PREMIUMTRUST BANK LTD

(Central Clearing Process Manual)

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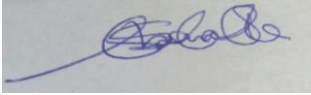**Version 1.0**

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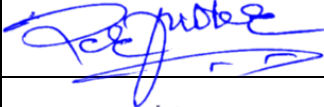
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Change Control

Change Clause/Frequency
The contents of this document are subject to change control on a twenty- four (24) months review cycle.

1. PURPOSE

This process manual is aimed at the refined procedures to which transactions are consummated in treasury operations as it pertinently affects the standard operating activities, performer, responsibility, timeline and priority.

2. DEFINITIONS

This comprises of abbreviations and the full meanings

- ➢ NACS- Nigeria Automated Clearing System
- ➢ NEFT- NIBSS Electronic Funds Transfer
- ➢ NIBSS- Nigeria Interbank Settlement System
- ➢ XNETT- suite of Applications for Cheques & NEFT
- ➢ CBA- Core Banking Application
- ➢ ACH- Automated Clearing House
- ➢ FTO- Funds Transfer Officer
- ➢ BSM- Branch Service Manager
- ➢ COPS- Central Operations
- ➢ CCO- Chief Compliance Officer
- ➢ COO- Chief Operation Officer

3. APPLICABILITY & SCOPE

The process manual takes effect immediately has been signed off and the scope covers all transactions captured in this process manual.

4. POLICY REQUIREMENTS

To ensure transactions are consummated according to the documented and signed off procedures as contained in the process manual.

5. ROLES & RESPONSIBILITIES

The drivers of the roles and responsibilities in this process manual are majorly treasury operations staffs and Internal control officer(s)

ROLES	RESPONSIBILITIES
Central Clearing	Clearing Officers
Conduct Compliance and Monitoring	Conduct and Compliance Monitoring Officers

6. EXCEPTIONS

The exception handlings will be in line with best practice on a case-by-case basis.

S/No	Processes	Responsible Unit	Department
1.	Inward cheques processing	NACS Desk	Central clearing
2.	Returned outward cheque processing	NACS Desk	Central clearing
3.	Outward cheques processing	NACS Desk	Central clearing
4.	Returned inward cheque processing	NACS Desk	Central clearing
5.	Inward NEFT processing (debit & credit)	NEFT Desk	Central clearing
6.	Outward NEFT processing (debit & credit)	NEFT Desk	Central clearing
7.	Returned inward NEFT (debit & credit)	NEFT Desk	Central clearing
8.	Returned outward NEFT (debit & credit)	NEFT Desk	Central clearing
9.	Neft Recall (Inward)	NACS Desk	Central clearing
10.	Neft Recall (Outward)	NACS/ NEFT Desk	Central clearing

11.	Gross settlements	NACS/ NEFT Desk	Central clearing
12.	Reconciliation of clearing ledgers (Suspense)	NACS/ NEFT Desk	Central clearing
13.	Reconciliation of clearing ledgers (Clearing ledger)	NACS/ NEFT Desk	Central clearing
14.	Special caution in (Do not give value)	NACS Desk	Central clearing
15.	Special caution in (Give value)	NACS Desk	Central clearing
16.	Special caution out (Do not give value)	NACS Desk	Central clearing
17.	Special caution in (Give value)	NACS Desk	Central clearing
18.	Extension of value date	NACS Desk	Central clearing

Process Name	INWARD CHEQUES
Process Description	Processing of inward cheques
Process Objective	Settlement of payment on behalf of our customers
Process Ownership	Head, central clearing
Benefit to Customer	Ease of settling their financial obligations
Benefit to Bank	Value added to customers. Income generation by banks in terms of commissions.
Key Controls	Cheques are issued by premium bank customers Cheques meet clearing mandate as approved by CBN Cheques are valid for clearing
Key Dependencies	NACS server XNETT Service manager's approval/authorization; confirmation of decision to honour/pay the cheque Core banking application
Key Performance Measures	Debiting of customers' accounts for the values of presented cheques
Inputs	Bank posting files received from automated clearing house

S/n	Activities	Responsibility	Accountability	Execution Timeline	Priority
1	At 8.00am (or 11.00am) log on to XNETT (that is, NACS platform) to check if session has ended. Also check that there are no posting files in "pending". The files are to be automatically imported into in-clearing XNETT platform.	Clearing officer	Head, Central clearing	15MINS For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	Medium
2	On the dashboard click on "generate report" to download gross net report to view the number of inward cheques received and the value.	Clearing officer	Head, Central clearing	15-20MINS For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	Medium
3	Log on to in-clearing XNETT platform and confirm that the number of items and value is	Clearing officer	Head, Central clearing	2mins For each of the two daily clearing	Medium

	the same with what is on the gross net report			sessions, i.e. (8.00a.m and 11.00a.m)	
4	On XNETT home page, drop down "clearing" option on the main menu page and click "inward cheque pre-treatment"	Clearing officer	Head, Central clearing	2mins For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	Low
5	On the inward cheque's treatment page, select the date and time, (that is, 8.00am for 1st session and 10.00am for second session) then click search to list out all received cheques.	Clearing officer	Head, Central clearing	2mins For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	Medium
6	Input branch sort code in the "sort code" field, then click on search to list out items received for each branch.	Clearing officer	Head, Central clearing	2mins For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	Medium
7	Click "select" to display individual cheque image and input beneficiaries on all MICR cheques for individual, corporate and manager's cheques (trans code 01,02 and 03) check other fields i.e., account number, cheque number amount routing number and transaction type to confirm that all information correspond with what is on the face of the cheque.	Clearing officer	Head, Central clearing	3hrs For 1st clearing session, (8.00a.m) and 1hr for second clearing session, (11.00a.m)	Low
8	After inputting beneficiary names on each cheque, press enter to save and go to the next item. On treating the last cheque for each branch, you will get a response "end of the list has been reached". Click on "ok" then click on "save" to save and exit the page.	Clearing officer	Head, Central clearing	For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	Low

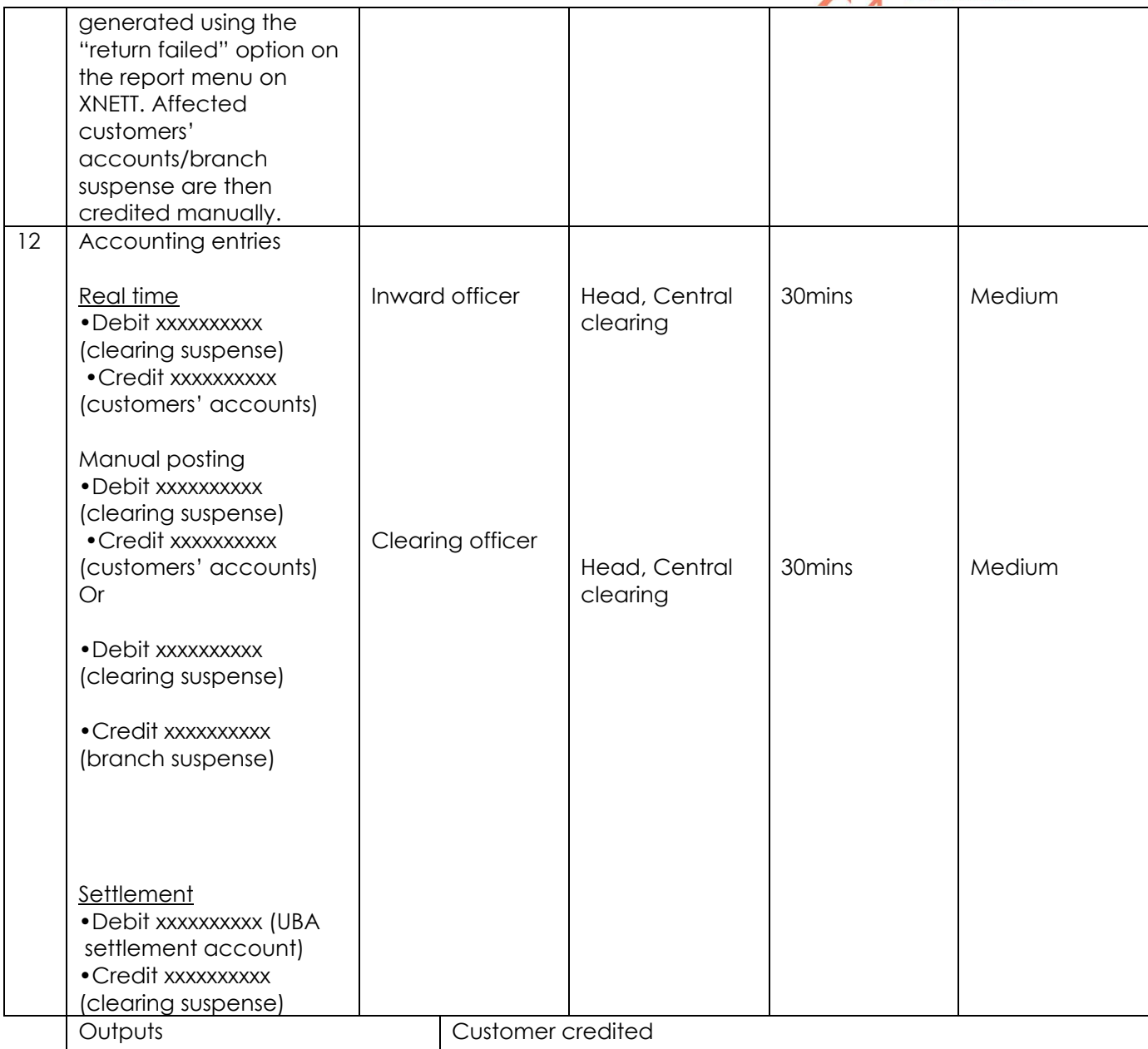| 9	The above will be done for all the branches, where you have "premium plus (cheques not valid clearing) cheques", "post-dated cheques", "stale cheques", "non NUBAN cheques" "cheques without crossing stamp" and "duplicated cheques", these are routed to transaction type/code "00" not debited to customers' accounts and returned as they are not valid for clearing.	Clearing officer	Head, Central clearing	For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	Low
10	Export all treated cheques with transaction types/codes "01,02 & 03" to excel format and confirm total value of cheques to be debited.	Clearing officer	Head, Central clearing	25mins For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	Low
11	To initiate the debiting of customers' accounts, go back to home page menu, drop down "clearing" option then click on "generate double entry".	Clearing officer	Head, Central clearing	2mins For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	Low
12	Select only cheques and/or MCs, date and session, then click "generate double entry on XNETT". You will get a response stating (number of items), then click yes.	Clearing officer	Head, Central clearing	2mins For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	Low
13	On completion, a message appears on the screen indicating the successful generation of the double entry file for onward upload to FLEXCUBE.	Clearing officer	Head, Central clearing	3-5mins For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	Low
14	Go to reports menu on XNETT and click ''double cheque inward report'' to confirm successful and failed items. This	Clearing officer	Head, Central clearing	3mins For each of the two daily clearing	Low

				sessions, i.e. (8.00a.m and 11.00a.m)	
	also confirms status of each transaction. Any failed item will be processed manually				
15	At each branch, the fund transfer officer (FTO)/service manager (BSM) logs on to XNETT and downloads the day's inward clearing cheques for the branch and print.	Branch service manager	Regional service manager	5 mins For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	High
16	FTO reviews the cheque one by one by checking for the correctness of the cheque features including customer's signature and account balance	Branch service manager	Regional service manager	0.5min/ cheque For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	High
17	FTO logs on to FLEXCUBE check if each cheque has been debited into the customer's account and review the adequacy of the account balance to cover the amount presented for payment.	Branch service manager	Regional service manager	0.5min/ cheque For each of the two daily clearing sessions, i.e. (8.00a.m and 11.00a.m)	High
18	For any cheque whose debit did not impact the customer's account, the FTO reviews the branch rejected cheque account to manually debit the customer's account and regularize the branch rejected cheques account.	Branch service manager	Regional service manager		High
19	BSM also logs on to FLEXCUBE and approve the debits of cheques whose value are more than #150,000.	Branch service manager	Regional service manager		High
20	BSM obtains confirmation on the cheques with values above the non-confirmation threshold (=N=500,000), and on the cheques with inadequate balances for payment or return.	Branch service manager	Regional service manager		High

21	BSM logs on to XNETT, clicks "honour" for the cheques that are good for payment and clicks "returned" (with reasons) for the cheques that are being returned. (Where a decision to either return or honour cheque(s) is not made, such instrument is deemed honoured)	Branch service manager	Regional service manager		High
22	Accounting entries Real time •debit xxxxxxxxx (customers' accounts) •credit xxxxxxxxx (branch inward suspense)	Clearing officer	Head, Central clearing	30MINS	Medium
	Manual posting •debit xxxxxxxxx (customers' accounts) •credit xxxxxxxxx (branch rejected suspense)	System entry	Core banking mgt		Medium
	Close of business •debit xxxxxxxxx (branches inward suspense) •credit xxxxxxxxx (clearing room)	Clearing officer	Head, Central clearing	30MINS	Medium
	Settlement •debit xxxxxxxxx (clearing room) •credit xxxxxxxxx (clearing suspense) •debit xxxxxxxxx (clearing suspense) •credit xxxxxxxxx (UBA settlement account)				
OUTPUT		DEBITED CHEQUES			

Process Name	RETURNED OUTWARD CHEQUES
Process Description	Transmission of unpaid/dishonoured cheques to the presenting bank through the automated clearing house (ACH)
Process Objective	To return unpaid cheques to the presenting bank
Process Ownership	Head, central clearing
Benefit to Customer	Customers can exercise their right in making payment decisions
Benefit to Bank	Ability to protect customers funds Avert loss of funds
Key Controls	Dishonoured cheques are returned by the Branch service manager (BSM)/funds transfer officer of the domiciled branch on the cheque application platform
Key Dependencies	Dishonoured cheques are returned by the service manager/funds transfer officer of the domiciled branch on the cheque application platform NACS server Core banking application (FLEXCUBE)
Key Performance Measures	All unpaid cheques are returned within the clearing session window
Inputs	All unpaid cheques per clearing window (2nd & 3rd session)

S/n	Activities	Responsibility	Accountability	Execution Timeline	Priority
1	Branch service manager confirms that cheque should be returned and not to be given value	Branch service manager	Regional service manager	5mins	High
2	BSM logs on to XNETT platform to return dishonoured cheques.	Branch service manager	Regional service manager	5mins	Medium
3	On the main menu, BSM clicks on "clearing" icon to drop down the options, selects "inward cheque "full treatment" to display received cheques.	Branch service manager	Regional service manager	5mins	Medium
4	BSM selects cheques to be returned, clicks on returns button and select appropriate "return reason", then click on "return" and ensure the selected cheques turns "red" to confirm that	Branch service manager	Regional service manager	5mins	Medium

	cheque is returned successfully.				
5	Clearing officer logs on to XNETT home page. Clicks on "clearing" icon to drop down the options, then select "inward cheque pre/full treatment"	Inward officer	Head, Central clearing	3mins	Medium
6	Collate return cheques for the day by selecting only the "return" button and date, then search to list and view total number of return cheques and the value.	Inward officer	Head, Central clearing	10mins	Medium
7	Go back to XNETT home page, click on "clearing" icon to drop down the options, then select "generate return request files" to display the return request generation page.	Inward officer	Head, Central clearing	5mins	Medium
8	On the return request page, select date and time for returned items to transmit. A default of the current date is set and displayed. Then click on cheques.	Inward officer	Head, Central clearing	2mins	Medium
9	Click the "transmit" button to begin the transmission process to NIBSS.	Inward officer	Head, Central clearing	5mins	Medium
10	While returned items transmission is ongoing, customers' accounts are being automatically credited simultaneously.	Inward officer	Head, Central clearing	5mins	Medium
11	For items that failed posting on FLEXCUBE to credit customers (cheques with wrong cheque/account number) report can is	Inward officer	Head, Central clearing	20mins	Medium

	generated using the "return failed" option on the report menu on XNETT. Affected customers' accounts/branch suspense are then credited manually.				
12	Accounting entries Real time •Debit xxxxxxxxxx (clearing suspense) •Credit xxxxxxxxxx (customers' accounts) Manual posting •Debit xxxxxxxxxx (clearing suspense) •Credit xxxxxxxxxx (customers' accounts) Or •Debit xxxxxxxxxx (clearing suspense) •Credit xxxxxxxxxx (branch suspense) Settlement •Debit xxxxxxxxxx (UBA settlement account) •Credit xxxxxxxxxx (clearing suspense)	Inward officer Clearing officer	Head, Central clearing Head, Central clearing	30mins 30mins	Medium Medium
	Outputs	Customer credited			

3.

Process Name	OUTWARD CHEQUES
Process Description	Processing of outward cheques
Process Objective	To receive value for instruments presented to other banks through the automated clearing house (ACH)
Process Ownership	Head, central clearing
Benefit to Customer	Customers receive value for goods & services
Benefit to Bank	Increased liquidity Enhanced corporate image
Key Controls	Cheques meet CBN clearing mandate Cheques are valid for clearing
Key Dependencies	Scanned & approved cheques from branches XNETT NACS server
Key Performance Measures	Successful transmission of cheques to the paying bank through ach
Inputs	Scanned & approved cheques from branches

S/n	Activities	Responsibility	Accountability	Execution Timeline
1	Customer works into premium trust bank branch to deposit other banks cheque	Branch service manager	Regional service manager	5mins
2	FTO receives outward cheques with filled deposit from customers.	Branch service manager	Regional service manager	5mins
3	Verifies the genuineness of the cheque using the ultraviolet light, correctness and eligibility of the account stated.	Branch service manager	Regional service manager	5mins
4	FTO logs on to XNETT, clicks on "clearing" option on the home page and select "scan outward cheque" to scan received cheques.	Branch service manager	Regional service manager	5mins

5	Run cheque through the scanner and ensure MICR line details on the cheque tallies with details captured by the scanner to the MICR field, then commit transaction. Ft passes scanned cheques to BSM to approve on XNETT	Branch service manager	Regional service manager	5mins
6	For new cheque standardization, additional features (expiry date and cheque digit) are on XNETT scan page. Ensure additional details are captured when cheques with new standards are being processed.	Branch service manager	Regional service manager	5mins
7	BSM logs on to the XNETT. Clicks on "transactions" option on the home page and select "cheque approval" to display cheques pending for approval.	Branch service manager	Regional service manager	5mins
8	BSM views displayed cheque images to ensure correctness of image details, amount and details captured in the MICR field. Where all the details are correct, BSM clicks on "approve". Upon approval, customer's account is credited automatically.	Branch service manager	Regional service manager	5mins
9	Where all the details are not totally correct, BSM clicks on "disapprove" to disapprove affected cheque, then delete for reprocessing.	Branch service manager	Regional service manager	5mins
10	Where the scanned cheque failed to impact on customer's account after authorization on XNETT, FTO logs on FLEXCUBE to manually credit the affected customer's account.	Branch service manager	Regional service manager	5mins

11	BSM logs on to the FLEXCUBE and approves the credit into affected customer's account.	Branch service manager	Regional service manager	5mins
12	At the end of the day, FTO logs on to branch clearing and prints report (this report is the summary of all the cheques received and processed at a particular branch) and signs off, if correct.	Branch service manager	Regional service manager	1 min
13	BSM reviews the report and signs off upon the confirmation of its correctness.	Branch service manager	Regional service manager	5 min
14	To process all scanned and approved outward cheques for the day, clearing officer logs on to XNETT platform	Outward Officer	Head, Central clearing	5mins
15	Click on "clearing" on the main menu page to drop down options, then select "view outward cheques" from the drop down to view approval status of scanned cheques	Outward officer	Head Central clearing	5mins
16	Go back to "clearing" drop down on the main menu and click on "NACS image validator", then click on "convert all cheques" to convert images to NIBSS approved image standard	Outward officer	Head Central clearing	5mins
17	Compare number of cheques images converted with total scanned cheques	Outward officer	Head, Central clearing	5mins
18	Go back to "clearing" drop down on the main menu and click on "transmit outward cheques"	Outward officer	Head, Central clearing	10mins

19	When the page is displayed, click on "transmit" to initiate transmission and get a response flag	Outward officer	Head, Central clearing	5mins
20	Log on to NACS portal to view and compare transmitted items.	Outward officer	Head, central clearing	20mins
21	Log on to NACS server (NACS portal) after close of settlement time to spool, view and compare settlement figure with transmitted items	Outward officer	Head, central clearing	20mins
22	Accounting entries Real time • Debit xxxxxxxxx (branch outward cheques suspense) • Credit xxxxxxxxx (customer's account)	(automated)	Branch service manager	20mins
	Close of business • Debit xxxxxxxxx (clearing cheques) •Credit xxxxxxxxx (branch outward cheques suspense)	System entry	Core banking mgt	
	Settlement •Debit xxxxxxxxx (clearing suspense) •Credit xxxxxxxxx (clearing cheques) •Debit xxxxxxxxx (UBA settlement account) •Credit xxxxxxxxx (clearing suspense)	Clearing officer	Head, central clearing	
	Output	Receipt of value into customer account		

4.

Process name	RETURNED INWARD CHEQUE
Process description	Processing of inward returned cheques
Process objective	To reverse funds as regards unpaid cheques presented to other banks
Process ownership	Head, central clearing
Benefit to Customer	CUSTOMERS CAN ASCERTAIN THE STATUS OF THEIR TRANSACTIONS PROMPTLY
Benefit to Bank	BANK CAN ASCERTAIN HER LIQUIDITY POSITION
Key controls	All returned items are debited into the customers' account
Key dependencies	NACS server Already credited customer's account Availability of core banking application
Key performance measures	Reversal of credited fund from customers' accounts
Inputs	All returned cheques

S/n	Activities	Responsibility	Accountability
1	At 5.00pm log on NACS (that is, NACS platform) to check if there are no posting files in "pending". The returned files are automatically imported into in-clearing XNETT platform.	Clearing officer	Head central clearing
2	On the dashboard click on "generate report" to download gross net report to view the number of inward cheques received and the value.	Clearing officer	Head central clearing
3	Log on to in-clearing XNETT platform, click on "clearing", then select "treat return inward" select "date" then select "load data" to display total returned inward items and value.	Clearing officer	Head central clearing
4	Check total items displayed and compare with total returned	Clearing officer	Head central clearing

	items on gross report ensure correctness.		
5	Click on "generate csv/post" to generate the required csv file for automatic upload to FLEXCUBE to debit customers' accounts	Clearing officer	Head central clearing
6	Go to report menu on XNETT and select ''return inward report'' on the drop-down menu. This report provides successful and failed items.	Clearing officer	Head central clearing
7	Items failed due to placement of different restrictions on customers' accounts. A mail will be forwarded to the processing branch to inform them to lift restrictions to enable clearing post manually. Clearing informs branch to place back restriction after posting.	Clearing officer	Head central clearing
8	Items with "below minimum balance restriction" are posted into branch clearing suspense.	Clearing officer	Head central clearing
9	Branch lifts restriction and debit customer's account and place bank restriction.	Branch service manager	Branch service manager
10	Accounting entries Real time • debit xxxxxxxxx (customers' accounts) • credit xxxxxxxxx (clearing suspense) Manually posting • Debit xxxxxxxxx (customers' accounts) • Credit xxxxxxxxx (clearing suspense) • Debit xxxxxxxxx (branch suspense) • Credit xxxxxxxxx (clearing suspense)		

	• Debit xxxxxxxxxx (customers' accounts) • Credit xxxxxxxxxx (branch suspense) Settlement • Debit xxxxxxxxxx (clearing suspense) • Credit xxxxxxxxxx (UBA settlement account)		
	Outputs	Customers debited	

5.

Process name	INWARD NEFT (DEBIT/CREDIT)	
Process description	Processing of inward NEFT	
Process objective	Prompt processing of all inward NEFT item into customers account as and when due	
Process ownership	Head, central clearing	
Benefit to Customer	Prompt receipt of value by customers	
Benefit to Bank	Increase liquidity. Enhanced corporate image	
Key controls	Confirmation of beneficiary's names against the information on the core banking application	
Key dependencies	FLEXCUBE bulk upload application NACS server XNETT platform	
Key performance measures	Prompt processing of all funds into customers account as and when due Improved customer satisfaction Increase in turnaround time as against manual processing	
Inputs	All inward NEFT	

S/n	Activities	Responsibility	Accountability	Execution Timeline	Priority
1	At 8.00am (or 11.00am, 2.00pm & 5pm) log on to NACS server (that is, NACS platform) to check if session has ended. Also check that there are no posting files in "pending". The NEFT files are to be automatically imported into in-clearing XNETT platform.	NEFT clearing officer	Head, Central clearing	10 mins For each of the three daily clearing sessions, i.e. (8.00a.m, 11.00a.m. 2.00p.m. and 5.00p.m.)	Medium
2	Ensure that XNETT is online so that all files from NACS can flow in.	NEFT clearing officer	Head, Central clearing	2 mins For each of the three daily clearing sessions, i.e. (8.00a.m, 11.00a.m, 2.00p.m. and 5.00p.m.)	Medium

3	Compare gross settlement report with items delivered on XNETT per session	NEFT clearing officer	Head, Central clearing	10 mins For each of the three daily clearing sessions, i.e. (8.00a.m, 10.00a.m, 2.00p.m. and 5.00p.m.)	Medium
4	Go to NEFT treatment page on NEFT inward page on XNETT, click authorization to call up the NEFT inward item and authorise. Click CBS page to pass entries to customers.	NEFT clearing officer	Head, Central clearing	15 mins	Medium
5	Go to CBS page to generate entries and customers will be credited.	NEFT clearing officer	Head, Central clearing	10 mins	Medium
6	To view status/report of posted transactions, and the ones pending	NEFT clearing officer	Head, Central clearing	5 mins	Medium
7	Export report to excel for reconciliation	NEFT clearing officer	Head, Central clearing	5mins	Medium
8	Accounts that could not be credited directly due to non-existence, restriction, inactive status will form part of failed items. These items are manually credited to branch clearing suspense and mail sent to advise them accordingly	NEFT clearing officer	Head, Central clearing	10mins	
9	Accounting entries Real time • Debit xxxxxxxxx (clearing suspense) • Credit xxxxxxxxx (customers' accounts) For inward NEFT debit • Debit xxxxxxxxx (customers' accounts) • CREDIT xxxxxxxxx (clearing Suspense	NEFT clearing officer Neft clearing officer	Head, Central clearing Head, Central clearing	1hr	Medium Medium

				30mins	
	Manual bulk upload • Debit xxxxxxxxx (clearing suspense) • Credit xxxxxxxxx (Branches, other h/o units) Settlement •Debit xxxxxxxxx (Uba settlement account) •Credit xxxxxxxxx (clearing suspense) For inward NEFT debit •Debit xxxxxxxxx (clearing suspense) •Credit xxxxxxxxx (UBA settlement account)	Neft clearing officer	Head, Central clearing	30mins	Medium
Outputs	CUSTOMERS RECEIVE VALUE.				

Process Name	OUTWARD NEFT
Process Description	Processing of outward NEFT
Process Objective	To ensure seamless and prompt transmission of NEFT transactions
Process Ownership	Head, central clearing
Benefit to Customer	Ease of receiving value
Benefit to Bank	Improved bank image Increased liquidity
Key Controls	Dual control check between the head clearing and NEFT officer
Key Dependencies	Availability of transaction for onward transmission to other banks through ach Availability of XNETT NEFT platform Core banking application (FLEXCUBE).
Key Performance Measures	Prompt processing of all outbound funds for onward transmission to other banks Customers satisfaction
Inputs	All outward NEFT
	Outward NEFT - platform

Activities	Responsibility	Accountability	Execution Timeline	Priority
Customer walks into the branch and fills a NEFT transfer instruction/form	FTO	BSM	1 min	Medium
Transaction officer receives instruction/form and verifies signature and account balance	FTO	BSM	10 min	Medium
Logs on to XNETT platform to initiate transfer. Upload request in excel format to NEFT platform and commit transaction.	FTO	BSM	10 min	Medium
Branch service manager logs on to XNETT to platform to approve transfer and ensure successful feedback is received. Upon approval, customer's account gets debited with value, charges and vat and branch NEFT suspense credited. Branch	Branch service manager	Branch service manager	10 min	Medium

NEFT suspense immediately gets debited and clearing suspense credited				
Clearing officer logs on to XNETT and confirms number of items and value to be transmitted	NEFT clearing officer	Head, Central clearing	5 mins For each of the three daily clearing sessions opening at. (8.00p.m-8.00am, 9.00a.m- 11.00am 11am-2pm and 3.00pm-5.00pm)	Medium
Click on ''transmit outward NEFT'', select NEFT from the drop-down list and select date	NEFT clearing officer	Head, Central clearing	10 mins For each of the three daily clearing sessions opening at. (8.00p.m-8.00am, 9.00a.m- 11.00am 11am-2pm and 3.00pm-5.00pm)	Medium
Confirm the number of items and value transmitted on XNETT with items transmitted on NACS server	NEFT clearing officer	Head, central clearing	10 mins For each of the three daily clearing sessions opening at. (8.00p.m-8.00am, 9.00a.m- 10.00am 11am-2pm and 3.00pm-5.00pm)	Medium
Value of failed items is reversed to branch suspense account	NEFT clearing officer	Head, central clearing	5 mins for each of the three daily clearing sessions opening at. (8.00p.m-8.00am, 9.00a.m- 11.00am 11am-2pm and 3.00pm-5.00pm)	Medium
Accounting entries Real time • DEBIT xxxxxxxxxx (customers' accounts) • CREDIT xxxxxxxxxx (Branch NEFT suspense)	BSM (automated)	RSM		

			20mins	Medium
• DEBIT xxxxxxxxx (Branch NEFT suspense) • CREDIT xxxxxxxxx (clearing suspense) Settlement • DEBIT xxxxxxxxx (branches NEFT suspense) • CREDIT xxxxxxxxx (clearing suspense) •DEBIT xxxxxxxxx (clearing suspense) •CREDIT xxxxxxxxx (UBA settlement account)	NEFT clearing officer	Head, Central clearing		
Outputs	Transmitted NEFT items			

Process name	RETURNED INWARD NEFT
Process description	Processing of returned inward NEFT
Process objective	To credit NEFT items returned from other banks
Process ownership	Head, central clearing
Benefit to customer	Customers are credited for returned items
Benefit to bank	Increase liquidity. Enhanced corporate image
Key controls	Receipt of returned file from NIBSS
Key dependencies	NACS up time Availability of core banking application
Key performance measures	Reversal of debited funds from customers account
inputs	All returned NEFT items

S/n	Activities	Accountability	Responsibility	Execution timeline	Priority
1	Download returned inward NEFT report on NACS platform per settlement time	NEFT clearing officer	Head, central clearing	10 mins For each of the three daily clearing sessions opening at. (8.00a.m., 11.00am, and 2pm-5pm)	Medium
2	Identify the presenting branch that initiated the transfer	NEFT clearing officer	Head central clearing	20 mins For each of the three daily clearing sessions opening at. (8.00a.m., 11.00am, and 2pm-5pm)	Medium

	Credit the suspense account of the branch and advise concerned branches for onward crediting of sender's account	NEFT clearing officer	Head Central clearing	20 mins For each of the three daily clearing sessions opening at. (8.00a.m., 11.00am, and 2pm-5pm)	Medium
3	Accounting entries Manual entries • Debit xxxxxxxxxx (clearing suspense) • Credit xxxxxxxxxx (branch NEFT suspense) Settlement (For NEFT credit) •Debit xxxxxxxxxx (UBA settlement account) •Credit xxxxxxxxxx (clearing suspense) (For NEFT debit) •Debit xxxxxxxxxx (clearing suspense) •Credit xxxxxxxxxx (UBA settlement account)	NEFT clearing officer	Head Central clearing	15mins For each of the three daily clearing sessions opening at. (8.00a.m., 11.00am, and 2pm-5pm)	Low
Outputs		Reversal of debited funds in customer's account.			

Process name	RETURNED OUTWARD NEFT (DEBIT & CREDIT)				
Process description	Processing of return outward NEFT				
Process objective	To return unapplied NEFT items from presenting bank				
Process ownership	Head, central clearing				
Benefit to customer	Customers funds are protected				
Benefit to bank	Increased liquidity Enhanced corporate image				
Key controls	Thorough review of received NEFT inward items				
Key dependencies	NACS server XNETT platform				
Key performance measures	Prompt return of all unapplied inward NEFT items				
Inputs	All returned NEFT items				
S/n	Activities	Accountability	Responsibility	Execution timeline	Priority
1	From NEFT inward items received, identify unmatched items and highlight for return	NEFT clearing officer	Head, Central clearing	20 mins For each of the three daily clearing sessions opening at. (8.00p.m-8.00am, 9.00a.m-11.00am 12pm-2pm and 2.00pm-5.00pm)	Medium
2	Log on to XNETT platform. Click on clearing icon at the top menu and select "NEFT treatment". Use account numbers to call up items identified (in 1 above) for return. Select appropriate return reason for returned NEFT credit. Select "drawer's confirmation required"	NEFT clearing officer	Head Central clearing	20 mins For each of the three daily clearing sessions opening at. (8.00p.m-8.00am, 9.00a.m-11.00am 12pm-2pm and 2.00pm-5.00pm)	Medium

	as return reason for NEFT debit returned on unfunded accounts.				
3	Click on clearing icon at the top menu on XNETT platform, select "generate return request file". Select date and session, click on NEFT and on "transmit" to transmit the returned items to NACS	NEFT clearing officer	Head, Central clearing	10 mins For each of the three daily clearing sessions opening at. (8.00p.m- 8.00am, 9.00a.m- 11.00am 12pm- 2pm and 2.00pm-5.00pm)	Medium
4	Settlement (For NEFT credit) •Debit xxxxxxxxxx (clearing suspense) •Credit xxxxxxxxxx (UBA Settlement (for NEFT debit) •Debit xxxxxxxxxx (UBA settlement account) •Credit xxxxxxxxxx (clearing suspense)				
Outputs		Unapplied funds are returned to the presenting bank			

Process name	**NEFT RECALL (INWARD)**
Process description	Process of NEFT recall request from other bank(s)
Process objective	To assist requesting bank recall applied NEFT items from beneficiary
Process ownership	Head, central clearing
Benefit to customer	Nil
Benefit to bank	Enhanced corporate image
Key controls	Receipt of customer's letter of consent
Key dependencies	Availability of funds
Key performance measures	Prompt reversal of funds
inputs	

S/n	Activities	Accountability	Responsibility	Execution timeline	Priority
1	Receive NEFT recall mail (request) from other bank(s)	Clearing officer	Head, Central clearing	1mins	Low
2	Print, file & save mail (request) received in HQ file server	Clearing officer	Head, Central clearing	3mins	Low
3	Forward NEFT recall request mail to domiciled branch(es) to get customer's consent to debit the account.	Clearing officer (BSM/RM gets customer's consent)	Head, Central clearing	2mins	Low
4	When customer gives consent, advise branch to debit customer's account and credit branch clearing suspense	Clearing officer	Head, Central clearing	2mins	Medium
5	Debit branch suspense and credit clearing suspense	Clearing officer	Head, Central clearing	2mins	Medium

6	Advise requesting bank to send a debit note to recoup fund	Clearing officer	Head, Central clearing	2mins	Medium
7	Accounting entries • Debit xxxxxxxxxx (customer's account) • Credit xxxxxxxxxx (Branch clearing suspense) • Debit xxxxxxxxxx (Branch clearing suspense) • Credit xxxxxxxxxx (clearing suspense)	FTO/BSM	Branch Service manager	5mins	Medium
	Settlement • Debit xxxxxxxxxx (clearing suspense) •Credit (UBA settlement account)	Clearing officer	Head, Central clearing	5mins	Medium
Outputs		Balanced settlement position			

Process name	**NEFT RECALL (OUTWARD)**
Process description	Process of NEFT recall request from other bank(s)
Process objective	To recoup outward NEFT items from beneficiary bank
Process ownership	Head, central clearing
Benefit to customer	Customers funds are recovered
Benefit to bank	Enhanced corporate image
Key controls	Prompt advice to beneficiary bank
Key dependencies	Availability of funds Beneficiary's consent to oblige
Key performance measures	Prompt recovery of funds
Inputs	

S/n	Activities	Accountability	Responsibility	Execution timeline	Priority
1	Receive NEFT recall request from branch(es)	Clearing officer	Head, Central clearing	3mins	Medium
2	Send NEFT recall request mail to beneficiary bank(s)	Clearing officer	Head, Central clearing	5mins	Medium
3	Get response from the beneficiary bank(s) that obliged or declined the recall request	Clearing officer	Head, Central clearing	2mins	Medium
4	Advise requesting branch on outcome.	Clearing officer	Head, Central clearing	2mins	Medium
5	Where request is obliged, send debit note through next clearing session to recoup fund	Clearing officer	Head, Central clearing	2mins	Medium

6	When fund is recouped, debit clearing suspense and credit requesting branch clearing suspense	Clearing officer	Head, Central clearing	2mins	Medium
7	Branch debits branch suspense and credit affected customer's account	FTO/BSM	Branch service manager	5mins	Medium
8	Accounting entries • Debit xxxxxxxxxx (clearing suspense) • Credit xxxxxxxxxx (branch clearing suspense) • Debit xxxxxxxxxx (branch clearing suspense) • Credit xxxxxxxxxx (customer's account) Settlement • Debit xxxxxxxxxx (UBA settlement account) •Credit xxxxxxxxxx (clearing suspense)	Clearing officer FTO/BSM	Head, Central clearing Branch service manager	5mins 5mins	Medium Medium
Outputs		Balanced settlement position			

11.

Process name	GROSS SETTLEMENT				
Process description	Process of gross settlement				
Process objective	To ensure proper settlement of values involved in inward and outward clearing transactions				
Process ownership	Head, Central clearing				
Benefit to customer	Nil				
Benefit to bank	Prompt inter-bank transfer of value				
Key controls	Dual control between the head office clearing and channel operators				
Key dependencies	Availability of reports for onward exchange of value through the settlement bank Availability of core banking application				
Key performance measures	Prompt processing/upload of settlement values				
inputs					
S/n	Activities	Accountability	Responsibility	Execution timeline	Priority
1	Download reports from the platform at the end of each settlement time, 8.00am, 11.00am, 2.00pm and 5.00pm	Clearing officer	Head, Central clearing	10mins/session report	Medium
2	Prepare schedule for upload - ensure posting schedule is done between clearing suspense account and the bank's settlement account with first bank (i.e., debit clearing suspense account where settlement position reflects as "debit" and credit first bank and vice versa).	Clearing officer	Head, Central clearing	20mins/session report	Medium
3	Forward report to clearing supervisor for second level	Clearing officer	Head, Central clearing	5mins	Medium

	check and endorsement for upload				
4	Call over of upload	Clearing officer	Head, Central clearing	15mins	Medium
5	Accounting entries for settlement • Debit xxxxxxxxxx (clearing suspense) • Credit xxxxxxxxx (UBA settlement account) And vice versa	Clearing officer	Head, Central clearing	15mins	Medium
Outputs		Balanced settlement position			

Process name	RECONCILIATION OF CLEARING LEDGERS (SUSPENSE)				
Process description	To ensure proper settlement of values involved in the clearing account				
Process objective	To ensure reconciled ledgers				
Process ownership	Head, Central clearing				
Benefit to customer	Nil				
Benefit to bank	All transactions are processed accordingly				
Key controls	Dual control check between the head office clearing and channel processing officers				
Key dependencies	Availability of gross reports on NACS Online statement				
Key performance measures	Prompt and timely reconciliation				
Inputs	All processed items in the ledger				
S/n	Activities	Accountability	Responsibility	Execution timeline	Priority
1	Download reports (all sessions) of settlement positions from NACS platform, 8.00am, 11.00am, 2.00pm and 5.00pm	Clearing officer	Head, Central clearing	10 mins	Medium
2	Download statement of the clearing suspense xxxxxxxxxx using online statement in excel format	Clearing officer	Head, Central clearing	5 mins	Medium
3	Knock-off postings in the ledger with corresponding figures in the settlement reports	Clearing officer	Head, Central clearing	20 mins	Medium
4	Represent unreconciled figures in the proof of account	Clearing officer	Head, Central clearing	20 mins	Medium
5	Create a remark column beside unreconciled items to identify responsible officers	Clearing officer	Head, Central clearing	5 mins	Medium
6	Send a copy of the proof to all staff in the unit for necessary actions	Clearing officer	Head, Central clearing	5 mins	Medium
Outputs	Reconciled accounts				

Process name	RECONCILIATION OF CLEARING LEDGERS (CLEARING CHEQUES)				
Process description	To ensure proper settlement of values involved in the clearing account				
Process objective	Clean accounting records				
Process ownership	Head, Central clearing				
Benefit to customer	Avoidance of oversight entries by branches				
Benefit to bank	All transactions are processed accordingly				
Key controls	Dual control check between the head clearing and processing officer				
Key dependencies	Availability of gross reports Online statement XNETT				
Key performance measures	Prompt and timely reconciliation				
Inputs	All processed items in the ledger				
S/n	Activities	Accountability	Responsibility	Execution timeline	Priority
1	Download statement of the clearing cheques account xxxxxxxxxx from the core banking application in excel format	Clearing officer	Head, Central clearing	5 mins	Medium
2	Download schedule of processed cheques on XNETT platform by branches	Clearing officer	Head, Central clearing	10 mins	Medium
3	Compare figures in the ledger against figures on XNETT schedule	Clearing officer	Head, Central clearing	10 mins	Medium
4	Reverse bulk figure for outward and inward cheques in clearing cheques suspense to clearing suspense	Clearing officer	Head, Central clearing	30 mins	Medium
5	Reverse differences in (4) above between clearing suspense xxxxxxxxxx and branches' clearing suspense	Clearing officer	Head, Central clearing	30 mins	Medium

| 6 | Accounting entries

For outward cheques

• Debit xxxxxxxxxx (clearing suspense)
 • Credit xxxxxxxxxx (clearing cheques suspense)

For inward cheques

• Debit xxxxxxxxxx (clearing cheques suspense)

 • Credit xxxxxxxxxx (clearing suspense

Settlement

• Debit xxxxxxxxxx (UBA settlement account)

•Credit xxxxxxxxxx (clearing suspense)

• Debit xxxxxxxxxx (clearing suspense)
• Credit xxxxxxxxxx (UBA settlement account) | | | | |
|---|---|---|---|---|---|
| Outputs | Reconciled accounts | | | | |

Process name	SPECIAL CAUTION IN – (DO NOT GIVE VALUE)
Process description	Processing of special caution in
Process objective	To reverse value of unpaid/dishonoured cheques earlier credited to the customers' accounts
Process ownership	Head, Central clearing
Benefit to customer	Customers can ascertain their financial position promptly
Benefit to bank	Mitigate the risk of loss of funds.
Key controls	Review customers 'account for initial credit by the domiciled branch
Key dependencies	Availability of core banking application Ensure cheque has not been returned through the normal clearing window to avoid double debit.
Key performance measures	Reversal of credited funds from customer's account.
Inputs	Special caution advice

S/n	Activities	Responsibility	Accountability	Execution timeline	Priority
1	Print special caution mail (advice) received	Outward officer	Head, Central clearing	10 mins	Medium
2	Confirm initial credit in customer's account.	Outward officer	Head, Central clearing	15 mins	Medium
3	Review returned inward report to ensure the instrument has not been returned through the normal clearing window.	Outward officer	Head, Central clearing	15 mins	Medium
4	Debit customer's account for the value of the special	Outward officer	Head, Central clearing	15 mins	Medium

	caution received				
5	Supervisor to approve on the core banking applicatio n	Supervisor	Head, Central clearing	15 mins	Medium
6	Advise branch to return cheque to the customer	Outward officer	Head, Central clearing	15 mins	Medium
7	Receive debit note from the requesting (paying) bank	Outward officer	Head, Central clearing	15 mins	Medium
8	Accountin g entries • Debit 000xxxxxxx (customer's account) • Credit xxxxxxxxxx (clearing suspense) Settlement •Debit xxxxxxxxxx (UBA settlement account) •Credit xxxxxxxxxx	Outward officer			

	(clearing suspense)				
Outputs		Returned cheque debited			

15.

Process name	**SPECIAL CAUTION – GIVE VALUE**
Process description	Processing of special caution in -give value
Process objective	To give value to returned inward cheque previously returned.
Process ownership	Head, Central clearing
Benefit to customer	Customer can receive value for goods or services
Benefit to bank	Increased liquidity
Key controls	Review customers 'account for initial credit by the domiciled branch
Key dependencies	Availability of core banking application Credit for cheque deposit in the customer's account or Depending on when the give value caution was received. If customer had been debited at the time, debit will be reversed if not The cheque will be excluded from the list of returned inward cheques
Key performance measures	Reversal of debited funds from customer's account. Or Exclusion of the instrument from returned inward list
Inputs	Special caution advice

S/n	Activities	Responsibility	Accountability	Execution timeline	Priority
1	Print special caution mail (advice) received	Outward officer	Head, Central clearing	10 mins	Low
2	Review customer's account for initial credit of the value of the cheque	Outward officer	Head, Central clearing	15 mins	Low
3	Review returned inward report to ensure the instrument has been returned through the normal clearing window.	Outward officer	Head, Central clearing	15 mins	Low
4	If 3 above is present depending on the time of give value caution is received; if returned inward	Outward officer	Head, Central clearing	15 mins	Low

	cheques have not been processed exclude cheque.				
5	From 4 above if returned inward cheques have been processed. Reverse value in the customer's account	Outward officer	Head, Central clearing	15 mins	Low
6	Send debit note to the paying bank	Outward officer	Head, Central clearing	15 mins	Low
7	If the cheque has been returned during the 3rd clearing session before give value request was received, advise presenting branch that cheque should not be returned to the customer as it has been honoured	Outward officer	Head, Central clearing	15 mins	Low
8	Accounting entries • Debit xxxxxxxxxx (clearing suspense) • Credit 000xxxxxxx (customer's account) Settlement •Debit xxxxxxxxxx (UBA settlement account) •Credit xxxxxxxxxx (clearing suspense)	Outward officer			
Outputs			Customer's account credited		

Process name	SPECIAL CAUTION OUT: DO NOT GIVE VALUE				
Process description	Processing of special caution to the presenting bank not to honour cheques not returned during the clearing window for returns				
Process objectives	To return unpaid cheques				
Process ownership	Central clearing and Branch operations				
Benefit to customer	Ability to return unpaid cheques				
Benefit to bank	Nil				
Participating stakeholders	Central clearing Channel operations				
Key controls	Advice from branch for special caution Group head, Branch operations approval				
Key dependencies	Check if cheque has not been returned through the normal window Availability of core banking application Availability of e-mail service Debit for the value in customer's account				
Process performance measurement metrics	Acknowledged mail from the presenting bank				
inputs					

S/n	activities	Responsibility	Accountability	Execution timeline	Priority
1	Branch initiates request to return cheque after close of clearing window 5:00pm	BSM	RSM	2mins	High
2	Head office clearing officer sends email advising the presenting bank intention to return cheque and follow up with a phone call	Outward officer	Head, Central clearing	5mins	High
3	Presenting bank acknowledges the mail	Outward officer	Head, Central clearing	Varies	High
4	Branch credits customer(s) account(s) at close of 3rd clearing session	Outward officer	Head, Central clearing	5min	Medium
5	Head office officer sends debit note to the presenting bank	Outward officer	Head, Central clearing	5min	Low
6	Accounting entries • Debit xxxxxxxxxx (branch clearing suspense)	Outward officer			

	• Credit xxxxxxxxx (branch clearing suspense • Debit xxxxxxxxx (branch clearing suspense) • Credit 000xxxxxxx (customer's account) Settlement •Debit xxxxxxxxxx (UBA settlement account) •Credit xxxxxxxxxx (clearing suspense)				
Outputs	Returned cheque				

Process name	SPECIAL CAUTION OUT: GIVE VALUE
Process description	Processing of special caution to the presenting bank to honour cheques returned during the clearing window for returns
Process objectives	To paid already returned cheques
Process ownership	Central clearing
Benefit to customer	Customer can fulfil his obligation
Benefit to bank	Nil
Participating stakeholders	Channel operations Central clearing
Key controls	Give value request from the branch Debited customer's account Already returned cheque
Key dependencies	Give value request from the branch Debited customer's account Already returned cheque
Process performance measurement metrics	Mail acknowledged mail from the presenting bank
Inputs	

S/n	activities	Responsibility	Accountability	Execution timeline	Priority
1	Branch initiates give value request	BSM	RSM	2mins	High
2	Debits value of cheque in customer's account	Outward officer	RSM	2mins	High
3	Send give value request to the presenting bank	Outward officer	Head, Central clearing	Varies	High
4	Presenting bank acknowledges mail	Outward officer	Head, Central clearing	5min	Low
5	Presenting bank send debit note	Outward officer	Head, Central clearing	5min	Low
6	Accounting entries • Debit 000xxxxxxx (customer's account) • Credit xxxxxxxxxx (clearing suspense)	Outward officer			

	Settlement •Debit xxxxxxxxxx (clearing suspense) •Credit xxxxxxxxxx (UBA settlement account)				
Outputs	Beneficiary receives value				

18.

Process name	EXTENSION OF VALUE DATE
Process description	Processing of value date extension request from paying banks for outward cheques presented
Process objectives	To extend exposure date in beneficiaries' account by an extra day
Process ownership	Central clearing
Benefit to customer	Customer can fulfil his obligation
Benefit to bank	Mitigate the risk of loss of funds.
Participating stakeholders	Central clearing
Key controls	Block fund in beneficiaries account by one day Receive list of returned items before expiration of block on affect
Key dependencies	• availability of core banking application • ensure new value date is activated on core banking application.
Process performance measurement metrics	Mail acknowledged mail to the requesting bank
inputs	

S/n	activities	Responsibility	Accountability	Execution timeline	Priority
1	Print, file & save extension of value date mail (request) received	Clearing officer	Head, Central clearing	2mins	High
2	Forward extension of value date mail (advice) to branches	Clearing officer	Head, Central clearing	2mins	High
3	To initiate value date extension on cheques presented to the requesting bank, log on to FLEXCUBE	Clearing officer	Head, Central clearing	Varies	High
4	Click "date extension process" to drop down the options and select "get outward process for a bank"	Clearing officer	Head, Central clearing	5min	Low
5	Input process date, requesting bank code and new value date	Clearing officer	Head, Central clearing	5min	Medium
6	Click on "approve new date", select "yes" and commit	Clearing officer	Head, Central clearing	5min	Medium
7	Supervisors click "date extension process" to drop down the	Clearing officer	Head, Central clearing	5min	Medium

	options and select "authorise date extension"				
	Click on "approve new date", view value date extension and approve	Clearing supervisor	Head, central clearing	5min	Medium
Outputs	Value date extended				