

generate revenue, reduce fraud, and win more business with treasury management

Using Treasury Management
to Build a Stronger Bank

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check fraud is still alive and well

In the Technological Era (aka Digital Age), it seems like check fraud should be an issue of the past.

Shockingly, the reality is quite the opposite. Check fraud is not just prevalent – it's growing at an alarming rate. Community and regional banks are facing an increasing number of check fraud cases, with the Financial Crimes Enforcement Network (FinCEN) reporting check fraud as the number one reported "Suspicious Activity Report" category in 2024.¹ This surge presents a critical challenge, especially for organizations that serve business clients.

But there's a silver lining.

By implementing a comprehensive treasury management solution that includes Positive Pay, banks can not only protect their assets from fraud but also generate significant revenue.

This eBook explores how treasury management can help your bank:

- **Reduce fraud**
- **Generate revenue**
- **Win more business**



understanding Positive Pay

Before diving into the specifics of check fraud and how to combat it, it's important to understand what Positive Pay is and how it works.

Positive Pay is an automated fraud prevention tool that banks can use to detect and prevent fraudulent check transactions. When a business issues checks, it provides a list of authorized checks to its financial institution. As checks are presented for payment, the Positive Pay system compares the checks against the list provided by the business. If any check doesn't match the provided details – like a check number, account number, or payment amount – it's flagged as an exception and must be reviewed by the issuing business.

This process allows financial institutions and businesses to catch fraudulent checks before they cause financial harm.



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the growing threat of check fraud

The rise in check fraud can be attributed to several factors, including advancements in technology that make it easier for criminals to produce high-quality counterfeit checks.

Additionally, as digital banking becomes more prevalent, it's easy to overlook the vulnerabilities of traditional payment methods like checks. That's exactly why checks are such an attractive avenue for fraudsters, who are keenly aware of these weaknesses and continue to exploit them.

To put a fine point on it: Community bankers reported that check fraud accounted for 30% of reported losses in 2024. Even though the number of checks collected annually by the Federal Reserve “has plummeted 82% over the last 30 years,” banks issued around 682,000 reports of check fraud in 2024, nearly double what was reported in 2021.^{3,4}

The consequences of this are disastrous – not only in terms of financial losses but also in the erosion of trust between banks and their customers.



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treasury management solutions:

A Broader Approach to Risk Mitigation and Revenue Generation

While Positive Pay is a powerful tool on its own, its effectiveness is maximized when integrated within a comprehensive treasury management solution.

Treasury management solutions provide a holistic view of your organization's financial operations, allowing you to manage risks more effectively and also unlock new revenue opportunities.

Key Features of Treasury Management Solutions:

- **Cash Management and Forecasting:** With visibility into future cash flows, your commercial customers can make informed decisions on cash management strategies, improving financial planning and decision-making.
- **Visibility and Analysis:** A treasury management system with flexible entitlements empowers your commercial customers to configure access, reporting, and workflows for employees, accountants, and outsourced financial professionals alike.
- **Payment Processing:** Treasury management systems and related technologies can help customers manage payments, risk, and other financial activities.





turning fraud prevention into a revenue generator

In addition to protecting your organization, integrating Positive Pay within a treasury management solution offers significant revenue-generating opportunities:

- **Fee-Based Income:** Banks can charge fees for access to Positive Pay and other treasury management functionality, including per-transaction-type fees. Offering these services to commercial accounts not only helps cover the cost of fraud prevention but also transforms treasury management services into a profit center.

Positive Pay

within a treasury management solution offers significant revenue-generating opportunities.



- **Deposit Growth:** Treasury management solutions that include Positive Pay attract commercial customers who are looking for advanced security features. These clients often maintain higher balances in their accounts, which would provide your organization with a low-cost source of funds that can be used for lending and other revenue-generating activities.⁵
- **Stronger Client Relationships:** Positive Pay strengthens the relationship between banks and their commercial customers, reducing the likelihood of them moving their business banking relationships elsewhere. This “stickiness” helps retain deposits and positions the bank as a trusted partner, opening doors for cross-selling additional services.
- **Cost Savings and Risk Mitigation:** The reduction in fraud-related losses directly impacts the bottom line by decreasing expenses. Additionally, the ability to offer a service that significantly mitigates risk allows banks to justify higher fees, thereby increasing revenue.

capitalizing on treasury management for growth and protection

Check fraud is just one part of the equation when it comes to the evolution of risks and challenges banks are facing.

You also have to navigate an environment marked by increased competition, tighter margins, and higher customer expectations. Implementing a comprehensive treasury management solution is not just a defensive move – it's a strategic decision that can propel your organization forward.

By providing a unified platform that enhances cash flow, streamlines operations, and delivers real-time insights, these solutions empower your organization to manage risks more effectively while also unlocking new avenues for growth.



With tools like Positive Pay integrated into a broader treasury management system, you can reduce fraud-related losses, improve operational efficiency, and generate revenue through value-added services.

take the next step

In an increasingly competitive market, community and regional banks that leverage the full potential of their treasury management solutions will be better positioned to meet the demands of their customers, mitigate risks, and capitalize on new opportunities.



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expand your knowledge

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[The Business of Business Banking: Why One Size Doesn't Fit All](#)

Get in Touch

[Talk to a real person about treasury management and Positive Pay.](#)

For more information about Jack Henry, visit jackhenry.com.

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