



Settlement & Reconciliation

Settlement

Settlement is a process by which a merchant submits a file containing a list of financial transactions, usually credit card transactions, to their bank for payment. The file is commonly submitted daily, several hours after the store has closed for the business day.

AJB's Settlement module recognizes the format and delivery method of each bank and submits the transaction files according to specified configuration. The files submitted contain all the input needed for daily settlement and payment. To make use of this functionality, AJB's Settlement system requires a settlement file from each store containing a log of all completed transactions. This feed can come from the merchants in-house polling/file transfer system or from the optional Retail Polling Module (RPM).

AJB's Settlement module includes a settlement server that centralizes payment clearing. It is a multi-institutional, online batch system that processes and prepares settlement transactions for distribution to any North American financial institution. This rich solution provides all the critical business features for the clearing and settlement of credit and proprietary card transactions.



Reconciliation

Once a settlement file is created, it is sent to the bank for processing. When the bank receives the file, the information is validated against daily bank records. The bank then transfers funds to the vendor's account for those transactions that pass the bank audit. A file is sent back to the merchant containing all transactions for which a credit was issued.

AJB's Reconciliation system accepts the acknowledgement file from the bank and compares it to the original settlement file sent to the financial institution. If there is a match, the transaction is classified as reconciled. All unmatched data items are flagged for investigation.

FEATURES OF SETTLEMENT MODULE

DUPLICATE RECORD IDENTIFICATION

Critical to AJB Settlement module is stored financial history. This is essentially a record of all transactions which were sent to the bank for processing. The settlement process starts by validating data integrity. This is accomplished by checking new transactions against the historical database to ensure that the transaction key is not a duplicate of what was already sent to the bank. If a duplicate record is found, the questionable transaction is sent off to an error reconciliation process. This prevents double billing against the customer.

SETTLEMENT ADJUSTMENT Using the "Settlement Adjustment" feature merchants can view, adjust and correct financial transactions which have been incorrectly posted with the financial institution. It is a simple and effective way of clearing up transaction discrepancies.

QUERIES The Settlement module places all settled transactions into financial record. Using the transaction lookup interface customers can query the database when needed.

REPORTS Since AJB's Settlement module stores data in a standard database, vendors can create customized reports to view information in a meaningful way. AJB also provides standard reports in the settlement package.



Settlement & Reconciliation

Benefits of AJB's Settlement & Reconciliation Modules

COMPLIANT WITH ALL FINANCIAL PROCESSORS AJB maintains relationships with all major North American financial processors allowing support of any bank settlement format and delivery method needed. This feature gives merchants complete control over their banking relationships. Merchants can select one bank and then easily switch to another if they desire.

SECURE Both Settlement and Reconciliation have passed a PABP audit

ACCURATE & RELIABLE Settlement & Reconciliation have been battle tested throughout the years and have surpassed every challenge presented.

DESIGNED FOR HIGH VOLUME MERCHANTS AJB's products are designed specifically for high volume tier 1 and tier 2 vendors.

EASY TO UNDERSTAND AND USE Merchants can quickly learn and apply the features and functions of AJB's Settlement and Reconciliation modules.

VARIETY OF COMMUNICATION OPTIONS Settlement & Reconciliation operate over any communication medium allowing merchants the ability to select the network solution that best meets current needs.

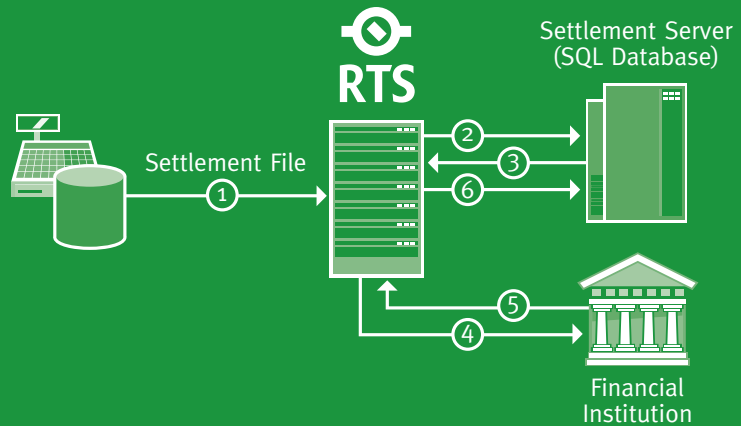
CUSTOMIZED OPTIONS AJB realizes that no two merchants are the same and that settlement configurations must be adapted to unique circumstances. With this in mind, AJB carefully plans the options with each vendor to fully understand their existing systems and needs for the future.

EASY CONFIGURATION Using RTS Pathfinder, the Settlement & Reconciliation modules can be easily configured and modified according to the needs of each merchant.

ABOUT AJB

AJB Software Design, Inc. is the payment industry's choice for fast, secure and reliable payment solutions. AJB optimizes your payment systems allowing your business to process larger transaction volumes and reduce operating costs. Over 125 leading international retailers, restaurants, hospitality vendors and hotels use AJB to complete their sales cycle. Although the majority of AJB customers are in the United States, AJB also serves Canada, Asia, the UK and Europe.

AJB's Settlement and Reconciliation Modules



1. Settlement data transmitted from store to RTS.
2. Transactions inserted to settlement server database with unique key. Duplicate transactions inserted to a separate file.
3. File sent to RTS for reformatting.
4. RTS transmits file (settlement) to financial institution.
5. Financial institution returns reconciliation file.
6. Reconciliation records inserted to settlement server database for processing.

