RBI/2018-19/183
DCM (Plg) No.2746/10.25.07/2018-19
May 14, 2019

The Chairman / Managing Director / Chief Executive Officer
All Banks

Madam / Dear Sir,

Outsourcing of Cash Management – Reconciliation of Transactions

As stated in para 15 of the monetary policy statement dated October 04, 2016, the Bank had constituted a Committee on Currency Movement [Chair: Shri D.K. Mohanty, Executive Director, Reserve Bank of India] to review the entire gamut of security of the treasure in transit. The recommendations of the Committee relating to timely reconciliation of transactions (i.e. ATM cash replenishment) between the bank, the service provider and its sub-contractor have been examined. Accordingly, it has been decided that the bank shall follow the procedure as under:

a. Cash indents by the Service Provider shall be made at least a day in advance (T-1 where T is the day of cash loading), in consultation with the chest / nodal branch. Multiple points of cash withdrawal may be avoided and shall be restricted to one in each centre. However, metropolitan centres may have two points of cash withdrawal.

b. Reconciliation of transactions shall be done between the bank, the service provider and its sub-contractors at least on a T+3 basis.

c. In the event of a dispute or the reporting of alleged / attempted breach of security / laid down procedures, access to video footage of the ATM may be provided by the bank to the service provider and its sub-contractors on request.

2. Further, as a part of outsourcing arrangements for cash management, the bank shall encourage their service provider and its sub-contractors to:

a. put in place an efficient digital records management system for data retrieval and reconciliation.
b. create and maintain a data base of employees at industry level through any unique mode / code of identification by the Self Regulatory Organisation to ensure that they possess unblemished records.

Yours faithfully,

(Sanjay Kumar)
General Manager