Report On

Comprehensive study on accounting procedures of recordkeeping for USA retirement savings plan (401k) of USA in Data-Path Ltd.

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of
[Bachelor of Business Administration]

BRAC Business School
Brac University
Octobor, 2021

Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.

2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Shaikh Pran Priyo Hossain

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Student ID : 17104118

Supervisor's Full Name & Signature:

Mr. Ahmed Abir Choudhury

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Supervisor Full Name
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Letter of Transmittal

Mr. Ahmed Abir Choudhury

Lecturer,

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship report

Dear Sir,

With the utmost respect, I'd want to inform you that I'm extremely excited to present the internship report on Data path Limited that you asked for. Following your instructions, I have made every effort to ensure that the outcome of my internship would be successful. You have given me necessary guideline and advice which helped me to go through this long process of report writing. As I have worked in Data-path and had gained knowledge about USA retirement plan, it would give me confidence and push for my future growth and development.

I hope my report will be up to your expectation add some value to the whole internship report archive of BRAC University

Sincerely yours,

_____

Shaikh Pran Priyo Hossain

ID: 17104118

BRAC Business School

BRAC University

Acknowledgement

It is my absolute pleasure that I was able to complete this study by the grace of almighty Allah. I would like to thank everyone who inspired and supported me to prepare this report.

I would like to begin my acknowledgement by sincerely expressing my profound graduate towards my internship supervisor Me. Ahmed Abir Choudhury, Lecturer, BRAC university, who has been a great inspiration while preparing this report. He supported me a lot by providing me guidelines, formats and many tips to prepare this report. He was very considerate about my COVID situation as my whole family was affected my Covid19 While Preparing this report. Under his guidance it was a pleasure to prepare this report on "Comprehensive study on accounting procedures of recordkeeping for USA retirement provident plan(401k) in Data-Path Ltd. and in Bangladesh."

I am very grateful to the Data Path Ltd. As a whole for giving me the internship opportunity for the last 4 months. All the employees of Data Path Ltd. Were very supportive of me. It was my pleasure to have such a great internship mentor as Md. Shahadat Hossain Chowdhury, Manager, Outsourcing. He was very supportive and suggested different topics and referred me to many other internship reports to prepare for this study.

I am also very grateful to some other people without whom it was quite impossible to prepare this report. My special thanks to Mr. MD Asfakur Rahman (Managing Director), Mr. KH. Fazle Rabbi (director), Mr. Asaduzzaman Rana (Team Manager), Mr. Fyaj Mahabub Rohan (Executive Officer) and last but not the least my internship colleague Mr. Kazi Badhon.

The experiences that I have acquired during these 4 months will definitely help me to build a strong career. This experience has boosted up my confidence a lot and I believe it will help me to take on new challenges in the coming future. I did not face any difficulties during my internship period and enjoyed each and every single moment.

Executive Summary

Data-Path Ltd. Is the first registered outsourcing company in Bangladesh. July Business Services, a TPA company of USA is the mother company of Data-Path Ltd. July is one of the leading TPA companies in the USA. As the average gross salary in the USA is so high, the company came up with a plan to outsource their business process. They were the first TPA company in the world to outsource their business process. And they were very successful.

The accounting procedures of retirement provident Fund of USA is very complicated and very different from the accountant procedures that we learn in Bangladesh. They follow many different rules and regulations very strictly. These rules and regulations are actually the ones that make the RPF accounting complex.

Bangladesh can learn a lot from the RPF industry of the USA. Especially how strictly they impose rules and regulations in this industry. And how much the USA government is concerned for their elderly people

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- **BPO:** Business Process Outsourcing
- **RPF:** Retirement Provident Fund
- **DOB:** Date Of birth
- **DOH:** Date of hire
- **DOT:** date of Termination
- **Gross Comp:** Gross Compensation
- **401k Cont.:** Deferral
- **R401k Cont.:** Roth
- **PC**-personal computer
- **IRS:** Internal Revenue service
- **FICA:** Federal Insurance Contributions Act
- **ERISA:** Employee Retirement Income Security Act
- **CPA:** Certified Public Accountant
- **TPA:** Third Party Administrator
- **QKA:** Qualified 401(k) Administrator
- **HCE:** Highly Compensated Employees
- **NHCE:** Non-Highly compensated Employees
- **ADP:** Actual Deferral Percentage
- **ACP:** Actual contribution percentage
- **PS:** Profit sharing
- **SHM:** Safe Harbor Match
- **SHNE:** Safe Harbor Non-Elective

Glossary

- **Employee/ Participants**: they are the employees of a company for whom the retirement benefit plan is created for.
- **Employer:** employers are the owners of the company.
- **Plan Year:** is the year in which the retirement plan is assessed.
- **Prior Year:** a year prior to plan.
- **AUDIT Plan:** is the types of retirements that has more than 120 participants.
- **International Fund:** A fund that invests primarily in the securities of companies located, or with revenues derived from, outside of the United States.
- **Investment Objective:** The goal that an investment fund or investor seeks to achieve

Chapter one: Overview of the industry

1.1 Student information

Name: Shaikh Pran Priyo Hossain

ID: 17104118

Department: BRAC Business school

Major: Accounting

Minor: Management Information System

1.2 Internship Information

1.2.1 Company and internship Details:

Internship Period: I have joined my internship program in Data-Path Ltd. Ltd. On 26th July, 2021. This is a 4 months internship, which will end on 26th October. In Bangladesh most other organizations usually offer internships for 3 months. However, in case of Data-Path Ltd. Ltd, their internship program is one kind of a 4 months of training course. If the intern employees can perform well in this training program they are usually recruited permanently.

Name of the department: Business Process outsourcing (BPO). It is currently the biggest department in the company. Currently the department consists of 56 employees. They are also recruiting more employees in the department. By the beginning of 2021 the company predicts that this department will consist of more than 100 employees.

Name of the company: Data-path Limited.

Company Address: Ambon Complex, 99 Bir Uttam AK Khandakar Rd, Dhaka 1212.

Supervisor's Name and Position: MD. Shahadat Hossain Chowdhury, Manager, Outsourcing.

Job Description: According to Data-Path Ltd. Ltd. The 4 months long internship program is basically an intensive program. Where they will provide intensive training to the interns and will evaluate them in each training process. They use this evaluation method to hire interns when the internship period is over. The company always tries to recruit interns who are willing to stay in this company at least more than one year. Because this is a paid internship program and during the internship program the intern does not usually add any value to the company, as they are only being trained in this period. Thus, if an intern leaves after the internship program which is a big loss for the company.

After I joined as an intern in Data-Path Ltd., I was trained in the basics of RPS. Gradually I have learned more complicated materials like: Census checking, Trust accounting, Software training, ADP-ACP testing, General Non-discrimination testing, Form 5500, report valuation, contribution calculation, Asset reconciliation, Contribution reconciliation, Ending balance reconciliation, Lost earnings calculation and many more theory and practical topics.

After they have trained me on all the theories needed for the work, they started giving me practical works for practice. However, these works were actually from prior years. So, they were actually completed by the company before. The company told us to redo the workings again. As RPF consists of very sensitive information. A simple mistake can cost the company a huge burden. Thus, the company does not usually take the risk to give the interns new tasks. They make the interns do prior year completed works to make the interns understand how to do the accounting procedures of USA RPF practically. More importantly this method of practical learning makes the interns get accustomed with software that is used to record the accounting procedures of RPS.

This also gives many other opportunities to the interns as well. Firstly, the internship is a paid program. The internship salary in Data-Path Ltd. Ltd. Starts with 8,000 TK. Moreover, there is usually a very high chance of job opportunity after the internship program if an intern performs well during the internship program. Secondly, all the employees including the interns are given free lunch from the company. There is also opportunity for unlimited snacks and coffee. During the evening they also provide all the employees some special evening snacks. Finally, last but not the least they provide transportation support for all of the employees. Which I think is a great privilege for any residents in Dhaka city. They have many buses that pick-up and drop the company employees from different routes of Dhak

1.3 Internship Outcomes:

1.3.1 My contribution to the company:

Though there are few opportunities to add value to the company as an intern. As the interns are not given any actual work but only training during the internship period, I have managed to add some real value to the company. Those are given below:

- **Census Checking Guideline:** Census Checking is not a part of RPF accounting procedures. However, this process is done to check if there is any mistake in the data that are taken from the employer of the RPF plan and imported in the software. A census is basically a chart that an RPF plan employer gives us. In that chart we can find all the employees of that employer's company that are eligible for the clients RPS plan in the plan year, And all the related information of those employees. For example: DOB, DOH, DOT, Gross comp, 401k cont. R401k cont. etc. Now there can be a lot of mistakes in this census that the employer provided us. Even if there is no mistake in the employer's census, there can be a mistake from our end while uploading the census in the software. So, we check both the employers census and the census that we have uploaded in the software with a prior year census. The prior year census usually does not have any mistakes as it was checked in the prior year. We do some sort of a comparison between these three censuses (Employer plan year census, Software generated plan year census and Prior year census). And find out the mistakes. This census checking process only used to find out all the mistakes before going further into complex accounting procedures of RPF. This is a very confusing process for a new intern. So, I have prepared a guideline or census checking after I have learned the process. It is a series of flowcharts that illustrates with visualizations every step of the census checking process. It also illustrates all the outcomes that can be found in each step. This really helps the new interns to understand the checking process. My supervisor reviewed my work and was very pleased with me. Moreover, the company is now using census checking guidelines as one of their training materials.
- **Online training materials:** as I have joined here meanwhile the Covid19 pandemic, just after doing half-week of physical office the country went through a stick lockdown. The office had to go through online. The problem was previously Data-Path Ltd. used to train their interns offline. Moreover, Most of the RPS information is

very confidential, thus Data-Path Ltd. does allow anyone to input these personal data into employees' personal computers. Employees have to use their dedicated computers given by the company. All the old employees had their own dedicated PCs provided by the company that they had taken home. However, in our case who were just newly joined interns we did not have any dedicated PCs for us to use or take home to remote offices.

As a student of BRAC university I have done the last 3 semesters online. And BRAC university was very successful shifting their offline classes to online. It also gave us students some idea how the online classes work. So, when Data-Path Ltd. was facing trouble shifting, taking the training online. I have suggested they take the classes with google meet. With google meet the trainee can share their own PC screen removing the problem of lack of personal PCs for the interns. Moreover, they can record the classes for later use.

Also, there were a lot of different trainers who used to train us every day. Some of them did not know how to use google meet properly. Especially how to record the sessions. So, my supervisor told me to record all the sessions, edit them, upload them online and share them with others.

I have made a library of online training session materials worth more than 1 month of online training session classes. Which are now online for Data-Path Ltd.'s use and are Being used to train the interns that have joined after us.

- **Rechecking Prior year works:** As Data-Path Ltd. works with very sensitive RPS information, they do not usually take the risk of giving the interns new tasks as they could have made any mistakes. Thus, the interns are given prior years tasks that are already done. We had to redo the work from scratch. This not only gives us practical training but by doing this Data-Path Ltd. was able to recheck their works. If there were any mistakes made by Data-Path Ltd. in the prior works they can easily find out by this process.

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- **Corporate knowledge:** Before joining here I had no idea there is a whole industry related to RPS of the USA. And that too is outsourced In Bangladesh. In fact, I had no idea regarding USA RPF. After doing my internship here in Data-Path Ltd. I would say it helped to gain a strong corporate knowledge regarding RPF industries. Specifically, how this type works can be outsourced in other countries. It broadened my knowledge regarding outsourcing. The experience helped me to build a strong professional profile. Most importantly I have learned how the accounting procedures of USA RPS works.

- **Corporate behavior:** Good corporate behavior is desirable in the type of work field. The environment in Data-Path Ltd. was very friendly. So, it was very easy for me to adapt with the environment and develop my corporate behavior. As this internship was my first corporate experience, I did not have much experience regarding corporate behavior. But after joining here I have learned a lot in a very short time. For example: how to talk with my seniors or juniors, how to complain or give a proposal in the correct manner, or even very simple things like how to arrange the data in my PC in such ways that it can be navigated easily, etc.

- **Time management and priority setting:** In the RPF industry there are 2 deadlines. The 3 months before these 3 deadlines are called by the company "Busy Season". During this 6 month of busy season all the employees had to work under immense pressure. And had to submit their work before the deadline. However, in our case as we were just training and were given prior completed tasks, we did not have such a deadline. But Our trainers used to give us deadlines for all the work, so we know how to manage our time, set our priorities and submit the works within the deadline. Moreover, the regular office time also helped me to manage my time and set my priorities. After coming back to my home from the office I had only a few free hours in my hand. I had to set my priorities for what I want to do in my free time and had to do those within those few hours.

- **Improved personal skills/decision making:** The internship experience has developed me in a lot of ways. It has helped me to build some real reliable professional skills like MS Office, how to extract related data from a huge library of raw data, it helped to learn about data securities and privacy, the ways I can protect

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my data privacy. They also developed me personally. Especially my decision-making skills. The experience taught me to see through a complex situation and focus on what is important and make the correct decision.

- **A greater sense of professionalism:** During these four months of internship, I have met a lot of different people. In fact, we were a big internship batch consisting of 14 interns. All from different backgrounds. I learned the difference between friends and colleagues. The internship taught me how to talk, think or even send email communications in a professional manner.

- **Confidence about responsibilities:** Before joining this internship, I was really struggling with my self-confidence. I wasn't so sure that I was really ready for this corporate world or do I really have it in myself. Fortunately, the Data-Path Ltd.'s environment was very friendly and they accepted it positively. Which in turn really helped me to build my self-confidence. I have also met a lot of new people. These sudden new connections also helped to boost my self-confidence.

- **Communication:** During these four months of internship, I have met a lot of new people and made new connections. Data-Path Ltd. has a very friendly environment. On my first day of internship, they were introduced to a lot of people in the office. Moreover, during our training sessions there were a lot of trainers who used to train us. So, over the training period I have met a lot of trainers. Also, we were a big internship batch consisting of 14 interns. These huge numbers of new connections and daily conversation with them really helped me to develop my communication skills.

- **Being more careful and sincere:** As the RPS industry works with very sensitive information which is strictly audited by the IRS, thus any mistake can cost a lot. Moreover, there is also a huge concern of leakage of confidential information. So, we had to be really careful when working. Especially with privacy. There were a couple training sessions only to learn about data privacy and how to protect it. There was a rule if I was not around my desk even for only a minute I was told to always lock the PC before going. These taught me to be more careful and sincere.

- **More proficient IN MS EXCEL:** one thing about Data-Path Ltd. is they use Microsoft Excel extensively. They make all of their employees learn MS excel thoroughly. During these 4 months of internship, I have used MS excel so much that I have become professional. Now I know all the keyboard shortcuts of Excel. And can work In MS Excel very fast without even using the mouse.

1.3.3 Problems/Difficulties

- **Remote Office:** Just after 3 days joining as an internship in Data-Path Ltd., the government has announced strict lockdown all over the country. We were forced to go to a remote office. Now it was very difficult for me to do the home office. Because I did not have any practical knowledge. Data-Path Ltd. has strict policy about data privacy. Which is why they do not provide us with any practice materials to practice at home on our personal computer. Moreover, the theoretical learning sessions were very hard to understand over online training sessions. Moreover, after joining a new organization people usually tend to meet new people and try to understand the office environment and try to cope up with the environment. But in a remote office it is very hard to introduce new people and let alone understand and cope up with the office environment. Fortunately, the lockdown ended after one month and then we were able to continue the office again.

- **Covid19 Difficulties:** After 2 months joining the internship program my whole family got affected my Covid19. It was a very hard time. By then the whole office shifted to an offline office again as the lockdown ended. So, I was not able to continue to the remote office. All the interns that joined with me were doing their practical training at that time. But as I was affected for a whole month, I was not able to gain any practical training. Which was both very depressing and concerning for my internship program. I was very concerned that I will not be able to cope up with other interns/ work when I will join the office again. However, Data-Path Ltd. and my supervisor were very supportive of me. They provided special training for me after I joined the office again. But I had to take double pressure to cope up with the other interns.

- **Develop own software system:** Data-Path Ltd. has a strong software building team. Despite that they lack some necessary software that they can build themselves. For example: sometimes we had to extract a lot of information from PDF file format to MS excel. However, the PDF text is not copyable. The pdf scanning software they use is not up to the mark. They can develop better software. Moreover, they can develop some MS excel Macro coding for processes like census checking, FICA calculation etc.

- **Enhanced training program:** We have faced many sorts of difficulties during our training sessions during these 4 months. By fixing these difficulties the company can enhance their training program. For example: in the offline training sessions there were no class recordings. So, we could not rewatch the class recordings if we wanted to. The BPO Department is divided into different teams. Each Team uses different software for their RPF procedures. At first when we were not allocated to any team, they gave us training of all the software of all teams. But then allocated me to only one team. So, training of all the software was unnecessary. Some of the trainers did not prepare their training materials beforehand. Thus, their training sessions were very hard to understand. They can always prepare the training materials beforehand.

Chapter 02: Organization Part

2.1 Introduction

This internship report is related to the outsourcing industry that outsources USA Retirement Provident Fund (RPF) accounting procedures to Bangladesh. However, it is important to know how this RPF actually benefits the retired employees of the USA as per the USA government policy.

For the physical, mental and monitory betterment of employees that are working in the USA and their families the employers of different US companies offer many different types of advantages to them. This also helps the employers to attract individual talents in their companies. Examples of these types of advantages can be wellbeing and life coverage, excursion time, handicap pay and retirement provident plans etc. There is generally a bad tendency in USA citizens that they do not like to save money. They usually like to spend most of their earnings. Thus, these advantages are usually given to the employees so that this can work as a shield when there are any unfavorable catastrophic circumstances. Moreover, these types of advantages can also boost the motivation and confidence of the employees.

The USA RPF industry has strong rules regulation and guidelines developed by the IRS and ERISA act. There are also many strong privacy ACTs. And big RPF plans are audited every year by the CPA firms. The companies that work in this RPF industry are known as TPA companies. They do RPF processes like developing strategies for RPF plans to their accounting procedures. Now there is a huge amount of data and workforce in this industry. Moreover, the work processes in this industry are usually very complex. Thus, the average pay in the TPA industry is very high. Thus, many TPA industries are now outsourcing their work processes into third world countries like Bangladesh.

2.2 Overview of the company:

Data-Path Lid. Is the first registered outsourcing company in Bangladesh. July Business Services an USA TPA company in the mother company of Data-Path Ltd.. The actual owners of Data-Path Ltd. are John Humphrey and Jim Hudson. July business services is the leading business organization among the TPA companies and provides retirement plan services and other administrative plan services to the clients.

July business services offer their clients services like retirement services plan, administration, record keeping etc. It was founded in 1994. Currently it is operating in all over the USA and has approximately 94464 clients. The current net worth asset of July business service is 5 billion US dollars.

Data-Path Ltd. first started their journey in Bangladesh back in 2006 in Uttara, Dhaka. At first, they started with only 6 highly talented personnel to build the foundation of the company. Later on, when the company grew to 50 employees the company shifted to Gulshan. By that time July Business services was downsizing their employees and was doing most of their work through Data-Path Ltd. Ltd. From 2015 the company started their rapid growth because of the Business Process Outsourcing Department. There were many other USA TPA firms in the USA who saw this outsourcing process as an opportunity just like July Business Services did. However, in spite of creating their own office they started to outsource their business processes through Data-Path Ltd. Ltd. As well. Currently Data-path is working for 17 other TPA firm clients and has more than 200 employees and moved their office location to Mohakhali.

2.2.1 Vision:

"Is to become the best retirement plan administrator in USA"

2.2.2 Mission Statement:

'Is to provide financial advisors and plan sponsors the power to choose the retirement plan solution that best meets the goals of business owners and their employees by delivering refreshingly responsive, unbiased, reliable plan design, administration, recordkeeping and consulting that encourages saving for retirement.'

2.2.3 Core values:

Company values are a set of guiding principles and core ideas that enable a group of individuals to work as a team and achieve a common goal. The core values of Data-Path Ltd. Are given below:

- Positive Attitude
- Embrace New Ideas
- Creative solution
- Celebrate success
- Commitment to people
- Team work
- Technical competence
- Result oriented
- Accountability
- Effective communication

2.2.4 Company objective (present):

- Increase the number of TPA firm clients from 17 to 25 In per year basis within 2024.
- Buy retirement plan software's like DATAIR, ASC, RELIUS etc. at the present time Data-Path Ltd. use these software's from remotes PCs situated in the USA TPA client's office. However, working in this manner really consumes a lot of time and decreases the productivity of the company. Thus, Data-Path Ltd. is now thinking of buying their own software within 2022.

2.2.5 Founding Partners:

The owners of July business services Jim Hudson and John Humphrey are also the co-founders/ chairman of data-Path Ltd. Mr. Ashfaqur Rahman is the CEO of the company.

2.2.6 Strategic partners:

The strategic partners of July Business services are also the strategic partners of Data-Path Ltd. July Business Services has developed many strategic partners over the years so that they can offer more comprehensive retirement plan services for its clients and the participants of those plans.

- Record Keepers: Record Keepers (RK) are the companies who keep all the balance amount of a retirement plan and keeps track of them. According to ERISA law the companies that have a retirement provident plan cannot keep all the RPF plan money to them-selves. They have to keep the money to a Record keeper company. Here the record keeper companies' kind of works like a bank, but they are specialized in RPF plans. These RK companies record their accounting procedures using actuarial methods. Where TPA firms record it on the cash basis and actuarial basis both methods. July business services has strategic relationships with many RKs like MassMutual, Principal, John Hancock, American Funds etc. These RK firms benefit Data-Path Ltd. By providing their year-to-date RK statement, Loan statements and many other statements. Without these statements, preparing accounting statements for the RPS plan is kind of impossible.
- TPA Firms: July Business Services was the first TPA in the USA to outsource their business process in other countries. And they were very successful in it. After seeing their success in outsourcing, other TPA firms wanted to outsource their business process as well. July Business Services offered them that Data-Path has many qualified employees and Data-Path is qualified to do their work as well. Now Data-Path Ltd. Has 17 other TPA clients who are outsourcing most of their business process through Data-Path Ltd.
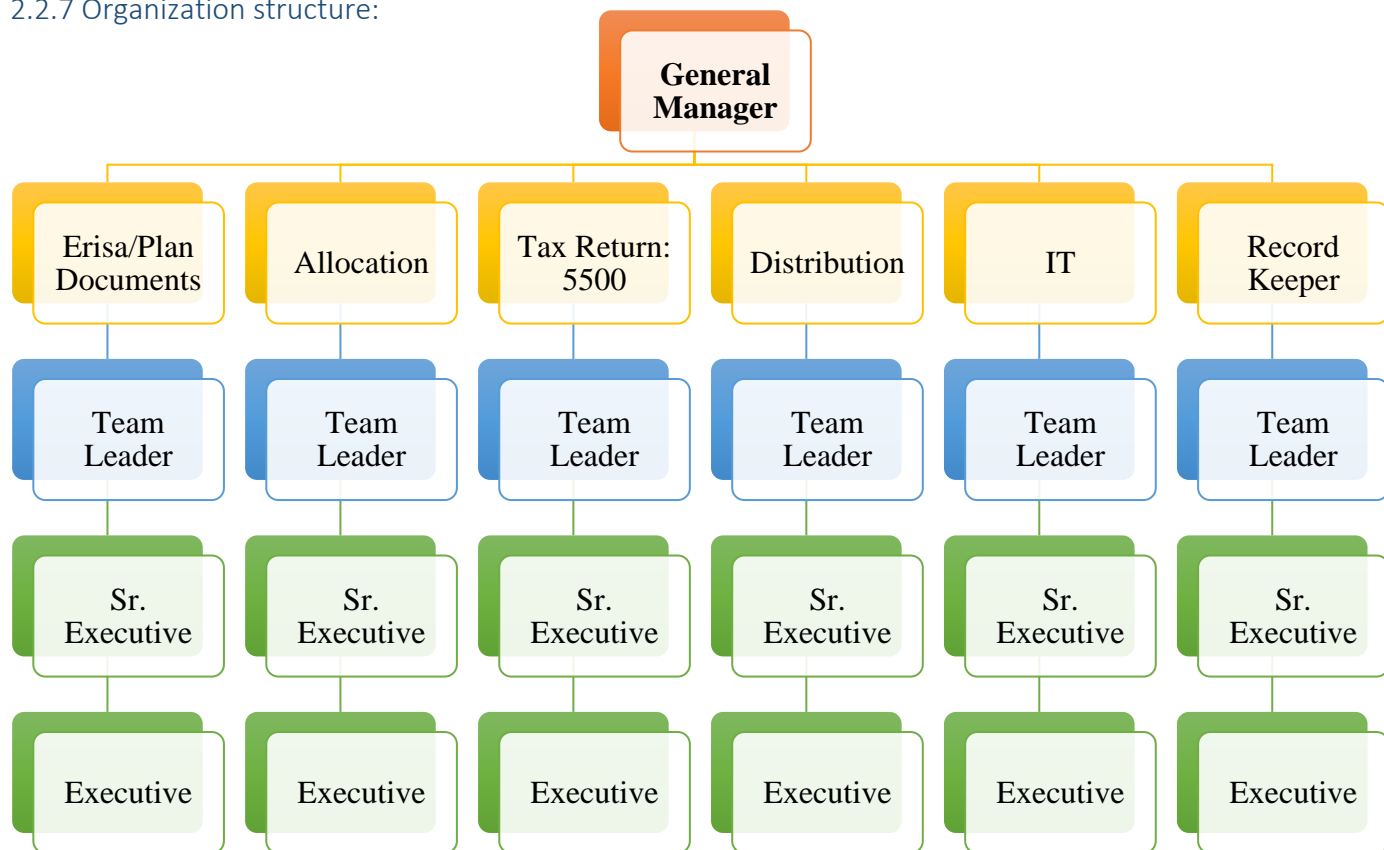
2.2.7 Organization structure:

Figure 1: organizational structure

2.2.8 Customer mix:

Data-Path Ltd. Is an outsourcing firm operating in Bangladesh. The main customers of Data-Path Ltd. Are the TPA firms of the USA. There are currently 18 TPA firms that Data-Path Ltd. Is working for, including July business Services Ltd. Others are Tristar, APCI etc.

Data-Path Ltd. Offers many different types of services to July Business Services and other clients. The services are given below:

▪ **Plan Design:** Before Starting any new RPF plan first it needs to be designed. There are many factors, laws, rules and regulations that have to be kept in mind while designing a RPF plan. For example: designing the plan is such a way that it does not fail any discrimination tests, the benefits the owners most but does not discriminate against the normal employees, what types of contribution there will be in the plan, what types employees will be excluded from the plan etc.

▪ **Plan Setup:** For new and running both RPF plans many types of paper works need to be done before assessing a year's Plan statements. This process is called plan setup. Some steps of plan set up processes are given below:

- Setup Paperwork
- Plan questionnaire
- Check list
- RK statements
- Loa policy
- Amendment reports
- Plan documents/ adoption agreements
- Rollover policy
- Employee census

- **Plan Operation:** In this step the Data-Path takes all the steps to do the estimates, calculations, accounting procedures of the plan. Including the email communication with the clients. Some processes of this stem are given below:
  - Census import
  - Census Checking
  - Eligibility calculation
  - Vesting calculation
  - Contribution calculation
  - Contribution allocation
  - Contribution reconciliation
  - Loan reconciliation
  - Ending Balance reconciliation
  - Asset reconciliation

- **Compliance Testing:** There are many types of discrimination tests that are needed to be passed in order to be the plan valid by the law. In step of service the company conducts many different types of tests on the plan to check if the plan passes the tests or not. Name of some tests are given below:
  - ADP ACP Testing
  - Top Heavy Testing
  - General Nondiscrimination Testing
  - Minimum Coverage Testing

- **Tax Compliance:** To comply with the US tax laws there are some statements that are needed to be prepared. Some of them are given below:
  - Form 5500
  - Form 5330
  - Form 1099-R & Form 945
  - Form 5310 (for plan termination)

- **Investment Advice:** In a RPF plan both the employers and the employee's money does not just sit around in Record keeper's bank. It usually gets invested so that the participants can gain an extra amount of money. Data-Path Ltd. Also works as an investment advisor and give suggestions to the clients on which fields they can invest their money.

2.3 Industry Analysis

2.3.1 Outsourcing:

outsourcing is a type of business where a company does full/part of their business process through another third-party company. This minimizes the company that is outsourcing their process's cost and boosts the overall productivity of the company. Data-Path Ltd.is an outsourcing company. In the USA the TPA industry is very complicated. Because of the complexity of the work, they usually need to hire highly skilled employees. And on average they have to pay them 10000$ a month. Which is huge. For that reason, some of the USA companies are now outsourcing their business process to third world countries. Where they can hire 10 employees with just 1 USA employees' salary. Data-Path Ltd. Is specialized in outsourcing TPA industry related works. Now, more than 17 TPA companies are outsourcing their business process through Data-Path Ltd.

2.3.2 Size, trend and maturity of the industry:

Outsourcing is a huge industry. Most importantly the industry is only growing. Especially for a developing country like Bangladesh there are a lot of opportunities for outsourcing industries. The TPA industry is a huge industry in the USA worth billions of dollars. In the past they were not much into outsourcing their business processes. However, nowadays the trend has changed. Now they are downsizing their USA employees and outsourcing their business process. Just this year Data-Path was able to secure 5 more new TPA clients. And 3 are on one pending. Data-path Ltd. Estimated that within 2022 they will have more than 25 TPA clients.

2.3.3 External Economic Factors:

Outsourcing is the new trend for any big successful business in this modern world. The outsourcing industry is now worth billions of billion dollars. Though Bangladesh is lacking behind at the present time in this industry. However, Companies like Data-path Ltd. Are now emerging in this country. As this company is specialized in the TPA industry and the TPA industry is a huge industry in the USA, there is a great chance that this company can bring a huge sum of foreign money in this country.

2.3.4 Technological Factors:

At first when Data-Path Ltd. Started, they only bought and used most commonly used softwares used in the RPF industry. Now, In the RPF industry each TPA client works very differently than others and uses different types of software. As Data-Path not only worked for July Business Services but also 17 other TPA clients it was very difficult at first. But now over the time they have managed to train their employees on many different softwares in the industry. Moreover, now Data-Path Ltd. Is now developing some of their own softwares. They plan to develop for their own use and also to sell in the USA RPF industry.

2.3.5 Barriers to entry:

entering in this field of industry is not that easy but very complicated. First of all, a huge amount of technically skilled people is needed as only a very few people in this country have knowledge about RPF. For that reason, an extended training is needed. Moreover, a huge amount of investment is also needed to establish this type of IT based company. Most importantly, Trust is needed for the success of this type of outsourcing industry. As RPF industry works with very sensitive information regarding USA citizens they usually do not trust other outsourcing companies with their sensitive information. As this may hamper the reputation of that TPA company.

2.3.6 Supplier and buyer power:

Supplier and buyer relationship is not that much visible in the outsourcing industry. Here we can assume that the TPA firms are buyers and the supplier is Data-Path Ltd. Usually the relation is like the TPA firms giving RPF plans to Data-Path Ltd. To complete all the processes within a given amount of time. The amount of the RPF plan usually decides the pay. As the TPA industry is a very big industry the pay is usually very good. For example, for preparing one Form 5500 they pay 250$ each. Now, Data-Path usually does more than 100 Form 5500 on average on a regular basis.

2.3.7 Threat of substitutes:

the biggest threat of substitutes in this industry would be softwares. Many softwares companies are now trying to develop a software that can complete/create a whole RPF plan from scratch. Anyone with only a little knowledge regarding RPF would be able to use that software. However, those softwares are years away from being developed. But for the time being there is no strong substitute for this industry if the USA government does not change the rule of regulation regarding RPF.

2.3.8 Industry Rivalry:

The biggest rival in the industry would be "Fin source" , another RPF outsourcing firm in Bangladesh. Back in 2011 some of the Data-Path Ltd.'s senior employees left and created their own RPF outsourcing company called "Fin Source". Apart from them there is no other competitor in the market in the present.

Strengths	Weaknesses
- Secured software and IT-based service. - Almost No competitive rivalry in the market - Offering a lower price than other third parties in the USA. - Sustainable business growth in Bangladesh. - Earning foreign remittance for Bangladesh. - Gained Trust from other TPA's over many years.	- Lack of well-developed software's - Totally new service industry in Bangladesh. - Employees need to train from zero knowledge and it's time-consuming. - Weak promotional activities and website.
Opportunities	Threats
- Opportunities for new employment. - Creating scope for outsourcing industry in Bangladesh. - Making strategic partnerships with different companies around the world. - Workflow depends on the US economy.	- Clients are not bound to promissory. - Have to depend fully on USA third party companies. - Some new competitors are arising in the local market - Not a renowned service sector in Bangladesh.

Figure 2 SWOT Analysis

Chapter 03: Project Part

3.1 Introduction:

I have joined Data-Path Ltd. On 23rd July, 2021, it was a 4 months long internship. I was in the Business process outsourcing department (BPO). Unlike any other department in Data-Path Ltd. BPO department does not work for July Business Services, the mother company of Data-path Ltd. Rather it works for 17 other TPA companies like July business Services. Moreover, the other departments in Data-Path Ltd. That works for July Business Ltd. Usually split up the whole work process and is done by various departments. However, in the BPO department the whole work process of a single RPF plan is done by this department. So, I had the opportunity to learn almost all the steps required for the accounting procedures of the USA retirement provident fund. During the last 4 months I was given intensive training programs on how to prepare accounting procedures of recordkeeping for retirement provident plan of the USA. I believe that this intensive training will help me a lot to prepare this report.

3.1.1 Background Information:

July Business Services is the mother company Data-Path Ltd. Jim Hudson and John Humphrey are the co-founder of July Business Services Ltd. Both of them are certified public accountants and are specialized in the RPF industry. Now, accounting procedures, laws, rules and regulations in the RPF industry are full of complexity. It usually required highly skilled employees in this sector. Specially Qualified 401(K) administrator (QKA) degree passed employees are highly desirable in this field of industry. However, the average wage rate in the USA is very high. The TPA companies like July Business Services had to pay a lot for the wage for their employees. So, July business services came with a strategy to outsource their business process overseas where the minimum wage is a lot lower than in the USA. Thus, back in 2006 Data-Path Was formed. However, there were a lot of problems regarding outsourcing the TPA industry business process to a country like Bangladesh. The biggest problem was skilled employees. In Bangladesh, people have no idea about the Retirement Provident Fund of the USA let alone their accounting procedures. In fact, it is not taught in any academic or professional degrees of Bangladesh. Thus, at first Data-Path Ltd. Only hired 6 highly intellectual individuals who gave them training for 2 years in order to build the structure of the company. Data-Path Ltd. Saw their rapid growth from 2011. Today, Data-Path Ltd. Has more than 200 employees and it is only growing. It is estimated by the Data-Path Human Resource department that the number of employees will increase by 100 more employees by next year. Moreover, there are now 4 QKA qualified in the company. Also, some of the employees got the amazing opportunity to transfer to the USA and join July Business Services.

BPO Department is the most growing department in Data-Path Ltd and plays a very important role in the company's success. It is the biggest department in the company. Seeing July Business Services success in outsourcing their business process overseas other TPA companies got interested in outsourcing their Business Process to overseas as well. However, as I have said it is not easy to outsource the work process in this type of industry. Thus, July Business services took this opportunity and offered other TPA's Data-Path Ltd. Will outsource their business processes in return for a percentage of profit. Now, Data-Path Has 17 other TPA clients apart from July Business service. And the BPO department works for these 17 TPA

clients. 3 more TPA clients are about to start outsourcing their business process through Data-Path ltd. By the end of 2020.

I was Blessed to work in the BPO department. It gave me the opportunity to know the industry more closely. It gave the opportunity to not only know about July Business Services but also the other 17 clients. It got the opportunity to know how the work procedures may differ from TPA client to client. I believe that these experiences will help me a lot to make this report.

3.1.2 Objectives

3.1.2.1 Specific Objectives:

The specific objective of this report is to explore how the accounting procedures of record keeping for the Retirement Provident Fund of USA works. An outsourcing company like Data-Path Ltd.is doing it in Bangladesh.

3.1.2.2 Broad Objectives;

The broad objectives of this report are given below:
- To explore the Retirement Provident Fund Industry of the USA.
- The procedures to record keep Retirement Provident Funds of the USA.
- To know the producers maintained not create a discrimination between Highly Compensated Employees (HCE) and Non- Highly Compensated Employees NHCE employees. And the procedures for discrimination tests.
- To know about the government rules and regulations and the transparency of the Retirement Provident Plans
- To know how the plans are being audited.

3.1.3 Significance of the study:

The elderly, retired and disabled population of Bangladesh has become a reason for huge social concern in Bangladesh, because unlike any other country there are only a few or no social security for the retired, elderly and disabled population in Bangladesh. In comparison to the size of the population of Bangladesh, problems like lack of resources, poverty, lack of social security and bad health facilities will become one of the major problems in Bangladesh for the retired people in the near future.

Unlike other demographic groups, the elderly has never been studied much. This is one of the reasons for this lack of social security in Bangladesh. If not taken action, In the near future this issue will become huge and will affect the economy very negatively. Moreover, this will demotivate the elderly people
And they will see their talents deteriorate as the retirement process progresses.

To benefit the elderly people of Bangladesh, the retirement benefit system should be reformed for both private and public sectors. Though the public sectors have pension systems however, they are not well organized and full of corruption. Some private sectors do not provide any retirement benefits to their employees. Government has rules and regulations. However, they are not up to the mark, not well organized and most importantly not up to the time. Even the general people do not know much about their retirement benefit rights. There is a huge lack of awareness. The regulatory body in charge of protecting employee's retirement benefits are not taking enough necessary steps. In their private sectors there are no defined types of retirement benefit plans. Even if there are retirement benefits plans in some organizations, however, there is a lot of discrimination involved between the Highly compensated employees and non-highly compensated employees. There is no rules and regulation in the country regarding the discrimination between employees in retirement benefit plans in the country.

On the other hand, The US government is very concerned about the rights of retired people and securing them financially. They have strong rules and regulations regarding retirement benefit systems. Though they are very difficult to understand, and they are maintained strictly. Moreover, they have strict policies regarding discriminations in retirement benefit plans. Even most of the USA companies try to adopt retirement benefit plans to gain Tax advantages and attract employees and motivate them.

I think this study will help a lot to understand the USA retirement benefits plan like Retirement Provident Fund (RPF). To understand the US government rules and regulations and they maintain it. It will give us a comparison between Bangladesh and the USA's retirement benefit system. And will help us to understand the scopes that we can change to develop the retirement benefit system in Bangladesh.

3.2 Methodology

All the data collected for this report are showed in two categories –

Primary data:

- Discussion with the employees of the organization
- Direct observations played a huge role for preparing this report.
- Face to face conversation with the managers

Secondary Data

- Information from Data-Path Database
- Training on theoretical and practical work
- Some relevant internship reports provided from the supervisor.

3.3 Findings and analysis

I hope my report will illustrate a clear picture of accounting procedures of recordkeeping for the Retirement Provident Fund (401K) of the USA.

Before I start my finding and analysis, I would like to say that I was in the BPO department. This department is divided into many teams. I was in the APCI team. This team does the retirement benefit plan process for a TPA company called APCI. Thus, the team is named after the TPA company. The company uses a software called "DATAIR" for their retirement plan process. So, we have to use this software as well. And in almost all of the steps of the retirement plan process I had to use this software.

Accounting procedures for retirement plans start with the plan document. Plan document is a document where all the plan specifications are documents. A retirement plan can be of many different types depending on the specifications. So, at first, I had to read the plan document thoroughly and understand the plan and then upload the specifications to the DATAIR software. Some specification that we can know from the plan documents are given below:

➢ **Contribution types:** There can be many different types of contribution. But basically, we can divide them into 2 parts:

  ▪ **Employee contributions:** The contributions that are made from the employee's side. It Is usually taken from the employees/ participants compensation. There can be two types of employee compensation:

    ● **Deferral: Pre-Tax employee contribution**
    ● **Roth: After-Tax employee contribution**

  ▪ **Employer contribution:** The contribution is made from the employer/company's side for the employees. There are 4 types of employer contributions:

    ● **Match:** a contribution that is given based on the employee contribution. An example of a matching formula would be "100% up to 5% of the employee compensation".

    ● **Safe-harbor Match:** this type of contributions is ADP & ACP discrimination test safe. Which basically means if a company decides to give this type of compensation, then they do not have to run these 2-discrimination test call ADP & ACP tests. An example of safe-harbor match formula would be "100% up to 3% of and 50% up to next 2% of compensation"

    ● **Profit-Sharing (PS):** when a company/ employer decides to share a portion of their profit with the participants of their retirement benefit plan. An example of PS would be: "allocate 150000$ among the eligible employees proportionate to their salaries".

    ● **Safe-harbor non elective:** a type of contribution that is only ADP test safe. An example of this type of contribution's formula would be: "allocate 3% of the employee contribution".

  There are some other types of contribution. But, for this study these are the most important ones.

➢ **Eligibility:** eligibility are some criteria that a participant must need to fulfill to enter a retirement plan. An example of retirement plan below:

▪ 21 years

▪ 1000 hours of service

▪ Have to stay in the company till the last date of the plan year

▪ Must be a resident of USA

If a participant fulfills all these criteria, then we can say he/she is eligible for the plan.

Entry Dates: entry dates are the date when a participant will be able to enter the plan when they are eligible. For example, depending on the plan's specifications the entry dates can be dual entry, quarterly entry, monthly entry, immediate entry or can be others.

Let's say a plan has dual entry dates. Which means the entry dates are 01/01/2020 and 01/07/2020? Now if a participant fulfills his eligible criteria on 01/03/2020 he's next available entry date would be 01/07/2020. Thus, the participant will enter into the plan on 01/07/2020.

Note: entry dates may differ if the plan is an odd plan year.

Vesting: Vesting basically means the amount of money the participant is eligible to take when he/she is retired. For example: if a person is 50% vested and has 100000$ in his retirement Plan and retires. Then that person would be eligible to take 50000$ from the plan.

Depending on the plan specifications vesting schedules may differ. For example: 1-5 years graded, 2-6 year graded, 3 years cliff etc.

Let's say the plan has a 1-5 years vesting schedule. Then the participant will be vested 20% after 1 years of entering the plan, after the 2nd year he will be 40% vested. And finally, after 5th year he will be 100% vested.

➢ **Compensation:** there can be many types of compensation for an employee. For example: w-2, 415c, gross com, allocated com etc. depending on the plan specification on the plan doc I have to choose one for accoun

3.3.2 Census Checking:

Census Checking is not a part of RPF accounting procedures. However, this process is done to check if there is any mistake in the data that are taken from the employer of the RPF plan and imported in the software. A census is basically a chart that an RPF plan employer gives us. In that chart we can find all the employees of that employer's company that are eligible for the clients RPS plan in the plan year, And all the related information of those employees. For example: DOB, DOH, DOT, Gross comp, 401k cont. R401k cont. etc. Now there can be a lot of mistakes in this census that the employer provided us. Even if there is no mistake in the employer's census, there can be a mistake from our end while uploading the census in the software. So, we check both the employers census and the census that we have uploaded in the software with a prior year census. The prior year census usually does not have any mistakes as it was checked in the prior year. We do some sort of a comparison between these three censuses (Employer plan year census, Software generated plan year census and Prior year census). And find out the mistakes. This census checking process only used to find out all the mistakes before going further into complex accounting procedures of RPF. Some steps that I had to do while checking census are given below:

➢ **Entry dates checking:** in this step I check if the participant is eligible or not for the plan. If the participant is eligible then I need to find at which specific date he/she becomes eligible. Then I need to find the next available entry date for him. Then I have to check if the day I have calculated matches with the one that software calculated. If it matches then it is ok, if not then I have changed the date to my calculated one.

➢ **Vesting percentage checking:** here in this step, I have to check how many years a participant has stayed on the plan and depending on the vesting schedule I have to check the participants vesting percentage.

➢ **Contribution checking:** for example, the plan document says Allocates PS 3% of the employee's compensation. Then I have to check if the software calculated it correctly or not by calculating it manually in MS Excel.

There are many more steps of census checking. These are only a part of it. The main goal here is to check if everything is calculated correctly or not by calculating it manually and then checking it with the census.

3.3.3 Contribution Reconciliation:

The main accounting procedures of retirement provident fund kind of starts from this step. The main goal of preparing contribution reconciliation is to find out the receivable/payable of the plan years. There are many other objectives like finding out the prior year receivable/payable, funded contribution amount, reported contributions, internal transfers, lost earnings, deposit in transit.

BRAC BUSINESS SCHOOL
Safe Harbor Match Contribution Reconciliation
For the plan year ended on 12/31/2020

SSN	Last Name	First Name	2019 Adjustment	2019 Receivable	Safe Harbor Match Funded in RK statement	2020 Reported Safe Harbor Match	Year End (Overfunded)/ Receivable
xxx-xx-xxxx	Robert	Fauerbach	$ -	$ -	$ -	$ 2,387.00	$ 2,387.00
xxx-xx-xxxx	Knowles	Gregory	$ -	$ -	$ 3,345.31	$ 3,283.00	$ (62.31)
xxx-xx-xxxx	Rangel	Benjamin	$ -	$ -	$ 4,985.08	$ 4,667.85	$ (317.23)
xxx-xx-xxxx	Andrew	Sehres	$ -	$ -	$ 964.00	$ 1,818.66	$ 854.66
xxx-xx-xxxx	Evangelista	Jose	$ -	$ 1,509.46	$ 3,614.08	$ 2,104.62	$ -
xxx-xx-xxxx	Evangelista	Jose	$ -	$ -	$ 3,079.54	$ 3,338.61	$ 259.07
xxx-xx-xxxx	Jennifer	Desamero	$ -	$ -	$ 1,774.89	$ 2,435.46	$ 660.57
xxx-xx-xxxx	Belliard	Alex	$ -	$ -	$ 2,513.15	$ 2,690.77	$ 177.62
xxx-xx-xxxx	Murphy	Mathew	$ -	$ -	$ 3,516.16	$ 3,450.62	$ (65.54)
xxx-xx-xxxx	Cross	Carlita	$ -	$ 759.39	$ 2,964.93	$ 2,205.54	$ -
xxx-xx-xxxx	Davis	Taif	$ -	$ -	$ 3,218.15	$ 3,399.46	$ 181.31
xxx-xx-xxxx	Marsalis	Rivera	$ -	$ -	$ 1,228.00	$ 2,342.42	$ 1,114.42
xxx-xx-xxxx	Wesnofske	Richard	$ -	$ 2,478.62	$ 4,003.23	$ 1,524.61	$ -
xxx-xx-xxxx	Lombardo	Michael	$ -	$ 646.16	$ 12,046.16	$ 11,400.00	$ -
xxx-xx-xxxx	Galiev	Emil Lpe	$ -	$ -	$ 2,424.65	$ 2,691.92	$ 267.27
xxx-xx-xxxx	Andino	Caridad	$ -	$ -	$ 5,882.98	$ 6,030.36	$ 147.38
xxx-xx-xxxx	Naughton	Padraig	$ -	$ -	$ 1,550.00	$ 1,800.00	$ 250.00
xxx-xx-xxxx	Crandall	Brian	$ -	$ 232.42	$ 5,123.96	$ 4,891.54	$ -
xxx-xx-xxxx	Khoury	Layla	$ -	$ -	$ 4,026.15	$ 4,116.00	$ 89.85
	Total			$ 5,626.05	$ 66,260.42	$ 66,578.44	$ 5,944.07

Figure 3: Contribution Reconciliation

Here in the figure 3 Name of the company and social securities are censored because of the privacy policies. Here we can find the 2020 reported amount (the actual amount calculated for this year's safe harbor match contribution). In the 2019 receivable column we can find participant wise prior years receivable amount ad these amounts are taken from 2019 contribution year end receivable column. And in the safe harbor match found in the RK column we can find the actual funding for the contribution and these amounts are taken from the RK statements. And if we use this formula "=2020 reported safe harbor match-(safe harbor match funded in RK- 2019 Receivable)" we can find out the year end receivable of the plan year participant wise and total both

3.3.4 Loan Reconciliation:

loan reconciliation is not needed if loan is not allowed in the plan document or there is no participant in the plan who has loans. But if there is then we need to prepare loan reconciliation. Before going into the details first we need to know what is loan in a Retirement provident Plan?

In retirement provident plans an eligible participant is allowed to take his vested balance when the participant retires. However, if it is allowed by the plan a participant can take his full/ partial vested balance from the retirement plan before the participant retires as a loan. Now, one may argue at the end of the day it is the participants' money so why would it be a loan? It is because the balance was meant to be taken after the participant retires. Moreover, if a participant takes out a loan, he must repay the principal amount alongside interest.

BRAC Business School													
Loan Reconcilation													
For the plan year ended on 12/31/2020													
SSN	**Last Name**	**First Name**	**Beginning Balance**	**New Loans (01/01/2020-12/01/2020)**		**Principle repayment**		**Interest Repayment**		**Ending Balance**			
xxx-xx-xxxx	Robert	Fauerbach	$ 30,000.00			$ 8,000.00	$	786.00	$	22,000.00			
xxx-xx-xxxx	Knowles	Gregory	$ 15,000.00			$ 4,380.00	$	322.00	$	10,620.00			
xxx-xx-xxxx	Rangel	Benjamin	$ -	$ 20,000.00		$ 5,660.00	$	489.00	$	14,340.00			
xxx-xx-xxxx	Andrew	Sehres	$ 17,000.00			$ 2,090.00	$	140.00	$	14,910.00			
	Total			$ 20,000.00	$	20,130.00	$	1,737.00	$	61,870.00			

Figure 4 Loan Reconciliation

In loan reconciliation we can find the loan beginning balance participant wise from the prior years ending balance. If any participant takes out a loan on the plan year that is called a new loan and goes to the new loan column. The amount of principal repayment and interest repayment amount goes to principal repayment and interest repayment column respectively. These amounts are taken from the RK statement. And finally, if we use this formula "=(beginning Balance + new loan)-principal repayment=ending balance" we can get an ending balance of loan reconciliation.

3.3.5 Asset reconciliation:

all of the above steps are done to prepare this statement. Only this part of the RPF accounting procedure can be somewhat related to our typical accounting procedure's balance sheet part. Here in this step, we prepare some sort of balance sheet of the plan year. From this statement we can find out balances of different accounts. Like: expense account balance, withdrawal account balance, contribution balance etc.

Plan Name: **BRAC BUSINESS SCHOOL**
Period: **01/01/2020-12/01/2020**

Assets		(a) Beginning of Year	(b) End of Year
a Cash	27a		
b Receivables	27b	-	49,973.45
c Investments:			
(1) US Government Securities	27c(1)		
(2) Corporate debt and equity instruments	27c(2)		
(3) Mutual Funds	27c(3)		
(4) Loans to participants:			
A Mortgages	(4)A		
B Other	(4)B	-	-
(5) Other	27c(5)	575,103.32	720,369.21
(6) Total investments. Add lines 27c(1) -27c(5)	27c(6)		
d Buildings and other property used in plan operations	27d		
e Other assets	27e		
f Total assets. Add lines 27a, 27b, 27c(6), 27d and 27e	27f	575,103.32	770,342.66
Liabilities			
g Payables	27g		
h Acquisition indebtedness	27h		
I Other Liabilities	27i		
j Total liabilities. Add lines 27g through 27i	27j	-	-
k Net assets. Subtract line 27j from 27f	27k	575,103.32	770,342.66

Income		(a) Amount	(b) Total
a Contributions received or receivable in cash from:			
(1) Employer(s) (incl. contribs of behalf of self-employed indiv.)	28a(1)	49,973.46	
(2) Employees	28a(2)	52,000.00	
(3) Others .... Rollover	28a(3)	-	
(4) Add lines 28a(1) through 28a(3)	28a(4)	101,973.46	
b Noncash cont. Enter total of lines 28a(4) and lines 28b in col. (b)	28b		101,973.46
c Earnings from investments (interest, dividends, rents and royalties)	28c		
d Net realized gain (loss) on sale or exchange of assets **LOANINT**	28d		289.27
e Other income (specify) .... Unrealized appreciation of asets	28e		96,497.89
f Total income. Add lines 28b through 28e	28f		198,760.62
Expenses			
g Distribution of benefits and payments to provide benefits:			
(1) Directly to participants or their beneficiaries	28g(1)	(666.95)	
(2) Deemed and/or corrective distributions	28g(2)	-	
(3) Total distribution of benefits and payments to provide benefits	28g(3)		
h Admin. expenses(salaries, fees, commissions, insurance premium)	28h		(2,854.33)
I Other expenses(specify)	28i		
j Total expenses. Ad dlines 28g through 28i	28j		(3,521.28)
k Net income (loss). Subtract line 28j from line 28f	28k		195,239.34
27k(a)+28k=27k(b)?			TRUE

Figure 5: Asset Reconciliation

In the **b receivable** section an end of the year column we put the total year end receivable, which is taken from contribution reconciliation. In **4b** beginning of the year column we put the ending balance of prior year asset reconciliation and in the end of the year column we put the ending balance of this year's RK statement. In the **Income a (1),(2)** section we put the total employee and employer reported contribution, which is taken from contribution reconciliation. Loan interest of the plan year is shown In the **Income (d),** which is taken from loan reconciliation end of the year column. And total gain/loss is shown in the **Income (e)** column**,** which is taken from the RK statement. Total withdrawals of the plan are shown in the **g(1)** beginning of the plan year column and total expenses are shown in the **h row.**

If all the amounts are correct then beginning Balance net income should equal to ending balance. And if it is equal then "TRUE" text will appear under the asset recon format.

3.3.6 RK statement: Rk statements are generated by the Record keeper company. Here we can find all the gain/loss, withdrawal, loan replays, beginning balance, ending balance etc. we use RK statements to prepare Asset reconciliation.

3.4 summary and conclusion:

Currently there are many other outsourcing industries in Bangladesh. However, Data-Path Ltd. is holding an exceptional position in the market. As there is no other outsourcing like this in the market currently. Moreover, the company has a big future Ahead. The company can be an inspiration for the outsourcing industry in Bangladesh. More and more USA TPA companies are now coming to Bangladesh to outsource their business process seeing Data-Path's Success. Bangladesh has a lot to learn from USA retirement provident funds as there are very few retirement

Plan opportunities in Bangladesh. Which may turn out to be a great disaster for our economy in the near future. Thus, the government took enough necessary steps to reform the retirement benefit system for both the public and private industry.

Though I have a major in accounting, the accounting procedures of the Retirement provident fund of USA were totally new to me. They are totally different from the accounting procedures that we learn in Bangladesh. It was very interesting to learn these for the last 4 months. It expanded my knowledge in accounting. I believe Bangladesh should have strong record keeping policies like the USA in every business to retirement benefit sectors.

3.5 Recommendations/ implications

❖ **More Publicity:** There is almost no publicity about Data-Path ltd. When asked they said they do not have any customers in Bangladesh then why wasting time doing publicity? However, in my opinion the publicity should not only be done to attract customers. Publicity can also attract good, talented employees. For example, before joining here I had no idea about data-path Ltd. I did not ever hear the name of the company before. I just saw some random circular and applied. Thus, I believe that If data-path does more publicity they will attract more talented and skilled employees.

❖ **Develop own software system:** Data-Path Ltd. has a strong software building team. Despite that they lack some necessary software that they can build themselves. For example: sometimes we had to extract a lot of information from PDF file format to MS excel. However, the PDF text is not copyable. The pdf scanning software they use is not up to the mark. They can develop better software. Moreover, they can develop some MS excel Macro coding for processes like census checking, FICA calculation etc.

❖ **Enhanced training program:** We have faced many sorts of difficulties during our training sessions during these 4 months. By fixing these difficulties the company can enhance their training program. For example: in the offline training sessions there were no class recordings. So, we could not rewatch the class recordings if we wanted to. The BPO Department is divided into different teams. Each Team uses different software for their RPF procedures. At first when we were not allocated to any team, they gave us training of all the software of all teams. But then allocated me to only one team. So, training of all the software was unnecessary. Some of the trainers did not prepare their training materials beforehand. Thus, their training sessions were very hard to understand. They can always prepare the training materials beforehand.

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