

# Ijaz & Associates

Accounting | Tax | Consulting

OUTSOURCED ACCOUNTING

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# What is Outsourced Accounting?

In a traditional, functional outsourcing arrangement, an outsourcing supplier provides very specific functions that fit within an overall scheme of intricate business processes.

For instance, many organizations outsource their Payroll Processing functions. They enter into an arrangement with a Payroll Service Provider to process payroll checks, make required tax payments and deposits, and prepare and file required payroll tax forms.

# Business Process Outsourcing

In BPO, the supplier not only takes on the responsibility to take over the function or business process, but it also reengineers the way it is done. That will include either putting in new technology to accomplish the process, or applying the existing technology in a new way to improve the process.

A BPO solution typically combines computer infrastructure, and software, IT management services, functional operations people/labor, defined process workflows, best-practice service disciplines and related infrastructure on a contractual outsourced basis.

# What Can Be Outsourced?

Virtually all non-core responsibilities can be outsourced. These include:

- **Facilities Management**
- **Food Service**
- **Legal**
- **Human Resources**
- **Security**
- **Information Technology**
- **Payroll**
- **ERP & Accounting**

## WHY OUTSOURCE

# Why Outsource?

- Competitive and financial pressures are forcing organizations to narrowly define their strategic core competencies;
- Outsourcing can be an effective way to gain competitive advantage, lower costs and increase efficiency;
- Outsourcing can be a cost-effective way to take advantage of new ideas, new solutions and best-in-class processes and technology;
- Limited availability of qualified labor.

# The BPO Value Proposition

- **Desire to gain process improvement**
- **Focus on core operations**
- **Reduced costs**
- **Simple point of accountability**
- **Improve business agility**
- **Improved quality – expertise, technology**
- **Shortage of qualified labor and low turnover**

# Why BPO Is Catching On

- Not a new concept
- Improvements in technology (broadband internet, SaaS) have made the model affordable
- Technology advances have facilitated the outsourcing of certain business processes, however it remains the processes themselves that are most important
- Technology outsourcing is more prevalent and accepted in our economy

## BPO MODELS

# BPO Models

## Customer Site

- BPO provider and software reside onsite at client's location
- More suited for mid sized organizations

## Centralized

- Customer has remote access to software and information
- Best suited for small organizations

# Flexible Client Specific Solutions

**Ijaz and Associates' BPO models recognize that each client's needs are  
unique**

- Expensive needs assessment
- Solutions are not system specific
- Designed to meet all our clients' specific needs
- Work with client's existing accounting staff and setup

## HOW IT WORKS

# How It Works

## Think of us as the Accounting Department

- Management retains all overall responsibility for accuracy and integrity.
- We assume the role of the Management's accounting department, working under the Management's direction.
- We can implement our virtual accounting system at a fraction of the cost to the client purchasing their own system
  - Remote and secure access, any time, anywhere

# How It Works

## A Typical BPO Arrangement

### Cash Disbursement Cycle

- Management approves and codes vendor invoices for payment
- We enter properly approve invoices into accounting system
- Data entry is reviewed for accuracy
- Reports are generated for providing Management with relevant cash flow information
- Checks are prepared for Management review and signature

# How It Works

## A Typical BPO Arrangement

### Cash Disbursement Cycle (contd)

- Vendor files are maintained for ease of research
- Vendor database is maintained to ensure accuracy of vendor transactional history
- Accounts Payable and bank accounts are reconciled to agree with General Ledger

# How It Works

## A Typical BPO Arrangement

### Cash Receipts Cycle

- Management prepares and approves customer invoices based on established billing procedures
- We enter approved invoices into accounting system
  - This can be 'after-the-fact' entry of client prepared invoice or invoices can be generated by us
- Data entry is reviewed for accuracy
- Cash flow reports are generated for Management
- Customer checks are received and coded by Management

# How It Works

## A Typical BPO Arrangement

### Cash Receipts Cycle (contd)

- Deposits are made by the client and relevant information is provided to us for entry into the accounting system
- Customer files are maintained for ease of research
- Customer database is maintained to ensure accuracy of customer transactional history
- Accounts Receivables and bank accounts are reconciled to agree with General Ledger

# How It Works

## A Typical BPO Arrangement

### Financial Reporting Cycle

- Management retains responsibility for accuracy and completeness of financial statements
- We prepare monthly financial statements that are reconciled to appropriate source documents and well supported by meaningful work papers
- Other management and financial reports are created to meet specific needs of Management
- All financial reports are available in print, email, online, offline formats
- We can also help Management present financials to outside investors, Board of Directors, etc.

## BENEFITS OF AN IJAZ & ASSOCIATES SOLUTION

# What's In It For You

- A team of accounting and financial experts working to provide you with the best in accounting and business practices
- Anytime, anywhere access to accounting system and all financial information and reports
- Higher level of internal control
- Efficient coordination with year-end audit and tax firms
- Overall cost savings vs. traditional accounting department models
- Management can focus on organization's core functions