



## Preventive Vigilance

### Do's & don't RELATING TO GENERAL MATTERS

#### Do's –

1. Do 'Know Your Customers'
2. Do establish identity & address of the client.
3. Do send letter of thanks to new account holders as well as to introducers.
4. Do keep specimen cards under lock and key overnight.
5. Do keep undelivered cheque books, loose cheque books,
6. DD/FDR//Pay order books under lock and key overnight.
7. Do handover cheque books to the client directly or to an authorized person against proper acknowledgement and take care to verify signature / identity.
8. Do monitor high value operations in newly opened accounts.
9. Do freeze all the inoperative accounts in CBS branches.
10. Do exercise caution while allowing payments from inoperative A/cs / dormant A/cs
11. Do be careful over issuance of 'Duplicate Passbook' and withdrawal of amount on them.
12. Do be sure of genuineness of request before issuing duplicate passbook / duplicate deposit receipt.
13. Do insist for passbook while making payment by withdrawal slips.
14. Do be cautious of fraudulent foreclosure of Dormant Account / Deposit a/c.
15. Do be cautious while issuing duplicate deposit receipt & request for loan against these.

16. Do monitor frequent cheque returns in the same account.
17. Do monitor overdrawing in accounts.
18. Do verify 'Cheque Return Register' to see the sign of sickness / fraud in any account.
19. Do check cash Book, supplementary, etc everyday with the vouchers. Ensure that these are duly authenticated.
20. Do ensure that debit vouchers in suspense heads are signed by two supervisory staff members.
21. Do remember that staff members should not pass / raise any transaction in their own or related account.
22. Do monitor Staff accounts and staff related accounts and scrutinize it for any high value transaction.
23. Do put transaction number on each voucher.
24. Do ensure that vouchers are authorized by appropriate officials.
25. Do follow up for timely adjustment of old entries in suspense a/cs.
26. Do ensure that outstanding in DNR / DNI are adjusted immediately.
27. Do ensure that debit voucher in revenue & expenses heads e.g, Exchange & Commission, Interest Paid, etc are signed by two supervisory staff members.
28. Do reconciliation of accounts with RBI / SBI regularly.
29. Do service branch reconciliation on weekly basis.
30. Do ensure "Intersol Parking Account" is adjusted / cleared on day-to-day basis.
31. Do obtain carbon impression on the reverse of DD / PO issued and affix cello tape on the amount and payees name.
32. Do proper verification of the signature of drawing officials before making the payment of DDs.
33. Do keep a tab on Draft / FDR handed over at the counter for issuance.
34. 33.Do keep a track of lost DDs reported to avoid fraudulent payment.
35. Do exercise caution when a person is asking for DD / PO for small amounts e.g, Rs.10/-, etc.
36. Do keep cash keys under dual control.
37. Do record movement of cash keys in Key Register

38. Do maintain cash movement register in the branch.
39. Do ensure that Cash Remittance in Transaction (CRT) is nil at the end of the day.
40. Do follow up any outstanding in 'Funds in Transit' and get it adjusted.
41. Do enter security printing books in the Security Printing Register and affix branch rubber stamp on them.
42. Do affix branch rubber stamp and account number on all cheque requisition slips.
43. Do affix bank's special crossing stamp immediately on all cheques received for clearing.
44. Do ensure that instruments returned unpaid in clearing are properly accounted for.
45. Do enter stop payment instruction in the system immediately.
46. Do put notice in the branch requesting customer to tender cash for deposit to the cashier at cash counter only.
47. Do ensure balancing of books is done on monthly basis for all heads of accounts.
48. Do change your password frequently and do not share it with anybody, not even to your Branch Head.
49. Do ensure that your password is alphanumeric.
50. Do disable user Id of any staff when on leave.
51. Do examine exception report daily at EOD without fail.
52. Lead a lifestyle well within your means.

**Don'ts –**

1. Do not share your password.
2. Do not keep same user Id and password.
3. Do not leave your computer in logged on condition even for a few minutes.
4. Do not have Internet / E Mail in PC which is linked to CBS / Server.
5. Do not act as the maker and the checker at the same time.
6. Do not create a transaction without a supporting voucher or on verbal instructions.
7. Do not issue non payment advice for a DD reported lost in a routine manner. Verify it thoroughly.

8. Do not accept Cheques / DDs / Dividend Warrants in new a/cs if the instrument is dated before the opening of the new account.
9. Do not accept bulk deposits in cash. If it has been done, report it in CTR / STR.
10. Do not compromise on security while handling / remitting cash.
11. Do not allow any unauthorized person / strangers into cash cabin / server room.
12. Don't place yourself under undue obligations to clients; you may have to pay dearly for that.
13. Do not rely on depositors / borrowers making tall promises. Crosscheck all the facts independently.
14. Do not act out of panic when extraordinary demands are made over telephone by persons posing as VIPs.
15. Do not accept request of a person who offers deposit and seeks loan against it immediately.



## **Do's & don't RELATING TO CREDIT MATTERS**

### **Do's --**

1. Identity and establish the bonafides of the prospective borrower.
2. Do collect information about business and dealings of the applicant.
3. Do conduct stock inspection regularly.
4. Do calculate DP correctly and ensure it is fed into the system.
5. Mark lien on FDR /RD in the register or system immediately.
6. Do arrange adequate Insurance of the stock / primary security.
7. Do Cross check all the facts all over again before making the first disbursements.
8. Verify collateral / primary security to be created before sanction / disbursal.

### **Pre - sanction inspection & Post - sanction inspection --**

1. Do the due diligence of the seller / builder / borrower in the initial stage visit the borrower at his residence and his business place, make enquiry in the area about the borrower, about his business dealings, - visit the property being offered as mortgage, meet estate agents in the area to get an idea about the valuation of the property,
2. Examine title deed on your own before sending it to lawyer – give a close look for any error / discrepancy to find out whether it is original or colour Xerox.
3. Visit borrower after disbursement of the loan to know about end use.
4. Do obtain a letter from Society confirming marking of lien on property in mortgage loans / UCO Shelter.
5. Do follow Head Office guidelines on advances. Record reasons for deviation and report it to competent authority immediately.
6. Do maintain insurance register for timely renewal of insurance.
7. Do take the signature of the borrower on the back of the title deed, I T returns, etc.
8. Do get the NSCs / KVPs / IVPs verified and lien marked directly through own officials.
9. Do keep bearer instruments like IVPs in safe custody.

10. Do register creation of charge / modification of charge with 'The Registrar of Companies' within given time frame for corporate.
11. Do be wary of promises however big – in return for a small favour / loan. Loan proposals should be dealt with on merits. Do not link up two separate issues.
12. Do rotate work among lawyers and auditors who are empanelled.
13. In case, you notice any malpractice, report it to your Z.O.
14. Do visit borrower in case of default of payment of 2nd instalment and verify the property mortgaged.
15. Do scan local Newspapers regarding auction notices for mortgaged properties

### **Don'ts –**

1. Do not leave loan document or title deed on table unattended.
2. Do not hand over pay order to the borrower while disbursing loan.
3. Do not hand over letter addressed to the Society requesting marking of lien of property under mortgage to the borrower.
4. Do not allow any BP facility in a new / fresh account
5. Do not allow cash debits only frequently in cash credit a/cs – a healthy account shows both transfer credits and transfer debits.
6. Do not send documents and papers for verification / legal opinion to empanelled lawyers through loan applicants.
7. Do not conceal or manipulate facts while processing loan applications including staff related cases.
8. Do not make indiscriminate advances under any scheme.
9. Do not purchase bills which are accommodation in nature.
10. Do not split up a proposal to avoid reference to the higher authority.
11. 31. Do not adjust advances against dishonoured bills / cheques by purchasing / discounting bills drawn on the same drawee or by granting of overdrafts.