

# Improving the Working Day and Document Flow in Banks

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## Abstract

In this paper, it has been studied the issues of improving the working day and document flow in banks in our country. Therefore, this article has been pursued under the importance of improving the working day and document flow in the interbank market. So, during writing this article financial reports of Central Bank and commercial banks in Uzbekistan and other resources are analyzed, and end of the paper has been given some suggestion and recommendations.

**Keywords.** Bank, credit, banking system, working day in banks, banking operations, interbank payments,

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**Introduction**

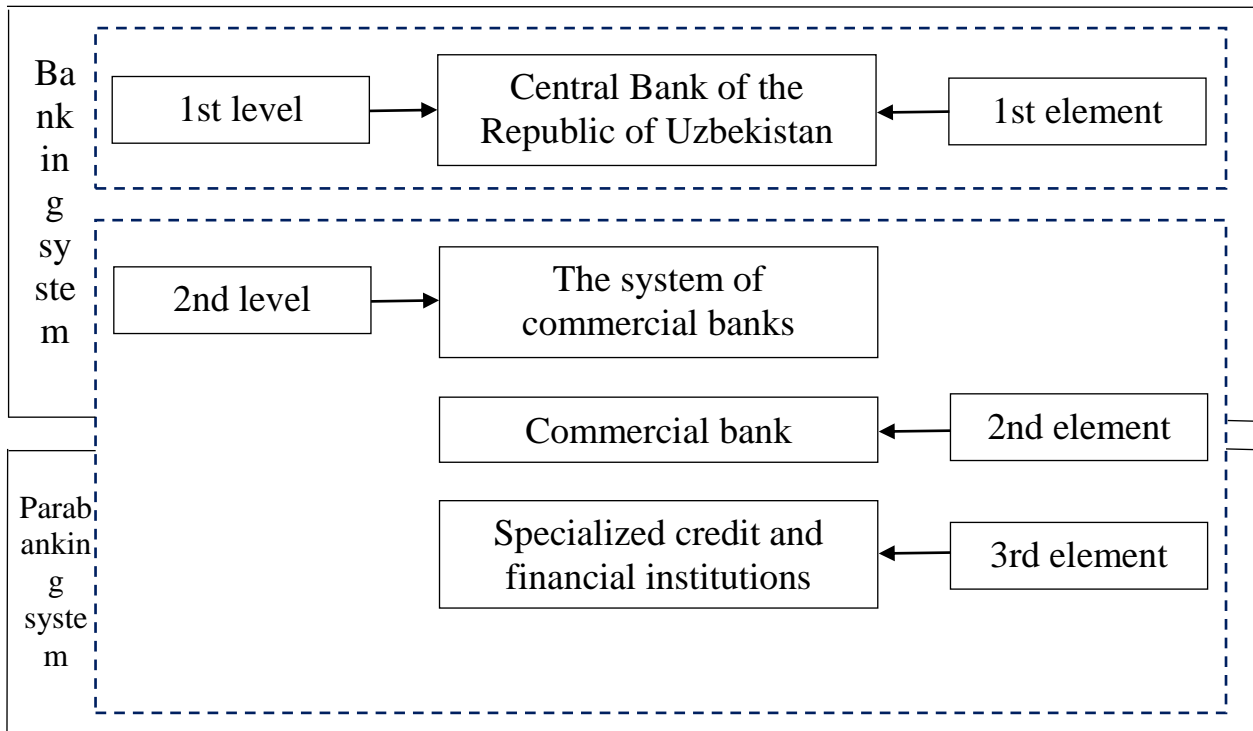
The credit system as a whole can be characterized on the basis of three aspects: essential, institutional and functional. In its essential aspect, the credit system is a system of credit and financial relations arising in connection with the provision, use and repayment of loans on terms of repayment, payment and urgency.

From an institutional point of view, the credit system is a system of credit and financial institutions serving credit relations (banks, financial companies, stock and currency exchanges, insurance companies, etc.).

From a functional point of view, it is a set of types and forms of credit. At the head of the credit system is the Central Bank, which performs the following functions:

- monopoly issue of credit money in cash;
- lending to commercial banks;
- storage of cash reserves of other credit institutions;
- keeping the official gold and foreign exchange reserves of the state;
- execution of settlement operations;
- control over the activities of other credit institutions, etc.

The second element of the modern banking system is commercial banks - these are credit institutions of a universal nature that carry out credit, stock, intermediary operations, organize payment turnover on the scale of the national economy.



**Figure-1. The structure of the credit system of Uzbekistan [1]**

The third element of the banking system is specialized credit and financial institutions engaged in lending to certain areas and sectors of economic activity. In their activities, one or two main operations can be distinguished; they dominate in relatively narrow sectors of the loan capital market and have a specific clientele.

**Method**

The article provides a systematic analysis of the literature in the study of the improving the working day and document flow in banks. Also, the scientific conclusions of the

research work carried out by foreign and local scientists in this area were studied and independent approaches were formed.

### Analysis and Results

At present, work in a commercial bank is a highly intensive, responsible activity that requires a high concentration of employees and the performance of large volumes of work tasks. In this regard, many credit institutions use irregular working hours, there are overtime. As the ongoing studies of social processes in banks show, the intensification of labor in modern conditions provokes a labor crisis. It is expressed in the loss of a positive perception of labor activity, the meaning-forming function of labor, accompanied by a massive feeling of uncertainty and organizational anxiety [2].

The operational activity of the bank is the activity of attracting and allocating resources, where the main goal is to make a profit.

In the operating activities of commercial banks, bank accounting plays a significant role, with the help of which information is generated on the movement of funds and their sources. Operational tasks:

- + Formation of complete and reliable information about the financial and economic processes and the results of the bank's activities, which is necessary for operational management and reporting.

- + Control over the availability and movement of funds, tangible and intangible assets, financial resources and their sources.

- + Providing clients of the bank with timely and accurate information about the movement of funds on settlement, current, credit and other accounts.

The bulk of banking operations are related to the movement of funds, payments and settlements. This determines special requirements for their documentary registration, organization of document flow, storage of documents, accounting and reporting of the bank.

Organization of accounting and operational work in the bank includes:

1) Building an accounting and operational apparatus;

2) Organization of the working day and workflow;

3) Internal banking control - a set of procedures to ensure compliance with internal and external regulations in the implementation of bank operations, the accuracy and completeness of information.

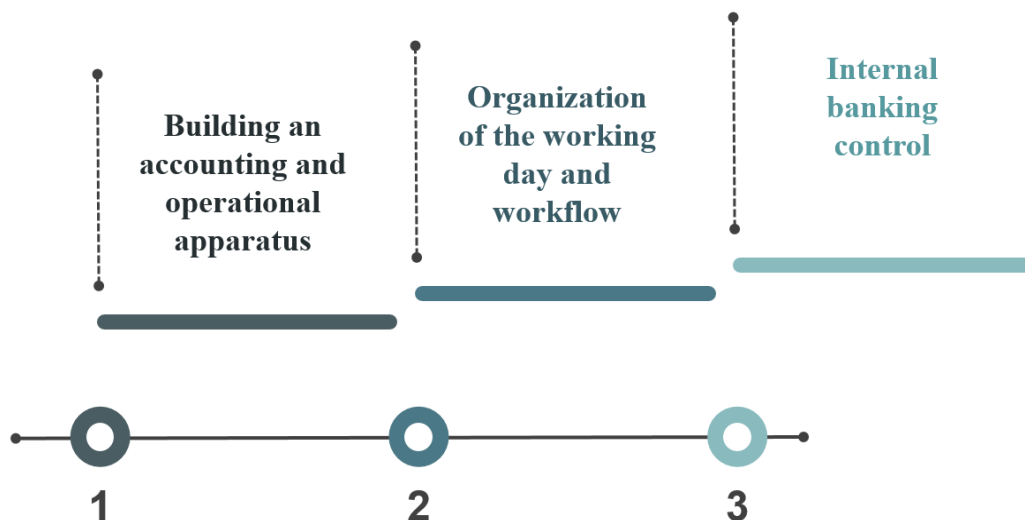


Figure – 2. Structure of organization of accounting and operational work in the banks [1]

The working day of accounting staff in the banks of the Republic of Uzbekistan should be organized in such a way that the initial and current control of monetary documents accepted by the bank during the day of operation is carried out. They need to be done on time. That is, transactions on accounts must be reflected in the accounting records, a daily balance sheet must be prepared, and all transactions performed no later than the next banking day must be subject to final control, except for transactions carried out through remote banking systems [3].

Each bank independently determines the order of customer service and document flow during the day of operation, subject to the following requirements:

banks start the new business day by checking the turnover and balance amounts of the external correspondent account opened at the Settlement Center of the Central Bank of the Republic of Uzbekistan at the beginning of the day, the compatibility of their internal correspondent account with the current and balance amounts. The internal and external correspondent account sends an electronic file to the Settlement Center to confirm the correspondence of turnover and balance amounts;

The clearing house receives an electronic file sent by commercial banks and programmatically compares the balances of the bank's external and internal representative accounts and returns them to the banks, confirming their compatibility. If the balances of the correspondent accounts do not match, the bank will not be opened on the day of the transaction and interbank payments will not be allowed until the existing difference is eliminated;

Upon receipt of a confirmation (W-file) from the clearing house, banks will be allowed to make interbank payments;

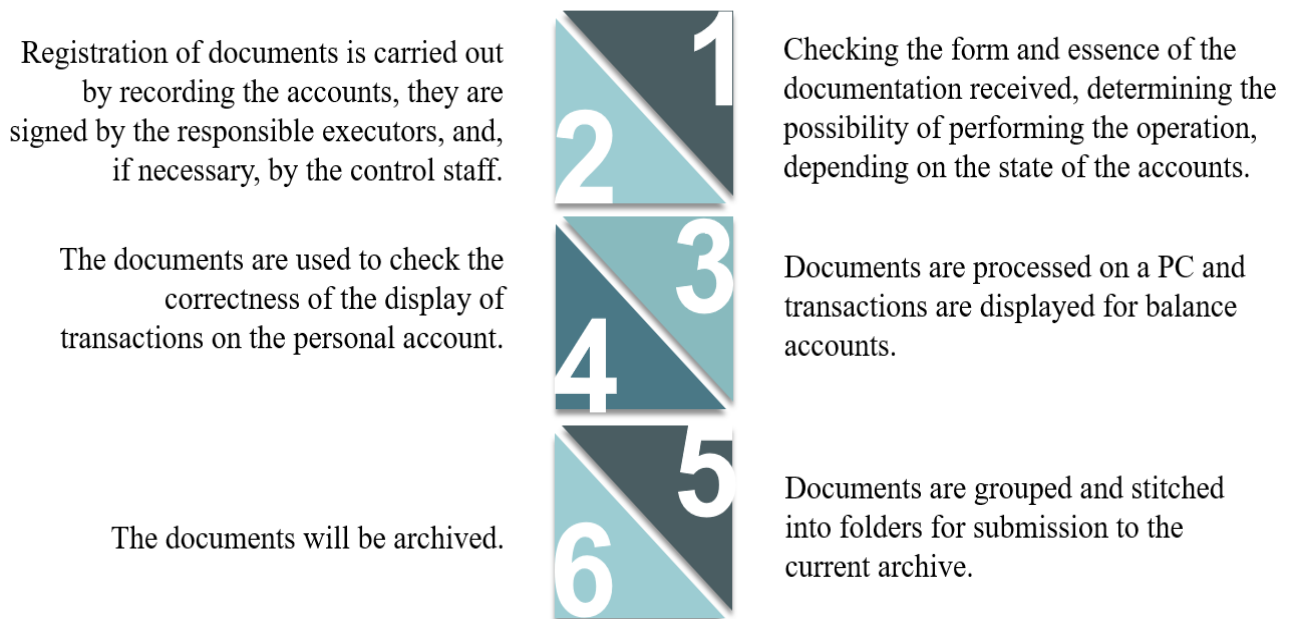
Confirmation of compliance of the balance of external and internal correspondent accounts opened in the "Payment Center" with the branches of the bank with existing branches is carried out by the Central Bank. If there is a difference between the internal representative account of the branch and the external representative account opened in the "Payment Center", the branch is not allowed to make inter-branch and interbank payments and work until the new day until it is eliminated;

for inter-branch and internal payments, the bank independently determines the time of receipt of payment documents from its customers. Inter-branch payments include payments between branches of the same bank, cash payments for internal payments, calculation of interest to be paid and received, and calculation of salaries to employees, and so on;

Accounting for transfer of accounting documents on payment documents received from customers of banks on interbank payments during the day of banking practice (until 16-00 for paper payment documents) before the expiration of interbank payments -should be delivered to the book center, otherwise no interbank payments will be made. The bank is liable for the document that failed to be executed due to the fault of the bank, except for external factors not related to the bank;

The clearing house sends information to the banks on the completion of interbank payments (END file), after which interbank payments between banks are suspended for the day of the transaction.

For the purpose of rational organization of accounting work in the institutions of the bank, a document flow schedule for banking operations is drawn up. The workflow of passing documents can be represented by the following diagram:



**Figure – 3. The process of working with documents in banks [1]**

Separate operations are subject to additional control, during the execution of which there is a possibility of errors and fraud: issuance of check books; issuance of funds in national and foreign currencies; collection of fines from clients; operations on the bank's income and expenses; deposit operations and others.

The organization of accounting and operational work in the bank must ensure that the following conditions are met:

- 1) All transactions with documents received from clients during the operational time are reflected in the accounting on the same day.
- 2) Processing of documents should be carried out during the working day according to the schedule in order to draw up current reporting by the end of the operational time.
- 3) Not later than the next business day, a daily balance sheet is drawn up (as extracts from the bank's correspondent accounts are received the next day after the operations performed).

For the effective organization of operational activities in a bank institution, a unified procedure for passing documents through all stages of processing must be established.

The organization of operating activities presupposes the existence of documented operating procedures for all banking operations in accordance with the law.

The operational activities of the bank should be organized in such a way as to ensure:

- 1) Accumulation and provision of information about each operation with the obligatory designation of all parameters to ensure bank reporting.
- 2) The operational activities of the bank are provided by employees from the front office and back office. So, the front office is the division of the bank whose employees initiate and organize banking operations. Back office - a division where performers provide registration, verification, reconciliation, accounting of operations and their control.

### **Conclusion**

Our recommendations help improve working day and workflow in banks, customer satisfaction, staff performance, motivation and employee engagement. So, they are:

In order to effectively implement the accounting process and work day in banks, it is

necessary to consider the requirements from the point of view of the transfer of financial information to stakeholders. These requirements are usually divided into two categories - requirements of internal users (bank management) and external users of financial information.

All banks are required to develop and implement documents regulating their accounting activities. If necessary, the Central Bank provides an explanation of technical issues related to the application of the Central Bank's regulations developed in accordance with IFRS.

The organization of the system of intrabank control is an urgent task, which largely determines the possibility of stable development of each branch of a bank, bank and the banking system as a whole.

In conditions of high competition in the banking sector, it is necessary to make the most of the labor opportunities of the personnel, however, it is no longer possible to achieve this by increasing the intensity of labor. Growth reserves must be sought in the automation of processes, minimizing the amount of manual input and processing of information. This will save working time and, accordingly, will allow you to perform more operations with increased efficiency.

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