



## **An Analysis of the Post Dated Cheque Management: A study on IDLC Finance Ltd**



## **An Analysis of the Post Dated Cheque Management: A study on IDLC Finance Ltd**

**Prepared By:-**

**Waliur Rahman**

**ID: 111-11-1882**

**Major: Finance, Batch: 28th**

**Program: Bachelor of Business Administration**

**Department of Business Administration**

**Faculty of Business and Economics**

**Supervised By:-06-12-2014**

**Mr. Mohammad Masum Iqbal**

**Associate Professor**

**Department of Business Administration**

**Faculty of Business & Economics**

**Daffodil International University**

**Date of Submission: 13-12-2014**

## Letter of Transmittal

**Date: 13ss-12-2014**

**Mr. Mohammad Masum Iqbal**

**Associate Professor**

**Department of Business Administration**

**Faculty of Business & Economics**

**Daffodil International University**

**Subject: Submission of Internship Affiliation Report.**

Dear Sir,

With immense pleasure, I am submitting my internship report of “**An Analysis of the Post Dated Cheque Management: A study on IDLC Finance Ltd**” which was assigned me as a part of my BBA Program. I have tried my level best to complete this report with the necessary information and suggested proposal that you were provide me as your best as well.

I hope that the report will be completed as your expectations.

Thank you

Sincerely,

.....

Waliur Rahman

ID No: 111-11-1882

BBA Program, Batch- 28th

Department of Business Administration

Faculty of Business and Economics

Daffodil International University (DIU)

## Declaration

Ido hereby solemnly declare that the work presented in this internship report named “**An Analysis of the Post Dated Cheque Management: A study on IDLC Finance Ltd**” has been carried out by me and has not been previously submitted to any university/ college/ organization for an academic qualification/certificate/ degree.

The work I have presented does not breach any existing copyright and no portion of this report is copied from any work done earlier for a degree or otherwise.

I further undertake to indemnify the development against any loss or damage arising from breach of the foregoing obligations.

Waliur Rahman

ID. 111-11-1882

BBA 28th Batch

Daffodil International University

## Certificate of Approval



I am pleased to certify that the Internship Report on “**An Analysis of the Post Dated Cheque Management: A study on IDLC Finance Ltd** prepared by **Waliur Rahman** bearing **ID no: 111-11-1882** of the **Department of Business Administration (Major in Finance)** is recorded for submission and Presentation and Defense. **Waliur Rahman** worked with “**IDLC Finance Limited**” as an intern under my supervision. I am also pleased to certify that the data and the findings presented in the report seem to be authentic.

**Waliur Rahman** bears a good moral character and a very pleasing personality. It has indeed been a great pleasure working with him. I wish him all success in life.

**Supervisor,**

.....

Mr. Mohammad Masum Iqbal  
Associate Professor  
Department of Business Administration  
Faculty of Business & Economics  
Daffodil International University

## **ACKNOWLEDGEMENT**

First and foremost, all credit goes to my Almighty. Then I would like to express my gratitude to all the people those were involved both directly and indirectly in the preparation of this report. I apologize to the people whose names that I have not mentioned, and their contribution is highly appreciated by me. At first, I would like to thank and convey my gratitude to honorable Supervisor, Mr. Mohammad Masum Iqbal Associate Professor, Department of Business Administration, DIU for guiding me and for giving me the opportunity to initiate this report. More specifically, I would like to thank him for imparting his time and wisdom.

I want to thank all the officials of IDLC Finance Limited that were involved. I would especially like to thank Tareq Ahmed (Senior Manager), Nilufa Amin (Assistant Manager), Sarker Md. Ismail (Officer) of Operation Department in IDLC Finance Limited for giving an opportunity of 3 month internship program and when any problem rose; they solved that and all time guided and supervised me friendly. I would like to thank them for giving me the required information to commence this report.

## Executive Summery

The Internship report is prepared as requirement of BBA program of Daffodil International University. This report is on **“An Analysis ofthe Post Dated Cheque Management: A study on IDLC Finance Ltd”**. This report is intended to assist the reader in detailed understanding of Post Dated Cheque Management related activity of IDLC Finance Ltd.

The primary objective of the report is to find out the necessary concept of PDC Management, physical process of cheque clearing, ground rules of PDC management, Process flow for different activities like Post Dated Cheque management, Single cheque management, Cash deposit management etc. The information of the report has collected from primary and secondary sources of IDLC Finance Ltd. In the first part of the report, it described the overview of IDLC Finance. Then it described the detail information about ThePost Dated Cheque Management. Last of all there were some problems related to Post Dated Cheque Management and recommendation.

After analyzing the Post Dated Cheque Management activities it is found that the Post Dated Cheque (PDC) Management is a core function of IDLC Finance Limited. Being a NBF, PDC is the only way to collect funds to IDLCs accounts. In fact, this works as the cash for a NBF. In the backdrop of implementing new software (Flexcube Core Banking System), it has been necessary to draw the guideline to manage PDC, making clear the responsibilities of each and every concerned party.

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## CHAPTER ONE

### **1.1.Introduction**

IDLC stands for industrial development leasing company. At the beginning the name of the company was industrial development leasing company Bangladesh Ltd, but today the name is IDLC Finance Ltd only. IDLC Finance Limited started its journey in 1985, as the first ever leasing company of the country. In 1995, IDLC was licensed as a financial Institution by the country's central bank, Bangladesh Bank, following the enactment of the Financial Institution Act 1993, over the last two decades, IDLC has grown in tandem with the country's transition into a developing country and has emerged as Bangladesh's leading multi-product financial institution. To encapsulate the evolving nature of company, IDLC has its name to IDLC Finance Limited from earlier Industrial Development Leasing Company of Bangladesh Limited in August 2007. Since 1985, when IDLC was formed as the pioneering leasing company in Bangladesh, the company continues to evolve as an innovative financial solution – all under one roof. Our wide array of products and services range from retail products, such as home and car loans, corporate and SME products including lease and term loans, structured finance services ranging from syndication to capital restructuring and a complete suite of merchant banking and capital market services.

### **1.2.Origin of the Study**

I did my internship program in Post Dated Cheque Management (PDC) – Operations Division of IDLC Finance Limited. My organization supervisor assigned me all tasks related to Post Dated Cheque Management. So that I choose my internship report titled “An Analysis of Post D;atedCheque management: A study on IDLC Finance Ltd

This report is a thorough study of the process implemented for Post Dated Cheque (PDC) Management which is a core function under Operations Division of IDLC Finance Limited. The crucial point of this report is to get a comprehensive idea about the process flow of Post Dated Cheque Management, Single Cheque Management, Cash deposit Management and drawing the guidelines to manage the PDCs', making clear the responsibilities of each and every concerned party.

### **1.3.Objectives of the study**

- To analyze the process of **Post Dated Cheque Management;**
- To identify some problems related to**Post Dated Cheque Management if any;**
- To make some recommendations to overcome the problems identified.

### **1.4.Methodology of the Study**

#### **Sources of data:**

##### **Primary sources of data:**

- **Officers**
- **Clients**

##### **Secondary sources of data:**

- PDC management guideline.
- Previous Interns surveys.
- Annual Report 2013,
- Internal Records
- Internal Websites, IDLC ([www.idlc.com](http://www.idlc.com))
- Website of Standard Chartered Bank
- Website of Citi Bank N.A

##### **Target population**

The target population of the study is the respective officers, staffs and customers of the branch of Dilkusha, IDLC Finance Limited.

### **Sample size**

The sampling size of the study was 20 clients and 4 officers.

### **Sampling method**

Convenience Sampling

### **Method of data collection:**

- Personal interview- face to face conversation and in depth interview with the respective officers of IDLC.
- Personal observation- observing the procedures of Post Dated cheque management activities followed by each PDC management department.
- Practical work exposure on different areas of the branch.
- Informal conversation with the clients.
- Relevant documents related to the study as provided by the officers

### **1.5.Scope of the Study**

The study is conducted mainly on IDLC Finance Limited which is actively involved in banking/financing. IDLC Finance Limited is specialized in home and car loans, corporate and SME products including lease and term loans, structured finance services. Here, the main concentration was given on the operation division of IDLC Finance. But due to meet the deadline only the PDC Management Department of IDLC Finance is the primary target of this study. In spite of that, the scope and coverage of the study had been extensive.

### **1.6.Limitations Of The Study :**

To prepare a report on the achieved practical experience in a short duration is not an easy task. In preparing this report some problems and limitations have encountered which are as follows:

- The main constraint of the study is insufficiently of current information, relevant to the study.
- All required information are not available in any specific branch of IDLC and there are also limited opportunity to visit more than one branch
- Due to time limitations many of the aspects could not be discussed in the present report
- Lack of experience in internship report writing.

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## CHAPTER TWO

### ➤ **The process of Post Dated Cheque Management**

#### **2.1.1. Post Dated Cheque Management**

PDC Management is a core function of IDLC Finance Limited. Being a NBFI, PDC is the only way to collect funds to our accounts. In fact, this works as the cash for a NBFI. In the backdrop of implementing new software (Flexcube Core Banking System), it has been necessary to draw the guideline to manage PDC, making clear the responsibilities of each and every concerned party.

It covers the following:

1. The necessary concepts of PDC management
2. Physical Process for cheque clearing
3. Ground rules of PDC management
4. Process flow for different activities like Post dated Cheque management, Single cheque management, Cash deposit management etc

#### **2.1.2. PDC Management Team:**

Dedicated PDC management Team is located at Dilkusha Branch and Corporate Head Office, overlooking PDC for some specific branches of Dhaka. This is the centralized team for PDC management. Outstation branch PDC will be managed as per outstation location. At present, Sylhet, Bogra, Comilla and Narsingdi Branch PDC is managed from branches through Operation employee, along with his/her other responsibilities. All the PDC of Chittagong is managed from Agrabad Branch. For new branches, PDC management will be decided before opening the branch.

#### **2.1.3. Physical Process of Cheque Clearing:**

IDLC Finance Limited, being an NBFI, is not a member of clearing house. We have opened accounts with banks and handover the cheques to the banks. These banks, being a member of clearing house places our cheques in the clearing house and get them cleared/dishonored. Upon clearing, fund is credited to our bank accounts.

Most of the cheques are being placed through CitiNA and Standard Chartered Bank. All the cheques that have been placed to the bank within banking hour (4.00 PM by present standard) will be placed to the next day's clearing by the bank. The clearing process ends after banking hour on that day and our account gets credited at around 7.00- 8.00 pm on that day. We receive the bank statement on the following day morning and mark the cheques accordingly as honored/ dishonored.

For example: All the cheques sent to bank within banking hour on Sunday will be on the clearing house on Monday, we will get information on Tuesday and get it marked properly on Tuesday. Generally, this marking requires 2-3 hours a day.

All the cheques deposited after banking hour, that is on evening banking is placed to the day after tomorrow's clearing house. That is, a cheque placed on Sunday evening banking will be on the house on Tuesday, and system marking will be on Wednesday. Please note that cheque placement in the evening banking is a very rare phenomenon.

Generally, if a cheque cannot be placed within the banking hour, this is placed on the next working day. The effect and clearing time remains the same.

#### **2.1.4. System Process:**

Activation date is the single most important concept of PDC management is Flexcube. Activation date is the date on which check is auto liquidated. Based on the product user choose (t+1, t+2), that liquidated cheques is adjusted with any due of the account.

For the same bank cheque (Like we have account at SCB, so does client, he gave us SCB Cheque), fund will be transferred to IDLC account within same day. No clearing house is required here. That's why activation date will be same day of placement date.

Same day cheques have to reach bank by 10.00 am that day.

So, activation date will be the date on which the cheque will be on clearing house. It is one day later date for other bank cheque and same day for same bank cheque, no matter what the cheque date is. Cheque date is an issue for physical clearing process. We cannot place post dated cheques and stale cheque (Six month old cheque) as per regulatory requirement.

Please consider the physical process of cheque clearing whenever you put activation date on the system. Any wrong input may lead to liquidation without even sending the cheque to the bank. So user must be very careful whenever he chooses the activation date.

#### **2.1.5. How system works:**

A cheque, after being properly entered and authorized, gets liquidated on the activation date. Collection Service team gets a notification on how many cheques have activation date tomorrow. They sorted out those cheques and send those to the banks. These cheques remain on the clearing house on the next working day, that is, on their activation date. On the subsequent working day after that, as mentioned in the physical process, we got the statement and mark the cheques as per statement reflection.

So a cheque can be showed cleared on the system based on the activation date, even without sending that to bank. So whenever choosing a close activation date, user must be

very aware of physical placement of the cheques. PDC team also follows it up very minutely.

If a cheque is not marked in due time, system will consider this as cleared and adjust all the dues.

### **Some Ground Rules:**

- No PDC should be inputted before 10.30 am
- All the cheques have to be authorized before sending to bank or collection service.
- Entry and authorization have to be within same day.
- Please mention whether this is cheque/cash/SI/PO in the remarks field. In the purpose field, mention the reason of collection (EMI/IDC/CIB Charge/Doc fee etc.
- For cash entry: instrument no should be CIF+DATEOF DEPOSIT+ sequence no. For example, if a client with CIF 123456 deposits on May 2, instrument no will be1234560205201201, while 01 is the sequence no.
- User must mail a list of cheques that have been sent to collection service team and get an acknowledgement from the concerned. If you handover the cheque to collection service for placement, you need not mail them. Just get a receive seal from the collection service team
- Every day by 5.00 pm, a mail is to be sent to concerned collection service with a list containing all the cheques that have been deposited from the branch.
- If you handover the cheque to collection service for placement, you need not mail them. Get a receive copy and keep it to you.
- A mail is to be sent whenever cheques are couriered to collection service or to anyone. Recipient to acknowledge as soon as they receive. Senders have to follow it up with recipient.
- Please ensure the correct PDC product before giving any entry. Specially, make sure in which bank you are placing the cheque physically and systematically.
- All the Bulk cheques to be reached to concerned collection service within seven days from receive/ five days prior to first cheque date, whichever is earlier. All bulk cheques to be sent in and envelope, with Client name, rental date and Settlement A/c no clearly mentioned. Rental date will be activation date in this case.
- All other Post Datedcheques should be sent to collection service team within the same day of receiving, after completing both entry and authorization. These also should be in the envelope as mentioned above.
- All concerns will have the dishonor list by 11.00 am. The dishonor reason will be specified there. No communication regarding this will be entertained from collection service.
- In no case, PDC entry will be kept unauthorized.
- Collection service will get the dishonor marking done for deposits, SFD and Pre disbursement charges within 12.30 pm and communicate to all accordingly

- Collection service will ensure-
  - whether all cheques that are shown in the list have been placed
  - Whether all dishonored cheques been properly marked in the system

#### **2.1.6. Single Cheque Processing:**

- If a cheque is received today for placing at the bank, input next working day's date as activation date, place within banking hour and mail to concerned collection service within 5 pm. Example- If a cheque is received on Sunday, activation date will be Monday (Provided that is working day).
- If you receive a cheque that you missed to place to the bank today, activation date will be Tuesday (The day after tomorrow).The cheque will be placed to the bank Monday
- For same bank cheque, (Like we have account at SCB, so does client, he gave us SCB Cheque), activation date will be the day on which the cheque is placed to the bank. This cheque has to be liquidated and liquidation needs to be authorized as well. Please ensure the cheque is placed to the same bank, with correct PDC code selected in the system.
- Do not send any single cheque/PO to collection service for placement. Place the cheque to IDLC designated bank account and mail to collection service.

If you receive any cheque that cannot be placed in due time if it is couriered to collection service, coordinate with collection service/ operations for ensuring best

#### **2.1.7. Process Flow:**

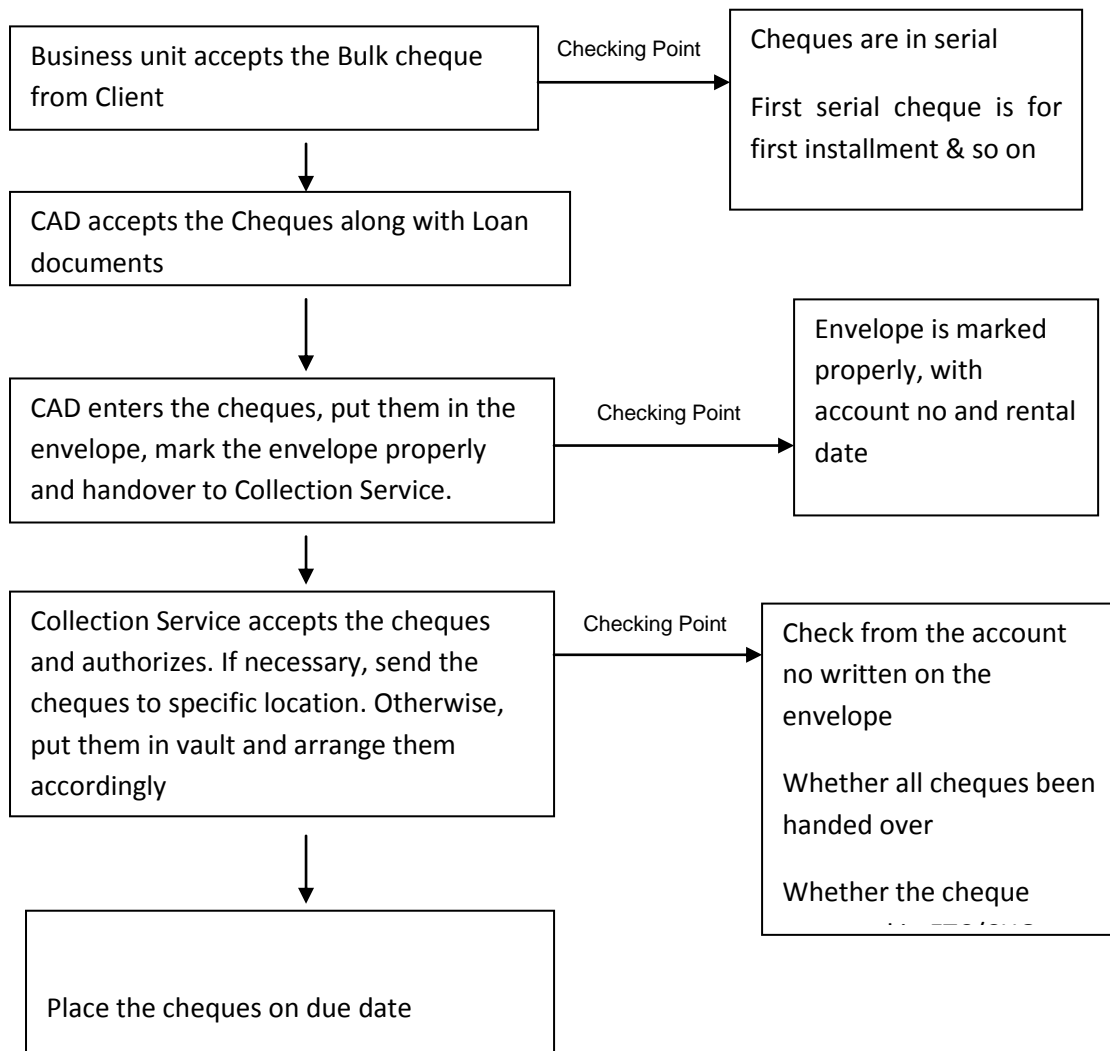
The following pages show the process flow for the major activities in PDC management, that is:

- Single Cheque Processing
- Bulk Cheque processing
- Retain the cheque
- Re deposit of the cheque
- Change of activation date of cheques

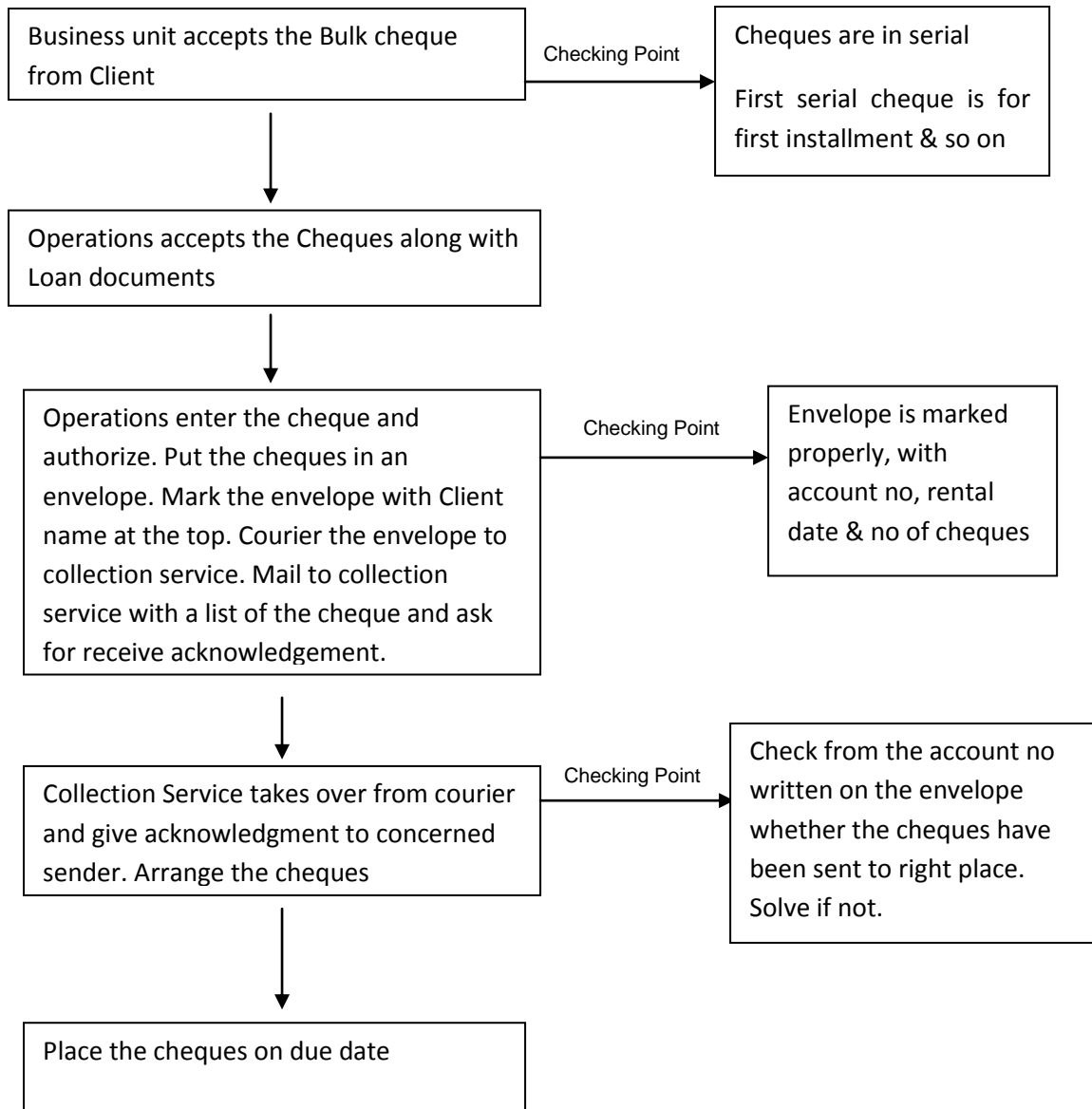
The users at each stage are responsible to follow the process flow very minutely, with a clear understanding of the inherent risk of every action



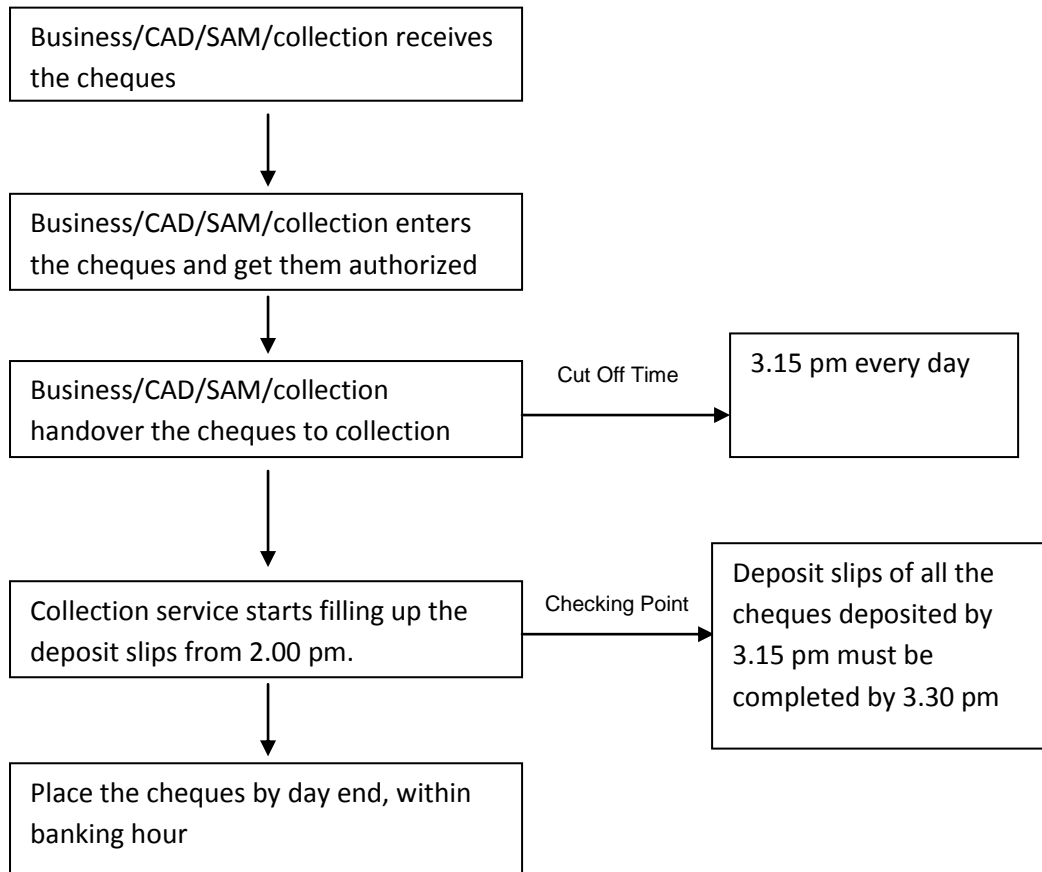
### BULK PDC Processing Through CHO & ETC



**BULK PDC Processing through Branches where no collection service is available**



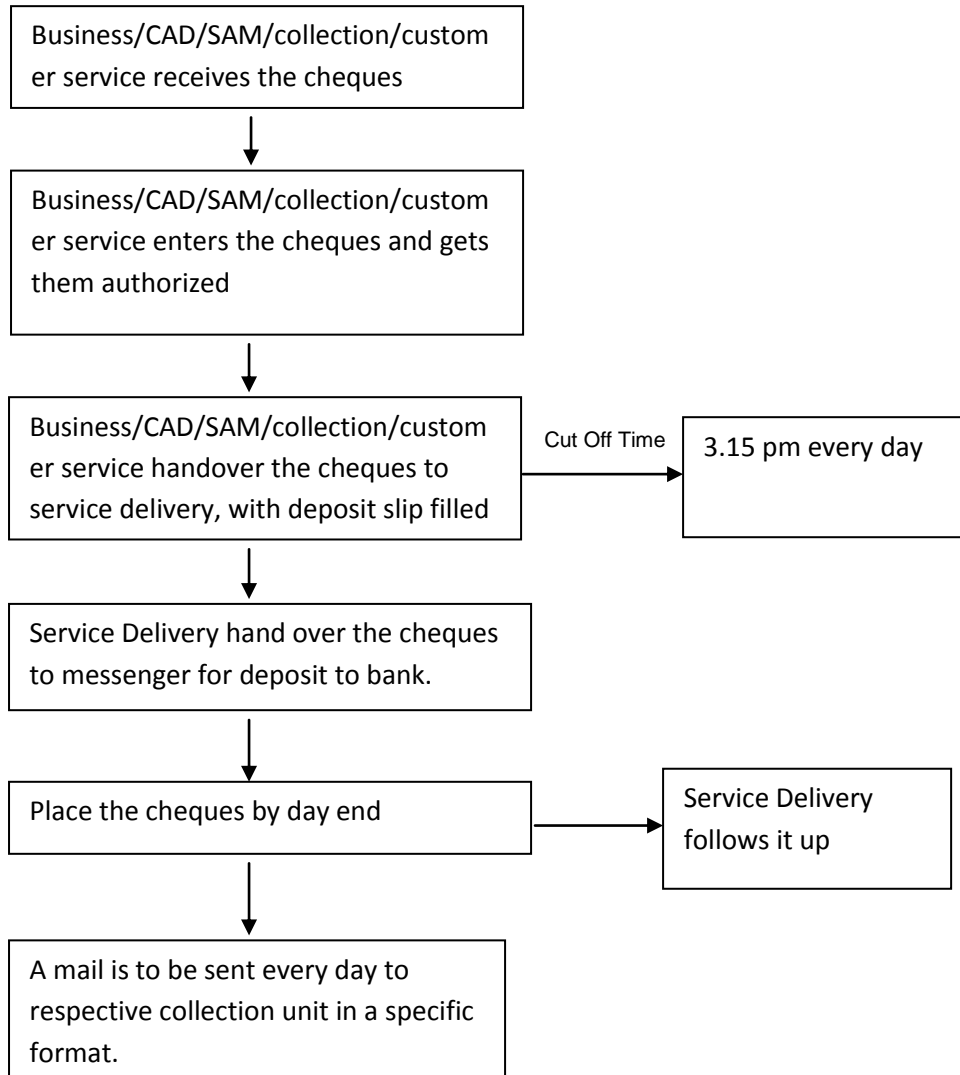
### Single Cheque Processing through CHO/ETC



#### Special Note:

- If Business/CAD/Collection/SAM cannot handover a cheque by 3.15 pm, but can be deposited to bank by banking hour, they will get it deposited by themselves, ensuring entry and authorization. After that, handover the deposit slip to Collection service by 5.00 pm.
- If Business/CAD/Collection/SAM receives a cheque that cannot be deposited to bank by the day end, they will give entry with activation date as per physical process. They will keep the cheque with them and handover to collection service next day.

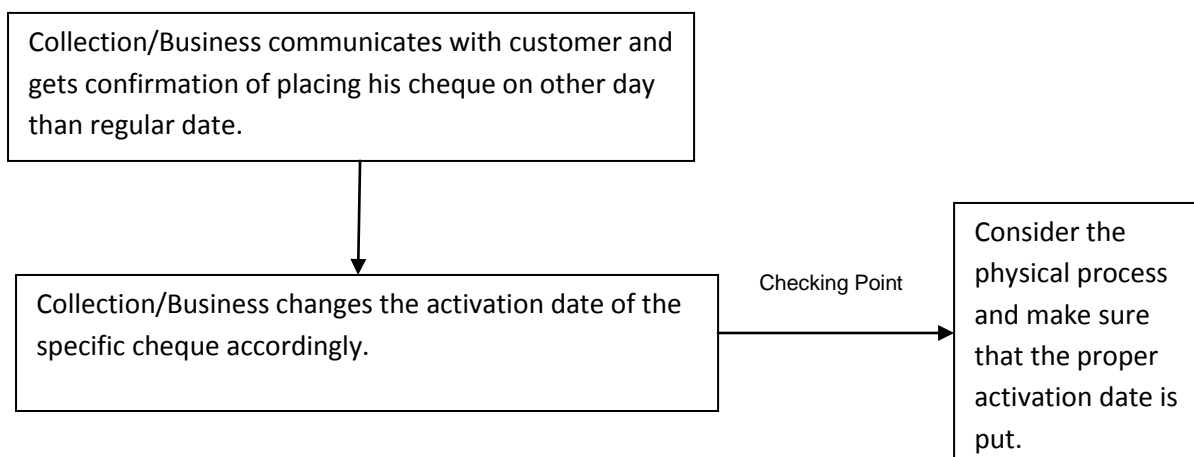
### Single Cheque Processing through Branch



#### Special Note:

- If Business/CAD/Collection/SAM cannot handover a cheque by 3.15 pm, but can be deposited to bank by banking hour, they will get it deposited by themselves, ensuring entry and authorization. After that, handover the deposit slip to Customer service by 5.00 pm.
- If Business/CAD/Collection/SAM receives a cheque that cannot be deposited to bank by the day end, they will give entry with activation as per physical process. They will keep the cheque with them and handover to customer service next day.

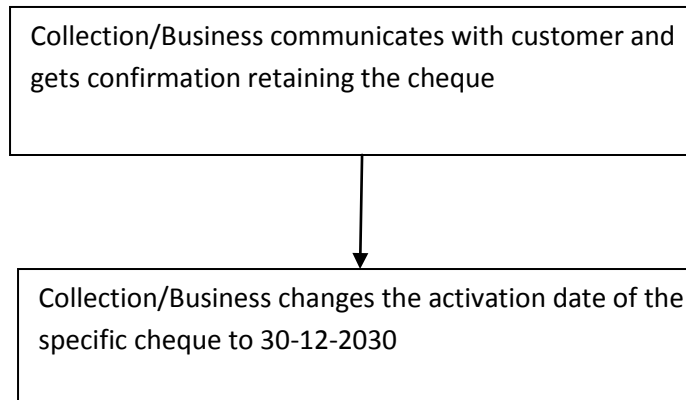
### **Change the activation date of a cheque**



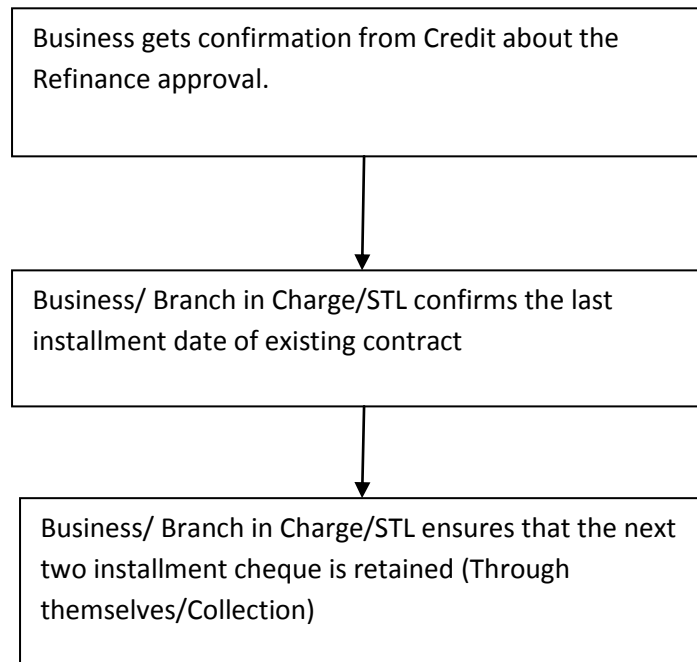
#### **Special Note:**

- Change of activation date is to be done at least two days before current activation date
- Any Change in activation date must be mailed to concerned collection service within 5.00 pm

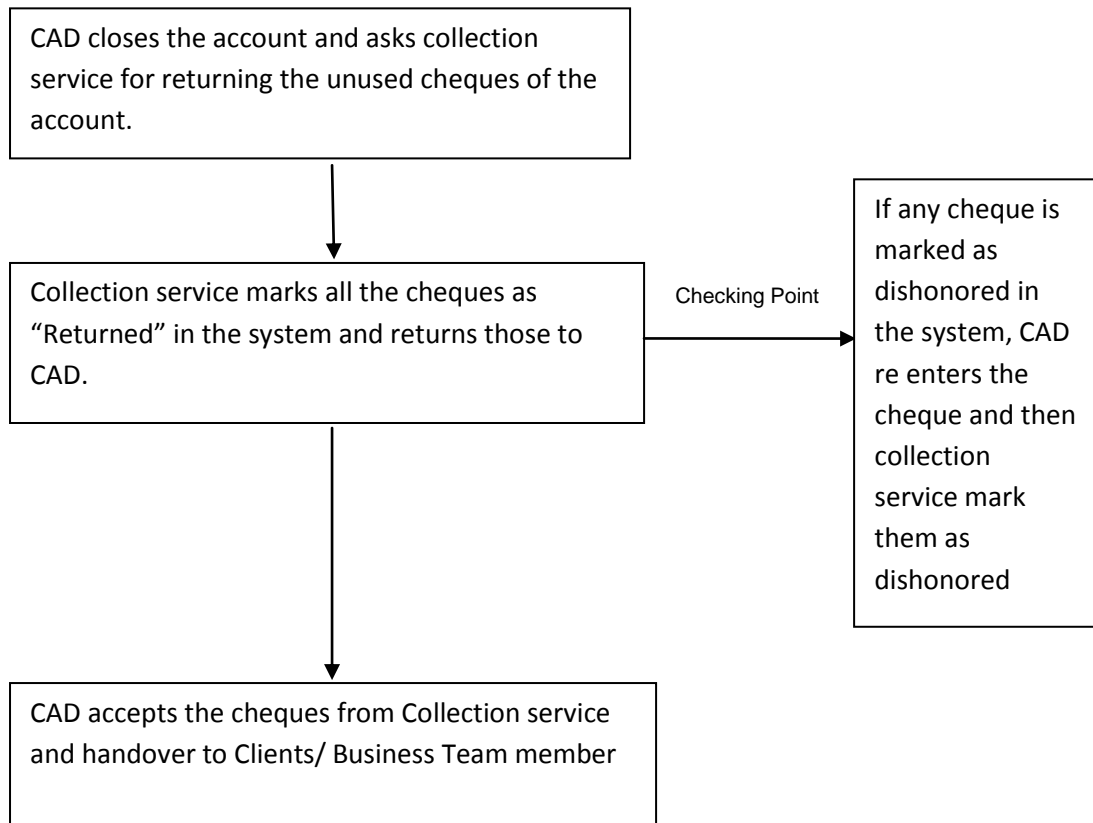
### **Retention of a cheque**



### **Retention of Re Finance Accounts Cheque**



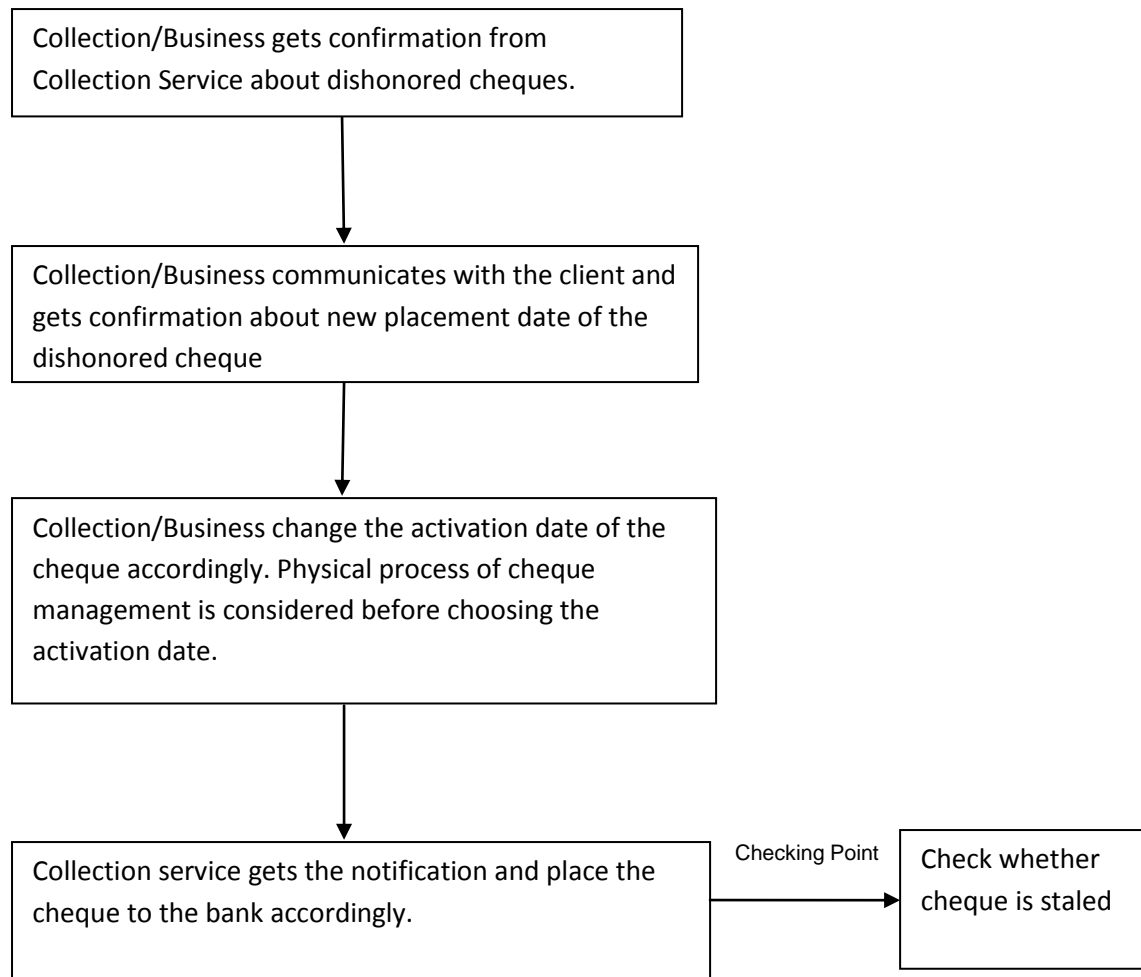
### Return of Cheques



### Special Note:

In no way, a cheque will be returned without marking it properly in the system

### Re-Deposit of a Cheque



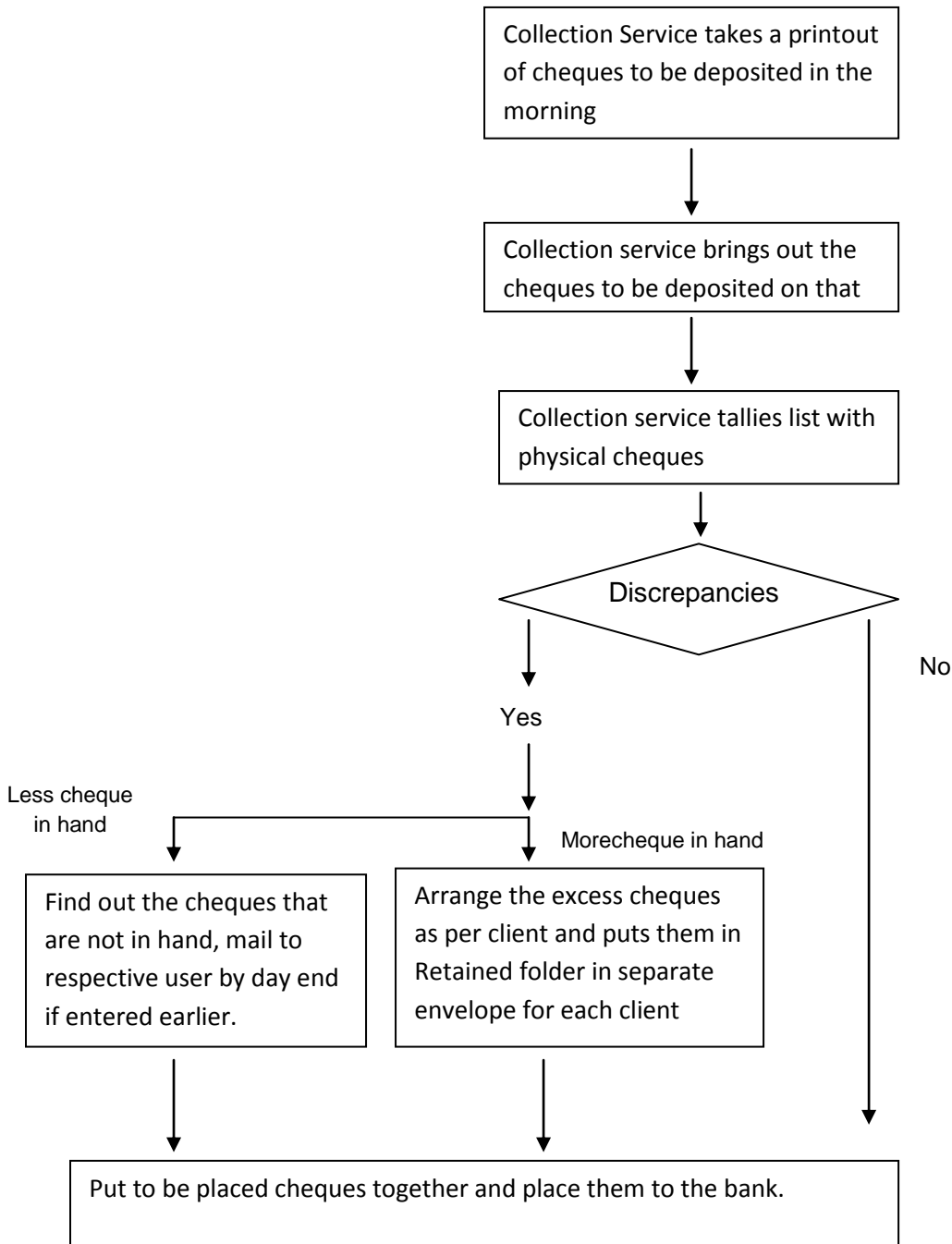
#### **Special Note:**

- Citi Bank NA returns the cheque on the next morning of clearing date. But other bank does not maintain this. So while re-deposit any cheque that was not placed in Citi Bank, user must be aware of the physical location of the cheque.
- Any Change in activation date must be mailed to concerned collection service within 5.00 pm.



**PDC Management- Collection Service Team**

**Cheque Placement on daily basis**



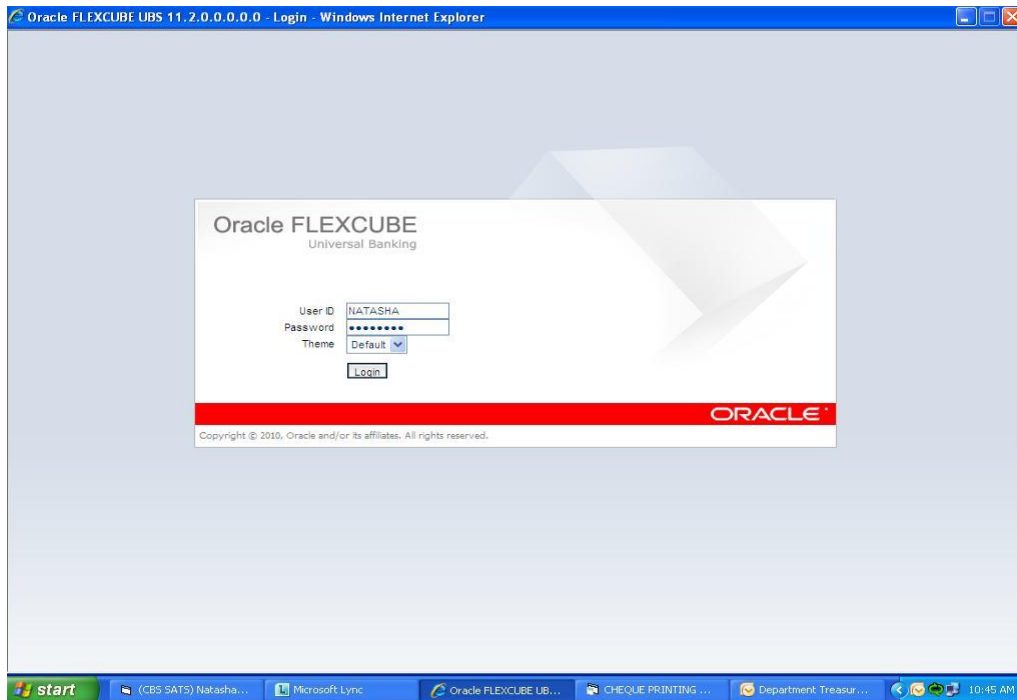
### System Operational Manual

Activity name	<b>PDC Management</b>		
Objective of the activity	To provide all types of cheques / Cash clearing services		
Risk in the activity	This will enable users to use fund which is physically not clear & any human error may result clearing information update in system wrongly.		
Risk control mechanism	Comprehensive and through training, creating user awareness & daily reconciliation, especially for cash deposit.		
Frequency of Activity	On a daily basis		
Brief Description	Process flow for different activities like Post datedCheque entry, Single cheque entry, bulk cheque entry, redeposit, Cash deposit, return & retain mark, dishonor mark, cheque deposit, liquidate, release & authorization, reconciliation of various bank statement against standing instruction & TD opening.		
<b>SL</b>	<b>Process Description</b>	<b>Process Owner</b>	<b>Evidence</b>
1	Receive post datedcheques from I) SME-CAD ii) MEF, iii) CD-CAD iv) SME-CRM in different branches.	PDC	Physical document & Mail
2	After receiving the cheques different from areas, we maintain our cheques custody according to client name, contract number & bank name.	PDC	Physical Cheques
3	To keep single various cheques in our custody as a cheque to be place.	PDC	Physical Cheques& mail
4	Find out the cheques from different inventory area, deposit mark in the system and place it to the Bank & Send mail to Bank with deposited cheques list attachment.	PDC	Deposit Module
5	These banks, place our cheques in the clearing house. For the processing, fund is credited to our bank account. We receive mail from banks and updating the return mail in to the system and dishonor mark & authorize the cheques as per statement indication manually.	PDC	Flexcube& mail
6	Receive dishonor cheques with memo from banks which is included dishonoring reason and slot those cheques according to year & month.	PDC	Mail & Physical Cheques
7	To authorize the re-entry cheques (dishonor cheques) for redeposit this is informed by collection team.	PDC	Physical Cheques& mail

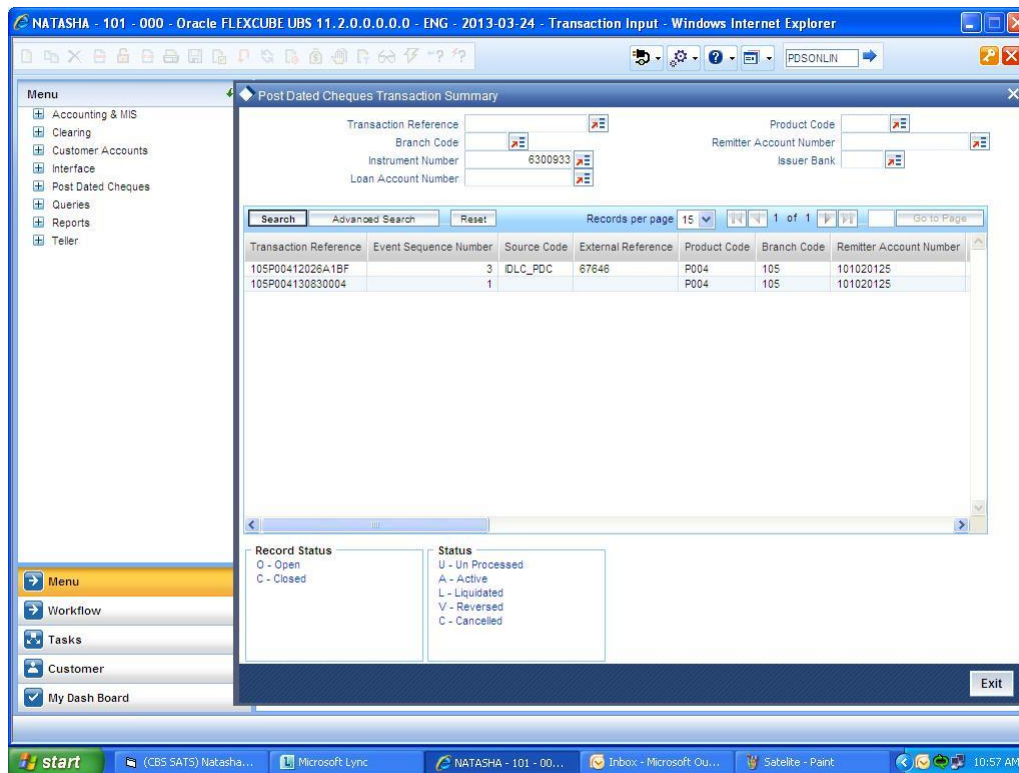
<b>8</b>	When TD team wants to balance available in customer CASA within a short time, then we have to need fund liquidate & release manually in our system	PDC	Flexcube& mail
<b>9</b>	<b><u>Factoring:</u></b> We receive various bank statements on the following day and mark the funds accordingly as clear or dishonor. As per PDC team confirmation, SFD (factoring) continues their process.	PDC	Satellite software & bank statements
<b>10</b>	<b>Return &amp; retain mark:</b> <ul style="list-style-type: none"> <li>• When a client wants to get his physical cheque in terms of cash paid or close contract with IDLC, then we need to close that cheques in flexcube.</li> <li>• Change of activation date is to be done at least two days before current activation date; Any Change of activation date must be mailed to concerned collection people.</li> </ul>	PDC	Flexcube& mail
<b>11</b>	As per IDLC's clearing bank statements, we confirm the corporate division for their related SI (standing Instruction).	PDC & Corporate	Mail
<b>12</b>	For smooth disbursement, PDC team involves with liquidate, release & authorize for their insurance & loan processing fees	SME & PDC	Deposit slip & mail
<b>13</b>	For foreclosing client, PDC team checks & confirm client's profile	PDC & SME-CAD	Mail & physical cheques
<b>14</b>	To assist the account department for proper reconciliation.	PDC & Accounts	Mail & Deposit slip
<b>15</b>	Ensure the various department for clearing product & report.	PDC	Mail
<b>16</b>	End of the day, PDC team preserve all deposit slip, print the daily deposit, banks statement, Citi NA return mail& keep a separate file properly.	PDC	Separate file

## System Implementation (Screenshots)

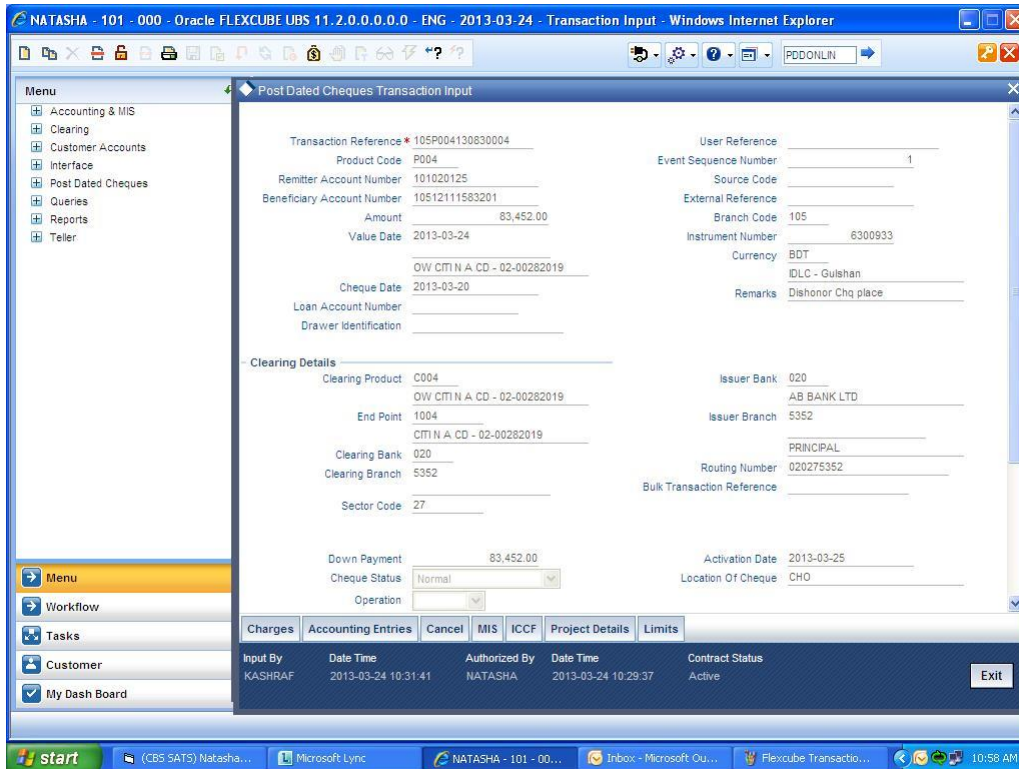
### Interface of our Core Banking Software (FLEXCUBE)



### Transaction Module of Post Dated Cheques



## Transaction Module (Single Cheque Information)



NATASHA - 101 - 000 - Oracle FLEXCUBE UBS 11.2.0.0.0.0 - ENG - 2013-03-24 - Transaction Input - Windows Internet Explorer

Menu: Accounting & MIS, Clearing, Customer Accounts, Interface, Post Dated Cheques, Queries, Reports, Teller

Post Dated Cheques Transaction Input

Transaction Reference \* 105P004130830004  
Product Code P004  
Remitter Account Number 101020125  
Beneficiary Account Number 10512111583201  
Amount 83,452.00  
Value Date 2013-03-24  
Cheque Date 2013-03-20  
Loan Account Number  
Drawer Identification

User Reference  
Event Sequence Number 1  
Source Code  
External Reference  
Branch Code 105  
Instrument Number 6300933  
Currency BDT  
IDLC - Gulshan  
Remarks Dishonor Chq place

Clearing Details  
Clearing Product C004  
End Point 1004  
Clearing Bank 020  
Clearing Branch 5352  
Sector Code 27

Issuer Bank 020  
AB BANK LTD  
Issuer Branch 5352  
PRINCIPAL  
Routing Number 020275352  
Bulk Transaction Reference

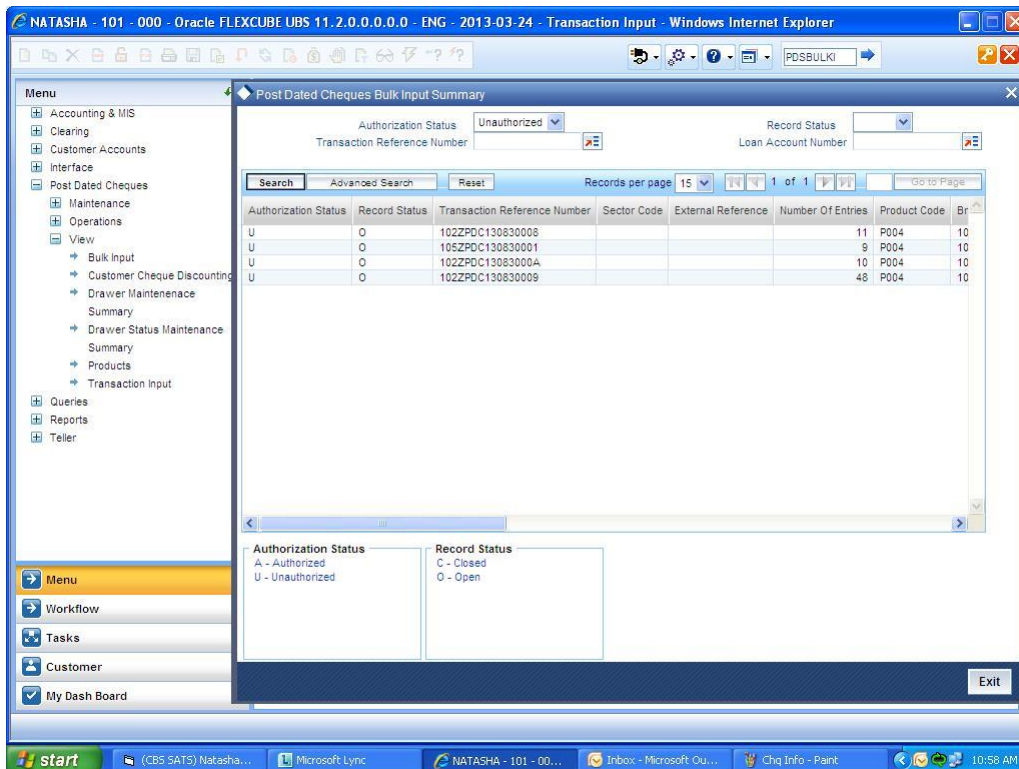
Down Payment 83,452.00  
Cheque Status Normal  
Operation  
Activation Date 2013-03-25  
Location Of Cheque CHO

Charges Accounting Entries Cancel MIS ICCF Project Details Limits

Input By KASHRAF Date Time 2013-03-24 10:31:41 Authorized By NATASHA Date Time 2013-03-24 10:29:37 Contract Status Active

start (CBS SATS) Natasha... Microsoft Lync NATASHA - 101 - 00... Inbox - Microsoft Ou... Flexcube Transactio... 10:58 AM

## Transaction Module (Bulk Cheque Authorization)



NATASHA - 101 - 000 - Oracle FLEXCUBE UBS 11.2.0.0.0.0 - ENG - 2013-03-24 - Transaction Input - Windows Internet Explorer

Menu: Accounting & MIS, Clearing, Customer Accounts, Interface, Post Dated Cheques, Maintenance, Operations, View, Bulk Input, Customer Cheque Discounting, Drawer Maintenance, Summary, Drawer Status Maintenance, Summary, Products, Transaction Input, Queries, Reports, Teller

Post Dated Cheques Bulk Input Summary

Authorization Status Unauthorized  
Record Status  
Transaction Reference Number  
Loan Account Number

Search Advanced Search Reset Records per page 15 1 of 1 Go to Page

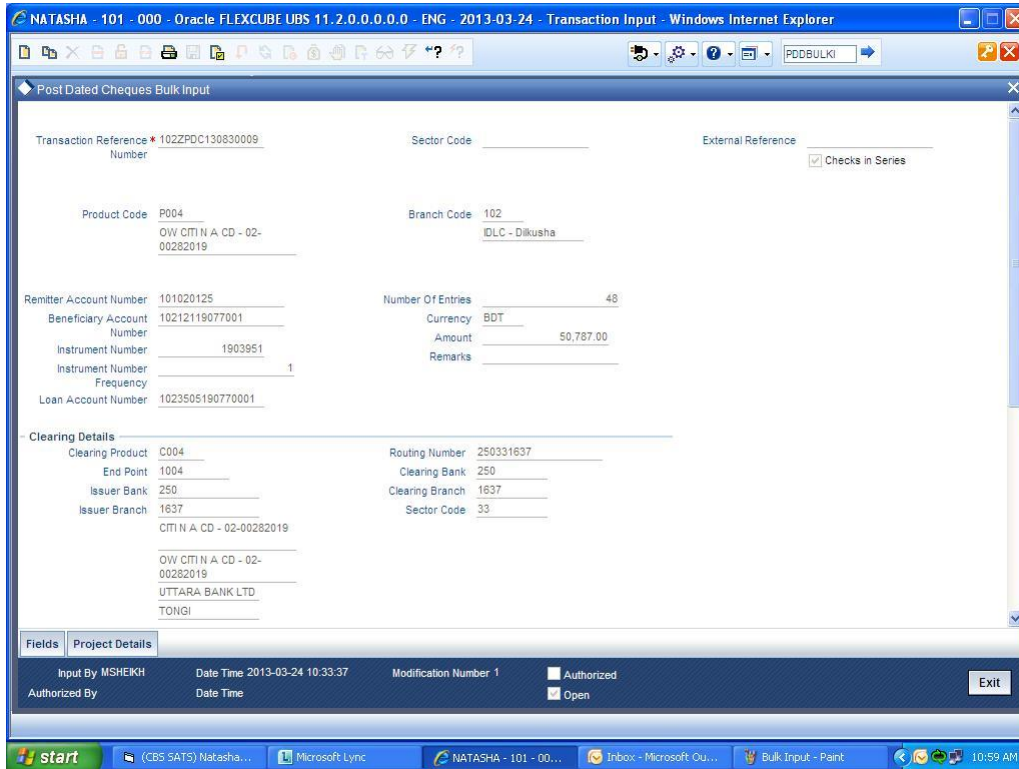
Authorization Status	Record Status	Transaction Reference Number	Sector Code	External Reference	Number Of Entries	Product Code	Br
U	O	102ZPDC130830008			11	P004	10
U	O	105ZPDC130830001			9	P004	10
U	O	102ZPDC13083000A			10	P004	10
U	O	102ZPDC130830009			48	P004	10

Authorization Status  
A - Authorized  
U - Unauthorized

Record Status  
C - Closed  
O - Open

start (CBS SATS) Natasha... Microsoft Lync NATASHA - 101 - 00... Inbox - Microsoft Ou... Chq Info - Paint 10:58 AM

## Transaction Module (Bulk Cheque Information)



**Post Dated Cheques Bulk Input**

Transaction Reference \* 102ZPDC130830009  
Number

Sector Code \_\_\_\_\_ External Reference \_\_\_\_\_  
 Checks in Series

Product Code P004  
OW CITI N A CD - 02-00282019

Branch Code 102  
IDLC - Diluksha

Remitter Account Number 101020125  
Beneficiary Account Number 10212119077001  
Instrument Number 1903951  
Instrument Number Frequency 1  
Loan Account Number 1023505190770001

Number Of Entries 48  
Currency BDT  
Amount 50,787.00  
Remarks \_\_\_\_\_

**Clearing Details**

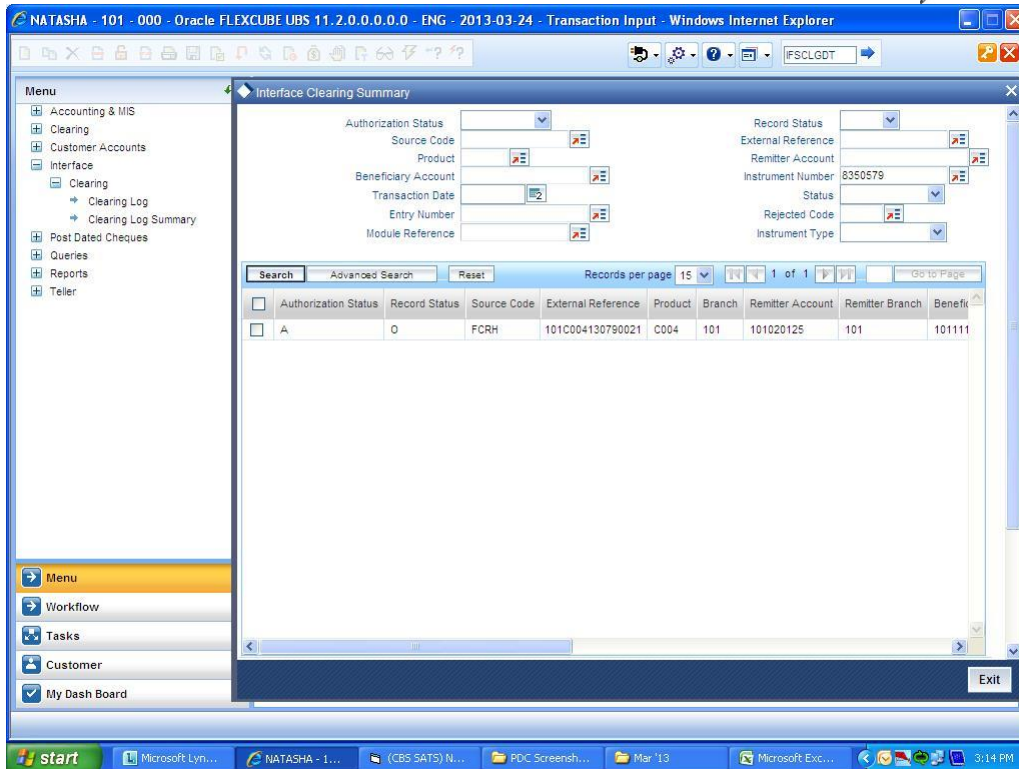
Clearing Product C004  
End Point 1004  
Issuer Bank 250  
Issuer Branch 1637  
CITI N A CD - 02-00282019

Routing Number 250331637  
Clearing Bank 250  
Clearing Branch 1637  
Sector Code 33  
OW CITI N A CD - 02-00282019  
UTTARA BANK LTD  
TONGI

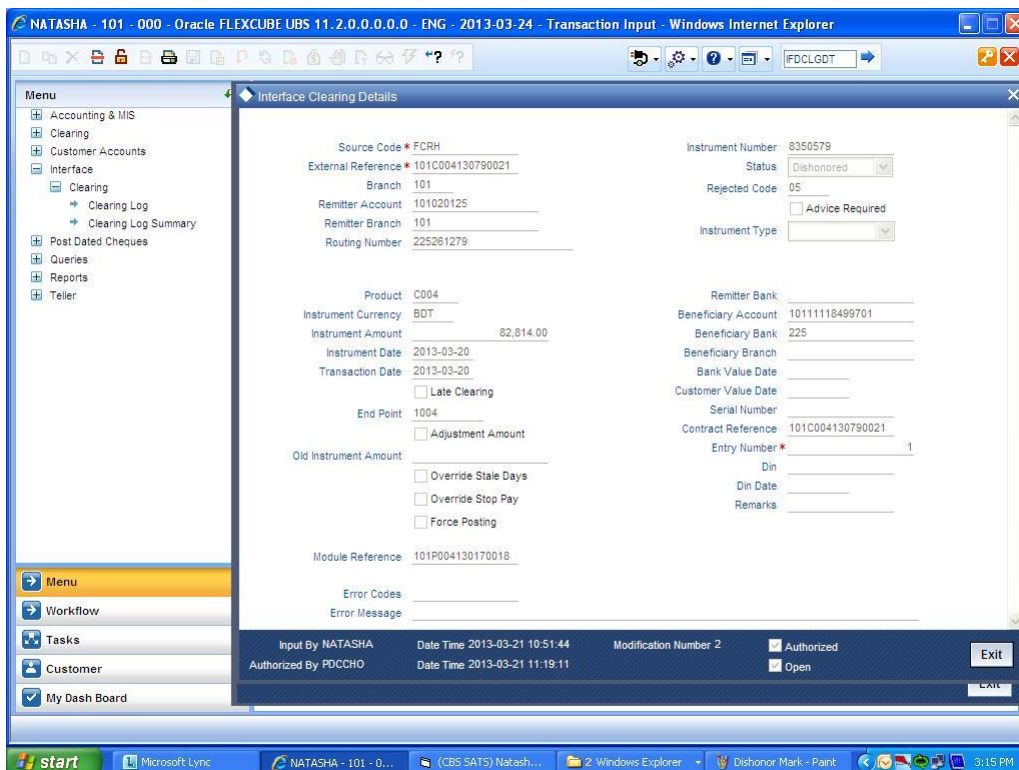
**Fields** **Project Details**

Input By MSHEKH Date Time 2013-03-24 10:33:37 Modification Number 1  Authorized  
Authorized By Date Time  Open

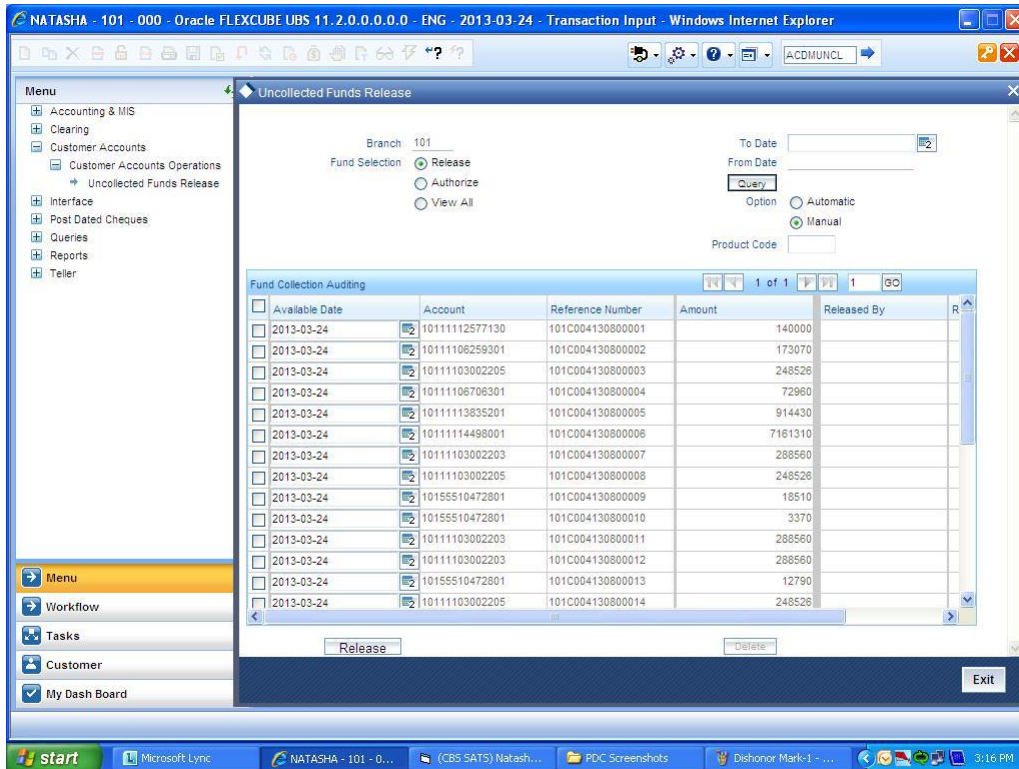
## Transaction Module (Dishonor Marking)



## Transaction Module (Dishonor Marking)



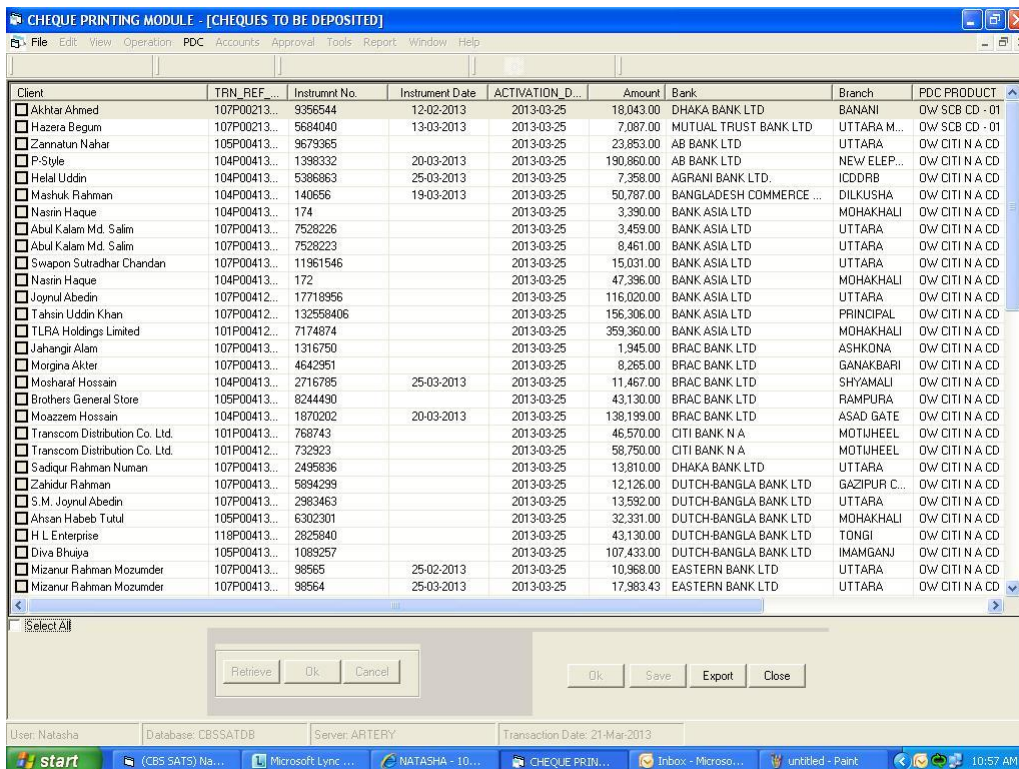
## Transaction Module (Uncollected Fund Release)



The screenshot shows the Oracle FLEXCUBE Transaction Input interface in a Windows Internet Explorer browser. The window title is "NATASHA - 101 - 000 - Oracle FLEXCUBE UBS 11.2.0.0.0.0 - ENG - 2013-03-24 - Transaction Input - Windows Internet Explorer". The main menu on the left includes Accounting & MIS, Clearing, Customer Accounts, Interface, Post Dated Cheques, Queries, Reports, and Teller. The "Uncollected Funds Release" module is active, showing a "Fund Collection Auditing" table with columns for Available Date, Account, Reference Number, Amount, and Released By. The table contains 14 rows of data for the date 2013-03-24. The interface also includes fields for Branch (101), Fund Selection (Release), To Date, From Date, Option (Automatic/Manual), and Product Code. Buttons for Release, Delete, and Exit are visible at the bottom.

Available Date	Account	Reference Number	Amount	Released By
2013-03-24	10111112577130	101C004130800001	140000	
2013-03-24	10111108259301	101C004130800002	173070	
2013-03-24	10111103002205	101C004130800003	248526	
2013-03-24	10111106706301	101C004130800004	72960	
2013-03-24	10111113835201	101C004130800005	914430	
2013-03-24	10111114498001	101C004130800006	7161310	
2013-03-24	10111103002203	101C004130800007	288560	
2013-03-24	10111103002205	101C004130800008	248526	
2013-03-24	10155510472801	101C004130800009	18510	
2013-03-24	10155510472801	101C004130800010	3370	
2013-03-24	10111103002203	101C004130800011	288560	
2013-03-24	10111103002203	101C004130800012	288560	
2013-03-24	10155510472801	101C004130800013	12790	
2013-03-24	10111103002205	101C004130800014	248526	

## IISAF-Satelite Software (Cheque Deposit Module)



The screenshot shows the CHEQUE PRINTING MODULE - [CHEQUES TO BE DEPOSITED] interface. The window title is "CHEQUE PRINTING MODULE - [CHEQUES TO BE DEPOSITED]". The interface displays a table with columns for Client, TRN\_REF, Instrument No., Instrument Date, ACTIVATION\_D..., Amount, Bank, Branch, and PDC PRODUCT. The table contains 28 rows of data. The interface also includes a menu bar (File, Edit, View, Operation, PDC, Accounts, Approval, Tools, Report, Window, Help) and a status bar at the bottom showing User: Natasha, Database: CBSATDB, Server: ARTERY, and Transaction Date: 21-Mar-2013. Buttons for Retrieve, Ok, Cancel, Save, Export, and Close are visible.

Client	TRN_REF	Instrument No.	Instrument Date	ACTIVATION_D...	Amount	Bank	Branch	PDC PRODUCT
Akhtar Ahmed	107P00213...	9356544	12-02-2013	2013-03-25	18,043.00	DHAKA BANK LTD	BANANI	DW SCB CD - 01
Hazera Begum	107P00213...	5684040	13-03-2013	2013-03-25	7,087.00	MUTUAL TRUST BANK LTD	UTTARA M...	DW SCB CD - 01
Zannatun Nahar	105P00413...	9679365		2013-03-25	23,853.00	AB BANK LTD	UTTARA	DW CITI N A CD
P-Style	104P00413...	1398332	20-03-2013	2013-03-25	190,860.00	AB BANK LTD	NEW ELEP...	DW CITI N A CD
Helal Uddin	104P00413...	5366863	25-03-2013	2013-03-25	7,358.00	AGRANI BANK LTD.	ICDDR	DW CITI N A CD
Mashuk Rahman	104P00413...	140656	19-03-2013	2013-03-25	50,787.00	BANGLADESH COMMERCE ...	DILKUSHA	DW CITI N A CD
Nasrin Haque	104P00413...	174		2013-03-25	3,390.00	BANK ASIA LTD	MOHAKHALI	DW CITI N A CD
Abul Kalam Md. Salim	107P00413...	7528226		2013-03-25	3,459.00	BANK ASIA LTD	UTTARA	DW CITI N A CD
Abul Kalam Md. Salim	107P00413...	7528223		2013-03-25	8,461.00	BANK ASIA LTD	UTTARA	DW CITI N A CD
Swapon Sutradhar Chandan	107P00413...	11961546		2013-03-25	15,031.00	BANK ASIA LTD	UTTARA	DW CITI N A CD
Nasrin Haque	104P00413...	172		2013-03-25	47,396.00	BANK ASIA LTD	MOHAKHALI	DW CITI N A CD
Joyrul Abedin	107P00412...	17718956		2013-03-25	116,020.00	BANK ASIA LTD	UTTARA	DW CITI N A CD
Tahsin Uddin Khan	107P00412...	132558406		2013-03-25	156,306.00	BANK ASIA LTD	PRINCIPAL	DW CITI N A CD
TLRA Holdings Limited	101P00412...	7174874		2013-03-25	399,360.00	BANK ASIA LTD	MOHAKHALI	DW CITI N A CD
Jahangir Alam	107P00413...	1316750		2013-03-25	1,945.00	BRAC BANK LTD	ASHKONA	DW CITI N A CD
Morgina Akter	107P00413...	4642951		2013-03-25	8,265.00	BRAC BANK LTD	GANAKBARI	DW CITI N A CD
Mosharaf Hossain	104P00413...	2716785	25-03-2013	2013-03-25	11,467.00	BRAC BANK LTD	SHYAMALI	DW CITI N A CD
Brothers General Store	105P00413...	8244490		2013-03-25	43,130.00	BRAC BANK LTD	RAMPURA	DW CITI N A CD
Moazzem Hossain	104P00413...	1870202	20-03-2013	2013-03-25	138,199.00	BRAC BANK LTD	ASAD GATE	DW CITI N A CD
Transcom Distribution Co. Ltd.	101P00413...	768743		2013-03-25	46,570.00	CITI BANK N A	MOTJUHEEL	DW CITI N A CD
Transcom Distribution Co. Ltd.	101P00412...	732923		2013-03-25	58,750.00	CITI BANK N A	MOTJUHEEL	DW CITI N A CD
Sadiqur Rahman Numan	107P00413...	2495836		2013-03-25	13,810.00	DHAKA BANK LTD	UTTARA	DW CITI N A CD
Zahidur Rahman	107P00413...	5894299		2013-03-25	12,126.00	DUTCH-BANGLA BANK LTD	GAZIFUR C...	DW CITI N A CD
S.M. Joyrul Abedin	107P00413...	2983463		2013-03-25	13,592.00	DUTCH-BANGLA BANK LTD	UTTARA	DW CITI N A CD
Ahsan Habel Tutul	105P00413...	6302301		2013-03-25	32,331.00	DUTCH-BANGLA BANK LTD	MOHAKHALI	DW CITI N A CD
H L Enterprise	118P00413...	2825840		2013-03-25	43,130.00	DUTCH-BANGLA BANK LTD	TONGI	DW CITI N A CD
Divya Bhujya	105P00413...	1089257		2013-03-25	107,433.00	DUTCH-BANGLA BANK LTD	IMAMGANJ	DW CITI N A CD
Mizanur Rahman Mozumder	107P00413...	98565	25-02-2013	2013-03-25	10,368.00	EASTERN BANK LTD	UTTARA	DW CITI N A CD
Mizanur Rahman Mozumder	107P00413...	98564	25-03-2013	2013-03-25	17,983.43	EASTERN BANK LTD	UTTARA	DW CITI N A CD



## CHAPTER THREE

### **Problems related to Post Dated Cheque Management**

- With the growing number of clients in different product category of IDLC, the number of post dated cheques received is increasing immensely day by day. But number of personnel assigned for doing the job remains the same. Therefore, work pressure has been increasing proportionately at the same time. Meanwhile, dependency in branch level shortens the efficiency in service management sometimes as there are no separate personnel for PDC Management at branch level.
- With the implementation of new core Banking Software FLEXCUBE, sometimes PDC Management personnel face problem to operate the system. Due to the increasing number of Post Dated Cheque entry into the system, the database requires holding and generating a vast number of information of different clients' payment and overdue adjustment which sometimes results in low response time. It hampers the efficiency of PDC Team personnel by consuming more time to solve the system related issues.
- Currently several process improvement and re-engineering process are going on in PDC Management, for example - Concept of Electronic Fund Transfer has been introduced which is in implemented currently in case of crediting Loan funds to Customer account. Furthermore, it is yet to be implemented as a replacement of Post Dated Cheque from Customer account to IDLC's corporate account. With the successful implementation of BEFTN in near future, the number of post dated cheque will be diminished to a greater extent. This will lead to an optimized service timing and enhance the service quality.
- From the very beginning, all information related to PDCs' had been stored and executed through IDLC's internal Software IISAF-Satelite Module. When core Banking Software FLEXCUBE was introduced by the end of Feb '12, all data was migrated into the new software. This leads to a data duplication as well as redundancy or mismatch between the two different systems. Therefore, sometime PDC Management personnel have to verify information by cross-checking into both systems for Accounts Reconciliation as required.

## CHAPTER FOUR

### **Recommendations**

The findings of the report have explored some areas where crucial steps can be recommended to avoid as well as enabling the services to a greater efficiency level and hence smoothing the operations. They are as follows:

- Separate PDC Management personnel should be assigned at branch level. Due to the deficiency of such personnel, daily deposit report from the branches often arrives late and the process needs to be followed up often.
- PDC Management processes should be standardized in all branches. Like the outside branches of Dhaka i.e. Chittagong, Bogra, Sylhet, Comilla etc and documentation should be also preserved.
- With the immense growth of business, numbers of clients as well as post dated cheques are increasing at an alarming rate which requires for additional storage space. Meanwhile, process of disposal or omission of dishonored and stale cheques should also be taken.
- Due to the increasing number of Clients' information, the system seems to be responding at a higher output time which leads to lower efficiency level and constraint in time management. Therefore, corrective measures should be taken to speeding up the system.

## **Conclusions**

In service oriented organization, Back-office Operations are the crucial part for smooth functioning of Business Operations. It is such an area where Management is concerned with overseeing, designing and controlling the processes of Business Operations in the production of services. It involves the responsibility of ensuring that the business operations are efficient in terms of as few resources as needed and effective in terms of meeting customer requirements.

In IDLC, such Operations are divided into two wings: Credit Administrations Operations and Service Delivery. Core Credit Administration functions include Loan Sanctioning, Approvals, and Disbursement etc where Service Delivery acts as an intermediary service path between Clients and Credit Admin Officials. Service Delivery includes Front-Office Client Services, Liability Operations and PDC Management.

PDC Management processes are optimized and well-structured and don't require much elaboration. But it is very sophisticated and constrained in timing and system adjustment terms. Because, even a single day adjustment delay will lead to discrepancy in Client Overdue Adjustment which will result in Loan/Deposit Payment deviation. Meanwhile, incorrect entries or dishonor marking errors may result in Loan adjustment deviation as well as lead to Reconciliation problems which will result in inconsistency in Clients' and Company portfolio.

During my working period, I have scarcely noticed such inconsistency or major reconciliation problems. Management has a strong supervision and monitoring over PDC Management Team and the personnel are also very efficient in performance and time management. So end of the day or month, there remains hardly any backlogs or Reconciliation problems. Day to day adjustments are made to avoid this hassle and corrective measures are taken by. All these in combination produced and nurtured me with a great experience for my further career development and helped me to learn many Important factors.

## References:

- PDC Management Manuals
- Annual Report 2013, The Hong Kong and Shanghai Banking Corporation Limited
- Internal Records
- **Interviews:**
  - Tareq Ahmed, Manager of Service Delivery
  - Sarker Md. Ismail, Officer, PDC Management
  - Natasha Kader, Officer, PDC Management
  - NafiulNadim, Assistant Officer, PDC Management
  - MohibbulHasan, Officer, Operations
- Internal Websites, IDLC ([www.idlc.com](http://www.idlc.com))