



KNOWLEDGE SERIES

March 2023 | Volume 71

Finacle Support brings you this fortnightly knowledge bulletin to augment your problem-solving capability. Every edition is put together with utmost diligence to ensure that best practices and known resolutions are shared. In this edition, you will find the following articles:

- **System Reserved Amount for Carved Instruments**
- **Using LPA Account to avoid Overflow**
- **Troubleshoot Queries Using Finacle Support Center!**
- **Financial Year-End Processing – Best Practices Webinar on FSC**

So, let's start reading!

System Reserved Amount for Carved Instruments

Product: Finacle Core Banking Version: 10.x

Corporate and retail customers of a bank issue cheques to honor their liability. When the beneficiary of the cheque submits the instrument for collection, the instrument is provided to the issuer's bank to honor the amount. In such cases, the amount mentioned in the instrument is blocked (carved) at the customer account level. The same is debited once the instrument is cleared with processing.

There can be multiple such instruments issued by the customer. Hence the total amount of all these instruments is carved from the customer's bank account. This amount is called "**System Reserve Amount**". Usually, there is a time gap between the amount getting carved and the actual debit happening. Only between this time gap the "**System Reserve Amount**" will be shown in the Finacle application.

Apart from the Clearing module, there are cases where **System Reserved Amount** is used in system transactions i.e. Interest Run, Loan Demand Satisfaction etc. During transaction creation, the system reserves the amount, and the same will be released once posted. **RESERVATION_AMT** field of **DTD** and **SYSTEM_RESERVED_AMT** field of **GAM** is used in this case.

The System Reserved Amount can be seen in **HACCBAL** menu as shown below.

Account Balance Details			
A/c. ID *	XXXXXXXXXXXXXXXXXXXX		Help ?
Go	Clear		
A/c. Name		Balance	11,039,249.19 Cr
Scheme Code	SBGEN SB PRIZE DRAW	Funds in Clearing	0.00
Clear Balance Amt.	11,039,249.19 Cr	Float Balance	0.00 Cr
Sanction Limit	0.00	Drawings against Unclear	0.00
Drawing Power	0.00	Available Amt.	11,038,249.19 Cr
Utilized Amt.	0.00	Available Amt. in FFD	0.00 Cr
DACC Limit	0.00	Effective Available Amt.	11,038,249.19 Cr
Lien Amt.	0.00	Effective Available Amt. for SWEEPS	0.00
Overdue Liability	0.00	Amt. Available in HC	0.00
System Reserved Amt.	1,000.00	DAFA Limit	0.00
Overdue Future Liability	0.00	Future Amt.	0.00 Cr
Utilization Amt for Future Debit	0.00	Future Credit Amt.	0.00 Cr
Effective Future Available Amt.	11,038,249.19 Cr	Future Clear Balance Amt.	0.00 Cr
		Future Unclear Balance Amt.	0.00 Cr
Available Amt. at Line of Credit	0.00		
Secured Limits			
Ad Hoc Limit	0.00	Running Limit	0.00
Single Transaction Limit	0.00	Customer Status	007 MINOR
Clean Limits			
Ad Hoc Limit	0.00	Running Limit	0.00
Single Transaction Limit	0.00		

Using LPA Account to avoid Overflow

Product: Finacle Alerts Solution Version: 10.5.x

When interest gets recalculated for a loan account due to any backdated interest rate change or backdated transaction, in the **HLADGEN** menu, there is a possibility that instead of the loan account or loan interest account getting debited, the loan account can get credited. This would happen when the newly calculated interest amount till date is less than the interest applied so far on the loan account till date. The transaction would have **Collection Flow ID** in LTD table, **origin_of_tran** in the LTD table would be **INT**, and it will add to the overflow balance in the loan account. This transaction for all practical purposes is similar to a scheduled payment transaction that has happened on the loan account through the **HLASPAY** menu.

This transaction cannot be reversed manually using the **HLASPAY** menu. In certain regions as per regulatory guidelines such kind of overflow transactions where the loan account gets credited is not allowed. To meet this requirement, the environment variable **EXCESS_CR_TO_LPA** can be exported to 'Y' in the **commonenv** file. With this change, if the recalculated interest is less than the interest applied to the account, instead of crediting the loan account, the transaction will be routed to credit the Loan Payment account. The Loan payment account placeholder is defined in **HSCFM** menu, and it is expected to be a partitioned account. This will avoid the creation of overflow on the Loan account.

Troubleshoot Queries Using Finacle Support Center!

Troubleshooting Documents provide an in-depth resolution to product-related queries and help the reader gain expertise. Here is a sample:

Query: Customer receives the below error message in the corporate/ retail online banking application

"You are not authorized to perform this transaction, Contact the bank administrator"

Solution: Authorization Scheme needs to be set for transactions, for both financial and non-financial. If it is not set then, the user sees the above error message. The Authorization Scheme can be checked and resolved by the admin application...

Read the complete solution [here](#) and visit the [FSC portal](#) to learn more!

Financial Year-End Processing – Best Practices Webinar on FSC

Finacle Global Support conducted a webinar on Finacle **Year End Process – Best Practices**.

This session provided insights into all processes to be followed in Pre-book closure, post-book closure activities and outlined some best practices to be followed.

[Click here](#) to visit FSC and view the recording.



Do you have the most useful Finacle URLs handy? Bookmark these Finacle links:

- **Finacle Support Center:** <https://support.finacle.com/>
- **Finacle Knowledge Center:** <https://content.finacle.com>
- **TechOnline:** <https://interface.infosys.com/TechonlineV2/base/globallogin>

Hope you like this edition. Is there anything that you'd like to see in the forthcoming series? We'd love to hear from you! Write to us at finaclesupport@edgeverve.com



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