

Internship Report

On

Management of Account Receivable and Accounts Payable through Software in the Daily Star

**Prepared By**

Mahabuba Mannan

ID: 11204043

BRAC Business School

BRAC University

Summer 2016

**Supervised By**

Saif Hossain

Senior Lecturer

BRAC Business School

BRAC University

Submission Date: 29<sup>th</sup> August, 2016

## Letter of Transmittal

---

August 29<sup>th</sup> , 2016

Mr. Saif Hossain

Senior Lecturer

BRAC Business School

BRAC University

**Subject: A letter of transmittal for submission of the internship report**

Dear Sir,

With great pleasure I am submitting you my prepared report as a part of my graduation from BRAC Business School of BRAC University. It is my pleasure to inform you that I have completed my internship at the Finance & Accounts department of The Daily Star from 21st April, 2016 to 31st July, 2016. I have done my report on the topic Account Receivable and Accounts Payable Management through Software of The Daily Star. In this report I tried to focus on Finance & Accounts Department activity to manage account receivable and payable. To prepare the report I tried to follow your provided guideline and instructions.

I have tried to make the comprehensive report within scheduled time and limited resources and would like to thank you for giving me the opportunity to write this report and for your support. I will be glad to clarify if any discrepancy arises in this report.

Sincerely Yours

Mahabuba Mannan

ID: 11204043

BRAC Business School

BRAC University

## Acknowledgement

---

First and foremost, I would like to state my gratefulness to Almighty Allah for enabling me to complete this report in due time.

I would like to express my sincere gratitude to my internship faculty Mr. Saif Hossain, Senior Lecturer, BRAC Business School, BRAC University for providing me with detailed feedback and advice on this report. He gave me suggestions in order to make this study as informative and useful as possible.

I would also like to express my utmost appreciation to my supervisor Mr. Mizanur Rahman, Head of Finance and Accounts; reporting supervisor Kshitish Chandra Debnath, Sr Executive (Finance & Accounts) and Uzzal Saha, Executive (Finance & Accounts) for giving me an in-depth knowledge about the department duty on managing accounts receivable and payable workflow the company is following as a whole. I would also like to thank all the other officials from circulation, advertisement and collection departments for providing the necessary information about the organization. Their guidance and co-operation helped me to get a better understanding of the tasks performed at the organization.

I have also thoroughly enjoyed working on the internship report and hope the report is appreciative.

## Table of Contents

1. Organization Profile.....	1
1.1. Introduction .....	1
1.2. Company Profile .....	1
1.2.1. Subsidiaries of Daily Star .....	2
1.2.2. Values .....	2
1.2.3. Events sponsorship.....	3
1.2.4. Pages, Magazines & Supplements .....	3
1.2.5. Organogram .....	4
1.2.6. Decision Making Practices .....	5
2. Interns Role and Responsibilities.....	6
2.1. Nature of the Job .....	6
2.2. Responsibilities and different aspects of the job .....	6
2.2.1. Cheque information entry & Cheque deposit:.....	6
2.2.2. Daily Collection Entry:.....	6
2.2.3. Bank Reconciliation: .....	7
2.2.4. Maintaining Anandadhara Account:.....	7
2.2.5. Maintaining Account of DS Café: .....	7
2.2.6. Maintaining Circulation Information: .....	7
2.3. Observation and findings: .....	8
2.4. Recommendation:.....	9
2.5. Conclusion:.....	9
3. Description of the project.....	10
3.1. Background of the Study:.....	10
3.2. Objective of the project .....	10
3.3. Methodology .....	11
3.4. Scope of the report .....	11
3.5. Limitations of the Study .....	11
4. Account receivable and payable management through software in the Daily Star .....	12
4.1. Introduction .....	12
4.2. Software .....	12

4.3. Accounts Receivable Management: .....	13
4.3.1. Circulation Collection: .....	13
4.3.2. Advertisement Collections: .....	16
4.3.3 Miscellaneous collection .....	20
4.4. Accounts Payable Management: .....	21
4.4.1. Payments to regular vendors.....	21
4.4.2. Payments to irregular vendors .....	22
4.5 Verification of the record entry .....	23
4.6. Observation and Finding .....	24
4.6.1. Utilization of software .....	24
4.6.2. Deposit date of cheques .....	24
4.6.3. High bank charges for rejected cheques .....	24
4.6.4. Party name similarity.....	25
4.6.5. Editors signing cheque before printing the amount.....	25
4.6.6. Discount in organization.....	25
4.7. Recommendations .....	26
4.7.1. Software update .....	26
4.7.2. Confirmation of enough account balance .....	26
4.7.3. Party name in money receipt .....	26
4.7.4. Editor signing cheque time .....	26
4.7.5. Increase in staff and cooperation .....	27
4.8. Conclusion.....	27
5. References .....	28

## Table of Figures

---

Figure 1: Organogram of The Daily Star .....	5
Figure 2 Satnews Accounting Software.....	12
Figure 3 Monthly bill reports of circulation agents .....	14
Figure 4 Circulation bill collection bank credit voucher .....	15
Figure 5 Debtors due balance report of circulation .....	15
Figure 6 Advertisement Bill.....	16
Figure 7 Party ledger of advertisement bill.....	17
Figure 8 Bank credit voucher of government advertisement.....	18
Figure 9 Bank credit voucher of agency advertisement.....	19
Figure 10 Date wise advertisement collection report for agency advertisement .....	19
Figure 11 Bank debit voucher for expenses.....	22

## Abbreviations

---

BEFTN	Bangladesh Electronic Fund Transfer Network
ERP	Enterprise Resource Planning
MICR	Magnetic Ink Character Recognition
TDS	Tax Deducted at Source
VAT	Value Added Tax

## Executive Summary

*This report provides information on management of accounts receivables and payables through software in the daily star and the use of software automated report to understand payment and receivables of the organization. In the report different expense and revenue vouchers are used which organization uses to record their transactions. The vouchers create different reports to support organization collection and payment procedure fast and easy. Revenue collections are recorded through credit vouchers and expense payments are recorded through debit vouchers in the software.*

*Circulation of newspaper, Daily Star café, Anandadhara recording are not recorded in detail in the software. Microsoft Excel is used to have record and monthly information is recorded in the software. Discrepancy in writing money receipts from the software is a common factor which leads to problems in management through software. Updating the software is needed so that detail recording of transactions in software is possible, this can make the receivable and payable management easier and faster. Increase in workforce and cooperation between the staff can be helpful for the proper use of the software.*

*The report also consider the fact that it has some limitations in presenting management of receivables and payables through the software as I have limited access to the software, internship period was very less time to understand a organization in detail and the report is made only focusing on expense and revenue related transactions.*

## 1. Organization Profile

### **1.1. Introduction**

Newspaper plays an important part in our daily life to understand what is going on around us. It is a habit for many people to read newspaper with a cup of tea in the morning though the habit of reading newspaper is changing due to the business of people life and availability of internet and smart phone .With the changing of people habit newspaper companies are providing online versions of the newspaper. People can read newspaper with internet on their smart phones whenever and wherever they want. In the urban area people are more likely to read newspaper than rural area. People in Bangladesh like to read Bangla newspaper over the English daily newspaper. Among the available English daily the Daily Star has leading number of circulation in Bangladesh. The company started the journey in 1991 with a little number of circulations, from then the organization is growing day by day.

### **1.2. Company Profile**

The Daily Star started its journey on 14 January, 1991 to serve the nation with independent newspaper. Daily star faced a change of era of autocratic government to democratic government. In its initial period daily star followed a responsibility for general people on their attitude toward democratic government. It is a subsidiary of the Mediaworld Ltd which is an association of Transcom Group and a sister concern of Mediastar Ltd. The Daily Prothom-Alo is the subsidiary of the Mediastar.

In 1991 when it started its journey it has a few hundreds of circulation. In last twenty five years focusing truly on journalism, it has now become the most valued highest circulated believable English newspaper in Bangladesh. Editor and the publisher of The Daily Star is Mahfuz Anam. The internet edition is the widely browsed web page by the Bangladeshi nationals living abroad and the news are frequently quoted in national and international journals, seminars, research papers as the most trusted and authentic source of news(The daily star, n.d., Para 15).



### **1.2.1. Subsidiaries of Daily Star**

Anandadhara and Saptahik 2000 are associated with the daily star. Earlier Anandadhara & Saptahik 2000 was separate entity. After 2007 these magazines showed decline in the number of circulation. After analyzing the reduced number of circulation, to reduce the administrative cost two magazines taken under Daily Star. Saptahik 2000 is a weekly magazine which publishes current affairs and political news. The circulation of the magazine is decreasing and in near future its publication is going to be closed. On the opposite side Anandadhara magazine is focused on publishing film and stars news. Daily star books is another subsidiary of daily star started journey on 2014. It mostly publishes books written in English. The Daily has four conference halls in the office headquarter. The conference halls are rented for office seminar, conferences, roundtable meeting, training programs. The well furnished conference halls are supplied with food from daily star café.

### **1.2.2. Values**

The Daily Star tries to keep unbiased position from political and powerful people to give true view about the news. The neutral position to publish the report makes it acceptable for the people in home and abroad.

The Daily Star is a strong supporter of rule of law, human rights, gender concern, national welfare, press freedom, transparency and responsibility of people in the administration and in the world of trade and industry; the newspaper has never compromised to published report on these issues. (The daily star, n.d., para 3)

### **1.2.3. Events sponsorship**

The daily star does sponsorship for different program. The events are sometime sole organization of daily star and sometime partnership with other organization. The daily star has associated itself with different educational purpose competitions like business case competition such as Strategy Master. The Daily Star also arranges award giving ceremonies like Achievements Award for Future Leaders for great result in A and O level students. In association with Robi the Daily Star runs a project called English in School (EIS) which provides the newspaper in different schools to creating the habit of reading English newspaper that basically improves student's confidence on English language.

### **1.2.4. Pages, Magazines & Supplements**

Every reader have their own taste to grab hold of reader of different taste it publishes regular 20-pages to 24 pages issue contains 2-page on Sports news, 4-page Business news, 3-page City news, 1-page Arts & Entertainment news, National and International news and different kind of informative and interesting pages on weekly basis.(The Daily Star,n.d.,para-16).The Daily Star has a weekly Special Magazine on Friday (The Star), publication for the young on Thursday (Shout) and Lifestyle on Tuesday. On different festival occasion the newspaper publishes festival magazine such as on Eid-ul-fitr, Eid-ul-adha, Pohela Nababarsa, New Year etc.

### 1.2.5. Organogram

Leading by a lady as a chairman the newspaper have six members as board of directors. The board of directors deals with investment decision of the organization. The Editor is in charge of the news, reporting and editorial division. He is assisted by an associate editor and an assistant editor assists the Editor. Associate editor and assistant editors are in charge for writing editorials under the direction of the Editor.

The associate and assistant editors also write and collect news and do things need to do for editorial pages. Managing Editor is responsible for supervising the whole management including the accounts, establishment units, production, circulation and advertisement. Establishment manager works under Managing Editor. He is responsible for admin and human recourses as well as news editors. The Finance & Accounts Manager heads the finance and accounts sections. The Circulation Manager is responsible for all circulation of the newspaper in the country and for taking necessary steps to increase circulation. Advertisement Manager Heads the advertisement section and is liable for supervision of advertisements.

Establishment Manger heads the news section that comprise of news editors and sub-editors. The News Editors are responsible for page make-up. They also write headlines of the reports. The sub-editors write the reports and put forward to the news editors. The news editors afterward send the reports for revision to Revision Editor.

News Reporters are supposed to collect news from different art of the country as well as from the Dhaka City. One news editor mainly focuses on city news and different current occurrence happens in Dhaka City (The daily star,n.d.,para 3).

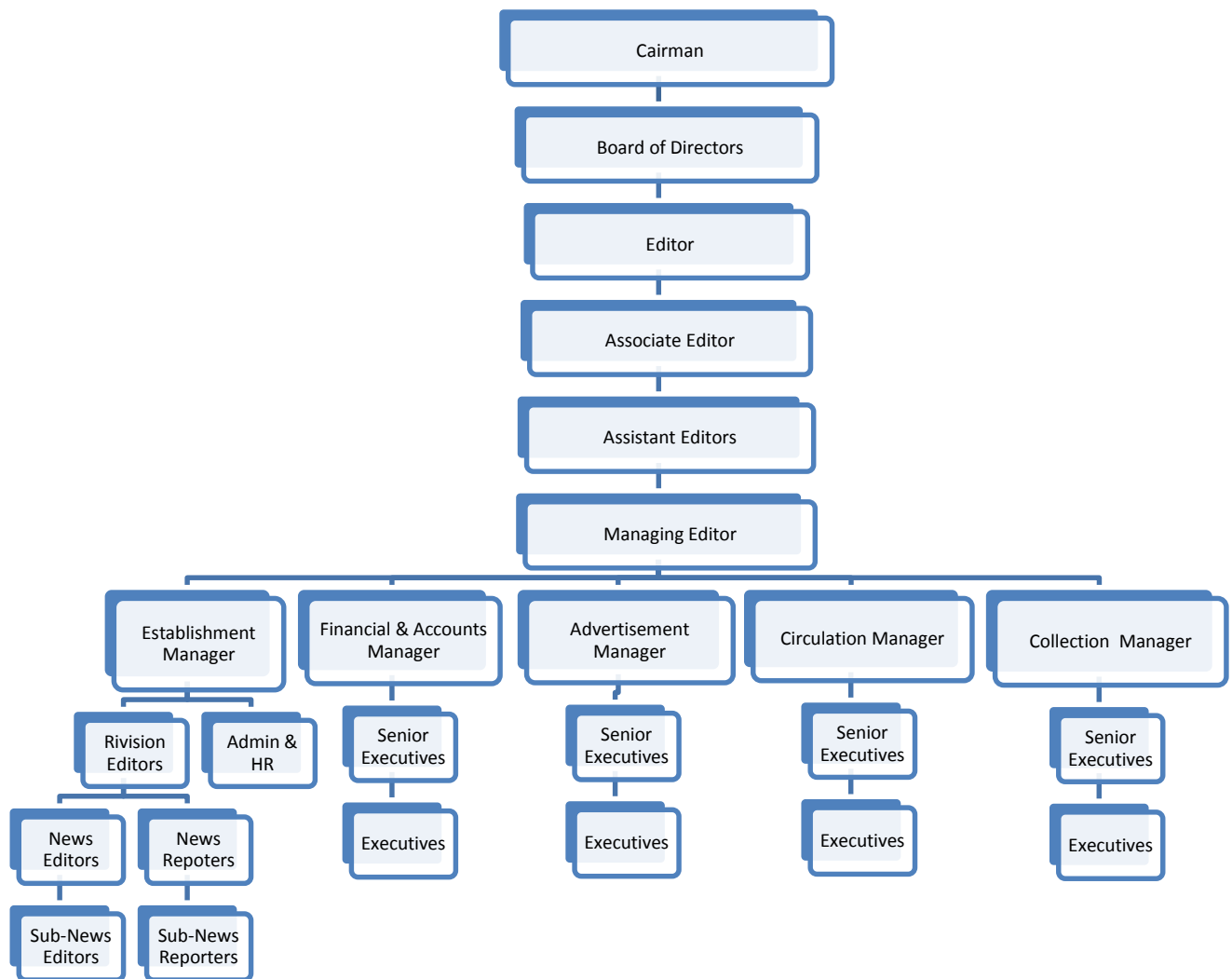


Figure 1: Organogram of The Daily Star

### 1.2.6. Decision Making Practices

The newspaper is run focusing on objective and values of the organization. The policymakers take the decisions according to the values. The editorial board, the managing editor, news editors and chief reporters always takes important part in decision-making

## 2. Interns Role and Responsibilities

### **2.1. Nature of the Job**

The daily star every day different transactions occur. Those transactions are recorded in different Excel and presented as report. I was supposed to prepare some of these reports for the Finance & Accounting Department which they use for the department.

### **2.2. Responsibilities and different aspects of the job**

In Finance & Accounts department as intern I was supposed to perform different activities of Daily Star, Anandadhara and Daily Star cafe. My responsibilities were:

#### **2.2.1. Cheque information entry & Cheque deposit:**

In the first hour of office I was supposed to maintain an excel sheet of the cheques to be deposited; which have been received against accounts receivable. The information I was supposed to maintain about the cheques were; the cheques were of which bank, in which bank it is going to be deposited, cheques amount & cheques number. After entering all the information about the cheques deposit slips need to be filling up before cheque deposit. In depositing the cheques choosing the right bank account is an issue the organization has several accounts such as for Anandadhara and daily star café and venue and three different accounts for daily star itself. In depositing the cheques one needs to be sure on which accounts it should be deposited. If any of the cheques is a non MICR (Magnetic Ink Character Recognition) cheque it must be deposited in Standard Chartered specific account as Non MICR (Magnetic Ink Character Recognition) cheques are not accepted for other bank accounts.

#### **2.2.2. Daily Collection Entry:**

The collection team handovers the collection voucher written with different information and cheques to me. The voucher and cheques were sorted according to advertisement and circulation collections. Then information's were entered into the software using software entry port.

### **2.2.3. Bank Reconciliation:**

At the end of the month I was supposed to do the bank reconciliation. Bank reconciliation statement is a report which compares company bank book with banks statement at end of the month. There are many cheques are of outside of Dhaka and few days are needed to be cleared. Insufficient balance of the party account can make the cheques to be returned which amount is already shown as received in bank book of the organization. Then for the returned cheques party sometime need to give another cheques if refused more than two times. Reconciliations for these transactions leave a space for error that may arise. The cheques which have been paid against accounts payable, those cheques may not be cleared by banks can also creates discrepancy in bank reconciliation.

### **2.2.4. Maintaining Anandadhara Account:**

The transactions for magazine Anandadhara is maintained using Microsoft Money. All the expenses, revenues and transactions are recorded in these file. I was responsible to create debit voucher for expenses for the magazine and then do account register of these expenses to create ledger for Anandadhara and collection from circulation and advertisements are also registered in the ledger.

### **2.2.5. Maintaining Account of DS Café:**

The in-house café of daily star serves food to its employee's food as well as for the seminar halls rented for meetings. Creating voucher for expenses and registering incomes from sales were my duty. Monthly ledger was supposed to be created using revenue and expenses at the end of the month.

### **2.2.6. Maintaining Circulation Information:**

A circulation report on daily basis was supposed to be created regarding daily sales, total production, wastage, daily circulation in different division etc. From the daily sales report a month wise report is also prepared which helps to determine total account receivable from Hawkers Co-Operative Association from Dhaka city and outside of the Dhaka City.

### **2.3. Observation and findings:**

In my internship period interaction with employees helped me to learn about the organization culture. The Working environment is very friendly and employees of Finance & Accounting department were ready to help me whenever I have faced any problem. The organization is currently going through a critical situation due to government embargo on not to give advertisement to the newspaper. Due to changes in financial condition the organization started to downsize employees in them some employees are who have even worked for the organization last 25 years. The situation is creating mental pressure among employees. New changes regarding report to the department also created tension among employees .In the organization on the expenses of event the department does not had so much authority ,now the authority has changed over last six month. Now every small expense can be questionable, verifying documents for expenses becoming strict which is creating a tensed situation for the department. For example: All the marketing promotional activities expenses such as for event activities when employees shows as expense that has department head signature means accounts department need to accept it as expense if total cost of the event does not goes over three lacks. Now due to changes in authority event activities cost need to accept by head of department of accounts and finance no matter what is the amount. Strict verifications on every expense from previous also created anxiety between employees. In short, increasing the authority of the department created worry among employee as other department employees are not accepting it easily.

## **2.4. Recommendation:**

The organization is suffering from a critical situation for that different changes have been made. As the changes are creating anxiety among employee counseling of employees can be helpful. Employees should make understood reasons for change in authority and how the change can help the organization to be stable against the situation. Employee should understand the changes were not done by the finance and accounting department rather the higher authority felt the need. Cooperation among different department need to be increased as no department is separate, all department together are making the organization. Moreover strict verification on expenses is to avoid deception so if you are honest you should not worry. Employee counseling on downsizing is also needed as the organization is downsizing those employees who are not effective. So if you are working well then organization will not downsize you.

## **2.5. Conclusion:**

The daily star is leading English daily of our country but due to embargo from government the organization is suffering from critical condition. The organization is taking different measures to come out from the situation. The critical condition made me understood importance of management in bad situation. During my internship period in the organization I have exposed with corporate life for the first time, I came across new experience on how an organization finance and accounting department works its association and importance with other department of organization. I am really happy to be a part of the organization an intern.



## 3. Description of the project

### **3.1. Background of the Study:**

The Daily Star being a newspaper industry exposes to so many transactions every day. Like every big organization managing account receivable and account payable is important issue. In a newspaper industry circulation, advertisement and other activities related to the organization creates huge number of transactions. To record all the transactions manually is time consuming. Different accounting software comes in handy to solve the situation. In Daily star software are used to record all the transactions. The recording process help the accounts department manage solvency of organization. Using of software helps as one can get accurate recording of transactions in less time. This makes management of accounting receivable and accounts payable easy.

Through this report an individual can expect to have a good knowledge and understanding on how newspaper industry are managing their accounts particularly receivables and accounts payables. I have tried my level best to put more emphasis on the revenue and expenses transactions of the organization. This report is to be used only for the academic purpose. After long hard work, it has become possible for me to make the comprehensive report. The data I have used to do the report are collected from accounts department is confidential as the organization does not expose its financial handling information publicly.

### **3.2. Objective of the project**

#### ***3.2.1. General Objective***

The major objective of this report is to assess the management of accounts receivable and accounts payable through the accounting software in division of finance & accounting department and how these are collaborating with other departments of the company.

#### ***3.2.2. Specific Objective***

The specific objectives of this study are to understand transaction record of revenue and expenses of the organization, data recording in the software using different vouchers, different reports used to manage receivables and payables and the way particular documents, invoices, money receipts related to those transactions are filed to verify the authenticity of the recorded transactions.

### **3.3. Methodology**

The methodology will provide information on the process used to complete the report. In this report primary data were extensively used. Primary data used in this report is fundamentally collected from the executives and managers of the organization and besides that the working experience of my internship period with the software helped a lot to provide information on the report. Secondary data in the report is less used. The Secondary data was collected through different websites.

### **3.4. Scope of the report**

The report is supposed to provide information on the accounting software use to manage the accounts receivable and account payable. Detail information on transactions occurs in the organization, how these transactions are recorded in the software, what documents are used to verifications of the data entered, voucher handling guidelines followed in the organization and functions of finance and accounts department in a newspaper industry.

### **3.5. Limitations of the Study**

In these report the most suitable procedure is followed in order to generate accurate result but there are some limitation to be considered. Below are the limitations

- i. Due to the organization privacy policy I did not have access to all data available in the software.
- ii. Some of the detailed functions could not be provided due to my time limitation.
- iii. Some data includes the involvement of other department's involvement, in which I did not have the authorization to access.
- iv. The report only focuses on revenue and expense transaction effect on different report of the organization.

## 4. Account receivable and payable management through software in the Daily Star

### 4.1. Introduction

In finance and accounting department managing of accounts receivable and accounts payable plays an important part. If account receivable of the organization is not maintained properly the cash flow and solvency of organization is threatened on the other hand accounts payable maintenance is important to have a proper relationship with the vendors. With the help of accounting software, processing of information gets faster and efficient. Automatic generation of accounting documents like vouchers, cheques and statement of different account is possible. Automatic generation of different document helps to take managerial decision faster and easy.

### 4.2. Software

The daily star uses software name sat news which is a complete newspaper software management system provided by Satcom IT Ltd. Being ERP software it integrates various functions of organization in to one complete system to streamline process and information of the organization. The software can be used to collect, store, manage and interpret data from business activities.



Figure 2 Satnews Accounting Software

### **4.3. Accounts Receivable Management:**

The main two kinds of account receivables generate for daily star against circulation collection and advertisement collection. There are also some other income generating sources which are included in miscellaneous collection. In the daily star accrual basis accounting is followed, most of the service or product are provided to customers are happens on credit and bank transactions get priority over cash transactions. Bank credit vouchers are used for documentation of received amount attached with the bill where proper description of goods and services are given.

#### **4.3.1. Circulation Collection:**

Circulations bills of daily star generates from circulations everyday occurs in different district of the country. The bills are created and send to particular agents, collections from agents mostly happens at month end. The circulation related to daily star is looking after by the circulation department from creating bills to collection of the bills.

Collections of circulation bills are happen through cash, cheques and bank transfer. If collection happens in the form of cash particular entry port is available for the amount and Cash deposit bank account is available for these transactions. Cash received from circulation collection are debited as cash deposit in bank account and credited by the particular party name.

Circulation department after collecting cheques and bank transfer gives money receipt and information to accounts department and accounts department gives entry of that information into account software using circulation bill collection entry section. In the money receipt there is info on the collection which need to have entry on the software.

Circulation agents can be of Dhaka city and outside of Dhaka city. Once the particular party name is selected, information about the party comes in front of the computer screen, selecting the name of the particular party shows all payment information, how much bill is pending from the party and how much he had paid . This information also appears in automated party ledger of the software which is available for both circulation and accounts department for further use. For cheques and bank transfer particular bank is debited against the party name that paid the due.

Monthly bill collection report shows amount to be collected for the month. Some circulation agents do not pay their due monthly amount on time or sometime pay less than the amount they should pay. Circulation Debtors list helps to understand total due amount from particular agent need to be collected.

**THE DAILY STAR**

64-65 Kazi Nazrul Islam Avenue, Dhaka-1215, Bangladesh

Phone: 9144330,8124944,8124955,8124966 Fax: 880-2-8125155,8126154

**Monthly Bill amount from January- 2016 To July-July**

S#	NAME	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1	Helal Uddin,Chokoria	2,215	2,574	2,824	2,652	2,348	2,839	2,137	78					17,667
2	Humayun Kabir (Khulna)	106,007	95,723	87,927	74,204	72,181	73,085	63,793	2,171					575,091
3	Md Ishaq ctg	117,983	120,502	142,405	144,589	122,678	118,490	109,099	3,635					879,380
4	Al Harun ur Rashid ctg	97,664	93,226	94,310	81,237	77,173	80,231	77,454	2,925					604,219
5	Md Ibrahim	198,292	184,759	193,385	168,503	168,956	166,756	155,540	5,600					1,241,791
6	Madhab Chandra Das	19,414	18,322	17,831	16,060	16,060	16,614	14,953	554					119,808
7	Raton Kumer Dey/	20,171	18,595	16,466	14,461	14,921	16,606	15,366	538					117,125
8	Mahfujul Haq	5,920	6,334	6,224	5,866	5,288	5,304	4,891	156					39,983
9	Shafayet Hossain	3,838	3,526	3,721	3,947	4,072	3,393	2,886	133					25,514
10	Kamal Uddin Bhuiyan(Feni)	4,976	4,742	5,756	5,780	5,086	5,335	4,930	156					36,761
11	Shamsur Rahman Bhuiyan	43,446	41,535	45,279	42,783	42,393	43,290	38,571	1,326					298,623
12	Solaiman Ahmed	145,792	140,445	150,312	139,753	137,456	129,675	113,818	4,076					961,325

Figure 3 Monthly bill reports of circulation agents

**THE DAILY STAR**  
64-65 Kazi Nazrul Islam Avenue, Dhaka-1215, Bangladesh  
Phone: 9144330,8124944,8124955,8124966 Fax:880-2-8125155,816154

**BANK CREDIT VOUCHER**

Voucher No.:CP060215877/169876 Date-01/07/2016

Code	Particulars	MR#	Debit	Credit
10101211	IFIC Bank Limited CD Account No 01733005504	169876	115,000.00	
15005001	Md.Ishaq ,Ctg	169876		115,000.00
<b>Total</b>			<b>115,000.00</b>	<b>115000.00</b>

**In Word:** Taka one lac fifteen thousand only

**Narration:** Circulation Collection for the month of May 2016

\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_  
 Prepared By                      Approved By                      Checked By

Figure 4 Circulation bill collection bank credit voucher

**THE DAILY STAR**

**Circulation Debtors List**

SL#	NAME	OPENING ON 01.01. 2016	BILL AMOUNT JAN - JUL- 2016	COLLECTION JAN - JUL- 2016	Adj. By EIS	Balance
1	Helal Uddin,Chokoria	15,671.40	17,589.00	20,000.00	0.00	13,260.40
2	Humayun Kabir (Khulna)	531,179.50	572,919.75	683,974.00	0.00	420,125.25
3	Md Ishaq ctg	370,917.70	875,745.00	875,439.00	0.00	371,223.70
4	Al Harun ur Rashid ctg	348,938.20	601,294.20	653,080.00	0.00	297,152.40
5	Md Ibrahim	1,277,439.10	1,236,190.80	1,038,000.00	0.00	1,475,629.90
6	Madhab Chandra Das	75,344.10	119,254.20	143,756.00	0.00	50,842.30
7	Raton Kumer Dey/	-43,824.50	116,586.60	103,995.00	0.00	-31,232.90
8	Mahfiul Haq	16,637.50	39,826.80	30,100.00	0.00	26,364.30

Figure 5 Debtors due balance report of circulation

### 4.3.2. Advertisement Collections:

Revenue of a newspaper particularly depends on advertisement. The more advertisement organization gets the more it is beneficial for the organization. The advertisement department is responsible to create the bill and send it to the clients. Different advertisement rate is applicable for advertisement size, color and which page it is going to be printed software helps in entry of information according to the particular rate. Party ledger is created for all the receivables and transactions.

## The Daily Star

64-65 Kazi Nazrul Islam Avenue, Dhaka-1215, Bangladesh  
Phone: 9144330,8124944,8124955,8124966 Fax: 880-2-8125155,8126154

### BILL

Bill#: **A-2349/16** Bill Date: 01/06/2016  
Caption: CAREER OPPORTUNITY  
-  
Name of Client: Sara Advertising Ltd  
Advertiser: MEDICAL COLLEGE FOR WOMEN & HOSPITAL

The Daily Star Information TIN # 0712001474 VAT Reg # 19111008885 Area Code # 190303
---

Address: 2, R.K. Mission Road Motaleb Mansion , Dhaka. Tel-01911353052

Ref # A-1922

Vat Calculation on 60%  
of Total Amount

Pub Date	Size (ColXInch)	Position	Rate	Gross Amount	Others / Extra		Total Amount	Box Charge	Payable Amount	Discount		Tax		VAT		Bill Amount
					%	Amount				%	Amount	%	Amount	%	Amount	
01/06/16	3.00"x2	Newspaper Page - 4 Black-White	2,400.00	14,400.00			14,400.00		10,080.00	15	4,320.00			15	1,296.00	11,376.00
<b>Total :</b>				14,400.00			14,400.00		10,080.00		4,320.00			1,296.00	11,376.00	
Special Discount :																0.00
<b>Net Amount :</b>																<b>11,376.00</b>

**Inword:** Taka Eleven thousand three hundred seventy-six only

\*\* VAT Amount= **1,296.00**

PLEASE PAY A/C PAYEE CROSSED CHEQUE(S) ONLY IN FAVOUR OF " THE DAILY STAR " (দি ডেইলি স্টার)
---

\* Please pay your VAT to National Ex-Chequer with your own responsibility.

\* Payable to The Daily Star TK. **10,080.00**

Prepared by

Checked by

Deputy Manager  
(Collection & Debt Control)

Figure 6 Advertisement Bill

Name of the Clients	Bill No.	Bill Date	Opening	Bill Amount	Discount	Collection Amount	Total Amount
Sara Advertising Ltd	A-2782/16	27/06/2016	0.00	16,800.00			
	A-2783/16	27/06/2016	0.00	67,200.00			
	A-2801/16	28/06/2016	0.00	70,560.00			
	A-2802/16	28/06/2016	0.00	36,750.00			
	A-2820/16	30/06/2016	0.00	52,920.00			
	A-2349/16	01/06/2016	0.00	10,080.00			
	A-2350/16	01/06/2016	0.00	13,440.00			
	A-2362/16	02/06/2016	0.00	15,120.00			
	A-2376/16	03/06/2016	0.00	29,400.00			

Figure 7 Party ledger of advertisement bill

Advertisement of daily star is two types one is government advertising and the other is private advertising. Private advertising can be direct advertising or agency advertising. Advertisement given from government organization is government advertising. If the government advertising is related to notice, tender or vacancy related, in time of paying bill 2%-5% discount the advertisement gets from the bill amount. Party giving advertisement directly is direct advertisement bill and if the advertisement is given through different agency those is agency advertisement. Different discount amount is applicable for these advertisement bills. The discount can be varies from 12%-45% depending on party due payment history.

VAT & Tax rule applies in these transactions. 15% VAT is applicable on each type of advertisement but the VAT is not applicable on the total amount rather it depends on a particular portion of the total advertisement bill. VAT is supposed to be paid by the party on their own duty. If they paid the amount without deducting the VAT daily star need to give the amount in VAT collection office. 4% income tax is applicable for every advertisement. Due to the policy of government of tax deducted at source in time of payment debtors are supposed to deduct the amount. After payment of the Tax Deducted at Source to government authority the challan copy should be delivered to the daily star but some time they forgets to send the copy then it is soul duty of the finance and accounting department to ensure that they have the challan copy of the tax deducted at source.



For government advertisement collection party name is credited with total receivable amount where 4% tax deducted at source amount, special discount against advertisement applies for the governments advertise and actual received amount is debited.

**THE DAILY STAR**  
 64-65 Kazi Nazrul Isalm Avenue, Dhaka-1215, Bangladesh  
 Phone: 9144330,8124944,8124955,8124966 Fax:880-2-8125155,816154

**BANK CREDIT VOUCHER**

Voucher No.:AP0601/68469 Date-01/06/2016

Code	Particulars	MR#	Debit	Credit
10101720	Standard Chartered Bank A/C No. 02-1249703-01	68469	17,909.37	
11106250	Tax deducted at source-Govt. advertisement	68469	781.92	
80000001	Special Discount Against Advertisement	68469	796.71	
16212270	Custom Exercise & VAT,Gazipur-Uttara	68469		19,548.00
<b>Total</b>			<b>19,548.00</b>	<b>19548.00</b>

**In Word:** Taka nineteen thousand five hundred forty eight only

**Narration:** Bill collection from Custom Exercise & VAT,Gazipur-Uttara Govt ADVERTISEMENT  
 MR#68469 Cheque#6368960 Cheque Date: 01/06/16 Bank Name: Bangladesh Bank.

\_\_\_\_\_  
 Prepared By Approved By Checked By

**Figure 8 Bank credit voucher of government advertisement**

If the software entry is for private advertisements agency or direct advertisement , received amount and tax deducted at source are debited against the party name. After entering information collection ledger is automatically created with the change due to collection.

**THE DAILY STAR**  
64-65 Kazi Nazrul Isalm Avenue,Dhaka-1215,Bangladesh  
Phone: 9144330,8124944,8124955,8124966 Fax:880-2-8125155,816154  
**BANK CREDIT VOUCHER**

Voucher No.:AP0601/69420 Date-05/07/2016

Code	Particulars	MR#	Debit	Credit
10101320	Standard Chartered Bank A/C No. 02-1249703-01	69420	9,676.80	
11106241	Tax deducted at source-Agency Advertisement	69420	403.20	
16110056	Sara Advertisement	69420		10,080.00
<b>Total</b>			<b>10,080.00</b>	<b>10080.00</b>

**In Word:** Taka ten thousand eight hundred taka only

**Narration:** Bill collection from Sara Advertisement AGENCY ADVERTISEMENT MR#69420  
Cheque#2800769 Cheque Date: 02/07/16 Bank Name: Bank Asia

Prepared By Approved By Checked By

Figure 9 Bank credit voucher of agency advertisement

**THE DAILY STAR**  
64-65 Kazi Nazrul Isalm Avenue,Dhaka-1215,Bangladesh  
Phone: 9144330,8124944,8124955,8124966 Fax:880-2-8125155,816154  
**Date wise collection report from 01/07/16 to 15/07/16**

MR#	MR Date	Agent	Cheque#	Collection Type	Collection Amount	Excess Received	TDS
67134	1/7/16	Care Advertising	2133345	Bank	4,850.00	0.00	0.00
68154	1/7/16	First Security Islami Bank Ltd	5868679	Bank	179,712.00	0.00	7488.00
69400	2/7/16	Rangs Limited	2145677	Bank	192,000.00	0.00	8000.00
69405	2/7/16	North South university	4567787	Bank	376,934.00	0.00	15706.00
69420	2/7/16	Sara Advertisement	2800769	Bank	9,676.80	0.00	403.20
69421	2/7/16	Annex Communications	2800768	Bank	21,600.00	0.00	0.00

Figure 10 Date wise advertisement collection report for agency advertisement

### 4.3.3 Miscellaneous collection

Apart from circulation and advertisement collection there are some other collections Comes from different sponsorship, venue and food receivables for three seminar hall in the organizations which are rented for roundtable, seminar, training and workshops., Daily star café selling to the employees etc. for all this collection are recorded in the miscellaneous collection entry port of bank credit voucher. Earning from sponsorships and food and venue collections are entered on daily basis collection when the organization is getting the money where as for Daily star café and Anandadhara magazine daily collection entries are recorded in MS Office Excel and MS Office Money and at the end of the month total monthly collection records are entered in to the software.

## **4.4. Accounts Payable Management:**

The daily star exposes to different expenses occurred to run the business .Most of the expenses are recorded in accrual basis .Bank debit vouchers are used to record amount paid to a particular party. Most of the payments are done through bank transfer and cheques. The payable amounts can be divided into two categories one is to the regular vendors and the other is to the irregular or new vendors. In time of payment to the regular vendor they prefer to provide it through Bangladesh Electronic Funds Transfer Network (BEFTN).and for irregular and new vendor it is preferred to provide through cheques.

### **4.4.1. Payments to regular vendors**

Daily star prefer to pay their due at the end of the month especially for regular vendors but if the vendor requests to pay the money in short period of time showing specific reason then they pays the amount before the end of the month.

To do payments to a particular party, one need to have particular reason to give the money, bank account name, bank name, bank address, bank account number and routing number of the bank which are recorded in a party information document. Every Bank have unique routing code for every branch, in time of payment the receiver's bank accounts designated routing code need to be known. On each transactions bank debited information are uploaded in particular tool which the accounts department can go through when need. A hard copy of detail transactions with total number and total amount should be with authorized signature is provided in bank for safety. If any mistakes happen in giving the BEFTN notifying the bank can recover the money. (SCB: Learn about BEFTN, n.p.)

After done with the payment call made to the party to inform that payment for that month is done. Regular vendor payment should be done through cheques if total party payment is more than seven lac taka.

#### 4.4.2. Payments to irregular vendors

If a vendor is irregular or new payment is done through cheques, over a telephone party is informed that daily star wants to pay due for the month and they need to provide a scan copy of the information about the bank account through a mail. If information about the party is already recorded in party information document then to know whether the party would like to get cheque on that information or they would like to provide new information. Then cheque is printed and vendors need to collect the cheque from daily star.

<b>THE DAILY STAR</b>				
64-65 Kazi Nazrul Islam Avenue, Dhaka-1215, Bangladesh				
Phone: 9144330,8124944,8124955,8124966 Fax:880-2-8125155,816154				
<b><u>BANK DEBIT VOUCHER</u></b>				
<b>Voucher No:BD-39/ 78956</b>			<b>Date-03/07/2016</b>	
Code	Particulars	BD	Debit	Credit
56788844	Romask Printing & Publishers	78956	43,650.00	
10101720	Standard Chartered Bank A/C No. 02-1249703-01	78956		43650.00
<b>Total</b>			<b>43,650.00</b>	<b>43650.00</b>
<b>In Word:</b> Taka forty three thousand six hundred fifty only				
<b>Narration:</b> <span style="border: 1px solid black; padding: 5px; display: inline-block;">Amount paid to Romask Printing &amp; Publishers vide BEFTN (Advertisement Printing) on 02 July 2016</span>				
_____ Prepared By		_____ Approved By		_____ Checked By

**Figure 11 Bank debit voucher for expenses**

For both the regular and irregular vendors bank debit voucher is created in the software to record of the payment where paid party is debited and bank is credited.

## 4.5 Verification of the record entry

Software always gives result based on the information you entered and one sentence always applied for software is “Garbage in, garbage out”. If the information entered is wrong you will definitely get wrong result for this verification of every recorded entry is done with due care in the organization.

In verification of the received amount the bank credit voucher printed copy need to be attached with the bill or invoice copy with proper description of goods and services sold to customer, money receipt and cheque photocopy .All the documents need to be signed by particular designated person in appropriate manner guided by the authority.

In verification of paid amount printed copy of the bank debit voucher need to be attached with the bill or invoice copy with proper description of goods and services received from vendor, description of paid information or cheque photocopy .All the documents need to be signed by particular designated person in appropriate manner guided by the authority.

Sometime for both received and paid amount a big amount is transferred rather than specific bill amount .In these transactions all the related documents are accumulated to the voucher and short ledger for received or paid bills are also attached with other verification documents.

## **4.6. Observation and Finding**

During my internship report I have found that the finance and accounting department there are some issues regarding the management of payable and receivables, which directly or indirectly hampers account receivable and payable management.

### **4.6.1. Utilization of software**

The organization has good software but employee shows resistance to work in software. Circulations related bills are created in Microsoft Office Excel and total bill amount is entered in the software. As a result details on circulated newspaper are not available in the software, Even the reason behind this is the software for some reason sometime provides wrong bill amount which creates problem with parties. The situation is existed in the software for over one year but no action has been taken. For example: Circulation related bill, food and venue related bills are done manually and total bill amount is entered into the software for further use. As a result if you have any query on account receivable and accounts payable related to this transactions you have to depend on hardcopy of the bills which sometime takes too much time.

### **4.6.2. Deposit date of cheques**

Deposit date of cheques is important if cheque is rejected otherwise in time of bank reconciliation creates an issue as bank book and bank statement shows different amount. But software does not keep any record on deposit date and need to done manually.

### **4.6.3. High bank charges for rejected cheques**

Cheques deposited in bank can be rejected for insufficient balance in the bank account. Especially post dated cheques are rejected most of the time as the party gives cheques without having enough balance. Charge apply for rejected cheques is 20-250 Taka in Standard chartered bank (SCB: Schedule of Charges, 2015, p-2) Rejection for insufficient balance bank charge to daily star within Dhaka City is 150 Taka and outside Dhaka City 250 Taka.

#### **4.6.4. Party name similarity**

In circulation receivable sometime agents names are similar to one another. In time of writing money receipts the name that is used for the particular party in the accounts software is not sometime similar as written on the money receipts. It creates confusion in giving entry in the software For example: In money receipt the party name given is Md.Ishaq Ahmead but when you are giving the entry you are seeing available party names are Md.Ishaq Ctg and Ishaq Rahman even as the name does not match properly there is possibility of party to be new one. This situation always creates confusion for new person in giving those entries.

#### **4.6.5. Editors signing cheque before printing the amount**

In daily star every payment exceeding 25000 need signatures of the GM of finance & accounts and the editor. The rule was created so that editor has knowledge on the payable amount and the purpose. But as I experienced the cheques are signed way before those are printed. 10 to 15 blank cheques is signed and then in time of accounts payable those are used. On the other hand editor is too busy sometimes stays outside the country in that time payments are delayed for signature.

#### **4.6.6. Discount in organization**

In our study we taught that discount such as 2/10, n/30 can help to receive amount faster but actual organizations believe if debtors does have money available they pay dues faster and if they do not have money available they will not pay the due whatever you do. As they says with a long period of dealing with different party they know which party are going to provide the dues when and they try to give discounts to the party who are regular in payment. The discounts amounts they are going to provide stated in the bills.



## **4.7. Recommendations**

In management of accounts receivable and payable some flaws are presented which need to be improved. Here are some recommendation for managing receivables and payables.

### **4.7.1. Software update**

The circulation department is facing problem in creating circulation bills through the software it creates problems for accounts receivable collection entry. The reason to show wrong bill should be identified and software updates should be done as soon as possible as it can faster the accounts receivable process. The software should also have information entry on deposit date of cheques which will make the bank reconciliation easy. Separate entry port for food and venue and Anandadhara magazine should be introduced as it will reduce the time need to record those transactions and any query on those transactions can be easily available like the advertisement bill.

### **4.7.2. Confirmation of enough account balance**

Some time party sends post dated cheques way earlier then the deposit date. In time of depositing this post dated cheque to bank over a telephone call confirmation of enough balance should be ensured to avoid high bank charge for insufficient balance in the account.

### **4.7.3. Party name in money receipt**

A document should be kept on information about circulation agent name. The document should include the circulation agent name to be used according to the agent name in the software record. In writing the money receipt exactly same name should be written in the money receipt to avoid confusion.

### **4.7.4. Editor signing cheque time**

In payment procedure daily star mainly do payments through cheque if vender is irregular or for regular vendor if the paid amount is over seven lac taka .The editor is supposed to sign the cheque obviously because authority wants his knowledge over these payments. So, he should not sign cheque without understanding the purpose.

#### **4.7.5. Increase in staff and cooperation**

The organization is facing financial problem to have control over these situation the authorization of accounts department is increasing. Increase authorization increase work pressure. To handle the work pressure more staff need to be recruited to gain benefit from taken decision. Co-operation between employee of account department and other department need to be increased as recording process involve employees from different department.

#### **4.8. Conclusion**

Account receivable and payable management of organization is very important to sustain with balance management. Recording of transactions is always advisable to be done by software than doing manually. The daily star uses software to handle transaction record, different entry port are used to record transaction. Verification of each transactions record plays a important part as each transaction have effect on different financial report. Employees from every department who are engaged with software recording need to know effect of transaction on other report. Cooperation between employees can help to improve better management of receivable and payable.

## 5. Reference

Standard Chartered Bank: Learn about BEFTIN.(n.d). *Standard Chartered Bank*. Retrieved August 20, 2016 from

<https://www.sc.com/bd/befn/en/ documents/Learn%20about%20BEFTN.JPG>

Standard Chartered Bank: Schedule of Charges (2015). *Standard Chartered Bank*. Retrieved August 20, 2016 from

<https://www.sc.com/bd/assets/pws/pdf/TB-Cash-Management-SOC-May-2015.pdf>

The daily star: about us. (n.d.). *The daily star*. Retrieved July 28, 2016 from

<http://www.thedailystar.net/about-us>

The daily star: Room for variation. (n.d.). *The daily star* .Retrieved July 28, 2016 from

<http://www.thedailystar.net/about-us>

The daily star: Values (n.d.). *The daily star*. Retrieved July 28, 2016 from

<http://www.thedailystar.net/about-us>