



An Internship Report
on
Cash Management System of Unihouse Limited

UNIHOUSE

L I M I T E D



Daffodil International University
Permanent Campus
Ashulia, Savar, Dhaka.

An Internship Report
on
Cash Management System of Unihouse Limited

Submitted To:
Dr. Md. Abdur Rouf
Associate Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Submitted By:
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ID: 153-11-252
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Bachelor of Business Administration
Daffodil International University

Letter of Transmittal

Date: 15th April, 2019

To,

Dr. Md. Abdur Rouf

Associate Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of internship Report on “Cash Management System of Unihouse Limited”

Sir,

With due regard that I, Md. Abu Taher Sarker ID: 153-11-252 might want to inform you that here is the give an report of " **Cash Management System of Unihouse Limited** " that was assigned to me submit under the internship program. It was a great pleasure for me to do the assigned report. I have conducted my internship program in Unihouse Limited., Kumkumari, Savar, Dhaka, with your kind supervision. I trust that the learning and experience I gathered during the internship time frame, will be useful in my future professional life.

I made each undertaking to set up this report precise, unmistakable and comprehensive and endeavored my measurement best to aggregate applicable and keen data inside the arranged time and confined resources. Any shortcoming in this report is completely my blame.

I have invested each push to delineate the administration quality, functions performed by the Unihouse Limited. I will be grateful to you in the event that you kindly accept this report.

Thank You.

Sincerely Yours,

MD. Abu Taher Sarker

ID: 153-11-252

Major: Finance

Department of Business Administration.

Faculty of Business & Entrepreneurship.

Letter of Authorization

This is to confirm that Md. Abu Taher Sarker, ID: 153-11-252 an understudy of the Branch of Business Organization of Daffodil Global College has finished his entry level position report titled "**Cash Management System of Unihouse Limited**" under my watch and heading.

His Internship was at Unihouse Limited. in Kumkumari, Ashulia, Savar, Dhaka. I am satisfied to express that he has experienced all the vital and expected strides to achieve the report and the report contains every one of the information, data, examination and discoveries from legitimate sources. Accordingly, the report appears to have finished on an effective note.

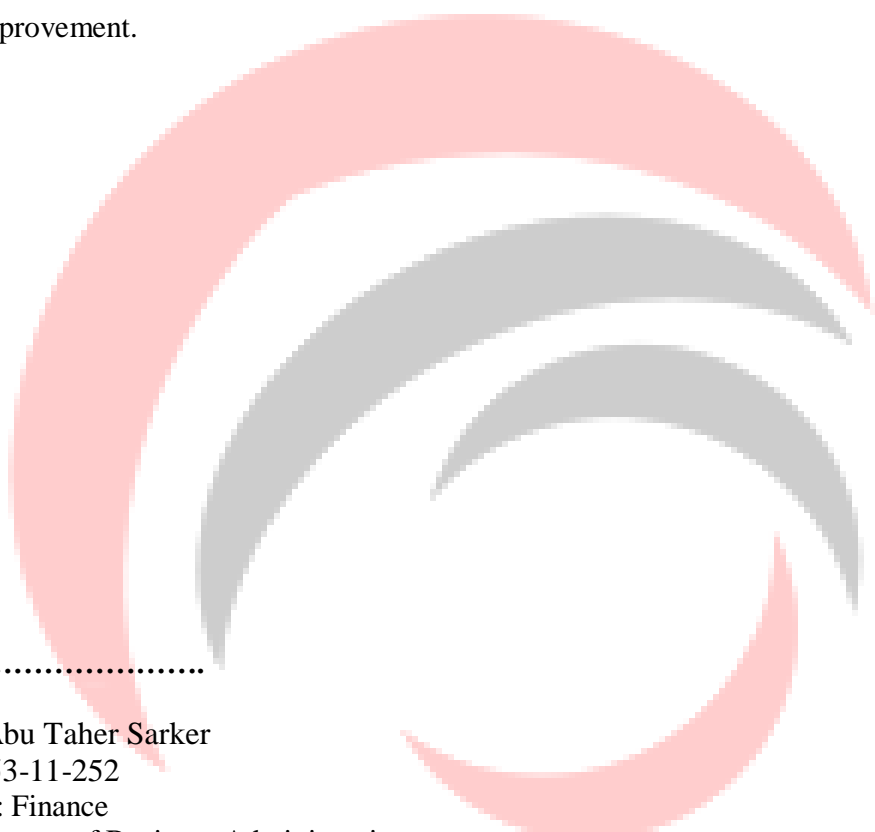
.....
Signature of the Supervisor

Dr. Md. Abdur Rouf
Associate Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Student's Declaration

I, Md. Abu Taher Sarker, ID: 153-11-252, hereby announce that the following internship report titled “**Cash Management System of Unihouse Limited**” is solely prepared by me right after the completion of my internship at Unihouse Limited in Kumkumari, Ashulia, Savar, Dhaka under the supervision of **Dr. Md. Abdur Rouf**, Associate Professor, Faculty of Business and Entrepreneurship.

I ensure that the report has been prepared in consideration of the fulfilment of my academic requirement and not for any other intention although the concerned parties may find it useful for the improvement.



.....
Md. Abu Taher Sarker
ID: 153-11-252
Major: Finance
Department of Business Administration
Daffodil International University

Acknowledgement

The open door has just gone back and forth to offer my most profound thanks and humble settlement to the almighty Allah yet for whose assistance I would not have the ability to wrap a monstrous endeavor of setting up this report.

I might want to express my profound feeling of gratefulness towards one of my Advisor Dr. Md. Abdur Rouf, Partner Professor, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University for allowing me a chance to finish my internship report on "**Cash Management System of Unihouse Limited**"

Truth be told, no lover can accomplish immaculateness without the assistance of a researcher. Additionally, an understudy can never be flawless without the assistance of a decent instructor. A decent instructor might be the landmark for any understudy. I am significantly obliged to I might want to unequivocal my profound feeling of gratefulness towards one of my Advisor Dr. Md. Abdur Rouf, Partner Professor, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University for allowing me a chance to Finish my internship report on "Cash Management System of Unihouse Limited" His recommendations and rules Were extremely an extraordinary help to me.

I am also Especially thankful to **Md. Ariful Islam Shaheen**, Manager of Unihouse Limited, Kumkumari, Ashulia, Savar, Dhaka. who gave me the opportunity to allow me in this organizational arena. I would also like to express my heart full thanks to all officers of Unihouse Limited, Kumkumari, Savar, my friends and Brother for their excellent support and proper guidance in completing my internship report.

Executive Summery

This report stresses and illustrates on "Cash Management System of Unihouse Limited". Money Management contains a progression of exercises went for proficiently taking care of the inflow and surge of money. This includes transcendently redirecting money from where it is required. To put it another way, money the board is to advance money streams, parities and ventures. In this specific circumstance, money may allude to trade out the type of cash, or different reciprocals, for example, checks, drafts, stores, and so forth. While organizations may hold different resources that can possibly be changed over to money, money the board manages fluid money the executives and close money resources, for example, attractive securities and time stores that can without much of a stretch be changed over into money. For three primary reasons, exchange, safeguard and speculation are essential to organizations. The part of money the board is accounts reconciliation, money concentration, monetary hazard the executives and liquidity the board.

The organization keeps up financial balances through Depots claimed by Unihouse in all urban communities. Checks/drafts got from clients in close-by locations are sent to gather assets in these ledgers for neighborhood clearing. This decreased the normal accumulation time frame, therefore expanding the speed of money inflows. In this manner, reserves gathered in the stop towns are exchanged to the head office or corporate financial balances of the organization consistently.

The organization has a "clearing game plan" with the bank at the head office that automatically applies any of the assets exchanged from the stop towns to settle the bank's money credit advance and diminish its charge balance. These means brought about the organization's expense of enthusiasm being decreased and controlled. The organization puts the equivalent in transient ventures or instruments, for example, Mutual Funds and Govt when the organization has surplus assets. Securities.

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Chapter One

Introduction

1.1 Introduction

Cash management incorporates a progression of exercises went for overseeing cash inflow and outpouring effectively. This includes overwhelmingly occupying cash from where it is required. To put it another way, cash management is to enhance cash streams, parities and ventures. In this specific situation, cash may allude to cash as money, or different counterparts, for example, checks, drafts, stores, and so forth. While associations may hold different resources that can possibly be changed over to cash, cash management manages fluid cash management and close cash resources, for example, attractive securities and time stores that can without much of a stretch be changed over into cash.

It is crucial to organizations for three main reasons:

- a. **Transaction:** Ready cash balances are vital to routine transactions such as purchases, operating expenses, wages, and other payments such as dividends, taxes, etc.
- b. **Precaution:** due to sudden increases in inventory costs, delays in collecting receivables, among others, there may be unanticipated cash requirements. And to deal with such unforeseen expenses, it is essential to maintain ready cash balances.
- c. **Speculation:** reserving cash balances is also crucial when firms anticipate a decline in raw material prices, a reduction in securities buying interest rates, and the availability of early payment discounts.

1.2 Components of Cash Management

1.2.1 Account Reconciliation:

Due to the tremendous number of checks handled consistently, overseeing checks, observing their freedom and monitoring the genuine cash equalization can be a staggering assignment for organizations. Consequently, banks offer record compromise administrations where the subtleties of the checks issued day by day can be transferred in corporate clients.

Furthermore, toward the month's end, the bank explanation shows data about cleared and non-cleared checks. This framework is additionally valuable in the process known as

"positive pay" that banks use to evade falsely cashing checks on the off chance that they are not on the rundown.

1.2.2 Cash Concentration:

This is a fast and financially savvy technique for moving assets from various records spread the nation over to a solitary checked and oversight account. This enables organizations to augment the utilization of accessible cash, and to enhance returns on solidified adjusts.

1.2.3 Financial Risk Management:

Risk management is the risk estimation procedure and methodologies for overseeing and moderating risk are created and actualized. Money related risk management assumes a critical job in cash management, as it centers, among others, on risk management in connection to financing cost changes, item costs, stock costs, trade rates. Through financial liquidity management administrations.

1.2.4 Liquidity Management

It is basic to estimate an organization's cash needs to oversee cash streams, transient acquiring, among others, in an effective way to guarantee that such cash needs can be met when and when they emerge. This prerequisite is tended to by exercises discharging the speculations bolted into working capital, empowering it to add to higher benefits. It likewise alludes to the particular administrations that banks give to empower their clients to enhance their advantage pay and lower premium expenses.

1.3 Cash Management

1. **Complete Visibility:** Corporate clients are progressively expecting unrivaled cash anticipating capacity, requiring full undertaking dimension perceivability in cash adjusts and cash development. This is given by banks through status reports, direct request, and solidified perspective on branch/ledgers over the globe.
2. **Rich Reporting Modules:** So as to influence corporate clients to comprehend the need to receive cash



management administrations, banks are appearing on expense - advantage examination and demonstrating the advantages of cash management utilizing charts and delineations.

3. **Integrated Services:** Rather than different frameworks, corporate clients favor a solitary stage for the majority of their budgetary needs. The emphasis is in this way on incorporating cash management frameworks with other bank-related exercises. For instance, connecting ERP answers for banking frameworks encourages cash management by, among others, empowering viable procedures of exchange account and speculation management.

4. **Remote Deposit Capture and Straight- Through Processing-(STP):** organizations are searching for arrangements that offer legitimately through handling abilities to quicken exchanges. For instance, corporate clients are endeavoring to streamline their exchanges and lessen downtime, for which banks are putting forth STP benefits that enable organizations to electronically lead entire business procedures and installments. What's more, to all the more likely serve corporate client needs, banks look to innovation sellers who offer ideal arrangements that can make cash management progressively proficient.

1.3.1 The Role of Technology in Optimizing Cash Management: (Implementation strategy of concept in your present study)

Answers for cash management are not new. The market is develop and effective cash management arrangements are offered by numerous banks. Yet, advertise powers, financial conditions, and changing corporate patterns have made open doors in this space for further advancement.

While a large number of these arrangements have customarily been founded on Windows, with numerous corporate customers grasping web banking, a few banks are currently moving to program based arrangements. Innovation was the main thrust for corporate clients to streamline cash management arrangements: Browser-based arrangements encourage centralization of cash management in this manner empowering better availability by clients over the association along these lines having a superior control of cash streams.

- Online banking and STP (Straight- Through Processing) help quicken payments, thereby accelerating business and streamlining processes by eliminating redundant manual processes.
- 360-degree view of accounts offers greater visibility on cash position thereby improving the forecasting ability.

1.4 Objectives of Report:

- To study the Cash Management System of unihoues limited.
- To study different aspects of Cash Management System
- To understand different Payment modes; Speed clearing and
- To study Central Banking Solutions –
 - a) Cheque Truncation System (CTS)
 - b) Magnetic Ink Character Reader (MICR)
- The advantages in increasing the efficiency of the company
- To understand the Application of SAP in Cash Management System
- To understand Sales Order Management in SAP

1.5 Scope of Report:

Cash management arrangements are presently being broadly received, and hence the quantity of merchants offering these arrangements is probably going to increment. Correspondingly, corporate clients are likewise liable to turn out to be all the more requesting, therefore cultivating increasingly serious merchant rivalry. Here are a few regions with degree for development which sellers can concentrate on, to give preferred administrations over their rivals:

Eliminating Disparate Systems: Different cash management solutions for various segments are being offered. And as businesses grow, it is increasingly becoming a challenge to manage these disparate systems. Sellers should therefore develop a single platform that can support different cash management products and services as the business grows.

Customizable Solutions: Banks today offer all corporate customers similar solutions regardless of their size and business. Sellers should therefore try to develop a customizable platform that can meet the specific needs of different companies.

Brought together System: Integrating corporate client frameworks with banking frameworks can be extremely useful in accommodating inward frameworks with banking frameworks and can bolster bank-client account the board. What's more, this offers merchants great degree. Today, banks influence money the board frameworks as a device to assemble long haul trust with corporate clients, on the grounds that these frameworks will engage bank clients to be enabled and deal with their liquidity position at some random time, in this manner building trust and reinforcing the relationship that goes past exchange banking. Integrating corporate client frameworks with banking frameworks can be useful in accommodating inward frameworks with banking frameworks and can bolster bank-client account the board. Furthermore, this offers merchants great degree. Today, banks influence money the executives frameworks as a device to fabricate long haul trust with corporate clients, in light of the fact that these frameworks will engage bank clients to be enabled and deal with their liquidity position at some random time, in this way assembling trust and fortifying the relationship that goes past exchange banking.

1.6 Methodology of the Report:

1.6.1. Sample Information

Samples are collected from Sewing Trade Section, Dying Section Store Section and Cutting Section of Unihouse Limited. Here, the samples had been picked up on a judgmental basis. For the organization part, much information had been collected from different published articles, journals, brochures and web sites. All the information incorporated in this report has been collected both from the primary sources and as well as from the secondary sources.

1.6.2. Primary Source of Data

Collecting data directly from the practical field is called primary source of data. The method that was used to collect the primary data is as follows:

Observation Method:

Observation method may be defined as systematic viewing according to concise Oxford Dictionary “*accurate watching, nothing of phenomena as they occur in nature with regard to cause and effect and mutual relationship*”. I have observed many of the activities of CMO Department.

1.6.2 Primary Sources are:

- Discussion with officials of UL
- Face to face conversation with the clients.
- Discussions with customers over the telephone & responding to their query.

1.6.3. Secondary Sources of Data

The secondary data has been collected from the MIS of Standard Chartered Bank and Foreign Exchange Policy Department of Bangladesh Bank. To clarify different conceptual matters, internet and different articles published in the journals & magazines have been used.

Secondary Sources are:

- Brochures of UL
- Research papers on Textile industry
- Annual report of UL

Chapter Two

Organizational Overview

2.1 About

Unihouse Limited Established in 2000, Unihouse Limited specializes in all types of Garments Buying, Sewing Thread, Pocketing Fabrics, Mesh Fabrics, Woven Label, all kinds of Furniture & Garments Accessories. Located in a prime location in the capital of Bangladesh, Dhaka, Unihouse Limited has a good set experienced associates who ensures timely follow-up of production, merchandising, sourcing accessories, quality inspections (PP, In-line and Final), documentation and freight forwarding until shipment.



Since 2000, Company have ensured successful partnership in doing business with buyers across the globe, from USA, Norway, Spain, etc. Additionally working with major garments in the region and abroad. For future endeavours, Unihouse Limited is facilitating the long years of expertise to achieve and maintain highest quality standard.

2.2 Vision

- To develop enduring relationships with clients across Bangladesh by providing highly professional and streamlined services at cost- effective and competitive prices.
- Maximizing customer satisfaction is our goal and it will always be our top priority.
- To all- round success is based on Company principles of commitment, hard work and the excellent quality of our added-value resources.
- Being the most trusted partner, not only in Bangladesh, but potentially in the global market

2.3 Mission

- Create a real, positive and lasting change in the organizational and career needs of both organizations and individuals.
- Developing and preparing the leaders of a vibrant workforce that can meet business demands in Bangladesh and beyond.
- To be effective unless companies techniques are adopted, and there is a demonstrable improvement in performance as a result.
- Work with management, groups and individuals to ensure that our techniques are put into practice and continue to be effectively implemented long after our intervention.
- Every organization is unique, and company ensure that the training methods used and the approaches implemented match your specific demands.
- Remarkable proposition is to offer both face- to- face and online coaching and training which can be delivered at a time and location of your preference.

2.4 Strategy to Achieve Company Mission

Company Achieve by Mission:

- working intimately with customers to comprehend their necessities and after that fitting courses to address those issues
- nurturing authority, and enabling our learners, working for the administration, private and open undertakings and NGOs attracting and holding large amounts of ability in preparing and the executives
- Collaborating with pioneers in industry and with worldwide accomplices by giving bleeding edge preparing and upgraded advances in light of the changing needs of enterprises and society
- Creating a feeling of network among our understudies and urging them to have any kind of effect on the planet where they live and work
- Building a protected, secure, firm and intelligent condition with empowering advancements.
- Maintaining contact with our graduated class and our customers to manufacture generosity and addition referrals.
- Developing proficient procedures that can be adjusted to worldwide change.
- Aiming at greatness in the entirety of our fields of undertaking.

- Putting Customer Care as our need and perceiving in it our proportion of accomplishment.
- Making a critical effect on the nearby, local and worldwide business situations.
- Working intimately with customers to comprehend their necessities and after that fitting courses to address those issues
- Nurturing authority, and enabling our learners, working for the administration, private and open undertakings and NGOs
- Attracting and holding large amounts of ability in preparing and the executives
- Collaborating with pioneers in industry and with worldwide accomplices by giving bleeding edge preparing and upgraded advances in light of the changing needs of enterprises and society
- Creating a feeling of network among our understudies and urging them to have any kind of effect on the planet where they live and work
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- Aiming at greatness in the entirety of our fields of undertaking.
- Putting Customer Care as our need and perceiving in it our proportion of accomplishment.
- Making a critical effect on the nearby, local and worldwide business situations.

2.5 Company Profile:

Name Of The Company	Unihouse Limited.
Office Address	House No. 399 (Ground Floor) Road No 29, New DOHS Mohakhali, Dhaka 1206, Bangladesh.
Telephone	+88-02-8712981, 8712435
Fax	+88-02-8712435

E-Mail md-bappy@unihouseltd.com
factory@unihouseltd.com
merchandising@unihouseltd.com

Website www.unihouseltd.com

Factory Address Kumkumary, Ashulia, Savar, Dhaka, Bangladesh.

Establishment Date 31st August, 2000

Management Md. Mahdud Zaman (Bappy)
Managing Director
+88-01773-229977, 01911-315474
Mrs. Shahnaz Pervin - Director

Bank Bank Asia Limited, Banani Branch, Banani, Dhaka.

Our Business Garments Buying House
Garments Sewing Thread
Fabrics : Pocket & Mesh Fabrics
Accessories : Label, Hang Tag & Twill Tape, Elastic and
All Kinds of Accessories.

Production Items Garments Sewing Thread.

Factory Area 17,000 sft, Production Building Area 15,000 sf.

Machines List

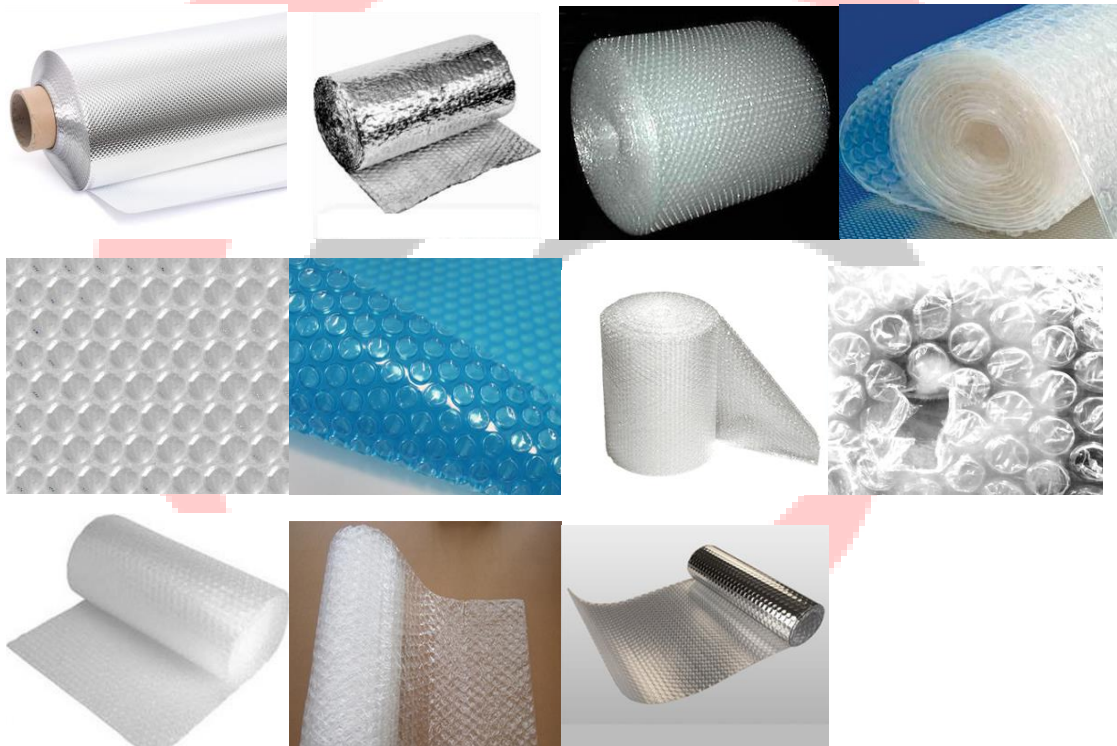
SL	Particulars	Quantity	Remarks
01	Lab Machine	01	
02	Gas Boilar	01	Japan
03	Dyeing Chamber	10	
04	Hydro	02	
05	Drayer	02	
06	Etp (Environmental Treatment Plant)	01	2 Q / Water / Hr
07	Ralling Maching	04	
08	Hangs Maching	12	
09	Coning Maching	29	
10	Soft Cone	01	60 Head
11	Generator 'Suzuki'	01	250 KW

Oeko - Tex Certified - No.14. HBD. 50100

Buyer	Islam Garments Ltd., Fair Group, Azim And Son (Pvt) Ltd., Onus Group, Bonny Apparels, Dresstex Bangladesh, Anthony Young Garments (Pvt) Ltd., Mesh Export, Chantik Garments Ltd., Friends Stylewear, Wal-Mart, H & M, Otto, Bonprix, Redcats, Miles, Partick, ZYX, Shahi Export, ETC
Carrier	Companies Own Carrier (Cover Truck - 1.5 Ton Capacity) "TOYATA - LITECE"
Capacity Per Year	22 Lac Pieces Cones (Sewing Thread)
No. of Employees	72
Commitment	We are Committed for the Quality & Delivery

2.6 Product List of Unihouse:

Air Bubble:



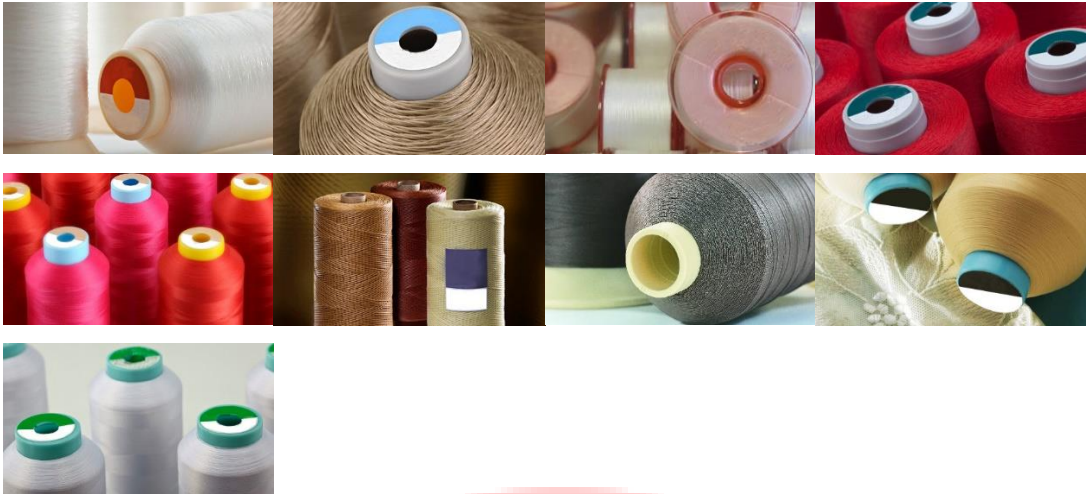
Elastics:



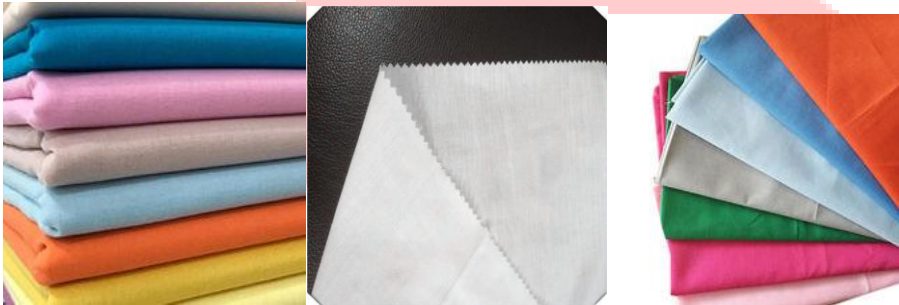
Garments Buying



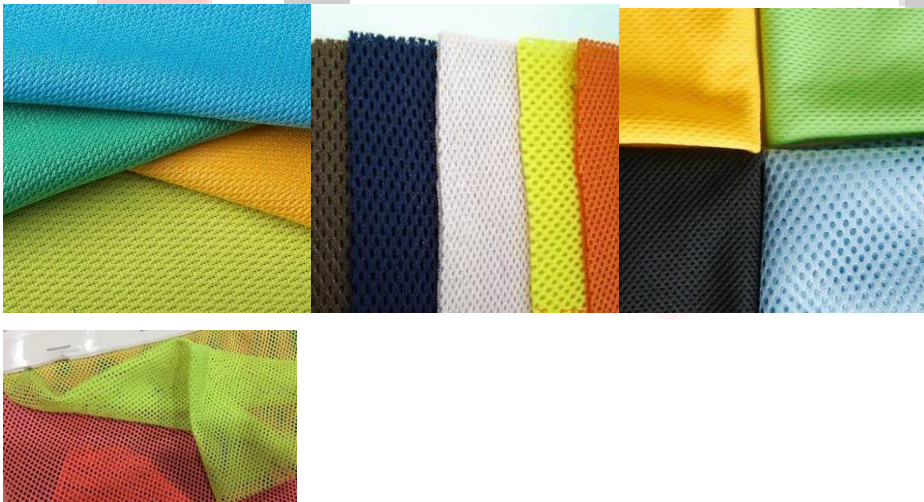
Sewing Thread



Pocketing Fabrics



Mesh Fabrics



Woven Label



2.7 Client List

- Islam Garments Ltd.
- Fair Group
- Azim and Son (Pvt) Ltd.
- Onus Group
- Bonny Apparels
- Dresstex Bangladesh
- Anthony Young Garments (Pvt) Ltd
- Mesh Export
- Chantik Garments Ltd.
- Friends Stylewear
- Wal-Mart
- H & M
- Otto
- Bonprix
- Redcats
- Miles
- Partick
- ZYX
- Shahi Export, ETC

2.8 Office Address:

House No. 399 (Ground Floor)
Road No 29
New DOHS Mohakhali
Dhaka 1206, Bangladesh.

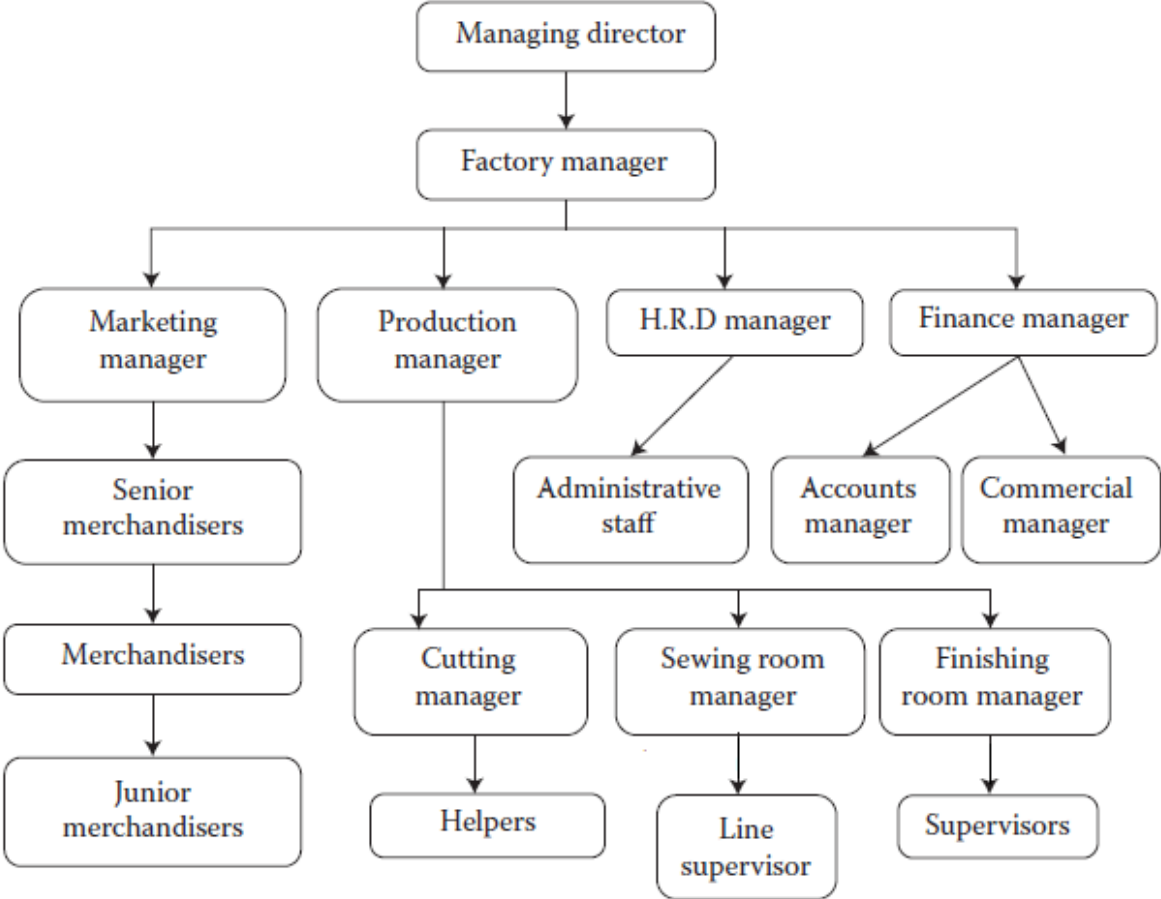
Telephone : +88-02-8712981, 8712435

E-Mail : md-bappy@unihouseltd.com
factory@unihouseltd.com
merchandising@unihouseltd.com

Website : www.unihouseltd.com

Factory Address :
Kumkumary, Ashulia, Savar
Dhaka, Bangladesh.

2.9 Organizational Structure



Chapter Three

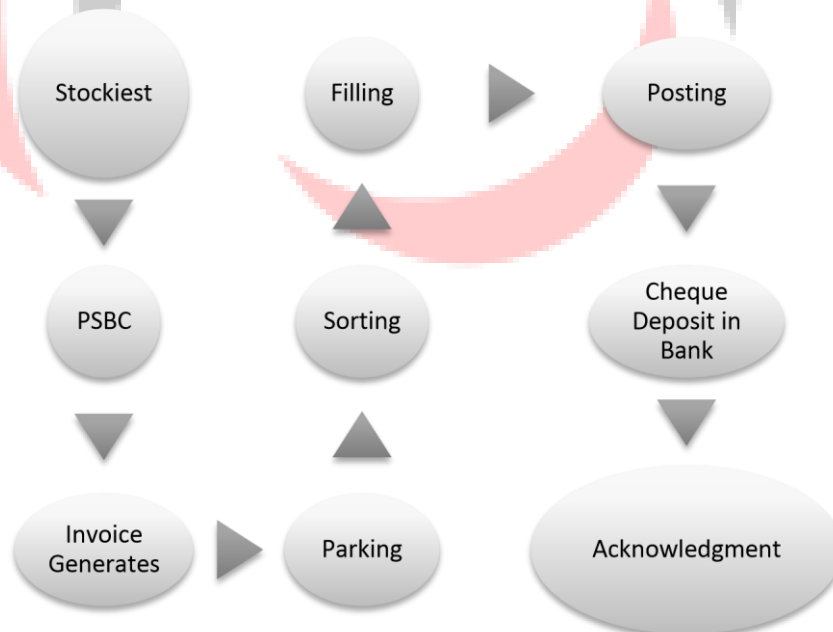
Cash Management System at Unihouse Limited

3.1 Cash Management System of Company

The organization keeps up financial balances through Depots claimed by Unihouse in all urban areas. Checks/drafts got from clients in close-by areas are sent to gather assets in these ledgers for nearby clearing. This diminished the normal accumulation time frame, hence expanding the speed of cash inflows. In this way, reserves gathered in the stop towns are exchanged to the head office or corporate financial balances of the organization consistently.

The organization has a "clearing course of action" with the bank at the head office that naturally applies any of the assets exchanged from the station towns to settle the bank's cash credit advance and lessen its charge balance. These means brought about the organization's expense of enthusiasm being decreased and controlled. The organization puts the equivalent in transient speculations or instruments, for example, Mutual Funds and Govt when the organization has surplus assets. Values. Securities.

3.1.1 Process of Cash Management Through Banking Department



Company has “Pre-Signed Blank Cheques” (PSBC) from all the stockiest. The company receives at least 3 cheques from them. (Security Feature)

3.1.2 Terms and Conditions Set by Company

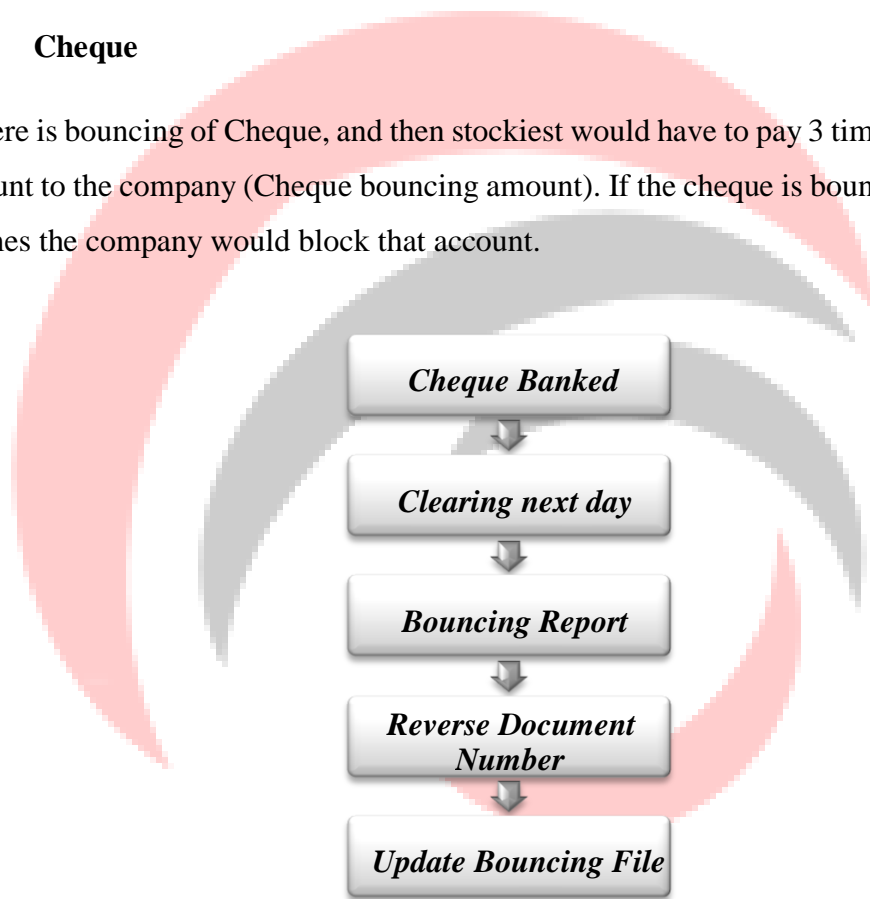
- a. For speed clearing (local, outside)- no charges
- b. For non- speed clearing (local, outside) - costlier, bank covers its expense in physically collecting cheques and compensation costs.

3.2 Payment System in Unihouse Limited

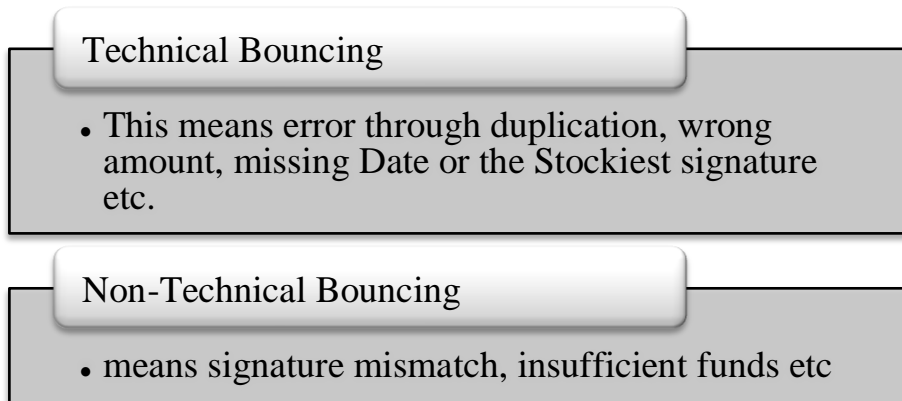
These are the main 3 modes of Payment followed in UL:

3.2.1 Cheque

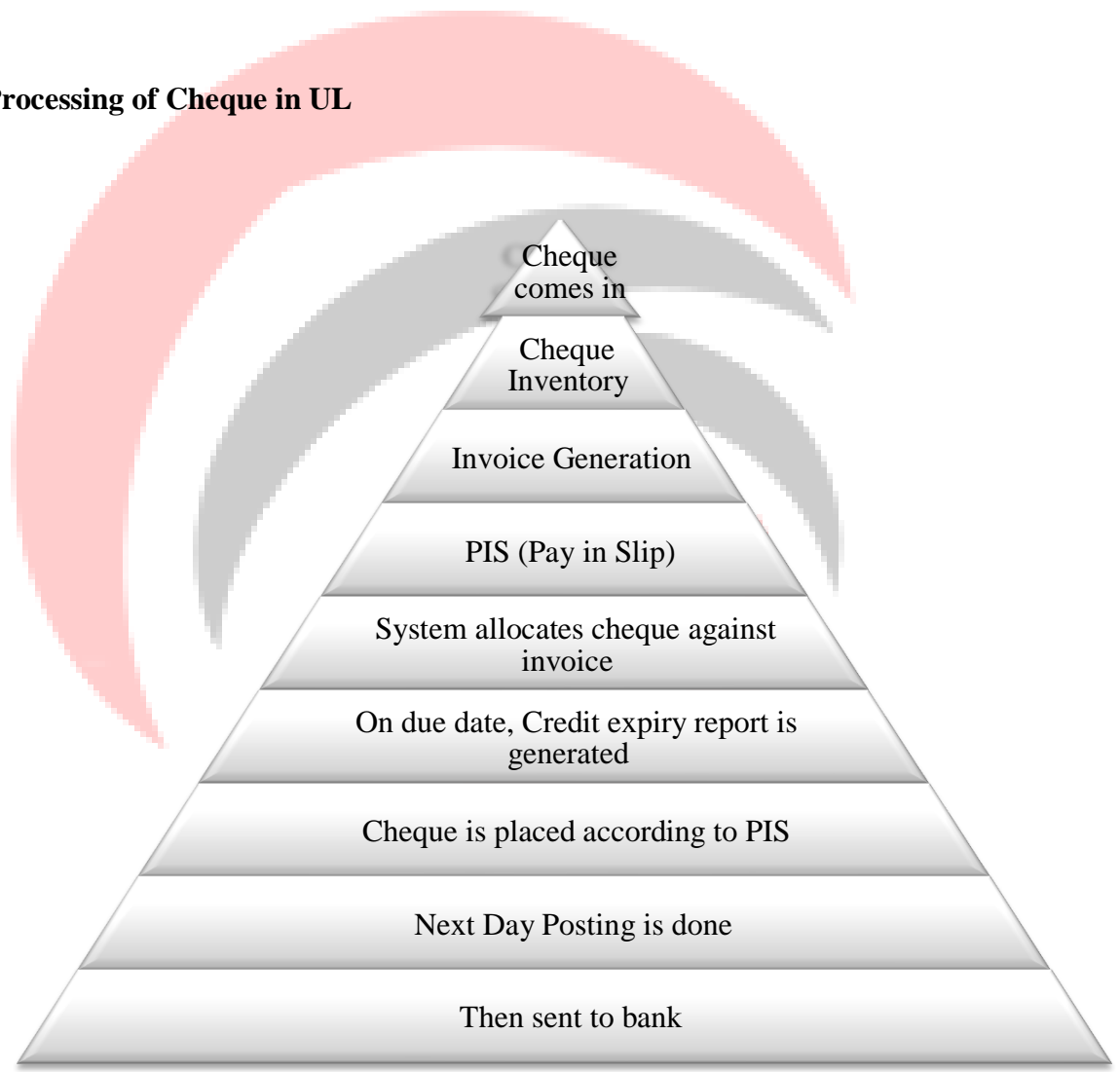
If there is bouncing of Cheque, and then stockiest would have to pay 3 times the original amount to the company (Cheque bouncing amount). If the cheque is bounced more than 3 times the company would block that account.



Two Types of bouncing:



3.2.2 Processing of Cheque in UL



3.2.3 Endorsement of cheques

Special crossing stamp

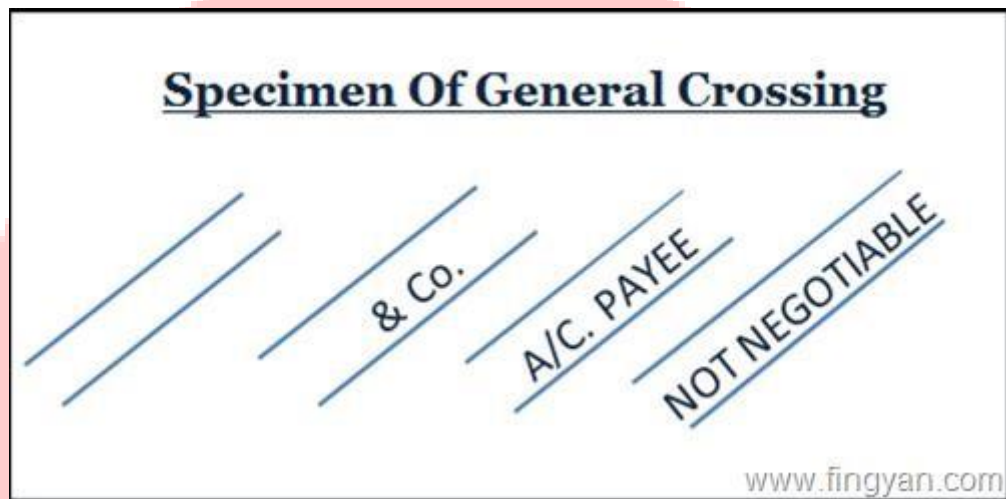
All checks received over the bank counters for collection must be banded with special crossing stamps from the banks.

Dimension of special crossing stamp

Two parallel lines of length up to 2 inches between them at a distance of 1/4 inch. The bank name and branch to be embedded in the enclosed space.

Special crossing stamp position- Preferably at the top left corner with a 60 degree inclination to the base

Suggested specimen-



Extra Safeguard-The intersection stamp ought to be fastened in such a way, that to the degree conceivable it doesn't mutilate „A/C Payee“ crossing made by the client.

Clearing Stamp

The clearing stamp shows details of the name of the presenting bank / branch (alpha codes), presentation date and clearing type. Encoding machines are programmed to simultaneously apply the clearing stamp on the back of the check while encoding the amount.

3.2.4 Speed Clearing

What is Speed Clearing?

Speed clearing refers to the collection by local clearing of outstation checks (a check drawn on non-local bank branch). It facilitates the collection of bank branches drawn on corebanking outstation if they have a local networked branch.

Why Speed Clearing?

Gathering of outstation checks, prior development of checks from the Presentation Center (town where the check is introduced) to Drawee Center (town where the check is payable), which expands the ideal opportunity for checks to be made. The goal of Speed Clearing is to diminish the time taken to perform outstation checks. In spite of the fact that speed clearing quickens the check gathering process contrasted with outstation check accumulation, it pre-expect that the drawee bank office is available in the clearing house area.

What was the process followed by banks for collection of outstation cheques before the introduction of Speed Clearing?

An individual who utilized an outstation check to store it with the part of his/her bank. This part of the bank is known as the part of Presenting. The check was sent to the city where it was paid/drawn called Destination Center or Drawee Center for accumulation. The branch that gives the administration of gathering is known as the part of accumulation. Endless supply of the check, the Collecting branch utilizes the area of the drawer bank office to introduce the physical instrument in neighborhood clearing. When the check has been paid, the part of Collecting utilizes it to dispatch the returns to the part of Presenting. The client's record was endless supply of the check's execution counsel from the Collecting branch. This, so, is the accumulation procedure before Speed Clearing is presented.

At the point when a bank acknowledged a beware of an accumulation premise, the record of the client was credited simply after the returns were made. The Presenting branch sent the check straightforwardly to the Destination branch for installment without a clearing plan at the Destination focus. Exhibiting branch pursues the act of crediting the client's record after accepting the returns from the Destination branch.

To what extent does it take to get a gathering based outstation check credit? Contingent upon the drawee focus and accumulation game plans, it generally takes about seven days to three weeks to get outstation looks at carried on a gathering premise.

How does the Local Cheque Clearing Work?

In Local Cheque Clearing in major centers, cheques are processed by using Cheque Truncation

Systems (CTS) through movement of images. Grid based CTS are in place in Dhaka, Rajshahi and Moyamensing. In addition, Express Cheque Clearing Systems (ECCS) application package is used in small clearing houses.

Local Clearing handles only those cheques that are drawn on branches within the jurisdiction of the local Clearing House. Generally, the jurisdiction is determined taking into account the logistics available to physically move to and from the Clearing House.

How Does the Speed Clearing Work?

By implementing Core Banking Solutions (CBS), banks have networked their branches. Checks can be paid to the Drawee branch at any location in the CBS environment, avoiding the need for their physical movement. Under the Speed Clearing arrangement, checks drawn on a Drawee bank's outstation CBS branches can be processed in the Local Clearing if the Drawee bank has a branch presence at the local center.

When Will the Beneficiary Get Funds Under Speed Clearing?

As on date, the local cheques are processed on T+1 working day basis and customers get the benefit of withdrawal of funds on a T+1 or 2 basis. 'T' denotes transaction day viz. date of presentation of cheque at the Clearing House. So, the outstation cheques under Speed Clearing will also be paid on T+1 or 2 basis like any other local cheque.

What are the Charges for Cheques Cleared Through Speed Clearing?

With impact from April 1, 2011, no charges will be payable for checks of significant worth up to and including TK 1.5 lakh by Savings a/c clients. Banks would be allowed to fix charges for gathering of different kinds of records for all qualities and furthermore from Savings a/c clients for check of significant worth above TK.1.5 lakh. Charges fixed ought to be sensible, processed on an expense in addition to premise and not as a subjective level of the estimation of the instrument and to be collected in a forthright way with due dissemination to the clients of such charges.

How is Speed Clearing an Improvement Over Collection Basis?

Outstation check accumulation through gathering premise takes around one to three weeks" time contingent upon the drawee focus. Under Speed Clearing, it would be acknowledged on T+1 or 2 premise, say, inside 48 hours. Further Savings Bank clients need not cause any

administration charge for accumulation of outstation checks (esteem up to TK.1.5 lakh) in Speed Clearing which they may need to acquire if such check is gathered under gathering premise.

3.3 Demand Draft:

A strategy utilized by people to make exchange installments starting with one financial balance then onto the next. Request drafts are advertised as a moderately secure technique for cashing checks. The real distinction between interest drafts and ordinary checks is that request drafts don't require a mark so as to be cashed.

The organization does not have a standard credit approach that could be connected to all clients. Rather, unmistakable credit terms are offered to each gathering contingent on different factors, for example, the item, place, value, request and rivalry.

(A) Stockiest in Depots Town:

70% of the Company's biggest stock is located in or around the "terminal towns." The organization utilizes the money the executive's system(CMS) offered by banks at these locations, the most loaded checks are gathered until the finish of multi day are stored the following morning in the nearby financial balance of the organization from which the assets are exchanged to the corporate ledger.

These stockiest used to appreciate a credit time of 5 days' sooner, however at this point the organization has diminished the time allotment to one day. Deals are regularly made on solicitation draft reason for new stockiest. In the event that a Stockiest check bobs, the gathering will just need to make installment by interest draft. In the event that a gathering defaults on installment (or a gathering's checks skip) more than once, at that point the gathering would be required to make installments just in response to popular demand draft for the majority of its exchanges with Unihouse limited in the coming year.

(B) Stockiest in Remote Areas:

The rest of the 30 percent of the most loaded turnover happens at remote locations from the station towns with no simple access to banks, so that sensibly the "anyplace check framework is absurd. Such stockiest a credit time of as long as 10 days might be allowed. By and large, in 3-7 days, the cash is credited to the ledger of the organization.

Chapter 4:

Application of SAP in Cash Management System

SAP stands for “System, Applications and Products”. In Unihouse Limited, SAP is used to manage Cash inflow and outflow in an efficient and effective way.

SAP Cash Management is used to monitor cash flows and to ensure that you have sufficient liquidity to cover your payment obligations.

4.1 Integration

SAP Cash Management is a subcomponent of SAP Financial Supply Chain Management.

SAP Cash Management is coordinated with a scope of other SAP parts. For instance, the liquidity estimate - in a medium to long haul liquidity pattern - incorporates anticipated approaching and active installments in monetary bookkeeping, buy and deals.

4.2 Features

The Incomings area covers the following topics:

- Electronic and manual bank statements
- Payments
- Lockbox
- Polling
- Electronic and manual check deposits
- Bill of exchange presentation
- Memo record

Compare payment advices, Interest calculation and Returned vendor checks are dealt with the Checks topic.

Cash focus can be found in the Planning theme. Arranging additionally manages the installment program, installment demands, bill of trade introduction, reminder record and phone list.

The Tools point covers the dissemination to cash management frameworks.

The Information System point bargains in addition to other things with the Liquidity conjecture. You can utilize this to get significant data regarding client and merchant cash streams. The structure of the cash position and business exchanges that influence the cash position are additionally depicted here. SAP Cash Management utilizes the cash position to reflect developments in financial balances, while developments in the sub record accounts are spoken to utilizing the liquidity estimate.

Further Topics Include:

Payment Advice Journal (entered and changed planned items), Compare and Check and Reconciliation with Cash Management.

In the Environment area you will find functions for transferring market data to the SAP System. Market data can be transferred using the file interface, real-time data feed or via the spreadsheet. The areas Worklist and Change master record are also described here.

Prerequisites

=In Data Setup you can find out what needs to be done before you can go live with SAP Cash and Liquidity Management.

There are various types of SAP modules but it is according to use of different- different departments like:

SAP - FI

- Finance

SAP - SD

- Sales

SAP - MM

- Marketing

And many more

So Sap- FI is used for CMS inunihouse limited . To have a control over its efficiency and effectivity, certain SAP t-codes (transaction codes) are to be remembered such as

“T- CODES	DETAILS
FBL5N	Customer Line Item
FBL3N	GL Line
ZCHEQINV	Cheque Entry, Deletion and Replacement
F-02	SAP Posting
F-29	SAP Posting for Overdue
YVIRTUAL	RTGS Posting
ZFI_F29	Channel Finance Posting
F-32	Clearing
ZFB03	Voucher Printing
ZFBL3N	Report generation after posting of cheques
YCHLEAF	Check availability of Cheques
YCBR	After Parking check details of cheques
ZCCHQ	Bank Details
YCUSTDET	Customer Details
ZAPIS_NEW	Printing of Overdue Vouchers
YPIS_NEW	Parking

4.3 Displaying Cash Management & Forecast, Cash Management Position

Use

As referenced in the past cash management process, cash management and gauge/cash management position will be refreshed all through the whole SD process - beginning with the request, at that point charging record, trailed with cash receipt. The accompanying sub-procedure will currently display the cash receipt in Cash Management Position and those adjustments in the arranging aggregates related with the cash receipt shaped by open charging.

Procedure

Call up the transaction as follows:

Menu Path	Accounting	
	® Treasury Management	® Cash Management ® Information System ® Reports on Cash ® Liquidity Analyses ® Liquidity Forecast
Transaction Code	FF7B	

- Enter the following data:

Field	In Side Bangladesh	Out Side Bangladesh
Company code		
Cash management position	Select	Select
Liquidity forecast	Select	Select
Grouping	Total (all types of receipts/expenditures and bank data)	Total (all types of receipts/expenditures and bank data)
Display as of	Date of incoming payment	Date of incoming payment
Display in	EUR	USD

- Choose.
- Enter the following data:

Field	In Side Bangladesh	Out Side Bangladesh
Delta display with balances	Select (display changes per value date – as opposed to cumulative display)	Select (display changes per value date – as opposed to cumulative display)

- Choose.

If the date you entered as the planning date falls on a public holiday, the incoming payment is reproduced on the next working day dependent on the value date.

- The system displays the bank accounts on which the cash receipts are recorded.
- The cash receipt you posted has flowed into the value date dependent balance of the Inside Dhaka/Outside Dhaka group on the planning date you entered.
- In DBGEING (for Europe) or CBGEING (for North America), select the amount in the column for the planning date you entered and choose.

You should be able to find the incoming payment you posted in the list of displayed documents on the Line Items (Module Pool) Screen.

Choose 3 times.

Finally, you still need to check whether the amount in short-term cash management (=presentation of the expected cash receipt from the billing) has been reduced as a result of the incoming payment.

On the off chance that the date you entered as the arranging date falls on a Saturday or Sunday, the normal approaching installment is duplicated on the following working day reliant on the esteem date. For outline reasons select NEW ENTRY for this situation and enter the past working date as esteem date (for example short 1 or 2 days)!

- Double click on Persons.

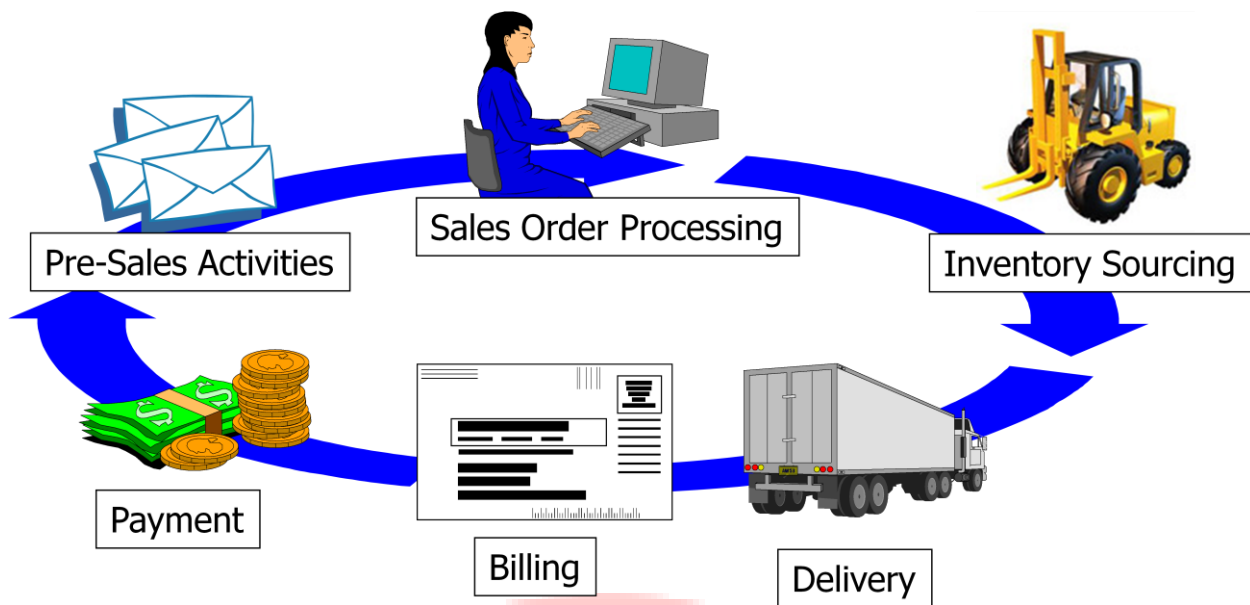
Double-click on the F1 (FI customers/vendors) level to display the group of customers (already posted and thus billed values).

The sum displayed has once again been reduced exactly by your billing amount as this is henceforth already displayed as an incoming payment on the bank account.

4.4 Sales Order Management in SAP R/3

SAP R/3 the "R" was for "Real-time data processing" and "3" was for "3-tier":

- 1) database,
- 2) application server, and
- 3) client (SAPgui).



2

This new architecture is compatible with multiple platforms, such as Microsoft Windows or UNIX, and operating systems. This opened SAP to an entirely new base of customers. The order to receive cash

SD: Sales and Distribution

- ◆ Integrated with:
 - Materials Management (MM)
 - Production Planning and Execution (PP)
 - Financial Accounting (FI)
- ◆ Configurable structures inside the product that speak to the legitimate as well as organizational perspectives on an undertaking
- ◆ Organizational components structure a system supporting all business exercises in the way wanted and chose for a given occurrence of the product

4.4.1 Organizational Elements

- Client
- Company Code
- Sales Organization
- Distribution Channel
- Sales Division
- Sales Area
- Plant
- Storage Location
- Shipping Point

Chapter Five: Agreed Terms and Conditions with Bank of UL

These terms and conditions including terms under respective services section govern the CMS and by signing the CMS designation form and / or by accepting the service proposal and/ or by using the Banks CMS, one agree to be bound by these T&Cs at all times.

5.1 Transfers Limited to Available Funds-

The bank is under no obligation to comply with any payment instruction or to make any fund transfer that would exceed the available funds in available limit on the Customer accounts designated for such payment instruction.

5.2 Confidentiality:

The sharing, storage or transmission about Customer / his account details within HSBC group or with any agent should be on confidential basis.

5.3 Indemnity:

As long as bank is in good faith, the Customer shall indemnify the bank and hold the bank harmless from time to time from any or all claims brought or incurred by bank.

5.4 Force Majeure:

The bank will not be responsible for non-performance or delay in the performance of one or more services caused by circumstances beyond its control such as fire, communication/ system failure etc.

5.5 Change of Terms:

The bank may modify, terminate and suspend the services including the present T&Cs to the customer anytime with or without notice, due to change in rules, regulations and laws set by tax authorities or Bank policies.

5.6 General Undertaking from Customer:

He agrees and confirms that-

- a) Fully understands and is satisfied with all features of services offered.
- b) He is solely responsible for the accuracy, completeness and timeliness of instructions in line with that specified by the bank from time to time.
- c) He authorizes the bank to debit his account and/ or exercise right of setoff for any liability incurred by the bank for and due to the execution of payment instruction issued by customer to bank.
- d) The customer will ensure the security procedure established by the bank for the purpose of verifying that the payment order or communication is that of the customer
- e) or for detecting error in the transmission of the content of the funds transfer request or communication is adhered.
- f) Customer hereby represents and warrants that these T&Cs have been duly executed and delivered by duly authorized representative and constitutes a legal, valid and binding obligation of the customer and shall be enforceable against customer.
- g) The „Non- Residential External (NRE)“ customer shall ensure that bank would mention word „SOF NRE“ in the „Tag70“ or „Second Party Reference“ field as appropriate while initiating any RTGS, NEFT, IAT payments.
- h) Also customer agrees to provide the Priority Payments File not later than the agreed cut-off date and time, which is subject to change from time to time.

5.7 MIS/ Reports

Bank at its sole discretion provide info including data, instruments and reports to Customer related to any concerned banking activity.

5.8 Waiver

If bank fails to exercise any right or privilege conferred in T&Cs shall not affect the specified services and remain in full force.

Chapter 6: Findings

6.1 Interpretation and Conclusion (SWOT Analysis):

In all stop towns, the organization keeps up financial balance. Checks/drafts got from clients in close-by areas are sent to gather assets in these ledgers for nearby clearing. This decreased the normal gathering time (when contrasted with the time it would take on the off chance that client checks were first gotten at home office and, at that point sent outstation clearing) subsequently expanding the speed of cash inflows. Along these lines, reserves gathered in the station urban communities were exchanged each day to the financial balance of the organization's head office (or corporate). The organization has a "clearing course of action" with the bank at the head office that naturally applies any assets exchanged from the station towns to set the bank's cash credit advance and diminish its charge balance. These means brought about the organization's expense of enthusiasm being diminished.

Strength

At the point when the organization has surplus assets, it puts the equivalent in transient speculations or instruments like shared assets and government securities.

With appearance of CBS and CTS, unihouse has expanded its operational productivity and diminished its overheads and expenses. Here PC programming, for example, SAP is utilized to perform center tasks of banking like-

- Recording transactions
- Interest calculations
- Customer Records
- Balance of payments
- Details of Withdrawal

Opportunity

The new stage has changed the way bank framework in unihouse restricted. Works. Every one of the administrations in the Cash Management System have profited the corporate office and banking offices by-

- Shorter Clearing cycle
- Superior verification and reconciliation process
- No geographical restrictions and customers alike
- Reduction in operational risk and risks associated with paper clearing

Weakness

Moreover, a Company's Cash Position is said to be a better indicator of the health of its business, rather than its profit and loss statement. Hence knowing the cash position is crucial for every business to:

- a. Forecast when, how, and where cash needs may arise
- b. Determine which would be the best source for additional cash needs, and
- c. Be prepared to meet cash needs when they arise

For better visibility into the cash position across banks, across borders, cash managements crucial. It empowers businesses with the ability to forecast cash flows, plan future business strategies, and manage cash accordingly.

Threats

- No authorization to use some T-codes which were restricted to Managerial Level.
- Data access wasn't provided as the information was highly confidential.

6.2 Recommendations of the Study:

Absence of power over cash streams and wasteful cash management can be unsafe to business. As a general rule, it is the ill-advised management of cash that has made organizations come up short. Powerful cash management is accordingly a need for organizations. Organizations vigorously depend on realizing their cash position to oversee working capital necessities, for example, requesting stock, crude material, or Acquisitions/extension program, for which they need an unmistakable thought of how a lot of money is required, and when. This is empowered by Efficient Cash Management System.

Here are Some Areas with Scope for Improvement:

- a. **Eliminating Disparate Systems:** Distinctive money the executives arrangements are being offered for various portions. Furthermore, as organizations develop, dealing with these disparate frameworks is progressively turning into a test. Thus organization should concoct a solitary platform which can bolster different money the executives items and administrations as the business develops.
- b. **Customizable Solutions:** Company should try to come up with a customizable platform which can cater to the specific needs of different businesses.
- c. **Unified System:** Integration of corporate client frameworks with banking frameworks can be useful in reconciliation of inner frameworks with banking frameworks, and can bolster account the board between the bank and client. What's more, this offers great degree for sellers.

Today, organization is utilizing Cash Management System as an apparatus to construct long haul trust with their clients, in light of the fact that these frameworks will engage them and oversee organizations and their situation at some random time, consequently assembling a trust and fortifying the relationship that goes past exchange banking.

Conclusion

With growing recognition of the need to adopt Cash Management Strategies, company is achieving and moreover expecting more efficiency and effective solutions around –

- standardization,
- reconciliation,
- integrated banking systems with corporate systems, and
- Real-time reporting for overall view of the existing cash position.

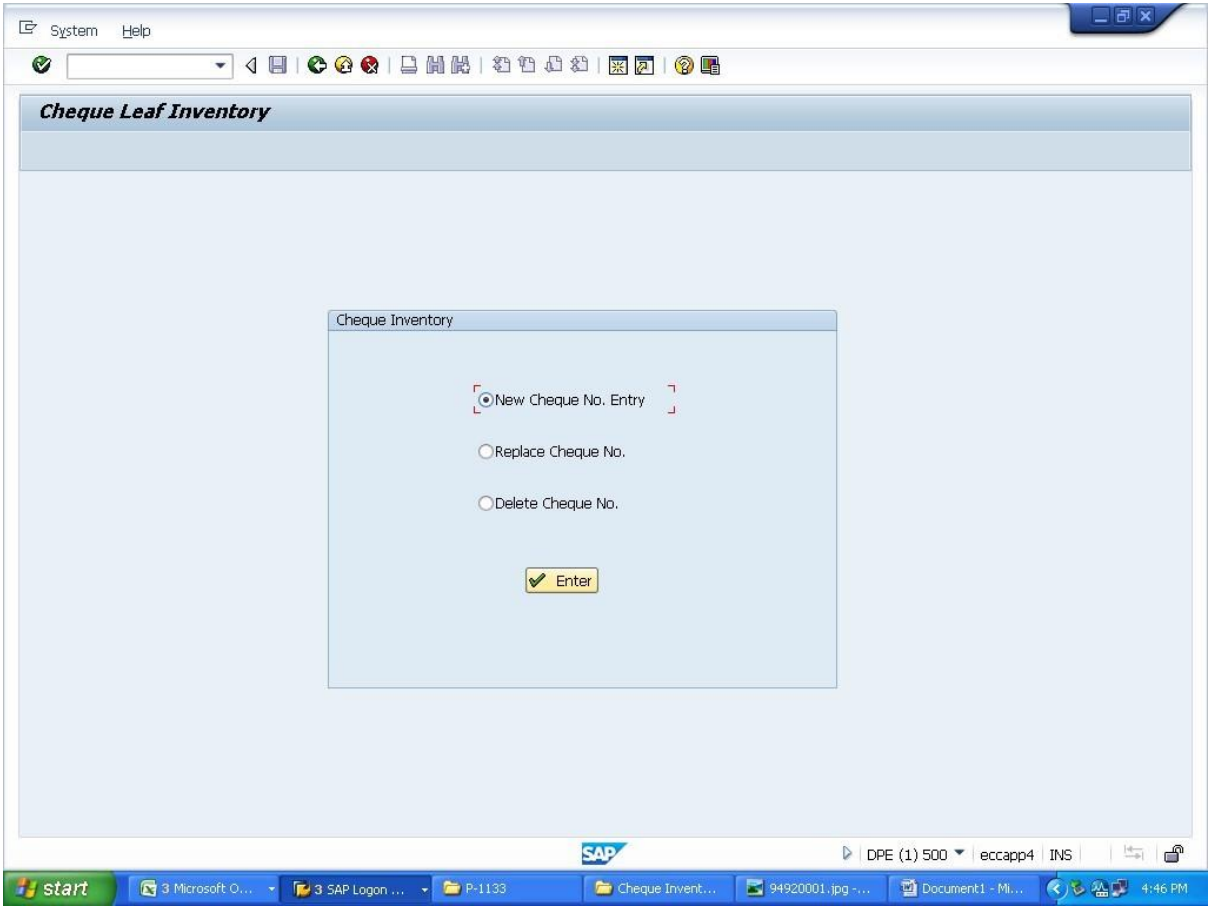
In all parts of budgetary arranging and control, the fund office is included. It keeps up a quarterly score card that helps the organization in assessing worker execution as far as Company Cost (CTC). Administrative compensation comprises of a fixed pay in addition to execution put together rewards based with respect to an assortment of parameters, including keeping stock dimensions and different things of working capital inside concurred limits. The office is likewise planning MIS and imparting the equivalent to every one of the offices concerned. It additionally screens stock management, indebted individuals and loan bosses on a progressing premise to guarantee that net working capital stays inside the dimensions planned. For instance, if, because of some unavoidable conditions, the interest in stock surpasses as far as possible, it must be balanced either by an expansion in banks or a decrease in indebted individuals.

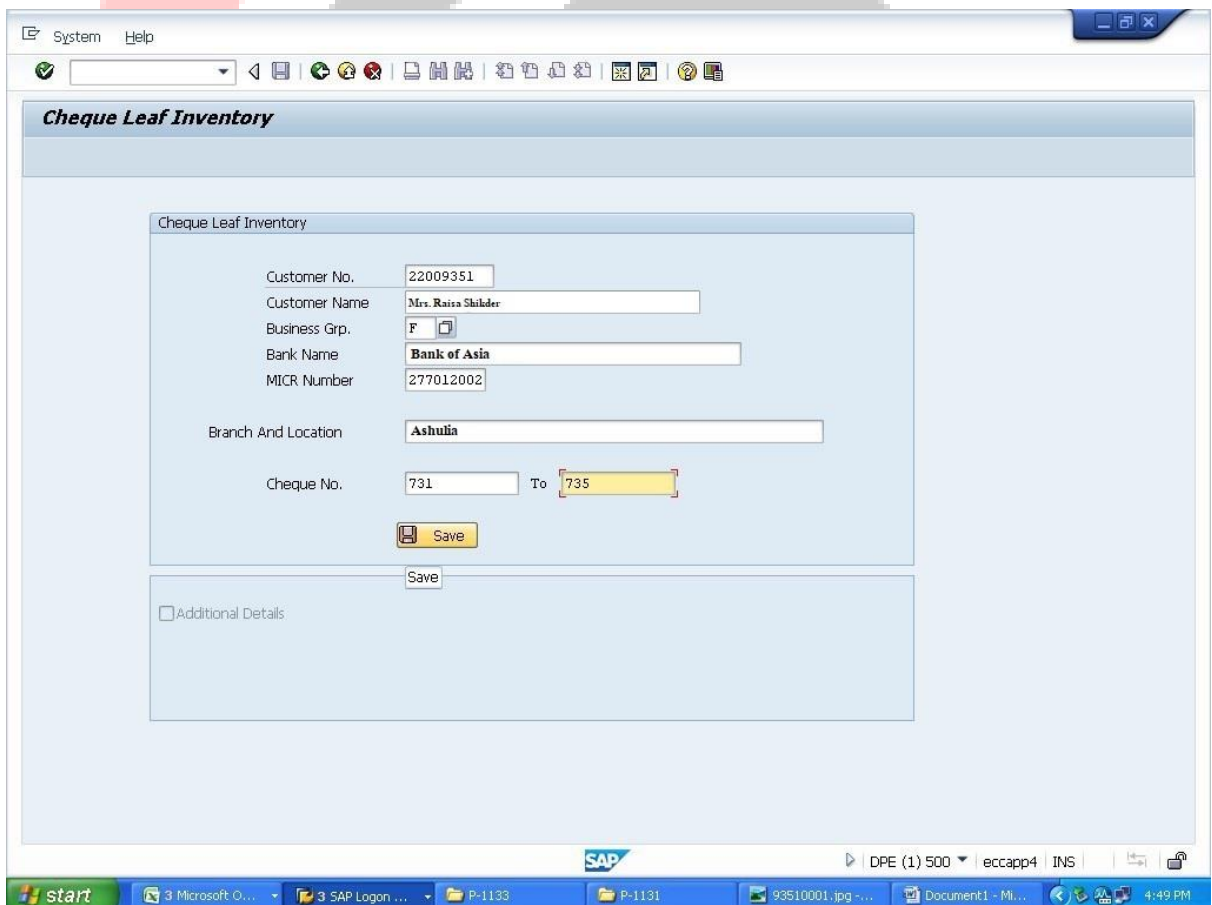
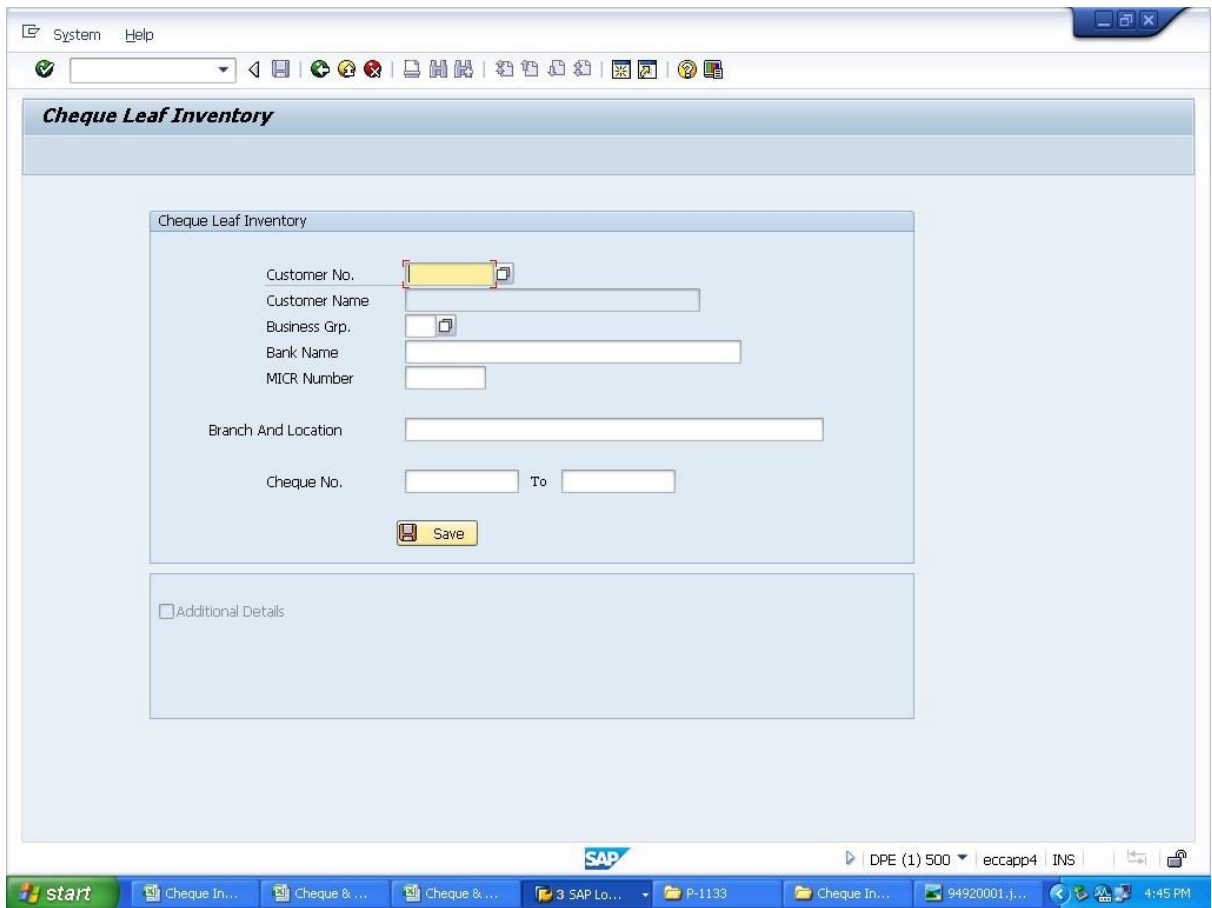
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These SAP Screenshots were taken on Testing Servers





Program Edit Goto System Help

Credit Expiry report for PIS

Company Code 1000
 Plant 1133
 House Bank 21693
 Account ID 14932
 Selection Date 22.07.2015 to 23.07.2015

Cheque Parking PIS Printing Cheque Posting Reprint Report

DotMatrix Print
 Laser Print

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System Help

Credit Expiry report for PIS

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System Web

Credit Expiry report for PIS

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System Web

Delete Cheque

Delete Cheque

Customer No.

Business Group

Cheque Number

Bank **Uttara Bank**

KICR

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