

## **Best practice implemented successfully in Finance function.**

### **1. Title of the Practice:**

Implementation of Zoho ERP accounting software. Majority of the accounting and finance work was undertaken through analogue processes that were less efficient and time consuming. There was a strong need to digitalize the accounting process by adopting a State of art accounting software.

### **2. Objectives of the Practice:**

Historically, the accounting systems of the University have been organically developed and implemented. Over the years the University's accounting function has slowly shifted from cash book, ledgers, and registers to Tally accounting software. Though this system enabled flexibility and facilitated the entire gamut of finance transactions, it was neither robust nor integrated. There was a heavy dependence on manual work and duplication through memorandum excel sheets.

An ERP accounting software that would provide a platform for end to end and seamless workflow was the need of the hour. This was critical to support the rapid expansion and modernization in accordance with the NLSIU Inclusion and Expansion plan 2021-2025.

### **3. The Context:**

The University has limited commercial operations being a centre of higher studies. Accounting is no doubt an indispensable and ubiquitous requirement. The University had finalized a Master plan for upgradation of various physical and systems infrastructure to keep pace with the rapid expansion of the student body at the University and the concurrent increase in education and research activities.

Implementation of accounting ERP will help to strengthen internal controls, automate manual processes, ensure effective compliance and provide real time analytics that aid in Management decision making. Internal and Statutory auditors of the University had strongly recommended adopting ERP based accounting software to empower the accounting and finance function.

### **4. The Practice:**

A thorough evaluation was done by the Finance team on the functionality of the various ERP options available in the market. Zoho ERP was recommended for various reasons:

- a. A light ERP designed for mid-sized organization for preferred.
- b. There was a preference for Indian ERP as there is better understanding of the regulatory requirements and policy updates that happen often.

- c. Zoho is an Indian platform with a very good understanding of Indian Regulatory requirements and public sector framework.
- d. It is a cloud native platform that requires no upfront investment in servers or infrastructure.
- e. The platform is functional out-of-box and can be fully implemented within a short time span.

The books of accounts of the University are divided into General funds, FCRA grants/projects and Projects & schemes. These are in effect the 3 verticals of the accounting functions. The various asset and liability ledgers related to these verticals were migrated from the Tally accounting software into the Zoho ERP platform. Ledgers were assigned codes. These codes were mapped to various reports and analytics that are the foundation for any accounting activity. A unified voucher feature can capture data input related to the three verticals as against the various bank accounts or journal-based transactions. By flagging the analytics gets activated. Custom reports can be generated for in depth visibility and understanding. The basic input has to be validated by a two-step approval process that further strengthens controls and minimises errors. Payment banks are integrated to the branches/verticals and output data is pushed to banking portals for quick payment options.

NLSIU being a pioneer in legal education has recognized the need for sustainable accounting process and digital transformation.

#### **5. Evidence of success:**

NLSIU finance and accounts has completely shifted base from manual registers and Tally to Zoho accounting software. Pertinent policies and registration documents have been uploaded into the Zoho repository for ease of access. The Accounts and finance team is able to work off site thereby ensuring quick redressal of issues and smooth workflow. Audit and assessment procedures have been 100% facilitated with Zoho books.

#### **6. Problems encountered, and Resources required:**

The annual subscription charges were modest, but the one-time implementation cost was quite substantial. Further the Finance & accounts team had to be rigorously trained and mentored on the usage of the ERP to not compromise on the functionalities of the software. Transition of ledgers resulted in opening balance variation between the branches/verticals that required external professional support to identify the errors and resolve the matter. Qualified Chartered accountants were inducted into the team resulting in increased cost of resources.

**7. Notes:**

Short term challenges need to be faced and overcome for long term sustainable benefits. Accounts and Finance is the backbone of every institution. Digital initiatives should always be assessed over a perpetual landscape.