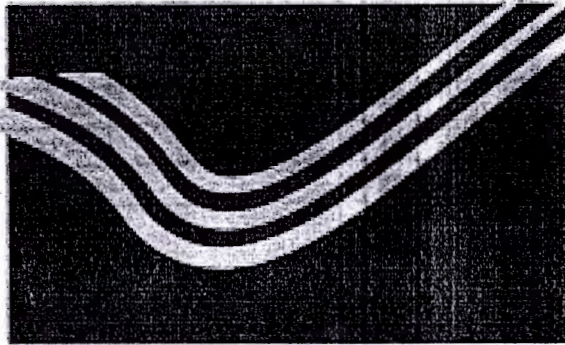




भारतीय डाक



India Post

MINISTRY OF COMMUNICATIONS

DEPARTMENT OF POSTS

**India Post Payment Bank-Roles and
Responsibilities**

NO.5-4/2019-PA (Tech-II) dated 22nd July 2021./136.

Government of India
Ministry of Communications
Department of Posts
Postal Directorate-PA wing
(Book section-II)

Dated 22nd July 2021.
New Delhi-110001

OFFICE MEMORANDUM

Subject: India Post Payment Bank- Roles and Responsibilities.

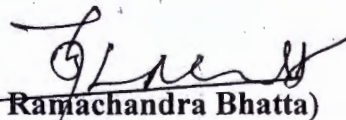
Of late it is noticed that the few IPPB cash transactions occurred at Counters/Micro ATMs are not getting accounted in the books of F&A CSI accounts and the sum of net IPPB cash transactions for the day are not being brought into the RICT on the transactions day itself or immediately thereon, thereby reconciliation and settlement with IPPB suffers and variation between Booked Figures in CSI Accounts with that of IPPB Finacle figures.

2. The scope of work in addition to the duties as codified in the IPPB Cash Management Standard Operating Procedure issued by PBI division Postal Directorate,, the roles of each unit handling the IPPB transactions has been identified and attached it as annexure-A. Each unit shall follow such instructions and perform the work accordingly.

3. The Postal Inspecting officers, while on inspection may ensure that the work relating to IPPB is done as per the Roles & responsibilities as brought out in the Annexure and specific instructions if any may be issued.

4. In addition to above, it shall be checked whether vendors of Micro ATMs are crediting the net cash to the linked Post Office including Branch Post offices and instances of abnormal delay if any noticed, may be brought to the notice of Regional Heads & Heads of circle..

This has the approval of Secretary (Posts).


(K N Ramachandra Bhatta)

Director (Internal Audit)

Enclosure – As above.

1. Sr.PPS for Secretary(p)/PSO to DG(Posts)
2. All Members/Additional DG
3. All Heads of Circle for necessary action.
4. All Heads of Postal Accounts Offices for necessary action.
5. CGM CEPT Bangalore-560001
6. DDG (PBI) Division
7. DDG(FS)
8. GM CEPT Mysore- with the request to upload this OM on India post website.

Annexure-I

(Refer: OM .5-4/2019-PA (tech-II) dated 22nd July 2021.)

Detailed instructions for Accounting, Monitoring Reconciliation and settlement of India Post Payment Bank transactions in DOP.

1. As per the Memorandum of Understanding between IPPB-DOP, the Department of Post (DoP) acts as a Corporate Business Correspondent (BC) to India Post Payments Bank (IPPB) and provide middle office and backend support for cash management. As part of this role, Department of Posts will manage the cash requirements at all IPPB access points. This includes dedicated counters being managed by Department of Posts, personnel within IPPB branches/controlling Offices and access points across Head Post Offices (HO), Sub Post Office (SO) and Branch Post Offices (BO) and End users linked to these Offices (GDS/Postmen).\
2. Postal Accounts Office, Delhi- 110054 has been designated as Nodal PAO for settlement of accounts with IPPB.
3. Staff identified in all access points shall follow the instructions contained in SOP issued by PBI division and the under mentioned instructions to ensure correctness of cash inflow & outflow from DOP treasury to IPPB Finacle and vice versa at the end of each day including holidays & Sundays.
4. **Transactions types:** The transactions pertaining to IPPB are broadly classified as :
 - Cash Management -IPPB
 - POSB-IPPB Interoperable
 - DOP Mail Business/Utilities Receipts & Payments
5. **Cash Management:** Cash transactions are the transactions that take place in the form of cash deposits and cash withdrawals of an IPPB Account holder & Payments done to other Banks through Aadhar Enabled Payment System (AEPS) by Department of Posts, through its various access points. Cash arrangements for IPPB cash transactions are managed by DOP through their respective treasuries at PO level.
6. **POSB-IPPB Interoperable:** For facilitating digital transaction for POSB customers, arrangements of Sweep-in/Sweep-out were introduced between DOP& IPPB. Under interoperability operations, customers can transfer their funds to various schemes available under POSB schemes viz. Saving Account,

PPF, and SSA& RD etc. On the other side he can transfer funds available in POSB account to IPPB Accounts for initiating online transactions like NEFT, IMPS, online shopping etc. Another scenario of interoperable transactions is that being Payments Bank, there is a limit of balance at prescribed amount at the end of the day, so excess amount beyond it will get automatically Sweep-Out to customer's POSB account.

7. **Mail Business:** Department of Post's customers can now make Payment for availing services of Department like mail products and other utility bills across counters, by Direct Debit to his IPPB account or through QR Code options available with POS.

a. The following GL are operated for IPPB's transactions in ERP application of DOP:

8845500010 -	Initial Deposit from IPPB
8845500020 -	Deposit (Receipt) from IPPB customers
8845500030 -	Payments (Withdrawal) by IPPB customers
8845500040 -	Settlement with IPPB for Net Deposit (Payment)
8845500050 -	Settlement with IPPB for Net Withdrawals (Receipt)
8845500060 -	Amount Received from IPPB for Direct Debiting IPPB Account
8845500070 -	Amount Received from IPPB for Bharat QR Transactions
8845500080 -	Amount Receivable from IPPB-POSB
8845500090 -	Amount Payable to IPPB-POSB
8845500100 -	Net Amount (Detailed Head – 01 –Detailed Head – 02) POSB

8. Scope of Head of Accounts

- a. Initial Deposit from IPPB (CGA Head of Account: 845500101010100): IPPB and DoP agreed on the prefunding balance as per business projections to be maintained by IPPB with DoP. The Cash withdrawals done by the IPPB's customers during the day will be tracked by DoP Nodal Office as per their discretion (recommended every 30 minutes interval to ensure that DoP is not out of funds at any point of time. If during the day, the Net of Cash deposit and withdrawal by customers breach 80% of the balance of the prefunding amount, IPPB will replenish the funds based on the business projections. For any given of time, if the balances hit 80% of prefunded amount, the IPPB will ensure to remit the fund to DOP. *This head is to be operated by PAO, Delhi exclusively.* This will be reviewed from time to time based on the volume of business.

- b. Deposit (Receipt) from IPPB customers (CGA Head of Account : 845500101010201): At the access points across Pan India, DoP will treat

IPPB as an additional line of business and facilitate cash transactions for IPPB customers using the existing cash available with them. The amount which is deposited by IPPB customer is booked under the head.

- c. Payments (Withdrawal) by IPPB customers (CGA Head of Account 84550010101020100): The amount which is withdrawn by the IPPB customer or any other Bank's customer at any access point.
- d. The above transactions at (b) and (c) performed in IPPB's Finacle are shared with F&A application at T+1 day except non rolled out access points wherein classification and booking will be done by PAOs based on the data from DDOs.

Settlement with IPPB for net Deposit (Payment) (Head – 845500101020300) – to be operated by PAO Delhi:

a. Cash Transactions:

- i. Settlement for Cash transactions with IPPB is done by PAO, Delhi centrally. Based on the IPPB's Finacle report generated, netting of Gross Deposit and Gross withdrawals is done. If the netting of transaction is net deposit (Gross Deposit exceeding Gross Withdrawal) the DOP owes IPPB and so arrived amount is payable to IPPB by PAO Delhi.
- ii. Settlement with IPPB for net Withdrawals (Receipt) (Head – 845500101020400) - to be operated by PAO, Delhi : If the netting of Gross Deposit and Gross Withdrawals based on the IPPB's Finacle report is net withdrawal (Gross Deposit less than Gross Withdrawal), IPPB owes to DOP, and so arrived amount is payable by IPPB to DOP.

b. Mail Services:

- a. Amount Received from IPPB for Direct Debiting IPPB Account (CGA Head of Account 845500101030100): The transaction pertains for Payment of DOP services made by IPPB customer by available option in POS as Direct Debiting account at DOP counters.
- b. Amount Received from IPPB for Bharat QR Transactions (CGA Head of Account 845500101040100): The transaction pertains for Payment of services made by IPPB customer through QR code.

c. POSA-IPPB Interoperable:

- a. Under the DOP-IPPB interoperable arrangement, IPPB acts as a Principal for end-of-day Sweep excess balance over the limit as defined by RBI for Payments Bank, for retaining the balance in customer's account at the end of

day. IPPB provides the interface to POSB customers to enable the Sweep balance from POSB account to IPPB account and vice versa.

- b. Department of Posts (DOP) operates two Current Accounts Sweep-in and Sweep-Out in the name of Director of Accounts (Postal) Delhi for fund arrangement for Sweep transactions of POSB-IPPB customers. The accounts and funds will be owned and operated by DOP at all points of time.
- c. The DOP Current Accounts is subject to limit as defined by RBI for Payments Bank at end-of-day and balance funds will be transferred to PAO Delhi Government Bank Receipt account.
- d. Amount Receivable from IPPB-POSB (Head 8455001010501):For Sweep-Out transactions DOP will provide specific instructions to IPPB for below:
 - i. Credit the 'Director of Accounts (Postal), Delhi- Sweep-out account' with amount equivalent to the Sweep-out only upon the initiation of Sweep-out transaction by the customer or through the standing instruction executed at end-of-day from IPPB Account to their POSA account.
 - ii. Debit the 'Director of Accounts (Postal), Delhi- Sweep-out account' at the end of the day to meet the maximum cash balance prescribed in IPPB account as per RBI's for Payment Banks, end-of-day limit and remit the balance to PAO Delhi Govt. Receipt Account.
 - iii. At the end of day, the balance amount in Sweep-Out Current is zero.
 - iv. Any balance transferred to PAO Delhi Receipt Account, PAO shall make direct posting entry in the books of PAO Delhi, crediting IPPB 845500101050100 and debit Remittance to Bank.
- e. Amount payable to IPPB-POSB (Head 845500101050200):For Sweep-in Transactions,
- f. Debit Director of Accounts (Postal), Delhi Sweep-in-account' with amount equivalent to the Sweep-in only upon the initiation of Sweep-in transaction by the customer or through the Standing instruction executed at the end-of-day from IPPB Account from their POSB account.
- g. At the end of day, the Residual Balance amount in Sweep-in current Account is zero.
- h. Any balance transferred to 'Director of Accounts (Postal), Delhi Receipt Account, PAO shall make direct posting entry in the books of PAO Delhi, crediting IPPB 845500101050200 and debit Remittance to Bank.
- i. The Current Account shows line item transactions of Sweep-Out and Sweep-in transaction for reconciliation purpose.

- j. At the beginning of day, Director of Accounts (Postal) Delhi, shall place funds, as per limit fixed by Directorate, from its Government Payment Bank account) to Current Account - Director of Accounts (Postal), Delhi, Sweep-in account. The total value of customer Sweep-in from the customers' POSB account to their IPPB account during the day will be limited to the balance amount available in 'Director of Accounts (Postal), Delhi- Sweep-in.
- k. For facilitating Sweep-in transactions, PAO Delhi to ensure that Sweep-in Current Account shall have corpus during business hours of the IPPB and facilitate funds to it regularly based on the instructions issued by the Directorate.
- l. At EOD, IPPB will debit the 'Director of Accounts (Postal), Delhi- Sweep-in account' at the end of the day and will remit back the Residual Balance to Director of Accounts (Postal) Delhi Government Bank Receipt Account.

d. Role of Sub Post Offices:

- 1.SPM shall ensure that any cash transaction for IPPB is accounted for and all cash transactions in m-ATM are brought to SO accounts on the day of transaction. He may ensure that there will not be physical cash lying with M-ATM agent at the end of day.
- 2.SPM shall also ensure that cash transactions happened in m-ATMs of GDS at Branch Offices are brought to BO accounts at the end of day and no amount is lying with GDS agent of Branch Post Offices.
- 3.SPM shall ensure that all receipts and Payments account have been reflected in the Daily Transaction Report of SO and BO concerned and any deviation be taken up with Division office monitoring team
- 4.SPM shall not make any direct voucher posting for IPPB transactions including for transactions took place at Branch Offices.
- 5.SPM shall ensure for verification of IPPB MIS- cash Report in IPPB Finacle tallies with list of transaction for that day.
- 6.Ensure that transactions as in IPPB Finacle reports tallies with F&A application.
- 7.He shall ensure that the sum received or paid as in IPPB Finacle report are accounted in RICT/BO Profit centre immediately, and there is no unusual delay in accounting in RICT.
- 8.Non posting of data in CSI SAP at SO or BO profit centre by centrally through system be watched and accounts tallied.
- 9.No Manual voucher Posting is done in the CSI SAP system.

e. Role of Head Post Offices:

- 1.HPO shall ensure that any cash transaction for IPPB is accounted for and all cash transactions in m-ATM are brought to SO accounts on the day of

transaction. He may ensure that there will not be physical cash lying with M-ATM agent at the end of day.

10. HPO shall also ensure that cash transactions happened in m-ATMs of GDS at Branch Offices are brought to BO accounts at the end of day and no amount is lying with GDS agent of Branch Post Offices.
11. HPO shall ensure that all receipts and Payments account have been reflected in the Daily Transaction Report of SO and BO concerned and any deviation be taken up with Division office monitoring team
12. HPO shall not make any direct voucher posting for IPPB transactions including for transactions took place at Branch Offices.
13. HPO shall ensure for verification of IPPB-MIS- Report cash available in IPPB Finacle tallies with list of transaction for the day.
14. Ensure that transactions as in IPPB Finacle reports tallies with F&A application.
15. He shall ensure that all vendors identified have credited the transaction sum in the Accounts without loss of time especially in relation to MATM transactions are concerned.

f. Role of Postal Accounts Offices:

The following activities are performed by PAO on T+2 day basis:

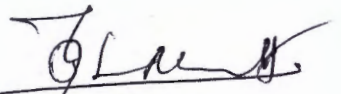
1. To reconcile the IPPB's Finacle cash MIS transactions with CSI GL.
2. To send cash reconciliation report to Nodal PAO (PAO, Delhi) and pursued for rectification of omissions and errors.
3. To tally the figures of GLs relating to IPPB with E-Lekha Report for their Circle.
4. To cause action for settling the discrepancy, if any between IPPB Finacle data with DOP CSI F&A data and monitor on concurrent basis.
5. PAOs will make a register in format annexed with this Chapter for LOT (List of Transactions) pertaining to their Circles.
6. To ensure that no figures have been booked under Head of Accounts (HOA) meant exclusive PAO, Delhi for settlement of accounts with IPPB. The GLs other than at (ii), (iii) and (vi) & (vii) – Debit side only, are meant for settlement accounts with IPPB to be operated by PAO, Delhi only. Hence, no figures should be booked under heads other than mentioned as before.
7. To ensure that all the transactions hitting GL pertaining to Mail Services/Utilities Payments had been transferred to Receipt MH-1201.
8. Ensure that the transactions in manual environment, that is CSI non rolled out circle etc. are accounted correctly and settlement with IPPB happens centrally at PAO Delhi.

g. Role of Nodal PAO – GM(Finance), PAO, Delhi.

1. To fund the Current Account on regular basis as per Directorate instructions and specified amount only.
2. To Settle Cash transactions accounts by arriving netting figures based on IPPB's Finacle Report on daily basis or the day after holidays/Sundays.
3. To reconcile the cash transactions centrally.
4. To ensure that the net inward/outward amount is duly transferred from/to the DDO Bank account and it is correct.
5. To account the tallied accounts as in "d" above in his books at par with verified entries in the Bank account.
6. To monitor for reconciliation of figures of CSI F&A with IPPB data from IPPB Finacle of all PAOs and make references to them for reconciliation.
7. To prefund the 'Current Account-Sweep-in' of DAP, Delhi lying with IPPB by the limit as defined by Directorate.
8. To reconcile the remitted transactions done from Current Accounts (Sweep-in/Sweep out) lying with IPPB to PAO, Delhi's Govt. Accounts.
9. To claim the balance for mail services/utilities Payments after reconciling the transaction of CSI & IPPB's Finacle Report of Balance of DOP for mail services from IPPB.
10. To reconcile the DOP's Finacle DTR in respective GLs in CSI.
11. To reconcile the GLs figures relates to IPPB with E-lekha.
12. To reverse un-reconciled transactions of DOP in DOP Finacle as applicable to sweep in and sweep out transactions and make such entries in the F&A application.
13. To verify the un-reconciled transactions of IPPB in DOP's Finacle.
14. To book all settlements in their respective head of accounts.
15. To overall supervision of IPPB-Accounting and reconciliation related business.
16. To account and apportion the commission received from IPPB among Circles.
17. To account Merchant Discount Rate (MDR) in the books of DOP.
18. To ensure that the IPPB Current Account balances at the End of business hours is zero.
19. To provide such MIS to various stakeholders like Postal Directorate, PA wing, PAOs, etc.
20. To maintain guard file of all approvals for funding sweep in and sweep out date wise.
21. To submit fortnightly report of major irregularities to Postal Directorate (PA wing) and PBI division

22. To provide training on systems and procedure, reconciliation relating to IPPB to all Postal accounts offices.

Role of CEPT Mysore: Ensure that the SFTP daily file is shared to CSI F&A application. Error data / file if any be shared to identified SPOC nominated by Circle office for posting to the system.


(K N R Bhatta)
Director (IA)