

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:

Review & Submit
Review payment and submit for processing

● Payment
Payment to individuals (PPD)

● Recipient...
1 Recipient
\$20.00

● Processing Detai...
Single Payment
From Basic Checking *1001

● **Review & Submit**

Add a name and description for this payment

Payment Name

Payment Description (optional)

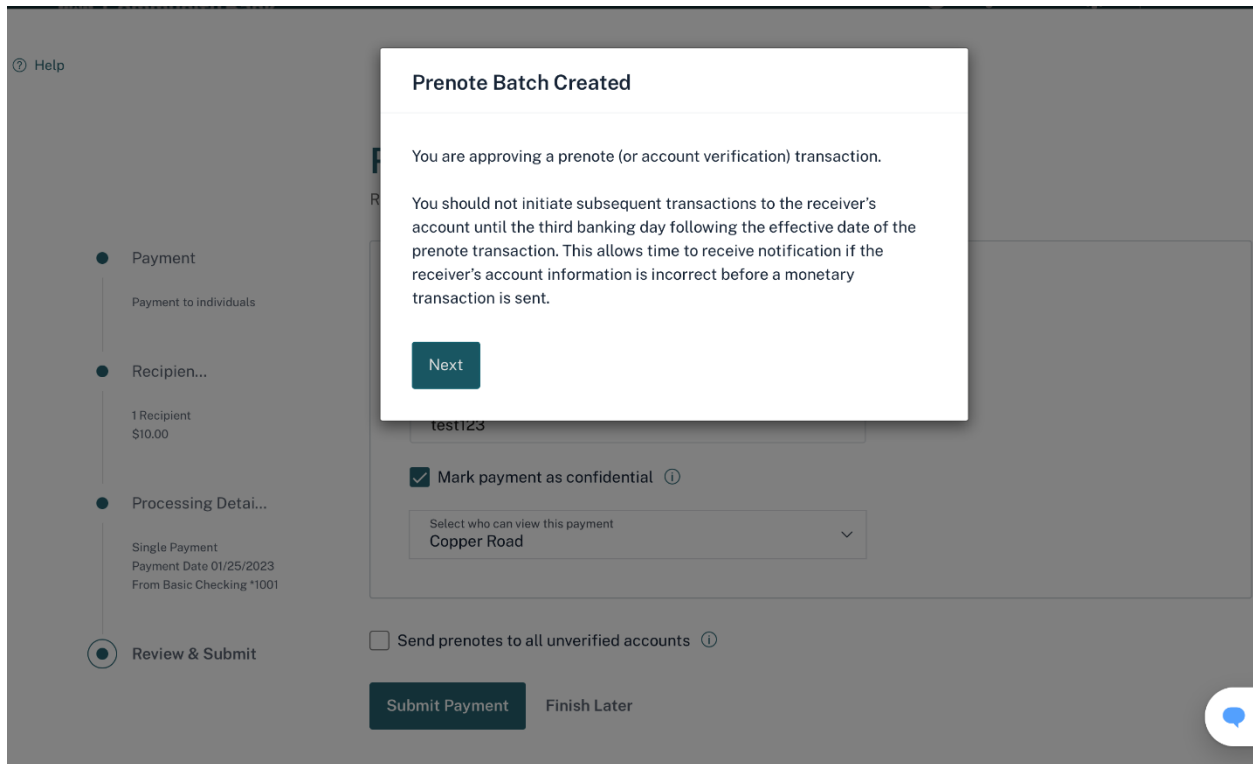
Mark payment as confidential ⓘ

Send prenotes for newly added recipients ⓘ

Submit Payment Finish Later

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.

The screenshot shows a payment processing interface with a modal dialog box. The modal is titled "Batch Cannot be Prenoted" and contains a red warning message: "⚠ All the recipient(s) in the payment were already verified." Below the message is a "Close" button. The background interface is dimmed and shows a progress bar with four steps: "Payment", "Recipients", "Processing Details", and "Review & Submit". The "Review & Submit" step is currently active. Below the progress bar, there are fields for "Limit3", "Payment Description (optional)", and a checkbox for "Mark payment as confidential". At the bottom, there is a checked checkbox for "Send prenotes for newly added recipients" and two buttons: "Submit Payment" and "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:

Recipient ▾ **Type** ▾ Status ▾ Amou

Payments

Collections

NACHA Import

ACH Same Day

Confidential

Include Prenote Batches
Hidden by default

Reset
Apply

- 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

Filter | Payment Date | Account | Recipient | Type | Status | Amount | Only show items needing action

<input type="checkbox"/>	Pmt Date	Name	Tracking #	From	To	Type	Status	Amount
<input checked="" type="checkbox"/>	4/5/2023	Limit3	15503166	Basic Biz Checking *0058	222	Payment Individual	⚠ Needs 1 Approval <small>Approve by 04/03/2023 at 05:45 pm EST</small>	\$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