l**CASH MANAGEMENT OPERATIONS - COLLECTIONS**

**OPERATING PROCEDURES FOR PROCESSING SPEEDCOLLECT PRODUCTS**

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# Sign Off

This document contains the sign off requirements for NRB IPO process Document for Cash Management Operations of Citibank, N.A. Bangladesh.

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# 

# 1. Introduction

Citi, Bangladesh’s SpeedCollect products include CitiClear, CitiSpeed, CitiCash, CitiCheck and CitiAnywhere. There are some common attributes among the products and the combined product program is called SpeedCollect.

# 2. Scope

This document describes the processes for carrying out transactions related to the following Receivable Products by the Collection Unit:

**i) CitiSpeed**

**ii) CitiCash**

**iii) CitiCheck**

**iv) CitiAnywhere**

CitiClear is managed by Clearing Unit and a separate LOP outlining the processes for executing CitiClear transactions exists with them.

# 3. Product Description

Brief description of the Receivable Products is as follows:

## 3.1 CitiSpeed

CitiSpeed is a local check clearing and fund transfer product that expedite transfer of proceeds of locally payable checks, pay orders and drafts to the customer’s central concentration account with Citibank. CitiSpeed covers 38 major locations at present where Citibank does not have branches. Citibank has established correspondent collection arrangement with 5 banks, i.e. IFIC Bank Limited, Prime Bank Limited, Islami Bank Limited, SouthEast Bank Limited ,and AB Bank Limited with their 49 branches at 38 locations for check clearing and fund transfer.

## 3.2 CitiCash

CitiCash is a cash deposit and funds collection product covering the whole CitiSpeed-CitiCash network. Generally Cash is deposited directly by the customer. Total number of CitiCash location is 26 with 60 branches at present.

## 3.3 CitiCheck

CitiCheck is an upcountry check discounting / collection and funds transfer product. This expedites transfer proceeds of checks not payable at the location where they were deposited. CitiAnywhere extends the concept of CitiCheck to a check drawn anywhere in Bangladesh. When a Citicheck is received, it is duly stamped and sent to our CitiSpeed location for presenting the instrument for clearing.

## 3.4 CitiAnywhere

CitiAnywhere is a check drawn on non-clearing locations in Bangladesh. These checks are sent on ‘collection basis’ to the drawee bank branches anywhere in Bangladesh.

Citi customers may request checks due for deposit to their account, to be sent for direct collection to the drawee bank rather than through the local clearing. This ensures that the customer receives cleared funds which are not subject to recourse as they would be through local check clearing.

# 4. Product Processes

## 4.1 CitiSpeed

Customer’s Instruments are either picked by the appointed Courier / Coordinator or deposited by customer representative to the Coordinator / Correspondent Bank or couriered to Citibank directly along with the duly filled up deposit slips in all cases.

The Courier / Coordinator give acknowledgement of receipt at the point of contact with the customers.

All instruments received within specified cut-off times (5 PM) will be processed the same day. The Coordinator will prepare a consolidated CitiSpeed Check Deposit Schedule giving deposit slip level detail (received from the Customers / Couriers / Citibank). Coordinator may also segregate the checks as appropriate and use additional continuation sheets based on the number of cheques/deposit slips. However these sheets will carry the same Deposit Schedule number as is indicated on the first sheet to reflect all deposits under a single schedule reference. The Coordinator deposits instruments, schedule(s) and deposit slips to the correspondent bank within specified cut-off times. The coordinator gets the Citibank copy and the customer copy (if required by specific customers) of the customer deposit slips and Citibank copy of the CitiSpeed Check Deposit Schedule countersigned by an authorized officer of the correspondent bank Customers can also make direct deposit at the counters of the correspondent bank. The process works similar to the CitiCash deposit process described later. Operations team will track the schedules to ensure that only single schedules are used for all deposits. Any anomalies in the process will duly be highlighted to the vendor as well as Network Manager.

## 4.1.1 Function of Coordinator at EOD for deposits:

The coordinator will fax the CitiSpeed Deposit Schedule to the designated office of Citibank in Dhaka. The Schedules are numbered and the coordinator will report any missing number to Citibank with appropriate reason. Ops unit will be responsible for tracking this and any break in serial will duly be highlighted to the coordinator for necessary explanation. The same will be also be duly escalated to the Vendor Contact locally in Dhaka and the Network Manager in Citibank.

The coordinator couriers the CitiSpeed Deposit Schedule and Citibank copy of the deposit slips to the designated office of Citibank in Dhaka. Customer copy of the deposit slips are returned to customers / customer representatives.

In the locations with no coordinator, the correspondent bank shall prepare deposit schedules, fax them and courier the same along with the deposit slips to Citibank.

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## 4.1.2 Returned and Cleared funds Processed at Locations:

The coordinator collects return instruments, CitiSpeed Collection Schedule (Signed by Corr. Bank’s authorized signatory) and other correspondence from the correspondent bank.

The coordinator returns the return checks to the customer upon acknowledgement on the photocopy of the checks.

## 4.1.3 Documents Processed at Location for Collection unit in Citibank Dhaka:

The coordinator faxes the CitiSpeed Collection Schedule to Citibank’s designated office in Dhaka. The coordinator also prepares a parcel with all items collected from customers, correspondent bank and couriers the parcel to Citibank’s designated office in Dhaka.

In the locations with no coordinator, the correspondent bank will fax the collection schedule and courier the same along with the returned checks to Citibank. Correspondent bank may handover the returned checks to selected customers, if instructed by Citibank.

## 4.2 CitiCash

Customer / customer’s representative deposits cash directly at the counters of the correspondent bank. At the end of the day the coordinator collects the Citibank copy of the CitiCash Deposit Slips from the correspondent bank, prepares a CitiCash Deposit Schedule as CitiSpeed Deposit Schedule and get it countersigned by the correspondent bank. Coordinator may use continuation sheets based on the number of deposits. However these sheets will carry the same Deposit Schedule number as is indicated on the first sheet to reflect all deposits under a single schedule reference.

Operations team will track the schedules to ensure that only single schedules are used for all deposits. Any anomalies in the process will duly be highlighted to the vendor as well as Network Manager.

## 4.2.1 Dhaka CitiCash Deposit

The appointed courier picks up the deposit schedules along with deposit slip (white and yellow copies) from different branches of Mercantile; Prime , Southeast Bank and IFIC bank in Dhaka, Narayangonj and outside respectively.

The processing staff at CPC inputs necessary summary data along with details in the Cash Management System (CCMS).

The processing staff separates the yellow copy of deposit slips and returns it to the client (ALICO) on day 03 of deposit. The white copies are filed for record.

## 4.3 CitiCheck

### Deposit TraCking

At non-Citibank locations the appointed courier picks up all instruments to be collected from customer’s office along with duly filled-in deposit slips and deliver the same to the coordinator (at CitiSpeed locations) / Citibank (that were picked-up from other locations). Coordinator also may pick up instruments from the customer’s office or customer representatives may bring them to the coordinator. The coordinator couriers the checks and the deposit slip to Citibank. The courier / coordinator gives acknowledgement of receipt at the point of contact with the customer. Citibank sends a copy of the deposit

slip (duly stamped) as acknowledgement of deposit to the customer (through courier / coordinator as applicable). Customers can deposit the checks themselves or courier the checks directly to Citibank. In such cases Citibank hands over / couriers the deposit receipt to the depositor / customer.

### Deposit Processing

The Collection Unit team takes these checks from the tellers / customer service/ recd through courier and writes the deposit slip number on the back of each check.

They cross the checks, photocopy / scan them along with the deposit slips for future reference. Register and excel are updated for deposit tracking. Courier’s acknowledgement is taken on the copy of excel printout.

Collection Unit receives checks directly from courier and record in a hard copy register with proper acknowledgement in POD. Unit also dispatches checks for collection to courier with a record in the same register with proper acknowledgement from courier in the same. Collection unit will do a day end reconciliation between received and dispatched checks for the day.

**4.3.1 CitiCheck Clearing**

Checks drawn on CitiClear locations go to the Citibank branch, which puts them through local clearing and does the same thing as the correspondent bank & coordinator do for CitiSpeed.

Checks drawn on CitiSpeed locations go to the bank with an attention to the coordinator who deposits them to the correspondent bank along with the local CitiSpeed checks. In the deposit schedule, all particulars viz customer name, number of checks/ cash (as applicable), amount should be recorded.. Rest of the process is the same as CitiSpeed.

Checks drawn on CitiCheck locations go directly to the correspondent bank.

Correspondent bank sends the receipt copy of the CitiCheck deposit slips through return courier. Arrangement can be made with them to fax the deposit slips in specific cases.

They put the checks through local clearing and send a Collection Schedule and the return checks to Citibank through courier. Arrangement can be made with them (or the courier) to fax the schedule in specific cases.

**4.3.2 Returned and Cleared Fund Processing**

Returned items come back to Citibank from other branches, coordinators or correspondent banks, as applicable. The processors update the returns in CCMS, generate reports and arrange to return the checks to the customer over the counter, through coordinator or through courier, as applicable.

Collection team passes necessary accounting entries as per the accounting entry schedule. They monitor the funding arranged by the correspondent bank on a regular basis. Major discrepancies are taken up with the correspondent banks for fast resolution.

*Note:*

Count and value of received checks should be reconciled to covering deposit slip.

Any errors/omissions should be highlighted back to the customer.

Unit will do a cross verification between dispatched checks through ‘Collection Unit Checks Tracker’ register and CCMS to ensure all citichecks deposited at desired location within 72 hours of dispatch. Unit will also maintain a list of such exceptions For cases not deposited within the time, Unit will go further investigation.

Checks received after processing cut-off should be held in a safe/vault overnight under dual control.

Count of cheques recd and dispatched needs to be cross tallied

Details of cheques dispatched needs to be cross verified with DS to ensure all cheques couriered and deposited max within 72 hours of dispatch.

## 4.4 CitiAnywhere

### 

**4.4.1 How we receive CitiAnywhere Checks**

*(i) Client will deposit checks at our counters.*

The teller / Customer Service Representative (CSR) will hand over the deposited checks to Collection unit upon noting the number of checks in the register.

*(ii) Appointed courier will pick up checks from the customers.*

All these checks will be delivered to collection unit along with duly filled deposit slips. Citibank will only count the number of checks and take delivery. Customer / courier will take back customers’ copy of the deposit slips.

**4.4.2 Initial Processing**

1. Collection unit will

* Write Deposit slip number on the reverse side of the checks,
* Separate checks from the deposit slips
* Enter deposit & check level data (deposit slip number & date, client code & reference, check number, date, amount, bank-branch & location) into the Cash Management System (CCMS).

1. Collection unit will

* Scan / photocopy the checks
* Put Citibank crossing
* Duly stamp those checks for sending for collection.
* Put Collection reference number stamp on the face of the checks
* Collection endorsement on the reverse side.
* Cancellation of any other Citibank endorsement (if any) exists/present on the checks.

1. Collection unit will

* Print collection manifold,
* Write collection reference numbers on the checks
* Attach checks with respective collection manifolds.
* An officer / designated employee will sign the checks
* Handover them to the courier by taking acknowledgement at the register.

The checks and manifolds will be couriered / posted to drawee bank-branches. A copy of the collection manifold will be filed for future reference.

**4.4.3 Process Funding Drafts***(Drafts received against checks sent for collections)*

***Step 1: On receipt of funding drafts*** Collection unit will update Cash Management System with giving draft number, date, amount, drawee branch and the collection reference numbers against which the draft has been received.

***Step 2:*** Collection unit will print a funding draft deposit manifold, attach the drafts with it and deposit them with the clearing unit. The drafts will be processed through local clearing.

***Step 3:*** Collection unit will file a copy of the funding draft deposit manifold along with the draft advices of the issuing bank. Photocopies of the drafts will also be filed.

***Step 4:*** Collection unit willupdate ***the honored drafts*** as paid in the Cash Management System (CCMS) and generate customer reports. Collection unit will credit customer accounts accordingly.

***Step 5:*** Collection unit will take handoff of ***return drafts*** from clearing hub upon acknowledgement and delete them from the particular funding draft manifold.

* If the return is such that ***it can be cleared at a later date*** Collection unit will re-enter it in a new funding draft deposit manifold & send it for clearing. Return causes like advice not yet received, not drawn on us, please present again, claiming bank’s endorsement improper, etc. are effective here. They will file a copy of the draft and the original return memo in the “***DD returned but re-presented file***” for future reference. They will update the file with the result of representation.
* If the return is such that ***it cannot be cleared in its current form*** Collection unit will send it back to the issuing branch for necessary rectification or re-issuance. Attach the return memo with the draft. Return causes like test incorrect / not used, does not match with advice, signature mismatch / inadequate, present through proper bank (Citibank’s name is written on DD as The City Bank Ltd.) etc. are effective here. They will file a copy of the draft, the return memo and the forwarding letter to the issuing bank in the “***DD returned and re-sent file***” for future reference. Periodically they will update the file with the result of re-sent drafts.

**4.4.4 Process Returned Checks**

***Step 1:*** On receipt of return checks Collection unit will do the following:

* Update Cash Management System
* Photocopy/scan the check and drawee bank advice,
* Print Citibank advice.
* The checks return advice and return slips will be sent to the customer through courier or representatives.

***Step 2:*** Continuous tracking will be done on outstanding return checks. There will be two reminder cycles every month (1st - 13th, 2nd on 26th). First reminder to drawee bank for checks processed during these periods of a month will be initiated during the same period of the next month. Second reminders will be sent during the same cycles every month

***Step 3:*** The processing staff as per the accounting entry schedule will pass necessary accounting entries.

**4.4.5 Reconciliation of Demand Drafts and Returned Checks**

Unit receives the Demand Drafts and Return Checks through Mail Room. In the mailroom a different register is maintained for collection unit. Demand Drafts and Return Checks are recorded in the register item wise and at the end of the day total number of Demand Drafts and Return Checks will be summarized in the register and Collection Unit will receive all the items together and collect the photocopy of the summery page of the register. Unit will prepare another summery report where in following items will be included

1. Total Number of Instruments Received
2. Total Demand Draft Processed
3. Total Return Checks Processed
4. Other Items (Wrongly sent to Citi etc.)

Total instruments under 2, 3, and 4 will be tallied with total number of instruments under item number 1. Maker and Checker will put signature on the summery at the EOD.

This summery will ensure that actions taken for all the instruments received through out the day and no items were unattended.

**4.4.6 Daily Reconciliation of Received Instruments**

### For the checks received from customers/courier/Locations/

### branch operation:

Unit will prepare a deposit summary report during receipt of checks from the customers/Courier/Locations/Branch Operations. This deposit summery will be kept in the file throughout the day. At the end of the day unit will prepare an EOD summery report where in following needs to be ensured:

1. Number of Checks Received
2. Number of Checks Processed
3. Number of Checks Pending for Processing.

Maker and Checker will put signature on the summery to agree on the number of checks outstanding are physically matched with number of checks recorded in the summery.

Unit will maintain a tracker where ageing of the instruments will be monitored. Unit must ensure that pending items are processed first on next working day and this will also be monitored through tracker.

For lost checks ( Lost by courier in transit, by issuer bank ) unit will ask GD copy from concerned and a stop payment confirmation from drawee bank with details and will inform to client accordingly by issuing a letter .

**4.4.7 Application of Charges**

CitiAnywhere collection charges will be as per the agreements with customers.

If there is no special arrangement or agreement with customers unit may apply the charges as per circulated standard charge schedule.

**Any exception needs to be notified to the product team and approval must be obtained as appropriate.**

***Note:***

**Citi customers may request checks, due for deposit to their account, to be sent for direct collection to the drawee bank rather than through the local clearing. This ensures that the customer receives cleared funds which are not subject to recourse as they would be through local check clearing.**

# 5.Coordinators engagement with citi .

Unit will maintain a database on vintage of all coordinators working at outstations for every vendor which will be collected from the vendor formally.

No coordinator will be engaged for Citi's coordination by the vendor for more than one year. In the event, there is need for any exception considering the experience/expertise of existing coordinators, unavailability of alternatives at any given location, Collections Operations will obtain deviation approval from GTS Head (through network manager) based on the written request from the vendor and continue with the existing coordinator not exceeding a period of 6 months with the approval.

Unit will conduct a monthly review for tracking of vintage based on available database to raise exceptions and appropriate communications to vendor.

**6. RECONCILIATION BETWEEN DEPOSIT AND COLLECTION SCHEDULE TO CONFIRM CLEARED FUNDS.**

Unit will track collection schedule and deposit schedule and raise with the concerned bank branch for resolution. If collection schedule is not received, unit will check for corresponding faxed collection schedule. Daily reconciliation should be done between total amount in Deposit Schedule and cleared funds in next day's Collections Schedule. Any discrepancy should be taken up with relevant branch immediately.

Prior generating reversal file, on a daily basis, maker will run CCMS system for checking all the entries are going to credit customers account on that day. System will show uncleared entries to be credited to clients account with an editable option for the users by which user can override or keep pending or reject of each item showing by the system, but system will not accept any data modification in this screen.

After checking all the exceptions, maker will do override/keep pending/reject and checker will check 100% with same screen and save for generation reversal file.

**Note: Exception items handling process for citispeed**

Unit will follow the below process to act on the items shows in the outstanding screen in the CCMS system on a daily basis..

Step 1.

-- Original Collection schedule is not Available with us.

To do..

-- Checking with fax copy.

-- If fax copy is available with sufficient information transaction will execute.

--If not will follow  step 2.

Step 2.

--Fax copy is not available

To do..

Contact with coordinator

            - If coordinator able to fax us respective document transaction will execute

            - If Not transaction will hold for the day.

Contact with Correspondent bank branches

- If corr bank personnel can provide us related documents by fax  ( as there is no other way to get it instantly) transaction

            will execute.

-If corr bank branch closed and not possible to contact with corr bank branches will follow step 3.

Step 3.

  --Check with correspondent bank statement if available.

-Statement bears sufficient information to validate the transaction and transaction will be passed post validation.

-Statement bears insufficient information and transaction will hold for the day.

Step 4.

STEP 1,2,3 Failed – Transaction will hold for the day .

-Circulate e mail to CSM and RM with a CC to product for the pending transactions.

-Follow up on the next working day .

-Transactions will execute as per availability of  related documentation with back value.

# 7.Processing by Collection Unit at Citi, Dhaka

**Day 0:**

The Unit Receives the Deposit schedules and Collection schedules through faxes from the locations.

**Maker’s function:**

1. Amounts from fax copies of deposit schedules are input in XL for consolidations.
2. Consolidated booking entries for Correspondent Banks are passed based on the faxed Deposit Schedule.
3. The fax copies of schedules are filed for record.
4. Pass the accounting entries in Flexcube as per following:

**5.1 Accounting Entries upon receipt of Fax from Locations**

*Entries on Day0\*\* (Booking Entry)*

Dr. CITICHECK DEPOSIT –LOCATIONS (G010009700013003)

Cr. CITICHECK DEPOSIT-CONTINGENT OFFSET (G010009700013011)

**Checker’s functions:**

1. Check total amount and tally with the total amount of the fax copy schedules
2. Check accounting entries and supporting documents
3. Authorize the transactions after verifications if everything found in order.

**Day 1:**

**Maker’s Fuctions:**

1. Upon receipt of the courier envelop along with the individual slips the processing staff verifies the signatures of schedules.
2. User will do schedule level entry

1st step - At consolidate level where deposit slip no. Customer name, Customer account number, type of deposit, slip level amount, total ,check number will include and save.

. 2nd step - This will complete deposit slip detail entry with check details ( check number, drawee bank, check amount, reference number if any and save

..

**Checker’s functions:**

1. Authorize the entries in CCMS, for generating checking file to check against original deposit slips. Checking file is generated and a print out is taken by the maker.

**Maker’s function:**

1. The printout is checked against the original deposit slips.
2. Necessary rectifications/corrections are done in CCMS jointly with Authorizer (Authorizer needs to input ID and PW for necessary rectification)

Any modification at the deposit schedule level of checked data must be needed an authorization.

1. Booking file generates jointly with Authorizer (Authorizer needs to input ID and PW for necessary rectification)
2. Reversal Files are uploaded to Flexcube.
3. Write the Batch no and batch total against corresponding file in the printouts.

In Flexcube going for ‘upload via excel’ and then ‘A/c Entries Import’ for Booking File (File Name: FG015601.csv) and Reversal File (File Name: FG015602.csv).

**Checker’s function:**

1. Authorizer Authorize the Batch after necessary verifications.

Collection team monitors the funding provided by the correspondent bank on a regular basis. Any major discrepancies are taken up with them for fast resolution

ICU provides reconciliation reports on predefined intervals, to facilitate the process.

Collection Schedule entry is also passed for total collected amount and return amount.

*Reversal Entries on Day 1 on receipt of original for the entries passed on day 0 on the basis of the schedules received through fax. (through liquidation module)*

Dr. CITICHECK DEPOSIT-CONTINGENT OFFSET (G010009700013011)

Cr. CITICHECK DEPOSIT –LOCATIONS (G010009700013003)

# 6. Accounting Entries for Processing SpeedCollect

## 6.1 Accounting Entries for CitiSpeed

6.1.1 Reversal Entries on Day 1 for CTG\*\* (through liquidation)

Dr. G010009275570009 ACCOUNT PAYABLE (C.MGT)-CITISPEED (CTG Branch

park the amount on Day 0)

Cr. G010009198080001 SUSPENSE A/C-LCY-CASHMGT.

6.1.2 Entries on Day 1

Dr. OUR ACCOUNT CORRESPONDENT BANKS/SUSPENSE A/C (for ctg deposit

only)

Cr. G010009275570009 ACCOUNT PAYABLE (C.MGT)-CITISPEED

6.1.3 Entries on Day 1, 2, 3…+

As per the crediting arrangement (Day 2 credit, Day 3 Credit) with the customer:

Dr. G010009275570009 ACCOUNT PAYABLE (C.MGT)-CITISPEED (Through

liquidating G010009198080001)

Cr. CLIENT ACCOUNTS

\*\* Day 0 - The day when instruments/cash are deposited at Corr. Bank locations.

## 6.2 Accounting Entries for CitiCash

6.2.1 Entries on Day 1

Dr. OUR ACCOUNT CORRESPONDENT BANKS/SUSPENSE A/C (for ctg deposit

only)

Cr. G010009275600005 ACCOUNT PAYABLE CITICASH

6.2.2 Entries on Day1, 2, 3….. +

As per the crediting arrangement (Day 2 credit, Day 3 Credit) with the customer:

Dr. G010009275600005 ACCOUNT PAYABLE CITICASH (Through liquidating

G010009198080001)

Cr. CLIENT ACCOUNTS

## 6.3 Accounting Entries for CitiCheck

CitiChecks are the checks deposited in our counters but drawn on other banks on other locations. These checks are sent to respective locations so that those are included in CitiSpeed.

**Checks delivered through Courier**

6.3.1 Entries on Day0\*\* (Booking Entry)

Dr. CITICHECK DEPOSIT –LOCATIONS (G010009700013003)

Cr. CITICHECK DEPOSIT-CONTINGENT OFFSET (G010009700013011)

**Checks deposited at Locations**

6.3.2 Reversal Entries on Day 2 (through liquidation)

Dr. CITICHECK DEPOSIT-CONTINGENT OFFSET (G010009700013011)

Cr. CITICHECK DEPOSIT –LOCATIONS (G010009700013003)

\*\* Day 0 - The day when instruments are sent through courier

## 

## 6.4 Accounting Entries for CitiAnywhere

#### **Funding Drafts**

6.4.1 Entries passed by the clearing & Collection Unit on the day funding draft is sent to local clearing (Day 1)

Dr. Our Account Bangladesh Bank

Cr. Sundry Account - Collection/Customer (for credit to customer on Day 1 +)

Entries on Day 1 +

Dr. Sundry Account - Collection/Customer

Cr. Customer Account

**Returned Drafts**

6.4.2 Entries after Return (Day 2)

Dr. Sundry Account - Collection/Customer

Cr. Our Account Bangladesh Bank

# 7. Funding by Correspondent Banks

Following entries will be passed upon receipt of funding from the Correspondent Banks through Bangladesh Bank Checks:

Dr. OUR ACCOUNT BANGLADESH BANK

Cr. OUR ACCOUNT CORRESPONDENT BANKS

Note: Entries will be passed on receipt of Bangladesh Bank check from the correspondent Banks.

# 8. Fees / Charges / Commission & VAT

## 8.1 Recoverable from clients

8.1.1 For CitiSpeed, CitiCash, CitiCheck

Dr. Client Account

Cr. Cash Management Revenue – Collections (for collection charges)

Service Charges (for return charges)

Recovery of Expenses – Collections (for courier charges)

8.1.2 For CitiAnywhere

Checks sent for Collection

Dr. Customer Account

Cr. Collection Commission

Note: Fees/charges/commissions will be realized in accordance with the agreement with clients.

## 8.2 Payable to correspondent bank

Dr. Cash Management Expenses - Collections

Cr. PayLink Check (issue PayLink Check / Draft)

Note: Charges will be paid in accordance with the agreement with correspondent banks.

## 8.3 Payable to Coordinator, Courier Services

Dr. Cash Management Expenses - Collections

Cr. PayLink Check (issue PayLink Check / Draft)

## Application of Charges/fees/commissions:

All the charges/fees/commissions will be applied in accordance with the agreement with customers, Vendors for coordinators Services and courier companies.

Any exception needs to be notified to the product team and approval must be obtained as appropriate.

# 9.1. Facility of Providing Day – 1 Credit in Customers’ Accounts

Bank offers Day 1 credit facilities to some of the customers. In this case an Internal account (Internal Guaranteed Credit Account) is opened in the name of the customers to allocate the Credit/Cash Management Line. As per agreement with the customers CRMS allocate the Credit/Cash Management Line into that internal account and necessary accounting entries are passed to credit the fund into customers’ account on DAY 1.

A reversal file (A Batch automatically generated based on the updated CitiSpeed deposit slip/details) is generated for crediting all the customers’ account (this credit entry is happened for facility customers and other customers as well). Following manual journal entries are required for crediting Day 1 facility customers before reversal file authorization.

## 9.2 Accounting Entries on Day – 1 for credit facility availing customers (Before instruments are cleared locally)

|  |
| --- |
| Dr. Internal Guaranteed Credit A/C |
| Cr. Account Payable (C.Mgt) – CitiSpeed |

## 9.3 Accounting Entries on Day - 2 for credit facility availing customers (After receiving proceeds from Correspondent banks)

|  |
| --- |
| Dr. Account Payable (C.Mgt) – CitiSpeed (through liquidation)  Cr. Internal Guaranteed Credit A/C |

For return entries (returned from the correspondent Bank’s local clearing) of the above customers we follow the general procedures as we follow for the other customers:

*Reversal Entries on Day 1 for CTG\*\* (through liquidation)*

Dr. G010009198080001 SUSPENSE A/C-LCY-CASHMGT

Cr. G010009155160001 CITICHECK RETURN (CTG Branch park the amount on

Day 0)

*Return Checks*

Dr. CLIENT ACCOUNT/ G010009155160001 CITICHECK RETURN *(if payout is on*

*day 2+)*

Cr. OUR ACCOUNTS CORRESPONDENT BANKS

*Return Checks for Day 2 + Clients*

Dr. CLIENT ACCOUNT

Cr. G010009155160001 CITICHECK RETURN (through liquidation of

G010009198080001 SUSPENSE A/C-LCY-CASHMGT)

Note: Debit to customer will be value dated as the date of corresponding credit.

**10.. Same Day MIS Circulation and Validation :**

Same day MIS shall be collected by Vendor people of respective clients Over phone . The vendor will store collected MIS in a shared drive accessible by collection team. The unit will forward the MIS to respective clients addresses declared by Same day MIS agreement duly signed and accepted at predetermined cut off times on a daily basis . Communication shall be performed by maker checker controlled way as per infosec policy. The emails shall be contain the disclaimer about the quality and authenticity of the information.

On the following day MIS will be validated with CCMS by the collection unit .

**11. BFTN TRANSACTION PROCESSING THROUGH ELECRONIC FUND TRANSFER PROCESS:**

Unit processed transactions coming through BFTN automatically received by PPM from another banks thru central bank system.

**Credit Cycle :**

Makers function : Maker will check in PPM for GI checking and override options, GI checking will be done by the system automatically, it will flow in the GI que if matching found , maker will check the details of matching and take actions as appropriate. Maker will do override if the beneficiary account have any restrictions and is allow for pass the transaction as per message showing by the system(PPM).

Checkers function : Checker will check at authorizer que for the reason and authorize or reject as appropriate as per message. After completion maker checker process transaction will flow to flexcube thru ITR generation automatically by the system.

**Return file Generation: Return** file will generate for reject transactions only by PPM and will automatically save a location to send to central bank server by IT.

**Direct debit Cycle :**

This is a part of BFTN process where specific agreements required to initiate transaction from clients confirmed by implementation team.

Client will initiate transactions thru citidirect to flow to PPM , system automatically send files to banks for pick amounts against transactions for credit to client account or beneficiary banks return the transactions thru system and client account will be credited and debited subsequently for return items only .

**Note : Transaction will flow on the settlement date only.**

# 12. Customer funding and back value

***Client Funding for CitiCash & CitiSpeed Deposit and Application of Back Value date in Customers’ Account:***

*No transactions will be processed on the basis of deposit schedules faxed from locations. All transactions will be processed on the basis of original deposit schedules.*

*For return entries Fax copy of collection schedules will be used in case of non-receipt of the original one.*

*In some cases unit may not receive original Deposit Schedule, Collection Schedule and Deposit Slips on time. This may happen due to Political unrest, Natural Calamities, Lost by courier, late delivery by courier etc. In such cases the unit will follow the following process:*

*Client account will be credited with applying back value date (the day as per agreement) if original deposit schedules received by the unit on Day 1+upon receipt of funds from the corr. Banks. In this case unit must ensure that funding was done by the corr banks on due date and a thorough reconciliation has to be ensured before applying back value date.*

*Incase of lost of original documents customers’ account will be credited with back value with appropriate approval. A confirmation will be obtained from corr bank branches to authenticate the amount of the fax copy. This will be done through getting branches’ seal and signatures on the fax copy. (Fax copy will be sent to Coordinator to get authenticated from the branch)*

*For providing back value date while crediting client account against deposit of respective locations unit must be able to reconcile schedule amount.*

*If the corr banks do the partial funding and or if reconciliation and segregation is not possible at that time the unit will not apply Back value date until the excess fund is identified.*

SpeedCollect Process Flow charts attached here with.

