

POS CASH-OUT FACILITY: GUIDELINES AND PROCEDURES

1. PURPOSE

The purpose of this document is to outline the comprehensive guidelines and procedures for the POS Cash-Out Facility, ensuring that Merchants and bank personnel maintain consistent, efficient, and compliant operations. These guidelines cover merchant responsibilities, branch and head office processes, settlement procedures, support escalation, and compliance requirements, in alignment with financial regulations and internal bank policies.

2. SCOPE

These guidelines apply to all stakeholders involved in the POS cash-out facility, including Merchants, branch personnel, head office operations, and the settlement unit. They provide detailed procedures to ensure timely transaction settlement, effective communication, seamless support escalation, and adherence to regulatory requirements.

3. MERCHANT GUIDELINES AND OPERATING PROCEDURES

1. Account Opening:

- Merchants are required to open a SBPay corporate/business account with the bank before utilizing the POS cash-out facility. This account shall serve as the settlement account for all transactions processed through the merchant's POS terminal.
- Merchants must provide complete account opening documents and comply with the bank's due diligence requirements and to be approved by the Head Office Digital Banking Service Unit.

Auxiliary Products and Services Committee	
Approving Authorities	Roles
Chairman / President and CEO	The final approval of the endorsed merchant or partner outlet.
Bank Credit Manager	An evaluator primarily focused on the additional benefits of engagement from both deposit and lending perspectives
Operations Manager	An evaluator primarily focused on the operational aspects of the engagement, such

	as servicing, team mobilization, branch support, and related activities.
CTO / Digital Banking Head	An evaluator primarily focused on the technology aspects and supplementary products and services that will enhance the partnership, such as bill payment solutions, insurance offerings, and other technology-driven products.
Branch Manager	The person responsible for endorsing a specific merchant or partner outlet is provided with the necessary supporting requirements and qualifications as the basis for approval.
Support Group	
Marketing / Sales Staff	Responsible for facilitating branch training and ensuring the submission of complete requirements by the branch in connection with the approval of the engagement with the merchant.
Settlement Clerk	Responsible for the settlement of transactions to ensure they are credited to the merchant's account.
Support Specialist	Responsible for handling POS-related support and escalating issues to third-party providers when necessary.
Account Officer	Branch personnel responsible for securing documentary requirements and facilitating the marketing of the bank's various auxiliary products and services.
Third-Party Partners	Third-party providers or partners involved in supporting, supplying products, or offering services to the bank.

2. Settlement Period:

- Transactions conducted through the POS terminal are processed and settled on a T+1 basis, with the funds being credited to the merchant's settlement account by the next business day, no later than 4:00 PM.
- GL Bookkeeper shall book the transactions upon receiving the report from the merchant supported with a settlement report. It is assumed that this report was checked and approved prior to booking.
- Accounting entry;
Dr. CIB-AllBank xxxx
Cr. SBPay business account xxxx
To record the amount swipe from the merchant's POS terminal credited to AllBank account.
- The settlement process is automated, but merchants must review settlement notifications for discrepancies.
- In the case of void transactions, ensure they are accurately documented and promptly reported for necessary reversal actions.

3. Transaction Notification for Merchants:

- Merchants shall receive an email notification confirming the successful crediting of settled transactions to the corporate/business account.
- Merchants must verify the accuracy of each notification and immediately report any discrepancies to the branch personnel.
- The merchant's corporate/business account shall receive both the principal amount and the earned commission/shared revenue.

4. Transaction Confirmation Methods:

- The merchant has two options to confirm transactions:
 1. **Email Confirmation:** An email sent by the partner institution (Allbank or Tangent) detailing the transactions processed.
 2. **POS Terminal Printout:** The POS terminal's built-in print facility can generate a listing of all transactions for merchant reference.
- 3. **Manual Daily Transaction Report:**
- Merchants shall retain these records from the transaction date (time it was swiped), at least one (1) year for reconciliation purposes beyond this period any discrepancies/unreconciled items shall be considered as confirmed/successful transactions. Therefore, any claims or complaints after this period shall no longer be accommodated.

5. Official Communication:

- Merchants are required to nominate an official email address for all settlement-related communications, including transaction confirmations, reports, and support escalation.
- Changes to the nominated email address must be formally communicated to the bank in writing or by email.

6. Transaction Fees:

- A standard fee of PHP 30 is charged per POS transaction. This fee is shared equally among Allbank, Southbank, and the merchant, and shall be automatically deducted from the settlement amount.
- Merchants shall receive a daily statement detailing the transactions and the total fees deducted for transparency.
- All parties involved shall be notified in writing of any changes on fees at least 30 days prior to its commencement period.

7. Average Daily Balance and Transaction Volume:

Category	Description	Required ADB	Required number of transactions per month	One-time service fee
A	<p>Merchants classified as high-ticket merchants are expected to maintain a minimum Average Daily Balance (ADB) of PHP 100,000. These merchants are characterized by their potential to generate significant business revenue, often due to the nature of their operations and customer transactions.</p> <p>Examples of High-Ticket Merchants:</p> <ul style="list-style-type: none"> • Grocery Stores • Cooperatives <p>Other similar businesses with high transaction volumes or large-scale operations.</p>	100,000.00	100	Free
B	Small or Medium sized businesses	0	100	5,000
C	Only require the client to open an account having a 10K balance	0	250	0

- The minimum required number of transactions per month is mandatory to maintain the POS cash-out terminal. Failure to meet this requirement, the bank shall charge the merchant in equivalent of the required transaction. This is also subject to a review of the merchant’s status and potential re-evaluation of the service terms.

Definition of Terms:

- **One-time Service Fee:** A fee charged to qualified merchants to cover delivery costs, marketing materials, terminal repairs and maintenance, connectivity, and support services.
- **Transaction Fee:** A fee collected for every transaction processed through the POS cash-out terminal.
- **POS Terminal/Device:** Refers to the POS device issued by AllBank, used for ATM withdrawal and balance inquiry transactions.
- **Settlement Account:** The merchant's or client's depository account where transaction amounts, along with any earned commissions, are credited.
- **Merchants:** Clients of SouthBank who are issued a POS terminal to facilitate transactions.
- **Settlement Period:** The time frame during which the bank credits the transacted amount and any commissions earned by the client using the POS device.
- **Transaction Notification:** Reports or updates sent to the merchant regarding transactions performed via the POS terminal.
- **ATM Card:** A card issued by a financial institution, such as a bank, that allows the cardholder to access their funds via automated teller machines (ATMs) or POS terminals.

4. BRANCH AND HEAD OFFICE OPERATIONS

1. Designation of Branch Personnel:

- NAC/Cashier is responsible for POS-related transactions, acting as the primary point of contact for the merchant and all related reports required.
- NAC/Cashier and any branch personnel appointed shall undergo specialized training to handle transaction settlement, support concerns, and compliance monitoring.

2. Transaction Reporting and Reconciliation:

- The New Accounts clerk shall receive daily transaction reports duly checked by the Cashier approved by the BOO/BM from the merchant's POS terminal or device channeled by Tangent or Allbank.
- All accredited merchants shall submit a manual report for the day to the Teller via email. In the event that the merchant cannot submit the daily transaction report, the Settlement Clerk will not process the crediting of the amount swiped to their corporate/business account. This report shall be checked by the cashier and approved by the BOO/BM.
- All branches shall submit a settlement report for the day to the settlement Head Office attaching the summary report from AllBank.
- On or before 3:00 PM each business day, the Cashier/NAC shall consolidate all transaction reports and send them to the Head Office Settlement Unit for processing.
- The reports must include transaction IDs, amounts, timestamps, and the merchant's settlement account details to ensure accurate reconciliation.

3. Crediting and Confirmation of Transactions:

- The Settlement Unit Clerk is responsible for processing the settlement transactions and crediting the amounts to the merchant's corporate/business account.
- The Settlement Clerk Unit must ensure that the transaction data is accurate, complete and approved prior to crediting.
- On a weekly basis, the Settlement Clerk shall submit a summary of all credited transactions to the merchant's corporate/business account duly checked by the accountant and approved by the Bank Operations Manager.

4. Settlement Requests:

- The Settlement Unit must prepare a settlement request document every week or every Monday covering the last week's transactions, checked by the Head Office Accountant, approved by the Bank Operations Manager detailing all amounts to be settled along with corresponding account information.
- This request must be submitted to the Head Office on or before 3:00 PM to ensure timely processing and crediting to the merchant's corporate/business account.

5. Support Handling and Escalation:

- Cashier/NAC shall serve as the first level of support for merchants regarding POS-related concerns. They shall document the issue, attempt initial troubleshooting, and escalate to the appropriate support team if necessary.
- Critical support issues affecting settlement or merchant operations must be escalated immediately to the Head Office Support Team.
- The support team shall keep records along with the details of the requested support and its status.

6. Merchant Training and Enablement:

- Cashier/NAC are responsible for conducting merchant training sessions on the POS cash-out terminal operations, including the use of the POS terminal, reconciliation processes, and support escalation procedures.
- The sales/marketing staff from the Head Office may also train or enable the merchant as requested.
- The training shall also cover security practices, such as safeguarding account information and managing transaction confirmations.
- Training materials shall be provided in both digital and printed formats and shall be distributed by the branch personnel or designated officers following the successful completion of the training and orientation

7. POS terminal Management and Safekeeping

- Each POS terminal provided to merchants is assigned a unique identifier for tracking and identification purposes.
- If a POS terminal is reported lost or damaged, resulting in its inoperability, the bank will conduct an investigation and assessment. If the investigation determines negligence on the part of the merchant, the merchant will be held liable and charged accordingly.

5. SUPPORT ESCALATION PROCEDURE

1. Initial Orientation:

- During onboarding, merchants shall receive a detailed orientation on the support escalation process, including contact details and response times for various support levels.

2. First-Level Support (Branch Level):

- Merchants must contact the Cashier/NAC for any POS-related support issues.
- The Cashier/NAC shall log the issue, perform basic troubleshooting, and escalate to the Head Office Support Team if further action is required. A standard template shall be provided for proper documentation and tracking.

3. Second-Level Support (Head Office):

- If the issue is beyond the Cashier/NAC's scope, it shall be escalated to the Head Office Support Team, which shall address more complex or system-level concerns.
- The Head Office Support Team shall provide status updates to the branch and merchant until the issue is resolved.

4. Response and Resolution Times:

- Support concerns shall be acknowledged within 24 hours. Critical issues impacting transaction settlements must be resolved within the same business day.
- Non-critical issues shall be addressed within 3-5 business days, with regular updates provided to the merchant.

Classification	Definition/Description	Response Time
Critical	Total service disruption, POS terminal cannot be used/unavailable.	Support shall be within 24 hours.
Non-Critical	Service is available but certain transaction is declined/non-functional	3-5 business days

For further information, refer to Annex C

5. Documentation and Reporting:

- All support interactions must be documented, including the nature of the issue, steps taken, escalation path, and final resolution.
- Monthly support reports shall be generated and reviewed by the Head Office Accountant approved by the Branch Operations Manager or concerned units to identify recurring issues and potential process improvements.
- A bank reconciliation report prepared by the Head Office SL Bookkeeper, checked by the Head Office Accountant, approved by the Branch Operations Manager on a daily basis to ensure that all the POS settled amounts by the Settlement Clerk are accurate and credited to the depository bank.

6. AUDIT AND COMPLIANCE

1. Regulatory Compliance:

- All POS cash-out transactions must comply with applicable regulations, including BSP, AMLA, and data privacy requirements.
- The bank shall conduct periodic compliance audits to ensure ongoing adherence to the regulatory standards.
- Audit and Compliance shall recommend procedures to ensure proper use and implementation of the facility, in line with the latest updates of regulatory requirements. This shall involve coordination with the relevant units or personnel for further review and necessary actions

2. Merchant Pre-qualification and Performance Review:

- The merchant's adherence to the average daily balance, transaction volume, and other requirements shall be reviewed quarterly. Non-compliance may result in adjustments to the terms of service or suspension of the POS cash-out facility. This shall be reviewed and evaluated by the Auxiliary Products and Services Committee for proper disposition and development of action plans by all the terms and conditions stipulated in this facility.
- The branch manager or salesperson shall endorse the merchant for approval to the committee provided with their justification of the qualities and potential of the merchant.

3. Risk Management:

- The bank shall regularly assess the risks associated with POS terminal transactions and implement necessary controls to mitigate potential fraud, security breaches, and operational issues.

This includes but is not limited to;

- a. Transaction monitoring
- b. Encountered errors
- c. Reports and dependency of third parties
- d. Fraud involving the merchant
- e. Merchant involve in illegal activities

4. Incident Reporting:

- Any fraudulent activity, unauthorized access, or security incident involving the POS terminal must be reported immediately to the branch or Head Office Support

Team following the support escalation process. The bank shall take appropriate action by its incident response policy for this product or service. Both Merchants and the bank personnel are expected to adhere to this agreement by promptly reporting any unusual behavior related to the POS terminal.

5. Policy Review:

- This document shall be reviewed annually or as deemed required.

ANNEX A: Onboarding-related forms

- *SBPay - Online Business Banking Form*
- *SBPay - User Access Information Form (Maker & Approver)*
- *SBPay - Terms and Conditions of Use*
- *SBPay - Requirements to Open an SBPay Business Account*
- *SBPay - Data Privacy Consent Form*

ANNEX B: Reporting Templates

- Head Office
- Branch Office
- Merchant

Annex C: Support Escalation Procedure

1. Customer / Merchant Responsibility

Merchants are expected to follow the outlined support escalation procedure starting from the branch-level support. Below are the responsibilities of the merchant:

- **Initiating Support Requests:** Merchants should file a designated support ticket through www.southbankinc.com/postticket along with supporting documents and necessary contact details for validation purposes.
- **Problem Identification:** Merchants should clearly identify the problem or issue encountered and provide the necessary steps or procedures advised by the attending support personnel.
- **Contact Readiness:** Merchants must maintain an available contact number and person in case the issue requires intervention from the end user.
- **Manual Familiarity:** Merchants are required to read and understand the operational or user's manual to properly use the POS facility.
- **Error Logging:** Merchants should log and maintain records of errors and use a monitoring facility to ensure proper documentation of both open and resolved issues.

2. Bank Support Procedure

2.1. Level 1 - Branch-Level Support

At the first level, the **branch personnel** will handle the initial support requests. The procedure includes:

- **Receiving Issues:** When an issue is reported (via call or text), the branch personnel will issue a support ticket using the following link: www.southbankinc.com/postticket.
- **Collecting Information:** The bank personnel should collect necessary details about the issue, including screenshots or videos of the problem or transaction, to help in resolving the issue.

2.1 Level 2 - Head Office Support

In the event that the merchant opts to direct their concern to our support channels, then it will be escalated to the **Head Office Support Team**. This support team will work in coordination with the branches and manage cases via tickets, emails, hotlines, or chat support.

- **Escalation Criteria:** The following issues are typically handled at Level 2:

- Connectivity/Access verification (active/inactive)
 - Device power cycle (on/off)
 - Knowledge transfer or tutorials
 - Balance/settlement concerns
 - Reports
 - Any significant impact on normal system operations or unusual system events
- **Escalation Options:**
 - The merchant can inform branch personnel or the account officer and relay the issue.
 - The merchant can contact support via:
 - Mobile Number: [Insert Contact Number]
 - Email: support@southbankinc.com
 - FB Page: [/SouthBankOfficial](#)
 - Support Tickets: southbankinc.com/postickets

2.3. Level 3 - Partner Provider Support

For issues that go beyond the scope of Level 2 support, cases are escalated to the **partner provider (Allbank)**. The following details are required for Level 3 escalations:

- **Merchant Name (Business Name):** Registered name of the merchant
- **Beneficial Owner:** Owner of the business
- **Account #:** Settlement account number of the merchant
- **Device Location:** Address of the device
- **Terminal ID:** ID of the POS device
- **Date of Issue:** Actual date when the issue occurred
- **Servicing Branch:** Branch providing service
- **Issue Details:** Detailed description of the issue

Service Level Lead Time:

Lead Time	Description
Within 1-2 hrs	Acknowledgement of issues/concerns within the control of our support personnel. This includes ticket acknowledgment and confirmation of the issue.
Within 3-5 hrs	Provides support covering the settlement, report-related issues, transactional, dispute, and reconciliation.
Minimum of 7 working days	This lead time will fall if the support requires third-party assistance.

Minimum of 30 working days	This lead time will fail if the support requires the replacement of the hardware due in operability of the device.
----------------------------	--