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Circular Gen/CBS/1/2009-10

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Circular to all Branches/Offices

Core Banking Solutions

At the outset, it is time for every one of you to take pride in what you have achieved. You have migrated to Core Banking Solutions, one of the biggest RRBs in the Country, to Core Banking Solutions. Although the time frame was short and computer awareness among our staff was at minimum level, you have embraced the new technology with open mind, which will

- (a) create a level-playing field and change the face of APGVB in the eyes of public
- (b) open up new opportunities for business expansion and improving bottom-line by leveraging technology-oriented products and services like ATMs, RTGS (transfer of funds to other Banks), mobile banking etc.
- (c) ensure uniform systems and procedures and technology
- (d) facilitate changing the life style of the staff – from doing business in traditional way to doing business in modern and tech-savvy way.
- (e) set new standards of customer service and increase the customer base.

We salute all the staff members for contributing to this land-mark achievement.

The process in CBS is distinctly different from the previous stand alone software. All staff members have to learn and understand the process and features of CBS to be able to operate efficiently under the new environment.

We are in the process of issuing series of circulars containing instructions including “how-to-operate” type of illustrations / examples.

To begin with, we are laying down the procedure for reconciliation of Suspense Accounts.

Reconciliation of Suspense Accounts

It is imperative to understand the various transactions in suspense accounts at the branches in Core Banking Solutions before carrying out the rectifications. At some of the branches in Core Banking Solutions, there are a few entries ended up in the suspense accounts at the End of the Day. This is due to failure of the transactions authorized at the branch to reach the logical end and the amount involved in the transactions is parked in the various suspense accounts in order to tally the General Ledger Balances (trial balance of the Branch). The transactions that are authorized by the branches but fail to reach to their logical conclusion, are due to following reasons

- Time out of transactions at the Server end
- Power failure or

- Link failure (connectivity loss) etc.

The amount, therefore, parked in these suspense accounts, should be identified on the next day and carry out the rectification to facilitate the completion of the transaction.

Before we dwell upon the process involved in reconciliation of the Suspense Accounts, it is imperative to understand the concept of Branch General Ledger Accounts. There are two kinds of transactions in B@ncs24 software. They are

- Customer related Transactions
- Non Customer related Transactions

All Non Customer related Transactions are put through the Branch General Ledger Accounts

Branch General Ledger (BGL) Accounts

All Non Customer related transactions are put through the following Branch General Ledger Accounts. Branch General Ledger Accounts are Office accounts.

- Income Accounts
- Expense Accounts
- Sundry Deposit Account
- Suspense Accounts /IBIT/USROMD etc.

BGL Accounts are created by C-Edge and they are accessed from Home Branch only. BGL account is a 11 digit number, e.g. 98516BBBBBC, where

- '98516' represents Account Number;
- 'BBBBB' represents 5 digit Branch Code; and
- 'C' represents 1 Check Digit generated by the system

TYPES BGL ACCOUNTS:

There are three types of BGL Accounts. They are

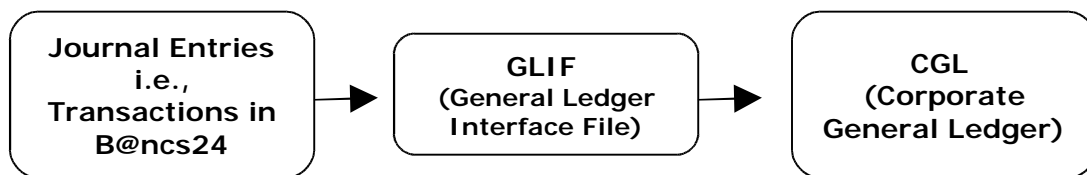
- Accounts where manual posting is done at front-end, e.g. Charges Accounts, etc
- Accounts where front-end posting is not needed, e.g. SD – Unidentified Credits Account.
- Reconciliation accounts. This type of BGL accounts are related to Branch Clearing general Ledger Account. A detailed circular is being issued in this regard.

CORPORATE GENERAL LEDGER (CGL)

Core Banking Software consists of two Accounting Packages (software applications) i.e.

- a) B@ncs24 and
- b) Finance One (CGL)
 - B@ncs24 takes care of individual Accounts, Customer Balances and transactions

- Finance One is the accounting package for CGL. This consolidates the Accounts and Transactions of all Branches in the Corporate General Ledger (CGL), on completion of transactions in B@ncs24 and EOD, at the Data Centre.
- The retail transactions are pushed to the CGL with parameters, which facilitate separation of data for reporting purpose to any level required viz., branch-wise, RO wise etc.
- CGL is used for generation of:
 - Weekly
 - P Report
 - Charges Analysis
 - Yearly Abstract
 - Other Annual Closing Returns etc.
- CGL also stores non-financial accounts through Memo Accounts.
- Every product and Account in the Branch is mapped to a 10-digit CGL Account Number.
- The individual transactions in B@ncs24 are consolidated and posted in the Corporate General Ledger (CGL) through an Interface called General Ledger Interface File (GLIF).



This process takes place every day after EOD.

General Ledger Interface File (GLIF)

General Ledger Interface File is the interface through which the entries relating to transactions in B@ncs24 are generated by the system for posting into FINANCE1(F-1), which is the Corporate General Ledger (CGL). The General Ledger Interface File is the sole source for entries into the FINANCE1 from B@ncs24.

During EOD of B@ncs24 at C-Edge, Mumbai, individual entries are dubbed Branch-wise and General Ledger Classification Code (GLCC)-wise, before being uploaded to FINANCE1 i.e., CGL.

Whenever the Transactions flowing into B@ncs24 are not accounted for in the respective CGL Head due to various reasons, the unaccounted amount involved in the transactions is parked in various suspense account to balance the General Ledger Balance of the branches. All such transactions are reported in GLIF for user intervention and rectification

Important Reports:

- a) GLCNTR – This report contains entries wise particulars in System Suspense accounts in FINANCE 1. The entries reported in the above report should be verified and carry out the rectifications to ensure that System Suspense account is Zero.
- b) VVR/GL daybook – VVR (called day book) contains all authorized entries of various customer (deposit/loan) accounts. The GL Day Book contains entries made in BGL accounts only.
- c) IN 0804 (List of intermediary and suspense account with Non Zero Balance) –The daily report lists all system suspense accounts in [B@ncs24](#) that should have a zero balance. Net total of all System Suspense accounts also appear in GLCNTR if it not equal to zero. The report is also available on demand .
- d) GLCOMP – This report shows difference between the [B@NCS24](#) balances and their corresponding balances in FINANCE 1 including the difference between BGL and CGL cash balances.
- e) Cash Report-0903: The report is made available to branches to balance their BGL/Physical cash balance with CGL of the day. The report is available Input teller wise and the branches should ensure that the cash drawer report is tallied with Cash report –0903.

Types of Suspense Accounts

The following are various suspense accounts available in [CGL](#) accounts

- BALANCING A/C – 1260505001
- TRANSFER BATCH SUSPENSE A/C - 126950500
- SYSTEM SUSPENSE A/C – 2148505001
- SUSPENSE A/C – 1111111111
- SD Unidentified:

1. CGL A/C – 1260505001 – BALANCING A/C OR TECHNICAL SUSPENSE A/C

“When an entry is posted in b@ncs24, there are chances that the entries may not be posted correctly. This CGL belongs to batch fail entry or any single sided entry due to power failure, connectivity loss. Balancing a/c is made nil by considering the details sent in GLIF to branches. BGL for balancing a/c is 99514 with which any wrong entries need to be rectified with correct BGL or customer account number”.

This is the intra branch (within the Branch) balancing account for balancing transfer transactions between two accounts of the same branch (generated automatically by the system.

If there is, however, balance in the account, it is due to failure of the transaction to reach its logical end on account of the following reasons and it requires appropriate single side entry

- a) Failure of Transfer batch

- b) Single side posting by Branch
- c) System errors and errors in posting done through trickle feed mechanism

The particular of such entries are reported in the GLCNTR report which is made available in the Branch Server on the next day.

Example:

Case-1: where **Both** debit and credit entries are **posted** successfully.

Debit A a/c for Rs.100.00	Credit a/c 1260505001	Rs.100.00
Credit B a/c for Rs.100.00	Debit a/c 1260505001	Rs.100.00
Balance in 1260505001 a/c is Zero .		

Case-2: Where Debit entry is successful but Credit entry is **Not** successful

Debit A a/c for Rs.100.00	Credit a/c 1260505001	Rs.100.00
Balance in 1260505001 a/c is Rs.100.00 (in credit).		

Case-3: Where Debit entry is **Not** successful and Credit entry is successful

Credit B a/c for Rs.100.00	Debit a/c 1260505001	Rs.100.00
Balance in 1260505001 a/c is Rs.100.00 (debit).		

Rectification is done as under, by passing the entries

NAVIGATION

BGLà Technical Suspense Rectificationà

- Select the appropriate Transaction Type (debit loan, credit deposit etc.)
- Fill the mandatory fields of account number, date and amount.
- Enter the particulars of the transaction and the reasons there of for carrying out the rectification for future reference to Auditors.
- Enter the particulars of transactions in the register (As per Annexure-I) under supervision of officer concerned.
- The rectification vouchers should be prepared and duly authorized by the appropriate officers for audit.

PRECAUTIONS

- Please ensure that batch transactions are authorized successfully before sending EOD signal.
- Please carry out the rectification immediately.
- Please verify and Check VVRs / GL Day-Books report on regular basis on the next day and pass the necessary entries to rectify the outstanding entries in the above mentioned suspense account.

2. TRANSFER BATCH SUSPENSE A/C - 1269505001

“When a credit entry in a batch is not posted completely due to any technical or human error while batch transferring; it goes into transfer batch suspense a/c. The BGL of this a/c is 99512. So any wrong entries in a batch go into 99512. Then reconciliation is done and correct batch is found out. Transfer batch suspense is made nil

from the branch level only. All details of the batch are given in GLIF to the branches to rectify it from their end".

This account deals with only credit entries in batch whereas Technical Suspense Account deals with debit or credit or single or batch entries.

3. SYSTEM SUSPENSE A/C - 2148505001

This CGL is linked or mapped with intermediary accounts such as

- *Inward Clearing(98543),*
- *Banker Cheque to be issued (98516),*
- *Trickle feed rejected a/c(98571),*
- *DD to be issued(98524)*

All the above intermediary accounts are to be zeroed (other than inward clearing) on daily basis. CGL generates report from b@ncs24 i.e. non-zero a/c which need to be checked daily to carry out the rectifications to ensure zero".

List of Non-Zero Intermediary / Suspense Account" (GL-0804-01) of the day will be received on the following day.

It is imperative that Zero balance should be ensured in these BGL accounts viz., 98516, 98571, 98524 before sending EOD signal.

The reasons, if any, for the outstanding in these a/cs and the procedure involved for rectification are given below.

Case-1

Draft(s)/Bankers Cheque(s) already printed and issued to the customer BUT 'Drafts/Bankers Cheques to be issued a/c' is having balances.

Corrective action

- Identify the entries where the amount has not gone to Drafts Issued a/c or Banker's Cheques a/c and in the Enquiry under the Inland Rupee Remittance the Status is Not 'Issued'
- Get the journal number & date of issue.
- Go to Inland Rupee remittance->Issue and use only 'Transmit' option.

Case-2

During the day Systems Suspense a/cs like Misc Batch, Others are used for temporary parking of Funds. But the reversal has not taken place leaving balance in these a/cs

Corrective action

- Verify the records, Reconcile the amounts and pass the contra entries.

Case-3

System Posts some transactions leaving balances in the systems suspense a/cs Like; Trickle field Rejected etc.

Corrective action

- Identify the failed transaction and transfer the balances to the respective a/c.

4. SUSPENSE A/C - 1111111111

Suspense account is a temporary arrangement to facilitate the balancing of General Ledger Balances.

“This CGL is related to Migration suspense or any other entry for which CGL or parameter is not set”.

This entry will be rectified by C-Edge (i.e. from GL team). Only migration related entries have to be reversed by the branch with BGL 99514. After bank has cleared migration suspense using 99514, C-edge team will reverse the entry to make suspense a/c Nil.

This account is affected in the following conditions:

- System parks the entry in this account, in case of erroneous GLCC is generated for any product or account in the transaction
- At the time of migration, when any product is not mapped to any CGL account or any parameter is not set
- When the transactions does not find correct GLCC (General Ledger Classification Code)
- Input errors by the User
- System errors

5. SD Unidentified – (CGL Account No: 2265505003)

This CGL account is related to only cash transactions and not transfer transactions. This CGL will have credit balances only . Any cash receipt failed, will hit to this CGL. The Branch has to verify the report and check the date wise entries along with a/c no. in the account statement to carry out rectification.

All these failed entries will land in BGL Account No: 98576 .This account will be reversed by debit the account with the outstanding entries and credit the same to respective account.

Branches will appreciate the importance of identifying the source transactions for all entries in Suspense Accounts and reverse them on priority basis.

It is, therefore, mandatory to:

- a) ensure that all System Suspense Accounts are zeroised
- b) ensure that the VVRs are verified on daily basis.

Please bring the contents of the circular to the notice of the staff at the branch. Please don't hesitate to refer the matter to IT Department/Help desk for further clarification in this regard.

Yours faithfully,

(M. Krishna Rao)
General Manager (IT)

SUSPENSE ACCOUNTS

CORE BANKING SOLUTIONS-----RECTIFICATION OF SUSPENSE ACCOUNTS

**ANDHRA PRADESH GRAMEENA VIKAS BANK
BRANCH-----**

ANNEXURE-I

Technical Suspense Account (1260505001)

Branch: _ _ _ _ _

Date	Today's Amount parked in Technical Suspense A/c (Last day's balnce minus Today's balance) Rs	Particulars of Correction Entry				Initials
		Account No.	Amount (Rs)	Resultant balance (Rs) (B-D)	Date of reconciliation Entry passed	
A	B	C	D	E	F	G