s) of transactions)</li> <li>•Inclusion/Exclusion of Scannable coupons</li> <li>•Inclusion/Exclusion of backside images (provided dual-sided imaging is enabled)</li> <li>•Inclusion of processed Credit Cards</li> </ul>
Mailout	<p>A traceable courier is required for mailing out packages for closed boxes with mail-forwarding, those containing card coupons and/or those containing documents with PHI information. Packages are sent via the bank’s contracted courier and charged to the client’s Analysis.</p>	<p>Client may specify their own courier with a valid billing account number</p>

# Lockbox Outputs and Reporting

Service	Standard(s)	Option(s)
PostX		Client may receive notification via email of lockbox activity. Standard reporting is provided in an email format.
CashPro Receivables	<p>Online reporting of batch, detail, and summary reports, as well as images of all documents processed and scanned for the lockbox.</p> <ul style="list-style-type: none"> <li>•Images are provided in black and white</li> <li>•Images are available for a period of 90-days</li> <li>•Outputs are generated after each deposit cut</li> </ul>	<p>Client may elect to exclude specific items, such as:</p> <ul style="list-style-type: none"> <li>•Omit specific transaction sources</li> <li>•Omit specific Deposit Groups</li> <li>•Omit envelopes (may also specify for which type(s) of transactions)</li> <li>•May request color images</li> <li>•May request extended archive for periods up to 10-years</li> <li>•Based on volume, weekend reporting may be recommended</li> </ul>
CashPro Connect Receivables		Client may elect to combine reporting of their ACH and/or Wire Transfer transactions with their lockbox reporting. Requires additional Deposit Cuts to populate the data in the lockbox, otherwise lockbox data can be sent to EDI for transmission to the client.
Image Drop	Clients will receive a digital file which includes lockbox remittance data and images; available for client download.	Clients may waive the ImageDrop output by signing an agreement, or enabling an Image Transmission, or by enabling CashPro Receivables reporting with extended archive of 1-year or greater.
Time of Receipt Reporting		Client may elect to receive a “timestamp” of the date and time that transaction was received at the bank for processing. If implemented, data is reported on CashPro; but may also be reported in Image and/or Data Transmissions

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# Lockbox Outputs and Reporting

Service	Standard(s)	Option(s)
Image Transmission	<p>An image transmission that includes a CSV of:</p> <ul style="list-style-type: none"> <li>•Check data</li> <li>•Supplemental data</li> <li>•Correspondence (no data)</li> </ul> <p>May also includes PDF images of:</p> <ul style="list-style-type: none"> <li>•Check</li> <li>•Correspondence</li> </ul> <p>Provided in black and white and one check per image/single-TIFF format. Format cannot be customized; data is reported for a single lockbox.</p> <ul style="list-style-type: none"> <li>•Outputs are generated after each deposit cut</li> </ul>	<ul style="list-style-type: none"> <li>•Can be provided in a multi-TIFF format</li> <li>•Can be provided in color JPEG</li> <li>•May include backside images of documents, provided dual-sided imaging is enabled</li> <li>•Based on volume, a weekend transmission may be required</li> <li>•Can be provided in XML format</li> </ul> <p>Client may elect to exclude specific items, such as:</p> <ul style="list-style-type: none"> <li>•Omit specific transaction sources</li> <li>•Omit specific Deposit Groups</li> <li>•Omit envelopes (may also specify for which type(s) of transactions)</li> </ul>
Data Transmission	<p>A data transmission of MICR and/or supplemental data. Standard file formats include BAI and BAI2. Typically, a single lockbox would receive one, end-of-day data transmission.</p>	<ul style="list-style-type: none"> <li>•Client may request customization of the file format, which may include EDI 820 or 823 (which is transmitted to the client by EDI)</li> <li>•Other formats supported (ex: EPIC, PeopleSoft) with client-provided specifications</li> <li>•Client may elect to receive a data transmission after each deposit cut and/or on weekends.</li> <li>•Client may combine multiple lockboxes in a single processing site, or pool lockboxes from other processing sites for reporting.</li> </ul>

Standard and/or optional fees may apply

## Workflow

- Mail Receipt and Processing
- Imaging, Batching, and Grouping
- Check Keying and Negotiability

## Optional Services

- Supplemental Data Capture and Balancing
- Scannable Processing and MarkSense
- Stop File, AR Matcher, and Customer Correction
- Match and Compare and HealthLogic
- Multi-DDA
- Credit Card Processing

## Outputs and Reporting

- Zero Deposit Notification, PostX, and Cash Equivalency
- Paper Reports
- ImageDrop
- Image and/or Data Transmission
- CashPro Receivables
- CashPro Connect Receivables

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