F. No. FS-10/3/2020-FS
Govt. of India
Ministry of Communications
Department of Posts
(FS Division)

Dak Bhawan, New Delhi-110001
Dated: 18.08.2021

To,

     All Head of Circles/Regions

Subject: - Regarding implementation of CBS-CTS integration functionality for cheque clearance in CBS post offices

Sir/Madam,

     At present all HOs are processing their cheque clearance through three nodal grid HOs i.e. New Delhi GPO, Chennai GPO, Mumbai GPO.

2. For smooth cheque clearing operation, to avoid manual remittance Advice (RAs) between HOs and Grid Nodal offices and for centralized accounting, functionality of CBS-CTS integration has been developed.

3. The competent authority has decided to implement CBS-CTS integration functionality for CBS post offices w.e.f. 23/08/2021. A detailed Standard Operating Procedure (SOP) for cheque clearing under CBS-CTS integration have been prepared and attached for information and further necessary action.

4. Some important aspects of cheque clearance under CBS-CTS integration as below: -
i) Chennai GPO is identified as Nodal Office for processing of cheque pertains to POSB operation in CBS post offices, centrally.
ii) Cheque received/presented in CBS post offices for POSB operation shall only be processed through CBS-CTS Integration i.e. for new account opening/deposit in POSA, RD, SSA & PPF.
iii) All other cheques received/presented in non-CBS post offices and Non Banking cheques (PLI/MPCM counter/other cheque) shall be realized through the accredited bank of the concerned HOs only i.e. Postmasters Bank Account as per existing provisions.

v) **N**o CBS post office shall be allowed to open Inward/Outward cheque clearing Zone in Finacle from 23.08.2021.

vi) HOs shall not lodge outward cheques on CBS post offices on 20.08.2021 to 22.08.2021. HOs shall start lodging outward cheques from 23.08.2021 in new CTS application.

vii) HOs shall clear their pending inward and outward clearing zone in Finacle by 20.08.2021.

viii) All post offices shall liquidate pendency of cheque clearing office account (SOL ID+0382) if any, by 20.08.2021.

5. Gist of process of cheque clearance in CBS post offices, after implementation of CBS-CTS integration is as under: -

 A. **Inward Cheque Clearing**: - POSB cheque presented in Bank and received through NPCI for clearance.

 a) Grid wise Inward clearing cheques will be received through CTS application in Nodal Office Chennai GPO.

b) Technical validation of the cheques (i.e. signature/date/cheque no/account status) will be done in CTS application for all three grids. A text file will be created through CTS application by Nodal Office and uploaded in Finacle grid wise.

c) In Finacle, the posting of text file will be done and marking of Cleared/Rejected shall be done.

d) A response file will be created in Finacle and uploaded to CTS application.

e) CTS application will consolidate Finacle and non-CBS inward cheque cleared/reject data and sent to NPCI.

i) Refer to Branch: -

a) If any cheque having, Invalid Account Number, Cheque Not linked to Account, Invalid scheme accounts, Non-CBS accounts and Accounts with no signatures will be marked as "Referred to Branch".

b) These cheques will be move to concerned HO of the post office (SOL) in CTS application.

c) All HOs shall ensure to login in CTS application daily to check whether any cheque referred to Branch is available.

d) Concerned HO to login to CTS application and modify Non CBS account number to CBS account number, if cheque is presented with old account number or link cheques against account in Finacle, verify signatures and complete technical validation for those cheques, which were referred to branch.

e) Concerned MICR HOs will reject the cheque with appropriate rejection reason in CTS or will mark as Cleared in CTS application for processing in Nodal Office in CBS.

f) After verification of signature/cheque detail and balance of cheque relates to non-CBS post office, concerned HO shall mark accept or reject for each cheque.

g) Necessary accounting for non-CBS cheque to be done at HO/SO on same day without fail.

B. <u>Outward Cheque Clearing</u> : -

i) All CBS SOs shall prepare a manual list in prescribed proforma of cheque received for POSB operations (including cheque received in BOs (if any) and shall send to concerned HOs.

ii) Concerned HO shall check the list with cheques and lodge cheque in CTS application by 16:00 hrs.

iii) Cheque related to POSA shall be lodged in respective PO Savings Account.

iv) Cheque related to new account or RD/PPF/SSA account shall be lodged in concerned PO's SOL ID+0382.

v) Nodal Office shall generate text file for three grids and share with NPCI.

vi) After receipt of response file from NPCI, text file shall be uploaded in Finacle Grid wise and Posting shall be done in Finacle.

vii) Each CBS PO (HO/SO) shall check their SOL ID+0382 account on daily basis. If any credit is available, open respective account or funding in concerned account of RD/PPF/SSA on same day before EOD.

6. The non-CBS Post Offices shall continue to follow existing process. i.e. this functionality is not applicable in non-CBS Post Offices.

7. Detailed Standard Accounting Procedure (SAP) will be released shortly in consultation with Book PA Wing.

8. It is requested to circulate this amendment to all CBS Post Offices for information, guidance and necessary action.

9. Hindi version of this order will be issued in due course.

10. This issues with the approval of Competent Authority.

Enclosed: - SOP for Inward & Outward Cheque Clearing.

Yours faithfully

18/08/2021.

(Devendra Sharma)
Assistant Director (SB-II)

Copy to:-

1. Sr. PPS to Secretary (Posts)
2. PS to Director General Postal Services.
3. PPS/ PS to Addl. DG (Co-ordination)/Member (Banking)/ Member (O)/ Member (P)/ Member (Planning & HRD)/ Member (PLI)/ Member (Tech)/AS & FA
4. Addl. Director General, APS, New Delhi
5. Chief General Manager, BD Directorate / Parcel Directorate / PLI Directorate
6. Sr. Deputy Director General (Vigilance) & CVO) / Sr. Deputy Director General (PAF)
7. Director, RAKNPA / GM, CEPT / Directors of all PTCs
8. Director General P & T (Audit), Civil Lines, New Delhi
9. Secretary, Postal Services Board/ All Deputy Directors General
10. All General Managers (Finance) / Directors Postal Accounts / DDAP
11. Chief Engineer (Civil), Postal Directorate
12. All Sections of Postal Directorate
13. All recognized Federations / Unions/ Associations
14. GM, CEPT for uploading the order on the India Post website.
15.MOF (DEA), NS-II, North Block, New Delhi.
16. Joint Director & HOD, ICCW Building, 4 DeendayalUpadhyayMarg, New Delhi-110002
17. Guard File
18. Spare copies.

<h1 style="text-align:center"><u>Standard Operating Procedure</u></h1>

<h2 style="text-align:center"><u>Outward Cheque Clearing – Post CBS-CTS Integration</u></h2>

1. Introduction

At present Outward clearing of cheques pertaining to Banking Operations (New account opening/subsequent deposits/RD Agent bulk) are scanned along with cheques collected for Non Banking operations in CTS application. After scanning, Banking operation cheques are entered manually in Finacle in Outward clearing Zone. Post clearance of these cheques, regularization of zone is done in Finacle for crediting in accounts concerned viz. POSB account / 0382/0410/0322/BDPVT.

As part of CBS-CTS Integration, only Banking operation cheques are to be scanned in CTS application in HOs. Non-Banking cheques ((PLI/MPCM counter/other cheque) are to be cleared by their concerned HOs through their associated banks. Outward clearing operations in Finacle will be handled at Nodal Office Chennai GPO for all three Grids viz Northern, Western and Southern. Post offices will not be able to open Outward clearing zone in Finacle and manual entry of cheques in Finacle are dispensed with. Post offices will do only scanning of cheques, data entry in CTS applications for the cheques accepted in CBS operations.

2. <u>CBS-CTS Integration – Centralization of cheque clearing process –Revised SOP</u>

All HOs to ensure that only Cheques pertaining **to Core Banking Operations** i.e. cheques collected for Savings Bank Transactions viz. new account opening (0382) /Subsequent deposits /RD Bulk agent /DBT Upload/PPF Transfer In/BDPVT cheques are to be scanned in CTS application i.e. Origin application daily within the cut off time1600 hrs.

1. Non CBS cheque shall not be scanned in CTS application. Non CBS Cheque (i.e. PLI/Counter/Telephone Receipt/) or Sanchay Post cheque) shall be cleared by their concerned HOs through their associated banks.
2. Cheques collected in HO in a day shall be scanned on same day including cheques received from sub / branch post offices.
3. Cheque clearing PA in HO shall ensure the following before scanning
    a. Cheque is not stale or post dated
    b. Deposit amount collected for POSB schemes to be complied with regulations
4. Cheques are to be scanned batchwise to identify issues easily arising due to encoding.
5. **<u>HO or SO shall not be able to open Outward clearing zones or lodge cheques in Finacle.</u>** Only inquire option will be available to all HO Users.
6. **<u>With respect to Outward clearing, only CBS cheques shall be processed in CTS application. Necessary validations have been built in CTS application to validate account number and office account in which the cheque amount is to be credited.</u>**
7. Post offices shall not be able to complete data entry if error is thrown in Account Number and the respective cheque has to be deleted.

8. Outward clearing files for uploading in Finacle will be generated in CTS application .Nodal Office Chennai GPO will upload the same in Finacle for all 3 grids in their respective Grid SOL.
9. Post receipt of clearance on next working day, outward clearing zones will be regularized centrally after processing outward rejectionsand credits will be made either in POSB account or in office account (0382) of concerned HO or SO.
10. All CBS post offices shall check their credits in their respective office account (0382) on next working day.
11. New account opening or subsequent deposits in RD, PPF & SSA are to be done by the concerned post office by debiting office account (0382) against available valid credit on the date of credit without fail.
12. No manual Cheque Clearing List (CCL) shall be issued for cheque processed under CBS-CTS integration.
13. There will be no email intimation or scroll from Nodal office post regularization of cheques.Post offices to use PO Clearing (Detailed/Summary) reports by entering zone date and zone sol id (60000100 /40000100 / 11000000)
14. Nodal office Chennai GPO will account Remittance to Bank entries in CSI-SAP.

3. Role of CBS Sub Post Offices

1. CBS Sub Post offices shall send only Banking Cheques collected in Savings Bank counter to their concerned Head Post Office invoicing in List of Documents on same day of collection.
2. All CBS SOs(including BOs) and SB Branch of HO shall prepare a cheque list manually/in Excel in duplicate for all Bank Cheque received in the day in the following format: -

Department of Post

Name of Post Office: -   SOL ID :   Date: -

SL.No.	Name of the Depositor	Account No. in which deposit made (SB Account No. or SOL ID+0382	Cheque No.	Cheque Date	Bank Name	Amount	Remark: i) SB for SB Account ii)Scheme+New A/C for New account opening. iii) Account number for RD/PPF/SSA

Seal of the Post Office   Signature of SPM/APM.

Note: - i. If cheque received for credit into PPF/SSA accounts and PPF/SSA account stands in other CBS post office, the cheque should be lodged in HO SOL ID+0382.

ii. If cheque received for credit in to PPF/SSA account and account stand in that post office or amount of cheque is up to Rs. 50,000 the cheque shall be lodged in concerned PO SOL ID+0382.

3. One copy of cheque list along with cheque to be sent to Clearing Branch of HO.
4. Account Number, Name of Depositor, Reason for deposit (New Account/Subsequent deposit),valid mobile number to be written on back side of cheque.
5. Sub Post Offices to check ledger of concerned office account (0382/0322/0437/BDPVT) on T+2 days using menu **HACLINQ** to check whether the cheque sent out for clearing has been cleared.
6. If credits are available, sub post offices can open new accounts or complete subsequent deposit transactions in Finacle.
7. PO Clearing (Summary/Detailed) Report in finacle can be used to generate list of cheques and their status.

4. Steps for scanning cheques in CTS application– SOP for Scanning at Head Post Offices

1. Nodal office (Chennai GPO) will give Start of day by selecting correct date and clicking on submit which will initialize start of the day and Processing Date will get changed accordingly
2. Account Number, Name of Depositor, Reason for deposit (New Account/Subsequent deposit), valid mobile number to be written on back of cheque.
3. Head Post offices will send only Banking Cheques collected in Savings Bank counter in CTS application.
4. Scanning HOs to ensure that the System date and CTS application date are same. Any discrepancy in date to be communicated to Chennai GPO immediately through mail Nodal office mail id
5. Post CBS-CTS Integration, CTS Outward scanning URL http://cgpo-out.oisclouds.co.in/user/login will be accessible only in SIFY network and not through broadband.
6. Above URL to be logged in with the User name (MICR) and the password already provided.
7. HOs should use only their ID and password for Scanning of cheques. If in case the ID is locked; the users can get unlocked from the vendor, through Nodal Office i.e. Chennai GPO.
8. Ensure that cables in the scanner are properly fixed in the system to avoid error "UNABLE TO CONNECT TO THE SORTER. SORTER IS DEAD". If the said error is thrown, please check any cables are unplugged. If so, plug the same the application will work correctly.
9. All processes (Scanning/MICR Repair/Account Entry and Verification) for Outward cheques must be completed before 1600 hrs without fail. Post 1600 hrs, post offices will not be able to access any menus relating to Outward clearing.
10. Clearing PA shall ensure that the date stamp of the HO is impressed at the backside of the cheque before scanning.
11. In case any bank seal is available in the cheque, the PA should impress the stamp "All Other Bank Clearing Stamp Cancelled" and affix the Scanning office Name stamp impression.

12. Any pins/staple pins, perforations [both ends] are to be removed properly before scanning of the cheques.
13. PA should Login in Maker login (usually login ID starts with M- M600111001) and click on Capture module in order to scan the cheques. User will click on Startup. The System date and app date will be compared and if both are same Capture icon will be enabled.
14. Place the cheques in the scanner. Later Capture icon should be clicked. A pop up will be prompted to enter the No. of Cheques to be scanned in a particular batch and total amount of the batch. Once entered Create batch should be clicked and later close icon is to be clicked.

 Note: Exact values of number of cheques and total amount should be entered.

15. Batch created successfully message will be prompted along with batch number.
16. Once all the cheques are scanned, the IQA status should be checked. IQA status should be either Pass/Fail. If status is not updated (which is mainly due to connectivity issues) then last record of the cheque should be clicked and "CAPTURE ICON" to be clicked until the status of all the cheques is updated to Pass/Fail.
17. Ensure that a green tick is highlighted for each and every cheque which is scanned.
18. If a **red "X Mark"** is highlighted instead of green tick then the particular cheque must be selected and the cheque should be deleted by clicking the **"Delete Icon"**. The same cheque should be rescanned in the same batch for acceptance.
19. Once the status is updated successfully for all the cheques in the batch then "End Block" should be clicked in order to submit the batch.
20. While scanning a cheque if a warning message is prompted for duplication of cheque, then both the cheques should be compared and if the cheque is not a duplicate one then Accept Duplicate icon should clicked in order to proceed the same.
21. Once scanning is done, scanned batches will be available in MICR Repair.
22. The batch for which MICR Repair is to be done should be clicked. Each and every detail related to cheque number, MICR number (City, Bank and Branch Code), Base number and TC code should be verified with that of cheque image. Difference if any should be corrected and saved.
23. A batch can be submitted only when the details are saved for all the cheques. The cheques, which are saved, will be highlighted with "Green" and the unattended cheques will be highlighted with "White".
24. A batch can be submitted only when all the cheques are saved i.e. "Pending Inst"count is "Zero".
25. When all the instruments are saved, a message will be prompted to submit the batch. Click on "OK" to submit the batch.
26. The batches, for which MICR Repair is completed, will automatically appear in "Account Entry". The Batch Number should be clicked for entering the Account number.
27. In "Account Entry" module – Account number(Office Account (0382/0322/BDPVT/0410) or SB Account and amount should be entered.

28. As part of integration, SB account number will be validated through Finacle API.
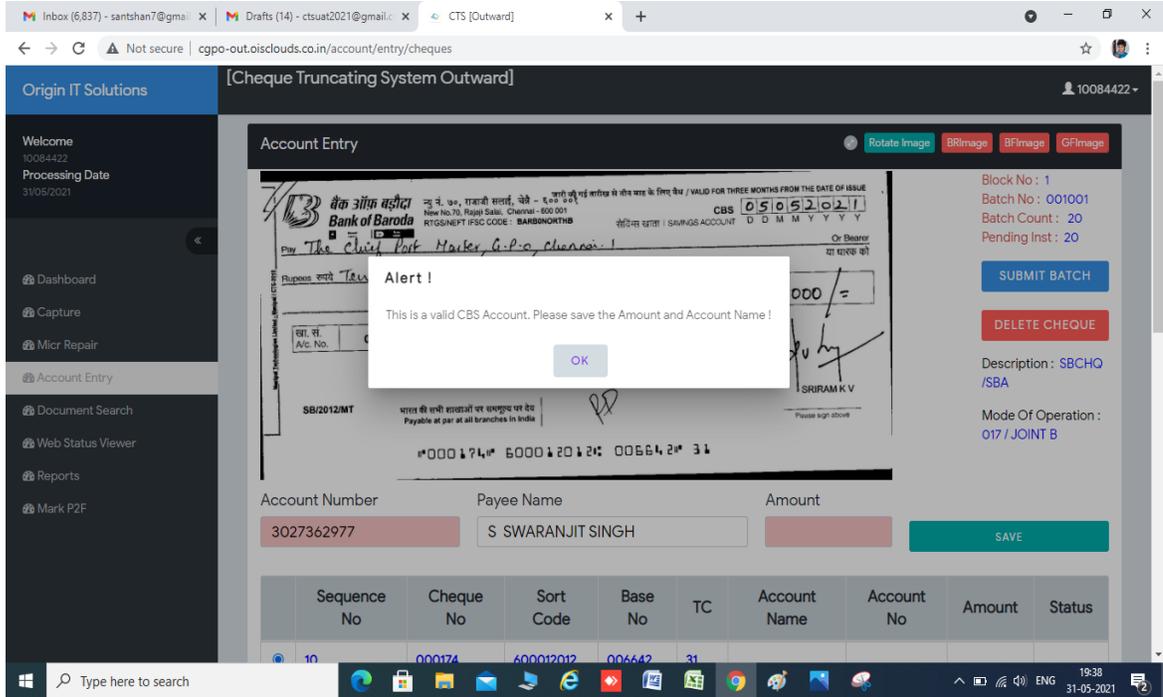
29. Closed account/Dormant accounts/Frozen/Non CBS /Invalid account number could not be entered in Account entry. Appropriate error message will be thrown if above accounts are entered.
30. After entering account number, account name will be automatically displayed if account API returns success message. The payee's name will be automatically fetched as the primary account holder name for SB Accounts, if the cheque is issued for joint holder, payee name should be changed.
31. Scheme code and Mode of Operation of the account will be displayed on the right side.
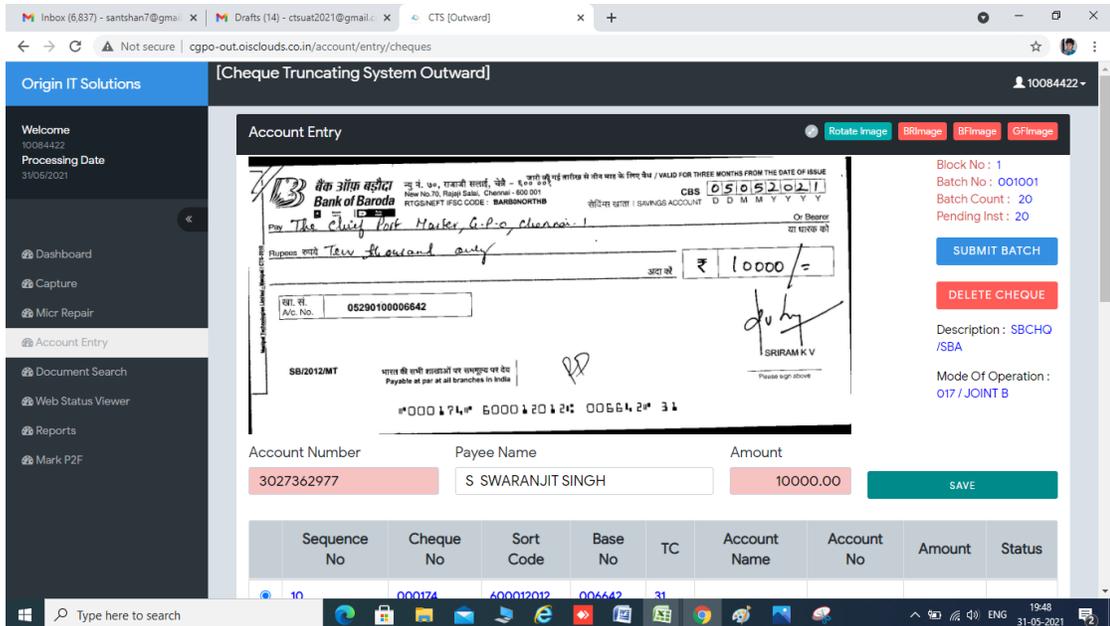
32. Account holder name should be verified with that of cheque image. In case of joint account, joint holder name to be corrected accordingly.
33. When valid Office Account is entered, Office Name will be displayed as shown below. Users should enter the payee name as in cheque to avoid return of cheque for payee name incorrect reasons.
34. In case of office account, "Postmaster followed by concerned PO name i.e.Postmaster Anna Road will be displayed as Payee Name.
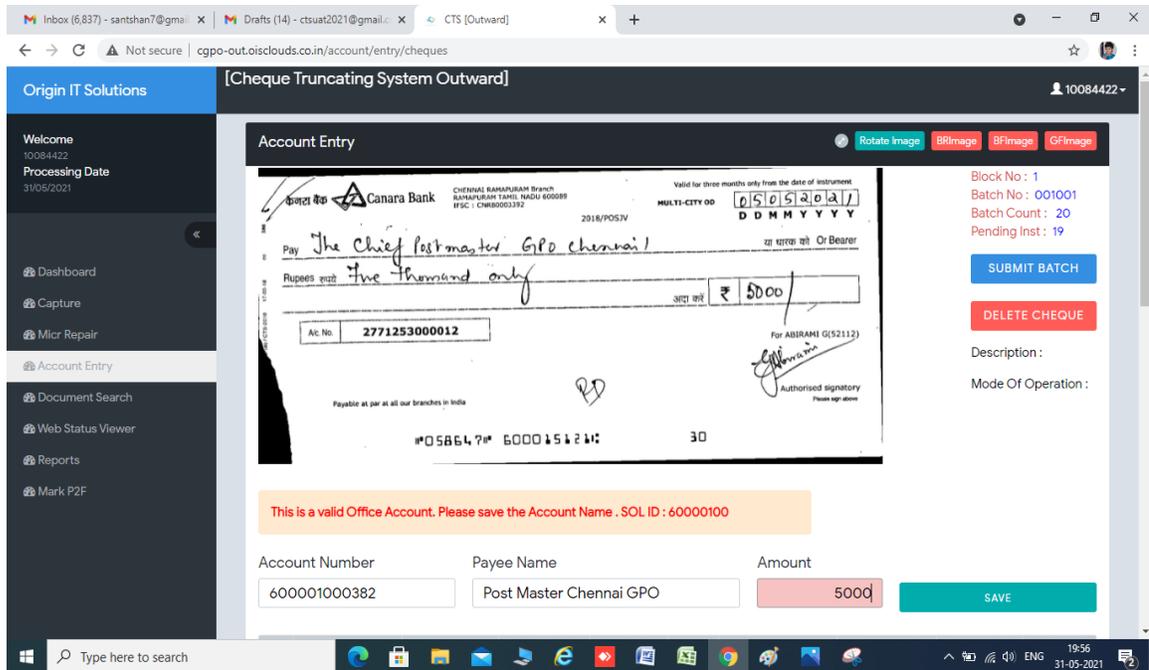
35. Once amount is entered, "Save" icon should be clicked.
36. PAs / Supervisors should ensure that amount in the cheque is encoded in the application. As this upload is being done by Chennai GPO, the amount encoded will be uploaded. In case of any encoding errors, the Scanning Post office will be held responsible to clear the same. If a lesser amount of cheque is encoded and credited the Concerned PO, should obtain pay order from the clearing bank and present the same through CTS and deposit in customer account. Vice versa, if higher amount is credited, the POs should ensure that on the same day Pay order should be issued to the clearing bank manager after obtaining permission from the divisional head by unfreezing the office account and debiting from the customer account.
37. When we save the details of an Office Account a text box will be prompted to enter the reference number. Ref Number is mandatory for PPF/SSA subsequent deposits. PPF or SSA account number is to be entered as reference number. In case of new account, MIS/TD/KVP/NSC New account shall be entered.
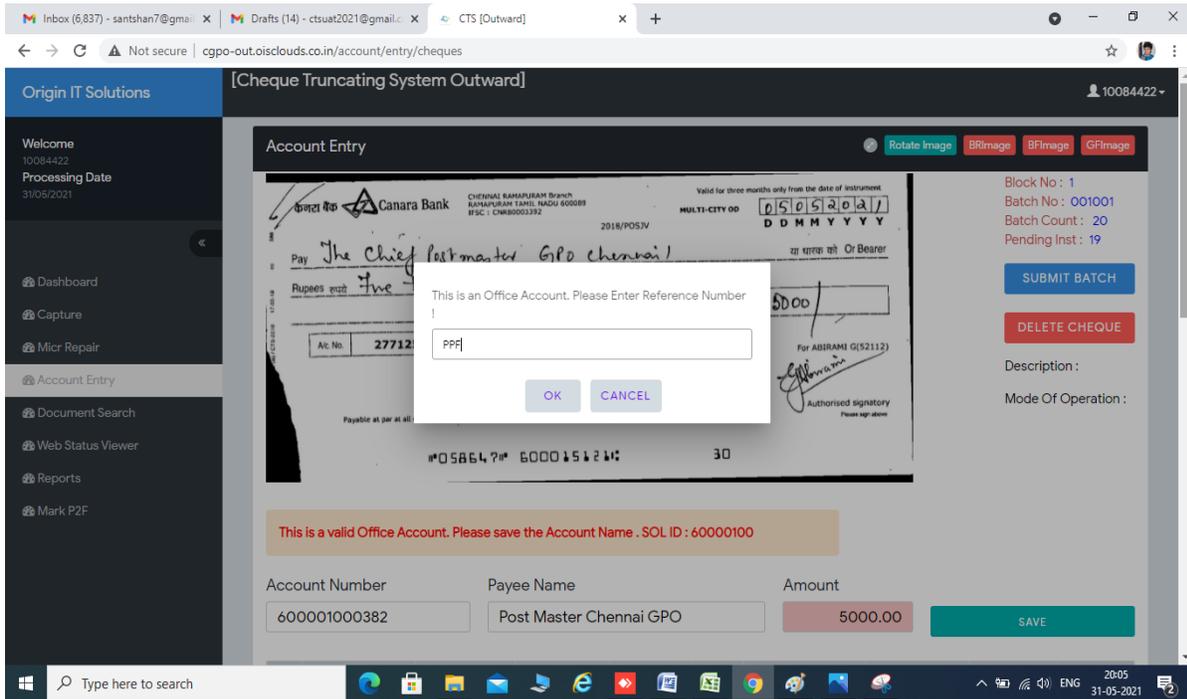
38. A cheque can be deleted if anything found wrong in "Account Entry" module by clicking "Delete Cheque" Icon.

39. A batch can be submitted only when all the cheques are either saved or deleted.

40. A saved cheque in a batch will be indicated with "Green", an unattended cheque will be indicated with "White" and a deleted cheque will be indicated with "Red".

41. When all the cheques are either saved or deleted a dialog box will be prompted to submit the batch. Click "OK" to submit the batch.

42. The PA in concerned Scanning HO should ensure that all process till verification relating to outward clearing is completed for all the batches before 1600 hrs. The batches that are not uploaded, will not be included in Finacle, as file will be generated from CTS immediately after cut off time.

43. After account entry is done, the verification has to be done by supervisor for each and every cheque.

44. The Supervisor should login with the given Credentials. The Dashboard indicates the cheques available in each and every module of a PA.

45. The Supervisor should verify the cheques by clicking Verification Module. The batches available for verification will be displayed. The Supervisor should click on the Batch number to verify the cheques. The cheques to be verified will be displayed in order.

46. Supervisor to check the account number /office account to be deposited, date of the cheque, amount of the cheque. The PA/Supervisor should ensure that post dated / stale cheques are not uploaded and should also ensure that the office account cheques are entered correctly.

47. The supervisor should ensure that the number of cheques scanned and amount tallies. The Supervisor should ensure that the difference amount is "zero" before committing the cheques. Difference if any should be confirmed before committing or any correction is to be made in any of the amount the same should be corrected and saved. Difference amount should be tallied to zero before committing.
48. The Supervisor should "Commit" the cheques if all data are found correct.
49. If any correction is found then "Edit Field" icon should be clicked and data should be corrected and click "Save" before committing in order to incorporate the changes that have been updated.
50. Delete cheque option is available in Supervisor. Cheque if any to be deleted can be deleted at this stage also.
51. A batch cannot be submitted unless all the cheques are committed. Once all the cheques are committed Submit Batch Icon will be enabled.
52. The Supervisor should ensure that all the batches are submitted before the cut off time.

5. Role of Nodal Office – Chennai GPO

1. CTS application will generate txt files compatible for upload in Finacle.
2. These files will be placed in SFTP path. Automated mailer will be triggered once the files are placed in SFTP location from CTS application.
3. Periodic Batch jobs are scheduled in Finacle will pick these Outward Clearing and Outward Return files from prescribed SFTP folder and move to Finacle folders.
4. Nodal Office Cheque clearing users and Supervisors are to be allotted separate work class. These user IDs are configured in Finacle.
5. Nodal office Supervisor to intimate changes whenever made in Clearing role User IDs to CEPT Team for making necessary configurations in Finacle.
6. Scripts will be automated to move the Outward clearing file and Outward clearing return file to all user IDs application path based on configurations in Finacle.
7. Nodal Office Chennai GPO will upload outward clearing files of Western Grid (Mumbai GPO) and Northern Grid (New Delhi GPO) by changing context SOL to respective SOL using HCCS menu.
8. Validations have been built to ensure non uploading of files across various grids. Files of respective grid alone can be uploaded in that Grid SOL. Validations have been built based on context SOL of user and SOL ID available in file.
9. Validations have been built to restrict posting of same file in same zone on same day.
10. Nodal User will upload the outward files using menu HCLUPLD by selecting the file from searcher.
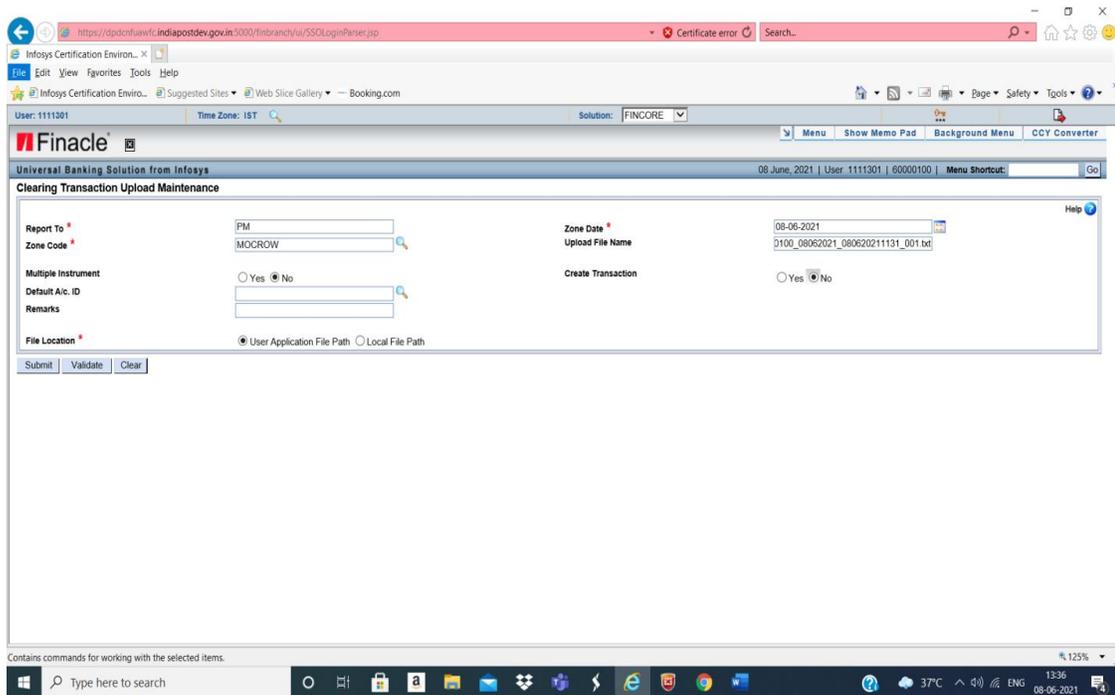
Report to – PM

Zone Date – Finacle BOD

Zone Code – Identified Outward clearing zone

Upload File Name – Searcher will be available for selecting the Inward files. Files pertaining to respective Grid will be listed in searcher.

Multiple Instruments – No(Always)

Create Transaction – No for Trial Upload & Yes for Actual Upload

File location should be selected as User Application Path

11. Trial upload should be used while uploading the file through HCLUPLD menu. Create Transaction option will be made as No. Failed records along with reasons will be available in HPR report. This should be rectified before uploading actual file. Failure may be due to following reasons

Invalid Presenting Sort Code

Invalid TC Code

12. Nodal office will take up with CEPT team for adding new MICR code or Transaction code.

13. Nodal Office User will proceed with actual upload "Create Transaction – Yes" in HCLUPLD only if "No error in the upload data" report is generated in HPR. This is to ensure that all records in the file are uploaded properly. The records uploaded will be auto-verified and system will create set number for all the cheques.
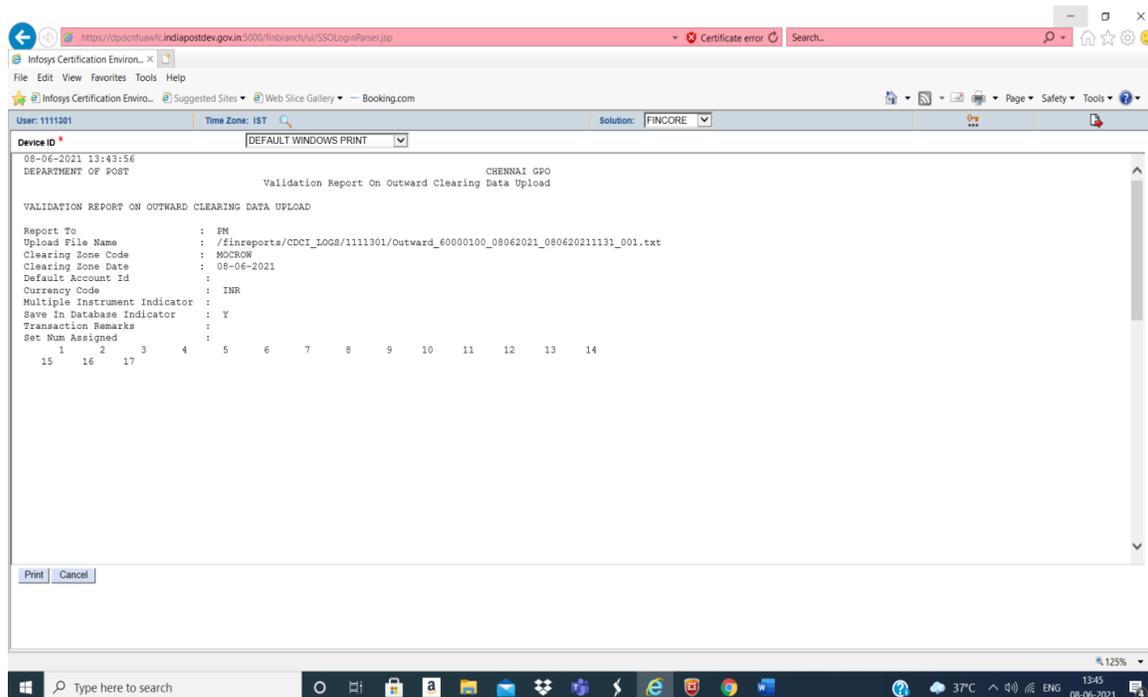
14. **CTS Nodal Supervisor to modify the zone amount in the Modify Zone Option in HMICZ menu.**

15. Nodal office Supervisor will check the instrument statistics with the report available in CTS application.

16. Suspend Zone and Release to Shadow balance will be done on same day by Nodal office supervisor for all three grids using menu HMCLZOH.

17. Transactions will not be created in customer accounts instead Credit entry will be made in newly created Parking office account.

18. Returns for the outward cheques will be received on the next day. CTS will place the outward clearing response file in prescribed SFTP folders. Automated mailer will be triggered from CTS application.

19. Outward clearing rejections to be uploaded in Outward return zone before regularizing the outward zone.

20. Alert message will be thrown in case if the Outward clearing zone is regularized without uploading the outward clearing rejections in Inward zone. **It is the responsibility of the Nodal user to ensure uploading of outward returns file before regularizing the zone.**

21. Nodal user to invoke the menu HRMI option and upload the Inward return file in CTS-OWRTN Zone of the respective grid Nodal sol. There is no trial upload option available in this menu. Nodal User to ensure that appropriate return file is uploaded in Outward Return zone.

22. INWARD CLEARING MEDIA READ STATUS REPORT generated in HPR to be checked to identify failed records and to rectify the same. Reason for failure may be due to non-availability of zone code or TC code. Care has been taken to match MICR codes and TC codes before go live.

23. User to ensure that Reupload Option not to be used during Inward file upload.

24. Validation Report should be run in order to find out whether all instruments are validated and are appropriate for posting.
25. Once all the instruments are validated, the user to run the Validation run option in HMICZ menu
26. Once all the validation is over, the user to post the Outward Reject zone, and ensure that the full posting is done by generating OFTI Post report generated.
27. Once the returns cheques are uploaded, Supervisorto close the Inward Zone.
28. In case of any extension of cheques, Nodal supervisor will invoke Menu "HMARKPEN" and mark pending of the cheques that are granted extension.
29. In case if no extension is available,Outward clearing zone will be REGULARISED after ensuring Inward zone (Outward Return) is closed using menu HMCLZOH. Date of clearing to be selected correctly.
30. Once the outward clearing zone is regularized, Credits will be available in POSB account or concerned SOL's 0382/ 0322/BDPVT/0410 office account.
31. Post offices will check their respective office account (0382/0322/BDPVT/0410) on next working day to check whether the outward cheques sent for clearing on previous day have been cleared. New account/Subsequent deposits/RD Bulk list will be initiated only if credits are available in 0382.

6. REPORTS

A. CTS Application

1. **Outward Presentment Clearing Detailed Report**– Total Outward cheques scanned by HOs. This report is accessible to restricted class of users. All HOs can download the report after the cheque is scanned. The status of the cheque will be updated every now and then once the same is moved from one module to another. Finally, on the next day the HO can find out whether all cheques are cleared. In case of extensions, the credit will not be given to those accounts by GPO.
2. **Outward Item Summary Report** - This report consists of summary of cheques received date-wise.
3. **CHI Rejection and Deleted Report**– This report consists of CHI Rejections by NPCI and Deletions made by Vendor due to various reasons. The HOs should check this report daily and ensure that the cheques are either rescanned after making necessary alterations or returned to the customer with reason mentioned.
4. **Return Memo:** This is a valid return memo given by the banker. These cheques are cheques that are returned by the banker and hence will be returned by Chennai GPO in the Inward Zone maintained. The copy of the return memo, duly attested by the Supervisor should be handed over the customer. Collection of charges for accounts other than SB may be done as per the existing procedure.

5. **Returned Item Detailed Report** – This report consists of Cheques returned in the presentation Session of the previous day. HO can download this report and confirm whether the cheque is marked as rejected in finacle.

6. **Inward Reject Summary Report** - This report consists summary of cheques returned date-wise.

7. **Batch Summary Report –** This report is the report of cheques scanned in Batches.

B. Finacle (HFINRPT):-

Post office clearing Detailed Report:

This report will be available in HFINRPT and provides us the list of all cheques that are received for clearing or sent for clearing on the particular Day. Either Inward or Outward can be selected.

Respective Grid Sol ID (Chennai GPO (6000010)/Mumbai GPO (40000100)/New Delhi GPO (11000000) should be entered for generating this report

PO Clearing Summary Report

This report will provide the summary of cheques received and cleared w/r/t both inward and outward cheques.

7. Role of Inspecting Authorities

i) During visit/ Inspection, ensure that new account or subsequent deposits are made by debiting the credit entries in Office Account (SOL ID+0382) without delay .In case of pending entries, necessary action to be taken to liquidate the pendency.

8. Role of Clearing Branch/ SBCO / Treasury Branch/ Accounts Branch:-

i) CTS Clearing Branch of all HOs shall download Outward Cheque Clearing Summary and List from CTS application on daily basis.

ii) Clearing Branch of HO shall detach dishonor cheques (if any) from the bundle of respective date.

iii) Clearing Branch of HO shall forward dishonor cheques to respective PO along-with dishonor reason code memo.

iv) Concerned post office shall handover the dishonor cheque to the depositor.

v) Clearing Branch of HO shall transfer cleared cheques to SBCO branch of HO along with Summary/List of Cheque Cleared.

vi) SBCO of HO shall compare the no. of cheques with Summary/List of Cheque cleared.

vii) SBCO of HO shall attach Outward cleared cheque and summary/list of cheque of HO voucher bundle of concerned date.

ix) Treasury or Account Branch of Chennai GPO, Mumbai GPO and Delhi GPO shall also tally the amount of Outward Grid clearance with Daily account and scroll.

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<p style="text-align:center"><u>Standard Operating Procedure</u></p>

<p style="text-align:center"><u>Centralization of Inward Cheque Clearing –CBS-CTS Integration</u></p>

1. Introduction

In the existing Cheque clearing process, POSB cheques which are presented in other banks are received for Inward Clearing. Cheque images are received through CTS application. These cheques are lodged in Finacle in concerned HOs (including cheques of its Sub Offices) by opening Inward Clearing zones. Status of rejection if any, are updated in CTS application for submission of returns to NPCI by CTS Vendor within specified cut off time. If rejections are not submitted within cut off time, all cheques are deemed to be cleared. Further, the following issues are noticed in existing process

a. Delay in closure of inward zones in Finacle
b. Non adjustment of Remittance Advice

In order to avoid delay in submission of returns and for ease of operations, entire Inward clearing operations for all Grids viz Western, Northern and Southern are centralised in Chennai GPO by implementing CBS-CTS integrated module.

2. Centralisation of Inward Clearing – CBS CTS Integration

1. Gridwise Inward clearing POSB cheques will be received through CTS application in Nodal Office Chennai GPO.
2. Technical validation of the cheques will be done in CTS application itself for all 3 grids by Chennai GPO. As part of CBS-CTS integration, signatures from Finacle will be made available in CTS application for technical validation.
3. As part of technical validation, rejections other than "Funds Insufficient" will be marked in CTS application. Technically validated cheques will be marked as "Cleared" in CTS application for further processing in CBS.
4. Txt file compatible for finacle upload will be created for both "Cleared" and "Rejected" cheques by CTS application.
5. This file will be uploaded in Finacle in Nodal office (Chennai GPO) against respective grids. Accounts which were cleared at Technical validation will be debited if sufficient funds are available.
6. If funds are not sufficient, appropriate rejection reason will be marked against that records. Rejection charges will be debited wherever applicable in Finacle during zone closure.
7. Response for the Inward file will be created in Finacle and uploaded in CTS application.
8. CTS will consolidate non-CBS response file along with CBS and share the same to NPCI.

9. If any, POSB cheque having Invalid Account Number, Cheque Not linked to POSB Account, Invalid scheme accounts, Non CBS accounts and Accounts with no signatures will be marked as "Referred to Branch".

10. These cheques will move to concerned HO. CTS will refer MICR code and cheques will be moved to concerned SOL (HO).

11. Concerned Head Post office shall login to CTS application and modify Non CBS account number to CBS account number if cheque is presented with old account number or link cheques against account in Finacle, verify signatures and complete technical validation for those cheques which were referred to branch.

12. Concerned MICR HOs will reject with appropriate rejection reason in CTS or will mark as Cleared in CTS application for processing in Nodal Offices in Finacle.

13. Post completion of technical validation, these cheques will get included in the txt file generated by CTS application. Both CBS Rejected cheques and cleared cheques will be included in CBS inward file for uploading in Finacle.

14. Post Offices will use only CTS application for inward clearing and Inward clearing zones will not be operated in Finacle.

3. Role of Nodal Office

1. Inward Cheques will be handled for all 3 grids (i.e. Mumbai GPO, New Delhi GPO & Chennai GPO)at Chennai GPO.

2. Separate work class will be created for the identified users handling cheque clearing operations in Finacle. These user ids need to be configured in Finacle. Nodal office to update change in user ids to CEPT team for updation in Finacle.

3. The following users will be created in CTS application. Admin, Nodal PA, Nodal Supervisor

4. Inward clearing cheques from NPCI will be received in CTS application by 2100 hrs daily.

5. Data entry of two fields viz Account Number and Cheque Date will be done by CTS vendor and cheques images along with data will be moved in batches to Nodal Office for technical validation.

6. As part of automatic validation, account number and cheque number will get validated through APIs from Finacle. Based on success/failure of these APIs cheques will move to respective modules in CTS application as given in below table:-

S.No	Scenario	Modules in CTS application	Accessible to
1	Cheques with valid CBS account number and cheque linked to account	Manual Sign Verification	Nodal PA
2	Non CBS Account Numbers (both Non CBS office or Old account number)	Refer to Branch(RTB) - Account Entry	RTB PA in concerned MICR HOs
3	Valid CBS account but cheque number not linked to that account	Refer to Branch(RTB) - Account Entry	RTB PA in concerned MICR HOs
4	Valid account but invalid scheme for Inward operations like SBGEN	Refer to Branch(RTB) - Account Entry	RTB PA in concerned MICR HOs
5	Paper to Follow (P2F) Cheques	Refer to Branch(RTB) - Account Entry	RTB PA in concerned MICR HOs
6	Cheque status – Passed	Refer to Branch(RTB) - Account Entry	RTB PA in concerned MICR HOs
7	Outdated, Post Dated, Payment stopped by Drawer, Account Closed, Dormant, Frozen	Reject Reverification	Nodal Supervisor
8	Cheques For which signature not found in Finacle	Refer to Branch(RTB) – Manual Sign Verification	RTB PA in concerned MICR HOs
9	Cheque's value greater than Rs.50,000.	High Value Verification	Nodal Supervisor/RTB Supervisor

7. Post completion of data entry and automatic validations, cheques will be available grid-wise for Nodal PA for performing the technical validation in "Manual Sign Verification" module.

8. Nodal PA shall login in to CTS application and select "Manual Sign Verification" Module for performing technical validation of the cheque.

9. Cheque Image, Payee Name, Account Number, Mode of Operation, Instrument Date, Account Holder Name, Cheque Number, City, Bank, Branch, Base No, TC and Signature from Finacle will be available in Manual Sign Verification for each and every cheque separately.

10. Nodal PA will perform technical validation as below
    a) Whether amount in words and figures matches in the image
    b) Signature of Drawer is available
    c) Payee Name is available
    d) Instrument date in cheque image and data matches
    e) Cheque number in image and data matches

Note: -Inward Nodal PA shall ensure that the cheques with encoding error should be rejected with remark "Amount name differs on Advise". If not, the same should be dealt on the same day by issuing pay order to the concerned bank by debiting the office account after obtaining permission from the Chief Postmaster/divisional head. If in case the amount of debit is lesser than the amount in the cheque, the excess amount should be debited and cheque should be issued to the concerned bank on the same day.

11. Nodal PA can reject the instrument, if discrepancy is noticed during technical validation. Appropriate reject reason code to be selected.
12. If above parameters are validated, Signature of the cheque image should be verified with that of signature image from Finacle. If signature matches then "Accept" icon should be clicked.
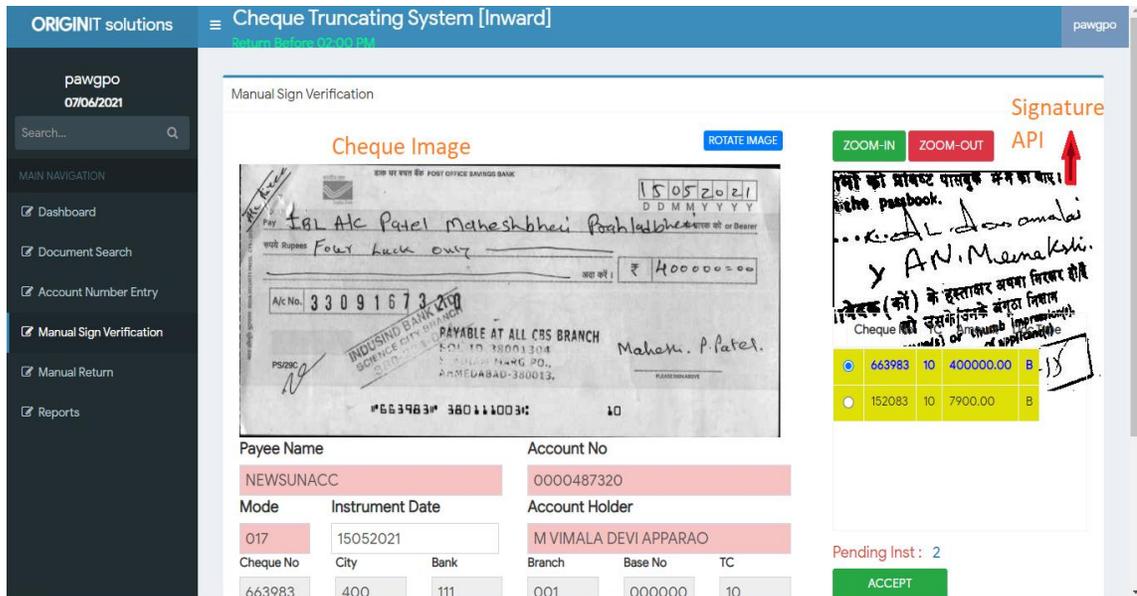
13. If signature does not match the same should be rejected with reason code 12- Signature Differs. In case of non availablity of signature in cheque or any other signature issues, the appropriate return reason may be selected.
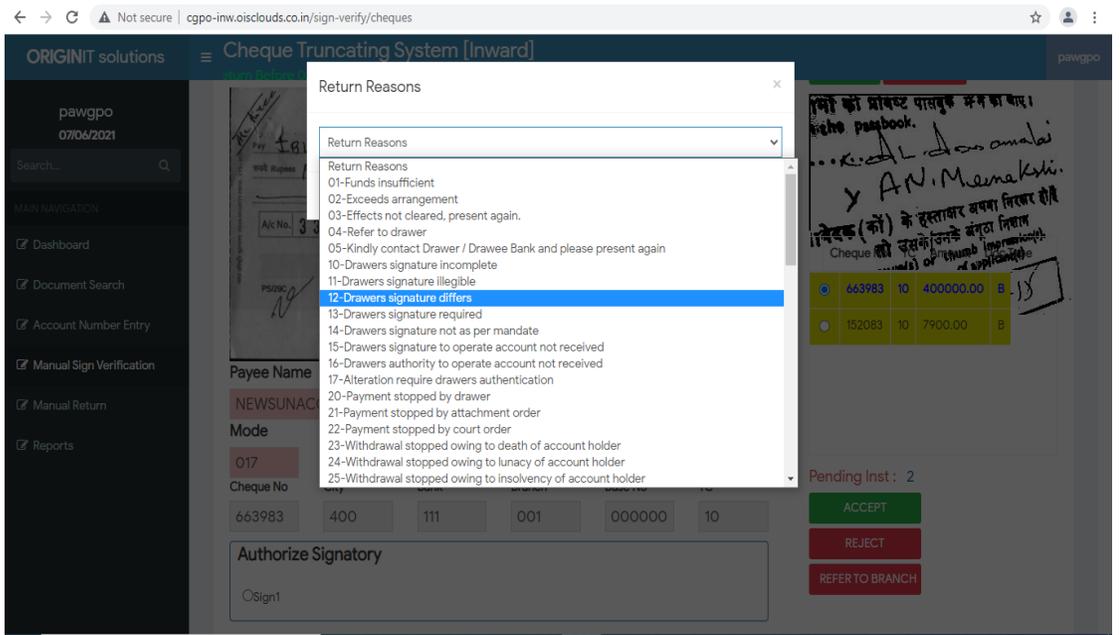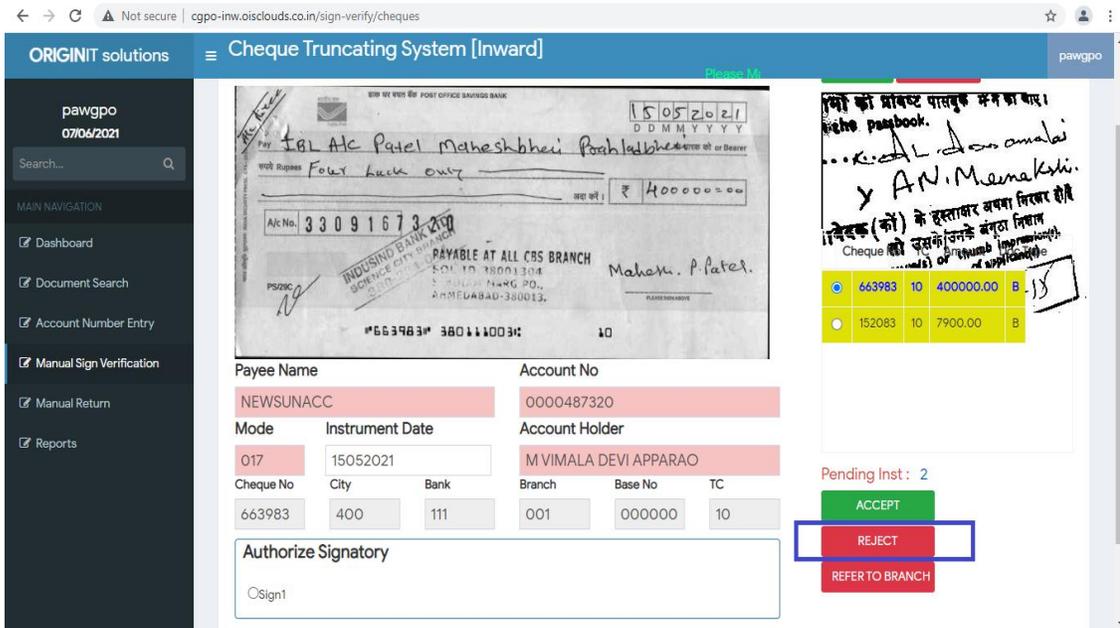
14. Cheques for which signature is not available will directly land in Manual Sign Verification of RTB User. This process is automated. The moment Nodal PA logins in Manual sign verification, signature API will be fired for all pending cheques and if signature is not available those cheques will be moved to concerned SOL Refer to Branch

15. Apart from non availability of signature, in case if any other issues are noted in the cheque, the Nodal user can refer the cheque to Branch by clicking Refer to Branch Icon.

16. All the cheques which are rejected in technical validation and automated rejections will land in Reject re-verification module.

17. Nodal Supervisor can select any of the below option in Reject re-verification.
    a. Confirm Rejection   – If rejection is correct
    b. Accept Instrument   – If rejection is incorrect and the Supervisor want to Accept
    c. Change Reject Reason – If reject reason is incorrectly selected by Nodal PA
    d. Refer to Branch   - In case if other discrepancies are noticed in this stage

Note: In Reject Re-verification, if supervisor is changing the date and accepting Post / Stale Dated Cheques for error in data entry, Supervisor should check whether the cheque is linked and then proceed with accept instrument, else Refer to Branch may be clicked

18. If date of cheque is wrongly entered in data entry, Nodal supervisor can change the date and accept instrument. The supervisor should verify the signature using Signature API and accept the instrument.
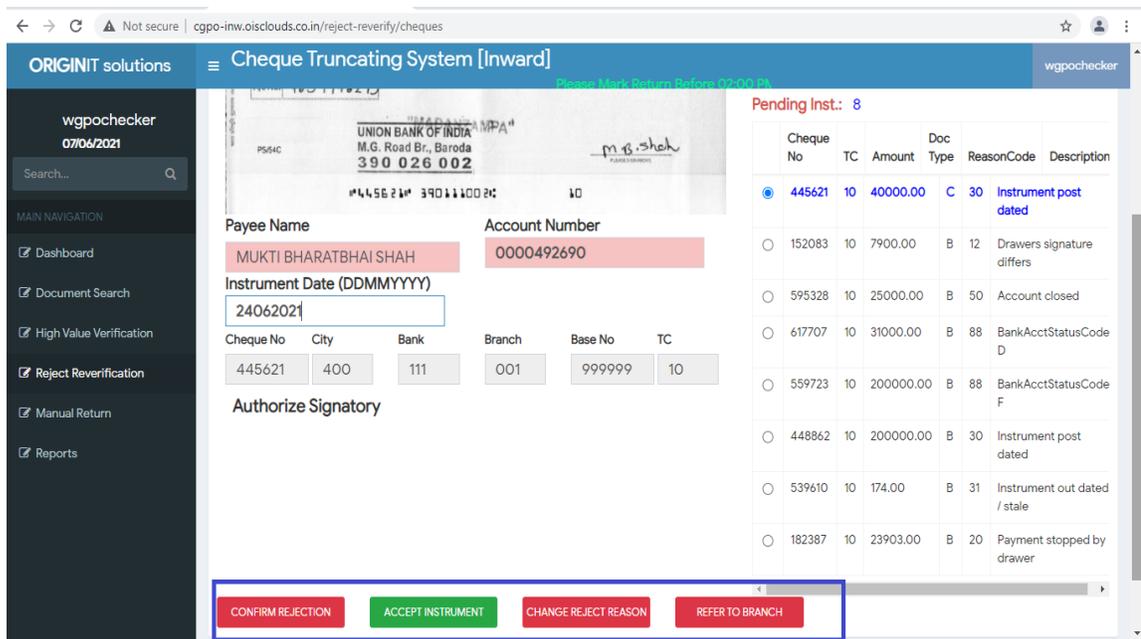
19. High Value Cheques (above Rs.50,000) which are ACCEPTED in Manual sign verification will move to High Value verification module.
20. The Nodal Supervisor will select "High Value Verification" Module and can select either Accept or Reject the Cheques.
21. After completion of Manual Sign Verification, Reject Re-verification, High value verification, HRMI file for Finacle upload shall be created in Nodal Admin using "**Create HRMI File**". Generate and Upload option to be selected.
22. "**Create HRMI file**" option shall be enabled for Nodal cheques anytime. But for refer to branch cheques, this option will be enabled only after the cut off time for Force Marking.

23. Following 2 files will be created for all grids
    1. **Good for CBS Upload** -Cheques accepted or rejected by Nodal User
    2. **RTB Cheques for CBS Upload** – Cheques dealt by RTB User.
24. HRMI files generated in CTS application will get uploaded to designated SFTP automatically
25. email alert will be received in Nodal Office, email having details of the files uploaded in SFTP location.

4. Posting of Files in Finacle:-

1. HRMI files created in CTS application will be moved to defined Finacle SFTP folder through automated batch jobs.
2. Batch jobs will be automated to move these HRMI files to all Nodal User application path based on user ids configured in CPARAM value.
3. Automated mailer will be triggered from Finacle.
4. The file generated by CTS will consist of both cleared and rejected records in technical validation. Closed, Invalid, Dormant, Frozen accounts and Non CBS accounts will not be included in the HRMI file created by CTS.
5. Nodal PA to invoke the **HRMI** option and upload the IW file of respective grid in CTS-MICR Zone. There is no trial upload option available in this menu.
6. Instead, Re-upload Option is available, which will be enabled by CEPT team only whenever required. This re-upload option will upload only incremental records whenever file is partly processed or not processed.
7. Validations have been built to ensure that context SOL of the Users matches with Grid SOL in HRMI file and also to restrict uploading of same file name in same zone.
8. System will allow to post same file in different zone. It will be the responsibility of Nodal User to ensure whether files are uploaded in respective grid and zone.
9. Nodal user will invoke **HCCS** Menu and change the SOL for uploading files of Western and Northern Grid.
10. The zone will get opened automatically once the file is uploaded successfully.
11. Nodal user to check INWARD CLEARING MEDIA READ STATUS REPORT in HPR menu, and find out the failed records and rectify the same. The chances for failure will come, if bank branch not available.
12. Once the cheques are uploaded, the supervisor to close the IW Zone by following the regular steps like, Modify, Suspend, Validation Report & Validation Run.
13. In modify option, the supervisor shall check the statistics of the zone in instrument details tab and update values in the number of instruments and amount column.
14. Once modification is done, supervisor to suspend zone and run the validation report.
15. Nodal **Supervisor** to check the validation report and ensure that no exceptions are encountered in posting.

16. If any errors are encountered, the same should be rectified and then the validation run should be made by evoking V-Validation Run option in **HMICZ** Menu

17. Once the validation run and status flag is updated as "complete", the supervisor to Post the Zone using Post option in P-Post Zone option in **HMICZ** menu.

18. Nodal user to close the zone once the posting is done. Once the zone is Closed, system will automatically deduct the charges for cheques returned in technical validation and posting.

5. Handling of Refer to Branch Cheques – Role of HOs

1. Inward clearing zone shall not be opened in Finacle at HOs, instead refer to branch cheques alone to be attended in CTS application. Cheques will be posted and accounted in Nodal office.

2. All HOs shall login to CTS application daily to check whether any cheques which are referred to Branch are available.

3. Refer to Branch (HOs) will have 2 users viz refer to branch PA and refer to branch Supervisor

4. The inward cheques will be referred to respective MICR HOs automatically based on Account Number and Cheque API validation. These cheques will be available in "Account Entry Module" of RTB PA of concerned MICR HO.
   a. Non CBS Account
   b. Invalid Cheque number (Cheque not linked)
   c. Account Type SBGEN, SBPWC and SBSAN which are not having cheque books
   d. Doc Type C – P2F cheque (Paper to Follow)
   e. Cheque Status P – Cheque Passed

5. RTB PA should first check the reason for which the cheques got rejected which will be available in last column and act accordingly
    a. **Doc Type C – P2F cheque:** Physical cheque should be obtained from Presenting Bank and the same should be verified and accepted. Any discrepancy found the same should be rejected.
    b. **Invalid Cheque number:** This error occurs when the concerned office has not linked the cheque against the account number in Finacle. The RTB User should check whether the cheque book is issued in Finacle. In case, the cheque is not issued, the user should take necessary action to issue the cheque in Finacle in consultation with concerned post office in Finacle. Only after updation in Finacle, RTB PA will be able to save the cheque.
    c. **Non CBS Account/Old account Number:** The Non CBS accounts and CBS accounts with old account number are referred here. If old account number is entered then its corresponding new CBS account number should be entered and proceed further. If the account entered belongs to Non CBS office itself, the RTB User should contact the concerned office and obtain the status. If the same is cleared, the user should select ACCEPT and if not user should select REJECT and appropriate reject reason to be selected from searcher. The existing accounting procedure to be followed in Non CBS offices.
    d. Account Type **SBGEN**: RTB PA will take necessary action to convert the account into SBCHQ account and check whether the cheque book is issued with the given serial number, if found genuine the same should be issued in Finacle and verified in consultation with concerned post office. If any discrepancy is found the same should be rejected.
    e. Cheque Status **P** (PASSED): Need to cheque whether the cheque is already passed or not. If already passed the same may be returned by selecting appropriate reason code in searcher.

Note: - During Departmental holiday all refer to branch Cheques will be force marked and rejected with reason code '84 Connectivity failure'. In case any customer approaches for refund of amount deducted, Post Master need to provide the copy of RBI Circular wherein it has been mentioned that cheques with Remark Connectivity Failure need to be re-presented without any additional charges.

6. On clicking on save, account number and cheque validation will be triggered in Account entry and will move to Manual Sign verification.The cheques which are referred to branch by the nodal User in Manual Sign Verification/Reject Re-Verification will get reflected in Manual Sign Verification of RTB User.

7. RTB PA will perform technical validation as below
    a) Whether amount in words and figures matches in the image
    b) Signature of Drawer is available
    c) Payee Name is available
    d) Instrument date in cheque image and data matches
    e) Cheque number in image and date matches

8. RTB PA can reject the instrument if discrepancy is noticed during technical validation. Appropriate reject reason code to be selected.
9. If above parameters are validated, Signature of the cheque image should be verified with that of signature image from Finacle. If signature matches then "Accept" icon should be clicked.
10. If signature is not found in Manual Sign Verification, then for those cheques SB-3 Card/AOF form/SS Book should be physically verified and accepted or rejected if signature differs.
11. **RTB user shall ensure that the signature is uploaded in finacle through CPC. It is the responsibility of the concerned Postmaster to get the signatures scanned through CPC on next day without fail.**
12. The Cheques which are rejected by RTB PA will get listed under RTB Supervisor for re-verification.
13. RTB Supervisor can select any of the below option in Reject Re-verification
    e. Confirm Rejection – If rejection is correct
    f. Accept Instrument – If rejection is incorrect and the Supervisor want to Accept
    g. Change Reject Reason – If reject reason is incorrectly selected by RTB PA

14. High Value Cheques (above Rs.50,000) which are ACCEPTED in Manual sign verification will move to High Value verification module.
15. The RTB Supervisor will select "High Value Verification" Module and can select either Accept or Reject the Cheques.

6. Process of Handling Unattended cheques

16. All Cheques, which are referred to Branch, shall be attended by concerned SOL within cut off time of 1200 hrs. Concerned Postmaster of HO shall ensure that "Referred to Branch" cheque (if any) must be processed without fail.
17. If the concerned SOL(HO) has not attended the cheques within cut off time(1200 hrs), those cheques will be FORCE MARKED and returned with reason "84 Connectivity Failure".
18. It will be sole responsibility of the concerned SOL (HO) for returning of cheques as Force Marked.
19. Force Marking will be done by Nodal Admin after the cut off time.

20. HRMI file for RTB will be created after force marking the cheques at 12.30 hrs at Nodal office. Once cheques are force marked, RTB PA or Supervisor cannot perform any operations in RTB cheques in CTS application.
21. Following cheques will not get included in HRMI file
    a) Non CBS cheques (both Accept/Reject)
    b) Closed Account
    c) Force Marked cheques
22. These cheques will get included from CTS end along with CBS response file and will be submitted to NPCI.

7. Closure of Zone and Generation of Respone file

1. Once the zone is closed, Nodal Admin to provide return file to CTS by the following steps:-
a) Invoke HPDML Menu
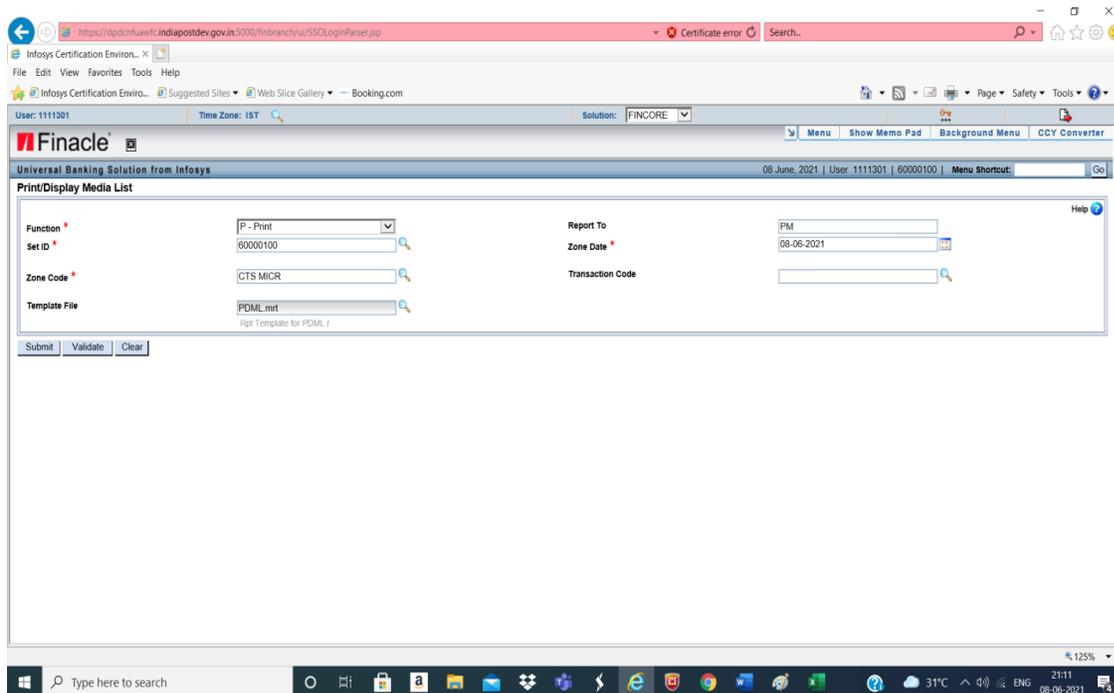
b) Invoke HPR to check whether **Clearing report is generated**
c) Click on Explode button to copy the filepath
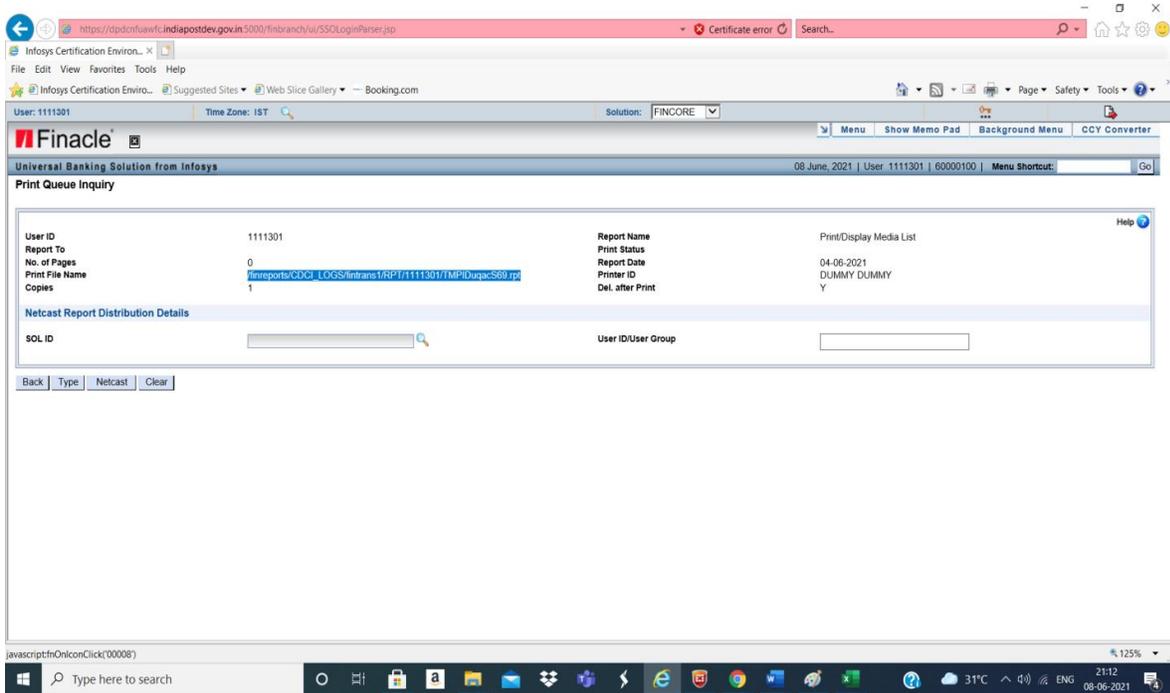
d) The File to be downloaded using HTRFTOPC menu and should be uploaded in CTS
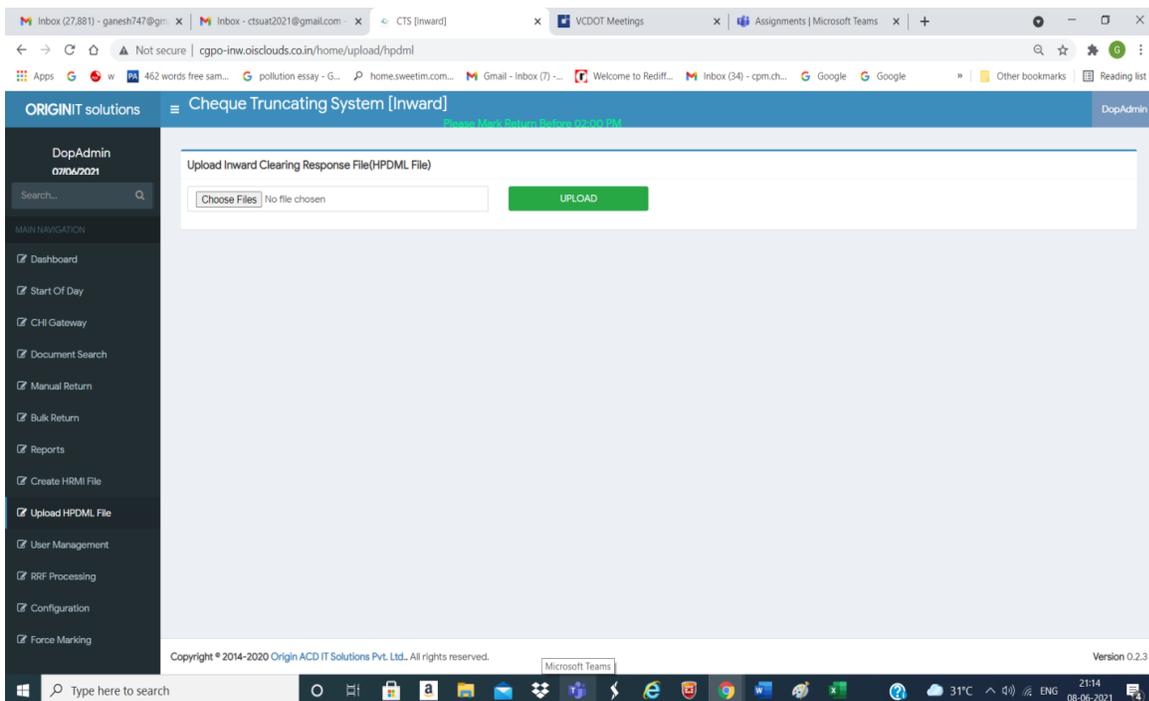
d) CTS application will validate the count of cheques in HRMI file and count of cheques received as response in HPDML file

e) List of those records for which response is not provided from finacle will be rejected automatically with reason "84 – Connectivity failure". List of such records will be available in report.

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f) CTS will upload the returns to NPCI and settlement reports will be made available in reports

g) Nodal Office will tally the records uploaded for returns are accepted in NPCI properly.

h) All Users Nodal/HO/RTB should download the reports in both excel and Pdf on a daily basis. All reports available in the module should be downloaded on a daily basis as there is no archival of reports available.

i) **Images of Inward to be downloaded and saved on daily basis at Nodal Office**

j) **HRMI Files to be downloaded and saved on a daily basis at Nodal Office**

8. Rejection Charges

1. Inward Clearing rejection charges (Rs.100 + GST Rs.18) will be debited for applicable scenarios in Finacle during closure of zone. This will be accounted in Nodal office.

2. Wherever balance is insufficient for rejection of charges, will be moved to custom table for deduction whenever balance is available in the account.

9. REPORTS

A. CTS Application

1. **Inward Item Detailed Report**
   This report will consist of Total Inward Cheques received for clearing in particular grid along with its stages. The status of the cheque will be updated once the cheque is attended in each and every stage. Nodal Admin report will list report of all girds. Nodal PA to check confirm that all the cheques are in either in Status Cleared or Returned. This report is restricted to the User according to their Rights. Nodal office to check whether the correct report is downloaded in order to tally with the settlement figure in NPCI. Concerned RTB Users will have cheques pertaining to their HO.

2. **Inward Item Summary Report**
   This report consists summary of cheques received date-wise.

3. **Outward Reject Detailed Report**
   This report consists of Inward cheques that are returned by Nodal PA/RTB User. This report is restricted to the User according to their Rights. i.e Admin User will be receiving all cheques in Inward Item Detailed Report, Nodal PA will receive cheques pertaining to that Nodal Only and RTB User will be receiving cheque pertaining to the Branch only. The final admin user need to check whether the correct report is downloaded in order to tally with the settlement figure in NPCI.

4. **Outward Reject Summary Report**
   This report consists summary of cheques returned date-wise.

5. **RTB Details Report**

This report consists of the cheques that were "Referred ToBranch"along with their latest stages. Nodal user to download this report and classify the same according to the reason to RTB. In case of "No Signature Upload" reason, the same should be noted and intimated to Post master/CPC/CEPT accordingly to ensure that the Post office sends the KYC documents to concerned CPCs for scanning the signature on the same day so that the cheque will be passed on the next working day.

6. **Force Marked Report**

Cheques which were unattended at various stages viz RTB, Account entry, Reject Re-verification, High Value Verification will be force marked after fixed timing. This report will provide the Stage for force marking so that the nodal user is aware of the reason on the reason for force marking.

B. **Finacle Reports**

1. Post office Clearing Detailed Report:

This report will be available in HFINRPT and provides us the list of all cheques that are received for clearing on the particular Day.

Post offices can view their cheques by entering concerned Grid SOL ID viz 60000100 (Chennai GPO) or 40000100 (Mumbai GPO) or 11000000 (New Delhi GPO). This report to be tallied with CTS reports.

2. PO Clearing Summary Report

This report will provide the summary of cheques received and cleared w/r/t both inward and outward cheques.
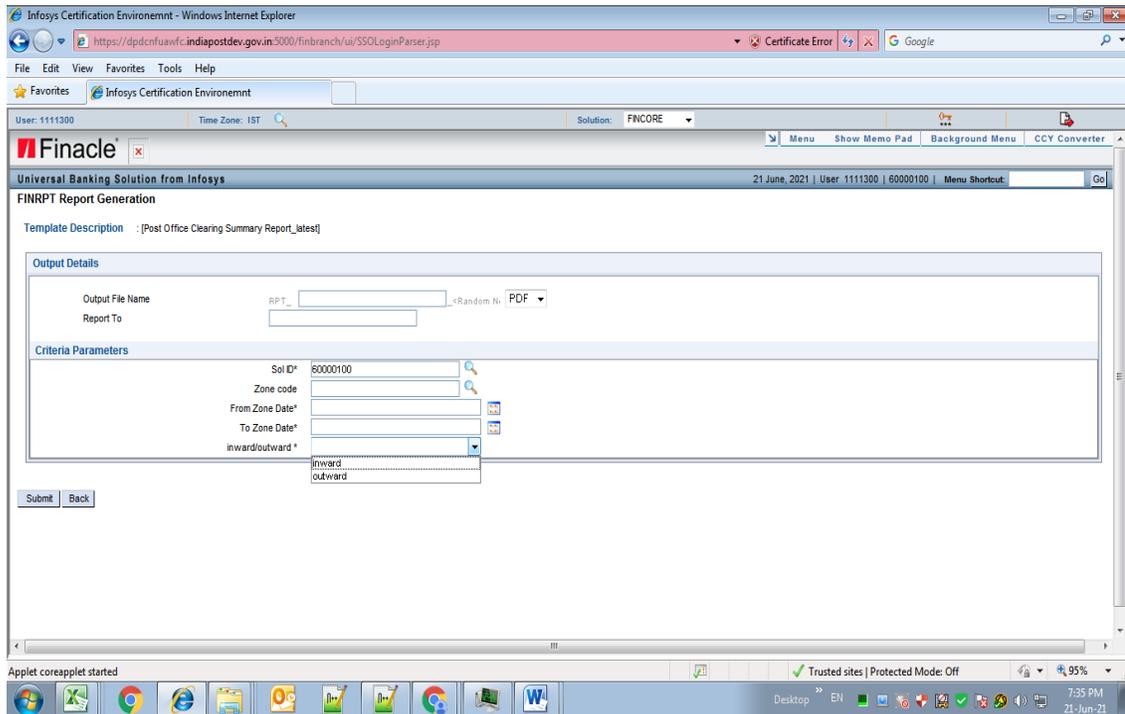
10. Tallying of scroll with Daily account and preservation of records.

i) The images of inward cheques shall be downloaded by Nodal Grid Office as Soft copy in Nodal Grid Office.

ii) Softcopy of Inward cheque images shall be shared by Nodal Grid Office to SBCO of Chennai GPO.

ii) Nodal Grid Office shall share Summary of Inward Clearing of CTS application and CBS and share with SBCO, Treasury Branch or Account Branch and DAP (Chennai).

iii) SBCO, Chennai GPO shall compare no. of cheque images along with Summary received.

iv) SBCO, Chennai GPO shall attach summary of inward cheque clearance with voucher bundle of Chennai GPO for the date.

v) SBCO, Chennai GPO shall preserve softcopy of Inward cheque images for 5 years.

iv) Treasury or Accounts Branch shall tally the total amount debited in Grid clearance with Daily account and Scroll.

v) Treasury or Account Branch of Chennai GPO, Mumbai GPO and Delhi GPO shall also tally the amount of Grid clearance with Daily account and scroll.

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