Barclays Virtual Accounts
Interest User Guide

BARCLAYS

Contents

1. Introduction

This guide has been designed to assist you with managing interest within Barclays Virtual Accounts.

Interest rates can be set up on the virtual accounts and can be set as a fixed rate, a tiered rate or linked to the base rate. The Barclays Base Rate is maintained and updated within Barclays Virtual Accounts automatically.

Barclays Virtual Accounts allows you to define a **Standard Rate**. This rate can be set up at the registration stage and will by default apply to all virtual accounts that you open.

If you wish to set a different interest rate to individual virtual accounts this can be achieved by assigning a **Custom Rate.**

You can also assign a Tiered Rate, which enables different rates to be aligned to value based tiers based on balances.

This guide will provide details of how to set up or amend standard, custom and tiered rates.

By amending the Standard Rate you are able to amend all virtual accounts linked to that rate. See section 4 for more information on how to do this. Please note, any Custom Rates are required to be updated separately. See section 7.

2. How Interest Works

Once the interest rate has been assigned to your virtual accounts, interest will accrue daily according to the balance available.

The interest rate on the virtual accounts should be set in line with the interest rate set on the physical account linked to the virtual accounts. This ensures that the interest paid on the virtual accounts is funded using available interest accrued on the physical header account.

Interest will capitilise and be paid to the virtual accounts on the dates set during registration. By default, the interest capitalisation dates will align with the physical header account, this can be amended if required.

An **Interest Settlement Account** will be set up to fund the interest to the virtual accounts. The Interest Settlement Account is a virtual account with the sole purpose of facilitating the interest to each virtual account on the date of interest capitalisation. Once interest is applied to the physical header account these funds will be made available to the Interest Settlement Account. The Interest Settlement Account will then automatically apply interest to the individual virtual accounts that are due interest.

In order to pay interest on the virtual accounts the Interest Settlement Account must have funds available. If funds are not available interest will not be processed. Once funds are made available the interest capitalisation process will complete.

It should be noted that interest will be posted to virtual accounts throughout the day of interest capitalisation and will not necessarily be available at the start of day.

If interest from the the physical header account is not passed automatically to the Interest Settlement Account, the interest payment will need to be manually allocated to the Interest Settlement Account using the manual allocation functionality.

A separate Interest Settlement Account will be required for each physical header account made available within Barclays Virtual Accounts. Please follow the virtual account opening steps and select Interest Settlement Account as the product type.

If you have selected an interest rate linked to base rate, the interest accrual and payments will be affected as the base rate changes. The base rate will be automatically updated in Barclays Virtual Accounts.

Closure of a virtual account with accrued interest

When closing a virtual account, any accrued interest will need to be capitalised prior to closure. If this is outside of the interest capitalisation dates the Interest Settlement Account will need to be funded to ensure the interest is added to the balance and can be paid away. This will allow the account balance to be brought to zero so the virtual account can be closed.

To identify the accrued interest to date, this can be located on the interest history screen: **Accounts management > Virtual Account > View/Edit Virtual Account > Search for and select virtual account > Interest History.** The system will display the Net Credit Interest amount.

Alternatively, this information will be displayed on the Interest Report **Accounts Management > Reports > Generate Reports > Interest Report**

or during the Account Closure process: **Accounts Management > Virtual Account > Close Virtual Account > Initiate Closure.**

Please ensure funds are available in the Interest Settlement Account to allow the account closure to complete.
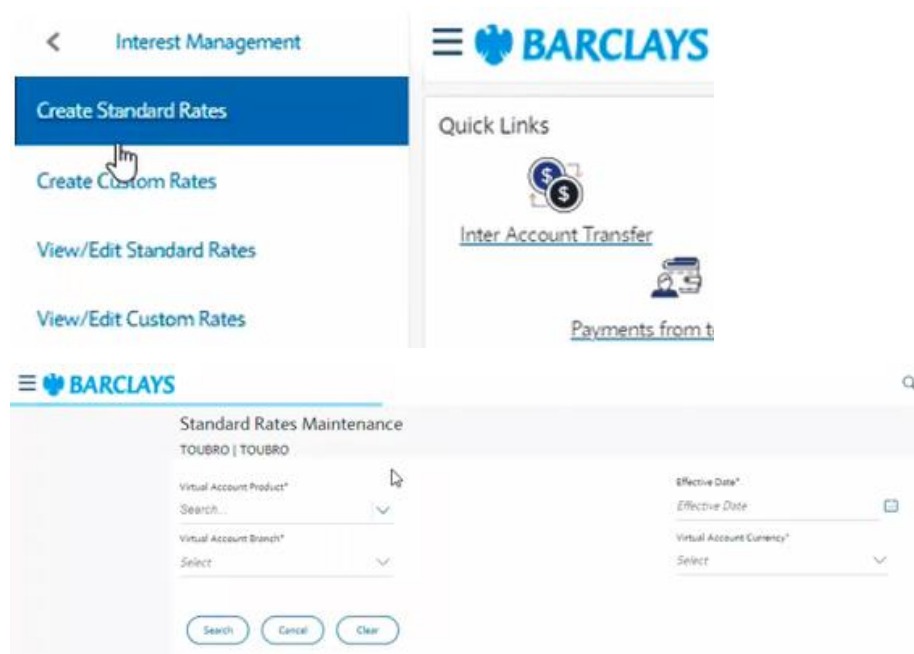
3. Standard Rates

The following section demonstrates how to maintain standard interest rates.

A standard rate is the interest rate applied to all virtual accounts created under a specific product code.

When creating a new standard rate, the new interest rate will be applied to all existing virtual accounts and any new accounts opened under the product code selected.

3.1. Navigate

1. Select the menu icon and navigate to Account Management > Interest Management > Create Standard Rates. This will load the Standard Rates Maintenance screen

3.2. Enter the Standard Rates details

Below is a description of how to complete each field for maintaining the standard rate.

1. To begin the creation of a standard rate you first need to search for the product code to create the rate against, complete the search criteria and click **Search**. Details of how to complete each field are as follows:

Field Name	Field Type	Validations	Field Description
Virtual Account Product	Drop Down List(M)		Specify the Virtual Account product name for which the new rate should be applied against.
Virtual Account Branch	Drop Down List(M)		Specify the branch name of your virtual accounts.
Effective Date	Date(M)		Specify the effective date from which the new rate will take effect.
Virtual Account Currency	Drop Down List(M)		Specify the currency of the virtual accounts.

2. Having completed the search criteria, the screen is updated. You will need to complete the **Value** field and select a **Rate Code** where applicable

Field Name	Field Type	Validations	Field Description
Interest Product	Display		The system displays the name of the interest product. An interest product is the product created in the system with attributes or details specific to an Interest that can be applied on an account. When you apply this interest product on an account, interest will be calculated for the account according to the method specified for the Interest Rule that you have already maintained.
Interest Details	Display		The system displays the rate description. Debit Interest Rate - Interest rate for accounts in negative balance. (If Debit Interest is not required or not avalable enter 0.00%). Credit Interest Rate - Interest rate for accounts in positive balance.
Value	Input	You need to enter numeric characters in x,xxx.xx format	Specify the interest rate required.

Field Name	Field Type	Validations	Field Description
Rate Code	Drop Down List		Specify the rate code. A rate code is a bank-maintained rate you can select to create your own interest rate against. Example: Base Rate.

3. Click **Submit** to submit the details. After selecting **Submit** the **Review** screen appears. Select **Confirm** to pass the record for authorisation. A success message appears detailing the reference number
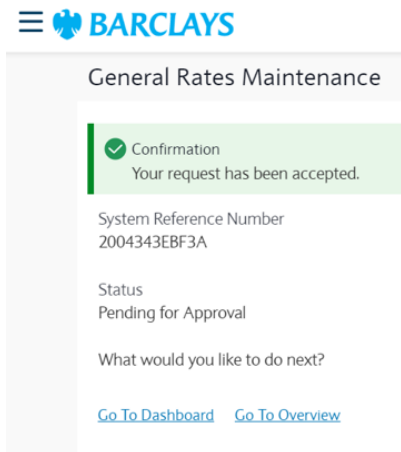

4. To authorise a new Standard Rate, please follow the authorisation steps at the end of the guide

4. View and Amend Standard Rates

The following section demonstrates how to search, view and amend the details of existing standard rates.

4.1. Navigate

1. Select the menu icon and navigate to Account Management > Interest Management > View/Edit Standard Rates. This loads the Standard Rates Maintenance screen
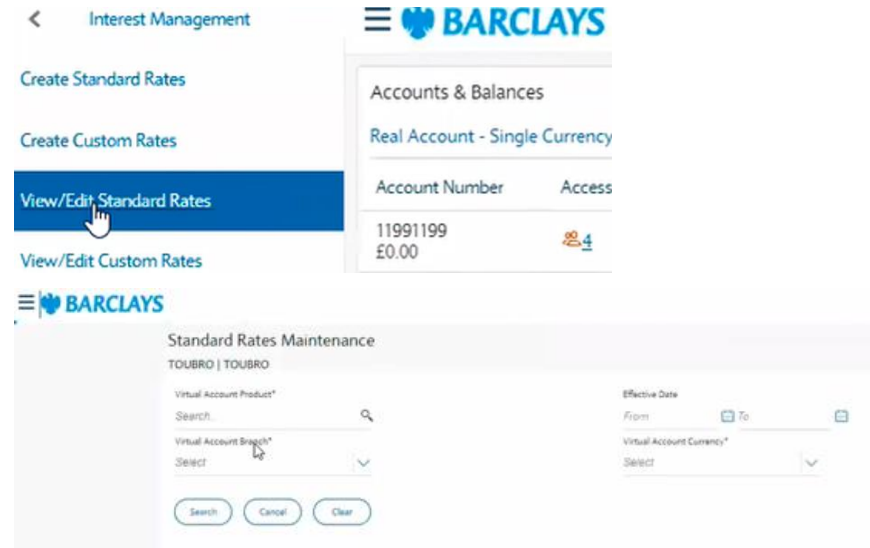
4.2. Search and View Standard Rates

Below is a description of the search options to filter the standard rates available and view the details.

1. Complete your search criteria, specific field details can be found in the search table for creating a standard rate. Once complete, click **Search**. The **Standard Rates Maintenance** screen will update to display only rates based on the entered search parameters
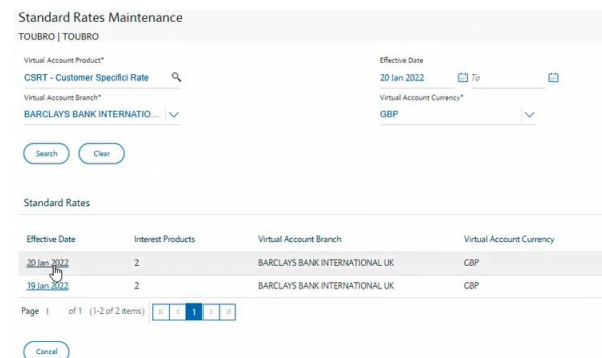
2. Click the **Effective Date** link to view the Standard Rates details. The **Standard Rates Maintenance** screen updates with the rate specific details

4.3. Amend Standard Rates

The below section details how to amend a standard rate.

When updating a standard rate this would update the interest rate for all virtual accounts under product code assigned to the standard rate.

Note: If you amend a standard interest rate, the interest accrued on all virtual accounts will be recalculated from the effective date or the last capitalisation date if capitalisation occurred after the effective date.

If you wish to keep the current accrued interest and move all virtual accounts on to a new rate mid- accrual period, please create a new standard rate with an effective date for when you would like the new rate to take effect from.

1. Having navigated to the standard rate you wish to amend following the search and view steps, click **Edit** . The **Standard Rates Maintenance** screen updates. You can now complete the amendments required

2. Having completed the updates to the standard rates, click **Submit**. After selecting **Submit**, the **Review** screen appears. Select **Confirm** to confirm the Standard Rates details and pass the amendment for authorisation. A success message appears detailing the reference number

3. To authorise an amended standard rate, please follow the authorisation steps at the end of the guide

5.   Create Custom Rates

The following section demonstrates how to create a custom rate.

A custom rate allows you to create an interest rate, which differs from the standard rate, for a specific virtual account.

5.1. Navigate

1. Select the menu icon and navigate to Account Management > Interest Management > Create Custom Rates. This loads the Custom Rates Maintenance screen

5.2. Enter the Custom Rates details

Below is a description of how to complete each field for a custom rate.

1. To begin creating the custom rate you will need to select the account to create the rate against. To do this click on **Look up Account**. The system displays the **Search Account** screen

2. Enter the search criteria and Click **Search**. All accounts based on search criteria are displayed

3. Under link **Account No & Name** click on the account number you wish to create the interest rate for. The system exits the **Search Account** screen and displays the **Custom Rates Maintenance** screen with the account details. Once you have completed your search criteria, click **Search**. The custom rates details are displayed. Enter **Value** and **Rate Code** details. The field details can be found under create standard rate

4. Having completed the rate details, click **Submit**. After selecting **Submit** the **Review** screen appears, select **Confirm** to confirm the details

5. The system displays the confirmation message along with the status and reference number

6. To authorise a new custom rate, please follow the authorisation steps at the end of the guide

6.   View and Amend Custom Rates

The following section demonstrates how to search, view and amend the details of existing Custom Rates.

Note: If you amend a custom interest rate, the interest accrued on the virtual account will be recalculated from the effective date or the last capitalisation date if capitalisation occurred after the effective date.

If you wish to keep the current accrued interest and move the virtual account on to a new rate mid- accrual period, please create a new custom rate for the virtual account with an effective date for when you would like the new rate to take effect from.

6.1. Navigate

1.   Select the menu icon and navigate to Account Management > Interest Management > View/Edit Custom Rates. This loads the Custom Rates Maintenance screen

6.2.   Search and View Custom Rates

The following section demonstrates how to search and view the details of existing custom rates.

1.   Click on **Look up Account**. The system displays the **Search Account** screen. Enter the search criteria and click **Search**. Based on search criteria the account details appear

2.   Under link **Account No & Name** click on the account number you wish to edit a custom rate for. The system exits the **Search Account** screen and displays the **Custom Rates Maintenance** screen with updated details

3.   Once you have completed your search criteria, click **Search**. Based on search criteria the list of custom rates maintained appears

4.   Click the **Effective Date** link to view the Custom Rates details. The **Custom Rates Maintenance** screen updates to show the rate specific details

6.3. Amend Custom Rates

The below section details the search criteria options available for filtering the available custom rates maintained in the system.

1. Having navigated the custom rate you wish to amend, following the search and view steps, click **Edit**. You can modify the fields **Value** and **Rate Code**

2. Having completed the updates to the custom rates, click **Submit** to update the changes

3. After selecting **Submit**, the **Review** screen appears. Select **Confirm** to confirm the custom rate details and pass the amendment for authorisation. A success message appears detailing the reference number

4. To authorise an amended custom rate, please follow the authorisation steps below

7.   Authorise New or Amend Standard and Custom Rates

This section details the steps required to authorise the creation or amendment of a Standard or Custom rate.

1. Ensuring you have the authorisation role, navigate to the **Pending for Approvals** widget on the dashboard screen

2. Select Non-Financial

3. Click on **VAM Maintenance**. This displays all rates pending for authorisation

4. Select checkbox for the record which you need to authorise

5. You can also view the details of an individual record before authorisation. Click the Reference Number hyperlink for the record you wish to view. The system displays the details of the record

Approve a pending request

1. Click **Approve** to approve the operation. Enter a comment for approval of the selected operation in the **Approval Comment** window and click **Approve** again. The system displays the success message for approval of the record

Reject a pending request

1. Click **Reject** to reject the operation. Enter a comment for rejection of the selected operation in the **Rejection Comment** window and click **Reject** again. The system displays the success message for rejection of the record

8.   Create Interest Settlement Account (For Client Admin)

The following section demonstrates how to create and map an interest settlement account to a real account.

8.1. Navigate

Select the menu icon and navigate to **Account Management > Interest Settlement Account**. This loads the **Interest Settlement Account** screen.

8.2. Enter the Interest Settlement Account details

The following section demonstrates how to complete each field for maintaining the interest settlement account for a real account.

1. Select the real account number from the adjoining drop down list, for which you want to create the interest settlement account and click **Search**. If interest settlement account is not created already for the selected real account then, the system displays **Create** button.

2. Click Create. The Interest Settlement Account screen updates to display the following fields:

Field Name	Field Type	Validations	Field Description
Real Account Number	Display		The real account number is displayed.
Real Account Currency	Display		The real account currency is displayed.
Interest Settlement Account Number	Drop Down		Select the virtual account to be mapped as interest settlement account with the specified real account.
Interest Settlement Account Currency	Display		The system displays the currency of the Interest Settlement Account which you selected.
Virtual IBAN	Display		The system displays the IBAN number of the Interest Settlement Account which you selected.

1. Once you have selected the **Interest Settlement Account Number** click **Submit** to pass the record for authorisation. A success message appears detailing the operational system reference number.

9. View and Amend Interest Settlement Account details

The following section demonstrates how to search and view the details of the interest settlement account mapped to a real account.

9.1. Navigate

Select the menu icon and navigate to **Account Management > Interest Settlement Account.** This loads the **Interest Settlement Account** screen.

9.2. Search and View Interest Settlement Account details

Below is a description of the search options available to filter the real accounts available and view the interest settlement account details mapped to the corresponding real account.

1. Select the real account number from the adjoining drop down list, for which you want to view the interest settlement account details and click **Search**. If the interest settlement account is already mapped to the selected real account, the system displays the Interest Settlement Account details.

9.3. Amend Interest Settlement Account

The following section demonstrates how to change the virtual account used for holding interest monies mapped to a real account.

1. Having navigated to the interest settlement account you wish to amend, following the search and view steps, click **Edit**. You can change the interest settlement account mapped to the specified real account.

2. Select the new Interest Settlement Account from the adjoining drop down list to be mapped to the real account. The Interest Settlement Account screen updates to display additional fields **Interest Settlement Account Currency** and **Virtual IBAN** based on Interest Settlement account you selected.

3. Click **Submit** to save the modification and pass the amendment for authorisation. A success message appears detailing the operational system reference number.
4. To authorise an amended interest settlement account mapping with real account, please follow the authorisation steps.

Note:

1. The system does not allow the interest settlement account to have debit balance. It does not allow the interest credit posting to virtual accounts if there are insufficient funds on the interest settlement account.The posting of the interest (both debit to the interest settlement account and credit to the virtual account) is only performed together when the settlement account has sufficient balance to satisfy the sum of all the virtual interest accruals of the virtual accounts associated with it. Otherwise, the system displays these transactions as failed transaction.
2. When you log into the application, the system displays a warning message only if your interest settlement account doesn't have sufficient fund to complete the interest capitalisation.
3. You can generate a report to display the details of the failed interest capitalisation. Based on the details of this report, you can fund the shortfall balance, so that there is sufficient balance on the interest settlement account for the payment transactions to carry through

10. Authorise New or Amend Interest Settlement Account details

This section details the steps required to authorise the creation of or an amendment to an interest settlement account.

4. Ensuring you have the authorisation role, navigate to the Pending for Approvals widget on the dashboard screen.
5. Click on Client Maintenance. This displays interest settlement account pending for authorisation.

6. Select checkbox for the record which you need to authorise.
7. You can also view the details of an individual record before authorisation. Click the Reference Number hyperlink for the record you wish to view. The system displays the details of the record.

To Approve a Pending Request

1. Click **Approve** to approve the operation. A reason for approval can be added in the **Approval Comment** window, click **Approve** again. The system displays the success message for approval of the record.

To Reject a Pending Request

2. Click **Reject** to reject the operation. A reason for rejection can be added in the **Rejection Comment** window, click **Reject** again. The system displays the success message for rejection of the record.

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