THE ACTIVITIES OF ACCOUNTS DEPARTMENT OF 'DESIGNAGE'- AN ARCHITECTURE AND INTERIOR DESIGN COMPANY IN BANGLADESH.

An Internship Report Presented in Partial Fulfillment of the Requirements for the Degree Bachelor of Business Administration (BBA)

Prepared By

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ID No: F21511111048

Batch: 36th

Major in Finance

Semester: Summer 2020

Uttara University

Submitted To

Mr. Md. Anisuzzaman
Assistant Professor of Finance
Department of Business Administration (DBA)
Uttara University

Date of Submission: 30-08-2020

Letter of Transmittal

30-Aug-2020

Md. Anisuzzaman
Assistant Professor
Department of Business Administration (DBA)
Uttara University

Subject: **<u>Submission of Internship Report</u>**

Dear Sir,

It is a great pleasure and privilege for me to present the Internship report titled "THE ACTIVITIES OF ACCOUNTS DEPARTMENT OF 'DESIGNAGE'- AN ARCHITECTURE AND INTERIOR DESIGN COMPANY IN BANGLADESH." which was assigned to me as a compulsory requirement for the completion of BBA Program.

Throughout the study, I have tried my best to prepare a good report with providing all of my effort and to cover all aspects regarding the matter. I think that the report contains the information that you need to get an idea about Accounts section of an architecture and interior design company.

I must mention here that, I am extremely grateful to you for your valuable supervision, tireless effort and continuous attention at every step of my endeavor on this report. I shall remain deeply grateful if you kindly take some span to go through the report and evaluate my performance.

My effort will be reworded only if it adds value to my professional career.

Sincerely yours,

____

Esrat Jahan Dolon

ID No: F21511111048

School of Business
Uttara University

STUDENT DECLARATION

I am Esrat Jahan Dolon, hereby declare that the presented report of internship titled **"The Activities of Accounts department of 'Designage'- An Architecture and interior design company in Bangladesh."** is uniquely prepared by me after the completion of BBA Program as requirement of BBA degree.

I also confirm that, the report is only prepared for my academic requirement not for any other purpose.

…………………………….

Esrat Jahan Dolon

ID No: F21511111048

Batch- 36th (BBA)

Uttara University

<u>SUPERVISOR'S DECLARATION</u>

This is to certify that the internship report titled by **"The Activities of Accounts department of 'Designage'- An Architecture and interior design company in Bangladesh."**is prepared by Esrat Jahan Dolon for the fulfillment of BBA program with concentration in Finance from Uttara Company. This report completed under my supervision and is free from plagiarism.

She is permitted to submit the Report.

………………………

Internship Supervisor
Md. Anisuzzaman
Assistant Professor of Finance
Department of Business Administration (DBA)
Uttara University

Acknowledgement

All praise to the almighty, and the merciful. Without his blessing and endorsement this report would not have been accomplished. The successful completion of this report might never be possible in time without the help some person whose inspiration and suggestion made it happen.

First of all I want to thank my Study Supervisor Mr. Md. Anisuzzaman, Assistant Professor, Department of Business Administration (DBA), Uttara University, who has provided me with suggestions for making this Final Internship Report and also provided me with the format for preparing this report. Then I also thank my all colleagues of the DESIGNAGE for enhancing their support and time to complete my internship report. I also give special thanks to Mr. Shofiqul Islam Sukhon, General Manager of the company for compassionate help.

I was closely attached with them during my internship tenure. Without them this project would have been very difficult.

I also thank the contributions whose articles and publications helped me to enhance my knowledge and contributed significantly in preparing my paper. In preparing this report, I have taken many books and websites that mentioned in the references. I acknowledge my indebtedness to all those authors and employees for their work, which had great use to me.

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List of tables and flowcharts

Chapter-1

INRTODUCTION

1 Background:

Internship is the part of the graduate degree in Business Accounts and Administration department of the Uttara University Bangladesh. Internship has merged the theoretical and practical knowledge which is important in our future life. For developing the practical knowledge I want to do internship. As our educational system predominantly text based, inclusion practical orientation program, as an academic component is an exception to the normal. As the parties; educational institution and the organization substantially benefit from such a program. The process establishes networking contracts, which may help student to get a job, which means Clients can train and prepare them for the job market. Internship experience gives professional experience which practical orientation provides positive development in professional arena. In such a state of the affairs I join in Designage under the guidance of my supervisor Shafiqul Islam Sukhon, General manager of the company. My experience involved with the overall accounts related work on Designage.

1.1 Objective of the study:

Broad Objectives:

To understand the functional activities of how the Accounts department is conducted within the Company which change the work activities and success of the Routine work and their achievement for the Company based on Architecture and Design related project.

Specific Objectives:

- To understand the function of Accounts department of Designage.
- This affiliation will help to get information from the activities of different Department.

- To know in which basis they evaluate their Staff's performance.
- To know how they maintain their quality.
- To focus on their Aim.

1.2 Methodology:

Data source:

Data for this report has been extracted from primary sources as well as secondary sources.

Primary Data:

Primary Data will be collected Official records (files, rules & regulation).

Secondary Data:

Majority of the data will be collected from Annual Report, Informal discussions mainly with my supervisor, brochures, and other related papers. Some Papers are confidential but they have shown generosity towards this internship report as possible..

1.3 Limitations of the study:

- Data availability could be another big issue here because company might not want to disclose all the confidential information regarding their managerial strategies and plans.

- Data from different sources were quite inconsistent which created some problems in making the repor

Chapter-2

COMPANY OVERVIEW

2.1 Company Introduction:

DESIGNAGE has established in 2002 by the Interior Expertise Management with more several years' experience since 1998. They provide all interior services design from home to turnkey for individual Offices and commercials. The company is running successfully due to staff's hardworking, efficiency, honesty and sincerity. They have grown as a fully Bangladeshi company. Its main business is Interior Design. The Company is self-solvency by its own glorious work. They respect for the entire clients requirements and commit to an unlimited satisfaction. Designage's aim to create excellent design and provide excellent services, to meet with their client's time frame and budget. their Flexible and Manageable team can help and provide suitable solution to meet with each client's appropriate place.

2.2 Short profile of the Designage:

The services in each field of practices, which specialize in particular aspect of the firm's activities, are supported by a team of professionals and consultants. The technical and administrative activities of the firm are maintained and monitored by full time professionals with long and outstanding career in the field of private sector consultancy services. The company maintains a good rapport with professional research organization and institutions and has the capability to draw a panel of experts and consultants from any field of consultancy disciplines, from these institutions.

2.1.1 Name of Company: DESIGNAGE

Established Date: January, 2002

2.1.2 Location of the Company:

House: 313/A (4th Floor) ,

Road 21, New DOHS,

Mohakhali, Dhaka.

Website: **www.designage2002.com.bd**

E-mail: **designage2002@gmail.com**

2.3 Business Activities of Designage:

- Interior Design and Construction Works
- Customize Home & Office Furniture
- Imported Home & Office Furniture
- Branding and Printing Works
- Signage Works
- Supplying POP and Promotional Items
- Own Branded Furniture Delivery.

2.3.1 Scope of works:

➢FURNITURE WORKS

•All Kinds of Office/ Home Furniture

•Waiting Sofa

•Low/Full Height Fabric Partition

•Low/Full Height Wooden Partition

➢BRANDING WORKS

•All Kinds of Inkjet Print

•All Kinds of solvent Print

•All Kinds of Frosted Cutting

•All Kinds of Vinyl cutting

All Kinds of Outside Bill Board

•All Kinds of Neon Sign

•Promotional Items

➢CIVIL WORKS

•Brick Works

•CC, RCC Works

•Plaster Works

•Tiles Works

•Granite/ Marble/ Sand Stone Works

All Kinds of Plumbing & Sanitary Works

➢ ELECTRIC WORKS

•SDB/MDB Supply & Installation

•All kinds of Power Cable Supply & Installation

•All kinds of switch and socket fittings

•Generator Supply & Installation

➢ GLASS, METAL, CELING AND PAINT WORKS:

•All kinds of Aluminum Sliding Partition
•Fixed Glass Partition
•Tampered Glass Supply & Installation
•All Kinds Of Design Glass Supply & Installation
•Automatic Door Supply & Installation
•All Kinds MS Works (Grill, GI Shade, Metal Door, Rolling Shutter etc.)
•ACP (Aluminum Composite Panel)
•Gypsum Ceiling
Plastic Ceiling
•Plastic Paint
•Enamel Paint
•Spray Paint
•Polish
•Lacquer Paint

Other:
Supply & Installation all Kinds of Floor Mat
Supply & Installation all Kinds of Synthetic Carpet
Wooden Floor
Supply & Installation all Kinds of Tree Plantation
Supply & Installation all Kinds of Flower Plant
•

2.3.2 Quality Policy

Designage dedicated itself in upgrading knowledge and skill of our people. Keeping in view we are fully committed to improve the quality of our services. For more quality we run as follows:

Designage's mission is to achieve business excellence through quality by understanding, accepting, meeting and exceeding customer expectations.

Designage is committed to follow the Quality Management System to ensure consistent quality Interior Design and related work.

Designage also committed to all regulatory requirements relations to its current business and ensure that current business development and practice are in conformity with the norms and ethics guiding in the Interior design work.

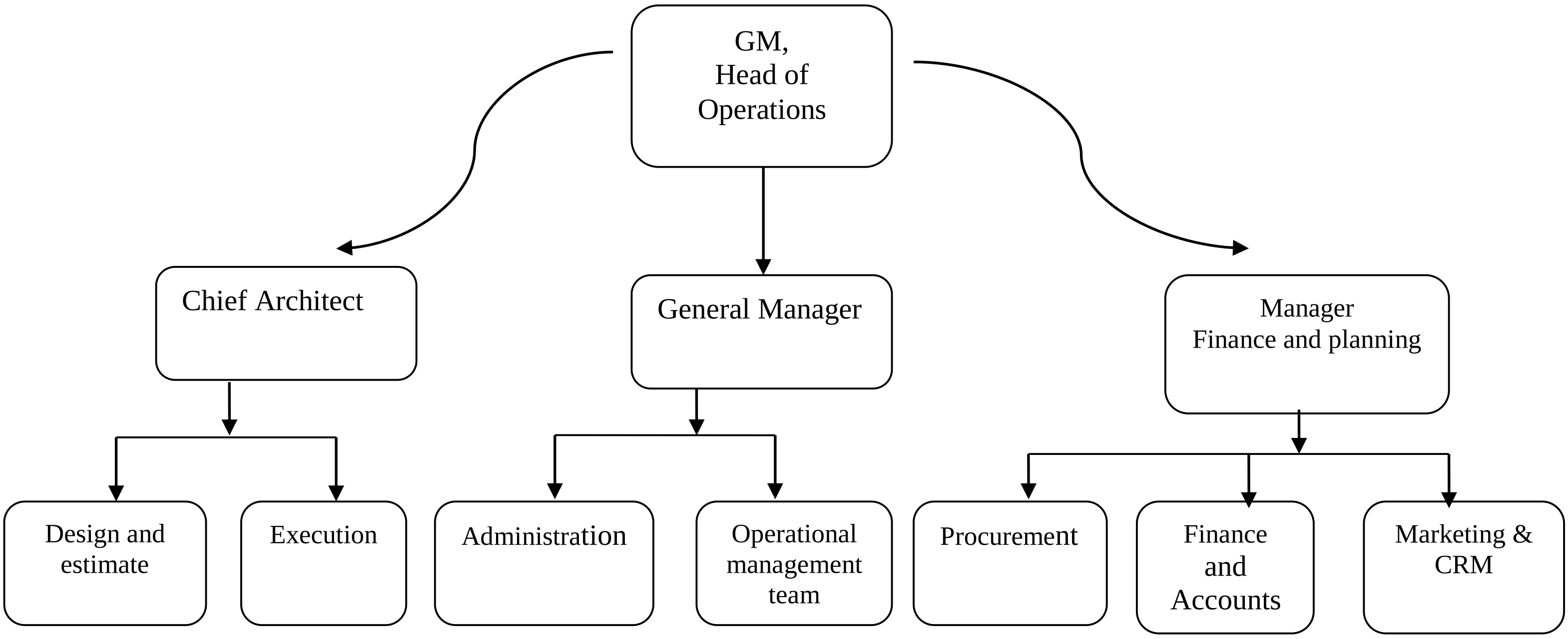
The Management Designage commits itself to quality as the prime considerations in all its business decisions.

The pool of Human resources of the organizations will be develop to their full potentials and harness through regular training and their participation in seeking continuous improvement of work methods.

2.3.3 Departments of DESINAGE:

Most believe that the success rate is partially dependent on the smart, energetic and enthusiastic people who directly control and monitor these departments. The departments are described including number of employees & staff given below:

- Operational management team
- Marketing & CRM
- Design and estimate
- Procurement
- Execution
- Finance and Accounts
- Administration



Note: Full Time Staff Strength : 35 , Persons Contract Staff Strength : 19 Persons, Total Staff : 54 Persons

2.3.4 Company Logo:

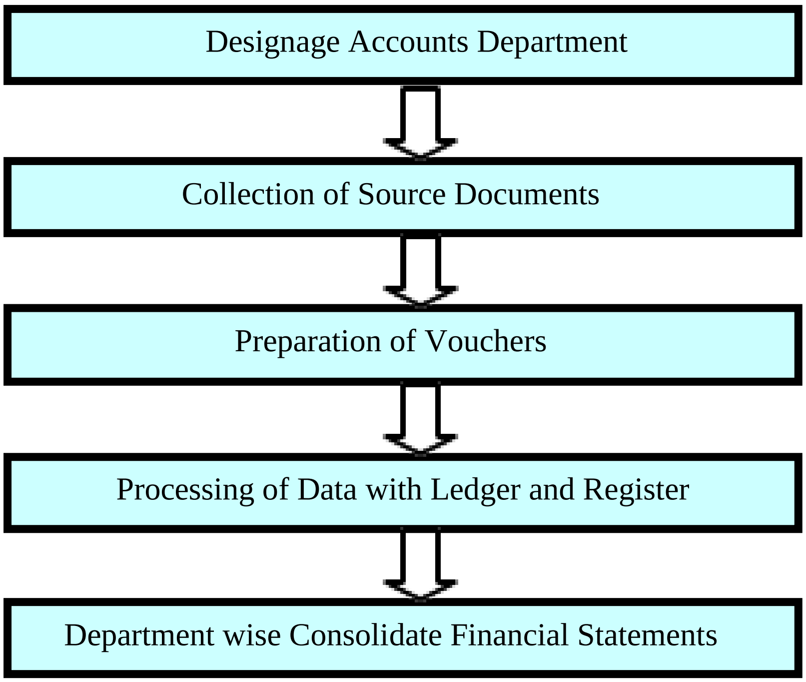
Part 3

The Origin of the Report

Chapter:3 **Overview of Accounting System**

3.1 Flowchart of Accounting Function:

Established in 2002, Designage is one of the quality Interior Design providers in Bangladesh. It operates through academic departments and all incomes and expenses are related to departments. The flow chart of accounting activity of Designage is shown below:



3.1.1 Summary of Significant Accounting Policies

Designage prepares its financial statements on a going concern basis, under the historical cost convention. It follows the modified accrual basis of accounting for key income and expenditure items.

The significant accounting policies followed in the preparation and presentation of financial statements.

3.1.2 Basis of preparation of Financial Statements

Designage maintains its books of accounts and records on the basis of departments, that is, each department is looked upon as a separate accounting entity having separate set of books. The Accounts department maintains records of all accounting, investment and management functions. All cash balances, including those meant for departments are held at one place and spent for or transferred to departments as required.

3.1.3 Source of income:

- Interior Design Consultation
- Full Service Interior Design Projects.
- One-time design consultation.
- Local/ In-Person Interior Design Consultation
- Provide Virtual Design
- Sale of materials
- Interest on bank account and fixed deposits
- Other Outsourcing Projects

3.1.4 Expenses

Expenses arise from goods and services being distributed to beneficiaries in accordance with the Projects and research objectives and activities. Designage's administrative expenses are allocated to various departments.

3.1.5 Accounts Receivable

Accounts receivable arise principally from providing services to Clients. Accounts receivables are recognized when they are due.

3.1.6 Employee Gratuity and Redundancy Fund

DESIGNAGE makes provisions for an Employee Gratuity and Redundancy fund, on the basis of two months' basic salary for each completed year's of service for each permanent employee (based on the latest basic salary). For accounting purpose the provision is made on a monthly basis. Gratuity is to be disbursed upon retirement of employees whilst redundancy disbursements are to be made in the event of cessation of service from DESIGNAGE on grounds of redundancy.

3.1.7 Cash & Cash Equivalents

Cash and cash equivalents for the purposes of the statement of cash flows comprise cash and bank balances and un-pledged fixed deposits, against which bank overdrafts, if any, are deducted.

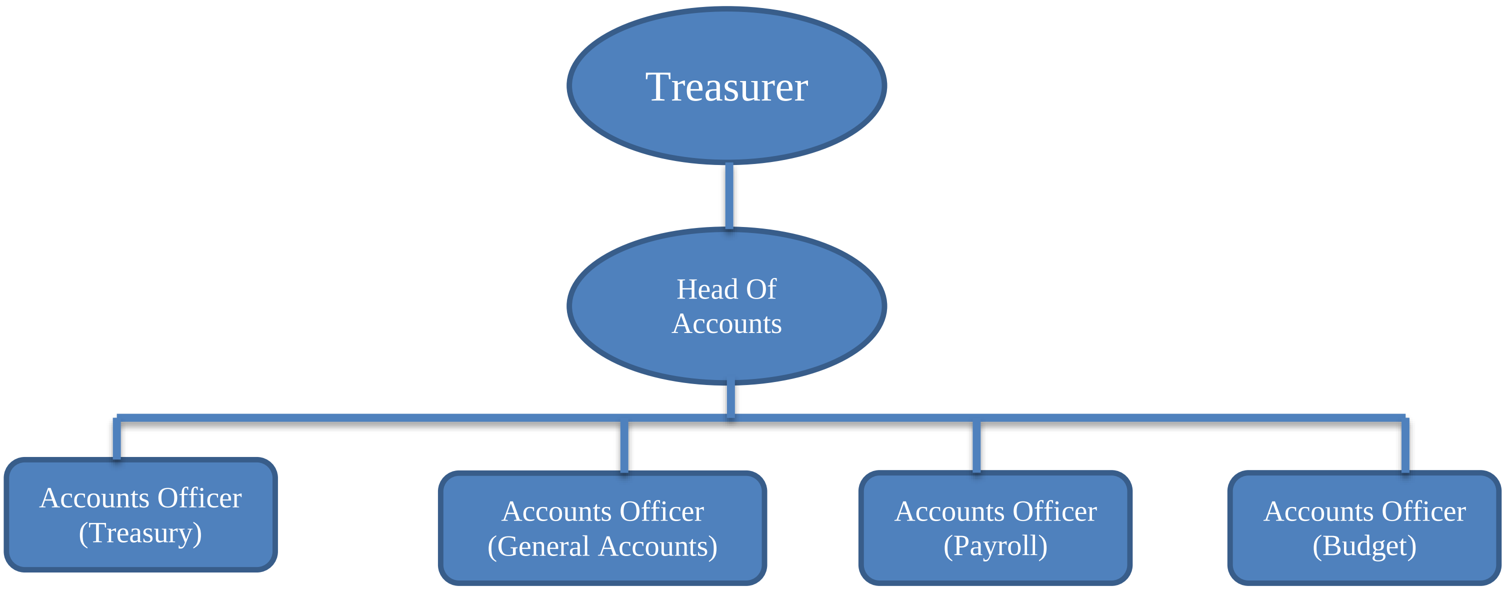
3.1.8 Bill-Voucher Preservation

Except any legal and regulatory documents like deeds, agreements, Tools and records related to Income Tax, VAT, or any other legal documents which might be needed in future, all other documents, vouchers, bills, files, or registers shall be destroyed after of 5 (five) years. A committee will effect the disposal. A list of documents destroyed shall be preserved.

3.2. Sections of the Department

3.2.1 Organogram of Accounts Department:

DESIGNAGE's Accounts department has the following organizational structure:



Head of Accountant bears overall responsibilities of the Accounts Department who works under the direct supervision of the Treasurer. Head of Accounts work in co-ordination with CEO. For smooth operation, the Accounts Department of DESIGNAGE's has following units with distinct responsibilities:

(1) General Accounts Unit

(2) Treasury Unit

(3) Payroll Accounting Unit, and

(4) Budget & MIS Unit

3.2.2 Functions of department units

3.2.2.1 Functions of Treasury Unit:

Treasury unit executes the following activities:

• Payment of all bills authorized by General Accounting unit.

• Receipt of cash against donation, various fees, and sales proceeds.

• Deposit of cash and cheques in banks.

• Withdrawal of cash from banks.

• Make final payment to staff/officials in the case of resignation, termination or retirement etc. (according to calculations made by the general accounts section).

• Meet up Utilities bill like gas, rent, electricity, water, telephone, Internet, Fax etc. as authorized by general accounts section.

• Payment of scholarship to Clients according to the approved list.

• Act as custodian of money Receipt and other forms and registers used by the section.

• Preserve paid vouchers.

3.2.2.2 Functions of General Accounting Unit:

General Accounting Unit performs the following functions:

• Control operation of DESIGNAGE's Bank Accounts.

• Prepare all vouchers including journal vouchers for internal transaction, transfer or any other provisions.

• Maintain effective operation of the computerized accounting packages.

• Prepare Bank Reconciliation Statement.

• Produce department-wise financial statements at the end of every month and preserve hard copies in file.

• Maintain consolidated financial statements on monthly basis.

• Reconcile inter department transactions.

• Maintain books, registers and documents required for smooth functioning of accounts section.

• Coordinate Annual External Audit and work with internal auditors.

3.2.2.3 Functions of Payroll Unit

Payroll unit performs the following functions-

• Collect relevant information from HR and other departments/sections on salary and benefits, leave availed without pay, deductions etc. required for payroll preparation.

• Input all required information in the Payroll software.

• Prepare and check salary register.

• Advice banks to transfer net salary to individual staff.

• Prepare, check and distribute pay slips.

• Maintain and preserve all records and information related to payroll.

• Maintain the Payroll software.

3.2.2.4 Functions of Budget and MIS Unit:

Budget and MIS Unit performs the following functions:

• Prepare budgets for individual departments with the help of concerned Departmental

Coordinator Officer (DCO).

• Monitor budgets; calculate variances and identify causes of major variances in consultation with budget holders.

• Implement recommendations of internal and external auditors

3.3. Computerized Accounting

Accounting packages:

DESIGNAGE's Accounts department uses three accounting packages to process information. They are:

(1) Advanced accounts

(2) Clients Accounts

(3) Payroll

a. Tax

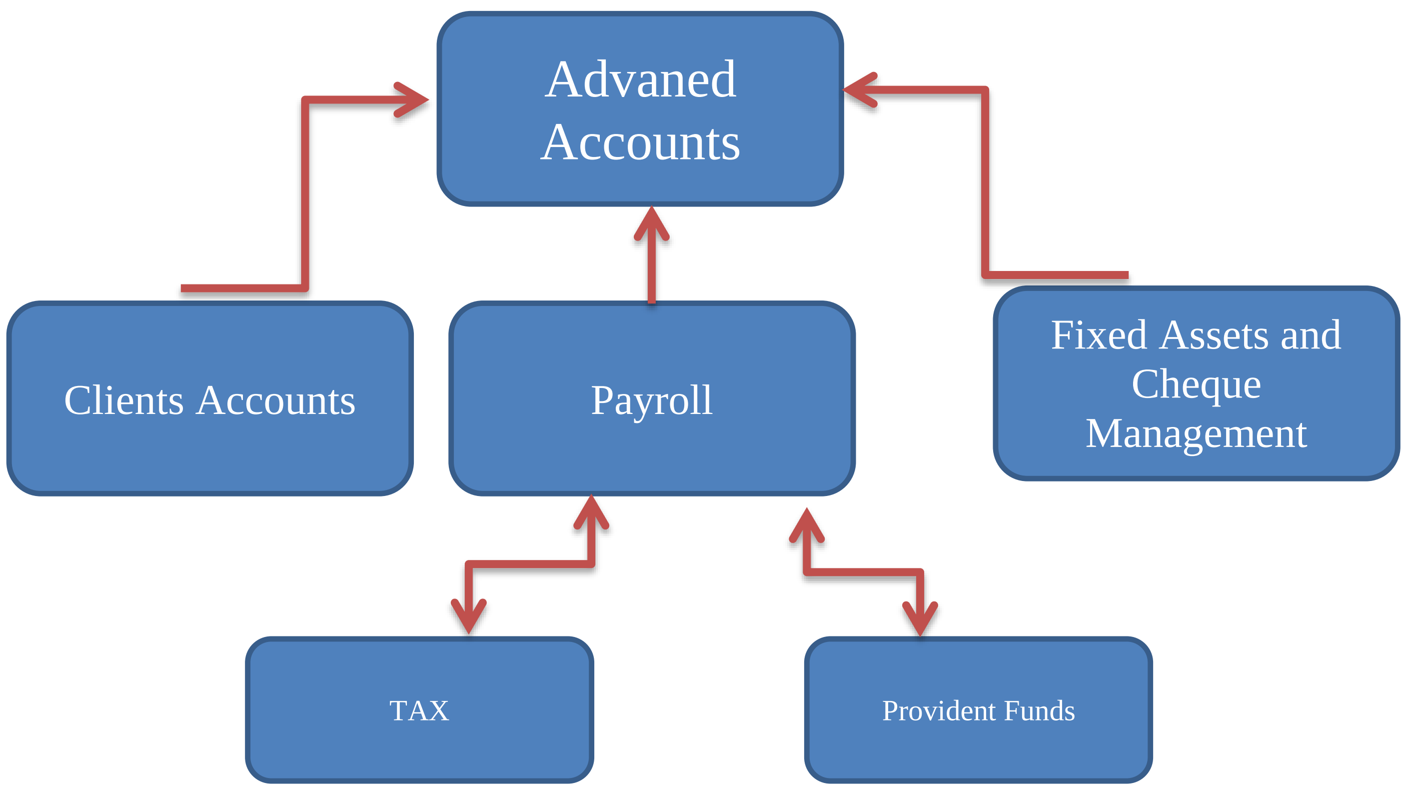
b. Provident Fund

All three packages run independently. Clients Accounts and Payroll packages generate important data which are manually transferred to Advanced Accounts. Efforts will be made to develop integrated software to reduce dependence on manual recording of data.

Payroll is a part of HR software. Payroll module has two sub-modules - Tax and Provident Fund. Calculated tax from Tax sub-module automatically gets transferred to Payroll while Provident Fund gets information from Payroll. In addition to the three packages referred above, there are two other small packages, which run independently. They maintain useful information and produces important registers. The packages are:

(4) Fixed asset and Cheque Management System

Fixed asset register is maintained to keep track of various information about fixed assets which are recorded in Advanced Accounts. They including cost, depreciation, location, identification number etc. Cheque Management is used to make and print cheques with inputted information. It is also used as acknowledgement for paid cheques.



3.4. Books, Forms and Register

DESIGNAGE uses the following books, forms and registers to record and analyze transactions and Company an effective internal control:

Maintained in Advanced Account

- Cash Book
- General Ledger
- Advance against expense Ledger
- Advance against 3rd party Ledger
- Advance against salary Ledger
- Staff loan ledger
- IOU form
- Cash certificate

Maintained in Payroll

- Pay Sleep

Maintained in Fixed Asset Ledger

- Fixed asset register

Manual

- Money receipt
- Voucher forms:
    - Debit voucher

    - Credit voucher
    - Journal voucher
    - Transfer voucher
- VAT/Tax deduction at source register

Cash book

The computerized cash book records all cash and bank transactions. Departments or projects are identified through a code system. The computerized cash book is more informative than traditional cashbook. The cashbook provides cash and bank balances at the end of the day. It also provides details of daily transactions and balance of each bank account. Three types of transactions are recorded in the cashbook:

- Payments
- Receipts
- Transfers

3.4.1 Cash Book

The cash book preserves all cash and bank related transactions and can generate information in various forms. The output would include:

1. Transactions list
2. Cash transactions list
3. Cash register
4. Bank transactions list
5. Bank register
6. Cash certificate, etc.

Receipts, payments and transfer entries are recorded in the cash book along with related information. At the closing of each day the assigned accountant checks whether the physical cash balance including IOU is equal to total cash balance shown by the cash book. The bank balance shown by bank register is checked with bank statement and if there is a difference, bank reconciliation is prepared on a monthly basis.

3.4.2 Cheque Register

The Cheque management System is used to enter the name of the payee, amount, cheque number and date of the cheque. The system prints cheque, which is delivered to the parties. A cheque register is printed which includes all relevant information of cheques issued in a particular period. The register has a column for recipient's name and signature. DESIGNAGE planning to upgrade the Advanced Account, which will make the Cheque Management System redundant. The function that this software performs now will be performed by the Advanced Account.

3.4.3 General Ledger

General ledger records both cash and non-cash transactions. Each department/project has its own general ledger book. The cash transactions are automatically transferred to the general ledger book. Non-cash transactions are separately entered through journal vouchers.

3.4.4 Salary Register

Salary is one of the largest parts of operating expenses of DESIGNAGE. Details about salary/ payroll register are discussed in Payroll section of this Manual.

3.4.5 Pay Slip

Pay slip portrays details of an employee's salary. Pay slip is prepared in three copies, one is for the staff, one remains with the counterfoil and the other is office copy, which is filed separately. Following is the format of pay slip:

3.4.6 Advance Ledgers

To carry out various activities, DESIGNAGE has to procure goods and services for which advances to suppliers or to its own staff are required to be given. All of the advances are recorded in advance ledgers, which are subsidiary ledgers. Currently advance ledgers are manually maintained but will soon be computerized. There are two advance ledgers to record

(i) Advance to staff against expenses and

(ii) Advance to 3rd party against expenses.

3.4.7 Voucher Forms

Voucher is the most basic document needed for recording financial transactions.

Elements of a voucher are:

- Name of the organization
- Number of voucher
- Nature of voucher
- Date of preparation
- Signature of those who originated checked and authorized.
- Bill/cash memo and other supporting documents as attachments.

Department

- Heads of Account, Accounts code
- Amount in figures and words
- A brief narration about the transaction
- Recipient's Signature

DESIGNAGE's has four types of vouchers:

- Debit voucher
- Credit voucher
- Transfer voucher
- Journal voucher

3.4.7.1 Debit voucher

Debit voucher is prepared to record all cash and bank payments. This voucher is alternatively called payment voucher.

3.4.7.2 Credit Voucher

Credit voucher is used to record cash and bank receipts. It is alternatively called receipt voucher.

3.4.7.3 Transfer voucher

Cash transfer from one bank to another bank is recorded in the books of accounts through transfer voucher. This voucher is also used for cash/cheque deposit in and cash withdrawal from bank accounts. Bank statement, deposit slip and counter foil of cheques are supporting documents of transfer vouchers.

3.4.7.4 Journal voucher

All non-cash transactions are recorded in the books of accounts through journal vouchers.

Provident fund, income tax and other deductions from salary, expenses or income transfer from one project/department to another, depreciation on fixed assets etc. are recorded in the books of accounts through journal vouchers.

3.4.8 Money Receipt

Money receipt is used to acknowledge cash or cheque. Receipts are prepared in three copies, which are used for the following purposes:

- Customer copy
- Voucher copy (attached with voucher)

• Filing copy

3.4.9 Fixed Asset Register

Fixed Asset Register is maintained in Fixed Asset Ledger software. The register keeps detailed information of fixed assets including group, subgroup, voucher number, date, price, disposal details, depreciation, location etc. Various reports are available from the register. Two most important reports are Asset Ledger Summary and Asset details.

3.5. Control over cash

DESIGNAGE's Accounts Department is responsible for receipts and disbursements of cash. Cash includes cash in hand, cash at bank, pay orders, drafts and other instruments. Cash is widely acceptable; its ownership is easily transferable and it carries high value in small quantity. These characteristics demand strict control over cash.

The control system employed by DESIGNAGE's has the following elements:

1. Use of voucher system: All receipts and payments require approval, which is effected through vouchers. Debit voucher is used for all payments and credit vouchers for all receipts.

2. Minimum cash handling: DESIGNAGE discourages cash receipts and cash payments. Preferred mode of receipts and payments are cheques, drafts or bank transfers.

3. Minimum cash holding: Cash holding is limited to 50,000.

4. Surprise check of physical cash: Appropriate authority conduct surprise checks when cash is counted and compared with book balance.

5. Daily cash certificate: At the closing of the day, after all the transaction have been recorded in the cash book, daily cash and bank certificate is prepared that exhibits bank-wise closing balances, IOU and cash in hand with denomination. The certificate are signed and preserved in daily cash certificate file. A format of the certificate is reproduced on the next page. The certificate is computer generated.

6. Acknowledgement of all receipts: All receipts are immediately acknowledged by issuing serially numbered receipts.

7. Receipting all payments: All payments made by DESIGNAGE require to be receipted by the payee.

8. Different authorization level: Depending on the nature and size of payment authorization level varies. High value, capital expenditure and unbudgeted payments require approval of higher authority.

9. Any payment is under strict scrutiny to check that:

a. Expenses are properly authorized

b. Procurement procedure is followed

10. Internal check system: An internal check system is in operation which ensures distribution of work in such a way that work of one is automatically checked by another. The person receiving the cash, for example, does not authorize the receipt.

11. Bank reconciliation: Sometimes the balance shown by the bank statement differs from the cash balance of the ledger for various reasons. Reconciliation statement is prepared to explain the difference.

3.6. Receipts

DESIGNAGE's receipts are broadly classified as:

1. Receipt of Full Project Fee,
2. Consultation Fee
3. Other fees from Clients
4. Other income

Receipts are accounted for through credit vouchers. Appropriate head in the respective department/project is credited for the receipt.

3.7. Payments

DESIGNAGE's payments can be categorized as follows:

Internal Payments

Salary Payment

Staff Final Payment

Payment of other expenses

External Payment

3.7.1 Internal Payment

3.7.1.1 Salary Payment

Payroll is one of the largest payments that take place every month. DESIGNAGE has Payroll wing which is responsible for preparation of payroll. Details about payroll have been discussed later under payroll section.

3.7.1.2 Staff Final Payment

Final Payment is made when a staff leaves DESIGNAGE by way of resignation, termination, dismissal or redundancy. The staff needs to take clearance from his/her department in-charge and other relevant departments to get final payment. The final payment includes gratuity, provident fund, leave pay etc. If the staff has an outstanding loan or other due it is adjusted from the final payment. The terminal benefit is calculated according to the rules of Human resource policies. The gratuity and provident fund calculation process is described in details in "Gratuity" and "Provident Fund" sections of this manual.

3.7.1.3 Traveling and other Payment

This includes payment of traveling allowance, local conveyance, and overtime bill, daily allowance and other reimbursements. Employees prepare their bills and get approval from their respective department heads. Then treasury section makes payment. Accountant prepares payment voucher. The voucher is approved either by the head of accounts.

3.7.2 External Payment

External payments are usually made against purchase of goods and services. They include office rent, food and accommodation fees. Purchases are made according to the rules of "Procurement Manual". The Supplier/Contractor, after performance of the contract, submits bill to procurement department which approves the bill after necessary verification.

3.8. Payroll

Payroll is one of the largest components of DESIGNAGE's annual expenditure. Accounts department manages the whole process of preparation and payment of salary.

3.8.1 Role of HR Department Regarding Payroll

The HR department is responsible for maintenance of all personal records of the employees.

They include:

- nature of employment
- duration of employment
- regular and terminal benefits available
- leave entitlement and leave enjoyed
- Type and date of separation
- Change in terms of employment etc.

HR department feeds finance department with all information required for preparation of salary. Terms of appointments and changes in them are forwarded when they occur. A regular monthly statement is prepared on leave status. This information is provided from two registers maintained by HR - the attendance register and the leave register.

All employees record their attendance by swiping the attendance time clock. The HR officer reviews the register and computes excess leave, if any, enjoyed by staff and reports it to finance by 25th of every month. Excess leave is treated as leave without pay. The HR department also provides other information having a bearing on calculation and payment of salary. All regular staff members of the Company are entitled to paid leave for specific number of days.

3.8.2 Payroll Register

DESIGNAGE maintains computerized payroll register. Human Resource Management System (HRMS) software maintained by HR provides necessary information that the payroll section requires to prepare this register. The Payroll is a module of HR software and is integrated. The Payroll maintains a Payroll register with detailed information, which includes:

3.8.2.1 Components of Gross pay:

- Basic amount (base salary)
- House rent
- Conveyance
- Medical allowance
- Utility
- Special allowance
- Other

3.8.2.2 Deductions:

Generally following deductions are made from the gross salary:

- Provident fund
- Income tax
- Transport
- Loan realization
- without pay (calculated salary for leave)

The salary register is updated whenever there is a change in information. The assigned accountant gets all the relevant information from HR and, if required, gathers information from other departments, to update the payroll register. After updating the information, the accountant can generate the following reports:

- Salary analysis sheet
- Pay slip (3 copies)
- Provident fund deduction list
- Income tax deduction list
- Project wise salary charge list
- Salaries transferred to bank
- Loan listing
- Other reports as required

3.8.2.3 Provident Fund

A confirmed employee is entitled to be a member of DESIGNAGE contributory provident fund (PF). Every month the non-faculty staff contributes 10% and faculty staff 5% of their basic salaries, which is matched by the Company. The accounting entries for provident fund are as follows:

(1) When employee contribution is realized from salary:

Salary and benefits Dr

Provident fund Trustee Cr.

(2) When Company's contribution is provided for

Salary and benefits Dr.

Provident fund Trustee Cr.

3.8.2.4 Income Tax

According to Income Tax Ordinance 1984 tax has to be deducted at source from salary that exceeds the taxable limit. The entire amount deducted is deposited to government account within prescribed time. The computerized payroll register automatically calculates individual tax liability. The liability is then evenly distributed over twelve months and realized from salary.

The accounting entries related to income tax are as follows:

(1) When taxes are deducted from employees' salary:

Salary and benefits Dr

Income Tax payable Cr.

(2) On payment of tax to the Government

Income Tax payable Dr

Bank /Cash Cr.

3.8.2.5 Without Pay

This is deduction of salary against leave without pay. If a staff takes leave in excess of entitlement proportionate amount is deducted from his or her salary. Amount of deduction for leave without pay is calculated in the following manner:

Gross salary/20 X Excess leaves in days No accounting entry is required for this deduction. The deduction reduces the amount to be debited to salary and benefits.

3.8.2.6 Festival Bonus

All permanent employees get festival bonus twice a year. Each bonus is equal to one month's basic salary. Those who have not completed one year get bonus on pro rata basis calculated in the following manner:

Basic salary X No of months worked/ 12 months

Bonuses are paid fifteen days before the festivals as follows.

Bonus	For	Festival
Bonus – 1	All	Eid-ul-Fitr
Bonus – 2	Muslims	Eid-ul-Azha
	Hindus	Durga Puza
	Christians	Christmas day
	Buddhists	Buddha Purnima

Provision for bonus is made on a monthly basis. Entries that recognize provision and disbursement of bonuses are:

(1) At the time of making provision

Salary and benefits Dr

Provision for festival bonus Cr.

(2) At the time of payment

Provision for festival bonus Dr

Bank / Cash Account Cr.

3.9. Gratuity

Gratuity is calculated from the date of joining to the date of separation of an employee. All regular and service staff get gratuity at their resignation, retirement, redundancy or termination.

Calculation of Gratuity

The amount of gratuity available to a staff is calculated applying the following formula:

Length of service in complete years X Basic salary X Number of gratuity per year (subject to maximum entitlement)

Gratuity provision is made on a monthly basis.

The following accounting entries recognize the provision and payment of gratuity:

(1) When provision is made:

Salary and benefits Dr.

Employee gratuity and redundancy Fund Cr.

(2) When gratuity is paid

Employee gratuity and redundancy Fund Dr.

Cash/Bank Cr.

3.10. Contributory Provident Fund

Any confirmed staff can become member of the Provident fund. Every month non-faculty staff contributes 10% and faculty staff 5% of their basic salaries and the Company matches these amounts. In case of death of a staff the nominee gets full amount standing in credit in PF account.

Provident Fund is a separate accounting entity from DESIGNAGE. A Board of Trustees administers the fund. The Company deducts contributions of employees from their salary and hands over the money together with its own contribution to Provident Fund Trustee. The accounting treatments for PF related transactions have been dealt in Payroll section. Final payment of provident fund to staff is accounted for in Provident Fund's book and Company books are not affected.

3.11 Fixed Assets

An asset which meets the following criteria is recognized as fixed asset:

Its expected life is more than three years.

Its cost exceeds Tk. 2000

It is tangible

Economic benefit is generated from it

Management recognizes it as fixed asset

DESIGNAGE fixed assets portfolio includes the following:

(a) Land

(b) Building and construction

(c) Furniture & Fixture

(d) Computer

(f) Other equipment

(g) Interior decoration

(h) Library books

(i) Vehicles etc

3.11.1 Procurement of Fixed Assets

DESIGNAGE purchases fixed asset according to procurement manual. Fixed asset is always recorded at original cost plus any other capitalized cost. The accounting entries for transactions in relation to fixed assets procurement are:

3.11.1.1 When fixed asset is purchased

Fixed assets	Dr.		
	Cash/Bank/Creditors	Cr.	

3.11.1.2 When fixed assets are under construction

Work in progress Dr.

Cash /Creditors Cr.

3.11.1.3 When construction is completed and certified for use

Fixes assets Dr.

Work in progress Cr.

3.11.1.4 When advance is given for purchase of fixed assets

Advance to 3rd party Dr.

Cash/Bank Cr.

3.11.1.5 When advance against fixed assets is adjusted

Fixed assets Dr.

Advance to 3rd party Cr.

3.11.2 Fixed Assets Register

The detailed particulars of fixed assets are maintained in fixed assets register. The register is updated whenever there is a change in or addition to information maintained in it. The following information is kept in the fixed assets register:

- Date of purchase/sale/transfer/depreciation
- Voucher number
- Group of assets
- Description of assets

- Depreciation rate
- Quantity of assets
- Cost of assets
- Cumulative depreciation
- Written down value of the assets
- Location
- Identification mark
- Other information (if any

3.12 Internal Financial Monitoring

Internal financial monitoring includes all the procedures and actions taken by the Accounts Department to:

• Ensure reporting and financial calculations in compliance with different accounting policies.

• Ensure accurate and reliable operating data and accounting reports.

• Protect DESIGNAGE's assets against theft and waste.

• Conduct various financial analyses to find performance of different projects/departments

Monitoring is a collective responsibility and every member of Accounts department is involved in it.

3.13 Financial Reports and Statements

Financial reports and statements are the ultimate products of the financial management system. All financial transactions generated throughout the year are recorded in a set of books in the computerized accounting system. The system facilitates accountant to prepare financial reports and statements as per the requirements of the stakeholders.

Financial reports contain a typical presentation of financial data. Sometimes for better clarity, these reports also include narrations. Statutory financial statements are prepared in accordance with accounting concepts, convention and other applicable standards. But in other cases, reports are prepared based on the requirements of the users. However, the financial data for both the cases are generated from same set of books.

3.13.1 Reporting Standard

Reports are prepared on the basis of and keeping in mind the following principles:

Completeness and Clarity: All essential facts are clearly displayed in reports. The requirements and intent of prescribed reports are fully and clearly served. Reports are maintained on a consistent basis from period to period.

Accuracy and Reliability: The data in the reports are accurate. All steps are taken to avoid bias, presentation of misleading information, or the obscuring of significant facts and relationships.

Timeliness: Reports are produced promptly. Scheduled reports are produced in accordance with the time allotments specified.

Status of Reports: Reports, analyses, and related work papers form an integral part of the formal accounting records from which they are compiled. They are maintained so as to be clearly and readily accessible for repeated reference to the information compiled and the methods employed.

3.13.2 User of DESIGNAGE's Report

Following is the list of users of DESIGNAGE's financial reports:

Internal users:

Company Management

External Users:

Company Grants Commission

Donors

Government of Bangladesh

Financial Experts/ Researchers

Regulatory Bodies

Others

To meet the requirements of above users, the reports are prepared under the following groups:

Internal reports

Statutory reports

Donor reports

3.13.3 Internal Reports

Accounts Department generates various reports and statements for the internal users at regular interval.

Following are the examples of internal reports:

1. Weekly fund position

2. Monthly Profit & Loss Statement, Balance Sheet and Cash Flow Statement

3. Monthly budget variance (consolidated)

4. Quarterly budget variance (department-wise)

5. Other need-based reports

The Advanced Account is capable of producing Income Statement and Balance Sheet at any point of time.

3.13.4 Statutory report

Statutory report is prepared annually. This report is certified by public auditors.

3.13.5 Donor reports

Donor reports are usually prepared quarterly but frequency may be less or more according to agreement reached.

Chapter-4

Recommendation & Conclusion

4.1 Recommendation:

The DESIGNAGE already has a good brand name in the Interior Design industry. So I do not have much to recommend. Some recommendations are:

- They focus need more full time Projects because it may create crisis for their business growth.
- Orientation should be performed effectively specially for the new Clients.
- They have to focus on Payment System of Clients.
- Accounts department play an effective role for developing their strategic plan.
- They need perform more promotional activities.

4.2 Conclusion:

The DESIGNAGE is going to them established as a good brand Company in this sector. Now they have lots of opportunity by their Clients because these types of Company's demand for this sector are increasing day by day. They should follow the Payment system resolve Clients' issues, salary and compensations for employees and staffs. And also they wants to attract, motivate, and retain the most qualified employees and match them to jobs for which they are best suited. They have excellent job environment for employees & also internal environment for Clients. They Want To Change perception in Professional Interior Design sector.

Chapter-5

Referance:

Books:

- Accounting Principles- David Morgan
- A Picture Book of Nonprofit Financial Statements - Thomas R. Ittelson
- Organizational Success through Effective Human Resources Management Ronald R. Sims.
- Achieving Excellence in Human Resources Management: An Assessment of Human Resource Functions Edward E. Lawler Iii; John W. Boudreau

Web:

- www.google.com
- www.amazon.com
- Google Scholar

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