Introduction

1.1 Preamble

This chapter describes the client - People's Bank and its involvement in the cheque clearing cycle. A brief disclosure in solutions are offering terms of input, output, users, processes , features and technology is also discussed. The later part is comprised of the structure of the rest of the dissertation.

1.2 Background and Motivation

1.2.1 Client - People's Bank

People's Bank [18] is one of the large state commercial banks in Sri Lanka which was inaugurated its services under the Act No. 29 of 1961. People's Bank has 300+ branch network scattered throughout the country along with another 300+ service centers. Its employee strength is over 10,000 who are rendering their service to 10 Million customer base. The ATM network has 200+ locations serve customers anytime banking. The channel of delivering wireless and web based banking is underway and will be offering shortly.

The branch network is interconnected based on a core banking system and an in-house developed banking system. This enables online banking to the customers. Its Virtual Private Network connects key locations of the bank through broad band connections. Every business location consists of backup connection in order to ensure uninterrupted services.

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[18] http://www.peoplesbank.lk/site_map.shtml

As a key financial institute in the country, its services are ranging from rural banking to corporate banking and overseas banking. The service centres and mobile banking services have strength of reach the grass root level of the customer base. The government ownership enforces offer public services like distribution of funds in the mode of subsidies in cultivation, disasters etc. Its corporate banking division, Overseas Customer Unit, Treasury Unit etc strengthen large and middle scale services in the business.

1.2.2 Bank's clearing

The recent survey done by the Central Clearing Department – CCD reflects People's Bank's cheque volume is 35 % with compared to the country. It is worth of 5.5 Billion Rupees per day. Most of the payments in government sector including service persons salaries are going through the People's Bank.

1.2.3 Validity of cheque as non cash payment mode

The average volume of 190,000 cheques is circulating around bank/branches per day in the country. As the nation reaches financial maturity personal cheque is likely to disappear, but businesses continue to value cheques as the most convenient non cash payment instrument and an easily reconciled payment method for commercial transactions, despite the gaining popularity of other payment instruments such as credit cards, debit cards and electronic payment modalities [17].

1.3 Aim and Objectives

Aim

The aim of this project is to develop a system which centralizes the clearing process of the bank in cost effective way. The said task of day to day branch operations hand over to the specialized personnel. Then branch staff can allocate more time to focus on customer services. In addition to that modern banking demand for speed with accuracy.

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[17] http://www.lcpl.lk/inpages/customers/customers.shtml

Centralizing the operation pave the way to the demand. Proposed system is targeting submitting return cheque details in time.

Objectives

- Centralize the clearing process of the People's Bank.
- Make a payment decision hierarchy within the bank.
- Provide a more efficient service to the customers hence smooth the clearing cycle of the nation.
- Make the system interface with the Core Banking System and Signature Verification System.
- Gain the knowledge of comprehensive life cycle of the software engineering.
- Improve the knowledge of development tools in desktop applications and web base applications.

1.4 Solutions

By implementing the concern project bank can eliminate courier charges and charges for CDs. Branch staffs release from this back office work hence reduce the operational cost. Signature verification system will be implemented and hence reduce the manual intervention of the cheque clearing.

The system will be interfaced with the existing Core Banking System then followings will be benefited by the bank.

(i) When correcting invalid items there will be validation with Core Banking System.

(ii) Reports entering activities eliminate by updating relevant data passing data files among two systems.

Situations arise to pass the cheques to a superior or branch manager to make the final decision. And it can be done passing data using electronic screen. The demand of the customers to view their cheques presented for clearing will be delivered using web solution.

Allowing customers to view their cheques will be implemented in web based while the main application is developed in desk top application.

1.5 What Comes Next

The descriptions of the chapters are coming as follows.

Chapter 2: Issues in clearing system (Problem Domain)

This chapter covers comprehensive description about background information of the project. Later the approach to solve the problem will be discussed based on a literature survey.

Chapter 3: Technology Adopted

This chapter presents a comprehensive literature review on the system technologies which can be used to develop the project. The section justifies choice to develop the system. Furthermore chapter deals with what the reader should know and a description on the existing system.

Chapter 4: Centralize the Image Clearing Process - My Approach

In this chapter describes adoption the technology to solve the clearing problem of the bank. This description includes how it was addressed issues effect to users, inputs, outputs, process, technology that implements the solution.

Chapter 5: System Analysis and Design

This chapter includes the top level architectural design of the system and what the each module does and interactions between them. Selected analysis and design diagrams and design decisions are discuss.

Chapter 6: Implementation

This chapter deals with the implementation of the Centralized Image Clearing Processing System in each module that is stated in the design diagram. This is followed by the software, hardware, flowcharts, algorithms, pseudo codes, code segments as per each module in the design.

4

Chapter 7: Evaluation

This chapter includes the assessment of the success of the project in terms of meeting original specifications, reliability, testing, robustness, performance, etc.

Chapter 8: Conclusion and Further Work

The overall achievement of the project with regard to each objective is discussed in this chapter. The problem encountered during the project, limitations and further work will be discussed in the later part of the chapter.

1.6 Summary

This chapter provides an overview of client organization and gravity of the project by explaining figures involving. And also it explains the background and motivation that led to the project. It also presents the aims and objectives of the system, solution offered and finally a chapter breakdown.