Zero Balance Accounts

User Guide

(Rev. 10/17)

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1. Introduction

Zero Balance Accounts (ZBA) are useful for automating daily funds transfers between deposit accounts so as to eliminate idle balances by concentrating unused funds daily into a single account. A ZBA is also used to fund disbursement accounts on an "only as needed" basis. For each pair of deposit accounts, one is designated as "master" and the other as "sub".

ZBA processing runs once daily, after all other transactions have posted (except Sweep processing). ZBA transfers are driven by a preset target balance for the sub-account ($0 by default). If the ledger balance is above the target balance, a ZBA transfer automatically debits the sub-account and credits the master account. Conversely, if the ledger balance in the sub-account is below the target balance, a sweep transfer automatically debits the master account and credits the sub-account to restore the target balance. Because a ZBA moves ledger balances, any float balances present in the sub-account is also moved to the master account.

As a result, $0 is automatically maintained in the sub-account and excess cash is concentrated in the master account. This can simplify daily cash management through manual methods or an Automated Sweep. Because the ZBA process runs at the end of day, it can be more efficient than what can be accomplished by manual transfers at some point in the middle of the day.

KeyTRAC

KeyTRAC is an option through KeyNavigator℠ for ZBA, it allows you to monitor location level activity. Each location (store) utilizes a unique ZBA subsidiary account. Key will tag the activity for all the subsidiary accounts with a unique location identifier, which you select. Location identifiers can be alpha, numeric or mixed with up to 26 characters.

Credits, currency and coin orders, returned items, and miscellaneous debits can be identified by a KeyTRAC location number. All information is available and exportable through KeyNavigator or a Consolidated BAI2 file transmission.

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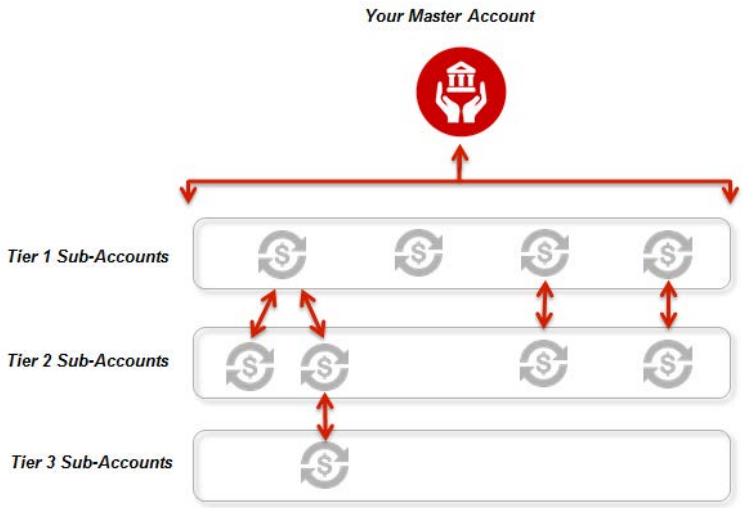
2. ZBA Account Structures

One ZBA master account can have up to 250 linked ZBA sub-accounts. ZBA sub-accounts can also act as ZBA master accounts to up to 250 sub-accounts below them. Up to three tiers of sub-accounts are possible; therefore a ZBA structure can be created with up to 750 sub-accounts rolling up to a single master account.



KeyTRAC

- ZBA functionality is the basis of the KeyTRAC product that allows for all transactions to be reported by location on the master account.
- A proprietary program is used to combine all the activity for subsidiary accounts and corresponding location numbers, and sent in a single file.
- All information is available and exportable through KeyNavigator.
- BAI2 file transmission is another option to receive information.

3. Reporting

A daily Zero Balance Account Report displays each master account, corresponding sub-accounts, with summary debit and credit activity and resulting automatic transfers. A summary of the above information for all corresponding subsidiary accounts is reported. A summary of the net automatic transfer debits and credits to the master account is reported, along with its closing ledger balance.

For all master and sub-accounts, ZBA debits and credits are displayed on the optional Previous Day Report of all transaction activity.

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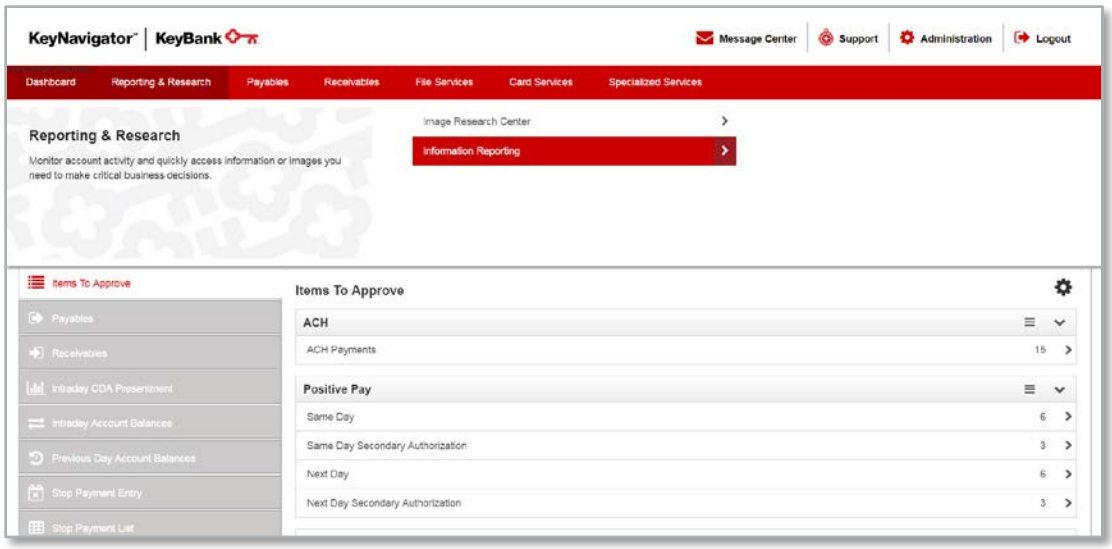
4. KeyNavigator

4.1 Zero Balance Accounts (ZBA)

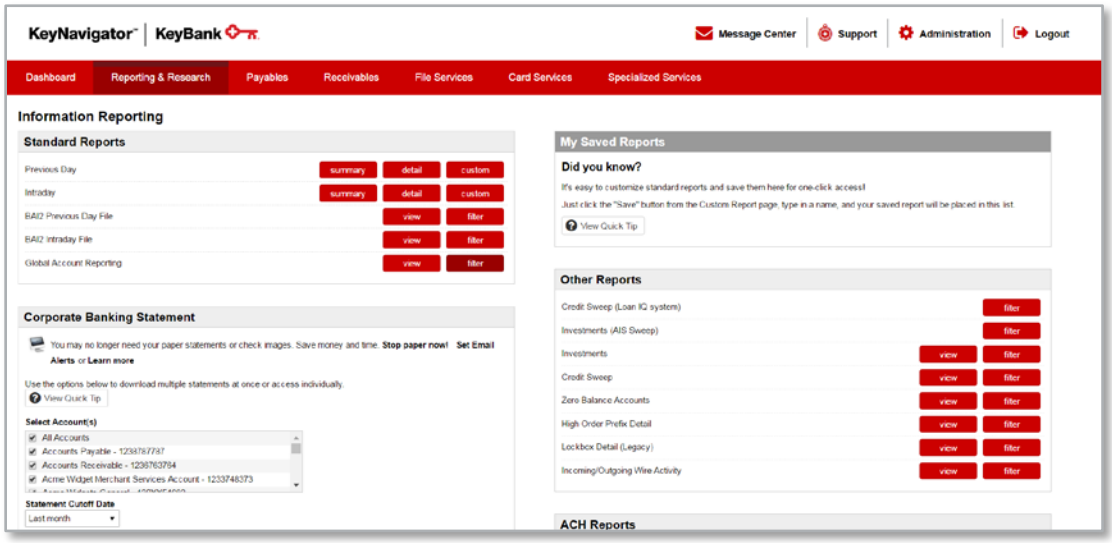
To view a daily report of automatic transfers between accounts:

- Hover over the Reporting & Research area and select Information Reporting.

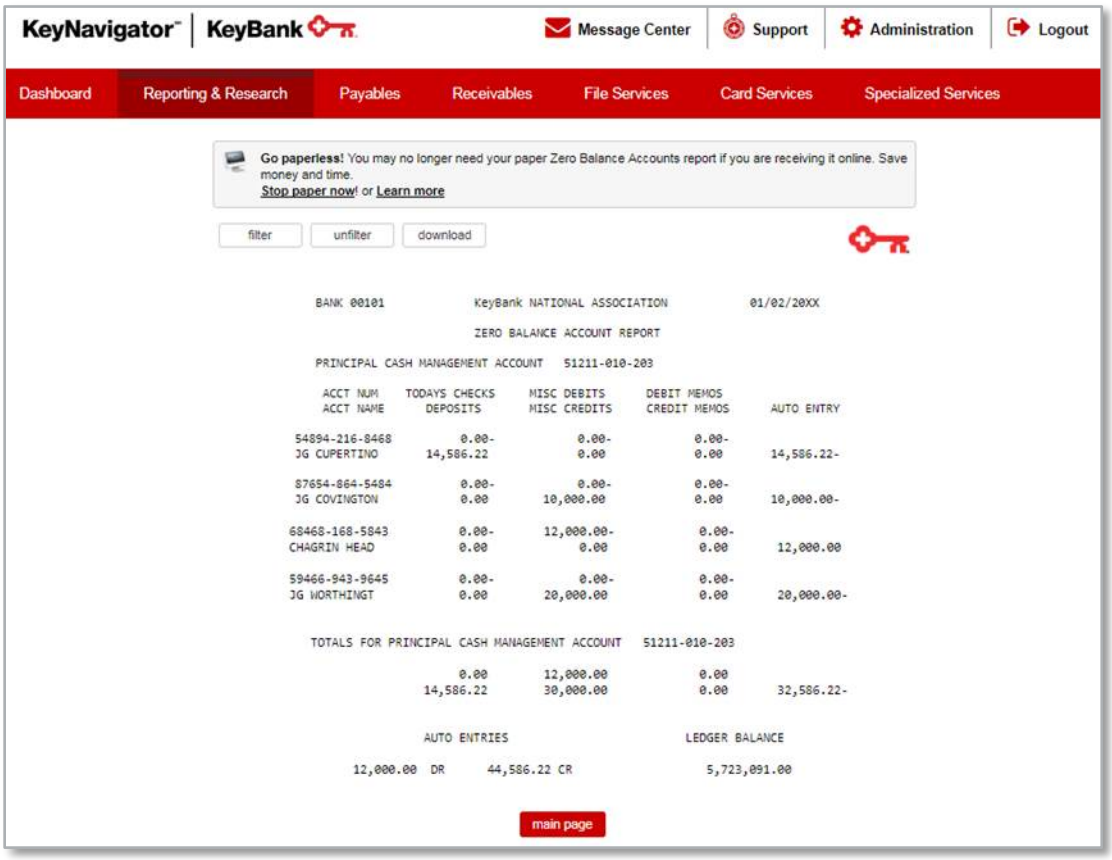


- In the **Other Reports** section, find **Zero Balance Accounts**.

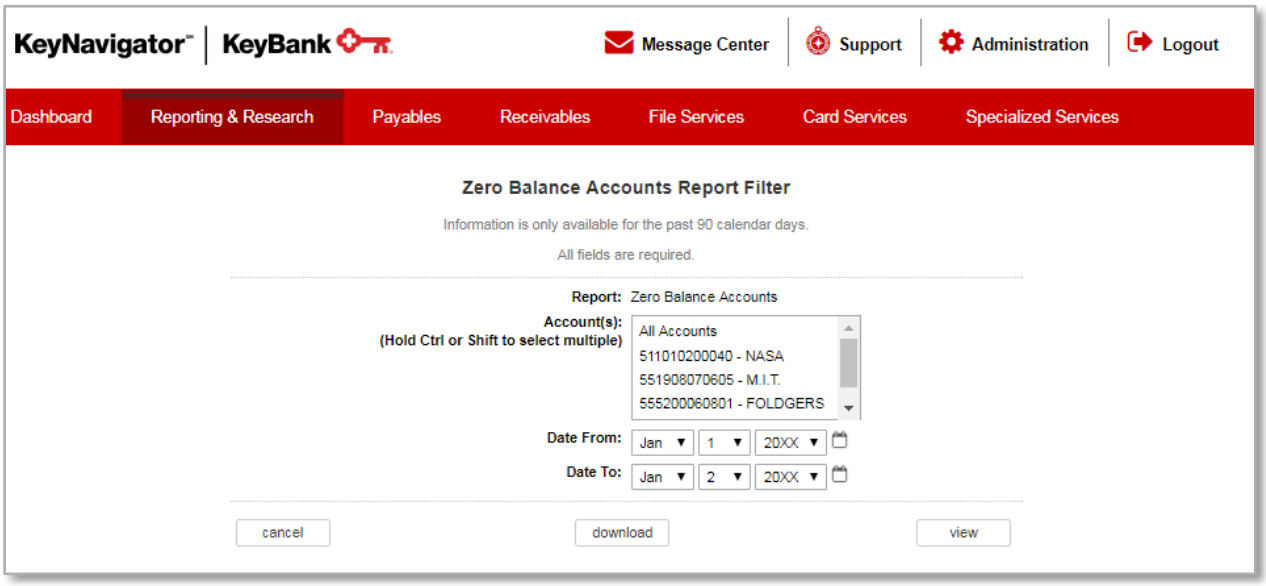
- Click **View** to display the latest previous day ZBA report of all automatic transfers, or click **Filter** to retrieve a ZBA report(s) for specific account(s) and/or date(s).



- Beneath the principal (master) account(s), corresponding subsidiary accounts are reported, with summary debit and credit activity and resulting automatic transfer amounts.
    - A summary of the above information for all corresponding subsidiary accounts is reported.
    - A summary of the net automatic transfer debits and credits to the master account(s) is reported, along with its closing ledger balance
    - Click **Filter** to retrieve a ZBA report(s) for specific account(s) and/or date(s).
    - Click **Unfilter** to display the latest previous day ZBA report of all automatic transfers.
    - Click **Download** to export the report(s) displayed as a text file.



- Select specific account(s) or date(s) to be reported.
  - Click **View** to display the filtered report(s).
  - Click **Download** to export the report(s) displayed as a text file.



5. Optional Features

The target balance that controls whether a ZBA transfer occurs, and in what amount, is adjustable. The default target balance is $0 in ledger balance. You may opt for a higher target balance. Contact your Payment Advisor if you would like to change the target balance for your ZBA sub-account(s).

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