l**CASH MANAGEMENT OPERATIONS - COLLECTIONS**

**OPERATING PROCEDURES FOR PROCESSING SPEEDCOLLECT PRODUCTS**

DOCUMENT IDENTIFICATION INFORMATION – PROCESS NOTES

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# Sign Off

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Addendum to LOP - Collection Unit

Product - Speed Collect

LOP: Collections

Subject: Inclusion clause of Return check handling, Collection and maintenance of Authorized Signature list of Correspondent bank officials, handling procedure of correspondent bank charges, Day 0 credit processing.

Revision date: 08.02.2012

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**Return Check handling procedure for Citi Speed:**

As a process, checks are deposited at correspondent bank location in addition to the checks sent by CPC to the drawee bank location for local clearing. The process for such return checks will be as below,-

1. Checks deposited at correspondent bank location: CPC will performs below activities to process such return checks for the day based on CS received from respective location,-

* update in CCMS
* take return report from CCMS
* Prepare data input sheet to debit client account.
* Pass flexcube entries under maker-checker.
* On the following day, match the acknowledgment by customers on delivered returned checks received from coordinator with the return report as per point (b) above. Coordinator will arrange to send such original acknowledgement to CPC.

1. Checks deposited at CPC and sent to drawee bank location and processing of returns: CPC will performs below activities to process such return checks for the day based on CS and original returned checks received from respective location,-

* update in CCMS
* take return report from CCMS
* Prepare data input sheet to debit client account.
* Pass flexcube entries under maker-checker basis original return checks
* Handover the return checks to customers through proper recording

**Signature verification of signatories of correspondent bank officials:**

On receipt of Deposit Schedule and Collection Schedule, CPC verifies signature of the correspondent bank official. The schedules are signed by 2 officials of the correspondent bank. Unit will consider signature verification as good if signatures of any one of the signatories match the signature records provided by the Corr Bank. For cases where either of the signatures cannot be verified as per record with the unit, unit will process such transactions as per below as contingency,-

1. Unit will check signature availability through the following alternate sources :
   1. Signature booklet kept at FI Ops.
2. Unit will take a confirmation on the details of DS/CS as applicable from a recorded phone if signature cannot be verified from FI Ops. Unit will call to the numbers as mentioned on the letterhead of the respective bank branch. Such call will be recorded in the schedule itself.
3. If call back cannot be performed, unit will not pass any transaction.
4. The exception, in either case, will be highlighted to product / network manager through email. Unit will send a letter to the correspondent bank branch to provide updated signatory list. In case of no response from the branch, matter will be referred to the network manager to close with the Head Office.

**Processing of charge, VAT, excise duty realized by Correspondent Banks:**

During half Yearly/ Yearly closing, correspondent banks deduct charges for our accounts maintained with them. Unit will pass such entries by debiting OOE - Bank Charges account and credit correspondent bank accounts based on account statement and RBR.

Accounting Entry for charges:

Dr Account

330700601 OOE - Bank Charges

Cr. Account

Correspondent bank accounts

**Day 0 credit processing:**

Under speed collect platform, unit processes transactions on the basis of fax on day 0 for clients. Unit will process such transactions based on arrangement with the customer if fax is received by 5.00pm for the day as per usual process of posting in CCMS for onward credit to client account on the same day. Faxes received after 5.00pm will treat to next day’s processing

Following day, unit validates transactions executed previous day on the basis of fax, match with the originals, signed off and file after reconciliation.

To facilitate such clients, clearing instruments within Dhaka and Chittagong will be processed as per below,-.

**Process at Day 0**

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| 1 | Check received at Citi counter through courier or direct deposit from client office. |
| 2 | Check received by collection from dispatch |
| 3 | Check sorting by collection team based on list of clearing locations and record in a handoff register |
| 4 | Collection Team will not process if there is a mixing of checks (clearing, collection) in one deposit  slip, will send back to client for correction and redeposit by recording in a register |
| 5 | Collection Team will return discrepant deposit slip to client office next available working day  with a note, pending checks are keeping in a fireproof cabinet by dual custody |
| 6 | Collection team will handover clearing checks to clearing team through handoff register |
|  | Clearing team will check the instruments received from collection team whether good for processing. If not qualified, send it back to collection team. |
| 7 | Clearing Team will input entry to CCMS  subsystem for preparation of clearing file . |
| 8 | Clearing Processing unit will scan deposit slips and checks for clearing. |
| 9 | Clearing Processing unit will input check level information’s to Eflow for sending file to PBM. |
| 10 | File preparation from extract of CCMS subsystem for passing flexcube  entry (Dr-cash and clearing and Cr-BAT). |
| 11 | File upload by clearing team for credit to client account with same day credit transaction code. |
| 12 | For  D-0  credit clients there will be a consolidated  entry to the internal account for the day to track the exposure of this  arrangement. |
| 13 | Exposure entry will be reversed on Day-1  after settlement of return house. |
| 14 | Return entry will be done at Day-1 directly from client accounts with same day value. |
| 15 | Clearing team will send return check to collection team for onward sending to clients office next working day. |
| 16 | Cut off time for clearing check  receipt is 5.00 pm at collection unit, check received after 5 pm will treat next day’s processing. |

**Processing of Collection checks under Speed collect product following steps will be followed by Collection unit,-**

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| 1.  Unit will not verify fax number of received schedules from correspondent bank branches. Unit will perform signature verification of faxed schedule as usual. |
| 2. CPC  will  process transactions  on the basis of deposit schedule/slips. |
| 3. For day 0 clients, CPC will receive separate deposit schedule duly filled of each designated bank branches. |
| 3. Pass Booking entry for the consolidated amount of the day to internal accounts. |
| 4. Prepare DIS of booking entry based on faxed copy of the schedules received from locations. |
| 5. At day 2 entry will be reversed after checking collection schedule entries in the system against each deposit schedule for checks |

**Accounting entries:**

Customer specific internal account will be opened for such facility and entry will be passed accordingly.