ACH: Prenote Payment

Creating a Prenote for a Payment

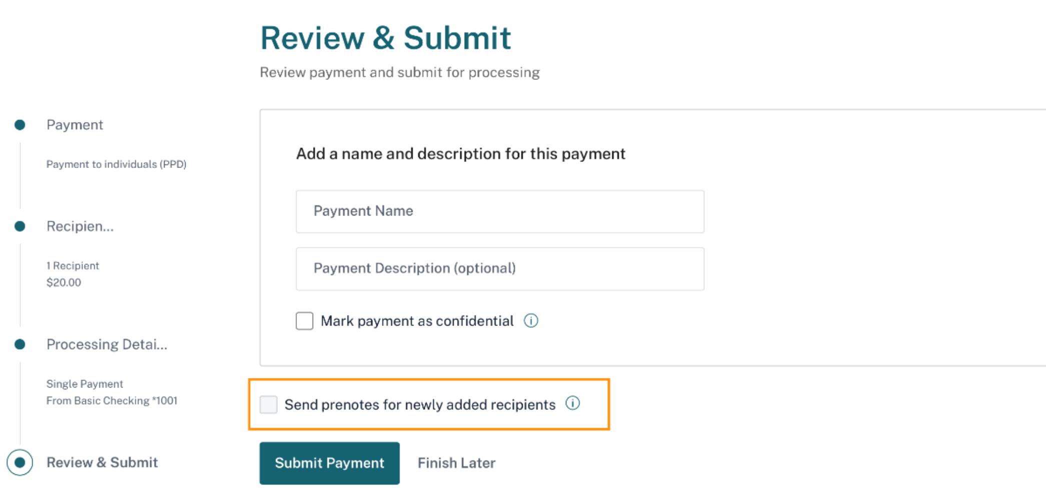
A prenote is a zero-dollar transaction that is used to verify the validity of the recipient's account number and ensure that the Financial Institution can properly apply future payments to the account. Prenote transactions contain the same information as 'live' non-zero transactions except that a specific code is sent, and the amount field is automatically filled with zeros. A prenote entry is created for each recipient that has not been previously prenoted or received a live entry from a past recurring payment instruction and will be processed in the next available ACH cut-off. Creating a prenote does not affect the original payment, which will continue processing as normal. The prenote process is optional for all types of payments. Institutions may ignore prenotes and wait until the first actual transaction is received before sending a Notification of Change (NOC) to correct any errors.

The user can create a prenote when creating a new payment or when editing a payment before it has been approved. Because approved payments cannot be edited, the user would first need to unapprove a payment if they need to make changes to it, such as creating a prenote.

NOTE: Prenotes cannot be created for any recipients 'on hold.'

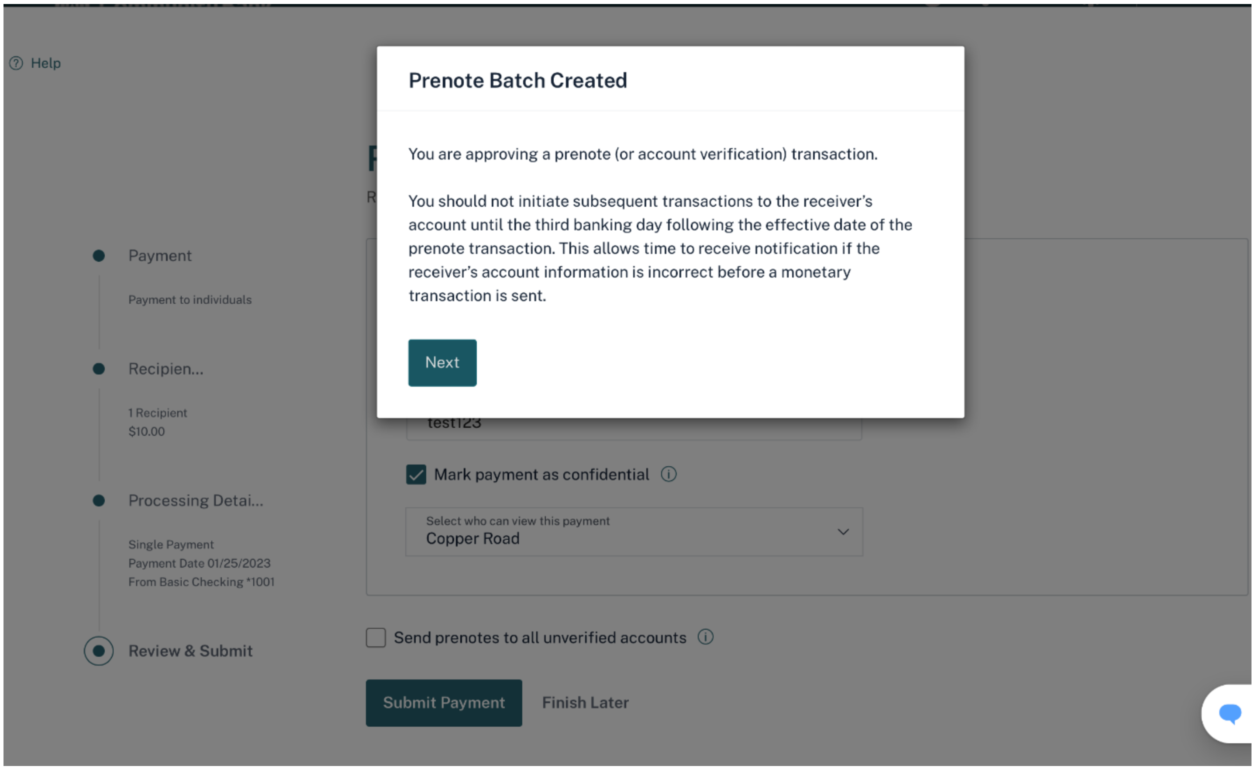
To create a Prenote, do the following:

1. On the **Review & Submit** page of the Create Payment workflow, select the checkbox **Send prenotes for newly added recipients**. Refer below:



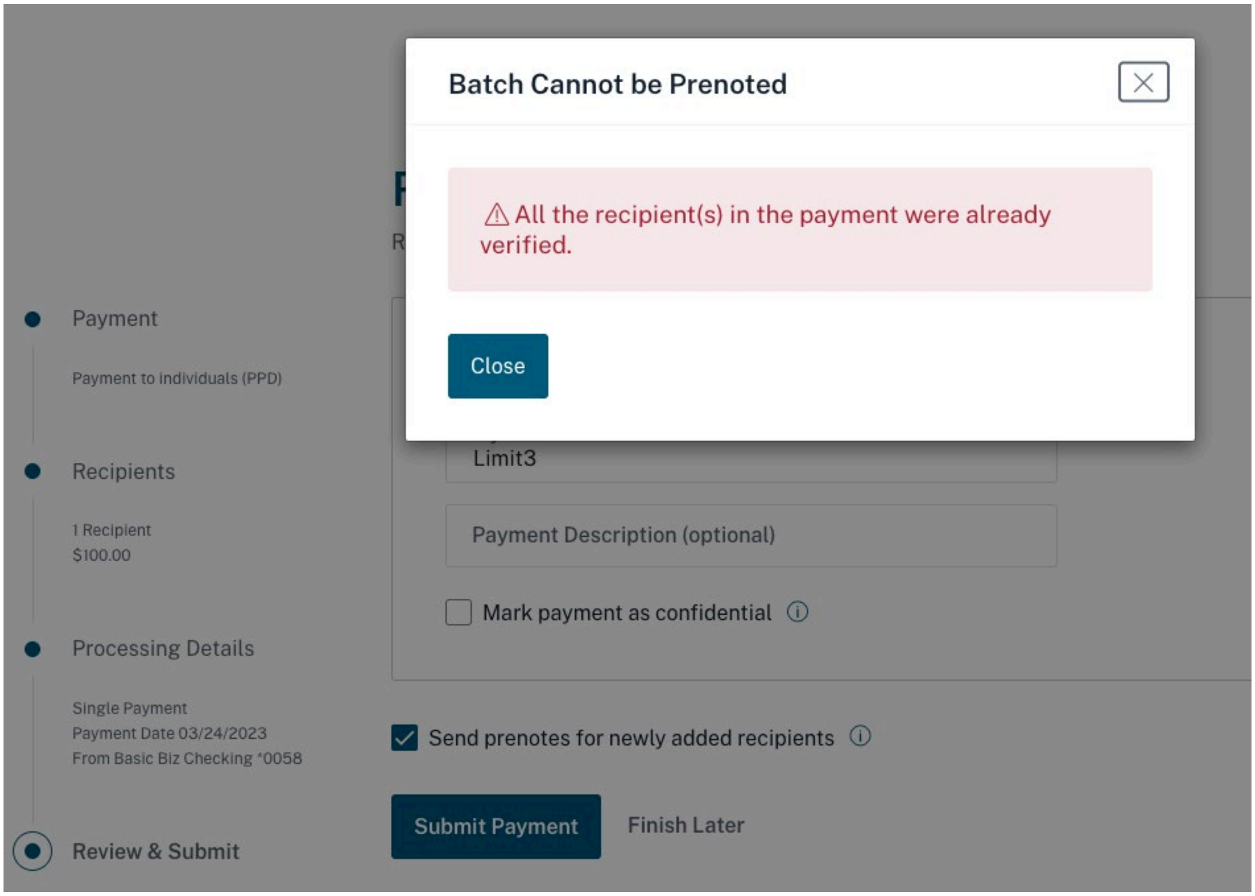
1. Click **Submit Payment.**

2. A pop-up window displays indicating **Prenote Batch Created**. The system automatically creates a prenoted payment. Click **Next** and the ACH Payments list is displayed.



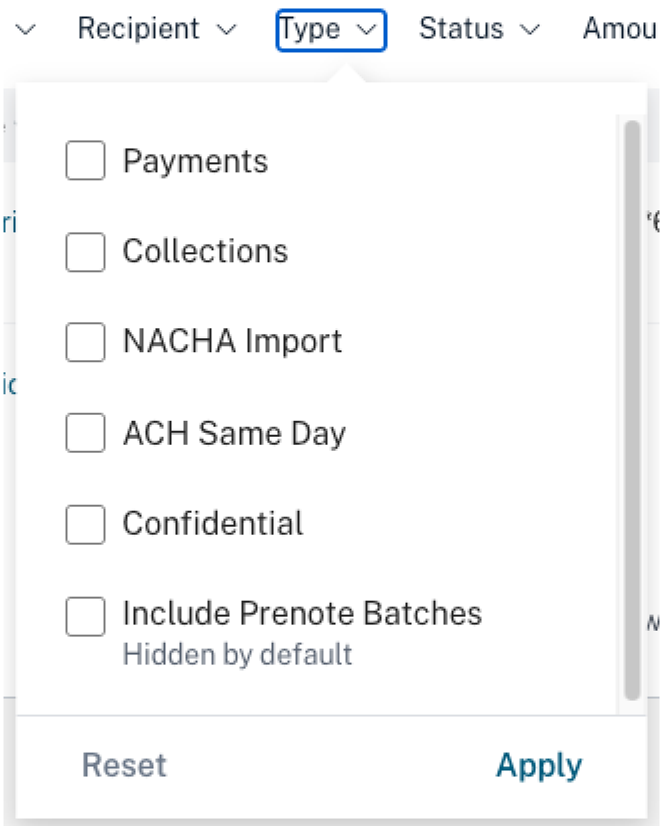
1. If all recipients in the batch are already prenoted or have already received a live entry from this payment, a pop-up window is displayed, indicating **Batch Cannot be Prenoted**. Click **Close** to be returned to the Review & Submit page, where the user can click **Submit Payment** or **Finish**

Later.



2. From the ACH Payments list, the user can locate the prenote payment by:

- Filtering the list by payment **Type** and selecting the **Include Prenote Batches** checkbox. This adds prenote payments to what is already being displayed in the list. By default, the ACH Payments list shows the original payment but not the prenote payment. The user can apply other filters to further refine the list. Refer below:



- To quickly distinguish the prenote payment from the original payment, look at the tracking number field. The user can see a tracking number and ‘Prenote of’ and the tracking number of the original payment. This is the prenote payment.
- On the Payment Detail page, which the user can access by clicking on the **Payment Name** or expanding the transaction row and clicking **See All Details**, users can click on the **View Activity** link to see the prenote activity. The Activity History shows the date and time of the prenote and the tracking number and link to the original payment. The user can also find a **View Activity** link on the Payment Details page of the original payment. The Activity History shows the date and time of the prenote as well as tracking number and link to the prenote payment.
- On the Payment Detail page and in the expanded payment row on the ACH Payments list, the user can see a ‘**Prenoted/Verified**’ column which displays **Yes** if a prenote entry was created or the account has been verified by receipt of a transaction from this payment; otherwise, it will be blank.

ACH Payments

Show cut-off times

ACH Payment

Search name or tracking #

Filter | Payment Date | Account | Recipient | Type | Status | Amount

Only show items needing action

	Pmt Date	Name	Tracking #	From	To	Type	Status	Amount
	4/5/2023	Limit3	15503166	Basic Biz Checking *0058	222	Payment Individual	Needs 1 Approval Approve by 04/03/2023 at 05:45 pm EST	$10.00 CR

Description	Name	Account	Prenoted/Verified	Hold	Amount
		Checking *2222	Yes		$10.00 CR

1 - 1 of 1

See All Details

This transaction requires 1 more approval. Approve by 04/03/2023 at 05:45 pm EST

Limit3

Notify Approver(s) | Approve | More Actions

Status	Needs Approval View Activity
Type	**Payment Individual (PPD)**
Funding Account	**Basic Biz Checking *0058**
Payment Date	**04/05/2023**
Amount	**$10.00 CR**
Payment Frequency	**Single**
Memo	
Company & ID	**Buffalo Mountai | 123456789**
Tracking #	**15503166**

1 Recipient

Trace #	Name	Contact ID	Account Type	Account #	Routing #	Prenoted/Verified	Hold	Amount
8889746	222	2222	Checking	2222	041215032	Yes		$10.00 CR

Showing 1 recipients