Business Accounts and Cash Management Solutions

DOING BUSINESS

Automated Cheques Reconciliation

User Guide

NATIONAL BANK

DOING BUSINESS
Business Accounts and Cash Management Solutions
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How it Works

Introduction

To meet your business needs, the Bank offers a cheques reconciliation service allowing you to streamline your cheques management process and prevent fraud.

Automated Cheques Reconciliation is a comprehensive service. When you issue your cheques, you need to send the Bank an electronic file containing details of the cheques issued.

National Bank uses the information provided on your issued cheques and automatically reconciles your cleared cheques. This method makes it easier to identify any discrepancies, ensuring easy and quick identification of fraudulent activity. You can also use the reports generated to update your accounting system.

Bank account

To set up this service, we will open a new bank account for issuing the cheques to be reconciled automatically. This reconciliation account is linked to your general bank account. The amount for cheques cashed is debited from your general account daily, once cheques have cleared. The balance of your reconciliation account will therefore always be at zero.

Cheque printing

Since cheques reconciliation is based on reading electronic data on cheques, you must ensure that your printed cheques comply with Payments Canada (PC) standards. For an example, see Appendix 1 - *Printing cheques*. In particular, the magnetic ink character recognition (MICR) band on cheques must only contain the following fields: cheques (serial) number, transit number (05931), bank code (006) and the 7-digit reconciliation account number assigned to you. Please note that the amount field must not be encoded.

You must also ensure acceptable continuity in the numbering of your cheques. Cheques numbers must be included in the MICR band and used only once in a two-year period.

To ensure your cheques comply with CPA standards, we recommend forwarding 10 sample cheques from each new print run to our Onboarding Cash Management department. See *Appendix 16 - Customer service -* for contact details. We will test your cheques against the CPA standard and notify you of the results within 15 business days. You will then be able to proceed with printing your cheques and avoid costs incurred by reprinting cheques that might not be compliant.

Issued cheques

To use the Automated Cheques Reconciliation service, you must provide us with details of issued cheques. You send this information in an electronic file (ASCII format) via National Bank's Corporate File Transfer (CFT) platform. See *Appendix 3 - Issued cheques file* for information on creating the ASCII file and *Appendix 2 - Downloading files* for the technical specifications for file transfers.

To reconcile your cheques and reduce the risk of fraud, the Bank must receive the details of your issued cheques no later than 5:00 p.m. (ET) the business day before your cheques are sent to payees. If you need to issue other cheques after submitting your file, you can send another file to the Bank or select the "Issued cheques" option on Internet Banking Solutions for Businesses (IBS-B). See section *Cheques reconciliation option on IBS-B*.

Reconciled cheques

Once cheques have been cashed by your payees, the Bank reconciles these cheques daily using the database of cheques issued. Daily reconciliation involves comparing cheques presented for payment with your issued cheques report and ensuring the cheques number and the amount match. If the information does not match up, the cheques will be rejected by our reconciliation system. the cheques will be rejected by our reconciliation system. The Date field will be checked to catch postdated and stale-dated cheques. You will be notified, and the Bank will take any necessary action. You will receive two information reports by CFT in PDF format or by fax as shown in *Appendix 9 – Dailyreport cheques rejected* and *Appendix 14 – Cashed in postdated report*. For more details See section *Operations report.*

Reconciliation reports are sent electronically, or via IBS-B if there are fewer than 300 cheques, which makes it possible for you to update your accounts payable information. For more information on these reports and files, see section *Files and reports*.

For customers who have subscribed to the Beneficiary Validation option (see next section), the name of the beneficiary on the cheque will also be compared to the name on your issue file. When cashing a fraudulent cheque, for example, if the name of the beneficiary differs from that of your issue file, the cheque will be rejected and you will be contacted by a BNC expert to inform you.

Beneficiary Validation option

Our automated cheque reconciliation product now allows for beneficiary validation. To benefit from it, it is essential to rigorously apply certain rules regarding the issuance of your cheques. In the event of a discrepancy between the beneficiary registered in your issue file and the one written on the cheque, the cheque will be returned unpaid.

2 essential rules

- ✓ You must send your issue file to the BNC before sending the cheques to your customers.
- ✓ The name of the beneficiary registered in your issue file must be perfectly identical to the name of the beneficiary written on the cheque.

Specifically, what is written on the line "Pay to the order of"...

... must be the same as what is written in your broadcast file.

- ✓ If you need to add information (in the following example, currency), do not use multiple pasted spaces, either on the cheque or in the issue file.
  - John Smith (USD) and John Smith (USD)
  - John Smith (USD) and John Smith (USD)

- ✓ Always enter the name of the beneficiary in the same order, whether on the cheque or in the issue file.
  - John Smith and Smith John
  - John Smith and John Smith or Smith John and Smith John

- ✓ If the beneficiary is separated by a space on the cheque, it must also be separated in the issue file.
  - John Smith or JohnSmith
  - John Smith or John Smith ou JohnSmith et JohnSmith

- ✓ Do not use accents or special characters (!, &, #, %, etc.)

- ✓ If the cheque has more than one line dedicated for the beneficiary “Pay to the order of”, the name of the beneficiary must not exceed the two first lines.

Paid cheques not transmitted

If cheques for which the Bank has not yet received information are cashed (paid cheques not transmitted), the Bank will send you a complete list of these cheques by 8:00 a.m. (ET) two days after they have been processed.

We must receive confirmation of any cheques you refuse to honor within the timeframe specified in section *Report of paid cheques not transmitted*. Otherwise, the Bank will deem that they have been accepted and you will not be able to make any claims in relation to the cheques or dispute them, except in the case of fraudulent endorsement. Furthermore, the cheques you agree to pay must be included in your subsequent issued cheques file. You must always provide us with information on cheques issued.

Please note that this is the only possible process regarding the management of paid cheques no transmitted. It is not possible, for example, for some customers to refuse all paid cheques not transmitted.

Stale-dated cheques

All cheques not cashed within six (6) months will be automatically cancelled and marked "stale-dated" in the Bank's reconciliation system on the first business day of the following month. If a payee attempts to cash such a cheque, the Bank will return it marked "stale-dated". We will send a stale-dated cheque report electronically or by fax so that you can update your database

Retention period

The Bank stores your cheques images for 7 years. Images of the front and back of cheques can be accessed on Internet Banking Solutions - Businesses (IBS-B).

Cheque operations

As part of this service, we give you access to a cheques reconciliation tool that allows you to manage your reconciliation account online via IBS-B. The "Cheques Reconciliation" option lets you view your account information, a complete list of your cheques and their status, as well as the total of all outstanding cheques. It also lets you perform routine operations, such as issuing, cancelling or stopping cheques, searching for specific cheques and requesting copies. You can also access your account history for the last 12 months.

The IBS-B "Cheques Reconciliation" option is offered free of charge with our Automated Cheques Reconciliation service. However, depending on your needs, you may want to take advantage of some of the other options available on IBS-B. For more information and to sign up, please contact your Bank representative or contact Customer Service at 1-844-394-4494 or 514-394-4494.

You can access the "Cheques Reconciliation" option Monday through Friday from 6:00 a.m. to 9:00 p.m. (ET) for same day operations. Operations carried out on cheques during a holiday or on the weekend will be processed the next business day. The service is available 24/7 for consultation. The information displayed will always be from the previous business day.

See section *Cheques reconciliation option on IBS-B* for more information on the various operations.

Viewing cheques

You can view all the cheques in your reconciliation account and perform searches using different criteria: cheques number, amount, date or additional data.

To make your reconciliation easier, you can see the total amount for all outstanding cheques (day's opening amount).

Cancelling issued cheques

You can cancel cheques for which you have already sent information to the Bank, but which will not be sent or given to a payee. You can cancel cheques using your issued cheques file. The cheques become valid again if the cancellation order is removed. You will receive a confirmation report by CFT in PDF format or by fax as shown in *Appendix 11 – List of canceled cheques by file*

Stopping payment on cheques

You can place a stop payment order on cheques for which you have already sent information to the Bank and which have been given to a payee (outstanding cheques). The stop payment order authorizes the Bank to return the cheques when it is presented for payment. The cheques can be cashed once the stop payment is removed. You will receive a confirmation report by CFT in PDF format or by fax as shown in *Appendix 8 – Confirmation of stop payments and cancellations*.

Requesting photocopies of cheques

You can request photocopies of cheques, which will be forwarded to your business address or the address specified when you set up the service. Please allow three (3) business days for photocopies of cheques cleared within the previous 90 days, or seven (7) business days for cheques cleared more than 90 days prior to your request.

Issued cheques

You can send information on cheques issued, even if they are issued after your issued cheques file has been sent to the Bank. Issued cheques sent in before 8:00 p.m. (ET) using the "Issued cheques" option on IBS-B will be processed the same day. Those sent in on a weekend, a holiday or after 8:00 p.m. (ET) on a business day will be processed the following business day.

Files and reports

Various reports and files are available to help you manage your reconciliation account and update your accounting system. Reports will be sent either in PDF format or in ASCII file format via the Corporate File Transfer (CFT) platform or by fax, depending on your choice.

Reconciliation files/reports

We offer three types of reports to allow you to update your data automatically. You can choose the report that best suits your needs.

- Paid: Lists all cheques cashed (paid) since the previous report.
- Outstanding: Lists all outstanding, stopped or cancelled cheques.
- Consolidated: Lists all cashed (paid), outstanding, stopped or cancelled

cheques. This report can be sent via electronic file transfer or IBS-B (for eligible clients).

If you choose to receive the reports via electronic file transfer, you will need to select whether you want to receive the file monthly, weekly or daily. Please note that the "Outstanding" report is only available weekly or monthly. Files are available on the first business day following the end of the selected period. The electronic file will be in ASCII format, as shown in Appendix 4 - *Reconciliation file for the Automated Cheques Reconciliation service*. You can import it directly from the Bank's CFT platform as of 7:30 a.m. (ET).

If you opt for online reports through IBS-B, you will be able to print and export them. See section *Cheques reconciliation option on IBS-B*. Please note, if your company issues a large number of cheques, you will have to opt for electronic file transfer.

Management reports

1. **Summary report of issued cheques**

   Each time you transmit an issued cheques file, you will receive a control report entitled "Summary of issued and cancelled cheques received". See Appendix 6 - *Summary of issued and cancelled cheques received*. This report will be sent to you By CFT or Fax the day after your transmission and will include the list of issued cheques sent through IBS-B. This will enable you to closely monitor transmissions and confirm the number of cheques issued and cancelled.

2. **Report of paid cheques not transmitted**

   The following procedure applies to cheques paid before the Bank receives any issuing information from you (paid cheques not transmitted):

   - The Bank will send you by CFT or fax a complete list of such cheques by 8:00 a.m. (ET) two days after they are processed, .*see Appendix 7 Report of paid cheques not transmitted*
   - You must indicate on this list all cheques you refuse to honor and return it by fax to the Bank no later than 2:00 p.m. (ET) the same day. After this time, the Bank will deem all cheques to have been accepted and you will not be able to make any claims in relation to them or to dispute them, except in the case of fraudulent endorsement.

   Once again, please note that this is the only possible process regarding the management of unsused paid cheques. It is not possible, for example, for some customers to refuse all unsused paid cheques (Negative Pay).

3. Operations report

Various reports will be sent to you by CFT or fax as situations arise in the day-to-day transactions on your reconciliation account, such as confirmation of cancellations and stop payments made through IBS-B (see Appendix 8- *Confirmation of stop payments and cancellations*), and rejected cheques (Appendix 9- *Daily report of rejected cheques*).

4. List of canceled cheques by file

The canceled cheque report, shown in *Appendix 11 – List of canceled cheques by file*, is available by electronic file transfer or image on the TFC or by fax. This report contains information on canceled cheques. It is available daily, but only if cheques are canceled. You can update your database and take an action for them.

5. Stale-dated cheques report

The Stale dated cheques report contains information on expired cheques in the previous month. It is available the first working day of the following month. You can update your database and take the necessary steps for them.
This report is available in ASCII format as shown in *Appendix 5 - Stale Dated Cheques File*, PDF or Fax. If you choose the ASCII or PDF format, you can import it directly from the Bank's Corporate File Transfer (CFT) platform starting at 7:30 am Eastern time. Statementof account

6. Statement of account

Your summary of your transactions is available electronically through IBS-E at your request.

Setting up the service

A National Bank representative will provide you with all the information needed to set up the chosen service and will help you fill in:

- An enrolment form with all the relevant information;
- An agreement stating the terms and conditions of the service.

The representative will then issue you an account number for printing and issuing your cheques.

An implementation clerk will then set up your cheque's reconciliation service. He will verify the information and all documents received and then contact you to start the set-up process. Next, he will carry out the necessary tests and set up the file transfers and various reports based on your preferences (i.e. the frequency of reports and delivery by electronic file or fax).

The implementation clerk will also arrange for your cheques to be tested to ensure they comply with CPA standards. You will need to provide 10 sample cheques filled out manually or printed by your accounting software (including date, amount, payee, signatory, etc.). The word "VOID" must be written across the signature space on the front of each sample cheques. We will carry out the necessary checks and notify you of the results within 15 business days. You can then go ahead and print your cheques.

Issued cheques file:

If you have chosen the Automated Cheques Reconciliation service, you must create the issued cheques file as shown in Appendix 3 - *Issued cheques file*. Once this file has been created, the implementation clerk will arrange a telephone appointment with one of our technicians to install the necessary tools for transmitting files over the Internet (via Corporate File Transfer platform) and carry out tests to ensure that the file format conforms to specifications and can be transmitted correctly. You must create a test file for this exercise. You will be notified of the test results within two (2) business days.

Reconciliationfile:

If you have chosen to receive your reconciliation report by electronic file transfer, you will need to develop a program to read the selected reconciliation file. For more information, see Appendix 4 - *Reconciliation file for the Automated Cheques Reconciliation service*.

On request, we will provide you with a test file for this exercise, and you can confirm to us whether the tests were successful.

The set-up process will take at least thirty (30) business days from the start of the cheques testing exercise. Once all the tests have been completed (cheques printing and files), the implementation clerk will confirm that the Automated Cheques Reconciliation service and your cheques reconciliation account are ready to use.

Once the service is up and running you can rely on our Customer Service staff to answer any questions about transactions, reports or files. Contact details for our Customer Service department can be found in *Appendix 16 - Customer Service*.

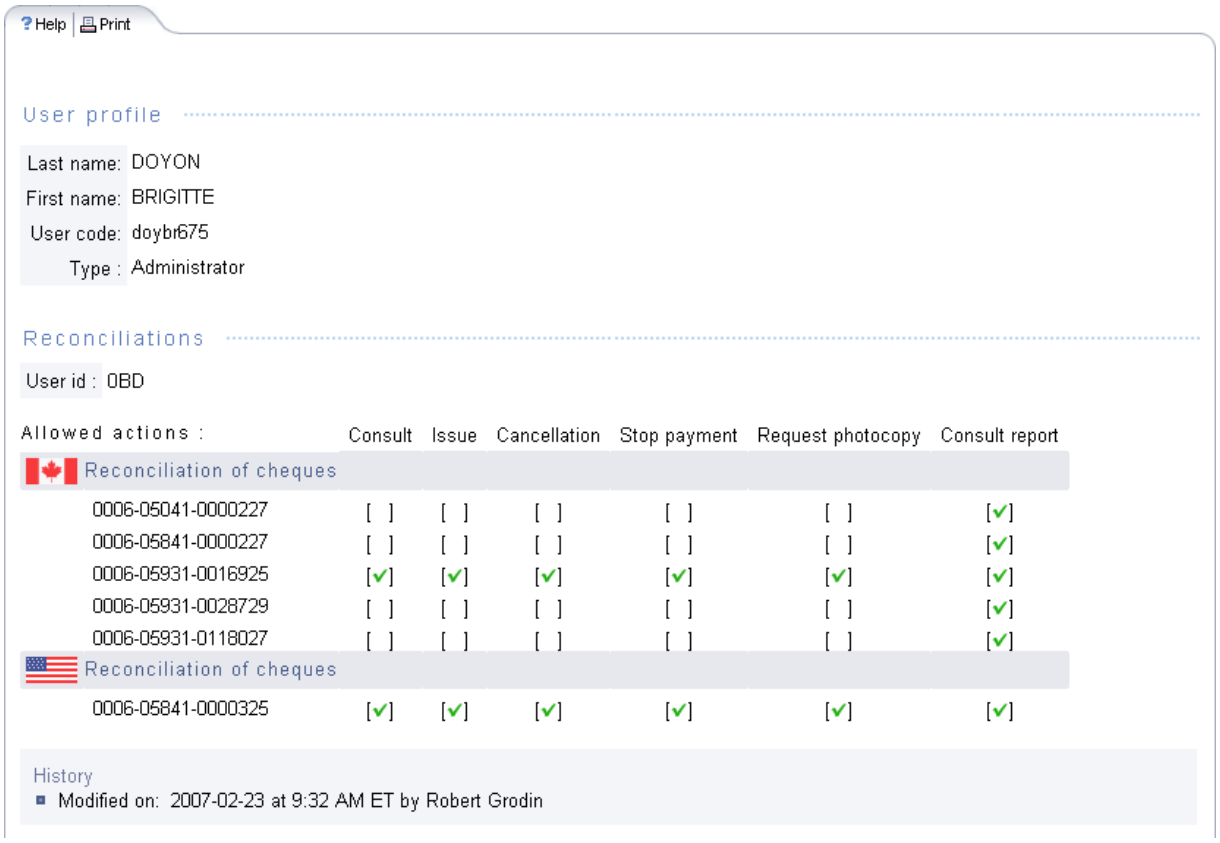
Reconciliation of cheques option on IBS-B

Introduction

The "Reconciliation of cheques" option, offered free of charge on Internet Banking Solutions for Businesses (IBS-B), allows you to view your cheques lists, perform searches and carry out operations on your cheques, such as issue or cancel a cheque, make a stop payment, or request a photocopy of a cheques. You will also be able to view certain reports and access your account history for the last 12 months.

You can access the "Reconciliation of cheques" option Monday through Friday from 6:00 a.m. to 9:00 p.m. (ET) for same day operations. Operations carried out on cheques during a holiday or on the weekend will be processed the next business day. The service is available 24/7 for consultation. The information displayed will always be from the previous business day.

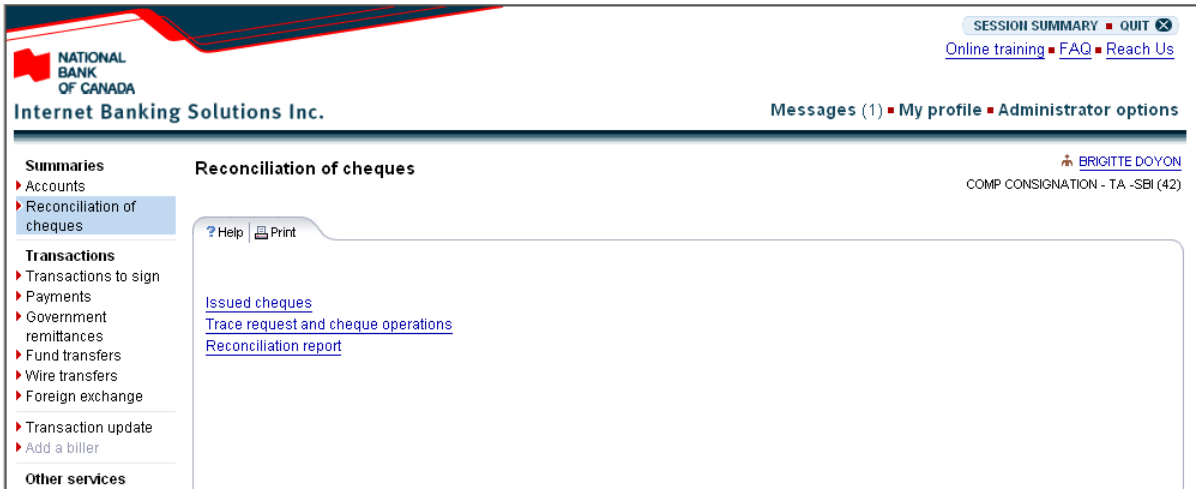
To access the "Reconciliation of cheques" option, you must subscribe to it on IBS-B. Once enrolment is complete, you will need to designate an administrator for the platform and grant the access rights specified on the designation form. The administrator will then be able to create user profiles based on user needs and respective tasks and assign user access rights for the appropriate accounts.



The reports are offered on IBS-B for clients who meet the eligibility criteria only.

Once a session has been opened on IBS-B, you must click on "Reconciliation of cheques" on the left-hand menu. The following screen will appear offering you three options:

- Issued cheques
- Search and cheques operations
- Reconciliationreports



Issued cheques

This option allows you to send the Bank information about the issuance of a cheques. It can also be used to add cheques that may have been left out of your issued cheques file, if you issue one.

Search and cheques operations

This option allows you to perform searches and carry out operations on your cheques.

Reconciliationreports

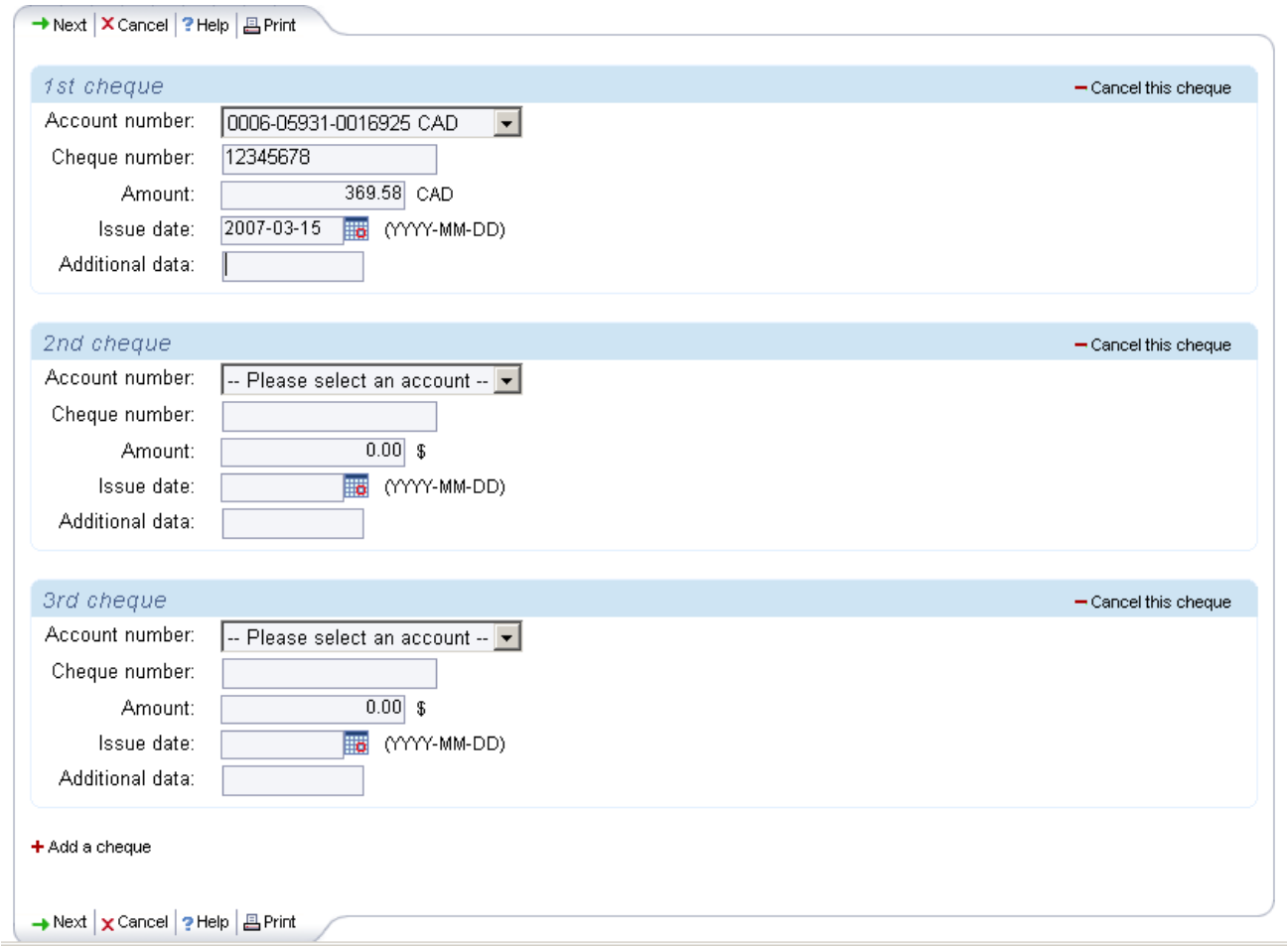
This option allows you to view and export the following reports:

- Daily reconciliation report of paid cheques
- Current reconciliation
- History of cheques reconciliation

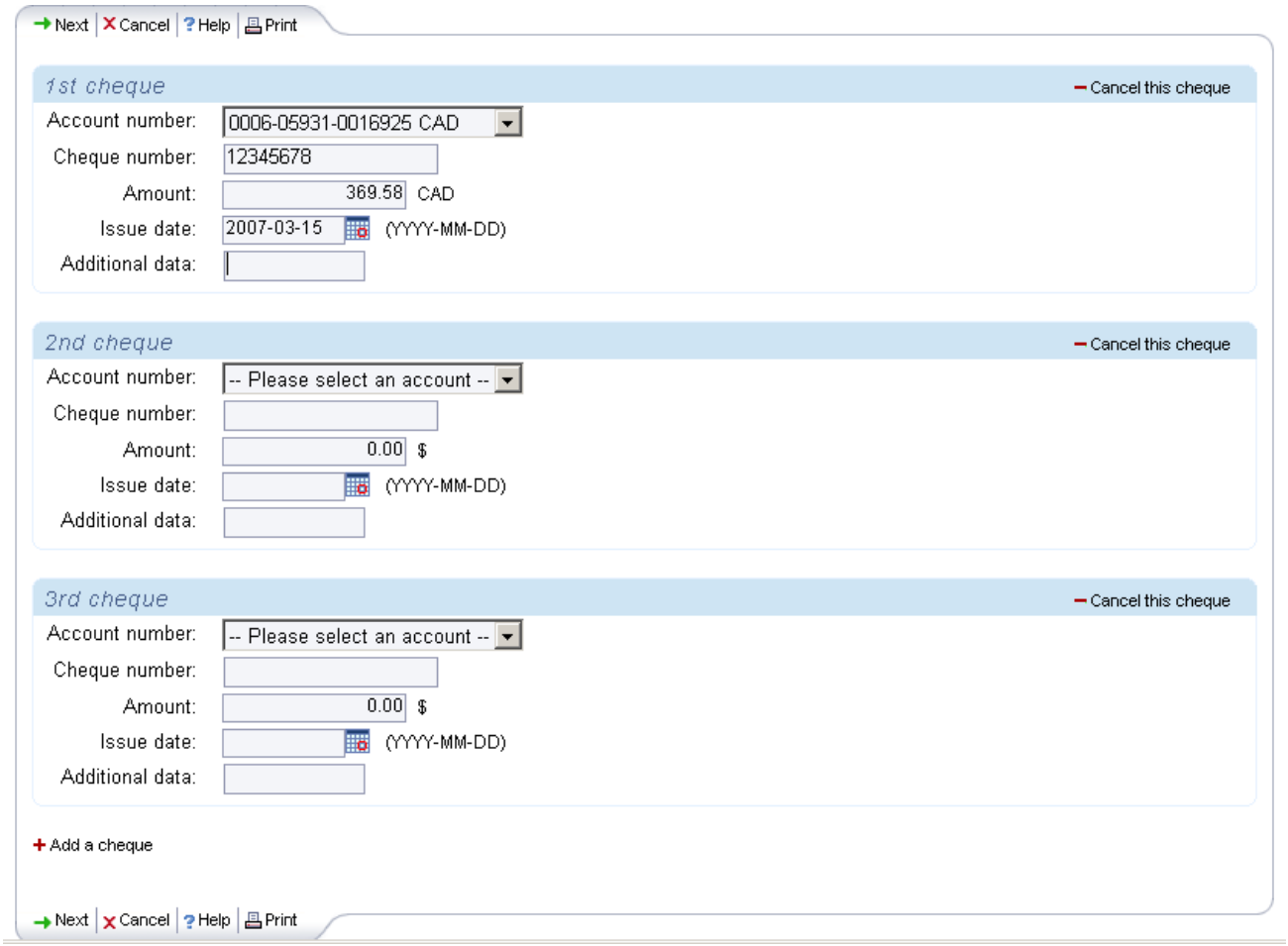
The data can be exported as a text file or spreadsheet.

Issued cheques

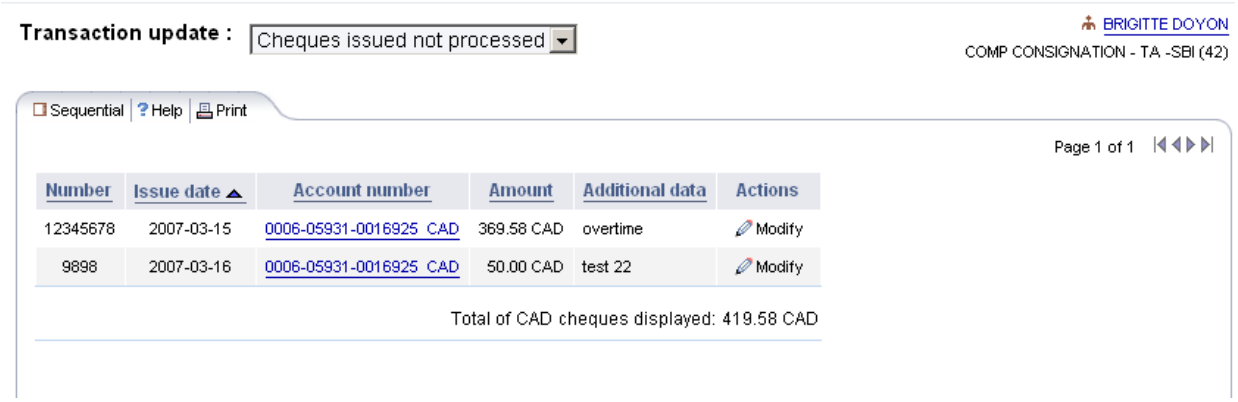
- This screen allows you to submit the information on issued cheques. The screen shows 3 cheques by default. To add more cheques, click on the "Add a cheques" button at the bottom of the page. You can enter up to 7 cheques at a time.
- All fields are mandatory, except for the Additional data field. This 9-character field is optional. It can be used to enter any information you want, such as an invoice number or client number.
- Please note that the cheques number must be unique.
- The "Cancel this cheques" action allows you to delete information for a particular cheque that you have already entered.



- Once all the fields have been completed, click "Next" to view a list of all the cheques entered. Click on "Confirm" to send the information.

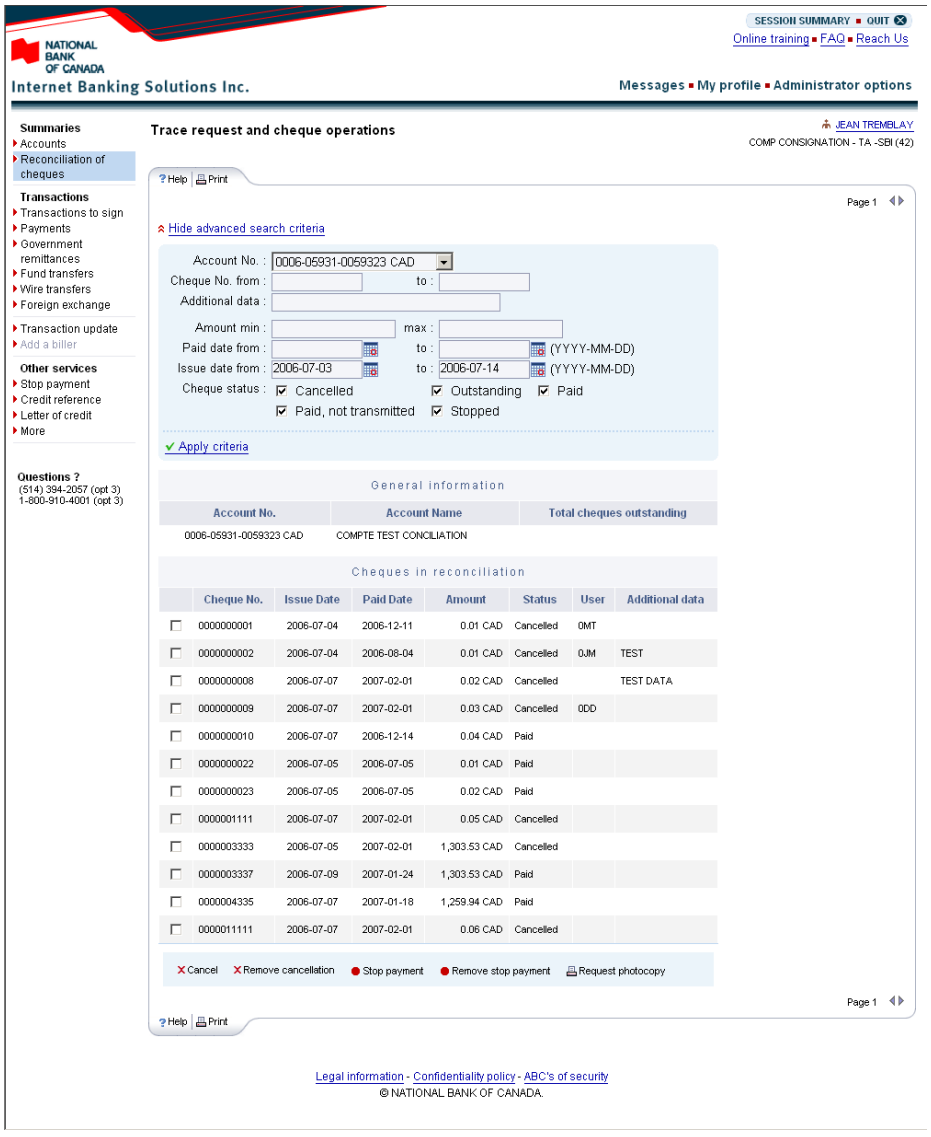


- Same day issuance is only allowed until 8:00 p.m. (ET) on business days. All issued cheques information submitted on the weekend, a holiday or after 8:00 p.m. (ET) on a business day will be processed the following business day. A confirmation report of these issued cheques will be sent to you by fax the business day following the issuance request.
- You can use the "Transaction update" option on the left menu to modify issued cheques that have not yet been processed, but which have been submitted through IBS-B before 8:00 p.m. (ET) the same day.



Search and cheques operations

- You can use this screen to search for cheques. A history of the last 12 months is available.
- You can perform an advanced search using cheques amount, payment date, issue date or status.
- Cheques will be displayed one page at a time. Each page will display a maximum of 20 cheques.
- The reconciliation account number and name, and the total number of cheques outstanding are displayed in the "General Information" section.
- The operations allowed on the cheques will be displayed at the bottom of the screen. Each action can be applied on one or more cheques at once, but two actions cannot be applied simultaneously.

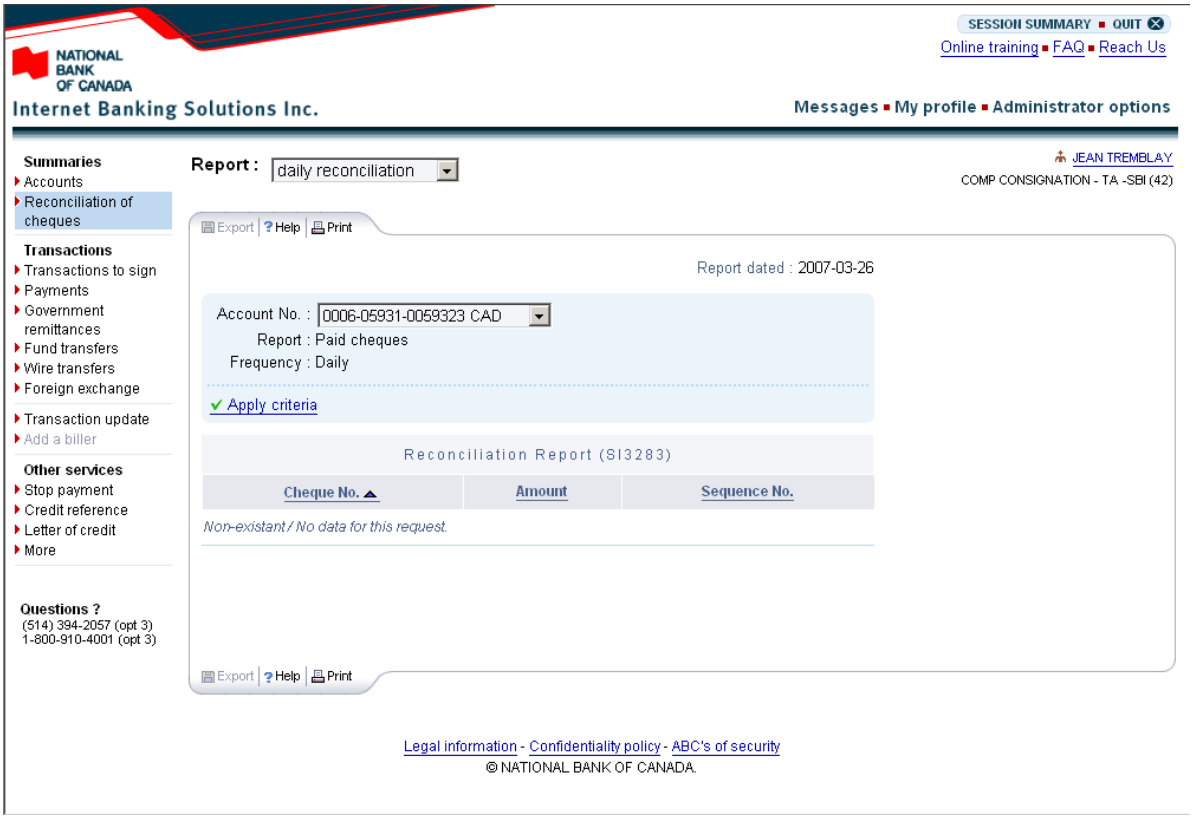


Reconciliation reports

Several types of reconciliation report are available.

Daily reconciliation report of paid cheques

- This report lists all paid cheques cleared the previous business day with a status of "Paid" or "Paid cheques not transmitted".
- The "Export" button is active only if the report contains one or more cheques.
- You will be able to sort the cheques in the report in ascending or descending order by "Cheques No.", "Amount" or "Sequence No.".

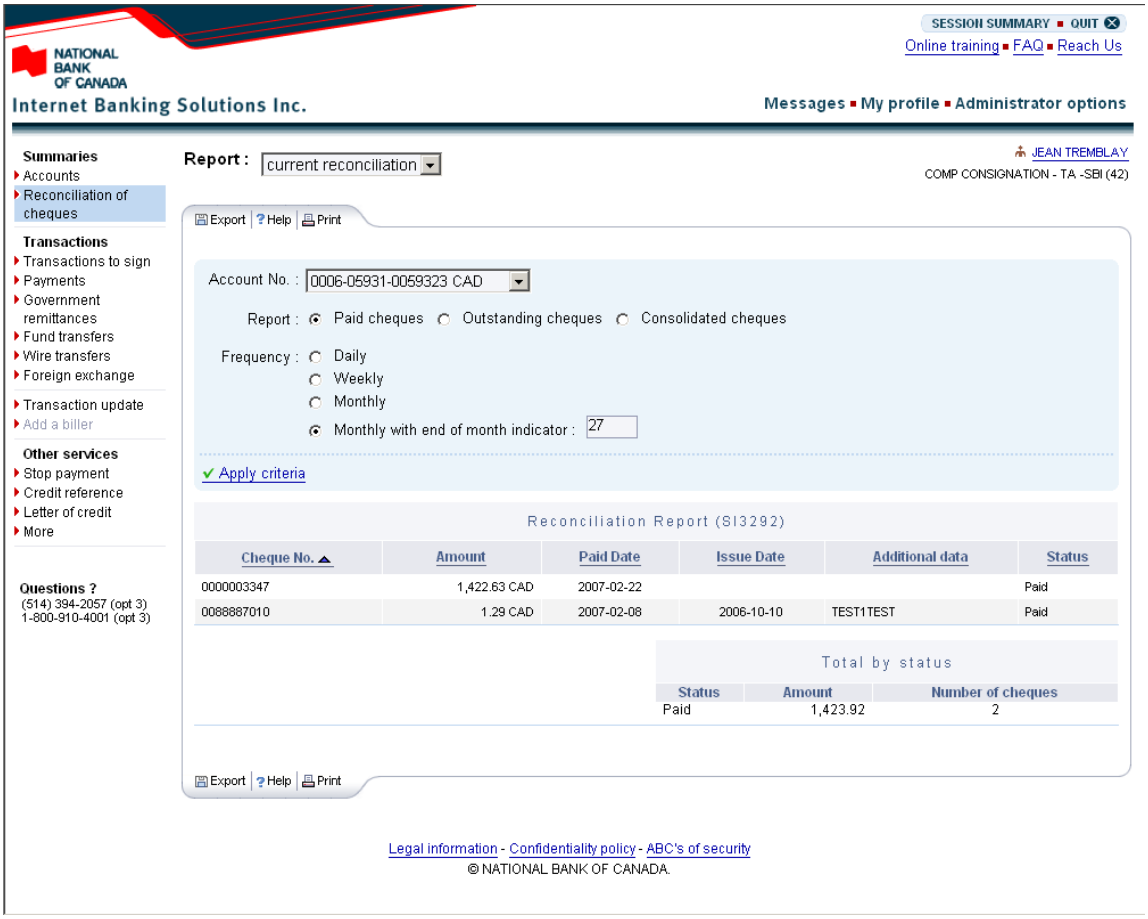


Current reconciliation report

- With this option, a reconciliation report is produced, displaying paid cheques, outstanding cheques or a consolidated report for both.
- Select the reconciliation account for which you want to generate the report. Your report preferences will be saved and displayed by default the next time you use this option.

Frequency choices:

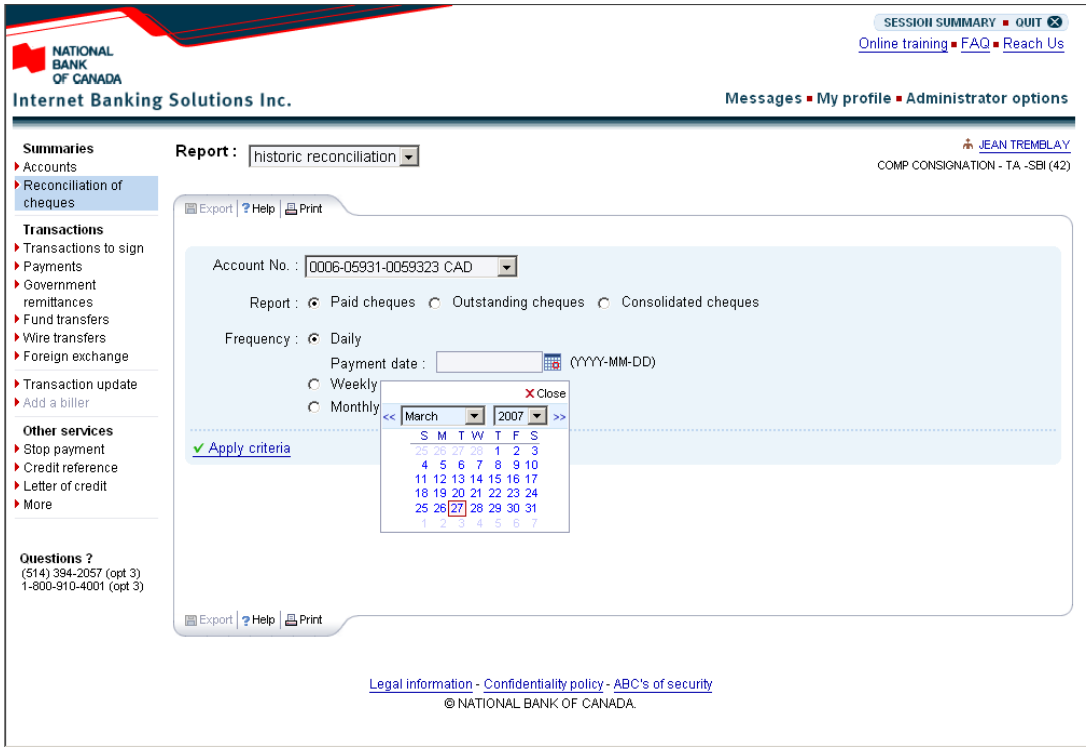
- Daily: cheques from the last business day
- Weekly: cheques from the last full week
- Monthly: cheques from the last full month
- Monthly with end-of-month indicator: cheques for a full month at a specific date



History of cheques reconciliation

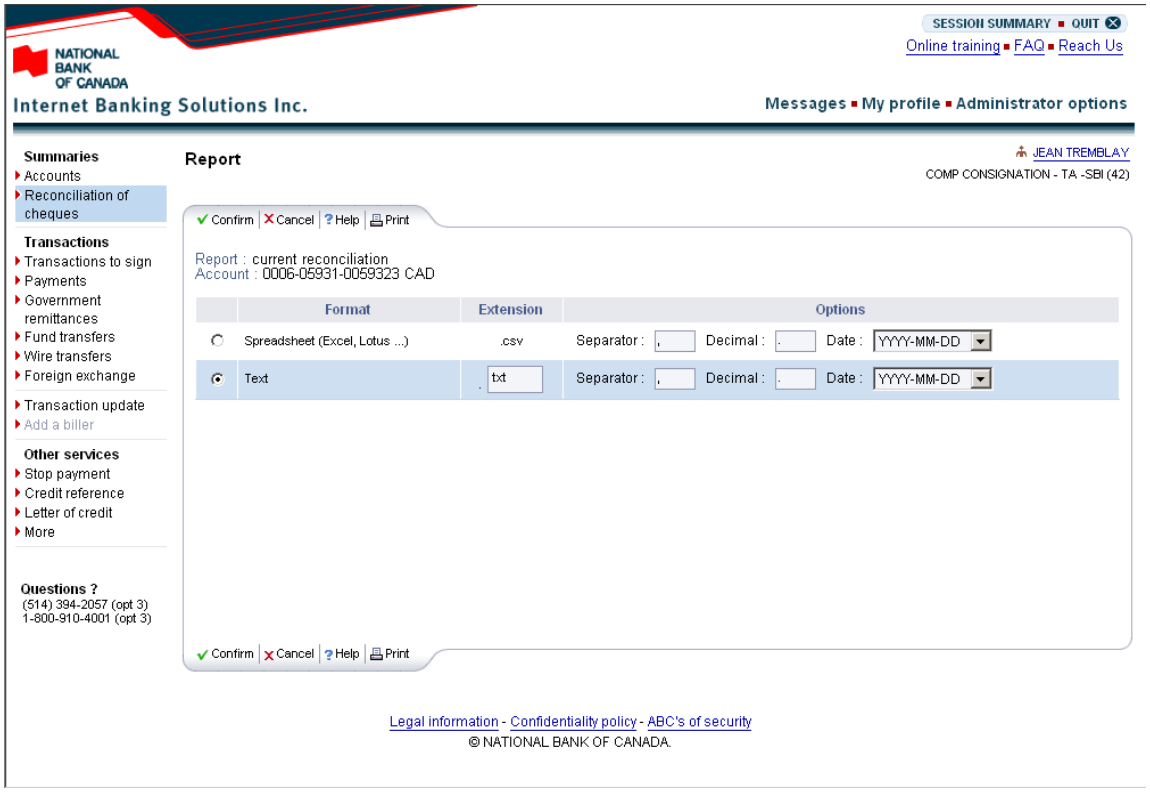
This option allows you to view and export the reconciliation reports for paid cheques. You can access up to 12 months of account history with this option, depending on the frequency of reports and the selected dates.

- Select the account for which you want to generate the report.
- For a daily report, specify the business day for which the report will be generated. For a weekly report, specify the month and week, and for a monthly report specify the month.
- You can print a report and export the data at any time.
- You can sort cheques in the report in ascending or descending order before exporting them.



Exporting reports – Format choices

- To export a report, click on the "Export" button in the top-left corner of the screen. A screen will appear, and you will be able to make your selections.
- Two file formats are available: text and spreadsheet. You will be able to customize the delimiters used, decimal separators and date format.



Sample result based on the selected criteria (text format)

Report SI3292

Account number: 0006-05931-0059323

Status of consolidated cheques

Monthly report with end-of-month indicator

Date 2006-11-06 at 1:08 p.m. (ET)

Cheques No., Amount, Paid date, Issue date, Additional data, Status

0000001415, 0.01, 2006-10-26, 2006-07-17, TEST, Stopped

0000001416, 0.01, 2006-10-26, 2006-07-17, Stopped

0000001418, 0.01, 2006-10-11, 2006-07-17, Cancelled

Total by status, Status

Amount, No. of cheques

Stopped, 0.02 0.01,2

Specifications Appendices

Appendix 1 – Printing cheques

A 5/8" band must be reserved at the bottom of the cheques for MICR encoding. No other kind of ink can appear in this space.

The cheques (serial) number must contain between six (6) and eight (8) digits. Numbers with fewer than six (6) digits must be padded with zeros. E.g.: 000212 for cheques number 212.

The positioning specifications for each field on the MICR line are as follows:

▪ Cheques No: (for 6 digits)	position 47 positions 48 - 53 position 54	Symbol Cheques No: Symbol
▪ Cheques No: (for 8 digits)	position 47 positions 48 - 55 position 56	Symbol Cheques No: Symbol
• Transit number:	positions 33 - 43	(See MICR instruction sheet)
• Account number:	positions 20 - 29	(See MICR instruction sheet)

Your printer must strictly comply with these standards so that your cheques can be read magnetically when they are processed by the Bank. The printer must ensure cheques comply with the Canadian Payments Association (CPA) standards, specifically Standard 006. For more information, visit the CPA website at www.cdnpay.ca. The Bank is not liable for any expenses resulting from errors or failure to meet these standards.

Appendix 2 – Downloading files

You must use National Bank's Corporate File Transfer (CFT) platform to send your issued cheques file and download the electronic version of your reports. Depending on the service you have chosen, you will have access to a virtual mailbox where you can upload and download files.

Below are the two transfer methods available and the requirements for each:

HTTPS

- Windows
- Internet access
- Zip utility for file compression (e.g. WinZip - must create a zip file)
- S-filer plug-in, will be provided by National Bank, depending on which browser you use.

You will be able to assign user roles and access rights and select the **Validation and Authorization of File Transfers** option to ensure every file transfer is checked by a second user before it is processed.

When the service is set up, a telephone call will be scheduled with one of our technicians to explain how the platform works.

SFTP with public key (SSH)

- Use of any operating system on which an SFTP client can be installed
- Internet access
- SFTP client
- Knowledge of FTP protocol
- Data encryption (optional): PGP encryption software[1]

ADDRESSES

Addresses on National Bank's website from which your CFT transfers will be carried out:

- HTTPS: https://web.tfc.bnc.ca
- SFTP: sftp.tfc.bnc.ca

[1] At client's expense

Appendix 3 – Issued cheques file

ASCII file format specifications for transmitting issued cheques information

Field No.	Position of characters	Length	Format	Contents	Additionalinformation
01	1 to 8	8	N	Cheques number	The number printed with magnetic ink (MICR) at the bottom-left corner of the cheques. Right aligned and padded with zeros.
02	9 to 18	10	N	Amount	Cheques amount: an amount of $100 must be entered as 0000010000 without a comma or decimal point. Right aligned and padded with zeros.
03	19 to 24	6	N	Date payable	The date the cheques may be cashed by the payee. i.e., the date printed on the cheques. Use the format
04	25 to 31	7	N	Account number	The reconciliation account number (7 digits, including zeros, excluding hyphens) assigned to you by the Bank.
05	32 to 40	9	A/N	Additional data	This field is optional. Maximum 9 characters. You can enter the data of your choice (e.g. invoice or customer number, etc.). This information will be returned to you on your reports. Fill with blank spaces if necessary.
06	41 to 43	3	N	Branch number	Always 593
07	44	1	A/N	Cancelled code	Enter "C" to cancel a previously issued cheques. Otherwise, enter a space.
08	45 to 46	2	A/N	Unused	Enter 2 spaces
09	47 to 346	300	A/N	Payee name	Name of payee as indicated on the cheques. This information is needed for cheques imaging. It will not be used until cheques images are sent. Fill with blank spaces.

Each program line (record) in your file must contain the information needed to define a single transaction. Furthermore, each record must be of the same length and format.

E.g.:

```
0000000100000110140928159999999FACTURE12593    HÉLÈNETREMBLAY
0000000200002411000928159999999COMPTE123593    MATHIEUPÂQUET
0000000300001000000928159999999BELLCANAD593    STEPHANIEDUBOIS
0000000400001000000928159999999BELLCANAD593    CHRISTIANJACQUES
```

Information for file transmission over the Corporate File Transfer platform (Internet)

File name: CS031XXXXXXX.YYY where XXXXXXX is the reconciliation account number given to you by the Bank, including zeros but without the hyphens, and YYY is the file extension depending on the chosen transfer protocol: .ZIP for HTTPS and .TXT for SFTP. Please note that the name of your file before compression or encryption must have the extension .TXT. E.g.: if your account number is 00-921-22, the file will be named CS0310092122.ZIP if by HTTPS. For file transfer requirements see Appendix 3 - *Downloading files*.

Appendix 4 – Reconciliation file for the Automated Cheques Reconciliation service

ASCII file format specifications for the paid, outstanding and consolidated cheques report

Field No.	Position	Length	Format	Contents	Additionalinformation
01	1 to 3	3	N	Branch number	Always 593
02	4 to 13	10	N	Account number	The reconciliation account number (7 digits, including zeros, excluding hyphens) assigned to you by the Bank. Precede this number with 000.
03	14 to 19	6	N	Reconciliation date	Always 000000
04	20 to 27	8	N	Cheques number	The number printed with magnetic ink (MICR) at the bottom-left corner of the cheques. The number you provided to the Bank when the cheques was issued.
05	28 to 33	6	N	Date payable	The date the cheques may be cashed by the payee. This date is entered in field 03 of the file you provided when the cheques was issued. YYMMDD format.
06	34 to 39	6	N	Date paid	The date the cheques was honored by the Bank. YYMMDD format.
07	40 to 50	11	N	Sequence number	Always 00000000000
08	51 to 60	10	N	Amount	Cheques amount: an amount of $100 must be entered as 0000010000 without a comma or decimal point.
09	61 to 64	4	N	Cheques status	1000: Outstanding cheques 2000: Paid cheques not transmitted 3000: Cheques reconciled by bank 4000: Stopped cheques 5000: Cancelled cheques
10	65 to 73	9	A/N	Reference	The information you provided in the issued cheques file under "Additional data".
11	74 to 79	6	A/N	Reference	The information you provided in the issued cheques file under "Payee name".
12	80	1	N	Unused	Always 0

Information for files received over the Corporate File Transfer platform (Internet).

File name: CR031XXXXXXX.YYY where XXXXXXX is the reconciliation account number given to you by the Bank, including zeros but without the hyphens, and YYY is the file extension depending on the chosen transfer protocol: .ZIP for HTTPS and .TXT for SFTP.

.: if your account number is 00-921-22, the file will be named CR0310092122.ZIP if by HTTPS. For file transfer requirements, see Appendix 3 - *Downloading files*.

Appendix 5 – Stale dated cheque

(ASCII) file format for stale dated cheque.

File name: CM031XXXXXXX.YYY (refer to upper paragraph for more specifications)

Header record:

Field No.	Position	Length	Format	Contents	Information
01	1	1	A	Record type	Always C
2	2-5	4	N	Institution number	Always 0006
03	6-8	3	N	Branch number	593
04	9-18	10	N	Account number	Your consignment account
05	19-24	6	N	Creation date	File creation date in YY/MM/DD format

Stale-dated cheques record:

Field No.	Position	Length	Format	Contents	Information
01	1-8	8	N	Cheques No.	Issued and cancelled cheques number
02	9-14	6	N	Cheques date	Cheques issue date in YY/MM/DD format
03	15-28	14	N	Amount	Cheques amount: An amount of $100 must be entered as 0000010000 without a comma or decimal point.
04	29-37	9	A/N	Additionalinformation	Information you gave in your issued cheques file. (e.g., invoice No., client No., etc.) Unused spaces will be truncated.
05	38-80	43	A/N	Payee name	The information you provided in the issued cheques file under "Payee name". Unused spaces will be truncated.

End record:

Field No.	Position	Length	Format	Contents	Information
01	1	1	A	Record type	Always
02	2-5	4	N	File number	Assigned by the Bank and incremented by 1 per transmission
03	6-12	7	N	Number of records	Always positive
04	13-26	14	N	Total amount	Total amount of all stale-dated cheques, without decimal points

Management Operational Reports - Appendices

Using Reports

Two types of reports are available:

- ESSENTIAL daily reports to reconcile your accounts
- Confirmation and information reports

The ESSENTIAL conciliation reports will help you identify transactions affecting your "Cheque Reconciliation" account. It will be easier for you to reconcile this one.

Confirmation reports provide information on the operations that the Bank must investigate and take care or simply inform you about the status of your cheques

Appendix 6 – Summary of issued and cancelled cheques received - Essential

This report confirms the number and the value amount of your issued cheques file after the reception.
If you have issued your cheques or made cancellations via the "Cheques Reconciliation" option on our Corporate Internet Banking Solutions (SBI-E) these will also be confirmed on this report

BRANCH: 4131-1
S.E.E.
600, DE LA GAUCHETIERE
MONTREAL, QUEBEC
H3B 4L2

CONSIGNATION/CONCILIATION
NATIONAL BANK OF CANADA

PAGE 1
DATE : 2015-11-21
CON-0585
2111- 318-24

SUMMARY REPORT OF ISSUES AND CANCELS RECEIVED

(D0310J85, EASYJ854)

CLIENT: 5930000999999 GROUP ABC INC

	ISSUES		CANCELS	
	ITEMS	AMOUNT	ITEMS	AMOUNT
	116	288,099.64		.00
TOTAL	116	288,099.64		.00

Appendix 7 – Report of paid cheques not transmitted - Essential

This report serves as an **ALERT** and lists all cheques that have been cashed but for which we have NOT received your pre-issued cheques

VERY IMPORTANT:

You will find below the report "Cheques paid not transmitted". You must confirm all cheques you refuse to pay and return the report the same day before 2:00 pm Eastern time

NATIONAL BANK OF CANADA

Reconciliation of cheques service
PAID NOT ISSUED REPORT

MARY STERLLING
GROUP ABC INC
600 DE LA GAUCHETIERE WEST
MONTREAL, QUEBEC, H3B 4L2

ACCOUNT : 5930000999999 Paid date : 2006/11/03

Serial Number	Sequence Number	Amount	Serial Number	Sequence Number	Amount
99948999	96596	589.41	99948899	13596258	69.55

Number : 2
Total : 658.96

Appendix 8 – Confirmation of stop payments and cancellations - Confirm

This report confirms the stop payments and cancellations that you have made through the "Cheques Reconciliation" option on our Internet banking solutions for Businesses (SBI-E)

```
BRANCH : 0593-1                                  CHEQUE RECONCILIATION                                  PAGE:        1
 S.E.E.                                           NATIONAL BANK OF CANADA                               DATE: 2015-11-20
 600 GAUCHETIERE, 12TH FLOOR                CONFIRMATION OF STOPS AND CANCELLATIONS                     SI-3272A
 MONTREAL, QUEBEC                                                                                       2111-0313-50
 H3B 4L2                                          (D0310J60, REJ6010 )
 ACCOUNT  :     5930000099999

 CUSTOMER :     GROUP ABC INC
  SERIAL      TRANS.    ISSUE      PAID          AMOUNT       DATE        TIME     USER      ADDITIONAL DATA /
    NO.                 DATE       DATE                                                      MESSAGE
    ------    ------  ----------  ----------    ------    ----------     ----     ------     ------------------
 020012345    CANCEL  2015/11/19  2015/11/20    30,940.21 2015/11/20   09-20-11    0JC      009000999


                                                TOTALS TRANSACTIONS
                                                  CUSTOMER                          NBC
                                          NUMBER          AMOUNT          NUMBER          AMOUNT
CANCEL                    :                   1          30,940.21            0            0.00
CANCEL REMOVED            :                   0               0.00            0            0.00
STOP                      :                   0               0.00            0            0.00
STOP REMOVED              :                   0               0.00            0            0.00
                                              1          30,940.21            0            0.00
TOTALS                    :                   1          30,940.21
```

Appendix 9 – Daily report cheques rejected - Inform

This report gives you cheques that have been paid but rejected for the following reasons:

- The value of the cheque does not correspond to the issue
- A payment stop has been placed on the cheque
- A cancellation has been placed on the cheque
- The cheque has been cashed in duplicate
- Was cashed before the due date in your issue file
- The cheque has been cashed but has an expired status

These will be supported by our operations sector to regularize them

```
BRANCH : 41311                                   CONSIGNATION/CONCILIATION                              PAGE:       1
 ELECTRONIC SERVICE                                NATIONAL BANK OF CANADA                               DATE: 2015-11-20
 600 GAUCHETIERE WEST, 13TH FLOOR                DAILY   PAID   REJECT  REPORT                         SI-3281
 MONTREAL, QUEBEC                                                                                       2111-0313-44
 H3B 4L2                                             (D0310J60, REJ6004 )
 ACCOUNT NO. 5930000009999     GROUP ABC INC
  SERIAL   TRAN   ADDITIONAL/RANGE     SEQ.                 REASON                  ----------------- ON  FILE  DATA --------------
    NO.    CODE  DATE         AMOUNT    NO.                                        ISS DATE  PD DATE     SEQ NO         AMOUNT  CO
                 YYMMDD                                                            YYMMDD    YYMMDD
0099489983 50R150824  0000250.00              ITEM NOT POSTED- NO ISSUE DATA
```

Appendix 10 – Stale dated cheques report - Inform

This report confirms and lists your expired cheques every month (Cheque over 6 months old)

```
                          NATIONAL BANK OF CANADA          BRANCH  ACCOUNT NO.   CLIENT NAME AND ADDRESS          DATE      PAGE
PRIOR TO ..2011/03/11.....                                   593  0000-2999-29  GROUP ABC INC
STALE DATED               SI3318                                               600 DE LA GAUCHETIERE WEST      2011-09-22     1

C                                                                              C
O                                                                              O
D    CHEQUE                                  ISSUED                            D    CHEQUE                                  ISSUED
E    NUMBER              AMOUNT              YYMMDD BENEFICIARY                E    NUMBER              AMOUNT              YYMMDD BENEFICIARY
-------------------------------------------------------------------------------------------------------------------------------------------
2    20001                67.41              110310 BENEFICIARY NAME 2         20131                67.41              110310 BENEFICIARY NAME
2    20211                67.41              110310 BENEFICIARY NAME 2         20351                67.41              110310 BENEFICIARY NAME

                                                ACCOUNT TOTAL FOR 0000-2999-29
```

Appendix 11 – List of canceled cheques by file - Confirm

This report confirms the cheques you canceled by file (same structure as the cheque issuing file including field 7 - canceled code "C" see *Appendix3–Issued cheques file*

```
CORPORATE ELEC. SERV.                                NATIONAL BANK OF CANADA                                    DATE: 2018-12-21
600 LA GAUCHETIERE                                 LIST OF CHEQUES CANCELLED                                  SI-3300
MONTREAL, QUEBEC                                          ON FILE                                               2112-0310-55
H3B 4L2                                          (D0310J70, REJ7001 )
ACCOUNT # : 5930000045627                                 ABC INC
  CHEQUE #      SEQUENCE #     CODE     DATE          AMOUNT      STATUS                    ADDITIONAL INFORMATION
    512778     00000000000     26   2018/12/20     19,080.74     ALREADY REIMBURSED        1975161 O
    512782     00000000000     26   2018/12/20      4,275.00     ALREADY REIMBURSED        information F
    512783     00000000000     26   2018/12/20         27.11     ALREADY REIMBURSED        information d
    504784     00000000000     26   2018/12/20        102.99     ALREADY REIMBURSED        information d
    512785     00000000000     26   2018/12/20         65.27     ALREADY REIMBURSED        information d
    512786     00000000000     26   2018/12/20         81.93     ALREADY REIMBURSED        information d
    512787     00000000000     26   2018/12/20         29.36     ALREADY REIMBURSED        information d
    512788     00000000000     26   2018/12/20        139.06     ALREADY REIMBURSED        information d
ARPAGE 12
TRANSIT: 05931                                     CHEQUE RECONCILIATION                                      PAGE:       2
CORPORATE ELEC. SERV.                              NATIONAL BANK OF CANADA                                    DATE: 2018-12-21
600 LA GAUCHETIERE                                 LIST OF CHEQUES CANCELLED                                  SI-3300
MONTREAL, QUEBEC                                          ON FILE                                               2112-0310-55
H3B 4L2                                          (D0310J70, REJ7001 )
ACCOUNT # : 5930000045627                                 ABC INC
                                 CHEQUES REIMBURSED TOTAL                :        8         23,800.83
                                 ALREADY PAID CHEQUES TOTAL              :                      0.00
                                 ALREADY REIMBURSED CHEQUES TOTAL        :                      0.00
                                 CANCELLED TWICE CHEQUES TOTAL           :                      0.00
                                 NON-EXISTENT CHEQUES ON FILE TOTAL      :                      0.00
                                 OTHER REFUSED TRANSACTIONS TOTAL        :                      0.00
```

Appendix 12 – Daily report of paid cheques - Inform

This report lists all the cheques paid and accounted for the day

```
SARPAGE 457                                                                                    PAGE:      420
 BRANCH : 41311                          CONSIGNATION/CONCILIATION                             DATE: 2019-12-02
 ELECTRONIC SERVICE                       NATIONAL BANK OF CANADA                              SI-3283
 600 GAUCHETIERE WEST, 13TH FLOOR               LIST POST                                      0312-0223-44
 MONTREAL, QUEBEC
 H3B 4L2                                      (D0310J60, REJ6002 )
ACCOUNT NO.: 5930000999999                     Company ABC Inc
   SERIAL          AMOUNT       SEQUENCE       SERIAL          AMOUNT       SEQUENCE       SERIAL          AMOUNT       SEQUENCE
     NO                          NO             NO                          NO             NO                          NO

    1111111            47.60   0076915418
    2222222           226.80   0031841415
    3333333         1,333.70   0087192157
    4444444           588.10   0031823176
    5555555         2,074.44   0022475519
    6666666           989.57   0054385192
    7777777         1,293.41   0031874489
    8888888            77.80   0076930683
    9999999            47.75   0031848869

                    MIDLAND TRANSPORT LIMITED
FROM DDA          ITEMS          AMOUNT      REENTERED          ITEMS          AMOUNT        MISCELLANEOUS CREDITS
 UNPOSTED             0             .00       UNPOSTED             0             .00
 POSTED               9        6,679.17       POSTED               0             .00   FROM DDA             0             .00
MISC. DEBITS          0             .00      MISC. DEBITS          0             .00   REENTERED            0             .00
TOTAL                 9        6,679.17      TOTAL   |             0             .00   TOTAL                0             .00
```

Appendix 13 – End of period report - Essential

This end of period report gives you the status of your cheques. In the absence of the sequence number the cheque is considered in "Circulation" and in the presence of the sequence number the cheque is considered "Paid and accounted for" for any other status please refer to the list at the bottom of the report.

Code	Numéro de chèques Cheques number	Montant Payé Paid	Amount Circulation O/S	Date payé Paid	Numéro de séquence Sequence Number	Date Émis issued	Bénéficiaire Payee Name	Code	Numéro de chèques Cheques number	Montant Payé Paid	Amount Circulation O/S	Date payé Paid	Numéro de séquence	Date Émis issued	Bénéficiaire Payee Name
	00000001	250.00		191015	11111111	190904	Carl Tremblay		00000011	250.00		191015	77777777	190904	Cathie Laframboise
	00000003	554.23		191016	22222222	191009	Suzie Lambert		00000013	554.23		191016	66666666	191009	Josée Labelle
	00000002		210.00			190905	France Ronfort		00000012		210.00			190905	Francis Ford
	00000004		104.00			190814	Robert Papineau		00000014		104.00			190814	Bill Wong
															Total Payé: 1708.46
															Total ciculation:628.00

Liste des codes

1	CHEQUE PAID NO OUTSTANDING	4	STOP PAYMENT
2	CHEQUE VOID	5	STOP PAYMENT RETURNED
3	RECEIVED NOT ADDED TO THE TOTAL	6	CHEQUE PAID IN ERROR R À IN LAST PERIOD REVERSED THIS PERIOD

Appendix 14 – Cashed in postdated report - Inform

This report lists the cheques that were cashed the day before the due date. These will be supported by our operations sector to regularize them

```
TRANSIT :  4176-1                          CONSIGNATION/CONCILIATION                    PAGE     19
C/TRAITEMENT DES DOCUMENTS DE MTL            NATIONAL BANK OF CANADA                  DATE : 2019/11/23
600 RUE DE LA GAUCHETIERE OUEST, 13 ETAGE    CHECK CASHED IN POSTDATED                  CLO011
MONTREAL, QUEBEC                                                                      2311-0236-14
H2X 3R7                                          D0310J60, EASYJ602
NO COMPTE: 5930009999999
  SERIAL NO     Issue date      PAID DATE        AMOUNT       SEQUENCE NO
  88888888      2019/11/25      2019/11/22     232,304.49      123456789
                                               232,304.49
```

Appendix 15 – Report – Bank Account Reconciliation - Essential

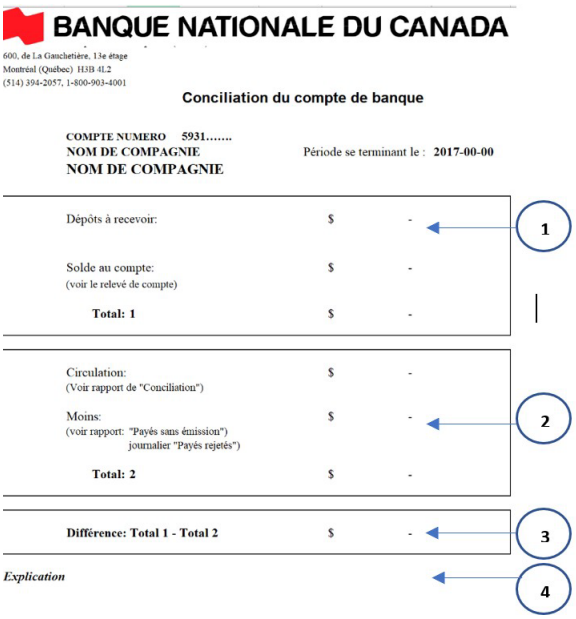
This monthly report tells you if there are any discrepancies during the month. You will find:

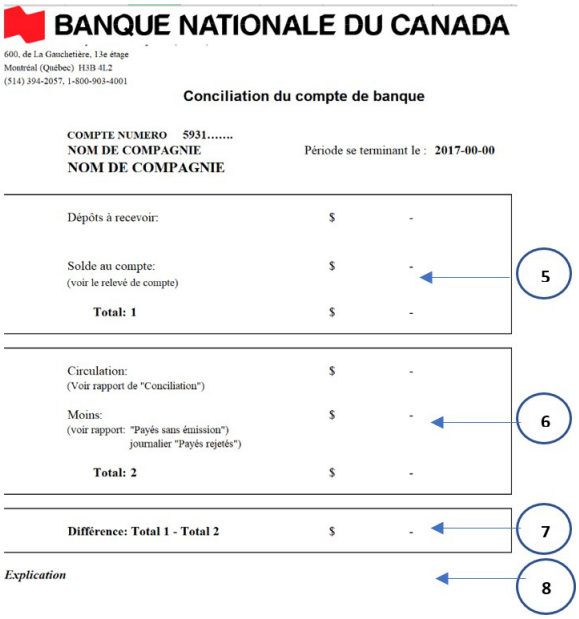
For a "Zero Balance Account":

1- The balance of your outstanding issues
2- The total of your paid cheques rejected and the Paid cheques non-transmitted
3- Total of discrepancies if applicable
4- Discrepancies explanation

For an "Account with balance":

5- The account balance (Total of cheques issued = your outstanding cheques)
6- The total of your paid cheques rejected and the Paid cheques non-transmitted
7- Total discrepancies if applicable (= Outstanding - Paid not transmitted)
8- Discrepancies explanation





Appendix 16 – Customer service

Information requests

To obtain information or notify us of any irregularity concerning payments, please contact our Customer Service team.

You will receive a written response in 3 business days of our receiving your inquiry.

Missing or incorrect report

If a report is missing or incorrect, you must immediately contact Customer Service by email at SeeConsigne@bnc.ca and provide the following:

- The name and telephone number of your company
- Name of the contact person
- Name and number of the missing or erroneous report
- Format of the relevant report (fax or electronic file)
- Date of the missing or incorrect report

Customer Service

Cheques Reconciliation, transit 0593-1

514-394-4494 (Montreal area)

1-844-394-4494(toll-free)

Fax: 514-394-9590

Our business hours are Monday to Friday, 7:00 a.m. to 8:00 p.m. (ET).

CPA standard testing – Printed cheques

For the cheques to be tested, you must send 10 of them to the following address:

Onboarding Cash Management, Transits 4697-1 and 0980-1

500, Place d'Armes, 11th floor

Montreal (Quebec) H2Y 2W3

It is also possible to send your cheques via internal mail by visiting one of our branches. Simply mention that the cheques must be sent to transits 4697-1 and 0980-1.