



**Administration Circular No.: 12/2019**

**Date of Issue: February 4, 2019  
(Magh 21, 2075)**

**Subject: Central Cash Chest (CCC) operation  
from Ratopul and CCC Manual**

**To: All the Staff Members of Nepal Credit & Commerce  
Bank Ltd.**

This is to inform all the Staff Members of Nepal Credit & Commerce Bank Ltd. that the Central Cash Chest has been shifted to Ratopul for better management of cash supply and overall smooth cash management of Kathmandu Valley Branches and shall operate with effect from February 6, 2019 (Magh 23, 2075). The Cash Chest Team is as follows:

S.N.	Name of Staff	Designation
1	Ms. Sushmita Ghimire	Junior Executive Officer (In-charge)
2	Mr. Nabin Bajracharya	Junior Assistant
3	Mr. Damodar Subedi	Record Keeper (Notes Sorter)
4	Mr. Nani Ram Poudyal	Record Keeper (Notes Sorter)
5	Mr. Devendra Maharjan	Senior Messenger
6	Mr. Sundar Lama	Driver

Further, the Procedural Operation of Cash Chest shall be governed by CCC Manual 2019 (attached herewith) and shall be under Branch Operation Department. However, the unit shall report to Branch Manager of Ratopul Branch 097 for day to day operation.

**Ramesh Raj Aryal  
Chief Executive Officer**

**Nepal Credit & Commerce Bank Limited  
Corporate Office, Bagbazaar Kathmandu**

## **Central Cash Chest (CCC) Manual**

**2019**



**NCC Bank**

नेपाल क्रेडिट एण्ट कमर्स बैंक लि.  
Nepal Credit & Commerce Bank Ltd.

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## **1. Overview**

Physical cash management at vault refers to one component of overall cash management for banks and financial institutions. The process of cash handling has not really changed since many years and still remaining normally limit-based. A typical limit is an amount of cash that a bank's management has set for a branch which cannot be exceeded. Cash limits are established to ensure excesses are not kept, insurability levels are maintained and overall risk practices are followed. Optimizing cash levels in order to meet customer needs not only eliminates the "back office" tasks of branch personnel, but it also frees them to operate a branch in the way it was intended to always operate. In order for banks to increase their bottom line and quickly adapt to shifting market changes, individual branches should identify operational requirements for handling daily cash demand from ATMs and tellers, assess the minimum inventory requirements for cash based on the cash holders within a branch, monitor the frequency money is delivered to branches as well as understanding the cost to transfer cash, know a branch's insured cash limits etc.

Central Cash Chest (CCC) has aimed to provide physical cash management services to the surrounding branches initially starting from Kathmandu Valley so that the branches shall transfer cash to/ from the chest as per their requirement (both teller and ATM) in a timely manner mitigating the possible risk of cash movements. Considering the increasing number of branches of the bank throughout the country and having more than 25 branches inside Kathmandu valley alone; the concept of such unit shall be expanded outside Kathmandu valley too as per the requirement. Thus, looking towards the need to manage physical cash among the branches of Nepal Credit & Commerce Bank Ltd., the Central Cash Chest (CCC) Manual is prepared which shall be the guiding document for Central Cash management.

## **2. Definitions**

Unless otherwise specifically indicated the following terms used in this Manual have the following meaning(s):

### **i) Currency Notes or Cash**

Currency note is a promissory note issued by the monetary authority of a country payable to bearer on demand. The currency note possesses all the qualities of a negotiable instrument. The right to issue such currency note is conferred on Nepal

Rastra Bank only (NRB). Currency notes or cash refers to both local and foreign currency notes.

**ii) Cash Vault Room:**

Cash Vault is the strong room where cash and cash items and other valuable documents are stored. Some definite security arrangements are made in the cash vault to protect the most liquid asset from any outside or inside threats. Such vault room is fixed with vault door with especially arranged lock having dual locking system.

**iii) Vault Keys**

Vault keys refer to the special keys which are used for opening /closing of the vault/ cash safe locks with combination of two different keys with separate custodians or combination lock fixed thereon.

**iv) Key Custodians**

Staff member authorized are to hold the keys of vault door. Such authorizations are given by the management at Corporate Level under recommendation of COO/BOD. Vault/cash safe keys shall not be handled by persons/staff other than the authorized custodians. Due to dual locking system of vault door, the keys are categorized under two different panels i.e. Panel A and Panel B. Under any circumstances, a custodian belonging to one panel should not hold the key of another panel. Separate custodians are appointed under these two panels as detailed below:

**a) Panel (A ) Custodian**

Panel A custodian are those staff members who are authorized to hold vault/cash safe keys under "A" category and who opens the lock first while opening the cash vault.

**b) Panel B Custodian**

Panel B custodian are those staff members who are authorized to hold vault/cash safe keys under "B" category and who opens the lock after panel A custodian unlocks the lock while opening the cash vault.

### **3. CCC & its Functions**

Central Cash Chest (CCC) is specialized cell for the management of bulk cash transfer function to/from Nepal Rastra Bank (NRB) or between Nepal Credit & Commerce Bank's Branches except as specifically instructed. Any cash deposit/withdrawal from NRB or deposit at NRB or to/ from the cash to any branches seeking cash as deemed appropriate shall be managed by CCC.

For requirement of cash at the branch, CCC arranges to provide cash from the unit or from NRB or any other branch surplus cash as deemed appropriate. It -

- i) Receive request of Cash need of Branches and manages the same following day or same day as per the urgency
- ii) Receives excess cash of Branches
- iii) Cash sorting
- iv) Deposit excess cash to NRB taking account of Vault insurance limit and CRR (Cash Reserve Ratio) requirement
- v) Ensure/ arrange transit insurance as appropriate while transferring cash from/ to branches and NRB

### **4. Operation Procedure**

When the branch is in need of cash transfer due to short or excess of cash or for ATM refill, branches are required to book the cash in transit in Fund Xfr - Cash In Transit a/c which is maintained at Corporate Office so that it becomes easy for monitoring the fund transfer between branches and other banks /NRB. Further, it becomes easier to monitor whether the overall cash in transit of the Bank comes under the limit as described in our Bankers' Blanket Indemnity Policy.

The Branch which debits the Fund Xfr - Cash in Transit a/c for sending the cash to other Branches/ CCC and/ or for receiving the cash from other Banks/ Branches/ CCC shall compulsorily inform the Treasury Department before executing the transaction. All the currencies are booked in same account. In case of foreign currency transfer, the amount is booked equivalent to NPR. This account should be nil at the close of the business hour. If it is not going to be nil at the end of day, the same should be reported to CCC with a copy to BOD. The CCC Unit shall monitor the Fund Xfr - Cash in Transit a/c maintained at Corporate Office and reconcile on daily basis.



a) Cash Deposit

- i) Branch/es shall inform to Central Cash Chest (CCC) unit one day prior to such transfer so that CCC can manage their internal cash position at vault
- ii) Branch/es shall bring in the sorted Cash to CCC for deposit
- iii) CCC shall receive the cash by counting bundles and individual packets. Look into sorted notes if properly sorted or not. If not sorted or poorly sorted, resorting is done at CCC.
- iv) CCC shall arrange to deposit excess cash to NRB taking following things in considerations:
  - a) Cash position in the vault
  - b) CRR requirement
  - c) Cash demand from Branch/es

b) Cash Withdrawal

- i) Cash requirement of Branch/es shall be assessed by respective Branch/es in the evening prior to withdrawal date and send an email to CCC for the arrangement.
- ii) On receipt of email from the branch/es, CCC shall oversee the cash position. If CCC can manage Cash on its own or in co-ordination with other branch/es, then it will arrange accordingly the same day evening. In case there is not sufficient cash in CCC, it will request Treasury Department for the NRB Cheque mentioning the amount. CCC shall collect this cheque from Treasury Department in the following day morning and rush to NRB for cash withdrawal.
- iii) Bring cash from NRB and hand over the Branch/es as per their requirement. Branch/es should send original request letter for cash demand amount being same in the previous day email. Any alteration or deviation in cash requirement that of earlier estimation of the branch may or may not be entertained by CCC based on self discretion and availability of cash with CCC.

c) Accounting-Cash Transfer (To/From CCC to Branches & CCC to/ from NRB):

- i) When Branch/es deposit excess cash to CCC
  - a) At Branch

Teller Cash LCY/FCY Cr.  
Fund Xfr\_ Cash In Transit a/c maintained at Corporate Office Dr.  
(Being excess Cash Transferred to CCC)

b) At CCC

Teller Cash CCC LCY/FCY Dr.  
(Special Teller under Respective Branch Sole where CCC is established)  
General A/C LCY/FCY Cr.

CCC, on behalf of Respective Branch where CCC is established, shall issue Inter-branch credit advice (IBCA) to the Branch and sends the same with the branch staffs.

c) At Branch - on receipt of IBCA

General A/C LCY/FCY Dr.  
Fund Xfr\_ Cash In Transit a/c maintained at Corporate Office Dr.  
(IBCA #.....cash deposited at CCC) Cr.

ii) When Branches request Cash from CCC

a) At CCC

Teller Cash CCC LCY/FCY Cr.  
Fund Xfr\_ Cash In Transit A/C maintained at Corporate Office Dr.  
(Cash trf to Branch . . . .)

b) At Branch on receipt of Cash issues IBCA

Teller Cash LCY/FCY Dr.  
General Account LCY/FCY Cr.  
(Cash from CCC)  
Branch faxes the IBCA and sends original via courier to CCC

c) At CCC

General Account LCY/FCY Dr.  
Fund Xfr Cash In Transit a/c maintained at Corporate Ofhce Cr.  
(IBCA # cash to Branch....)

iii) When CCC deposits / withdraws cash to/ from NRB

a) When CCC withdraws and deposits cash, issues an IBCA/ IBDA to Treasury

General Account LCY/FCY Cr.

Fund Xfr\_ Cash In Transit a/c maintained at Corporate Office Dr.  
(Cash from NRB)  
(Treasury Department has to respond IBCA/IBDA received from CCC the same day with effect to NOSTRO Account)

b) When Receives Cash from NRB  
Teller Cash LCY/FCY Dr.  
Fund Xfr Cash In Transit a/c maintained at Corporate Office Cr.  
(Cash from NRB)

d) Others

- i. Cash Transfer between NRB Branches & CCC to be carried out as prescribed in Procedural Manual - Operations and amendments made thereof.
- ii. Cash Transfer to Other Banks/ NRB/ Note Chest (Other than CCC) to be carried out as prescribed in Procedural Manual - Operations and amendments made thereof.
- iii. Cash Transfer from Other Banks/ NRB/Note Chest (Other than CCC) to be carried out as prescribed in Procedural Manual - Operations and amendments made thereof.
- iv. Guideline for safety measures to be followed for Cash Transfer to NRB & Branches as prescribed in Procedural Manual - Operations and amendments made thereof.
- v. The cash movement activities between the branches and CCC shall be arranged and carried out by CCC upon obtaining the request from the respective branches.

5. Cash Vault Operation

The modalities set out by the management for the use of the vault falls under normal vault operation. CCC doesn't constitute the separate cash vault; the cash vault of the respective branch where CCC is located is used as Cash Vault of the unit. As CCC is operating as one separate/ specialized teller of respective branch; there will be no separate Cash Vault and Custodians for Cash Vault Operation. The branch where CCC is located has to follow vault operation procedures as normal i.e. items approved to be stored in the vault, the officials authorized to visit the vault, the vault key arrangement, the vault visiting mechanism, cash-in and cash-out procedures and the recording system of the required details. And the frequency



of vault visits should be minimized to the possible extent and the custodians should ensure that the vault is properly locked after each and every visit.

The Cash Vault limit of the respective branch where CCC is located is calculated by Branch Operation Department/ Treasury and allocate reasonable limit as required.

## **6. Cash Out/ In from Vault to CCC**

At the beginning of the day, an estimated amount of cash is taken out of the vault jointly by the cash custodians of the respective branch. The total amount taken out of the vault is recorded in the Vault Balance Register. The Vault Balance Register is maintained inside the vault. However a separate Cash in & out Register (Teller Register) is maintained by the CCC teller to record cash-in and cash-Out transactions through Cash Give and Take transaction from the Head Teller of the branch. At the end of the day, after balancing total cash in denomination wise (Balance as per Cash in & Out Register) by the CCC teller, the amount to be handed over to the Head Teller of the respective branch through Cash Give and Take transaction for cash - in to the vault. The Head Teller of the respective branch make necessary posting in the Vault Balance Register, Make related vouchers and post the transaction into the system, ensure that the cash balance derived in the Vault Balance Register tallies with the cash balance shown in the computer systems, take the cash to the vault under the supervision of other cash custodians and obtain their signature in the Vault Balance Register, Close the vault duly locked with all the custodian's keys as per the set system etc. As the CCC Teller handed over the teller cash to Head Teller of respective branch, balancing overall cash position, securing the cash into the Cash Vault etc. rests on the responsibility of the respective branch. However, to ensure proper counting of notes on packets and bundles handed over to the branch, the Teller at CCC must sign the tags therein.

## **7. Cash In Transit**

When the cash is being moved from one location to another whether it may be the branches of the bank, NRB or others, it has to pass through a state called 'Cash in Transit'. The accounting of Cash in Transit is to be booked by the branch/CCC which delivers the cash. For example, if Kathmandu Main Branch deposits cash at CCC; it has to book 'Cash-In Transit' before delivering the cash to cash carrying staff. Upon receipt of advice from cash receiving branch/CCC, the 'Cash-In Transit' has to be reversed by the respective transaction booking branch itself. Normally, this account should have nil balance at the end of the day.

## **8. Cash vault / Transit Insurance**

For security purpose, the cash position should have adequate insurance coverage. The amount of insurance may vary from Branch to Branch. The Branches need to know their respective insurance limits and maintain the cash accordingly. In case, the Branch has some excess cash position, likely to have the branch where the CCC is located, than the insurance coverage limit, additional temporary coverage should be obtained by faxing the request of that to the nominated insurance company with copy to the General Administration Department, Corporate Office. Besides, the insurance of cash at vault, the branch should ensure that there is adequate insurance coverage for Teller Counter CCC and Cash in transit as per the limit prescribed by the management.

## **9. Clean Note Policy**

CCC and the branches have to follow Clean Note policy as circulated by NRB. Following procedures has been implemented to stream-line the Clean Note Policy:

- Every single piece of note must be properly sorted.
- Clean notes are separated from dirty/muddled, mutilated, torn etc. notes.
- The sorted note is arranged in packet of 100 pieces and bundle of 10 packets.
- Every packet of notes is stripped with bank tag with a single stitch on it.
- The name and signature of the note sorter is endorsed on the bank tag along with branch stamp and date.
- The clean note packet is striped with white bank tag, dirty/ muddy note packet is striped with red bank tag and unsorted note packet is striped with yellow bank tag.
- The teller should make payment of only clean notes to the customers as far as practicable and the dirty/ muddy notes should be sent to NRB for deposit.

## **10. Cash Sorting**

During the course of normal transactions, it is apparent that soiled notes are also accepted. However, while depositing such notes at NRB, they require the fresh notes and soiled notes to be bundled separately. Primarily, the staffs of respective branches of the bank is responsible for sorting of cash available in their custody before sending it to CCC/ branches for deposit/ transfer. Staff at CCC should ensure that the notes ready to deposit at NRB etc. are sorted and tagged properly and cash sorting activities at CCC should be carried out on daily basis. CCC should send cash sorters to other branches as well as per the requirement. CCC may outsource the service of sorting professional for such purposed subject to approval from DCEO/CEO.

Agreement should be signed with the outsourced sorting professional/agency in coordination with HR Department prior to hiring such person/agency. The guideline regarding the clean note policy issued by NRB should be followed while sorting cash.

### **11. Reconciliation**

G/L Accounts related to cash transfers to branches and NRB must be reconciled on a daily basis by CCC. Any difference noted on branch's general accounts; transit accounts and NRB must be brought to the notice of respective branches/ Treasury/ Finance & Planning Department etc.

### **12. Manpower Planning and Logistic Arrangements**

The required manpower to handle CCC Teller at branch's premise, supervisor, note sorters, transit staffs including driver, guard etc. to be provided by Human Resources Department as required with system access to use respective branch's Pumori system for allowing entries. Entire logistic arrangements for CCC including location up gradation in terms of security shall be arranged by General Administration Department upon obtaining necessary approval from the competent authority.