

**CANADIAN PAYMENTS ASSOCIATION
ASSOCIATION CANADIENNE DES PAIEMENTS**

**REGIONAL CLEARING ASSOCIATION PROCEDURES
AUTOMATED CLEARING AND SETTLEMENT SYSTEM
CONTINGENCY SITUATION

MANUAL BALANCING
AND
SETTLEMENT OF CLEARING**

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**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

May 25, 2000 and July 24, 2000.

Amendments Post-November 2003



REGIONAL CLEARING ASSOCIATION PROCEDURES (continued)

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:¹

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.*
 2. *Completed Clearing Exchange Statement.*
 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.

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.

8. Retain a copy of the completed *Clearing Association Proof Sheet* for the Regional Clearing Association files, and the *Cheque Clearing Logs* for future reference.

¹ 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.

REGIONAL CLEARING ASSOCIATION PROCEDURES (continued)

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.

