

Report On
[Internship Experience of the BPO sector of Datapath LTD]

By

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Student ID: 21164086

An internship report submitted to the [BRAC Business School] in partial fulfillment of the
requirements for the degree of
[Master of Business Administration (MBA)]

[BRAC Business School]
Brac University
[August 2023]

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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.

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Letter of Transmittal

Dr. Md. Kausar Alam
Assistant Professor
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of the Internship Report

Dear Sir / Madam,

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,

Smitha Sheela Onty

Student Full Name

Student ID: 21164086

BRAC Business School

BRAC University

Executive Summary

During my final semester at BRAC University, for completing my “Master of Business Administration (MBA) degree” I have done my internship in Datapath limited with a four-month period. The topic of my internship report is Business Process Outsourcing” of Data Path limited.

In this report I have tried to provide information about the company and its operations. I have focused on its BPO department which is very skilled among other departments. The July business services is directly related to the BPO department. The BPO is serving July services along with other TPA in USA.

During my internship, I got to know the company well. I understood their work and why it's important. I received a lot of training for the work I was doing, and I learned about many different computer programs. I also improved my skills in using Excel. I worked with skilled instructors and friendly coworkers. I got to do real tasks and help the BPO department by working on projects that the clients needed.

The whole experience of my internship was interesting and sometimes a bit challenging. It was a great decision for me to work at Data-path, and I enjoyed the journey. The BPO department's main job is to help its clients with different services like plan administration, preparing plan documents, setting up and processing plans, and reviewing plans.

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List of Acronyms

- **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: Smitha Sheela Onty

ID: 21164086

Department: BRAC Business school

Major: Finance

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 15th May 2023. This is a 4-month internship, which will end on 15^h September. 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 180 employees. They are recruiting more employees in the department I am working currently. By the beginning of 2023 the company predicts that this department will consist of more than 250 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: Ms. Tanzeem Ibrahim, Assistant Team Leader, Outsourcing.

1.2.2 Job Scope

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 evaluation method to hire interns after the end of the internship period. The company always tries to recruit interns who are willing to stay in this company for at least more than two years. 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 RPF. 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 work for practice. However, these works were from prior years. So, they were completed by the company before. The company instructed us to redo the workings again. RPF consists of very sensitive information. A simple mistake can cost the company a huge burden. DataPath Ltd. does not usually take the risk of giving the interns new tasks. They make the interns do prior year completed works to make the interns understand how to do the plan procedures of USA RPF practically.

This also provide 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 the opportunity for unlimited snacks and coffee. During the evening they also provide all the employees with some special evening snacks.

Finally, they provide transportation support for all the employees. 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 Dhaka.

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 much actual work but only training during the internship period, I have managed to add some real value to the company. Those are given below:

- **Log Check:** My day starts with checking the projects assigned by the client. I note them in a local excel sheet, from where my team leader assigns me the work.
- **Create FTWilliam generated new plan:** The new plan is mainly created for the New TPA Client and for the takeover plan. Takeover plan makes sense of switching from one TPA services to another TPA create a new plan, I have to input relevant data into the software. Steps to create a new plan are: Log in to FTWilliam software and open the file menu, Go to New plan option and a command box will be displayed with Client ID, Plan name and Plan year. For the New Plan, Client ID is always 0001 and for the takeover Plan it will be 0002 or 0003. Plan Name will be Company's Name with Plan type (e.g.: Roth Construction, Inc. 401(k) Plan). Input Client Id, Pan Name, Plan year(eg:2022) in the option and Click Ok. Then, Software will generate new plans and the plan name will be displayed.

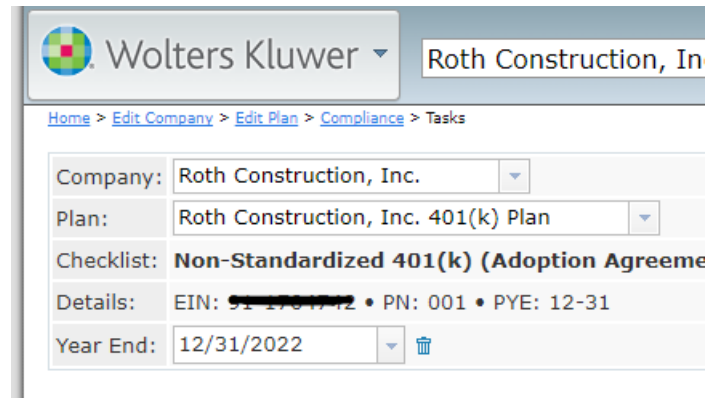


Figure 1: FTW software plan create.

Source: FTWilliam Software

- **Census Import and Data Checks:** The client provides the census containing various information like employee names and social security, number, birth date, hire date, termination date, rehire date, gross compensation, actual hours worked, deferral amounts etc. The census needs to be prepared in good order and imported to the software to store all the information about the employees of the client business in the software. Data checks are executed after this step to identify and correct illogical information so that appropriate valuation of the plan is ensured.
- **Census Checking:** Census Contains all the Employee’s Information according to Plan requirement. The main objective of census checking is to verify the employee’s information that meets the plan requirement. Census Checking is the most important task. To check the census, Following Documents are required-
 - 1.Prior Year Software Generated Census report.
 - 2.Plan year Client exported Census report.
 - 3.Plan year Software generated Census report.
 - 4.Prior year Data collection Summary report.
 - 5.Plan Year Data Collection Summary report.
 - 6.Updated Plan Document.
- **Eligibility Checking:** To check the Eligibility of participant, the first requirement is to scan the plan document. There is an eligibility requirement Section where Allocation conditions are cross checked as per the requirement of the clients. If the participant satisfies all the Allocation conditions, the participant will get the entry date to become eligible in the plan. These allocation conditions are based on age requirement, service

Requirement and frequency requirement.

- 1.The standard entry requirement according to IRS rule:
- 2.Participant’s statutory age requirement is 21 years.
- 3.Participant’s statutory service requirement is 1 year
- 4.Entry frequency is semiannual

	A	B	C	D	E	F	G	H	I	J	K	L
1	NAME	BIRTH	HIRE	TERMIN	REHIRE	HOURS	ENTRY	20 Yrs	3 Mos			
2	Schulhoff, Jeffrey	12/24/1950	7/1/1981			2340	1/1/1984	12/24/1970	10/1/1981			
3	Manous, Leon Charles	11/28/1956	4/19/1975			2714	1/1/1984	11/28/1976	7/19/1975			
4	Manous, Ronnie	10/15/1967	8/29/2002			2373	1/1/2005	10/15/1987	11/29/2002			
5	Schulhoff, Nedra	5/9/1952	12/29/2005			2080	1/1/2007	5/9/1972	3/29/2006			
6	Schulhoff, Bryan	1/22/1986	6/1/2002			2340	1/1/2008	1/22/2006	9/1/2002			
7	Manous, Steven	11/11/1990	5/28/2009			2165	1/1/2011	11/11/2010	8/28/2009			
8	Dunn, Cameron	8/12/1985	5/12/2011			2080	1/1/2012	8/12/2005	8/12/2011			
9	Downen, Lauren	2/16/1984	10/15/2012			2120	1/1/2013	2/16/2004	1/15/2013			
10	Clifton, Jacklynn	5/25/1988	5/16/2012			2080	1/1/2013	5/25/2008	8/16/2012			
11	Spretnjak, Christine A	9/21/1970	4/24/2014	12/31/2019		10	4/1/2016	9/21/1990	7/24/2014			
12	Ellis, Shanda M	12/23/1989	6/16/2008	8/11/2020		1371	4/1/2016	12/23/2009	9/16/2008			
13	Blanco-Charqueno, Marisol M	1/13/1976	8/31/2009			2578	4/1/2016	1/13/1996	12/1/2009			
14	Frazier, Tim G	10/16/1984	5/3/2004			2343	4/1/2016	10/16/2004	8/3/2004			
15	Johnson, Dana L	10/20/1956	10/30/2000			2356	4/1/2016	10/20/1976	1/30/2001			
16	White, Rickey	8/22/1959	6/1/2016			2304	10/1/2016	8/22/1979	9/1/2016			
17	Koch, Michael	3/10/1964	11/29/2016			2817	4/1/2017	3/10/1984	3/1/2017			
18	Rogers, Louis	9/22/1946	1/20/2017	10/9/2020		1703	7/1/2017	9/22/1966	4/20/2017			
19	Charqueno, Steve	9/30/1983	1/15/2018			2341	7/1/2018	9/30/2003	4/15/2018			
20	Smith, Jared	6/14/1998	8/13/2018			2082	1/1/2019	6/14/2018	11/13/2018			
21	Mayoeth, Derrick	8/17/1982	8/23/2018	8/12/2020		942	1/1/2019	8/17/2002	11/23/2018			
22	Kersglettter, Charles	12/19/1963	1/28/2019			1993	7/1/2019	12/19/1983	4/28/2019			
23	Pena, Brenna	9/21/1988	2/7/2019			2233	7/1/2019	9/21/2008	5/7/2019			

Figure 2: Census and Eligibility check

Source: Datapath Ltd, Client Census Calculation 2019

1.3.2 Benefits to the student

- **Corporate knowledge:** Before joining here I had no idea there is a whole industry related to RPF of the USA. And that too is outsourced In Bangladesh. I had no idea about 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 RPF 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 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 ready for this corporate world or do I

really have it in myself. Fortunately, 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 met a lot of new people. These sudden new connections also helped to boost my self-confidence.

- **More proficient IN MS EXCEL:** one thing about Data-Path Ltd. is they use Microsoft Excel extensively. They make all 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 am knowledgeable of 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., We were forced to go to a remote office because there were some modification works were done in our office. Now it was very difficult for me to do the home office. As I have no practical knowledge. They should not give remote office to intern that will be helpful for them first gaining the knowledge as a new to office.
- **Strict Data Privacy Policy:** Data-Path Ltd. has a 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. It will be better if they make some practice materials so that interns can practice at home.
- **Cope up with the environment:** 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 with the environment. But in a remote office it is very hard to introduce new people and let alone understand and cope with the office environment. So, it will be better to understand their office culture if they do the training at the office and give the chance to the intern to cope up with the environment and give knowledge about their office culture.

1.3.4 Recommendations

- **Making the training process easier:** The work of Data-Path is much more complicated and sophisticated. It would be better if Data-path divide training phase for the whole four month of internship tenure so it would be very easier for interns to catch the information. This will increase the understanding of the interns which will return as improve productivity.
- **Internet connectivity:** Overall Data-path internet connection is good but sometimes it hampers the work when connected to VPN for working in USA end. If the internet is faster, then the whole organization will increase overall efficiency.
- **Office space:** Because Data-path is growing and expanding, they should also increase their office space to accommodate more interns and employees.

Chapter 02: Organization Part

2.1 Company Profile and History

DataPath Ltd. was started in 2006 through a partnership between the United States and Bangladesh. They are known for providing complete solutions to their customers, including collecting and analyzing data and documents with the help of advanced technologies. DataPath is a subsidiary of July Business Services (JBS), a company that specializes in managing retirement plans and other administrative services. JBS works closely with employers and financial partners to offer personalized solutions. They are a well-established and strong player in the US retirement plan management market, serving around 10,000 customers across 52 US states. JBS's estimated annual revenue is currently \$34.4M per year and estimated revenue per employee is \$277,573. JBS grew their employee count by 10% last year. As well as DataPath Ltd increase their employee count similar to JBS. To save costs, JBS outsources some of its operations to other countries, including Bangladesh.

DataPath Ltd. stands out for offering comprehensive solutions, using advanced technologies to efficiently serve their customers. They integrate innovative products and services, providing substantial value to their clients' businesses.

DataPath Limited was founded in 2006 by Jim Hudson, John Humphrey, and Ashfaque Rahman. It started in Uttara, Dhaka, with a small team of six employees. Over the years, they have grown, attracting talented individuals who understand the industry well. In 2010, they moved to a bigger office space in Gulshan, Dhaka, due to their expanding team. Later, in 2015, they moved to an even larger office in Mohakhali, Dhaka. During the pandemic, due to changes in retirement plan laws, JBS experienced significant growth in their customer base, which also benefited DataPath's growth. From 2020, the company has been expanding rapidly and is expected to continue growing each year.

2.2 The Company Vision

The vision of this company is to obtain a leading position in the outsourcing industry. To evolve from a traditional business process outsourcing firm to a next generation one.

2.3 The Company Mission

The mission is to serve the clients more effectively with the help of latest technologies. Transformation and innovation are core to DataPath Ltd.

2.4 Organogram of the company

DataPath Ltd. started with only a few employees, but the founder gradually built a team of skilled individuals. July Business Services has a unique reputation in managing retirement plans, and this recognition has spread to various businesses and employees. July and DataPath Ltd. always aim to work together in a cooperative way.

The top management, including high-level executives, directly communicate with clients and assign tasks to different divisions. Each division is led by a division head and a deputy head, who report daily progress to the general manager. Within each division, tasks are divided among different groups, and each group has 8 to 10 members led by a senior team leader. The team leaders then assign daily tasks to team members, who are usually experienced managers, trainee

managers, and interns. The team members are responsible for completing their daily tasks on time and providing timely updates to the team leaders.

The organizational structure of DataPath Ltd. can be shown as follows:

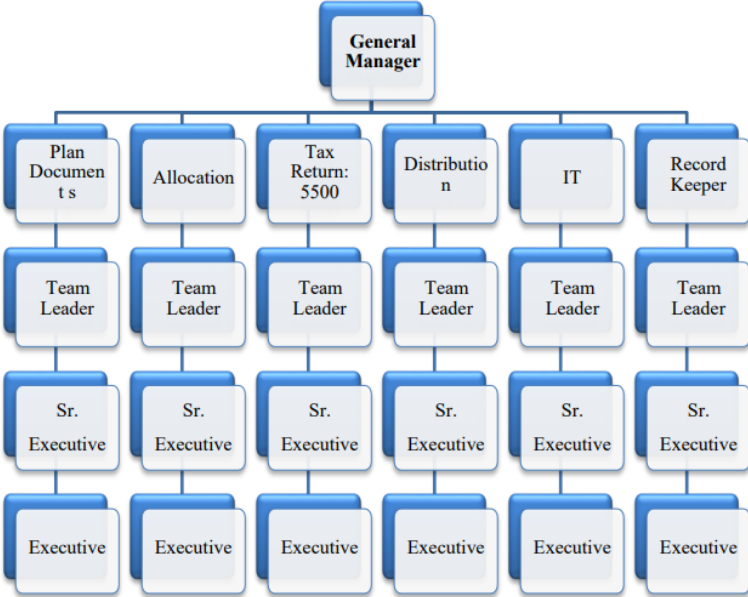


Figure 3: organizational structure of DataPath Ltd

Source: DataPath Ltd, Employee handbook_2022

The basic operational hierarchy chart of the organization is as follows:

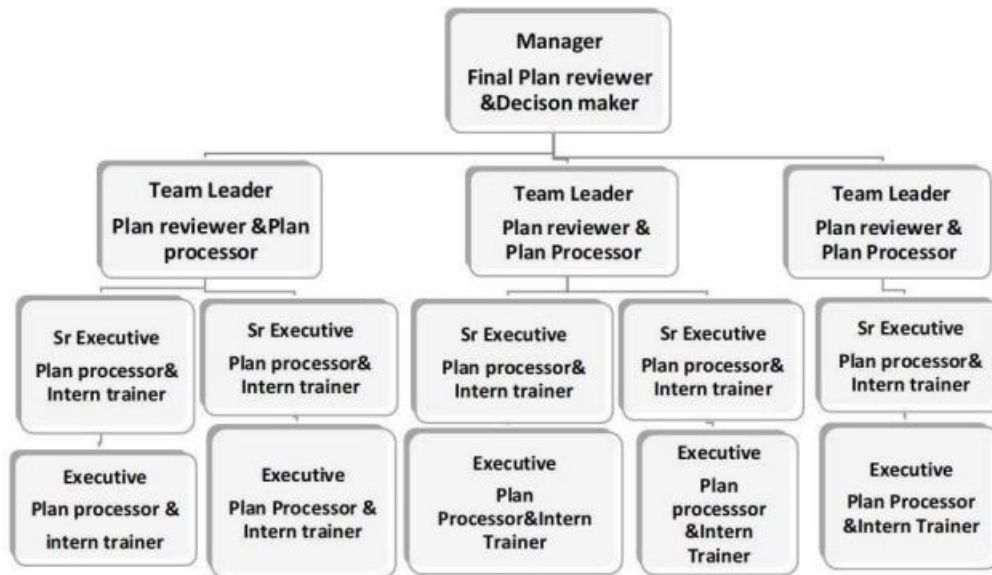


Figure 4: operational hierarchy chart of the organization

Source: DataPath Ltd, Employee handbook_2022

2.5 Major products and services

Data-path provides a huge range of services to July business and USA clients. Plan design: Data-path creates attractive and best plan for the employers by following the rules and regulations of the USA Government and their goals. The company is a specialist in creating retirement plans.

- **Plan Document:** they are specialists in preparing the plan doc with the help of their ERISA consultants.
- **Plan setup:** Data-path sets up the retirement plan very efficiently. In the plan setup Datapath provides service like,
 - Setting up the paperwork
 - Loan policy
 - Submission of the contributions
- **Plan administration:** Data- path have very talented and specialized employees for this plan

administration field and continuously providing services.

- **Plan operation support:** in this field Data-path provides all the necessary information a client needs to estimate the plan. This field involves,
 - Eligibility calculation of plan
 - Vesting calculation and matching
 - Contribution allocations
 - Distributions process
- **Compliance testing:** Data-path provides their client full support in all aspects. Among them testing is very important. Data-path provides many testing like,
 - ADP and ACP test
 - Minimum coverage test
 - Discrimination test
 - Top heavy test
- **Tax Compliance:** the company provides signature tax returns forms to all clients to satisfy all tax filing requirements. The services include,
 - Form 5500
 - Form 5330
 - Form 1099 R and form 945
- **Recordkeeping:** Data-path constantly provides automated recordkeeping services through their group partners and July business service's everyday valuation of recordkeeping stage. The services include, Participants quarterly statements, plan sponsor accounts access etc.
- **Payroll service:** Data-path decreases the client's work pressure and increase the work efficiency by providing the payroll services to its client.

2.6 Industry Analysis

- **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 12 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.
- **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.
- **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 specializes 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 number of dollar in this country.
- **Technological Factors:** At first when Data-Path Ltd. Started, they only bought and used most used software 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 time they have managed to train their employees on many different software's in the industry. Moreover, now Data-Path Ltd. Is now developing some of their own software. They plan to develop for their own use and to sell in the USA RPF industry.

- **Barriers to entry:** entering this field of industry is not that easy but very complicated. First, 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, 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.
- **Supplier and buyer power:** Supplier and buyer relationship is not that visible in the outsourcing industry. Here we can assume that the TPA firms are buyers, and the supplier is Data-Path Ltd. The TPA firms give 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. TPA industry is a very big industry, so the payment is also good. For example, for Preparing one Form 5500 they usually pay 250\$ each. Now, Data-Path usually does more than 100 Form 5500 on average on a regular basis.
- **Threat of substitutes:** the biggest threat of substitutes in this industry would be software. Many software companies are now trying to develop 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, that software is 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.
- **Industry Rivalry:** The biggest rival in the industry would be “Fin source”, another RPF outsourcing firm in Bangladesh. Back in 2011 some of 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 at the present.

2.7 SWOT Analysis

The SWOT Analysis of Data Path Limited is given below.

Strength

Strong In Culture: The entire Data-path is built on a strong helping culture, in which everyone helps others with their research and learning. The business provides a welcoming prayer place for both men and women. The company also has a large dining area where employees may all eat lunch together.

Attractive pay Scale and Holiday: Every year, the company offers excellent salaries and bonuses to its employees. Every weekend, they also have two days off. Because Datapath is working in July, the company also provides additional vacation time from its end in the United States.

Appraisal system: The organization has a good employee appraisal system in place. If someone does an excellent job, they are rewarded for it with a performance bonus.

Weakness

Dependency on July Business services: Personnel of Data-path will not be able to access the data until July business employees upload information about plans, which will take some time.

Opportunity

Business Development: Data-path currently works primarily with July Business Services, but they may be able to work for other larger TPAs in the future.

Advancement of technology: Outsourcing is mostly based on technology, which is rapidly evolving and making Work more and productive.

Threats

Data Safety: Hackers are now much more easily able to attack servers via phishing emails, and most of the outsourcing work is focused on domains. As a result, it is extremely vulnerable to Hackers.

Competition: Day by day, outsourcing employment is growing increasingly popular in Bangladesh, as more people join the industry. If a new company like Data-Path enters the market, Data-Path will face competition.



Figure 5: SWOT Analysis

Chapter 03: Project Part

3.1 Introduction

I have joined Data-Path Ltd. On 15th May 2023, it was a 4-month long internship. I was in the Business process outsourcing department (BPO). Unlike any other department in Data-Path Ltd. the 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 do full plan valuation for retirement provident plan of the USA. I believe that this intensive training will help me a lot to prepare this report.

3.2 Background Information

The internship report was created as a final requirement for the Master of Business Administration (MBA) degree. It focuses on the business process outsourcing sector of Datapath LTD in Bangladesh. Datapath LTD handles accounting procedures for the US Retirement Fund (RPF). The process of American retirement plans is challenging and expensive for organizations to handle on their own, so they often hire a third-party administrator like July Business Services. Datapath Ltd. serves as a service provider for July Business Services, which is a well-known company in the US retirement planning market. To ensure transparency and avoid bias in managing the public pension fund, the process of defined contribution planning is outsourced to third-party administrators, including July Business Services.

3.3 Objective of the report

The main goal of this report is to share my working experience in the BPO (Business Process

Outsourcing) industry. I gained this experience during my challenging and interesting internship tenure.

3.4 Methodology and Data Collection

Both Primary and secondary data are used to complete this report:

Primary Data:

- Training materials about RPF that were given by the organization.
- Personal experiences gained from the assigned tasks.

Secondary Data:

- Information collected from the organization's website and published reports.
- Research papers and articles related to the topic.

3.5 Findings/Analysis of plan process during internship

I hope my report will illustrate a clear picture of procedures of plan valuation 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 LRS team. This team does the retirement plan process for a TPA company called LRS. Thus, the team is named after the TPA company. The company uses a software called “FTWilliam” for their retirement plan process. So, we have to use this software as well. And in almost all the steps of the retirement plan process I had to use this software.

3.5.1 Plan Document

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 FTWilliam

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:
 1. **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:
 - I. Deferral: Pre-Tax employee contribution
 - II. Roth: After-Tax employee contribution
 2. **Employer contribution:** The contribution is made from the employer/company's side for the employees. There are basically 4 types of employer contributions:
 - I. **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".
 - II. **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 called 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."
 - III. **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".
 - IV. **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
 - Must 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 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 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 account.

3.5.2 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 RPF 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 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 is 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:** Here 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 must 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 must 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 must 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.

3.5.3 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.

<i>BRAC Business School</i>							
<i>Loan Reconciliation</i>							
<i>For the plan year ended on 12/31/2020</i>							
<i>SSN</i>	<i>Last Name</i>	<i>First Name</i>	<i>Beginning Balance</i>	<i>New Loans (01/01/2020-12/01/2020)</i>	<i>Principle repayment</i>	<i>Interest Repayment</i>	<i>Ending Balance</i>
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 5 Loan Reconciliation

Source: MATC Client Loan Report 2019

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 + loan interest)-principal repayment=ending balance” we can get an ending balance of loan reconciliation.

3.6 summary and conclusion

There are other businesses that outsource, business activities in Bangladesh, but none of them compared to Data-path because of its close connection to the American retirement system. The business has been offering July Business services nonstop, and its customers are satisfied with Data-path. The business was founded in 2008 with just 5 people, but it has since shown how much growth it desired, and it currently has more than 200 employees and is constantly growing. They want to become the leading BPO in the outsourcing sector. The market is expanding and getting more cutthroat in every way.

If data-path can manage to work with its rare shortcomings, then it will be an industry leader in the BPO sector in Bangladesh and possibly can be one of the biggest names of BPO industries in the South Asian Countries

3.7 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.
- **Calculation and extraction Applications:** 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.
- **Developing the Software:** the entire Data-path is doing the work on software like UNIFY, DATAIR, RELIUS AND FT. WILLIAM. Some of the software issues like slow loading, crashing, high cost of Relius accounts. By solving these problems Data-path can increase their departmental operations.
- **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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Appendix- A

Proposal of Internship Report
On
“Internship Experience of the BPO sector of Datapath LTD.”

Submitted To:

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11.07.2023

Introduction

To earn an MBA degree, students are required to complete an internship program. This program must be finished before they can graduate. Internships are valuable in today's business world as they help students showcase their skills and competence through supervised experiences. It also allows them to demonstrate professional and personal behavior that is considered acceptable. Through this program, students can gain practical knowledge and become familiar with real-life situations.

The proposal of this report on “Internship Experience of the BPO sector of Datapath Ltd.” is prepared by Smitha Sheela Onty under the guidance of Assistant Prof. Dr. Md. Kausar Alam from BRAC Business School, BRAC University. This report fulfills the requirements of the MBA internship program.

I started my internship at Data-Path Ltd. on May 15, 2023. Data Path Ltd. is well known in the industry for its expertise in handling retirement plans, specifically the USA 401(k) retirement plan. This plan is important in the United States because it allows employees to save money for their retirement while receiving tax benefits. This internship provided me with a unique opportunity to observe and learn firsthand how retirement plans are practically implemented and managed.

Objective of the report

The main goal of this report is to share my working experience in the BPO (Business Process Outsourcing) industry. I gained this experience during my challenging and interesting internship tenure.

Background Information

In past ten years Bangladesh had been gone through rapid change in terms of technology and digitalization. Govt. had taken different initiative to make access of internet to everyone and everywhere. In-fact they were promoting outsourcing to the youth by giving them different free govt. seminars and functions in recent years. All these things finally made influence in BPO sectors and Bangladesh became 2nd largest online labor supplier. Referring to the statistics of Oxford internet institute there were around 500,000 people who are related to outsourcing job through BPO companies. Moreover, every year Bangladesh were earning around 100 million

dollars through BPO and freelancing sectors. There were some core factors that must have triggered the booming of outsourcing in Bangladesh. The report aimed to show how people 29 could take more opportunity in outsourcing sector and what were the things that could make influence in booming the outsourcing sector of Bangladesh.

Methodology and Data Collection

Both Primary and secondary data are used to complete this report:

Primary Data:

- Training materials about RPF that were given by the organization.
- Personal experiences gained from the assigned tasks.

Secondary Data:

- Information collected from the organization's website and published reports.
- Research papers and articles related to this topic.

Significance of issues

This study focuses on the issue of not having enough detailed documentation and assessment of internships at Data Path Ltd. Right now, there is a lack of a thorough report that explains the goals, tasks, and results of internships. It's important to understand the value and importance of internships for both the company and the interns themselves. This study aims to address this gap by thoroughly analyzing my internship experience. The report will be a valuable source of information for future interns and will help improve the internship program at Data Path Ltd.

Timeline of the report work

As I have taken the internship course this semester summer 2023, I intend to complete the report within this semester. I expected my timeline to be complete and submit the report within end of this semester.

Conclusion

My internship at Data Path Ltd. was extremely valuable in helping me understand retirement plans and the complexities of managing the USA 401(k) retirement plan. By creating an internship report based on my experience, I hope to add to the existing knowledge in this area

and provide suggestions for further improvement.

I would greatly appreciate the chance to continue working on this internship report. It will give me an opportunity to reflect on and share the insights I gained during my time at Data Path Ltd. Overall, this internship has been an enriching learning experience, and I am excited to make a positive contribution to Data Path Ltd. throughout my internship.