

NOTIFICATION WITH REGARD TO CIRCULAR-1 (19/03/2018)

Dear parents,

Greetings!

Interpretation of Circular can be in multiple ways. Parents who have positive inference have already submitted consent slip and ECS mandate form, others may be still contemplating.

Kindly find appended the clarification to your queries / concerns shared through mails / letters.

1. **Consent slip for confirmation:** Consent slip for the next year is an administrative purpose. It's for procuring furniture, recruitment of teachers and rooms to be created/renovated/constructed. It's a practice every year to arrive at a conclusion about requirement of upcoming financial year. It's for better planning and keeping resources ready before a new session starts.
2. **Continuation in school:** School always **expects and appreciates** parents to **continue in DPS Gandhinagar till class XII**. School is more than proud to nurture and groom our kids. The statement only conveys that for continuity, parent need to submit Consent slip and the supporting form.
3. **Online payment:**
 - a) School has followed **CBSE/SECY/SPS/2016 Circular dated 10/12/2016** for On-line fee payment during 2017-18. DPS Gandhinagar has successfully implemented the **on-line payment from December - 2017** through HDFC Q-fix app. Many parents are paying on-line. They have appreciated this step.
 - b) Despite this, parents sometimes forget the deadline of fee payment due to their **busy schedule**. It becomes a herculean task for the school to remind through circulars / SMS / phone calls. It's further wastage of time & manpower and may be sometimes unpleasant to parents to receive so many reminders. ECS will only help to overcome these hassles.
 - c) Hence the organization with inputs from parents working in Bank made ECS as an additional / alternate mode of online payment for making accounts system fully digital and eco-friendly.
 - d) Parents can make **online payment** from **1st to 5th** of every quarter (April, July, Oct and Jan) and if they miss out, then fee will get debited from their preferred Bank account.
 - e) ECS will take place only and only if parents have not paid online. But, disclosure of **preferred Bank for ECS is mandatory**. It will be kept confidential. Payment On-line will be accepted / applicable only after disclosure of ECS mandate.
 - f) **Choice of day for deduction:** Parents can choose any day of a quarter for ECS depending on their convenience. It may be **6th / 7th / 8th / 9th / 10th day** of the particular quarter (April/ July/ Oct/ Jan).
 - g) Before ECS deduction, SMS will be sent to the parent on **4th of every quarter** as a reminder to keep the balance ready. In such a scenario, parents still have time to pay online on 4th or 5th day.
 - h) **Maximum limit on ECS form:** The maximum limit on the ECS form is the **sum total** of your ward's **Annual charges + 1st quarter Tuition fee + 1st quarter Transport fee**.

In second / third / fourth quarter it will only **deduct Tuition fee + Transport fee**, even if the maximum limit put is more.

- i) **Discontinuation of Cheque:** Cheques / Post dated Cheques (PDC) are discontinued with effect from 2018-19, due to administrative and security reason. Further whether it's a cheque or ECS, transaction can be tracked by Government, in case of need.

Parents are not required to send the cheques through their ward nor do they need to spend their precious time to visit the school for fee payment.

- j) **Safe & secured process:** There won't be any **double deduction** i.e. online as well as ECS. It will be only once either through online between 1st to 5th or ECS between 6th to 10th of a fee quarter.
- k) **Change in ECS mandate:** In case parent wants to change the ECS mandate due to transfer or miscellaneous reason, then they can approach School with an application for the same. School will inform Bank officials about change in ECS mandate with your application.
- l) **Transfer or change in address:** In case parent get transferred or there is a change in residential address for which Bus stop needs to be changed, parents can put an application to Principal. For transfer cases or those who want to withdraw their wards in mid-session, ECS will be stopped. For change in bus stop, fee of new slab will be implemented.
- m) **Multiple Bank accounts:** In case parent has multiple bank accounts, then they need to choose a Bank which has sufficient fund either for on-line payment or ECS. Keep your preferred Bank live with requisite fee for the entire financial year.
- n) Once again reiterating that it's only for parents convenience and benefit. There are further benefits of ECS payments in terms of cash back / gift hamper for parents.
The only benefit the Organization gets, is that it does not have to remind parents for online fee payment.

4. **Supreme Court:** DPS Gandhinagar remains committed to **follow and abide** by the **final verdict of Honourable Supreme Court** with regard to **provisional fee of 2017-18 and 2018-19**.

School extends its heartfelt gratitude to parents for their unstinted cooperation in making our initiative for online fee payment a success. We expect other parents to join in this movement of digitalization.

Kindly, do not believe any rumors that are circulated on social media. School has tried to clarify all your concerns but still in case doubt prevails, kindly feel free to approach the Accounts department on the day of your ward's PTM only. This will make us serve you better.

Regards

ATANU RATH
Principal

FREQUENTLY ASKED QUESTIONS ON ECS

Kindly, note below the FAQs about ECS for further clarity as per RBI guidelines.

Q-1. What is Electronic Clearing Service (ECS)?

Ans: ECS is an electronic mode of payment / receipt for transactions that are repetitive and periodic in nature. ECS is used by institutions for making bulk payment of amounts towards fee collection, telephone / electricity / water dues, cess / tax collections, loan instalment repayments, periodic investments in mutual funds, insurance premium etc. Essentially, ECS facilitates bulk transfer of monies from one bank account to many bank accounts or vice versa. ECS includes transactions processed under National Automated Clearing House (NACH) operated by National Payments Corporation of India (NPCI).

Q-2. What are the variants of ECS? In what way are they different from each other?

Ans : Primarily, there are two variants of ECS - ECS Credit and ECS Debit.

ECS Debit is used by an institution for raising debits to a large number of accounts (for instance, consumers of utility services, borrowers, investors in mutual funds etc.) maintained with bank branches at various locations within the jurisdiction of a ECS Centre for single credit to the bank account of the user institution. ECS Debit is useful for payment of telephone / electricity / water bills, cess / tax collections, loan installment repayments, periodic investments in mutual funds, insurance premium etc., that are periodic or repetitive in nature and payable to the user institution by large number of customers etc.

Q-3. What is a MICR Code?

Ans : MICR is an acronym for Magnetic Ink Character Recognition. The MICR Code is a numeric code that uniquely identifies a bank-branch participating in the ECS Credit scheme. This is a 9 digit code to identify the location of the bank branch; the first 3 characters represent the city, the next 3 the bank and the last 3 the branch. The MICR Code allotted to a bank branch is printed on the MICR band of cheques issued by bank

ECS (DEBIT)

Q-4. Who can initiate a ECS Debit transaction?

Ans : ECS Debit transaction can be initiated by any institution (called ECS Debit User) which has to receive / collect amounts towards telephone / electricity / water dues, cess / tax collections, loan installment repayments, periodic investments in mutual funds, insurance premium etc. It is a Scheme under which an account holder with a bank branch can authorise an ECS User to recover an amount at a prescribed frequency by raising a debit to his / her bank account.

The User institution (DPSG) has to first register with an ECS Centre. The User institution has to also obtain the authorization (mandate) from its customers for debiting their account along with their bank account particulars prior to participation in the ECS Debit scheme. The mandate has to be duly verified by the beneficiary's bank. A copy of the mandate should be available on record with the destination bank where the customer has a bank account.

Q-5. How does the ECS Debit Scheme work?

Ans: The ECS Debit User intending to collect receivables through ECS Debit has to submit details of the customers (like name, bank / branch / account number of the customer, MICR code of the destination bank

branch, etc.), date on which the customer's account is to be debited, etc., in a specified format (called the input file) through its sponsor bank to the ECS Centre.

The bank managing the ECS Centre then passes on the debits to the destination banks for onward debit to the customer's account with the destination bank branch and credits the sponsor bank's account for onward credit to the User institution. Destination bank branches will treat the electronic instructions received from the ECS Centre on par with the physical cheques and accordingly debit the customer accounts maintained with them. All the unsuccessful debits are returned to the sponsor bank through the ECS Centre (for onward return to the User Institution) within the specified time frame.

Q-6. What are the advantages of ECS Debit Scheme to the parents / customers?

Ans: The advantages of ECS Debit to parents / customers are many and include,

- ECS Debit mandates will take care of automatic debit to customer accounts on the due dates without customers having to visit bank branches / collection centres of utility service providers etc.
- Customers need not keep track of due date for payments.
- The debits to customer accounts would be monitored by the ECS Users, and the customers alerted accordingly.
- Cost effective.

Q-7. How does the ECS Debit Scheme benefit user institutions?

Ans : User institutions enjoy many benefits from the ECS Debit Scheme like,

- Savings on administrative machinery and costs of collecting the cheques from customers, presenting in clearing, monitoring their realisation and reconciliation.
- Better cash management because of realisation / recovery of dues on due dates promptly and efficiently.
- Avoids chances of loss / theft of instruments in transit, likelihood of fraudulent access to the paper instruments and encashment thereof.
- Realisation of payments on a uniform date instead of fragmented receipts spread over many days.
- Cost effective.

Q-8. Can the mandate once given by a customer be withdrawn or stopped?

Ans : Yes. In case of any need to withdraw or stop a mandate the customer can do so by approaching the user institution (DPS Gandhinagar) to withdraw the mandate. The account holder / customer can also withdraw the mandate / debit instruction directly from his / her banker without involvement of the User institution. The withdrawal instructions of a customer in such cases would be treated equivalent to a 'stop payment' instruction in cheque clearing system.

However, as a matter of best practice, the customer may also provide prior notice or intimation of mandate withdrawal to the ECS user institution well in time, so as to ensure that the input files submitted by the user institution does not include the ECS Debit details in respect of the withdrawn / stopped mandates, leading to avoidable returns/rejections etc.

Q-9. Can a customer / parent stipulate any ceiling on the amount of debit, purpose or validity period of the mandate under the ECS Debit Scheme?

Ans: Yes. It is left to the choice of the individual customer and the ECS user to decide these aspects. The mandate can contain a ceiling on the maximum amount of debit, specify the purpose of debit and validity period of the mandate.

Q-10. Is there any limit on the value of Individual transactions in ECS Debit?

Ans: No. There is no value limit on the amount of individual transactions that can be collected by ECS Debit.

Q-11. What are the processing / service charges levied under ECS Debit?

Ans: The Reserve Bank of India has deregulated the charges to be levied by sponsor banks from user institutions. The sponsor banks are, however, required to disclose the charges in a transparent manner. With effect from 1st July 2011, originating banks are required to pay a nominal charge of 25 paise and 50 paise per transaction to the Clearing house and destination bank respectively. Bank branches do not generally levy processing / service charges for debiting the accounts of customers maintained with them.