



**Project:**

**System: NPDA**

**Date:** 2016/02/26

**Functions/Features:** **Workflow Screens Document**

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## Document History

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### References

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## **1. Introduction**

### **1.1 Document Purpose**

The purpose of this document is to show the general ledger contra entries for exception transactions in a process.

### **1.2 Project Background**

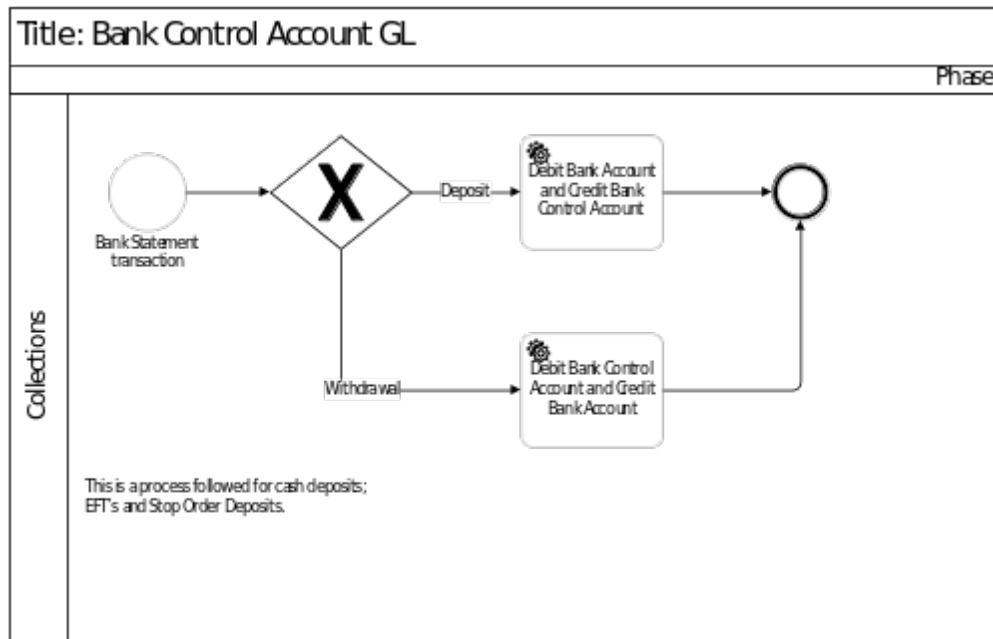
This project is initiated by the National Credit Regulator (NCR) where the each National Payment Distribution Agency (NPDA) must keep a record of the general ledger for all transaction entries.

### **1.3 Business Objectives**

- The objective of this document is to indicate how general ledger contra entries will be processed.

## 1.4 GL Contra Entries Processing

### 1.4.1 Bank Control Account



#### 1.4.1.1 Bank Control Account

##### Rules for Bank Control Account:

- All general ledger entry transactions are processes from the Bank Control Account.
- This is a processed followed for Cash; EFT's and Stop Order Deposits

##### Deposit

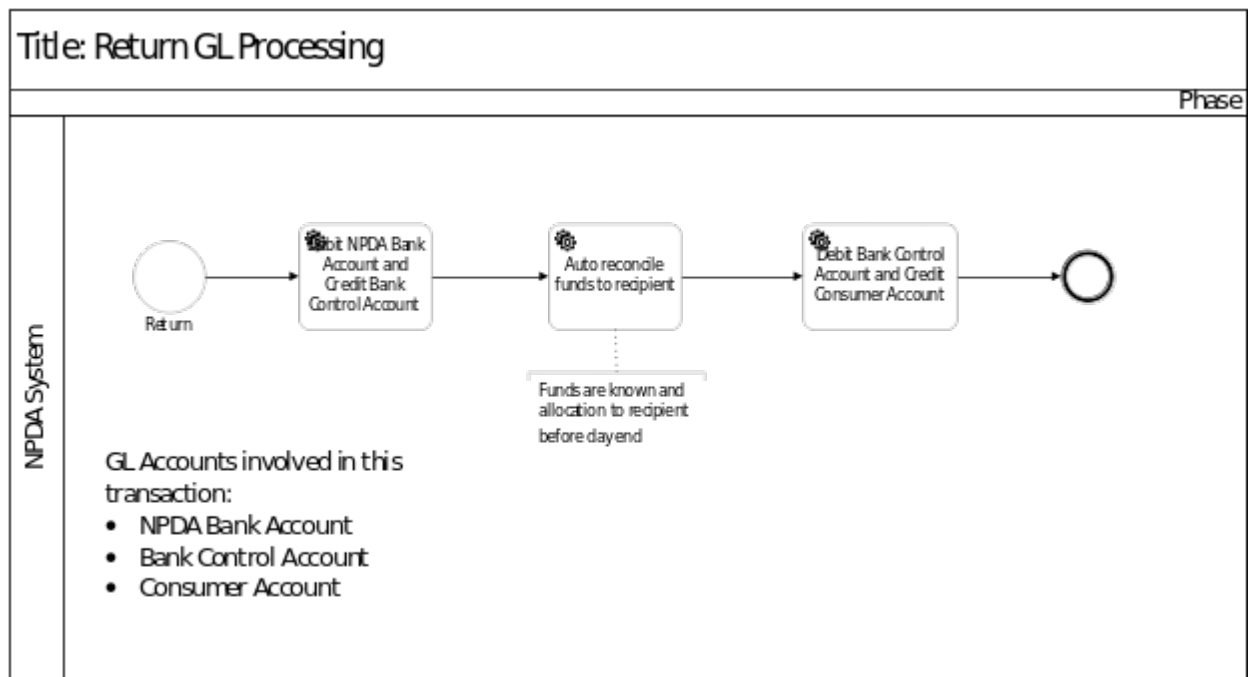
Action	Account	Reason / explanation
DEBIT	Bank Account	There is a deposit in the bank account which is debit entry.
CREDIT	Bank Control Account (Positive)	The control account is credited the same day by the same amount.

##### Withdrawal

Action	Account	Reason / explanation
DEBIT	Bank Control Account (Negative)	The control account is debited the same day by the same amount.

CREDIT	Bank Account	There is a withdrawal in the bank account which is debit entry.
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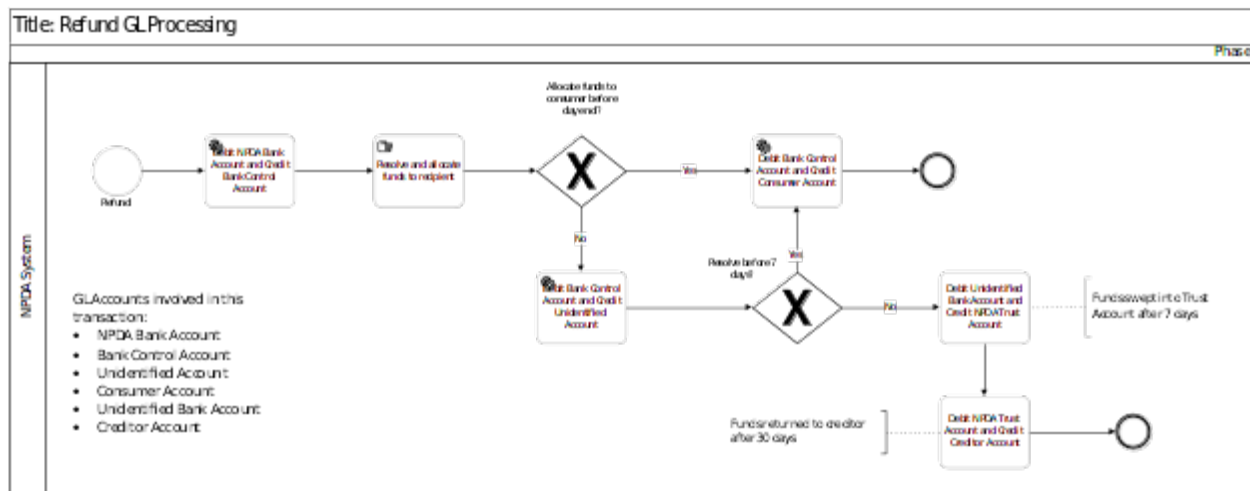
## 1.4.2 Returns GL Processing



### 1.4.2.1 Returns

Action	Account	Reason / explanation
DEBIT	NPDA Bank Account	The NPDA Bank account is debited by the return deposit amount.
CREDIT	Bank Control Account	The bank account must be credited by the return amount deposited on the NPDA Bank Account
Then, Auto-reconcile happens where the amount is allocated to the consumer account		
Action	Account	Reason / explanation
DEBIT	Bank Control Account	The amount involved is moved from the bank control account to the consumer account.
CREDIT	Consumer Account	The amount is reconciled to the consumer account.

### 1.4.3 Refund GL Processing



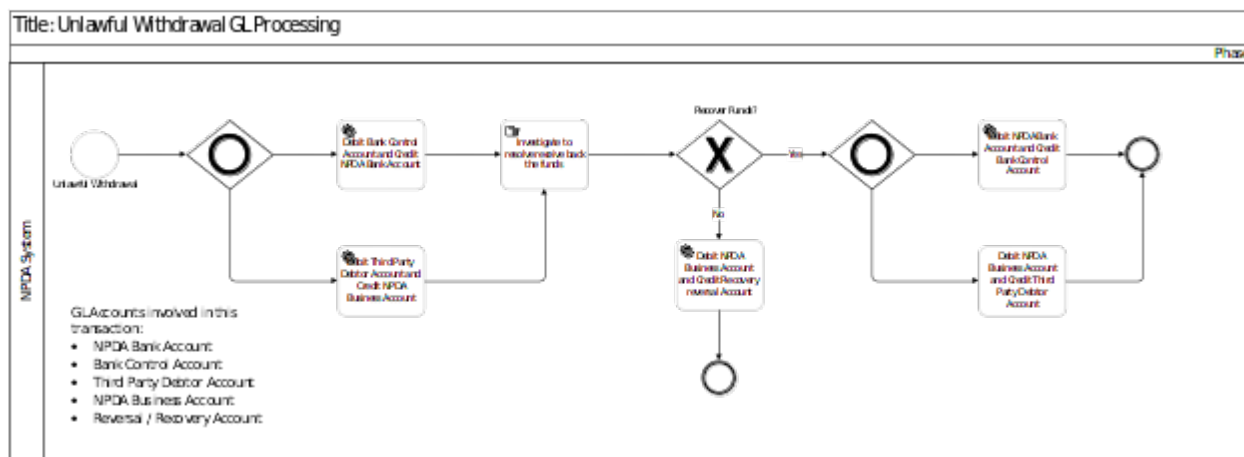
#### 1.4.3.1 Refunds

Action	Account	Reason / explanation
DEBIT	NPDA Bank Account	Standard Operating Procedure of clearing NPDA bank account to Bank Control Account
CREDIT	Bank Control Account	Standard Operating Procedure of clearing NPDA bank account to Bank Control Account
<b>Then: Identify the customer</b>		
Action	Account	Reason / explanation
DEBIT	Bank Control Account	The customer refund has been traced to the customer account; so the amount must be taken from the Bank Control Account
CREDIT	Customer Account	The customer refund has been traced to a customer account
<b>The funds are not yet traced to the customer account after 7 days.</b>		
Action	Account	Reason / explanation
DEBIT	Unidentified Bank Account	The funds must be moved to Unidentified Bank Account. The real Bank Account
CREDIT	NPDA Trust Account	The NPDA Trust Account must be Credited with the unidentified amount.
<b>The funds are not yet traced to the customer account after 30 days.</b>		



<b>Action</b>	<b>Account</b>	<b>Reason / explanation</b>
DEBIT	NPDA Trust Account	The funds must move out of NPDA Trust Account
CREDIT	Creditor Account	The amount must be returned back to the creditor Account

## 1.4.4 Unlawful Withdrawal GL Processing

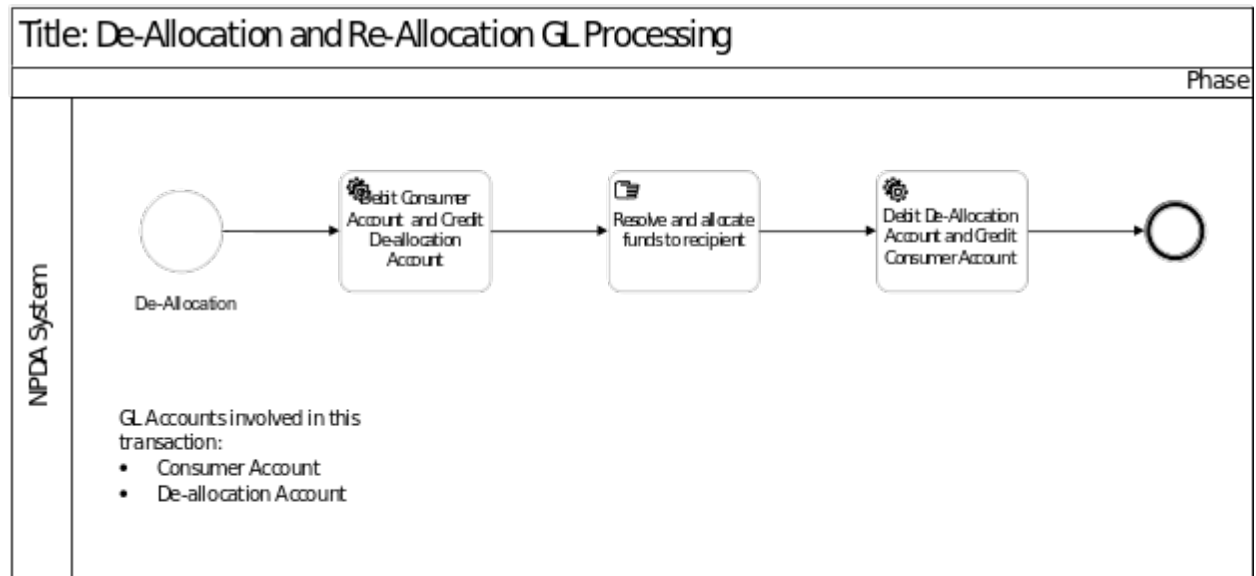


### 1.4.4.1 Unlawful Withdrawal

Action	Account	Reason / explanation
DEBIT	Bank Control Account	Standard Operating Procedure of clearing NPDA bank account to Bank Control Account
CREDIT	NPDA Bank Account	Standard Operating Procedure of clearing NPDA bank account to Bank Control Account
Action	Account	Reason / explanation
Debit	Third Party Debtor Account	The debtor is identified from the bank statement and can be identified a debit entry is made.
Credit	Reversal Recovery Account	The reversal recovery account is credited while funds are being recovered
<b>Then: Funds are recovered from third party debtor</b>		
Action	Account	Reason / explanation
Debit	NPDA Bank Account	This is the reversal of an earlier entry when funds are recovered.
Credit	Bank Control Account	This is the reversal of an earlier entry when funds are recovered.
Action	Account	Reason / explanation

Debit	NPDA Business Account	This is the reversal of an earlier entry when funds are recovered.
Credit	Third Party Debtor Account	This is the reversal of an earlier entry when funds are recovered.
<b>Then: Funds are not recovered from third party debtor</b>		
<b>Action</b>	<b>Account</b>	<b>Reason / explanation</b>
Debit	NPDA Business Account	The NPDA Business Account funds the unrecovered amount
Credit	Recovery Reversal Account	The NPDA Business Account funds the unrecovered amount the contra entry is made against the recovery reversal account.

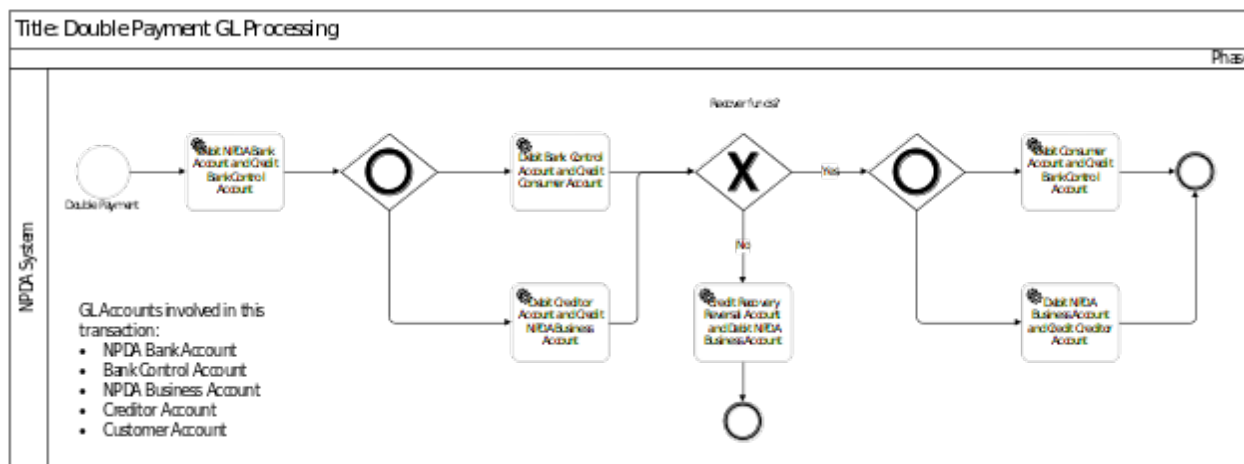
## 1.4.5 De-Allocation and Re-Allocation GL Processing



### 1.4.5.1 Funds De-Allocation

Action	Account	Reason / explanation
DEBIT	Consumer Account	The customer account is debited with the de-allocation amount
CREDIT	De-Allocation Account	The deallocation amount is posted on the deallocation account
The issue has been resolved; re-allocate amount to consumer account		
Action	Account	Reason / explanation
Debit	De-Allocation Account	The reversal of the entry is done when funds are reallocated to consumer.
Credit	Consumer Account	The reversal of the entry is done when funds are reallocated to consumer.

## 1.4.6 Double Payment GL Processing

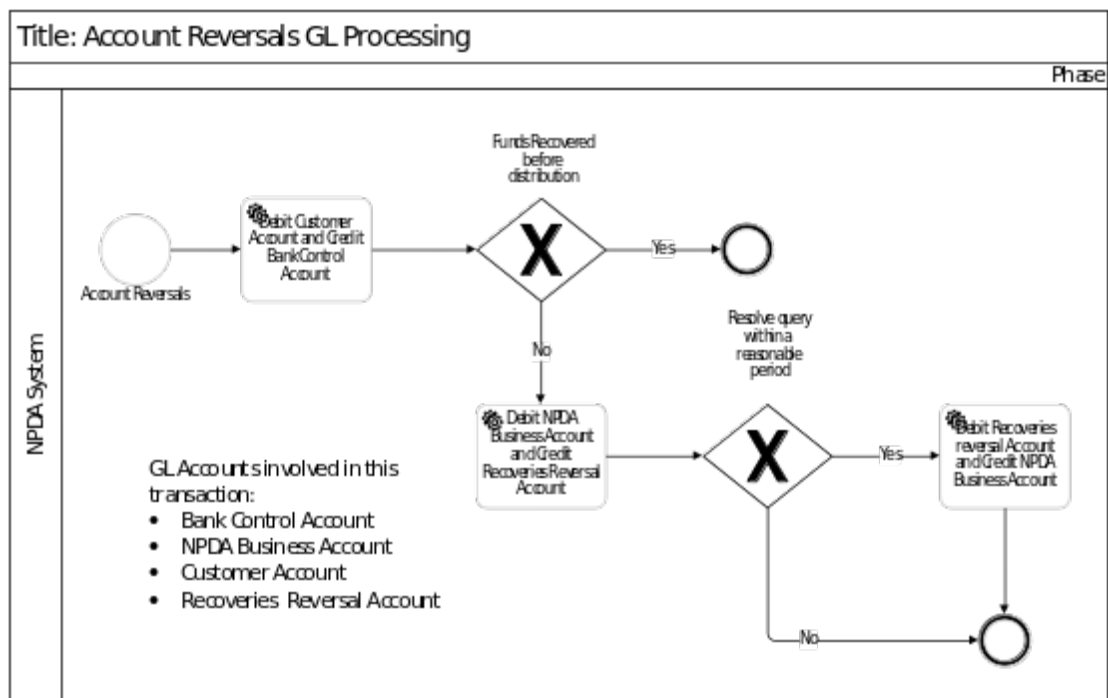


### 1.4.6.1 Double payments

Action	Account	Reason / explanation
DEBIT	NPDA Bank account	The amount involved must be reinstated into this account
CREDIT	Bank Control Account	The amount involved which left the account must be replenished from a business account
Action	Account	Reason / explanation
DEBIT	Bank Control Account	This account is debited with the double payment amount
CREDIT	Consumer Account	This account is credited with the double payment amount
Action	Account	Reason / explanation
DEBIT	Creditor Account	The creditor account is debited with the amount paid to their account
CREDIT	NPDA Business Account	The NPDA Business Account is credited with the amount paid to fund the account
<b>Funds recovered</b>		
Action	Account	Reason / explanation
DEBIT	Consumer Account	The funds are recovered the consumer account is debited.
CREDIT	Bank Control Account	The bank control account is credited

		when the funds are recovered.
<b>Action</b>	<b>Account</b>	<b>Reason / explanation</b>
DEBIT	NPDA Business Account	Reverse the entry when the funds are recovered.
CREDIT	Creditor Account	Reverse the entry when the funds are recovered
Funds not recovered		
<b>Action</b>	<b>Account</b>	<b>Reason / explanation</b>
DEBIT	NPDA Business Account	The business account will fund the amount to be recovered
CREDIT	Recovery Reversal Account	The recovery reversal account will be credited

## 1.4.7 Account Reversal GL Processing



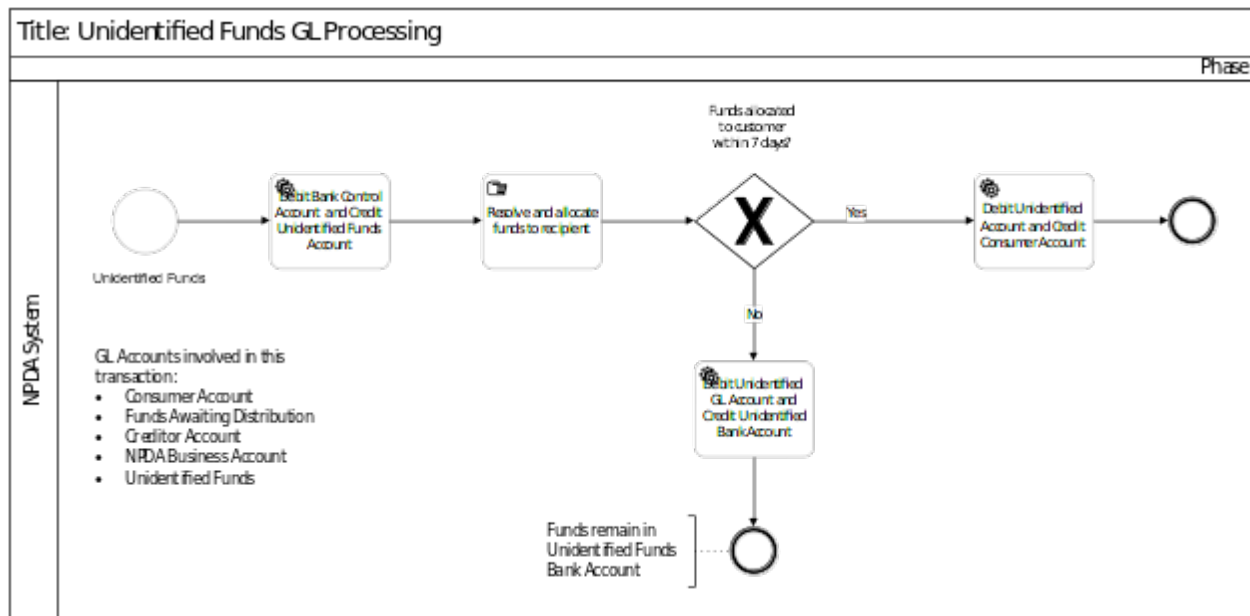
### 1.4.7.1 Account reversals

Action	Account	Reason / explanation
DEBIT	Customer Account	Consumer has reversed the deposit and the entry must be passed to indicate that.
CREDIT	Bank Control Account	The contra entry is done against the bank control account.
<b>Funds have been distributed</b>		
Action	Account	Reason / explanation
DEBIT	NPDA Business Account	The NPDA business account funds the reversal when the amount has been paid.
CREDIT	Recoveries Reversal Account	The amount must be recovered either from consumer or creditor.
<b>Funds are recovered after distribution</b>		
Action	Account	Reason / explanation

DEBIT	Recoveries Reversal Account	The reversal entry between these two accounts must be passed when the funds are recovered.
CREDIT	NPDA Business Account	The reversal entry between these two accounts must be passed when the funds are recovered.



## 1.4.8 Unidentified Funds GL Processing



### 1.4.8.1 Unidentified Funds table

Action	Account	Reason / explanation
DEBIT	Bank Control Account	The fund moves from the control account
CREDIT	Unidentified Funds	Funds which are not yet identified are placed in this account
Then; Identify Funds within 7 days.		
Action	Account	Reason / explanation
DEBIT	Unidentified Funds	Funds must be moved once identified to the consumer account
CREDIT	Consumer Account	The amount has been reconciled to the consumer.
Funds remain unidentified for more than 7 days.		
Action	Account	Reason / explanation
DEBIT	Unidentified Funds	When funds have not been identified they are moved from this account.
CREDIT	Unidentified Bank Account	This is an actual bank account where all unidentified amounts are kept.

