



Accounting and Tax Invoice Automation

Using accounting and tax automations to resolve inefficiencies arising from the use of different invoice management systems.

Challenge

Inability to efficiently issue official invoices (fapiao) to customers through China's Golden Tax System. Software differences resulted in the need to work manually, causing a duplication of work, and led to mistakes.

Solution

Dezan Shira and Associates helped the client streamline fapiao issuance through integration of company's ERP system with the Golden Tax System, allowing the two systems to share information symbiotically.

Impact

Our client was able to cut out the redundant manual labor – saving on time, manpower, and unnecessary costs related to invoice management.

CHALLENGE: Complicated invoice management, diversion of critical resources

Issuing official invoices (fapiao) to customers for products or services can be particularly challenging for foreign companies doing business in China. With an increase in the number of fapiao, the time spent in managing that issuance process also grows steadily.

Fapiao in China must be issued through the central government Golden Tax System (GTS). Users need to login, enter the details

to be shown on the fapiao, instruct the system to issue the fapiao number, and print the paper fapiao. At this time, the governments system logs the VAT amount on the transaction.

The process involves various manual elements, making mistakes inevitable as well as time-consuming to remedy. Our clients found themselves diverting important resources to correctly process fapiao.

SOLUTION: Modifying ERP systems to automate invoice management

To save time and reduce human error, Dezan Shira & Associates configured the client's ERP system to store information in the correct format which could be easily delivered to the GTS.

We created a file that permitted integration between the ERP and the GTS tool, allowing information to be transferred directly between the two systems. Customer data, along with tax details and details about specific product and service offerings

could now be transmitted automatically from the company ERP to the GTS.

Once a request to issue a fapiao is made in the GTS, details about the issued VAT number are written back into the client's ERP and stored there, creating a seamless two-way information sharing process. Within this ecosystem, instructions to issue the VAT number and print the fapiao could be made individually or in batches.

IMPACT: Quick, efficient processes with reduced costs

By configuring the client's ERP with the GTS, all information required for issuing a fapiao is available pre-verified from the ERP, eliminating the need for manual inputs. We were able to reduce the time spent during this process as well as the occasional errors that came with it.

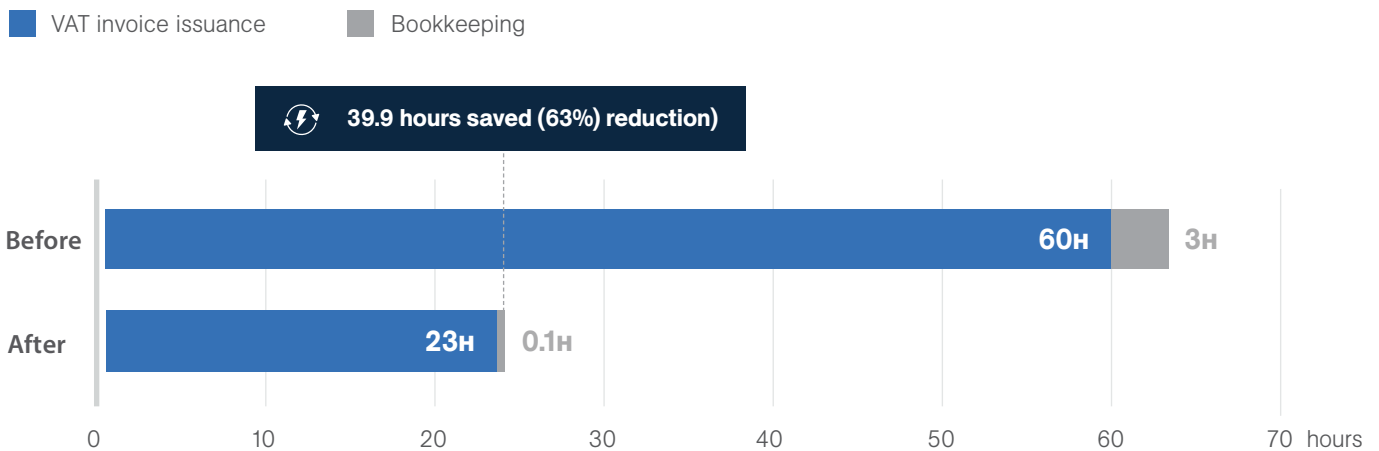
Through this integrated approach, the client could efficiently manage edits, cancellations and credits, as well as issue VAT numbers and fapiaos. Concerns that could be bothersome from an accountant's perspective, such as decimal point differences, were also easily resolved.

The ability to issue the fapiao in batches or individually gave our client the flexibility to adapt their invoices based on the

situation. If a product or project exceeded the maximum amount allowed on a single fapiao, our client was able to issue multiple fapiaos. Conversely, our client could also easily combine multiple projects into one fapiao.

Below is an estimate of the time saved on a monthly basis for a company which issues 150 invoices per month. Manually inputting information into the GTS would take around 60 hours per month. Using our integration method, where data would only need to be maintained in the ERP, reduces that time by over 63 percent. Assuming the cost to input all this data manually is around 100 RMB/hour, the monthly savings of integration is almost 4,000 RMB per month. As the company grows larger, so do the savings.

Monthly Time Saved on VAT Invoice Management (average 150 invoices issued per month)



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