



Internship Report On
Operations of “STS & PO/DD Department” Of SCB
(BUS 400)

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Sub: Submission of the Internship Report

Dear Madam,

I have the pleasure to submit my Internship report on “operations of STS and Pay order/demand draft” Of Standard Chartered Bank as a requirement for my graduation. You are aware that I completed my internship program in Standard Chartered Bank from 1st June 2011 to 31st August 2011. I joined SCB House, which is the head office of Standard Chartered Bank in Bangladesh and the name of my unit was STS and Pay order/demand draft. I am fortunate enough that I have got an experienced, efficient and Professional team in one of the most reputed multinational Banks of Bangladesh. I truly believe that this report will satisfy your requirements and expectations. I have tried my best to make this report informative, practical, reliable and relevant as possible. To prepare this report I have reviewed some books, journals and download information from internet, take interviews and on the basis of available information I have depicted a set of recommendations which I think will help “STS and Pay order/demand draft unit” to improve their competence.

I appreciate your kind advice, cooperation, patience and suggestions regarding this report which will definitely help me to go ahead as a brilliant guideline.

I will be available for any further query and clarification regarding this report whenever necessary.

Sincerely,

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Acknowledgement

I am grateful to many individuals for completing my internship report successfully. First of all, I would like to thank the School of Business of BRAC University and Standard Chartered Bank for giving the opportunity of having an Internship program and allow me to submit my report based on the “STS and Pay order/demand draft” unit of Standard Chartered Bank. I have gathered an enormous deal of experience while going through the intern period and preparation of this report.

I would like to thank to my Internship Supervisor of BRAC University, Miss Anahita Ahmed for his excellent guidance and support during the preparation of the report. A special thanks goes to my Internship Organization Supervisor in Standard Chartered Bank, Mr. Luthful Arefin khan for providing me support and courage throughout my Internship program and helping me to accumulate necessary information. I would also like to show my gratitude to, Mr. zahangir ahmed, Mr. shamsul alam, Mr. Masfik zaman, Miss Taslima Alam and Mr. khaled Md. saifullah from “ STS and Pay order/demand draft” Department for helping me by giving the valuable information and on behalf of their company they provided time to make me the understand the procedures of their department. And special thanks go to Mr. K.M. Ali Azam Head of “STS and Pay order/demand draft” unit of SCB, for his immense support and unlimited cooperation.

Finally, my heartiest thanks go to others who were involved and helped directly and indirectly to prepare this report. Without them all these wouldn't have been made possible.

Table of Content

<i>Topic</i>	<i>Page No</i>
<hr/> Executive Summary	
■ Introduction	
◇ Introduction -----	01
◇ Origin of the Report -----	02
◇ Objectives of the Study -----	03
◇ Scope of Study -----	04
◇ Methodology -----	03
◇ Sources of Information -----	04
◇ Limitation -----	04
■ Company Overview -----	05
◇ Overview of SCB -----	06
◇ Background of the company -----	06-07
◇ Establishment of SCB -----	11-12
◇ Vision, Principles, brand promise, values -----	08-10
◇ Approach, commitment to stakeholders -----	10-11
◇ Corporate Profile of SCB in Bangladesh -----	12-15
■ Operations of STS & PO/DD	
◇ Overview of STS & PO/DD -----	17-20
◇ Organizational structure of STS & PO/DD -----	21
◇ Pay order issuance -----	22-26
◇ Demand draft issuance -----	26-31
◇ Stop & reissuance, refund of PO/DD -----	31-33
◇ Cancellation of PO/DD -----	34-35
◇ Purchase of sonali drafts -----	35-38
◇ Funding procedure of sonali bank -----	38-39
◇ Funding procedure to Agrani bank account -----	39-40

◇ Straight through services (STS)-----	40-41
◇ Transfer to UCD-----	41-42
◇ Transfer to Unclaimed-----	43-44
◇ Standing order-----	44-48
◇ Standing order cancellation-----	49
◇ BEFTN process flow-----	50-53
◇ Price matrix payments-----	54-58
■ Conclusion & recommendations-----	61
◇ Recommendations-----	62
◇ Conclusion-----	63
■ SWOT Analysis	
◇ Strength & Weakness-----	59
◇ Opportunity & Threats-----	60
■ Bibliography	64
■ Appendix	65

Executive Summary

Standard chartered bank is a public limited company (PLC) which is a multinational bank started their journey in Bangladesh in the year 1947. The history behind the establishment of this bank, a brief overview of their operations in Bangladesh has been included in the introduction part of this report. In addition I have also included the principles and values of their organization in my report.

After that a brief introduction about the “STS and PO/DD” unit has been included in to the report. As I have mentioned briefly into the report that “STS and PO/DD” is basically a functional unit of cash management operations (CMO). This functional unit basically deals with two types of product which are pay order/ cashier order and demand draft. In my report I have also tried to describe the concepts of pay order/ cashier order and demand draft perfectly. In order to make people understand I have described the concept through including examples. After that, I have included an organizational chart of their department and described the hierarchy of their department. The level of reporting relationships, the chain of command all have been briefly described in to this section.

After that, I have described about all products and service they offer to the customers. A brief overview and description of the processes have been included with charts and diagrams. A brief understanding of how cashier orders, demand drafts, standing orders are issued, how pay orders , demand drafts, standing orders are cancelled and reissued or refunded all are described in to my report. The commands and the obligations that are followed in the process are also having been included in the discussion. A brief description about their revolutionary and new product BEFTN (Bangladesh electronic fund transfer network) has also been given into this report. Another important product sonali bank purchase has been described in detail into the report. In addition the funding procedures of different products are also described. Finally I have made a SWOT Analysis regarding “STS and PO/DD” unit. In my analysis, I have tried to find out the real facts of this functional unit. Meanwhile I have included my suggestions and recommendations in order to eradicate the weaknesses of their department. Finally I have ended my report through including references and sources that I have used to make this report.

chapter 1

INTRODUCTION

Origin of the report:

This report is an Internship Report prepared as a requirement for the conclusion of the BBA Program. As per requirement of BBA program of BRAC Business School, BRAC University, after completing 126 credits a student has to complete a 12 weeks internship program. The primary goal of internship is to provide an on the job exposure to the students and an opportunity for translation of theoretical conceptions in real life situation. Students are placed in enterprises, organizations, research institutions as well as development projects. Thus this report has been prepared after completion of 12 weeks of organizational attachment in Standard Chartered Bank. Standard Chartered Bank is the leading multinational bank of Bangladesh. To maintain its leading position in Bangladesh, Standard Chartered Bank is always keen to develop long-term beneficial and trustworthy relationship with clients. At the same time, they have always upgraded their approaches to achieve profitability. After the completion of BBA program I was placed in Standard Chartered Bank Bangladesh for the internship program under the guidance of my faculty advisor Miss Anahita Ahmed. The duration of my organizational attachment was 3 months, starting from 1st June 2011 to 31st August 2011. For successful finishing of my BBA program, I needed to submit this report, which would include an overview of the organization I was attached with and elaboration of the project I was supposed to conduct during the internship period.

I was placed in the Transaction Banking department of the SCB head office, under the direct Supervision of Mr. Luthful Arefin khan, Associate Director of Transaction Banking of Standard Chartered Bank Bangladesh. But later I was transferred to the “STS and Pay order/demand draft” unit of SCB. This internship report has been totally focused on the operations of “STS and Pay order/demand draft” unit of SCB.

Objective

This following report has two types of objectives which are described as follows.

Primary objective

- The main objective of this report is to accentuate the services provided by the “STS and Pay order/demand draft” unit of Standard Chartered Bank and also the to analyze the real portrait of operations this department.

Secondary Objective

- Getting familiar with the environment of a multinational financial institution of Bangladesh that is Standard Chartered Bank
- Identify the major strengths, weaknesses, opportunities and threats of the “STS and Pay order/demand draft” unit of Standard Chartered Bank.
- To know about the overall banking Functions.
- To know about the management style and organizational structure of Standard Chartered Bank.
- To suggest necessary measures for the development of Standard Chartered Bank

Methodology

In the organization part, most of the information has been collected from different published articles, journals, brochures, web sites and personnel of Standard Chartered Bank. All the information incorporated in this report has been collected both from the primary sources and as well as from the secondary sources.

Primary Source of Information

- Observation during the total internship period.
- Involvement with the operational process.
- Discussion with officials of Standard Chartered Bank

Secondary Sources of Data

- Relevant Standard Chartered Bank paper and published documents
- Bank's other published information.
- Directory of operating instructions (DOI)
- Internet.

Scope

The scope of this report is limited to the overall descriptions regarding the operations, applications of the “STS and Pay order/demand draft” unit of Standard Chartered Bank.

Limitations

- Internal and financial information of the bank is confidential & critical
- The findings are not statistically validated.
- Limitation of time was one of the most important factors that shortened the present study.
- Rush hours and business was another reason that acts as an obstacle while gathering data.

chapter 2

company overview

Overview of standard chartered bank:

Standard chartered bank is a multinational financial services company which is headquartered in London, United Kingdom. Apart from United Kingdom, the bank has operations in more than seventy countries throughout the whole world. In addition, the bank operates a network of 1700 branches including subsidiaries, associates and joint ventures. The bank also employs around 80,000 people throughout the whole world. According to the data of 2010, standard chartered bank employs about 85,231 people.

Basically this bank is also known as Universal or global bank. The bank has also operations in consumer, corporate and institutional banking and treasury services. Instead of this British base, round about 90 percent of its profit come from Africa, Asia and the Middle East. The following bank is also a primary listed member of London Stock Exchange and also is a constituent of the FTSE 100 Index. Furthermore, this bank has also secondary listings on the Hong Kong Stock Exchange and the Indian Stock Exchanges. Standard Chartered bank is also the largest shareholder in the Government of Singapore-owned Temasek Holdings.

Background of the Company

In most of the territories of the universe, the standard chartered bank PLC (public limited company) has expanded its operation. The bank focuses its activities in Asia, Africa and the Middle East. In addition, its operation is segmented under six regions: LTK and Europe, Middle East and South Asia (MESA), South East Asia, and the Americas.

The Standard Chartered was formed in 1969 through a merger of two banks: The Standard Bank of British South Africa which was founded in 1863, and the Chartered Bank of India, Australia and China, which was founded in 1853. Both companies were keen to capitalize on the huge expansion of trade and to earn the handsome profits to be made from financing the movement of goods from Europe to the East and to Africa.

The Chartered Bank

- Founded by James Wilson following the grant of a Royal Charter by Queen Victoria in 1853.
- Chartered opened its first branches in Mumbai (Bombay), Kolkata and Shanghai in 1858, followed by Hong Kong and Singapore in 1859.
- Traditional trade was in cotton from Mumbai (Bombay), indigo and tea from Kolkata, rice from Burma, sugar from Java, tobacco from Sumatra, hemp from Manila and silk from Yokohama.
- Played a major role in the development of trade with the East which followed the opening of the Suez Canal in 1869 and the extension of the telegraph to China in 1871.
- In 1957 Chartered Bank bought the Eastern Bank together with the Ionian Bank's Cyprus Branches. This established a presence in the Gulf.

The Standard Bank

- Founded in the Cape Province of South Africa in 1862 by John Paterson. Commenced business in Port Elizabeth, in January 1863.
- Was prominent in financing the development of the diamond fields of Kimberley from 1867 and later extended its network further north to the new town of Johannesburg when gold was discovered there in 1885.
- Expanded in Southern, Central and Eastern Africa and, by 1953, had 600 offices.
- In 1965, it merged with the Bank of West Africa, expanding its operations into Cameroon, Gambia, Ghana, Nigeria and Sierra Leone.

In 1969, the decision was made by Chartered and by Standard to undergo a friendly merger. On January 30, 1970 the new shares of the Standard and Chartered Banking Group Limited were listed in the London Stock Exchange. From the early 1990s, Standard Chartered has focused on developing its strong franchises in Asia, Africa and the Middle East. It has concentrated on consumer, corporate and institutional banking and on the provision of treasury services - areas in which the Group had particular strength and expertise. Since 2000 the Bank has achieved several milestones with a number of strategic alliances and acquisitions, which have extended the customer and geographic reach and enlarged the product range that Standard Chartered offers.

Five Values of Standard Chartered Bank

Standard Chartered Bank has five values, which are critical to their success. These values determine how the employees achieve their goals, the way they work together and how it feels to be a part of Standard Chartered Bank. In brief these values are:

1. Courageous

Being courageous is about confidently doing what is right. Often the task may seem insurmountable but with courage and tenacity, the odds can be overcome. A truly courageous act both inspires and builds character.

2. Responsive

How SCB responds to customers and how it will influence customer's belief in their commitment towards them. A proactive response is often unexpected and more effective in such case. It clearly demonstrates organization's willingness to go beyond the unexpected.

3. International

As a member of global village SCB views the world from the widest perspective. They consider themselves to be global citizens and the world is full of new opportunities and exciting possibilities. SCB also delivers world-class products and services.

4. Creative

Creativity belongs to those who are excited by challenges and engage themselves in fresh thinking and an open mindedness. Creative thinkers are not limited by convention but are those allow their minds to soar beyond predictable solutions. SCB believes that they are a creative organization as well.

5. Trustworthy

Trust is the foundation of every successful relationship. SCB trusts because the organization believes in the sincerity of their promise. They also believe that building trust can take forever, but losing it takes only a moment.

Principles:

The Group is committed to building a sustainable business over the long term that is trusted worldwide for upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity. It employs over 75,000 people out of which nearly half of whom are women. In addition, The Group's employees are of 125 nationalities out of which about 70 percent are represented among senior management.

Vision:

Basically standard chartered bank describe their vision as strategic intent. The bank's strategic intent or vision statement possesses a very deep and widespread view of their visualization. Their strategic intent includes the following which are mentioned as follows.

- ❖ To be the world's best international bank
- ❖ Leading the way in Asia, Africa and the Middle East

Brand promise:

Basically their brand promise entails “here for good” which is basically a combination of three different ideas like “here for people”, “here for progress” and “here for the long run”.

- **Here for people:** Nothing is more important than their people, and the people they work for. They have taken this approach around the world and have built deep, lasting relationships with communities and businesses as diverse as the markets in which they operate. That's how they imply they are here for the people.
- **Here for progress:** We know the best investments are those that can benefit everyone. This is why SCB is committed to setting the highest standards for their partners and their selves. It's not an obligation. It's an opportunity to do the right thing for the people they know. . That's how they imply they are here for progress.
- **Here for the long run:** For over 150 years, they have maintained their position on being a positive force in markets to drive continued growth. Their global capabilities are reinforced by their commitment to sustainability that is built on local knowledge, resulting in longevity that

creates real value for the broader community. Now and in the future. They are here for the long run.

Approach:

The standard chartered bank possesses distinctive approach towards of their participation, competitive positioning and management discipline.

- **Participation**

They are Focusing on attractive, growing markets where they can leverage their relationships and expertise.

- **Competitive positioning**

They also combine global capability, deep local knowledge and creativity to do better than their competitors.

- **Management Discipline**

Continuously improving the way they work, balancing the pursuit of growth with firm control of costs and risks.

Commitment to stakeholders

- **Customers**

Passionate about their customers' success, delighting them with the quality of their service.

- **Our People**

Helping our people to grow, enabling individuals to make a difference and teams to win

- **Communities**

Trusted and caring, dedicated to making a difference

- **Investors**

A distinctive investment delivering outstanding performance and superior returns

- **Regulators**

Exemplary governance and ethics wherever they are

ESTABLISHMENT OF STANDARD CHARTERED BANK AROUND THE WORLD

country	Year established	Country	Year established
United Kingdom	1853	Australia	1964
China, India, Sri Lanka	1858	Mexico, Oman	1968
Hong Kong, Singapore	1859	Peru	1973
Indonesia, Pakistan	1863	Jersey	1978
Philippines	1872	Brazil	1979
Malaysia	1875	Venezuela	1980
Japan	1880	Falkland Islands, Macau	1983
Zimbabwe	1892	Taiwan	1985
The Gambia, Sierra Leone, Thailand	1894	Cameroon	1986
Ghana	1896	Nepal	1987
Botswana	1897	Vietnam	1990

USA	1902	Cambodia, South Africa	1992
Bangladesh	1905	Iran	1993
Zambia	1906	Colombia	1995
Kenya	1911	Laos, Argentina	1996
Uganda	1912	Nigeria	1999
Tanzania	1917	Lebanon	2000
Bahrain	1920	Cote d'Ivoire	2001
Jordan	1925	Mauritius	2002
Korea	1929	Turkey	2003
Qatar	1950	Afghanistan	2004
Brunei, UAE	1958		

Corporate profile of SCB in Bangladesh:

Standard chartered bank has been operating in Bangladesh for over a hundred years. Basically standard chartered bank started their journey here after the partition of the subcontinent in 1947. SCB first opened their branch in the port city of Chittagong in 1948. The branch was opened mainly to facilitate the post-war reestablishment and expansion of South and Southeast Asia. The Chartered Bank opened another branch in Dhaka in 1966 which was headquartered until July 2007. Later the head office was transferred to the present location which is located at GULSHAN AVENUE in august 2007. After the merger of the Chartered Bank with the Standard Bank in 1969, the Standard Chartered Bank took up a program of expansion. Bangladesh is under the MESA region, with the controlling office in Dubai. Its correspondent

relationship with IBBL (Islamic Bank Bangladesh limited) which is one of the largest banks in Bangladesh, gives its customers access to all major centers of the country.

Standard Chartered Bank's worldwide network facilitates convenient connections with foreign Trade and remittance business. Standard Chartered Bank's elegant branch banking allows them offer a full range of banking services to their customers. The Bank presently has 25 branches in 6 cities serving a huge number of customers. The network of SCB Bank in Bangladesh

Includes:

- 16 Branches in Dhaka city
- 1 Branch in Narayanganj
- 5 Branches in Chittagong
- 1 Branch in Khulna
- 1 Branch in Sylhet.
- 1 Branch in Bogra

Core Business in Bangladesh

Wholesale Banking (WB) and Consumer Banking (CB)

Product / Services

Consumer and Corporate Banking Services

The bank serves both Consumer and Wholesale Banking for customers or corporate clients. A

List of Consumer and Corporate Banking is given below:

Services

1. ATM, Branch Office
2. Remote Branches
3. Call Center, Card Center
4. Cards Help line, Cash Offline
5. Consumer Banking
6. Corporate investor relational contracts
7. Credit Card service
8. Personal Banking, Phone Banking

- 9. Offsite ATM, Treasury Room
- 10. Off Shore Banking Personal Banking
- 11. International Banking

Corporate products

Banking provides credit cards, personal loans, mortgages, deposit taking and wealth management services to individuals and small to medium sized enterprises. Wholesale Banking provides corporate and institutional clients with services in trade finance, cash management, lending, securities services, foreign exchange, debt capital markets and corporate finance.

Serial	Product name	description
1.	Web banking	Online service, where a corporate customer can check his current account balance updated in every half-an-hour. This is very convenient as a customer can have opportunity to hold multiple accounts and at same time they can get the cash report trade report and everyday transaction detailed report.
2.	STS	Straight through service. This is an upgraded version of EBanking, with more facilities.

3.	E-Banking	By having high security off-line banking system a customer can transfer money round the clock and standing any parts of the world.
4.	i-Payment	This is a new module under the internet Banking. by this module using SMART card an authorized user can transfer the payment or issuing draft from any time and any corner of the world via Internet.
5.	Cheque Writer	Making sure that all the cheque is being preformed and serially numbered, a corporate customer now having a better security checking in terms of issuing cheaques.

chapter 3

operations of STS & PO/DD

Overview of STS AND PAYORDER/CASHIER ORDER, DEMAND DRAFTS department:

Basically STS and PO/DD is a unit of cash management operations department. The entire cash management operations department is comprised of different eight units. They are mentioned as follows.

- a) Inward telex transfers
- b) Outward telex transfers
- c) Pay order/demand drafts and STS (Straight through services)
- d) Commercial airlines limited
- e) Cheque purchase and collection
- f) Local collection-RCMS (regional collection management system)
- g) Billspay
- h) Premium service banking

As mentioned above, STS and PO/DD is basically an internal entity of cash management operations department. Basically in standard chartered bank each functional unit is called as team. So the, STS and PO/DD is basically a sub team of the entire CMO (cash management operations) department. Factually, this functional unit deals with transferring funds of clients. So this functional unit can also be defined as “fund transfer unit”. This unit basically deals with the corporate clients. About 95 percent of the transactions belong to the corporate clients. However sometimes they also deal with individual clients but on a special request. But most of the transactions come from the corporate clients. In addition, this functional unit also processes the transactions of other internal departments like loan processing unit, trade services and bills pay etc. The following functional unit has two types of transaction processing system. The systems are known as “DOTOPAL” and “STS”. An introduction about the “DOTOPAL” and “STS” is described as follows.

- **STS:** The full abbreviation of STS is “straight through services”. Basically this system was first launched in the year 2005. Basically this mode of transaction can be defined as a digital format of transaction. Basically in STS, customers send their instructions and orders through S2B (straight to bank) to the system as well as they also carry out further proceedings like checking out the available funds. S2B (straight to bank) is basically the online banking website of standard chartered bank by using it the customers sends their instructions to the system.

Neither the input nor the approval of the transaction is on the hand of bank. The entire process is basically carried out by the customers. Only in “STS” The person who is in charge of the system takes out the print out of final pay order and drafts and settles the further action according to the customer instruction. If the customers tell to deliver the pay order/demand drafts to them through

using courier service then the bank will do so. If customers tell to deliver the pay order/demand drafts to the beneficiaries through using courier service then the bank will do so. If customers tell to the bank that the pay order/demand drafts will be picked up by the beneficiaries then the bank will conduct the transactions in that manner. Basically in STS bulk amount of transactions held every day. Every day on an average about 3,500 pay orders and demand drafts are printed. So every day huge amount stock is also required for this system.

- **DOTOPAL:** this transaction processing system is basically manual one in nature. But the entire process of DOTOPAL is not basically handled manually. Only the instructions of the customers are received manually but the records of the transactions are kept on the system and transactions are processed by the system. According to the customer's instructions, officers input the details of the transaction in to system. After that the approver check out all necessary details whether the funds are available or not , whether the transactions details are correct or not etc. Then finally when the approver is satisfied with all the details then he approves the transaction and further sends it to other officers or to that officer who did the input for that particular transaction. Finally when the print out is done, then based on the amount of pay order and demand draft is signed by the two respective officers. After the sign is done then the delivery records are kept in the system and then the pay order and demand drafts are further transferred to the courier for delivery. This is how the transactions are processed in DOTOPAL. Every day around 70 number of pay order and demand drafts are processed by the DOTOPAL.

Pay order/cashier order:

A payment order or cashier order is an instrument through which customer make payments to a third party by transferring the fund of his/her account. Payment orders or cashier orders are basically issued within the clearing zone defined by the Bangladesh bank. So the cashier order can only be issued into those districts which are included into the clearing zone defined by Bangladesh bank.

Previously Bangladesh bank defined six different zones as clearing zones. But recently they have declared eight different clearing zones for issuing pay orders. The clearing zones defined by the Bangladesh bank are mentioned as follows.

- 1) Dhaka
- 2) Chittagong
- 3) Khulna
- 4) Bogura
- 5) Narayangonj

- 6) Syhlet
- 7) Barisal
- 8) Rajshahi

Recently Barisal and rajshahi has been included into the clearing zone list. In the past demand drafts were issued to Barisal and rajshahi zone.

The concept of pay order:

Basically there are two parts in a cashier order. The upper part of the pay order document is defined as “advice” and the lower part of the document is known as cheque. All the details of customers, details of beneficiaries, details of beneficiary bank are printed on the advice. In the cheque portion, the beneficiary name and the beneficiary bank address is printed.

The upper portion is sent to the customers of SCB and the lower portion cheque is sent to the beneficiary’s bank. In addition, “payable at any branch of standard chartered bank” is written in every pay order cheque. While issuing the pay order, SCB debits their customer’s account and credits the pay order suspense account. This means until or unless the payment of the cashier order is done, bank holds the fund in to this following account. Whenever the beneficiaries are paid bank debits the pay order suspense account and credits the beneficiary’s bank account. Then the beneficiary bank debits their account and credits the beneficiary’s account in order to pay money. The process of pay order or cashier order is further cleared by illustrating an example. Suppose our customer named “X” is telling SCB to transfer his fund into beneficiary named “y” account. The name of the beneficiary’s bank is Dutch Bangla bank. Now Dutch Bangla bank will receive the pay order cheque from SCB through courier service. After receiving the cheque the representative of Dutch Bangla bank will go to the clearing house of Bangladesh bank and will submit the cheque to the representative of standard chartered bank. SCB’s representative will debit the pay order suspense account and will send the money to Dutch Bangla bank’s account by crediting it. Then Dutch Bangla bank will pay the money to his customer named “Y” by debiting their account. This is how the entire process of pay order is carried on.

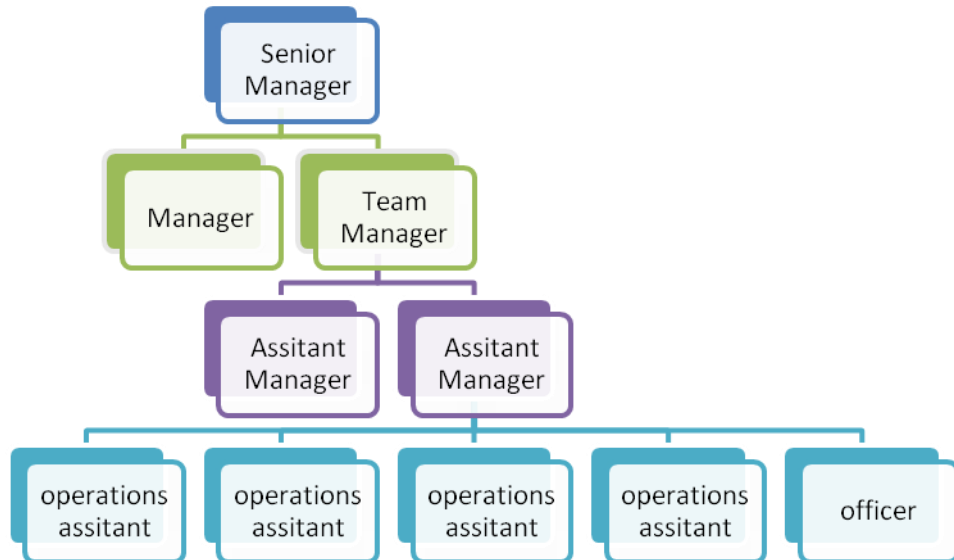
Demand draft:

A demand draft is an instrument through which customers pay or transfer their money to a third party outside from the clearing zone area. The main difference between demand draft and cashier order is the cashier orders are issued within the clearing zone area whereas demand drafts are issued outside the clearing zone.

The concept of Demand Draft:

Like the cashier order the demand draft document has also two parts. . The upper part of the demand draft document is defined as “advice” and the lower part of the document is known as cheque. All the details of customers, details of beneficiaries, details of beneficiary bank are printed on the advice. In the cheque portion, the beneficiary name and the beneficiary bank address is printed. The upper portion is sent to the customers of SCB and the lower portion cheque is sent to the beneficiary’s bank. Beneficiary’s bank address is printed in the cheque portion. Standard chartered bank has got an agreement with Agrani bank regarding the issuance and distribution of demand drafts. Agrani bank serves the customers of SCB in those places where SCB is unable to reach their customers. Whenever demand drafts are issued SCB debits the customer’s account and credits it into the “Agrani bank suspense account”. This means until or unless the payment of the demand draft is done, bank holds the fund in to this following account. When the cheque portion of the draft is received by the AGRANI bank through courier service then they further take the initiatives to pay the money to the beneficiary. In order to pay the money to the beneficiary, Agrani bank debits the Agrani bank suspense account and credits the beneficiary’s bank account. This is how the process of demand draft is carried on.

Organizational structure of “STS & PO/DD”



Senior manager is the leader of this functional unit. He supervises and monitors the performance of all other employees of his team. The manager and the team manager both reports to the senior manager. Senior manager checks out the performances of all team members and takes necessary steps to improve the performance in order to reach the target. After the senior manager, manager and team manager both are ranked on the basis of importance. The manager and the team manger control the performance of other team members. Both manager and the team manger have the access to check the transactions that have been inputted by the other team members like operations assistant. Manager and team manager both checks out if there has any mistakes been made while entering the data. Assistant manager also reports to the manager and team manager. Finally the entire operations assistant and permanent officer reports both to the assistant manager as well as to the team manager.

Payment Orders (Cashier's Orders) Issuance

Upon request from the customer, to make payment to any organisation, institution or a person or to transfer fund to an account held with some other bank within the country, a Pay Order or a Cashier Order is issued by the bank. Bank debits customer's account while issuing the Pay order/Cashier order and holds the fund in a suspense account until the instrument is presented for payment.

Activities of Maker (cashier order)

(Before sent to the checker for approval)



(After getting approval from checker)



STEP	ACTIVITIES	
Maker	1.	<p>Receive cashier order request</p> <p>a. Receive cashier order request from:</p> <ol style="list-style-type: none"> 1. Customer (directly or through Relationship manager / Premium service banking) 2. Internal department (through a memo duly signed by two officers / manager). 3. Branches. <p>b. Check to ensure completeness of the following information on cashier order request</p> <ol style="list-style-type: none"> i Date. ii Amount in words and figures. iii Beneficiary name and address. iv Applicant name. v Applicant signature. vi Debit account details. vii Delivery method <ul style="list-style-type: none"> <input type="checkbox"/> Customer pick-up (or delegated person). <input type="checkbox"/> By hand (Mail/courier/messenger). <p>c. For any instruction sent by customer via fax, a fax indemnity must be in place.</p> <p>d. Call-back procedures are followed where appropriate and applicable.</p>

Maker	2.	<p>Verify details</p> <p>a. Verify the following details on the cashier order request</p> <ul style="list-style-type: none"> i Beneficiary's name. ii Local currency and amount to be transferred. iii Debit account number. iv Authorized customer's signature and mode of operation. <p>V. The signatory has countersigned all alterations/ erasures in full.</p> <p>b. Verify sufficient funds are available.</p>
Maker	3.	<p>Reject cashier order issuance</p> <p>a. Reject cashier order issuance if one of the following occurs</p> <ul style="list-style-type: none"> i Incomplete application. ii Insufficient funds. iii Signature not matched. <p>b. Refer transactions to Relationship Manager/ BSSM</p> <p>c. Arrange to return all documents to customer if agreed.</p>
Maker	4.	<p>Input cashier order transaction</p> <p>a. Input detail in the system.</p> <p>c. Ensure that correct charges as per the Service & Price Guide are applied.</p> <p>d. Note the transaction reference no. (Generated by DOTOPAL) in the application form & forward for approval.</p>

Checker	5.	<p>Check and approve transaction</p> <ul style="list-style-type: none"> a. Ensure correctness of entered data against cashier order request. b. Confirm that, <ul style="list-style-type: none"> i Beneficiary details are in accordance with the cashier order request ii Customer's signature and account balance have been verified iii If applicable charges have been applied c. If limit to be authorized exceeds checker limit, provide cashier order request to obtain authorization. Authorizer checks the same again and approves the transaction. d. While approving the transaction, if a risk message pops up in the screen, the approver goes to EBBS system and checks the reason for reject / risk marker associated with the respective account. If necessary the matter is referred to the respective RM / BSSM for confirmation / clarification.
Maker	6.	<p>Print cashier order</p> <ul style="list-style-type: none"> a. Take the cashier order with the serial number from the float stock prompted by system, ensure it matches physical serial number. b. Print cashier order, sign and forward for checking c. Ensure posting transaction after printing to debit customer's account; credit CO suspense account and P&L account.

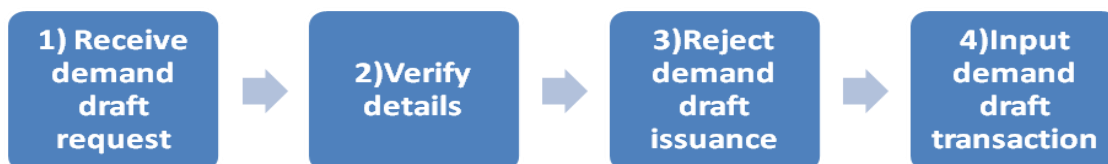
Maker/Checker	7.	Check instrument <ul style="list-style-type: none"> a. Officer CMO, other than the maker checks the instrument and put his/her signature on the same.
Maker	8.	Release cashier order to customer <ul style="list-style-type: none"> a. Obtain customer signature to acknowledge if cashier order is picked up customer. b. Release cashier order to customer / designated person / mail.
Maker	9.	File documents <ul style="list-style-type: none"> a. Cashier order request along with relevant docs if any. b. All records are to be retained as per the record retention policy.

Drafts Issuance

Upon request from the customer, to make payment to any organisation, institution or a person or to transfer fund to an account held with some other bank within or outside the country, a Demand Draft is issued by the bank. The draft is placed for payment to the bank upon which the draft is drawn. As per arrangement, the funds against the drafts are paid by those drawee banks only.

Activities of Maker (Demand Draft)

(Before sent to the checker for approval)





(After getting approval from checker)

Role	ACTIVITIES	
Maker	1.	<p>Receive demand draft request/ ITT instructions (as applicable)</p> <ul style="list-style-type: none"> a. Receive demand draft request from: <ul style="list-style-type: none"> i. Customer (directly or through Relationship Manager / premium service banking) ii. Internal department (through a memo duly signed by two officers / manager). iii. Branches. b. Check that the demand draft request contains the following information <ul style="list-style-type: none"> i. Date. ii. Currency. iii. Amount in words and figures. iv. Beneficiary name and address v. Beneficiary bank code (if applicable). vi. Applicant's name. vii. Applicant's signature. viii. Debit account details.

		<ul style="list-style-type: none"> ix. Delivery mode <ul style="list-style-type: none"> • Customer pick-up (or delegated person). • By hand (Mail/courier/messenger). c. For any instruction sent by customer via fax, a fax indemnity must be in place. d. Call-back procedures must be followed where appropriate/applicable. e. Ensure that correct charges as per the Service & Price Guide are applied.
Maker	2.	<p>Verify details</p> <ul style="list-style-type: none"> a. Verify the following details on the demand draft request <ul style="list-style-type: none"> i. Beneficiary's bank code. ii. Authorised customer's signature. iii. The signatory has countersigned all alterations/ erasures in full. b. Verify sufficient funds are available. c. If the instructions and supporting docs if any, meet regulatory requirements. d. For FCY (foreign currency) Drafts ensure NORKOM AOC checking. Any anomaly should be referred to Local Legal and Compliance.
Maker	3.	<p>Reject demand draft issuance</p> <ul style="list-style-type: none"> a. Reject demand draft issuance if one of the following occurs <ul style="list-style-type: none"> i. Incomplete draft application. ii. Insufficient funds. iii. Signature not match.

		<ul style="list-style-type: none"> iv. Regulatory requirement is not met b. Return all documents to customer. c. Refer transaction to RM / BSSM before rejecting demand draft issuance.
Maker	4.	<p>Input Demand Draft transaction</p> <ul style="list-style-type: none"> a. Call Global Market dealers and advise them of the transfer amount if it exceeds the prescribed limit or a currency conversion is taking place. b. Input detail in to the system. Select proper Drawee bank considering the currency and the beneficiary location. c. Ensure that correct charges as per the Service & Price Guide are applied. d. Note the transaction reference no. (Generated by DOTOPAL) in the application & forward to the checker for approval.
checker	5.	<p>Check and approve transaction</p> <ul style="list-style-type: none"> a) Ensure correctness of entered data against demand draft request. b) Confirm that: <ul style="list-style-type: none"> i Beneficiary details are in accordance with the demand draft request ii Customer's signature and account balance have been verified iii If applicable charges have been applied c) If limit to be authorised exceeds checker limit, provide demand draft request to the second approver for authorisation. d) Forward documents for printin .While approving the transaction, if a risk message pops up in the screen, the approver goes to EBBS system and checks the reason for reject / risk marker associated with the respective account.

		<p>If necessary the matter is referred to the respective RM / BSSM for confirmation / clarification.</p> <p>e) In case of specific Sanctions Policy e.g. US Sanctions Against Iran, check the operational procedures that need to be undertaken to ensure that no payment is in breach of these sanction(s). Relevant annexure should be used by the unit to check the viability of the transaction. Any confusion arising out of the transaction must be escalated to Head of CMO/ Relationship Manager for necessary resolution.</p>
Maker	6.	<p>Print demand draft</p> <p>a) Take the demand draft with the serial number from the float stock prompted by system, ensure it matches physical serial number.</p> <p>b) Print demand draft.</p> <p>c) Put signature and forward for the second signature.</p> <p>d) Post transactions after printing to debit customer's account and credit Nostro.</p> <p>Note: Drafts drawn on overseas banks must be signed by at least one signatory from the Group Authorized Signature Book (GASB). For amounts above 25,000 both the signatories must be from the book. See the GASB for latest terms and conditions. For LCY drafts, signatories must be from the relevant authorized signatory list.</p>
Checker	7.	<p>Check and sign</p> <p>Check the detail and sign on the instrument.</p>
Maker	8.	<p>Release demand draft to customer</p> <p>a. Obtain customer signature to acknowledge if demand draft is</p>

		<p>picked up by customer.</p> <p>b. Release demand draft to customer/designated person.</p>
Maker	9.	<p>File documents</p> <p>a. Demand draft request.</p> <p>b. Payment acknowledgment messages (if any).</p> <p>c. Copy of the demand draft.</p> <p>d. Necessary forms and approvals like TM form, invoice, and Bangladesh Bank approval where required, etc., have been obtained and duly filed.</p> <p>e. All records are to be retained as per record retention policy.</p>

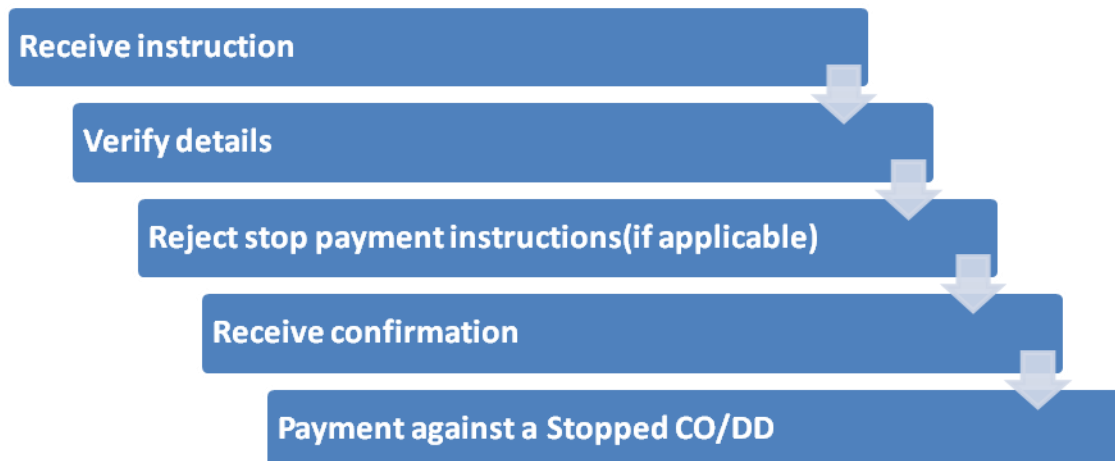
Stop and Reissuance/Refund of Drafts / Payment Order (Cashier Order)

Sometimes the pay order and demand drafts cheques and advices are lost because of the insincerity of the courier service or because of other reasons. In order to get rid from this problem bank stops the payment of this lost pay orders and demand drafts and further refund or reissue it according to the customer's instruction. A detailed description of the process is explained as follows.

ACTIVITIES	
1.	<p>Receive instruction</p> <ul style="list-style-type: none"> a. Receive stop payment instruction from customer. b. Check that the stop payment request includes <ul style="list-style-type: none"> i. Customer identity information (Name, A/C No. etc. – the requester can either be the purchaser, the beneficiary bank, the courier company or the beneficiary upon identification) ii. Valid signature iii. DD/CO number. iv. DD/CO date. v. DD/CO currency and amount. vi. Valid indemnity as per annexure
2.	<p>Verify details</p> <ul style="list-style-type: none"> a. Verify customer’s detail along with the signature. b. Verify that all details from the request match DD/CO records c. Verify DD/CO has not been stopped or paid already. d. Verify refund/reissuance instructions (if any) on stop payment request. e. Realize charge (if any).
3.	<p>Reject stop payment instructions</p> <ul style="list-style-type: none"> a. Reject stop payment if information is invalid. b. Return all documents and DD/CO to customer.
4.	<p>Receive confirmation</p> <ul style="list-style-type: none"> a. Receive DD payment status confirmation from drawee bank. b. Verify that the details of confirmation match the stop payment request.

5.	<p>Mark stop (for COs)</p> <p>Mark stop in the system</p> <p>File the documents along with a system proof of the stopped record</p>
6.	<p>Payment against a Stopped CO/DD</p> <ul style="list-style-type: none"> i Debit DD Nostro Account/ CO / UCD Account (whichever account the fund is with) ii Credit customer's account using the EBBS code 512 with proper narration iii Realize appropriate charge (if any) <p>a) <u>If the instrument is found, to refund/reissue</u></p> <ul style="list-style-type: none"> i. Remove stop mark in the system for COs ii. Mark 'Stopped CO/DD found' on the instrument iii. For refund go to no 6

Stop and refund process of cashier order and demand draft



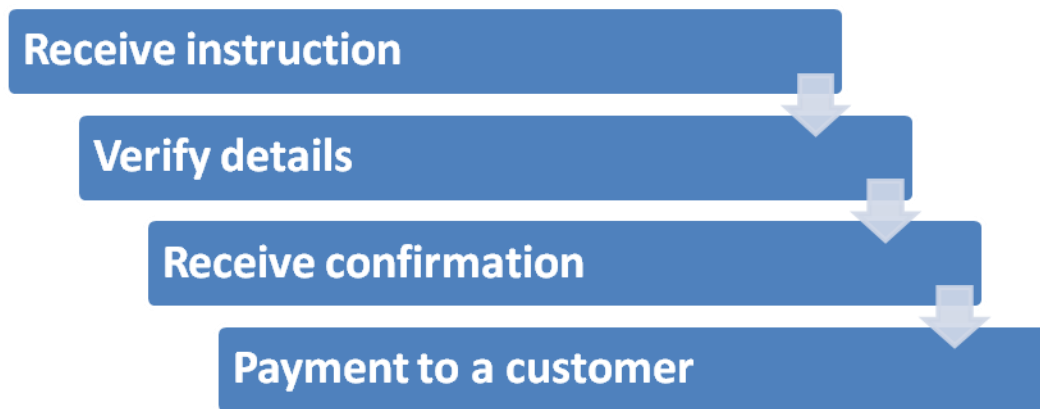
Cancellation of Drafts / Payment Order (Cashier's Order)

The drafts or the pay orders might need to be cancelled in cases where these original instruments are stolen, lost or misplaced. The issuer can request the bank to put a stop mark on the record of the stolen, lost or misplaced instrument and re issue another instrument or refund the money to the issuer's account, whichever the customer instructs for. An indemnity should accompany the customer's instruction if he/she/they intend for a re issuance or a refund.

ACTIVITIES	
1.	<p>Receive instructions</p> <ul style="list-style-type: none"> c. Receive instructions and the original instrument (DD/CO) from customer d. Check that the instruction includes <ul style="list-style-type: none"> i. Customer identity information (Name, A/C No. etc.)(The instruction should be from the purchaser of the same) ii. Valid signature iii. DD/CO number and date iv. DD/CO currency and amount. e. Check the authenticity of the instrument by confirming <ul style="list-style-type: none"> i. Physical presence of the security features ii. DD/CO number, issuing date, currency and amount and beneficiary's name, matches with the system records.
2.	<p>Verify details</p> <ul style="list-style-type: none"> f. Verify customer's detail along with the signature. g. Verify that all details from the request match DD/CO records h. Verify that the fund against the DD/CO has not been stopped and paid already. Check if the fund is outstanding in the Nostro/Suspense account.

3.	<p>Reject cancellation instruction</p> <ul style="list-style-type: none"> c. Reject cancellation instruction if not in order. d. Return all documents and DD/CO to the customer advising him about the status.
5.	<p>Payment to the customer (If everything is in order)</p> <ul style="list-style-type: none"> a. Debit DD Nostro Account/ CO / UCD(whichever account the fund is with) using the EBBS code 601 with proper narration b. Credit customer's account using the EBBS code 512 with proper narration c. Stamp the instrument on the back side giving the reason of cancellation d. Realize appropriate charge (if any)

Cancel & refund/reissue of CO & drafts



Purchase of Sonali Bank Drafts

SCB does not have branch coverage in all the locations of Bangladesh. Hence, considering customers requirements to transfer funds to remote locations, SCB has agreement with Agrani Bank to issue drafts drawn on their certain branches where SCB does not have presence i.e. SCB issues Drafts by themselves drawn on certain Agrani Bank Branches.

Sometimes, customers need to remit funds where beneficiary bank's branches are located in such areas where neither SCB has branch coverage nor Agrani Bank has but Sonali Bank has the coverage.

In these circumstances, SCB requests Sonali Bank, Local Office, Dhaka to issue Draft. Generally this service is provided to high valued / selective corporate clients only and mainly for their Customs Duty payments.

	Process	Action Party
1)	<p>i) Make sure that Instruction contains Receive Stamp with Date & Time and Preprocessing checks have been done. If there is any anomaly, refer the matter to the staff at counter.</p> <p>ii) Check Sonali Bank GL Account Debit balance. If there is shortage of fund to accommodate the total purchase requirements, immediately arrange to fund the account. Details process of funding is described in a separate process called “Funding Procedure to Sonali Bank Account”.</p>	Maker
2)	<p>If Customer Account is in BDT continue with point 4. If Customer Account is in Foreign Currency, do the following additional steps:</p> <p>i) Verify whether the transaction complies with Foreign Exchange Regulation and all the supporting documents are attached. If there is any anomaly, follow the process described in pre-processing checks.</p> <p>ii) Obtain Purchase deal from Global Markets and put Deal Number in the space provided in Deal Stamp.</p> <p>iii) Input deal information in Deal Register</p> <p>iv) Prepare manual voucher as follows and input the entries in eBBS</p> <p>v) <u>GPLY:</u></p> <p>a) Debit Customer Foreign Currency Account</p> <p>b) Credit Respective Nostro based on the currency</p>	Maker

	<p>vi) GPFY:</p> <ul style="list-style-type: none"> a) Debit the same Nostro b) Credit equivalent BDT amount in PO-DD Suspense Account 	
3)	<ul style="list-style-type: none"> i) Calculate Charges both for Sonali Bank and SCB ii) Prepare voucher to: <ul style="list-style-type: none"> a) Debit Customer Accounts or PO-DD Suspense Account in case Point 3 was required to follow. b) Credit Sonali Bank GL Account with Sonali Bank charges and c) Credit P&L for SCB charges (if any) iii) Input accounting entries in eBBS and note the batch number on Voucher. iv) Forward voucher to Checker to approve batch in eBBS v) Prepare forwarding letter as per prescribed format other required forms and forward to Checker. 	Maker
4)	<ul style="list-style-type: none"> i) Review voucher and eBBS entries. If there is any anomaly notify maker to amend the voucher/entries. Re-review the same after correction. ii) Approve voucher and eBBS entries Note: If there is insufficient fund in customer account while approving entries in eBBS, follow the process described in pre-processing checks. iii) Review the forwarding letter and other required forms. If there is any anomaly notify maker to amend them. Re-review the same after correction. iv) Forward the letter and other required forms to Maker for getting them signed by Sonali Bank Authorized Signatories and sending them to Sonali Bank, Local Office, Dhaka. 	Checker

5)	<ul style="list-style-type: none"> i) Get forwarding letter and other required forms signed by two Sonali Bank Authorized signatories. ii) Send the forwarding letter and other required forms to Sonali Bank through Authorized Messenger. 	Maker
6)	<ul style="list-style-type: none"> i) Collect the Drafts issued by Sonali Bank through Messenger ii) Crosscheck the details of Drafts with Customer Instruction. If there is any anomaly, liaison with Sonali Bank to get the Draft corrected. iii) Photocopy the Drafts and attach with Customer Instruction for records iv) Forward the Drafts to counter for delivery. 	Maker

Funding Procedure to Sonali Bank Account

Sometimes due to lack of fund the transactions of sonali bank purchase drafts cannot be executed. In order to arrange the funding, precautionary attempts must be taken by the maker. The process of funding of sonali bank account has been described as follows.

	Process	Action Party
1)	<ul style="list-style-type: none"> i) Check Sonali Bank GL Account Balance in the Morning (at 10:00 AM) ii) If the Debit balance in GL Account is not below 3 Crore no need for funding. If the Debit balance in GL Account is below 3 Crore, there is need for funding and follow the below mentioned process. <p>Note: Funding in Sonali Bank Account also can be made if there is anticipation that Client's Draft purchase request would more than 2/3 Crore in coming 1/2 days.</p>	Maker

2)	<ul style="list-style-type: none"> i) Prepare internal memo signed by the two authorized signatories mentioning the amount of the pay order to be issued in favour of Sonali Bank. ii) Issue Pay order favouring “Sonali Bank, Local Account, Dhaka”. Amount should be measured in such a way so that Sonali Bank GL Debit balance would be Tk. 5 Crore after passing the entry for this cheque or it should be in line with anticipation of Client’s purchase requirements in coming 1/2 days (if any). 	Maker
3)	<ul style="list-style-type: none"> i) Approve the pay order by reviewing the internal memo. If there is any anomaly notify maker to adjust them. Re-review the same after correction. 	Checker
4)	<ul style="list-style-type: none"> i) Get the Pay order signed by two authorized signatories ii) Prepare forwarding letter addressing the “Deputy General Manager” to deposit the amount of the pay order to the account of SCB maintained with Sonali Bank. iii) Prepare the deposit Slip. iv) Get forwarding letter and Deposit Slip signed by two Authorized signatories. v) Send the forwarding letter and Deposit Slip along with the Pay order to Sonali Bank through Messenger. 	Maker

Funding Procedure to Agrani Bank Account

Sometimes due to lack of fund the transactions of Agrani bank drafts cannot be executed. In order to arrange the funding, precautionary attempts must be taken by the maker. The process of funding of Agrani bank account has been described as follows.

	Process	Action Party
1)	<ul style="list-style-type: none"> i) Check the UDR reports of the previous day both for dotOpal and STS whether any Agrani Bank Draft has been issued. If no draft is issued, no action is required. 	Maker

	<p>ii) Sum totals the amount of the UDR of DOTOPAL and STS. iii) Document it to the Agrani Bank Funding Register iv) Get it signed by the authorizer v) Provide mail to ALM team with a CC to STS&PODD to prepare a Bangladesh bank cheque in favor of Agrani Bank. vi) Inform the messenger to collect the BB cheque from ALM</p> <p>Note: Funding in Agrani Bank Account also can be made if there is a request from Agrani Bank.</p>	
2)	<p>i) Receive the Bangladesh Bank cheque, Cross match with the mail given to ALM. Notify if any discrepancy is found. ii) Prepare a deposit slip. iii) Provide the UDR report, BB Cheque and deposit slip to the messenger for depositing the amount to Agrani Bank.</p>	Maker

Straight through System (STS)

Procedure:

1. Before the start of day, the designated officer will upload the foreign exchange rates into STS hub work stations. After start of day is performed, designated officer checks 'Payment Enquiry' option in the Hub Work Station (HWS). This option displays status of the transactions sent directly from customer's end. This check is done on half hourly basis starting from 10:00 am to 5:00 pm every working day.
2. All the Book Transfer (BT) and Local Bank Cheques (LBC) type of transactions in Local Currency are done automatically by the system if account and fund status is in order.
3. If there is insufficient fund in the account, or some rejection marker is set on the account, the transactions remain with the 'Manual Interface' queue in DOTOPAL and remain un-executed until the same is approved /cancelled. The matter is immediately referred to Relationship Manager with a copy to solution delivery.

4. If the transaction is in Foreign currency in either side, the transaction has to be checked and approved in the 'Exception Queue' in HWS.(hub work station)
5. For LBC 'Print File' has to be generated in Pay base system. LBC are then printed on prescribed stationery.
6. For outward telex transfers, transaction has to be checked and approved in the 'Exception Queue' in HWS. The SWIFT message generated has to be checked and approved in TPS in DOTOPAL. After approval, the message is directly sent to SWIFT.
7. EOD report is printed and retained accordingly.
8. STS team will communicate any system related issues to the STS support team/ local for any resolution.

Transfer to UCD account

The 6 months old (from the issuance / value date) outstanding Cashiers order/ draft items are to be transferred to the Unutilized Cover for Drawing accounts.



Transfer to UCD A/C

Role	Step	Activities
Maker	1	<p>Receive Instructions:</p> <ol style="list-style-type: none"> a. Once every week IRU (internal reconciliation unit) provides a list of Cashiers order/ draft items, which are outstanding for over 6 months from issue date, directly to the PO/DD unit. b. The relevant units to process necessary entries to transfer the cover of their own items to UCD accounts accordingly.

Role	Step	Activities
<p>Maker</p> <p>Checker</p>	<p>2</p>	<p>Process Entries:</p> <p>Manual transfer</p> <ul style="list-style-type: none"> a. Prepare vouchers to debit Cashiers Order Issued Ac./Bills Payable/ Funds Held/ relevant Nostro A/c and credit UCD A/c. b. Post the vouchers into the eBranch system. c. Forward the documents along with the vouchers to Mgr Drafts/ Mgr ITT to approve the transaction. <p>Uploading through STS/CWS</p> <ul style="list-style-type: none"> a. Input the entries in prescribed format. b. Maker to upload the file in CWS. c. Checker to approve the upload. d. Txns reach STS and are processed automatically. <p>Note: In order to make payment to beneficiary when cashiers order / draft / IARR is presented, the money is paid out by debiting the UCD A/c after being approved.</p>
<p>Maker</p>	<p>3</p>	<p>File Documents:</p> <ul style="list-style-type: none"> a. Copies of all related documents are to be placed in the UCD outstanding file. b. Once every month the account is balanced by IRU. c. At month end a report of the ageing outstanding items in the UCD A/c are sent to the Finance Dept by IRU.
		<p>Note:</p> <p>In order to make payment to beneficiary when cashiers order / draft / IARR is presented, the money is paid out by debiting the UCD A/c after being confirmed.</p>

Transfer to Unclaimed account

Items (Cover of PO, DD, ITT) which are held in the Unutilized Cover for Drawings (UCD) account aged more than **eighteen months** are transferred to the Unclaimed account once every month. The process involves the transfer of the documents through an outstanding list (with source documents/details-if found) to the Accounts Services Department.



ROLE	STEP	ACTIVITIES
Maker	1	Receive Instructions: <ul style="list-style-type: none"> a. Receive lists of UCD items from IRU (internal reconciliation unit) which are aged 18 months and above. b. Collect related source documents or source details. c. Process through STS for passing entries.
Checker	2	Verify details and approve transaction: <ul style="list-style-type: none"> a. Check the list and approve on the hard copy. b. Process necessary entries to transfer funds from UCD A/c to Unclaimed A/c. Debit UCD A/c & Credit Unclaimed A/C through STS

ROLE	STEP	ACTIVITIES
Maker	3	<p>File documents:</p> <ul style="list-style-type: none"> a. After the entries have been made, update the UCD files and forward the unclaimed items to Account Services Department. b. Duplicate copy of acknowledgement retained and original sent off to Account Services.

Standing Order

Instruction given by an account holder to the bank to pay a specific sum of money at fixed intervals to a person or account. It must have a start date and preferably an end date. CMO processes those standing orders, for which the beneficiary account is with other banks only.

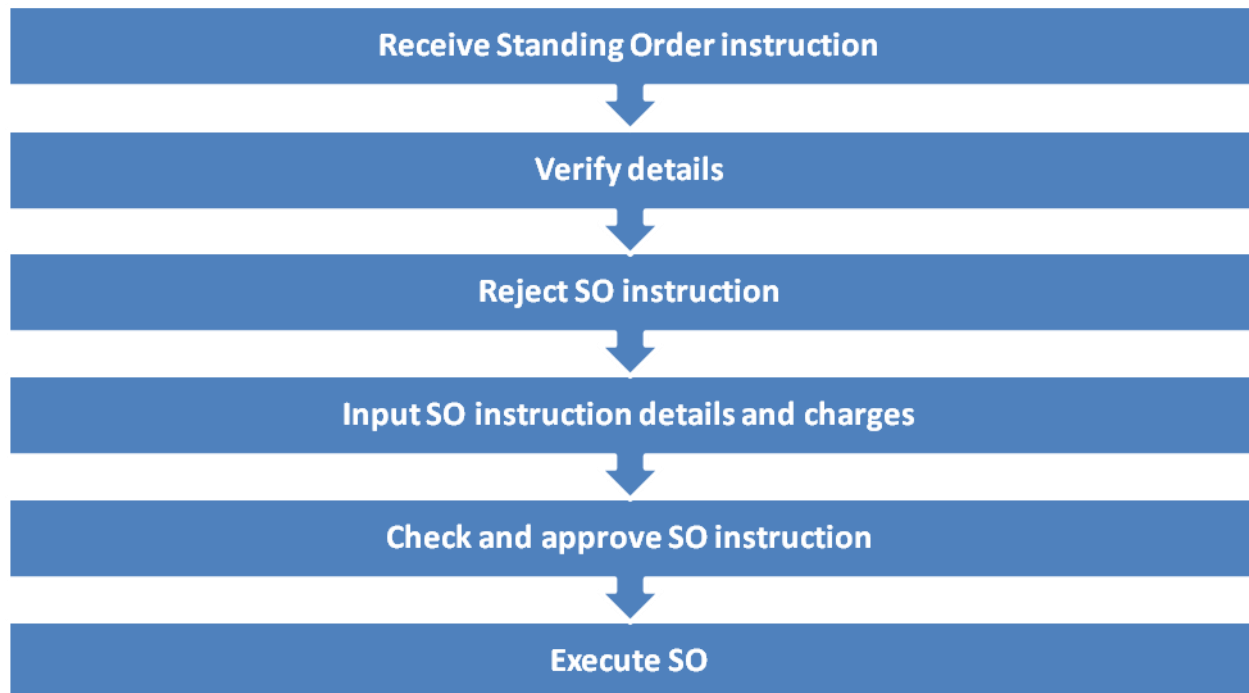
ROLE	STEP	ACTIVITIES
Maker	1.	<p>Receive Standing Order instruction</p> <ul style="list-style-type: none"> a. Standing Order instructions will be received directly from customers, branches or internal departments via <ul style="list-style-type: none"> i. Hand delivery. ii. Fax. b. Check that the SO instruction contains the following details <ul style="list-style-type: none"> i. Beneficiary's name. ii. Beneficiary's bank detail (if any). iii. Currency and amount to be charged. iv. Start date & End date (if any) v. Frequency. vi. Debit Account Number & Name vii. Authorized customer's signature. viii. Payment detail (if any) ix. Delivery mode(if preferred any) c. Any documentation required by country-specific Exchange control regulations and Group Policy must be adhered to.

ROLE	STEP	ACTIVITIES
		<ul style="list-style-type: none"> d. For any instruction sent by customer via fax, a fax indemnity must be in place. e. Call-back procedures must be followed where appropriate/applicable.
Maker	2.	<p>Verify details</p> <ul style="list-style-type: none"> a. Verify the following SO instruction details <ul style="list-style-type: none"> i. Beneficiary's name and account number exists in application. ii. Beneficiary bank detail. iii. Customer debit account is active. iv. SO currency and amount. v. Charges details. vi. Verify sufficient funds are available. vii. Name and account number in SO instruction matches account number in the system. b. If the currency is getting concerted while passing the entry, contact Treasury for exchange deal
Checker	3.	<p>Reject SO instruction</p> <ul style="list-style-type: none"> a. Reject the SO instruction if one of the following occurs <ul style="list-style-type: none"> i. Incomplete SO instruction. ii. Signature mismatches. iii. Insufficient funds. iv. Does not meet regulatory/ Group requirements b. Return SO instruction and other submitted documents to customer/ branch/ channels/ RM where the instruction was submitted earlier.
Maker	4.	<p>Input SO instruction details and charges</p> <ul style="list-style-type: none"> a. Input the detail in the 'Standing Order Master List' which is maintained in a register (Excel worksheet)

ROLE	STEP	ACTIVITIES
Checker	5.	<p>Check and approve SO instruction</p> <p>a. Check and Sign dually once the master list is updated. This hardcopy is checked, updated and signed on a quarterly basis by the Officer/Manager CMO. Any request for amendments are updated accordingly and the updated list are signed and filed with the mandates. At the same time soft copies are maintained by TM Drafts and Manager PODD in their PCs. The password used is a split one between these two persons ensuring dual control. Softcopies are updated in the same manner once there is any addition/cancellation/amendment of the instructions.</p>
Maker Checker	6.	<p>Execute SO</p> <p>a. Officer CMO checks standing instructions list each day and takes a print out of the list of the due SOs for that specific date, signs it and forwards to another supervisor (Manager/Officer CMO) for checking. The second person cross-checks with his SO list and signs if everything is found in order. Account balances available are also checked at the same time.</p> <p>b. The Standing order control sheet is updated once the execution is confirmed.</p> <p>c. The checked and signed list that contains detail of the SOs, is forwarded to the Officer for execution. Officer checks the dual signature on the list and produces</p> <ul style="list-style-type: none"> i. Cashiers order - if the payment is in local currency to be paid inside the clearing area covered by our branches. ii. DD through a local bank - if the payment is in LCY and to be paid outside a clearing area covered by our

ROLE	STEP	ACTIVITIES
		<p>branches.</p> <ul style="list-style-type: none"> iii. FCY DD drawn on central bank - if the amount is to be paid in FCY inside the country or iv. Generate an OTT - if the payment is to be made in FCY outside the country. This is handled by the OTT unit. v. TT on a local bank - if the payment is in LCY and to be paid outside a clearing area covered by our branches. This is also handled by OTT unit. <ul style="list-style-type: none"> d. Rest of the process is to be followed as per the guideline regarding the product to be generated. e. In case of insufficient fund in the account, the officer does not execute the transaction and puts a notation on the excel sheet for record purpose. f. Where the risk or reject is attached to any account the RM / CRM / BDMs are informed for disposal instructions. g. List of standing orders are taken on a quarterly basis to review the list with the customer instructions.

Standing order issuance procedure



Standing Order cancellation

Maker	1	<p>Standing Order cancellation/closure:</p> <ul style="list-style-type: none"> a. Customer presents a cancellation instruction and the same is received at CMO through CSG or from branches. The cancellation instruction should be against an existing SO through which fund is transferred to another bank. b. Ensure the application contains all required details such as: <ul style="list-style-type: none"> i. Date of the application ii. Debit account number and customer name iii. Beneficiary's name and account number with bank detail iv. Currency and amount v. Signature of the account holder
Maker	2	<p>File Documents</p> <ul style="list-style-type: none"> a. Inputs the account number in the eBBS system and verify that the name and account number tallies with that of the application. Also verifies that the signature is as per the mandate. b. All Standing Order applications / requests / closure requests are filed as a mandate in a ring file which is kept in the fire resistant cabinet under dual control c. Retains the list as the execution document of the day and files in a separate SO execution file at the end of the day d. Records are to be retained for 8 years

BEFTN Process Flow:

Bangladesh Electronic Fund Transfer Network (BEFTN) is the **EFT** (Electronic Fund Transfer) facility operated by Bangladesh Bank that receives entries from Originating Banks, distributes the entries to appropriate Receiving Banks and facilitates the settlement functions for the participating banking institutions.

EFT INWARD TRANSACTIONS	
	<p>Checker log in to EFT System</p> <ul style="list-style-type: none"> • Import transaction from Bangladesh Bank PBM server <p>Maker log in to EFT System</p> <ul style="list-style-type: none"> • Access to Inward transactions • Accept or Return or NOC transactions by checking risk and status of the accounts <p>Checker log in to EFT System</p> <ul style="list-style-type: none"> • Check transactions • Approve or reject the Accept or Return or NOC of transactions • For Return and NOC send transaction details to BB PBM • Checker prints the related vouchers and tally the amount & number of transactions with the Bangladesh Bank Net Settlement Report. • If any anomaly is found urgently communicate with the IT team (To check whether the file has been lied to the error folder) or to vendor (To check whether there is any problem in Flora BEFTN system)

	<p>Maker log into EFT System</p> <ul style="list-style-type: none"> • Generate flat file & save that in a specified location <p>Maker log into EBBS>InterfaceApplet</p> <ul style="list-style-type: none"> • Put Originator ID BEFTN • Select flat file for upload from the specified location • Validate uploaded transactions • Print upload report • Submit all the documents to approver for approving the transactions <p>Checker log into EBBS>InterfaceApplet</p> <ul style="list-style-type: none"> • Check uploaded transactions tallied with BB net settlement report • Approve or reject transactions • Check EBBS enquiry for transaction reflections on random basis
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EFT OUTWARD TRANSACTIONS	
	<p>Client or RM or PSB send hard copy of instruction to STS PO/DD dept along with encrypted soft copy with pre-specified format.</p> <p>Hard Copy</p> <p>Receiver or maker perform the pre-processing check</p> <ul style="list-style-type: none"> • Signature

- Amount in words and figure
- Date
- Risk
- Fund
- Anomaly should be referred to RM/Client or concerned unit.

Maker prepares transaction voucher

Maker login to eBranch>BatchPosting

- Debit client account
- Credit Bangladesh Bank/EFT Suspense account

Checker login to eBranch>BatchPosting

- Check the transactions
- Approve or reject the transactions

Maker login to EFT System> EFT Maker>Entry Form(Manual) **{For manual single entry}**

- Input transaction

Checker login to EFT System> EFT Checker

- Approve or reject transactions by checking with the hard copy customer instruction

Checker login to EFT System> EFT Checker Authorizer

- Generate envelope

Send transaction to Bangladesh Bank PBM server

Maker login to EFT System> EFT Maker>Entry Form(Bulk Upload) **{For encrypted bulk entry}**

- Upload encrypted file. Source : Mail from customer along with Hard Copy
- Check total amount
- Check total number of transactions
- Send to approver

Checker login to EFT System> EFT Checker

- Approve or reject batch
- For any anomaly contact with the concerned RM/Unit/Customer
- If not solved within the day, reverse the ebbs transaction and re-credit the amount debited from customer account

Checker login to EFT System> EFT Checker Authorizer

- Generate envelope sent to Bangladesh Bank PBM server

Partial transaction must not be executed. When rectified soft copy arrives, upload the new one & delete the earlier.

Price Matrix – Payments

A list of charges has been mentioned as follows.

Description	Charges – Tier 1	Charges – Tier 2	Charges – Tier 3
Pay Order Issuance Fee (LCY) per instrument (manual instruction)	BDT 20	Min BDT 50 to upto 0.15% (Max 500)	Min BDT 100 to upto 0.15% (Max 500)
Through Straight2Bank	BDT 5	Min BDT 10-25 *	Min BDT 10-25 *
Bangladesh Bank Check per check	BDT 20	BDT Min 50 Max upto 300 per cheque	BDT Min 150 Max upto 300 per cheque
Corporate Cheque through Straight2Bank	BDT 10-25 per cheque	BDT 10-25 per cheque	BDT 10-25 per cheque
Draft Issuance Fee (LCY) per instrument drawn on SCB	BDT 20	Min BDT 150 to Max upto 0.30%	Min BDT 250 to Max upto 0.30%
Through Straight2Bank	BDT 10	Min BDT (20 to 50) to Max upto 0.30%	Min BDT 200 to Max upto 0.30%

Draft Issuance Fee (LCY) per instrument drawn on Partner bank	Min BDT 50 – Max upto 0.35%	Min BDT (50 to 100) – Max upto 0.35%	Min BDT 250 – Max upto 0.35%
Through Straight2Bank	Min BDT 50 – Max upto 0.35%	Min BDT (50 to 100) – Max upto 0.35%	Min BDT 250 – Max upto 0.35%
Description	Charges – Tier 1	Charges – Tier 2	Charges – Tier 3
Draft purchased from other Bank per instrument	Min BDT 20 to Max upto 0.35%	Min BDT (50 to 100) Max upto 0.35%	Min BDT 250 to Max upto 0.35%
Cancellation of PO, DD, Purchased DD and Bangladesh Bank Cheque.	BDT (20-50)+ Other bank charges (if Any)	BDT (100 to 250)+ Other bank charges (if Any)	BDT 250 + Other bank charges (if Any)
Draft Issuance Fee (FCY) per instrument	USD5	Min USD 5 Max upto USD 10 per instrument	Min USD 5 Max upto USD 15 per instrument
Through Straight2Bank	USD 3	Min USD 5 Max upto USD 10 per instrument	Min USD 5 Max upto USD 15 per instrument

Draft Issuance Fee (FCY) per instrument with cover fund	USD5	Min USD 8 Max upto USD 20 per instrument (+USD 20 if cover is required)	Min USD 10 Max upto USD 20 per instrument (+USD 20 if cover is required)
Issuance of Outward TT	USD2	Min USD (5-15) Max upto 0.05% (not exceeding USD 20 SCB Branch, Non SCB Branch USD 40 per transaction)	Min USD 15 Max upto 0.05% (not exceeding USD 20 SCB Branch, Non SCB Branch USD 40 per transaction)
Cancellation of FCY DD	USD (2-5)+ Other bank charges (if Any)	Min USD 5 Max upto USD 10 per instrument+ Other bank charges (if Any)	Min USD 5 Max upto USD 15 per instrument+ Other bank charges (if Any)
Refund against lost PO,DD, purchased DD, Bangladesh Bank Cheque and FCY draft	Respective Stop Payment Charge + Respective Cancellation Charge	Respective Stop Payment Charge + Respective Cancellation Charge	Respective Stop Payment Charge + Respective Cancellation Charge
Re-issue against lost PO,DD, purchased DD, Bangladesh Bank Cheque and FCY draft	Respective Stop Payment Charge + Respective Cancellation Charge + Respective Issue charge	Respective Stop Payment Charge + Respective Cancellation Charge + Respective Issue charge	Respective Stop Payment Charge + Respective Cancellation Charge + Respective Issue charge
Salary transfer (soft copy/ through Straigh2Bank)	BDT 5	BDT 10-25 per transaction	BDT 10-25 per transaction

Salary transfer (Hard copy)	BDT 10	BDT 10-50 per transaction	BDT 10-50 per transaction
Courier Delivery Fee	At Actual	At Actual	At Actual
Draft Issuance against inward collection Fee (FCY) per instrument	Min USD 2 Max upto USD 5 per instrument	Min USD 5 Max upto USD 10 per instrument	Min USD 5 Max upto USD 15 per instrument
Pay Order Issuance against inward Collection	Min BDT 10 to Max upto 20	Min BDT 50 to upto 0.15% (Max 500)	Min BDT 100 to upto 0.15% (Max 500)
Issuance of Outward TT against inward Collection	Min USD 2 to Max upto 10	Min USD (10-15) Max upto 0.05% (not exceeding USD 20 SCB Branch, Non SCB Branch USD 40 per transaction)	Min USD 15 Max upto 0.05% (not exceeding USD 20 SCB Branch, Non SCB Branch USD 40 per transaction)

Price Matrix - Cheque / TC Purchase

Description	Charges – Tier 1	Charges – Tier 2	Charges – Tier 3
Description	Price	Price	Price
Cheque Purchase	Min BDT 20 to Max upto 1% per cheque	Min BDT (50-100) to Max upto 2.5% per cheque	Min BDT (100-250) to Max upto 2.5% per cheque
Travelers Cheque Purchase	Min BDT 20 to Max upto 1% per cheque	Min BDT (50-100) to Max upto 2.5% per cheque	Min BDT (100-250) to Max upto 2.5% per cheque
Return on purchased Cheque (FCY)	Min BDT 10 to Max upto BDT 50	Min BDT 50 to Max upto BDT 100	Min BDT 100 to Max upto BDT 250

Price Matrix - Electronic Banking

Description	Charges – Tier 1	Charges – Tier 2	Charges – Tier 3
Straight2Bank (Transactions)	BDT 100-2000	BDT 500-2000	BDT 500-2000
Straight2Bank (Information)	BDT 100-500	BDT 100-500	BDT 500-1000
Straight Through Services	BDT100	BDT 2000	BDT 2000
Cheque Writer	BDT 3-10 per cheque leaf	BDT 7-10 per cheque leaf	BDT 10-15 per cheque leaf

All Prices in this matrix area subject to addition of Govt. taxes. Presently, **15% VAT** is applicable

Tier 1 Customers: Diplomatic Missions, their Development Wings, Projects & staff / UN Organization, their Projects and Staff /, International Aid Agencies, their Projects & staff / Aid Implementing Organizations, their Projects & staff / International NGOs, their Projects & staff / and Government organizations

Tier 2 Customers: Selected Multination, Large Local corporate, autonomous bodies and nonprofit organizations

SWOT analysis:

➤ **Strength**

▪ Expert and experienced team members
▪ Excellent and dynamic work environment
▪ Better understanding between the team members
▪ Better quality customer services
▪ One of the highest profit generating units of cash management operations
▪ Structured and effective training program
▪ Processes huge amount of transactions everyday (about 2000)
▪ Keeps detailed tracks and records of the daily transactions
▪ Customer complaints are handled strongly.
▪ Broad database and effective information system.

➤ **Weakness**

▪ Dependency on particular officers for performing specific tasks like sonali bank purchase drafts and foreign currency drafts.
▪ Less work specialization
▪ Receiving and delivery both are at the same end. So confusion arises among the customers
▪ Inadequate number of employees.
▪ Unofficial leave of operations assistant cause excessive work load on other team members.

➤ **Opportunity**

- Full implementation of BEFTN (Bangladesh electronic fund transfer network)

➤ **Threats**

- Better quality service from other local and global competitor banks.

chapter 4

conclusion & recommendations

Recommendations:

Based on the findings I have come up with the following suggestions which are explained as follows.

- Educate all other team members regarding the functions of all transaction items like BEFTN (Bangladesh electronic fund transfer network), sonali bank DD purchase, and foreign currency draft. so that if anyone is absent due to any unavoidable circumstances then other team members will be able to perform the jobs on behalf of the person who is absent.
- The work specialization degree should be expanded in order to ensure a dynamic and enthusiastic work environment.
- The receiving and the delivery end should be separated in order to make the process simple and also to avoid confusion from customers.
- To recruit more team members since the number of people available for processing the transactions are inadequate. In addition, in particular seasons the number of transactions increase so it becomes difficult for the employees to manage.
- To increase the facilities of the temporary employees since bank doesn't take any responsibilities for them as well as they are not provided with other fringe benefits like permanent employees.
- To advertise and educate customers more about the new product BEFTN.

Conclusion:

Among all the eight unit of cash management operations, this is one of the most attractive and highest revenue generating units. Both in DOTOPAL and STS, they are providing significant amount of revenue to cash management operations.

The team members are highly experienced, qualified and capable of processing large number of transactions. Not only this unit is adding value to the organization but also they contribute to maintain proper customer satisfaction through providing superior service. In addition, the understanding and chemistry among the team members are absolutely amazing. This unit is more of like a family rather than being a professional team. Each of them are so friendly and cooperative which basically ensures a better working environment than any other functional units. I feel proud to be in this team and really feel fortunate to have colleagues like them. In the end, I would like to thank them all for being so helpful to me and also for giving me the flow to learn a lot of things regarding the corporate and banking culture.

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- c) http://en.wikipedia.org/wiki/Standard_Chartered
- d) [http://en.wikipedia.org/wiki/Standard_Chartered_Bank_\(Bangladesh\)](http://en.wikipedia.org/wiki/Standard_Chartered_Bank_(Bangladesh))

Books:

- Directory of operating instructions (DOI) of STS & PO/DD unit
- Directory of operating instructions (DOI) of cash management operations.

Interview:

- Mr. Luthful Arefin khan, Associate Director of Transaction Banking, SCB
- Mr K.M. Ali Azam , senior Manager, STS & PO/DD unit , SCB
- Mr. khaled md. saifullah, Team manager, STS & PO/DD unit , SCB.
- Mr. Masfik zaman, Assistant Manager, STS & PO/DD unit, SCB
- Mr. Zahangir Ahmed, operations assistant, STS & PO/DD unit, SCB
- Ms. Taslima Alam, operations assistant, STS & PO/DD unit, SCB
- Mr. shamsul Alam, senior officer, STS & PO/DD unit, SCB

List of abbreviations:

- RM- Relationship Manager
- BSSM- branch sales service Manager
- GPLY- General posting of local currency
- GPFY- General posting of foreign currency
- PSB- premium service banking
- STS- straight through services
- BEFTN – Bangladesh electronic fund transfer network
- UCD—unutilized cover for drawing
- IRU- internal reconciliation unit
- Nostro—basically an account which is debited or credited while performing the foreign currency drafts.
- FCY- foreign currency
- GL – General ledger
- ALM- Anti money laundering