

INTERNSHIP REPORT
ON
ACCOUNTING SYSTEM OF SYNCHRONOUS ICT

SUBMITTED TO:

DR. SUMAN PAUL CHOWDHURY

**ASSISTANT PROFESSOR
BRAC BUSINESS SCHOOL
BRAC UNIVERSITY**

SUBMITTED BY:

**MUKTADIR MAHFUJ JAMEE
STUDENT OF MBA PROGRAM
ID NO. 13364048
BRAC BUSINESS SCHOOL**



**BRAC University
66 Mohakhali, Dhaka 1212
Bangladesh**

LETTER OF TRANSMITTAL

Date: 18 September 2016

Dr. Suman Paul Chowdhury
Assistant Professor
BRAC University
66, Mohakhali
Dhaka 1212, Bangladesh

Subject: Submission of Internship Report

Dear Sir,

With due respect, I like to take the opportunity to submit my internship report on the topic of “Accounting System of Synchronous ICT” at your kind disposal. I have tried to compile this internship report according to your direction and requirement.

This report has been prepared for completing a part of my MBA program. I have put my efforts to accumulate together, my knowledge obtained from my course works and my experience of working at the company, Synchronous ICT, for preparing this report.

I state profound gratitude to you for examine my report thoroughly and for giving your valuable comments. I would try with best of my knowledge to provide any clarification regarding the report.

Sincerely yours,

Muktadir Mahfuj Jamee
ID # 13364048
Student of MBA Program
BRAC University

DECLARATION

I, Muktadir Mahfuj Jamee, student of Master of Business Administration (MBA) program, under BRAC Business School (BBS) at BRAC University declaring that this internship report on the topic of “Accounting System of Synchronous ICT” is my own work, completed under the guidance of Mr. Dr. Suman Paul Chowdhury, Assistant Professor, Faculty of BRAC Business School (BBS) and it has only been prepared for partial fulfillment of internship program as per requirement for obtaining the Degree of Master of Business Administration (MBA) from BRAC University.

I, hereby also state that this report has been solely prepared by me. And to the best of my knowledge, it do not have any part of previously published or written document by any other person which has been accepted at BRAC University or any other educational institution, except the quotations and references which have been duly acknowledged.

Muktadir Mahfuj Jamee
ID # 13364048
Student of MBA Program
BRAC University

ACKNOWLEDGEMENT

First, I would like to state my gratitude to the Almighty Allah for giving the opportunity to go through the hardship of MBA program, the course of internship and to write a report in this regard.

I would also like to take the opportunity to express my profound gratitude to my supervisor Dr. Suman Paul Chowdhury, Assistant Professor, Faculty of BRAC Business School, BRAC University who guide, support and help me for writing this internship report.

Then, I also thank all my colleagues of the Synchronous ICT for extending their support and time for enriching my working period. I also give special thanks to Mr. Kazi Gulam Kadar, Chief Executive Officer of this company for compassionate cooperation, guidance and supervision. It must be mentionable the cooperative working environment and the whole hearted commitment of this company which have enabled me to attend my MBA course works and to observe the business activities.

Finally, I must express my sincerest gratitude to my family and friends who support me in numerous ways to complete the MBA program and to prepare the report as well.

CERTIFICATE OF SUPERVISOR

The Internship Report with the title as “Accounting System of Synchronous ICT” has been submitted by Muktadir Mahfuj Jamee (ID # 13364048) for partial fulfillment as per requirements for the degree of Master of Business Administration from BRAC University. He has prepared this report by himself under my direct supervision. This report is without any plagiarism and has been accepted, hereby.

Dr. Suman Paul Chowdhury
Assistant Professor
BRAC Business School
BRAC University

EXECUTIVE SUMMARY

The Internship Report, with the title as “Accounting System of Synchronous ICT”, is prepared for completing partial requirement of Degree of Masters in Business Administration. For organizing this report, I have tried to draw up my observations and working experience at Accounting and Finance Department of Synchronous ICT. This local software developer company has been delivering unique software packages and world-class customer support since its inception in 2005.

This report starts with background, objective and limitations for preparing the report. Then, overviews of Synchronous ICT, its products, department, organogram are described. My major responsibilities are also given here, for presenting a glimpse of my involvement with accounting and administrative tasks of this company.

Afterwards, the key part of this report describes accounting systems and procedures of the company. How general accounting related works are carried out, how company’s accounting software assists those, how documentation is done and reports are prepared and presented; all are described concisely in this part. Tax compliance is one of the major responsibilities of every accounts department. In that part of the report, it is also tried to describe briefly how the company ensures this compliance.

Before concluding the report at the final stage, I have put forward few recommendations, based on my observation and knowledge.

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CHAPTER ONE: INTRODUCTION

Masters of Business Administration (MBA) degree of BRAC University includes internship program as non-credit course. Obtaining this degree requires successful completion of that program with knowledge enhancing report on practical field which is experienced in internship period.

I have been working with Accounting and Finance Department of Synchronous ICT, a software developer company, for quite a few years. Therefore, it is my profound pleasure to prepare an internship report on our activities of accounting department. Moreover, in the way of preparing a report on our duties and responsibilities, I may have the opportunity to judge, compare or analyze our activities from theoretical viewpoints, which we have tried to develop throughout our course works of MBA degree. It will be also helpful from my part to develop and to enhance my knowledge.

Every organization requires effective accounting system before their inception. And if the organization comes to a position when it needs to be dissolved-then also- an effective accounting system would serve the organization afterwards. Therefore, accounting procedures should be dynamic, smooth and flexible. If these remain static and rigid, then progress of an organization may hamper severely.

Furthermore, every organization needs to do their business according to Income tax and vat laws of the State. It is one of the important responsibilities of Accounts and Finance Department to know the current rules and regulations of income tax and vat laws in details. These rules and regulations directly impact activities of accounts department of any organization. If any change in income tax and vat rules is declared by the government's income tax and vat authority, then accounts department needs to reorganize their duties or procedures according to those changes.

Therefore, a brief report on accounting system is very much relevant and worthy.

OBJECTIVE OF THE STUDY:

1. To fulfill partial requirement for obtaining the degree of Masters in Business Administration.
2. To accumulate theoretical knowledge with practical experience.
3. To address and understand accounting procedures of a company by working in practical field.
4. To recommend some issues regarding accounting system of the company.

MATHODOLOGY:

The methodology for preparing this report includes observation of the working procedures and systems. Primary sources of data of this report are working experience, manuals, rules and regulations. Secondary sources of data are official documents and company websites.

LIMITATIONS:

1. Time constraints, it takes considerable time to acquire practical experience.
2. Availability of data is another significant limitation. Company is reluctant for disclosing financial and other relevant data.
3. Technological short coming seriously hampered smooth preparation of this report. Laptop burning and loss of data severely affected report preparation.

CHAPTER TWO: COMPANY OVERVIEW - SYNCHRONOUS ICT

Synchronous ICT is information, communication and technology service providing company of our country. It was established at Sylhet City back in 2005. Later, company office was shifted to Dhaka. From the time of its inception, Synchronous puts it's all efforts completely on creating own software products. Unlike many other software companies of our country, it does not work on out-sourcing, neither develops software as per customer's order. In simple words, Synchronous has created and developed softwares for telecommunications, so far and sold those to other companies, provided relevant services and after-sales supports to its customers. Synchronous is a member of Bangladesh Association of Software and Information Services (BASIS), which is the national association for Software & IT Enabled Service industry.

Synchronous had successfully created some very good quality and cost-efficient software for telecommunication, specially for VOIP and other telephony services, which includes mobile dialers, switching, billing and optimization software. It should be mentioned here that Synchronous has invented some very critical communication systems and bandwidth consumption method which are absolutely unique in the globe. But, these are not used in our country. Rather, all of its customers are foreign small or mid-level Telco-grade software service provider. In its field of business, Synchronous has achieved position among the market leaders. As it is software, telecommunication or IT related business, its market is the whole world. Though it has earned hundreds of million dollars of revenue and global recognition, Synchronous has been facing global competition and market changes.

The industry where Synchronous is belong to, the software and IT enable service market of Bangladesh is being going through many changes as like other technology based market all over the globe. Bangladesh Association of Software and Information Services (BASIS) is working with a vision of developing lively software & IT service industry in the country. Now, BASIS has more than eleven hundred members. There are my other small software companies who are yet to be a member. Members of BASIS make up the major portion of the total software & IT services revenue of the country. Government of the People's Republic of Bangladesh has a vision to earn good amount of export revenue from this sector and also has objective to promote ITC sector, and they are taking many initiatives regarding these issues. But there are numerous issues need to be resolved. Patent, copyright and trademark laws and other legal aspects of our country are not strong enough which, in many cases, demotivate entrepreneurs.

FEW IMPORTANT INFORMATION ABOUT THE COMPANY

- Founded on August 2005 in Sylhet, Bangladesh
- Corporate Office Address: House 403, Road 06, DOHS, Baridhara, Dhaka
- Bangladesh Association of Software and Information Services (BASIS) Membership No. G234
- Trade Licence No. 02001170
- Tax Identification Number- 137946774873

VISION OF THE COMPANY:

We want to be recognized as a quality innovator and service provider of communication technology and be counted among one of the top five communication technology innovator company worldwide. (Source: <http://www.synchronousict.com/>)

MISSION OF THE COMPANY:

We strive to position Synchronous as a quality innovator of communication technologies, softwares and equipments and provider of superior service quality related to communication industry. We work hard to innovate for global services providers, whole-sellers, corporates who need infrastructure for their own use, and individuals to increase overall efficiency, reduce operating expenditure, and overall to reduce expenses of communication. We want to manage Synchronous efficiently and profitably to provide the profit required to increase net worth of the owners and for the growth of the company which will ensure the ultimate success for Synchronous. Our people are our most valuable asset and we want to build a company with the spirit of sharing and caring where people give their time, knowledge and experience cheerfully. And we want to achieve that by nursing personnels with innovative minds and exceptional ability, character and dedication by providing good working environment and facilities. And through our activity, we want to make the world a better place to live with the adoption and innovation of green technology and to contribute to the economy and function as a good corporate citizen in all countries where we do business. (Source: <http://www.synchronousict.com/>)

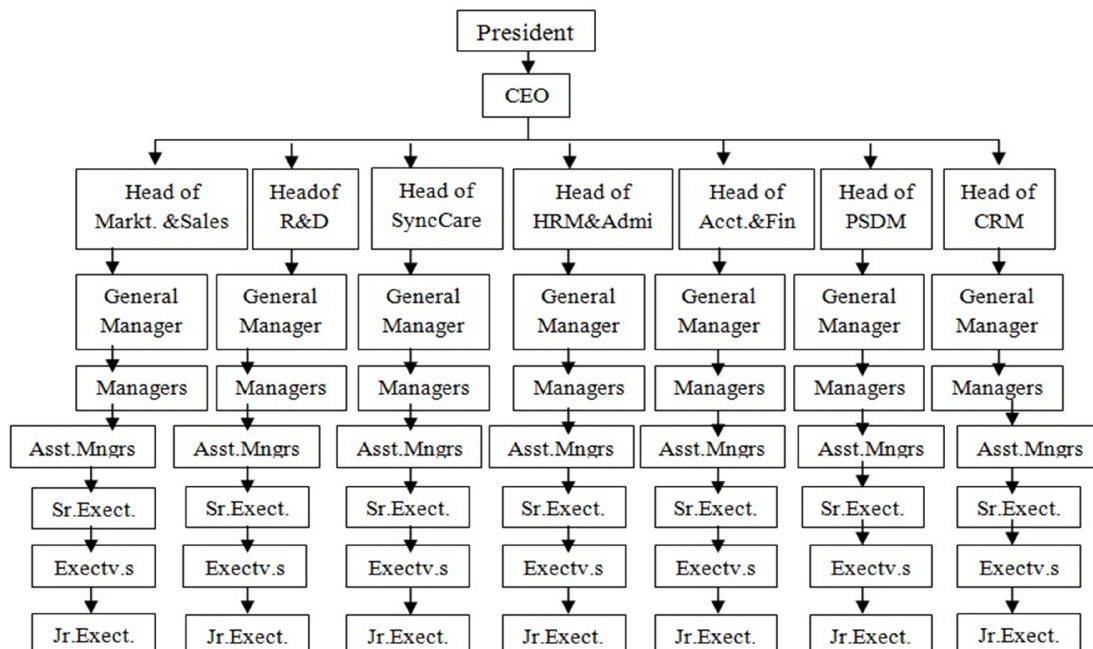
PRODUCTS OF THE COMPANY:

1. SyncSwitch: It is a softswitch, introduced in 2007. Since then, it is widely popular around the world for its perfect billing and intelligent routing algorithms.
2. SBO (Synchronous Bandwidth Optimizer): Synchronous is the inventor of the technology in IP based communication field which has been used for years across continents and relied for most efficient performance.
3. CoolDialer: A mobile dialer application for mobile VoIP (mVoIP) which is developed to generate VoIP calls from mobile phones

ORGANIZATIONAL DEPARTMENTS:

1. Research and Development (R&D)
2. Human Resource Management and Administration (HRM & Admin.)
3. Accounting and Finance
4. Marketing and Sales
5. Customer Support (SyncCare)
6. Customer Relationship Management (CRM)
7. Product & Service Delivery and Maintenance (PSDM)

ORGANOGRAM:



CHAPTER THREE: JOB RESPONSIBILITIES

Here in Synchronous, I am working for quite a few years. Now, I am Assistant Manager of Accounts and Finance Department. My responsibilities can be listed as follows;

1. Plan, organize, direct and control departmental responsibilities through constructing working policy and implementing necessary decisions relating with the department.
2. Setting departmental plan, workflow and targets.
3. Conduct internal auditing and set procedures for internal control.
4. Ensuring authenticity in every single point of accounting procedure of the company from transaction recording to finalizing various financial reports.
5. Ensuring and analysing appropriate journal and ledger entries, bank reconciliation, expenditures, tax returns and other accounting and financial records, documents and systems of the company to ensure financial recording accuracy and compliance with established accounting standards and procedures.
6. Ensuring standard procedure for assets management, depreciation calculation, revenue recognition and collection.
7. Approving procurement of assets and supplies required for the organization. Informing higher authority and getting required approval for procurement procedure.
8. Ensuring proper filing and documentation of all financial data and documents of the company.
9. Preserving all financial data and supporting documents of the company for future references.
10. Assessing requirement for recruiting new executive for departmental tasks. Defining job responsibilities and required skills and experience for new recruitment. Then proceed for new recruitment after assessing applicants' skills and experience required for the particular position according to defined job responsibilities.
11. Supervise introduction and training required for new executives and ensuring their smooth involvement in delivering their duties.
12. Assessing performance of subordinates and recommending their compensations and benefits accordingly.
13. Disbursing employees' salaries and other compensations upon receiving proper approval from Authority.

14. Delivering salary certificates to employees when required with payment slip of their income tax deducted from salaries.
15. Ensuring payment of due tax and VAT according to government rules and regulation and preserve these transaction documents for future references.
16. Monitoring income tax and VAT regulations and comply company policy accordingly.
17. Ensuring proper submission of Income Tax Return of the company in due time.
18. Guiding the organization in constructing overall organizational future plan based on financial reports.
19. Assisting the organization for interpreting accounting reports appropriately for implementing corrective measures.
20. Maintaining liaison with Bank, Customers, Company Lawyer, Auditor and other interested parties.
21. Guiding and ensuring appropriate filing of income tax returns of the organization by preparing and examining financial statements and records.
22. Assisting company lawyer and auditors with company tax and other relevant regulations.

CHAPTER FOUR: ACCOUNTING SYSTEM OF THE COMPANY

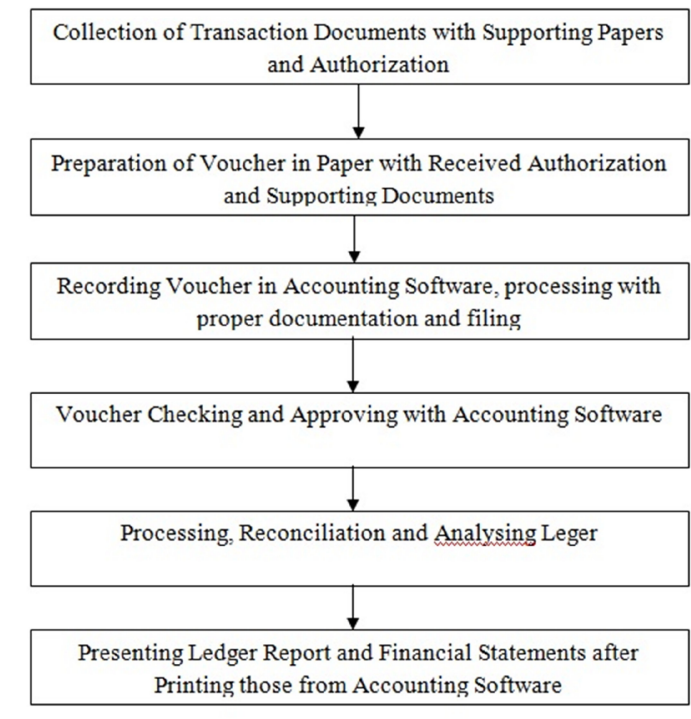
Accounting is one of the oldest and widely practice subject. Every business organization requires their own accounting system for smooth progress. In the book, Accounting Principles (9th Edition) written by Jerry J. Weygandt, Paul D. Kimmel, Donald E. Kieso, definition of accounting system is given as, “The accounting information system collects and processes transaction data and communicates financial information to decision makers. It includes each of the steps in the accounting cycle also includes the documents that provide evidence of the transactions and the records, trial balances, worksheets and financial statements that result. An accounting system may be either manual or computerized.”

Online knowledge source, Business Dictionary ([http://www.businessdictionary.com/definition/ accounting-system.html](http://www.businessdictionary.com/definition/accounting-system.html)) defines accounting system as “Organized set of manual and computerized accounting methods, procedures, and controls established to gather, record, classify, analyze, summarize, interpret, and present accurate and timely financial data for management decisions.”

Accounting system of Synchronous ICT has two major parts. First one consists manual works which includes collecting, processing original or primary transaction data, classifying them and maintaining those for future reference. And second part is computerized which includes recording actual transactional data, analyzing, summarizing, interpreting and presenting accurate information for decision making.

ACCOUNTING PROCEDURE:

With the following simple diagram, a superficial view of accounting procedure of the company can be depicted.



YEARLY ACCOUNTS, VOUCHER CREATION AND FINANCIAL DOCUMENTS FILING:

Synchronous maintain their accounting cycle yearly. Here, financial accounting year of Synchronous starts from July and ends in June of every calendar year.

All transactions are categorised in five broad accounting head. These are Assets, Liabilities, Equity, Revenues and Expenses. There are many general ledgers under these five broad accounting head. For better analysing, summarising and decision making, Synchronous divides those general ledgers even more sub-division. Synchronous calls these division of general ledgers as Sub-ledgers. According to nature of transaction, vouchers are created under different sub-ledgers. Thus, original transaction data are collected and classified. Then, Vouchers are kept in different files according to its transaction category. Original transaction data, vouchers and supporting documents, are stored in files, which are named and numbered

according to different subledgers. Thus, all transactions data of an accounting year are categorically kept in many different files. After end of an accounting year, all transaction data, original vouchers and supporting documents, are kept aside for future reference and new files are installed for keeping data of the new financial year.

Voucher creation is the first step of recording transaction. Every vouchers are created by one executive of accounting department. Then those are checked by another executive of the department. Then finally, manager of accounts department is liable for approving those vouchers. Vouchers are signed with every involving people and are attached with supporting document. Then they are kept in different files, according to their sub-ledger, for future reference. All financial transaction data, original voucher and supporting documents of a financial year will be kept safe for at least next five years. After five year, these will be disposed under direct supervision of higher and responsible authority of Accounts and Finance Department. A descriptive list of disposed documents will be prepared and kept for reference.

ACCOUNTING SOFTWARE:

Synchronous developed an accounting software for it's own use which comply standard accounting rules. CBASS is it's shortened name. It's abbreviation of Comprehensive Business and Accounting Solution of Synchronous. This software is developed on Drupal TM platform and can be networked with Real IP. This allows users to access through internet irrespective of geographic location and allows to put new record or to generate any desired financial report. Synchronous can control access and authority of users of this software and it's backend database. Altogether, this computerized system provides Synchronous's Accounting Information System with required flexibility and cost effectiveness.

CBASS enables Synchronous to generate every required Financial Statements, like Balance Sheet, Income Statement, Owners' Equity Statement, Trial Balance, by using financial data previously stored into its database. Even, it allows users to get report of any particular sub-ledger for focusing and controlling into the narrowest possible way. Moreover, a CBASS user can generate financial reports for any desired period of time, ranging from a day to several years. In addition to these, a user can print a report for keeping record into printed copy.

Before getting report from CBASS, data need to be recorded here. Voucher Entry is the initial step for recording transaction data. An executive enters those data, other senior executive checks those and finally, manager of accounts approves vouchers.

An approved voucher consists debit and credit accounts, transaction date, transaction amount, description of transaction; every possible element required for future reference with names of creator, checker and approver.

In double entry accounting system, a transaction affects two accounts in a single transaction. Here, in CBASS accounts are subledgers. Vouchers are created under two sublegers, which are defined as debit and credit accounts. These subledgers need to be created first. If a new subledgers need to be created, then an authorised senior and experienced executive of accounts, with proper access to CBASS, can easily create subledger under a general ledger which is previously created. Creation or modification of subledgers and ledgers can be done easily as per requirement of the company.

As Synchronous have foreign customers and vendors, number of transactions involve foreign currency. In CBASS, subledgers can be configured with a second currency along with base currency, which is always BDT. But conversion rates cannot be predefined. At time of voucher posting, transaction amounts, both base amount and second currency amount, need to be entered by the voucher creator.

Voucher creator initiates recording process of a voucher into CBASS, according to original transaction data, hard copy of voucher and supporting document. Vouchers can be recorded on past dates while past transactions need to be recorded into CBASS. Voucher checker and approver, both are required to ensure correctness of original transaction data. They are also responsible for authentic financial database of CBASS. Checker and approver will match CBASS voucher with original transaction data, voucher and supporting documents. If CBASS voucher matched properly and found aligned with accounting standard, only then that voucher will be approved. Before final approval, an voucher can be edited or cancelled if it is found required in checking or approval stage. While a voucher is finally approved, it is being stored in CBASS database with it's unique number and then, it cannot be modified or even removed from there as it has effect on whole financial situation. Therefore, every single voucher are carefully recorded, checked and approved by involving executives of Synchronous. Even though, space for corrective measures is required for better flexibility. If an approved CBASS voucher needs to be modified, then adjustment entries are recorded to mitigate erroneous effect.

BROAD ACCOUNTS HEADS, GENERAL LEDGERS AND SUB-LEDGERS:

Synchronous divides all of its accounts into four steps. The first broad accounts heads which are Assets, Liabilities, Owners Equity, Revenues and Expenses, are categorized as Nature of Account. Then, each Natures of Accounts are divided into broad divisions as Position of Accounts. Like Current Assets and Fixed Assets are two broad divisions of Assets. In the same way, Revenues from Software Sales, Revenues from Software Services and Revenues from Other Sources, are broad division of Revenues, which are categorized as Position of Accounts.

Then, each accounts head of Position of Accounts are divided into many General Ledgers. For example, Cash and Equivalents, Bank Balance, Receivables from Debtors, Security Deposits, Account Receivable SyncSwitch, Account Receivable CoolDialer, Account Receivable SBO, are general ledgers under Current Assets Position.

In final division of accounts, there are sub-ledges under general ledgers. As for example, there are many subledgers under the general ledger Accounts Receivable SBO. Here, different subledger is created for each customer of SBO. SBO is one of the revenue generating software service. Transactions with a customer of SBO are recorded in a subledger which is named after the particular customer. This additional division of general ledger allows the company to get informed and control to utmost point. For mentioning, subledgers can show exact transaction history with a particular customer, expense history on a particular time, like car fuel, and many more.

These divisions of accounts allow the company for getting information in more focused view. If company wants to control or to implement corrective measures, this division of accounts enables the company for being more judgemental. Like, if the company desires to be informed about business situation with a particular customer, then it will require only few minutes to generate subledger report from CBASS for that particular customer for a desired period of time.

ASSETS AND LIABILITIES MANAGEMENT:

Assets management is one of the major parts of accounting activities of the company. Assets are broadly divided here in current assets, which includes cash, bank balances, accounts receivables, receivable from debtors, security deposits, and fixed assets, which includes furnitures, decorations and fixtures, computer and accessories, car, machineries and equipments etc.

As part of assets management, while any new assets are purchased, that needs to be numbered and properly registered. Afterwards, depreciation is calculated based on expected usable time of that assets and is properly recorded on due time. Companies have to follow accordingly if there are any guidelines on depreciation calculation, given by government.

Accounts receivable are those which customers have to pay for enjoying delivered product or services of the company. Accounts department inform Customer Relationship department about dues of a customer and advise them to process proper collection of those receivables.

Synchronous have policy and guidelines for employees to give interest free loan against their salary. These are counted under receivable from debtors. Loans taken by employees are adjusted with their monthly salaries in monthly installment. Accounts department have a major role in these regards. They have to disburse approved loan, maintain proper financial and legal documents of these loan, disburse salary accordingly and record these monthly transactions and update loan balances.

Now, liabilities of the company come for consideration. Actually, Synchronous do not have any sorts of liabilities. Synchronous did not take loan from any parties and the company has unwritten policy of not being indebted. All of its expenses are paid, once those become due. Among regular expenses, considerable numbers of expense items are paid in pre-paid basis. One of very few exceptions among expenses is monthly salary of employees. Monthly Salaries are paid after the end of a month. More precisely, Synchronous pays monthly salaries to employees by 5th of next month. Another exception is utility bills which are postpaid in nature. As in every aspects of accounting systems, Synchronous follows GAAP (Generally Accepted Accounting Principles) and standard accounting system, every liabilities are carried out accordingly and expenses are also in line with accruals basis principle.

REVENUE RECOGNITION AND CUSTOMER RELATION WITH ACCOUNTS DEPARTMENT:

Synchronous have long term relation with many customers who are located in different geographic location of the world. This relation is based on quality product and services, transparent transactions and better customer support. Though, customers do not have direct relation with accounts department, but their relation is highly regarded to accounts department. Because, customers are at the revenue generating point of the company.

Synchronous sends bill to customers before delivering product or services. And upon receiving payment confirmation from accounts department, Customer Relations department is liable for delivering product or services.

Accounts department prepares invoice and approves it by assessing customer's requirement and terms. Then send it to Customer Relationship Department for forwarding that to customer. When that customer sends bill payment information to Customer Relationship Department, they forward it to Accounts department. Then, Accounts Department processes necessary documents for receiving that payment in bank account. After receiving payment recognising information from bank or reconciliation with bank statement, a confirmation is sent to Customer Relationship Department. Then, they inform that customer about payment receiving.

Accounts Department do not contact directly with customers. Customer Relation Department maintains close contact with them. If there any accounts receivables incur, or company have long due amounts receivables from customers, then accounts department inform those to customer relationship department first and advise them to collect those amount from customers. On the other hand, if company have any payable amount to customers, then customer relationship department communicate those information to accounts department. Then, accounts department scrutinise those claims and ensure payment of due amount to the customer. But, in rare cases, accounts department do make contact with customers.

Accounts Department also prepares Statement of Accounts for customers. It lists all billing amounts with date and descriptions and received amounts against those bills. This department does not send it directly to customers, rather through Customer Relationship Department. If any dispute occurs regarding billing amount or payment receiving amount, then Accounts department cooperates with Customer Relationship Department with available documents and data.

COMPANY INCOME TAX RETURN FILING AND AUDIT:

Synchronous enjoys income tax exemptions. Government is subsidising software industry of our country by granting tax holiday on their income for companies of this industry. But, other than income tax exemptions, all tax and vat regulations need to be carried out according to guided rules. As a business entity, Synchronous should ensure tax regulation compliance and the company is liable for filing yearly tax returns with properly audited financial statement every year.

Synchronous prepares yearly financial statements accordingly. These financial statements along with all financial data, supporting documents and paid tax or vat challans, all are sent to a Chartered Accounting Firm. They conduct audit on those financial statement, data and supporting documents. After assessing credibility of those documents, they provide their report with audited financial statement. Then, properly filled income tax return form of the company is submitted to Tax Commissionerate, along with this Auditor's Report, all financial data and supporting documents.

An income tax consultant helps our company with legal supervision.

INCOME TAX AND VAT LAW COMPLIANCE AND FINANCIAL DOCUMENTS:

Though Synchronous do not need to pay income taxes directly, but accounting activities of the company do not only consider the organizational income tax. As an organization, it is Synchronous's duty to follow all rules and guidelines of Income Tax and VAT laws to ensure company's Tax-VAT compliance. Accounts department is solely responsible to guide the organization and execute financial activities accordingly. Company's tax and vat consultant also helps by providing update rules and guide accounts department in proper execution process.

Accounts department needs to calculate payable personal income tax of employees. Average amount of income tax is deducted from salaries and other monetary benefits of an employee if his or her income is taxable. Then, the organization deposits that deducted amount to government treasury through properly filled government challan, on behalf of the employee against his or her personal TIN (Tax Identification Number). These are monthly routine works of accounts department. Deducted income taxes of employees cannot be hold by companies for more than three months.

After the end of a financial year, main copies of those challans of whole year are handed over to the employee with his or her salary certificate which contains details about the employee's yearly income and deposited income tax. All of these and relevant tasks are done by Accounts and Finance Department.

Government have ruled companies to pay office rent through bank accounts and deduct income tax of land or house owner on a certain percentage from those office rent, if the organizations pay rent for office space. In addition, companies also need to pay vat on that office rent. Accounts department of Synchronous follow these rules accordingly. After paying office rent through bank accounts, deducted income tax of house owner is deposited to government treasury through properly filled government challans in every month. VAT on office rent also paid to government treasury in every month. These income taxes of house owner for office rent and vat needs to be paid to government treasury at least before ending of a financial year.

All these tax and vat payment documents needs to be maintained properly and copies of these have to be submitted with other financial documents while company tax return is filed.

CHAPTER FIVE: RECOMMENDATION AND CONCLUSION

RECOMMENDATION:

I have been working here at Accounts and Finance Department of Synchronous ICT for quite a few years. Therefore, I have the opportunity to closely work as well as to observe activities and policies of Accounting and Finance Department of this company.

All accounting activities of the company are in accordance with standard and accepted accounting principles and government rules and regulations.

But the subledgers, system for narrow down ledger division, are making the whole accounting system more complicated and clumsy. Although it gives a useful option for being more focused in business situation by sorting out financial transactions into more individualized categories. It has many other valid and considerable drawbacks. Most of the occasions, authorities have not that much patience and time for scrutinizing financial transactions in that narrowest possible way. In addition, maintaining enormous numbers of subledgers hamper smooth workflow. The company may consider developing a better way for preparing statement for customers or getting appropriate view of business; a efficient way which is not tiresome and which is also easily comprehensible and easily convertible into policy.

In the company, Accounts and Finance department have little area for working and practicing of many aspects of theoretical field, comparing with vast working area of these subjects knowledge base. It is because of policies of higher authorities and owners of the company. Scope of cost or managerial accounting in today's world is considerably high. Proper utilization of resources, assessing new investment opportunities, allocating resources in least cost, and many more can be done effectively by using knowledge of vast field of finance. Proper utilization of knowledge and expertise makes a company not only more efficient but also more profitable.

Synchronous can consider to shift own accounting software system to widely used software. It might help to make accounting system of the company more standardized. Newly recruited employees find software system little complicated. Sometimes, they need several months of training for becoming fluent in using it. On the other hand, if the company uses a widely used accounting software system, then company can recruit peoples having experience on that particular software. Certainly, it should be ensured first that, new accounting system will serve every need more efficiently.

CONCLUSION:

Accounting system of an organization needs to be cost effective. It has to provide useful and easily comprehensible financial statements as well. Moreover, it should have flexibility to accommodate future needs. Then it can contribute to both individual and organizational betterment.

As a software and information communication technology based organization, Synchronous needs to adapt with changes as well as it is equally necessary for the organization to comply with international accounting standard and follow national law and obligations.

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