Canadian Pre-Authorized Debit (PAD) Setup and Processing

Last Modified on 09/16/2026 12:07 pm PDT

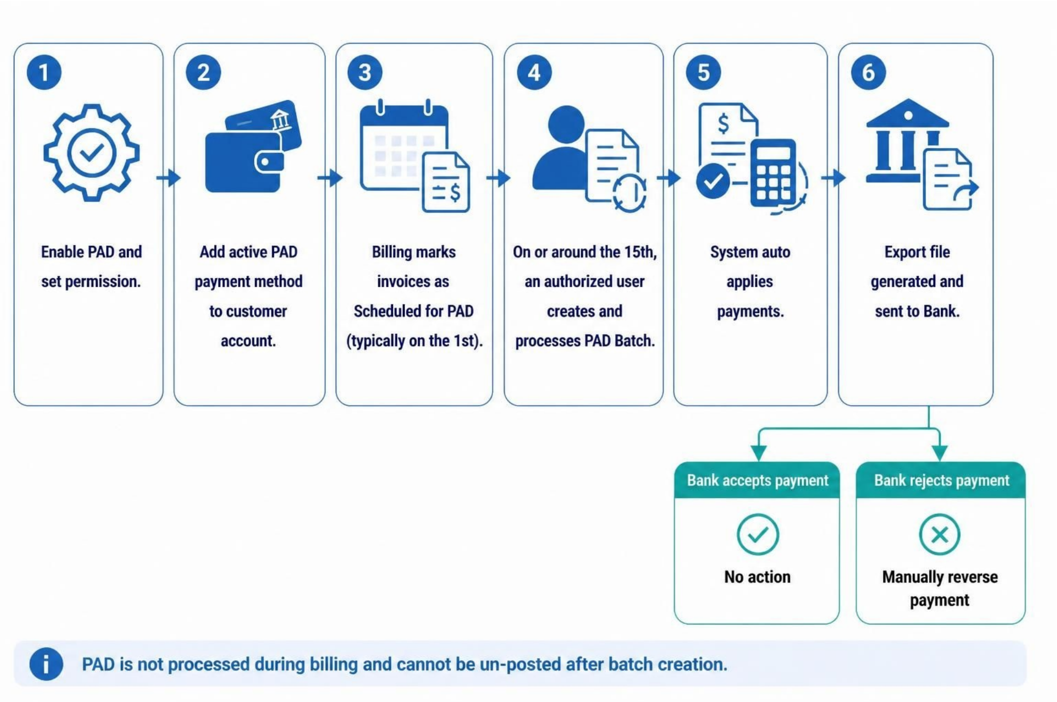
Overview

Pre-Authorized Debit (PAD) is a Canadian payment method that allows customers to authorize withdrawals directly from their bank account. PAD payments are different from credit card, eCheck, and U.S. ACH payments:

- PAD bank information is stored at the customer account level.
- PAD payments are not processed automatically through a merchant payment API.
- Billing identifies the invoice as scheduled for payment, but the actual payment is created later through a manually initiated PAD batch.
- PAD processing is normally performed on the 15th of the month.
- The batch amount is based on the account balance at the time the batch is created and the maximum auto pay amount.
- If the financial institution rejects a PAD payment, the payment must be manually reversed.

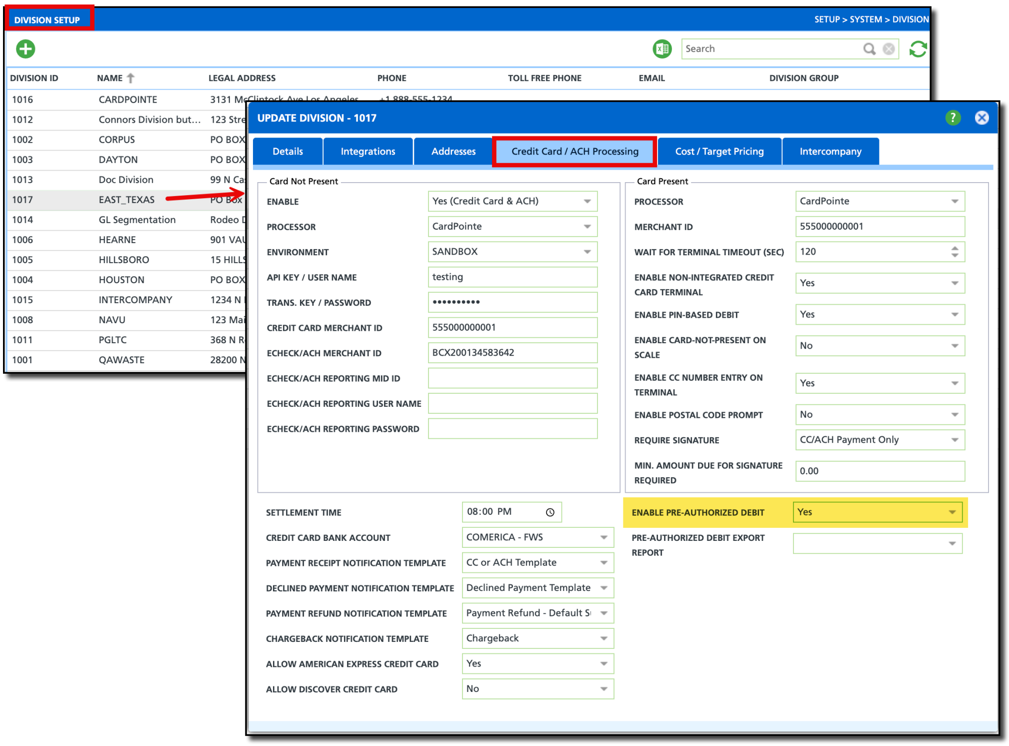
> Navusoft supports one active PAD payment method per account. Adding a new PAD payment method automatically disables other automatic payment methods and inactivates any existing PAD payment method for that account.

Process Flow



Setup

Configuring the system to support Pre-Authorized Debit cards is handled at the Division Level. A system administrator must enable PAD for each applicable division. There is one configuration and one permission that **must** both be enabled to utilize PAD.



Pathway: *Setup > System > Division*

To configure PAD

1. Open the *Setup > System > Division* set up screen.
2. For each division requiring PAD, click on the division and select the **Credit Card / ACH Processing** tab.
3. Set **Enable Pre-Authorized Debit** to "Yes". This will cause the Pre-Authorized Debit Export Format field to be displayed.
4. Select the **Pre-Authorized Debit Export Report** format to use for this division.

Permissions

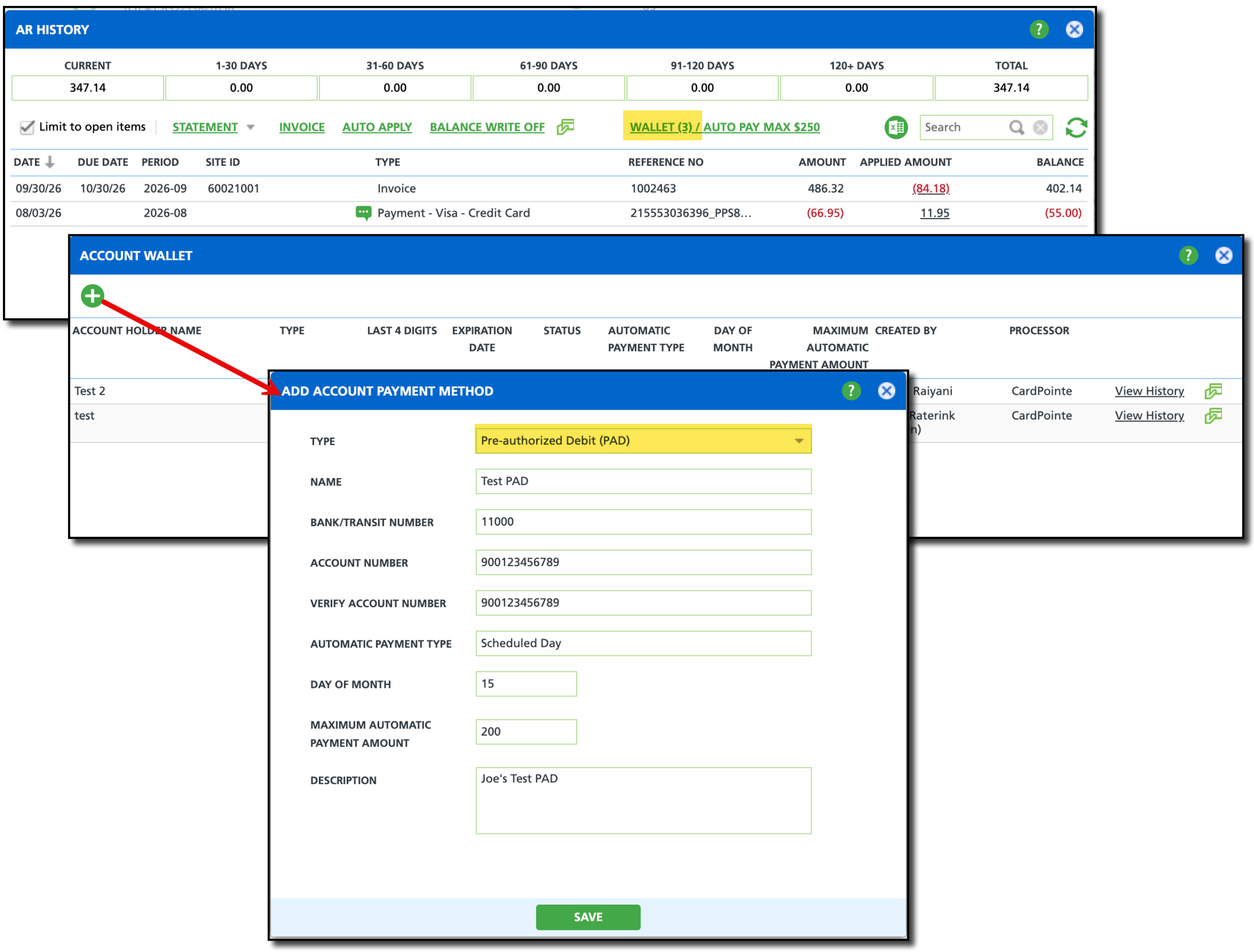
The following permissions is required to create and export PAD batches and to edit selected PAD batch details.

Permission ID	Permission Name
491	Process and Export Pre-Authorized Debit (PAD)

Adding a PAD Payment Method

PAD payment methods are managed and added from an account's wallet similar to making a payment with a credit card or debit card.

> PAD payment methods cannot be used for manual payments, contract payments, or work order prepayments.

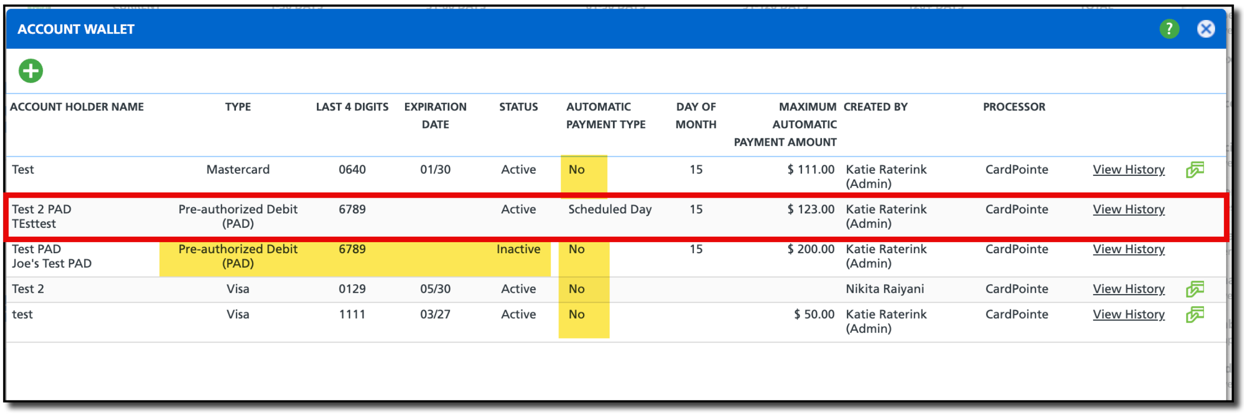


To make PAD payments, the card must first be added to the wallet.

1. Open the customer account and select the **AR History** icon to open the *AR History* screen.
2. Open **Wallet** and select **Add Payment Method**.
3. Select **Pre-Authorized Debit (PAD)** as the payment method **Type**.
4. Enter the required information:
   - **Name**
   - **Bank/Transit Number**
   - **Account Number**
   - **Verify Account Number**
5. The system automatically sets these fields:
   - **Automatic Payment Type** set to Scheduled
   - **Day of Month** set to 15
6. Enter the **Maximum Automatic Payment Amount**.
7. Optionally enter a **Description**.
8. Click **Save** to save the payment method in the account's wallet.

When the PAD payment method is saved:

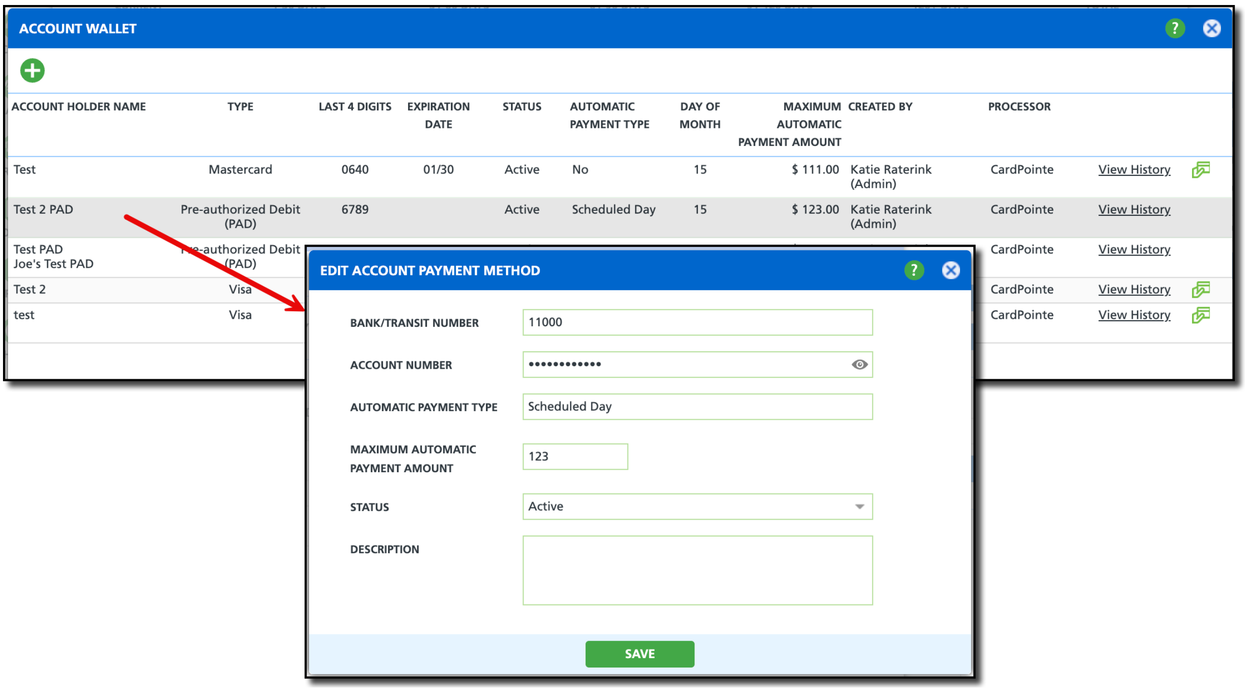
- Other active payment methods with **Automatic Payment Type** set to **At Billing** or **Scheduled** are changed to **No**.
- Other active PAD payment methods for the account are made inactive.
- The account therefore has only one active PAD payment method.



The **Post Payment** (wallet icon) is unavailable for PAD payment methods while in the Account Wallet.

Editing a PAD Payment Method

After a PAD is created and saved, certain fields can be modified. From the account wallet, open the existing PAD payment method to make changes.



Pathway: *Customer Service > AR History > Wallet*

The following fields can be edited:

- **Bank/Transit Number**
- **Account Number** - masked by default; click on eye icon to view account number
- **Maximum Automatic Payment Amount**
- **Status** - displays Active or Inactive based on the current state
- **Description**

Note:

- **Automatic Payment Type** is read-only and remains set to **Scheduled**.
- **Day of Month** is not displayed but can be viewed in the Account Wallet.

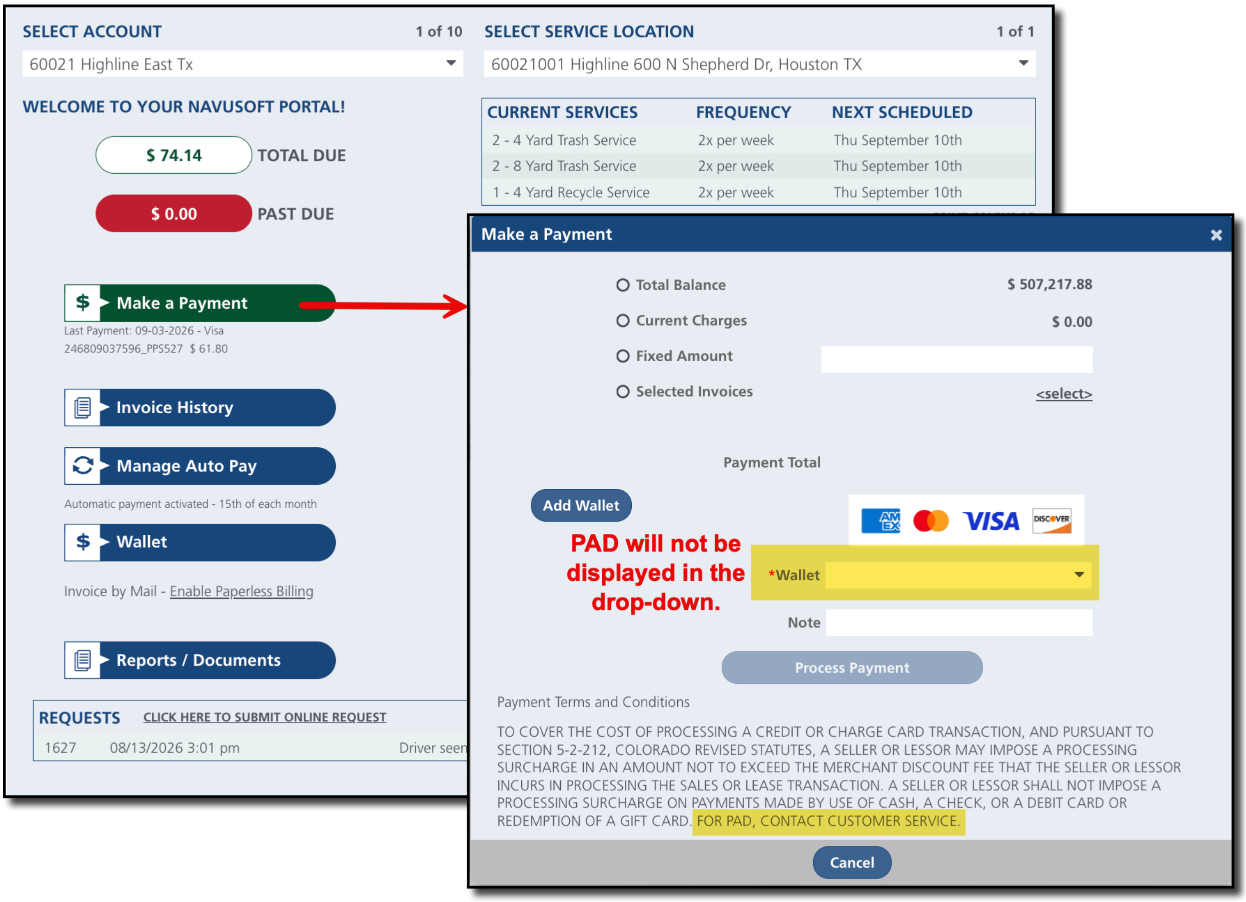
A PAD payment method can be made **Inactive** when it should no longer be used. Setting it to inactive does not create a replacement payment method or process a payment.

Customer Portal

Pre-Authorized Debit (PAD) cards are visible in the customer portal but due to the very nature of using PAD setup, there are no actions that can be taken by the customer to alter it or set it up.

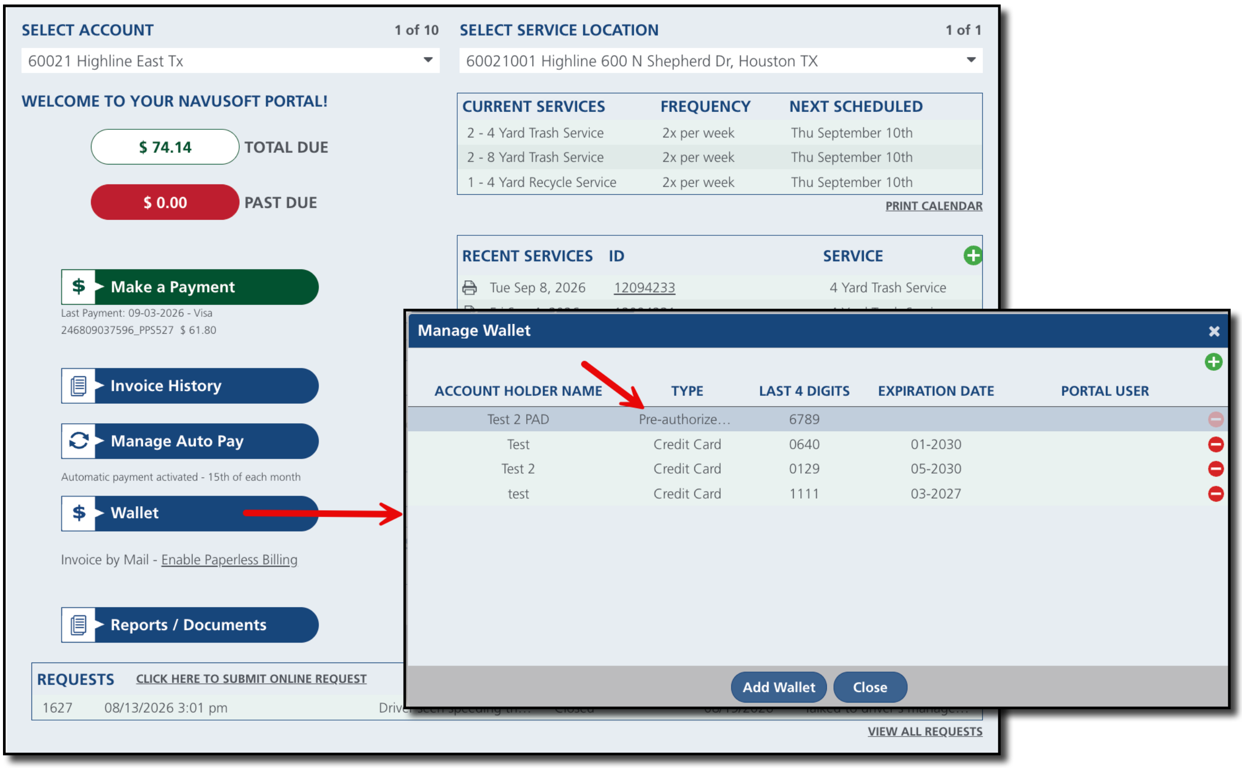
Payment methods

PAD payment methods are not displayed in Customer Portal Make a Payment or Invoice Quick Pay options. Payment Terms messaging is used to notify customers on how to sign up for PAD.



Wallet

PAD payment methods are displayed in the Customer Portal but a customer can not add a new PAD card or edit/remove/deactivate an existing PAD card. Customers will need to contact customer service to change to or disable PAD.



Creating a PAD Batch

Pre-Authorized Debit payments are not processed during a billing run. A billing administrator must create, export, and process a separate PAD batch.

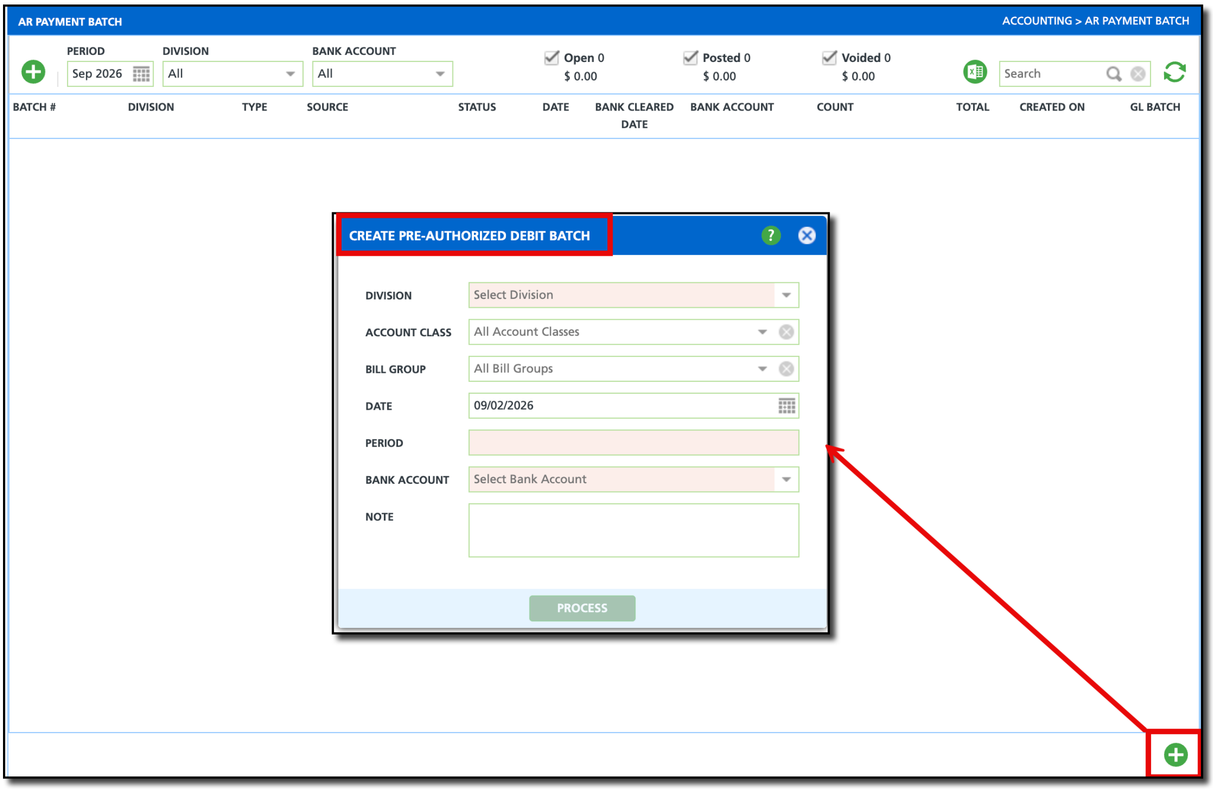
PAD Batch Eligibility

A PAD payment batch includes accounts that meet all of the following criteria:

- Match the selected division, account class, and bill group.
- Have an active PAD payment method type.
- Have a balance greater than zero.

PAD payment methods are excluded from scheduled payment processing because they are handled through the manually created PAD batch.

Create a PAD Batch



Pathway: *Accounting > AR Payment Batch*

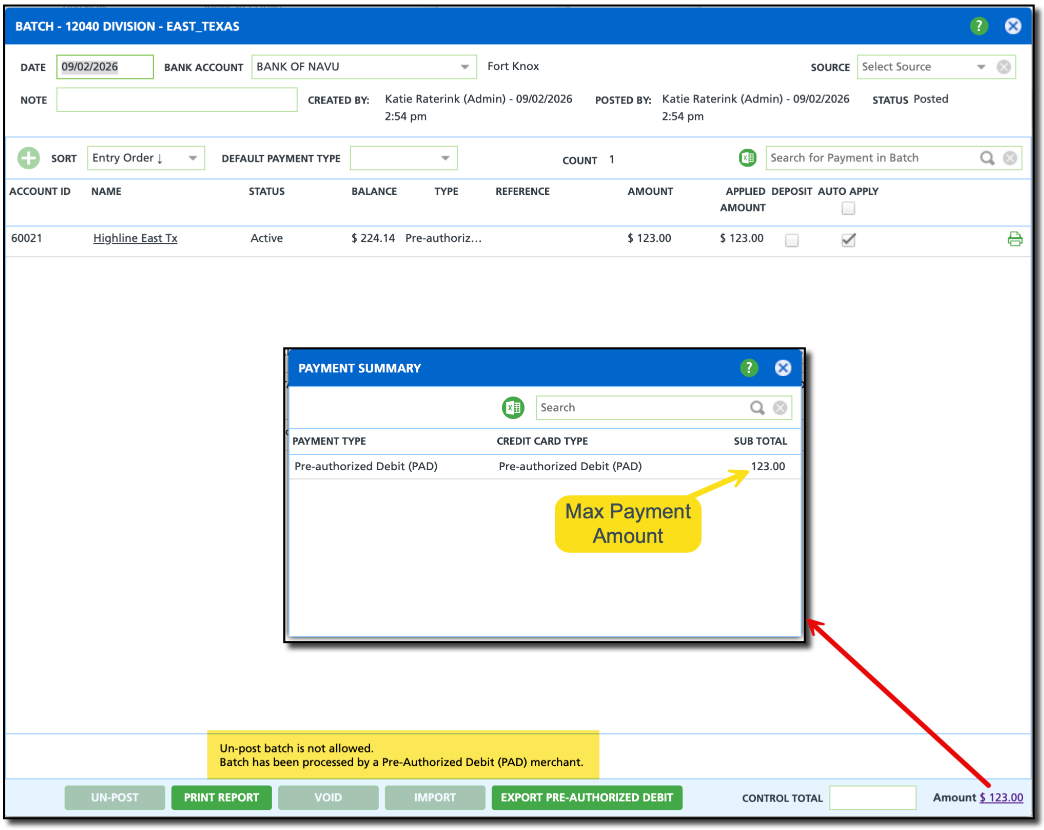
1. Open the ***Accounting > AR Payment Batch List*** screen.
2. Select the **green +** icon in the lower right corner .
3. On the **Create Pre-authorized Debit Batch** screen. enter the batch criteria:
   - **Division** - required and limited to the divisions available to the user.
   - **Account Class** — optional.
   - **Bill Group** — optional and limited by division. Bill groups with no division can still be selected when applicable.
   - **Date** — required; defaults to today's date.
   - **Period** — populated automatically based on the date selected.
   - **Bank Account** — required.
   - **Note** — optional.
4. Select **Process.**

PAD Batch Processing and Payment Application

Keep the following considerations in mind:

- The batch uses the account balance when the batch is created, not necessarily the balance shown during the original billing run.
- Accounts with no balance are excluded.
- If an Account balance exceeds the payment method's Maximum Automatic Payment Amount, the account is charged only up to that limit.
- PAD batches are posted immediately
- PAD batches cannot be un-posted
- PAD batches are excluded from standard scheduled payment processing.

After processing is complete, the creation dialog closes and the **Batch Detail** window opens with the new batch listed.

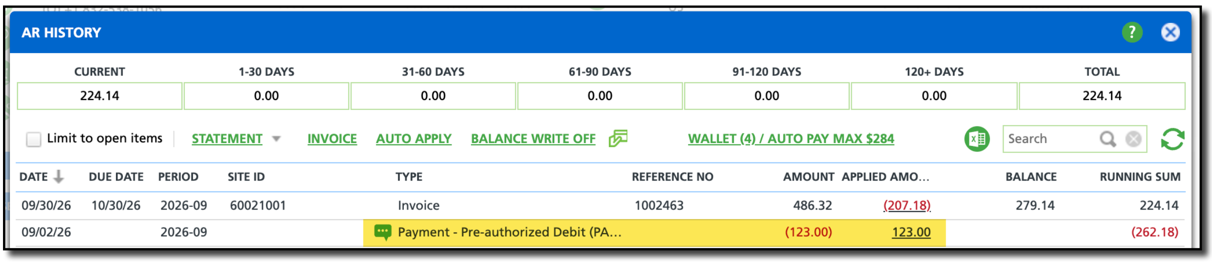


Pathway: *Accounting > AR Payment Batch > Batch details*

For each qualifying account:

- The payment amount is the lesser of the account balance and the payment method's **Maximum Automatic Payment Amount**.
- The payment is applied automatically to the account's open items.
- The payment batch is posted immediately.

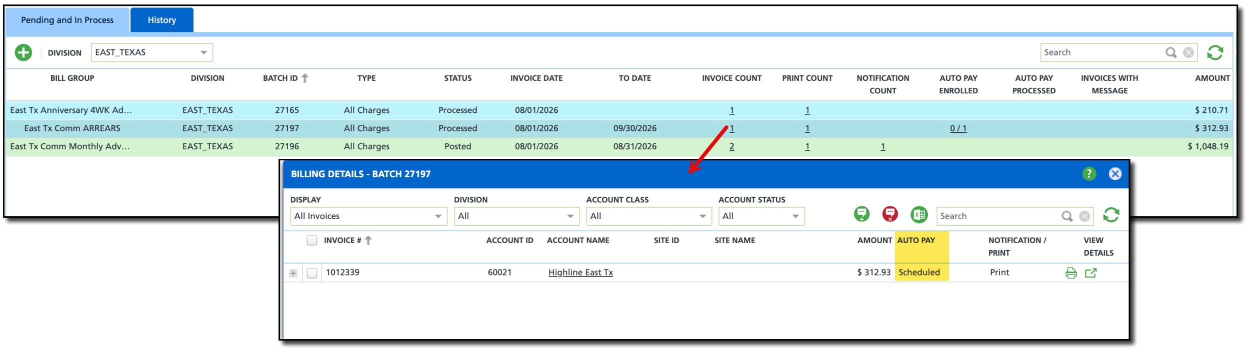
In the above example, one account met the criteria for this PAD batch. The account had a balance of $312.93 but its **Maximum Automatic Payment Amount** was set at $123.00 in the Account Wallet. As a result, $123.00 was charged and applied to the account



Billing

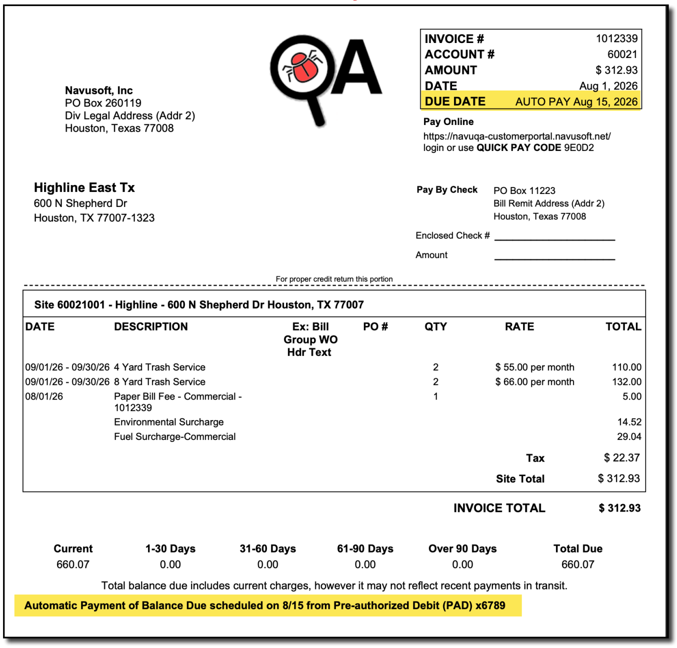
The final payment amount is not fixed during billing because the account balance may change before the PAD batch is created.

During billing, an account with an active scheduled PAD payment method is marked as being scheduled for payment.



The invoice submission serves as communication of the variable amount that is expected to be withdrawn. There are a couple of indicators on an invoice that a PAD payment is involved depending on the timing of the invoice.

Invoice generated through Billing
- indicates an Auto Pay is scheduled -



Navusoft, Inc
PO Box 260119
Div Legal Address (Addr 2)
Houston, Texas 77008

INVOICE #	1012339
ACCOUNT #	60021
AMOUNT	$ 312.93
DATE	Aug 1, 2026
DUE DATE	AUTO PAY Aug 15, 2026

Pay Online
https://navuqa-customerportal.navusoft.net/
login or use **QUICK PAY CODE** 9E0D2

Highline East Tx
600 N Shepherd Dr
Houston, TX 77007-1323

Pay By Check PO Box 11223
Bill Remit Address (Addr 2)
Houston, Texas 77008

Enclosed Check # ________________

Amount ________________

For proper credit return this portion

Site 60021001 - Highline - 600 N Shepherd Dr Houston, TX 77007

DATE	DESCRIPTION	Ex: Bill Group WO Hdr Text	PO #	QTY	RATE	TOTAL
09/01/26 - 09/30/26	4 Yard Trash Service			2	$ 55.00 per month	110.00
09/01/26 - 09/30/26	8 Yard Trash Service			2	$ 66.00 per month	132.00
08/01/26	Paper Bill Fee - Commercial - 1012339			1		5.00
	Environmental Surcharge					14.52
	Fuel Surcharge-Commercial					29.04
					Tax	$ 22.37
					Site Total	$ 312.93

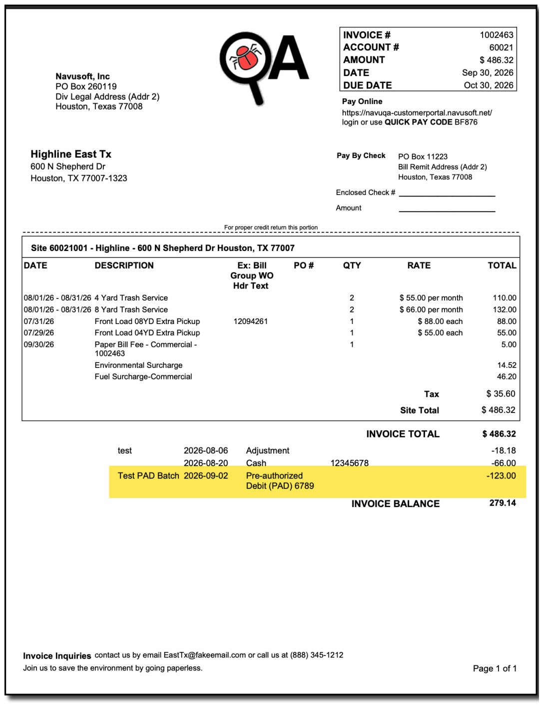
INVOICE TOTAL $ 312.93

Current	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total Due
660.07	0.00	0.00	0.00	0.00	660.07

Total balance due includes current charges, however it may not reflect recent payments in transit.

Automatic Payment of Balance Due scheduled on 8/15 from Pre-authorized Debit (PAD) x6789

Invoice AFTER PAD Batch created/processed
- indicates scheduled payment occurred -



Navusoft, Inc
PO Box 260119
Div Legal Address (Addr 2)
Houston, Texas 77008

INVOICE #	1002463
ACCOUNT #	60021
AMOUNT	$ 486.32
DATE	Sep 30, 2026
DUE DATE	Oct 30, 2026

Pay Online
https://navuqa-customerportal.navusoft.net/
login or use **QUICK PAY CODE** BF876

Highline East Tx
600 N Shepherd Dr
Houston, TX 77007-1323

Pay By Check PO Box 11223
Bill Remit Address (Addr 2)
Houston, Texas 77008

Enclosed Check # ________________

Amount ________________

For proper credit return this portion

Site 60021001 - Highline - 600 N Shepherd Dr Houston, TX 77007

DATE	DESCRIPTION	Ex: Bill Group WO Hdr Text	PO #	QTY	RATE	TOTAL
08/01/26 - 08/31/26	4 Yard Trash Service			2	$ 55.00 per month	110.00
08/01/26 - 08/31/26	8 Yard Trash Service			2	$ 66.00 per month	132.00
07/31/26	Front Load 08YD Extra Pickup	12094261		1	$ 88.00 each	88.00
07/29/26	Front Load 04YD Extra Pickup			1	$ 55.00 each	55.00
09/30/26	Paper Bill Fee - Commercial - 1002463			1		5.00
	Environmental Surcharge					14.52
	Fuel Surcharge-Commercial					46.20
					Tax	$ 35.60
					Site Total	$ 486.32

INVOICE TOTAL $ 486.32

test	2026-08-06	Adjustment		-18.18
	2026-08-20	Cash	12345678	-66.00
Test PAD Batch	2026-09-02	Pre-authorized Debit (PAD) 6789		-123.00

INVOICE BALANCE 279.14

Invoice Inquiries contact us by email EastTx@fakeemail.com or call us at (888) 345-1212
Join us to save the environment by going paperless.
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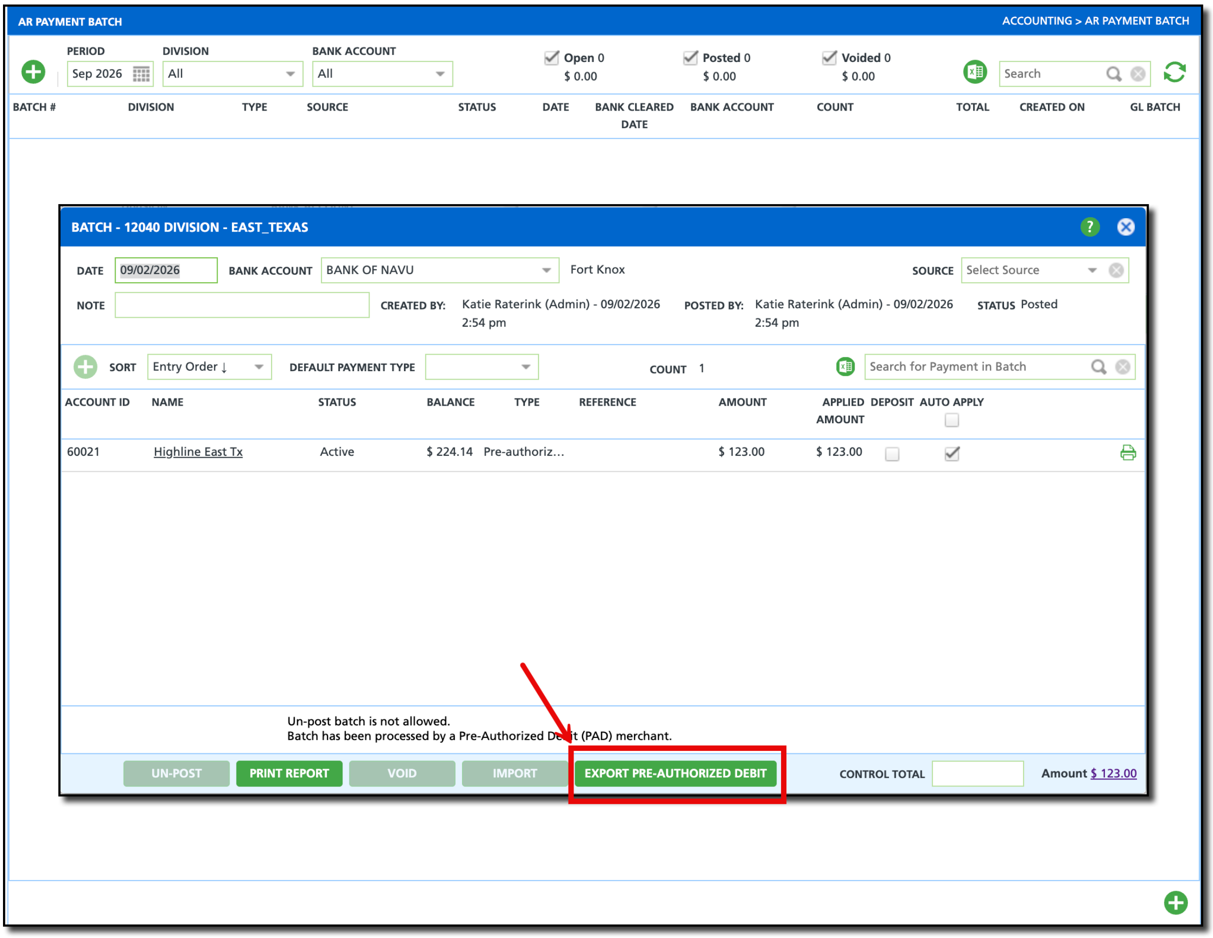
Exporting a PAD Batch

An exported PAD Batch file must be delivered to the financial institution for processing. Posting the batch relieves accounts receivable in the application; it does not confirm that the bank successfully processed every withdrawal.

Export a PAD Batch



Pathway: *Accounting > AR Payment Batch*

From the **AR Payment Batch Detail** window:

1. Confirm the batch details.
2. Select **Export Pre-authorized Debit**.
3. Save or send the generated export file according to your organization's bank-processing procedures.

The export can be generated multiple times if the original file is lost or needs to be resent.

PAD Batch Status and Permissions

Keep the following considerations in mind:

- PAD batches cannot be un-posted.
- The **Bank Account**, **Source**, and **Note** fields can be edited.
- The batch displays the PAD-specific batch source.
- The appropriate permission is required to export a PAD batch.
- Posting a batch does not confirm that all withdrawals were successfully processed by the financial institution.

Rejected or Returned PAD Payments

PAD payments are initially assumed to be successful when the batch is posted. If a financial institution rejects or returns a payment:

- Identify the rejected customer payment.
- Manually reverse the payment in the application.

- Follow your organization’s standard customer communication and collection procedures.

The system does not automatically reverse rejected PAD payments through the merchant payment API.

Related Articles

Accounts - Add Payment Method / Make Payment Method Inactive