REGIONAL CLEARING ASSOCIATION PROCEDURES

AUTOMATED CLEARING AND SETTLEMENT SYSTEM
CONTINGENCY SITUATION

MANUAL BALANCING
AND
SETTLEMENT OF CLEARING

© 2004 CANADIAN PAYMENTS ASSOCIATION
2004 ASSOCIATION CANADIENNE DES PAIEMENTS

These procedures are copyrighted by the Canadian Payments Association. All rights reserved, including the right of reproduction in whole or in part, without express written permission by the Canadian Payments Association.
Regional Clearing Association Procedures
Automated Clearing and Settlement System Contingency Situation
Manual Balancing and Settlement of Clearing

Implementation and Revisions

Implemented
May 25, 2000

Amendments Pre-November 2003

Amendments Post-November 2003
Upon advice from the Canadian Payments Association of an ACSS National Failure necessitating the manual balancing and Settlement of Clearing for a region, the Presiding Officer of the Regional Clearing Association (RCA) shall:\footnote{RCA Toronto shall perform the manual balancing and Settlement functions for both the Toronto Region and the National Electronic Settlement Region. The Presiding Officer at the RCA shall therefore carry out the responsibilities outlined in this document for each of these Regions, separately.}

1. Ensure that each Direct Clearer participating in the Clearing exchange for the region has been notified to attend the manual balancing and Settlement function. Ensure that a representative of each participating Direct Clearer is in attendance prior to the commencement of proceedings.

2. Ensure that the Clearing Management area of the CPA has been advised of the location at which the manual balancing and Settlement function will take place and the telephone number where RCA members can be reached.

3. Ensure that all representatives have the required forms as outlined in the “Contingency Situation - Direct Clearer Procedures” document. These forms are:
   1. Cheque Clearing Logs.
   3. Confirmation of Clearing Balances (2 copies).
   4. Clearing Exchange Reports.

   The presiding Officer requires the following form:
   1. Clearing Association Proof Sheet

4. Direct the representatives to complete their Clearing Exchange Statements and Confirmation of Clearing Balances in accordance with the “Contingency Situation - Direct Clearer Procedures” document, steps 6 to 8.

5. Receive the original copies of each Direct Clearer’s completed Clearing Exchange Statement and Clearing Exchange Reports, along with 2 copies of each Direct Clearer’s completed Confirmation of Clearing Balances, and reconcile the exchange of Clearing by completing the Clearing Association Proof Sheet in accordance with the directions on the form.

6. Following reconciliation, verify and sign the original copies of each Direct Clearer’s Clearing Exchange Statement as well as both copies of each Direct Clearer’s Confirmation of Clearing Balances. (Individual Direct Clearers may require the signature of the Presiding Officer upon the photocopy of their Clearing Exchange Statement).

7. Return the Clearing Exchange Statement and one copy of the Confirmation of Clearing Balances to each Direct Clearer’s representative.

   \textit{NB: If the Confirmation of Clearing Balances form has not been signed by a Direct Clearer’s authorized signatory(s), both copies of the form shall be returned to the Direct Clearer representative. The Direct Clearer will be responsible for obtaining an authorized signature; and subsequently, delivering one copy to the Bank of Canada. As this form is the authorization for the Bank of Canada to effect Settlement on its books to the account of the Direct Clearer, it is imperative that the form be duly signed and delivered without delay.}

9. Give the original copy of the completed *Clearing Association Proof Sheet*, as well as the original copy of each Direct Clearer’s *Confirmation of Clearing Balances* (if duly signed) to the representative of the Bank of Canada.

10. Advise the Information Systems Division of the CPA when their ACSS region has closed for that Settlement date, or indicate, by 11:00 hours Ottawa time, that an out-of-balance condition exists.
    [For information regarding how to resolve an out-of-balance situation, consult CPA Rule B9, Section 16.]

11. In accordance with Rule B9, subsection 17(a), forward copies of each Participant’s Clearing Exchange Reports to the Information Systems Division of the CPA the day of the manual balancing and Settlement function.