

**Project:**

**System: NPDA**

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**Functions/Features: Workflow Screens Document**

**Document History**

Reviewed By

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| Organization | Person |
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# Introduction

## Document Purpose

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

## 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.

## Business Objectives

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

## GL Contra Entries Processing

## Bank Control Account



## 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. |

## Returns GL Processing



## 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. |

## Refund GL Processing



## 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 |
| **Then: Identify the customer** | | |
| **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 |
| **The funds are not yet traced to the customer account after 7 days.** | | |
| **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. |
| **The funds are not yet traced to the customer account after 30 days.** | | |
| **Action** | **Account** | **Reason / explanation** |
| 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 |

## Unlawful Withdrawal GL Processing



## 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 |
| **Then: Funds are recovered from third party debtor** | | |
| **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. |
| **Then: Funds are not recovered from third party debtor** | | |
| **Action** | **Account** | **Reason / explanation** |
| 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. |

## De-Allocation and Re-Allocation GL Processing



## 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. |

## Double Payment GL Processing



## 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 |
| ***Funds recovered*** | | |
| **Action** | **Account** | **Reason / explanation** |
| DEBIT | Consumer Account | The funds are recovered the consumer account is debited. |
| CREDIT | Bank Control Account | The bank control account tis credited when the funds are recovered. |
| **Action** | **Account** | **Reason / explanation** |
| 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 | | |
| **Action** | **Account** | **Reason / explanation** |
| 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 |

## Account Reversal GL Processing



## 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. |
| **Funds have been distributed** | | |
| **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. |
| **Funds are recovered after distribution** | | |
| **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. |

## Unidentified Funds GL Processing



## 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. |