Lockbox Overview and Topics

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Lockbox is a service offered by banks to companies in which the company receives payments by mail to a post office box, the bank picks up the payments from the post office, deposits them into the company bank account and notifies the company of the deposit. The bank then forwards an electronic file to the banking customer listing the payments received and deposited.

Banks produce the electronic lockbox file in one of two methods. The bank has a staff of data entry personnel that manually enter the payment information into an electronic file or have equipment in place that scans the payment remittance sent in with the customer check to create the file. Banks that electronically scan remittances read a special scan line which is printed on the invoice. Several SedonaOffice invoice printing forms support the printing of a scan line.

If the bank is manually creating the payment file, due to the human element, there could be data entry errors made by the banking staff. If the bank employs the method of scanning in the information from the customer payment remittance and a customer submits a check without the payment remittance, the bank will either send the customer a scanned image of the checks that cannot be electronically processed or mail the checks to the banking customer to handle manually.

SedonaOffice has the capability of taking this electronic payment file, importing the payments and posting to the customer accounts. Importing this file saves many hours of data entry time and reduces data entry errors. If any unknown customers are detected when importing the payment file, these entries are flagged for the User to research and make necessary corrections before the batch may be posted.

When the lockbox file is imported into SedonaOffice, the payment is applied to the customer invoice number detected in the remittance scan line. Any over-payments will automatically apply first to any late fees accrued on the customer account then any remaining payment amount will post to the customer's unapplied cash. When viewing a Customer's Payment History, the memo field will automatically display as LBOX: followed by the customer name.

Banks that offer the lockbox service each have a unique electronic file structure. Currently, the SedonaOffice supports the electronic Lockbox import files from the following banks: Wachovia, Wells Fargo, Regions Financial, Bank of America, and Scotia Bank. A generic Lockbox format is available as well. For additional information for lockbox file specifications, please contact support@sedonaoffice.com.
For companies that wish to create their own lockbox files, continue on for specifications on the Generic Lockbox format.

Click on the links below for more information related to Lockbox processing.

How to Process a Lockbox Payment File

Handling Invalid Lockbox Transaction Records

Generic Lockbox File Specification
A generic lockbox file may be created and imported using the Payment Processing form within SedonaOffice. The file contains four data elements and **must be saved in a .csv format**. The file may not contain a header row - data records only.
The four data elements are:

- Customer Number
- Check Number
- Check Amount
- Invoice Number

If the customer is not paying an invoice, the value of 2 or any number that is not a valid invoice number is entered into the Invoice Number column. When not referring to a valid invoice number, the application will apply the payment first to any assessed late fees and then the balance to unapplied cash on the customer's account.

The first column contains the Customer Number, the second column contains the Check Number, the third column contains the Check Amount and the fourth column contain the Invoice Number. If a customer number begins with leading zeros, you must precede the leading zeros with an apostrophe. The Check Amount field must be numeric formatted - do not use a money format in this field; the import process does not allow this format. Below is a sample Generic Lockbox file.