

E-Accounting - A Concept

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ABSTRACT

Internet has created a worldwide revolution in the field of exchanging ideas and information. The day is not far away when the magical world of Internet will capture the whole world. "Internet is the most beautiful gift by the man to 21st century". The present study is aimed at determining how an organization can achieve excellence through E-Accounting. It has also been decided to access the impact of E-Accounting on productivity, quality improvement, cost reduction, and improvement in quality of work life. E-Accounting has an important role to provide a business. E-Accounting is one of the few providers in the industry with a service model that encompasses online accounting applications, data management and workflow tools, E-File sharing etc. E-Accounting helps business of all sizes become E-Business. E-Accounting is opening new gates for accounting system.

Keywords: *Accounting, Internet, e-Accounting*

E-commerce means trade on Internet. It is a fast growing utility of Internet. It will change our lives very soon. E-Banking, E-Shopping, E-Accounting, E-Biz etc. are parts of E-Commerce.¹

The companies which utilize the E-Accounting for business transactions, save their expenses, increase profits and maintain cordial relations with consumers. In comparison to companies, trading in a commercial manner, the E-Accounting linked companies are earning better profits.

Today, our country faces a serious challenge in the accounting growth because of foreign competition. High cost of production, rising competition and poor quality of products are the burning problems faced by the Indian companies.

Electronic commerce means business on Internet. It is the fastest growing utility on Internet. The business linked with Internet, have traced the market. There is reduction in time of communication and the customer's relations have been improved. E-Commerce has been challenging the initial base of trade. The companies all over the world are at great competition. E-commerce is the means of earning money on Internet. We can do E-searching about E-

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banking, E-accounting, E-shopping or any other services, while sitting at home or in office and all these are the parts of E commerce, which means trading through electronics means.

E-commerce has three types:

- B2B (Business to business) - business between two companies.
- B2C (Business to consumer) - business between companies and the consumers.
- C2C (Consumer to consumer) - business between two consumers.²

MEANING OF E-ACCOUNTING

E-Accounting is about providing the broadest, most useful resource for on-line computing solutions created specifically for accounting professionals. E-Accounting have been developed for the professional accountants, the bookkeeper or process outsourcer, and for the client business, E-accounting provide technologies and services that can help increase processing capacity, produce more work, engage more customers, and grow the business.³

E-Accounting developed to deliver functionality and benefit to all sized and types of businesses. Whether it's hosted application service, managed virus protection or backups and data vaulting, E Accounting has services that can make the use of technology simple, effective and affordable. The orientation of E-Accounting has been created to deliver value and profitability to our accounting and consulting professionals who promote the service to our business clients.

Whether we're in public practice or the private sector, we need to keep our business skills and education up-to-date. E Accounting offers us the information and education resources we need for accounting, legal, engineering and corporate training.

Eliminate the hassles associated with the never-ending flow of accounting tasks by using cost effective alternative like maintaining an internal accounting staff or hiring additional personnel.⁴

There are literally hundreds of companies, all trying to get their processing businesses and services based on low processing costs. But they need to take care of selecting their outsource partner. E-Accounting is available to support these practices. It provides quality outsourced processing services and offers assistance in delivering document and data management workflow models and services.⁵

MEANING & DEFINITIONS OF E-ACCOUNTING

"In the era of Internet and Electronic Commerce E Accounting (Electronic Accounting or e-accounting) is a new IT terminology based on performing the accounting functions, the Accounting research and the Accounting Education through various computerized/internet accounting tools and resources; and is composed of many new and modernized E-Accounting categories."

'E-Accounting' 'is a general term meaning 'enabled' or 'electronic' accounting, and there are many organizations using the term to try to gain new customers.⁶

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With E-Accounting, a secure Internet-based service, we have the option of processing day-to-day accounting transactions from our offices while we handle our reporting needs. Or we can outsource some or all of our bookkeeping and accounting tasks to trained professionals.⁷

E-Accounting is the best technique to oversee payroll balance, general ledger, and to provide monthly statements, yearend reports and tax preparations from office. Because it's online, Interactions are seamless and efficient, ensuring that we have access to accurate and up-to-date information at all times.

According to Chuck Benton:

"Many of our online accounting professionals have already experienced improved service and profitability through the use of the online accounting platform. By using the e-accounting platform we have been able to reduce our firms operating expenses by 30% and funnel those savings into building our practice."

According to John Gorst:

"Some accountants have gained a comprehensive solution that combines our online accounting technology services with business process outsourcing models. E-Accounting is one of the few providers in the industry with a service model that encompasses online accounting applications, data management, documents management and workflow tools."

According Joanie Mann:

"There are so many potential providers to this market. We felt it was necessary to provide some level of pre-qualification before we could have any comfort in recommending these services to our subscribers. By using E-Accounting the list of provider organizations and other supporting services will quickly grow."

ISSUES:

Three types of issues are as follows:

➤ Creating the virtual enterprises :

The world is becoming smaller with every new development in communication technology. Knowledge no longer has to be homegrown, it can be contracted.

Outsourcing is a management tool for improving efficiency, profitability and expansion. It challenges companies to think beyond the vertically-integrated organization in favor of a more flexible organization, structured around core competencies and long-term outside relationships. in other words- the virtual enterprises."⁸

➤ Supporting the accounting professional:

The ADVISOR Provider Network represents a strategic alliance of professional service firms and outsource processing providers all coming together to develop the technology and operational standards, workflow and process models, quality controls and assurances that are required to deliver the full value, security, and cost-efficiency that the market requires.

The E-Accounting Advisor Provider Network community represents a supporting service for the accounting profession -offering reduced costs of processing, improved workflow models and

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applying the technologies and services required to secure and manage the data. The Provider Network supports the accounting professional with non-competitive supporting services geared specifically to improve customer service, practice efficiency, and business profitability.⁹

➤ **Advisor provider network:**

Quality outsources providers, effective services, innovative offerings, and the tools and resources we need to support our practice growth (or maintenance) initiatives. The Advisor Provider Network only form E-Accounting, is a resources created to help find the qualified partners a business needs.¹⁰

OTHER TERMS OF E-ACCOUNTING

Like all INTEGRA E-business, a module, INTEGRA E-Accounting is highly flexible, ensuring fast customization of the system to rapidly meet the needs of our company. In turn, rapid customization means implementation and maintenance costs are significantly reduced as compared to accounting systems developed with third generation programming language tools.

INTEGRA E-Accounting is reliable and robust. It respects the sub-adjacent principles on the quality of accounting information maintaining the audit trail and control of data integrity while managing postings to different accounting modules affected by data entry. Put an end to multiple data entry and repetitive tasks.

INTEGRA E-Accounting offers a series of powerful and completely integrated modules to ensure total control of every aspect of accounting:

(i) **System manager:**

Manages all system -wide operations with over 600 parametric controls that allow us modify menus for user groups, controls access and security, manage taxes and currency exchange, define transport types and rates, create an organization chart perform bank reconciliation and a host of other system control activities.

(ii) **General ledger :**

It is the foundation of our accounting system. Its built-in flexibility meets our current and future financial needs. We can customize it to satisfy our needs by using the many tools in the system including a built-in financial report writer that provides a timely picture of fiscal activities. The general Ledger is fully integrated to all other modules and is the key to maximizing the efficiency and accuracy of our financial data.

(iii) **Accounts payable:**

The Accounts Payable module provides robust accounting features to streamline the entire cash-flow process and help save money. The Accounts Payable powerful library of accounting and reporting features facilitates rapid entry of vendor invoices while seamlessly managing flexible cash disbursement and full check reconciliation

(iv) **Accounts receivable:**

The Accounts receivable (A/R) module manages customers and fine-tunes customer relations by keeping track of important sales information and outstanding balances. Use the A/R powerful feature to group customer invoices paid from a single location. A/R also allows easy cash application to outstanding invoices. It also integrates with the bank reconciliation module.

(v) **Encumbrance accounting:**

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The Encumbrance Accounting module offers real-time budget management for the validation of transactions against reserved funds. The system controls expenditures against budget by offering real-time auditing of all outstanding transactions against a budget and allowing approval controls for management oversight. Drill down from any budget to all related documents.

(vi) Purchase order:

When combined with Accounts Payable, Inventory Control, Order Entry, and Manufacturing, the Purchase Order module provides a comprehensive, integrated purchasing system. By using the advanced purchase scheduling, feature we can ensure none of our critical inputs are out-of-stock. Drill down from any PO to all related documents.

(vii) Order entry / invoicing :

Order Entry enables the entry of both orders and sales returns, and handles invoicing and tracking needs. It also prints invoices, credit notes, order confirmations, picking slips and shipping labels. This module also integrates batch picking, with wave picking and priority-sorted pick to help us prepare these important customer shipments based on our business process.

(viii) Sales commission calculation :

The Sales Commission module helps us create sales objectives and sales commission plans. We can also configure various types of commission plans and track percentage of profits, percentage of sales, commission scales and commission windows.

(ix) External payroll integration:

The External Payroll integration module integrates the time management module with the external pay service for ADP, Pay flex, Ceridian or our bank. This module also manages the raw pay data to be processed and imports the data processed by the pay service while generating this general ledger transaction.¹¹

(x) E-accounting (paperless accounting):

Accounting information systems where source records, transactions and accounting entries are received, transferred, recorded, reported and filed within or outside the system & organization electronically, e.g. without paper.¹²

CHARACTERISTICS OF E-ACCOUNTING

- (i) E-Accounting means, accounting on Internet.
- (ii) E-Accounting is a new IT terminology based on performing the accounting functions.
- (iii) It (E-Accounting) is a secure Internet based service.
- (iv) In other terms e-accounting mean "enabled" "electronic" or Internet accounting
- (v) E-Accounting is a paperless accounting.
- (vi) It is highly flexible, reliable and robust system.
- (vii) It ensures total control of every aspect of accounting.
- (viii) E-Accounting collects opt-in data to create valuable prospect list.
- (ix) E-Accounting has always been seen as a business advisor.
- (x) E-Accounting is a first step if we are going to work online.

OBJECTIVES OF E-ACCOUNTING

- (i) To get more work in less time

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- (ii) To evaluate the value of the web is to look at the potential of selling products or information on-line.
- (iii) To facilitate the receipt of source documents and information from online and outsource clients.
- (iv) To provide the most efficient, accurate work possible.
- (V) To increase customer's loyalty and retention rates.
- (vi) To attain increased consistency with winning new customers.
- (vii) To increase understanding of customer's needs.
- (viii) To promote our business and expand sales with simple powerful tools.
- (ix) To provide a broad range of services which serve the professional accounting market.
- (x) To recognize the potential benefits of working online anytime, anywhere access to business information, etc.

IMPORTANCE OF E-ACCOUNTING

- (i) E-Accounting attains increase in our profitability and customer satisfaction levels while lowering management and support costs.
- (ii) E-Accounting delivers far more than just information and message to our customers
- (iii) E-Accounting represent a supporting service for the accounting profession offering reduced cost of processing, improved workflow models and applying the technologies and services required to secure and manage the data.
- (iv) E-Accounting has always been seen as a business advisor. This advisor not only reports on the business performance but may make recommendation's or judgment on certain situations or processes that any key to the business model.
- (v) E-Accounting developed the accounting professional, work closer with business clients while providing the best in outsourced business services.
- (vi) E-Accounting offers the information and education, resources need for accounting, legal, engineering and corporate training.
- (vii) Using E-Accounting we can oversee payroll, balance of general ledger and provide monthly statement, year and reports and tax preparation from our offices.
- (viii) E-Accounting gathers and analyzes actionable marketing data to drive future problems.
- (ix) E-Accounting creates & manages business building, email & newsletter programs.
- (x) Gain access to critical business applications and data anytime, anywhere.
- (x) E-Accounting offers some flexible options for licensing just the right software, when and where need it.
- (xi) E-Accounting provides a variety of tools and services that have proven effective in helping professionals grow business, increase profitability and create specialty service offering.

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Conflict of Interest

The author declared no conflict of interest.

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