

CENTRALIZED LIFE ACCOUNTING

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Abstract

According to Limperg's dynamic theory, accounting and auditing are rooted in the environment. Due to the continuous change of the environment and its effect on the needs of the audience, accounting is also bound to change and improve in order to maintain legitimacy and meet the needs of its audience. Therefore, accounting is continuously developing.

According to the mentioned explanations and the development of urbanization and consequently the appearance of apartments, towers and complexes, the need to design and establish a codified and coherent accounting system for this type of activities is felt. Therefore, in this article, we intend to provide a codified framework for accounting apartments, towers and complexes (concentrated life).

The use of centralized life accounting (CLA) controls resources and provides a framework for performance evaluation in addition to fulfilling the responsibility of accountability. Also, the development of the accounting field due to the connection between science and its practice will lead to the development of other accounting fields as well.

Keywords: *Accounting of apartments, accounting of towers, accounting of complexes, centralized life, coexistence and development of accounting*

INTRODUCTION

For a long time, with the change of lifestyle and the migration of people from villages and small towns to big cities, we have seen a change in the nature of urbanization, the structure of residence and the management of living spaces (Hajipoor, 2008). Therefore, in response to the lack of urban space to accommodate a huge number of people and their businesses, we are facing the mushroom growth of apartments, towers and residential and commercial complexes (centralized life).

Focused life has advantages and disadvantages like two sides of the same coin; In expressing the benefits of centralized life, we can mention high security, delegation or outsourcing of tasks, saving time through access and reducing costs. In contrast to people's behavioral and norm-breaking strains, restrictions on personal and family freedoms and similar cases are considered among the disadvantages of a concentrated life (CL); But what is certain is that the advantages of a focused life far outweigh its disadvantages. The reason for this claim can be found in the increasing growth of this lifestyle. Group coexistence requires the explanation, implementation and monitoring of dos and don'ts that are defined in line with collective interests; The importance of this is crystallized in the differences and individual

characteristics of people; Because due to the influence of environmental factors, education, level of well-being, upbringing, etc.; People have different views, interests and tastes (Ayazi, Armaghan, Khansari,, 2021), and the lack of these dos and don'ts may lead to possible disagreements between cohabitants and cause disruption in focused life. Therefore, based on the theory of public interests, the existence of a person or persons as a representative for delegating affairs with the aim of aligning interests and tastes and doing centralized life affairs is legitimized. Delegation of authority is intertwined with the relationship of agency; with the difference that in the issue of CL, the conflict of interests with the aim of maximizing the wealth of cohabitants is not discussed; Rather, the efficient, effective and cost-effective use of resources and performance evaluation is a central issue. In other words, the type of interests in CL is explained differently from the interests of managers. The needs of cohabitants in this lifestyle are maintaining and increasing security, improving welfare services, beautiful landscapes and green space development, peace, easy access to necessities, environmental health, and similar things. On the other hand, managers seek financial benefits. Therefore, the type of interests of the representative relationship spectrum in this area is not homogeneous. Therefore, in centralized life accounting, the level of performance of managers should be taken into account in order to provide a platform for fulfilling the responsibility of accountability. Therefore, this article aims to create a framework for monitoring and accountability of managers in the centralized life system by creating and proposing performance evaluation indicators. This research provides a framework and structure through which accounting services can be developed. Also, based on the explained frameworks, it is possible to implement this approach as a separate branch of accounting.

LITERATURE REVIEW

The environment changes under the influence of human needs and this change affects the human lifestyle. According to Limperg's dynamic theory, accounting is rooted in the environment; Therefore, in order to maintain its legitimacy, accounting must meet the needs of its users (Rezazadeh, 2017); In other words, the development of accounting depends on environmental changes and the formation of new needs leads to the development of accounting services. The purpose of centralized life accounting is to provide useful information for legitimizing the power of representatives, performance evaluation, decisions related to retaining or dismissing representatives, as well as cost management. Therefore, the focused life accounting framework is formed based on legitimacy theory, responsibility accounting, stakeholder theory, ownership theory, and public interest theory. According to

the theory of legitimacy, managers aim to meet society's expectations (Mehrani et al., 2017). To achieve this, managers must align themselves with the value system of society and be accountable for their actions. The nature of this theory is tied to the responsibility measurement accounting. Therefore, it can be claimed that the theory of legitimacy crystallizes by fulfilling the responsibility of accountability. On the other hand, due to the fact that the CL is introduced as a small social institution, the role of the beneficiary theory is exemplified. Because the goal of managers is to secure the interests of the beneficiaries (Mehrani, Kerami and Seyed Hosseini, 2017). Based on this and according to the theory of public interests, managers are trying to provide an optimal level of mutual benefits (ibid.).

A Framework for CL Accounting

The development of any science requires the explanation of the foundations of that science. Every science is based on a number of unproven theorems that prove the theorems in that science (Doostgharin, 2012); Such cases are called the principles of the subject. Therefore, the foundation of every science is based on the principles of the subject. Hence, the foundation of focused life accounting is also based on accounting assumptions and principles. Based on this, the CL accounting equation is explained based on relationship number one:

Relationship 1. $\text{Assets} = \text{Liabilities} + \text{Residual Value}$.

In relation one, assets are defined as resources under the possession of centralized life, which according to accounting principles, are provided by two groups of residents or owners of centralized life and creditors. Creditors of CL include the Ministry of Energy, Ministry of Petroleum, Ministry of Communications and Information Technology, municipalities and other similar reporting units that provide goods, services and energy in exchange for CL. The remaining value is also defined as the claim of residents and owners, which includes net resources.

Titles of Accounts

The titles of the accounts used in CL can be presented in three levels: general, specific and detailed, in the order of table number one.

Table 1

Headings and titles of the proposed CL accounts according to the group of Assets, Liabilities and residual value at total, Component and detailed levels

Assets			Liabilities			Residual Value		
Total	Component Account	Detailed Account	Total	Component Account	Detailed Account	Total	Component Account	Detailed Account
Cash	Bank	Separated by Banks and Account Type	Accounts Payable	According to the Account Party	-	Special Value	Reserve	-
	Cash	According to the Person in Charge						
	Petty Cash	Distracted by Person						
	Cash in Transit	Separate Funds and Documents in the Collection Process						
Receivable	By Household	-						
Pre-Paid	Pre-Paid	By topic and type of advance payment						
	Deposits and Cashiers	by deposit and deposit or by subject						
Supplies	Based on the type of requirements	-						
Furniture	-	-						
Building	Without separation or in the form of arenas and nobles	-						
Vehicles	By type of vehicle	-						
Intangible Assets	Royalties	-						

Although according to the characteristics of CL, all the above accounts may not be useful, but it is expected that these accounts will become popular as practical accounts in this

field. In the following, we will develop a framework for the above accounts in order to provide the basis for performance evaluation and accountability.

Assets

Assets are resources under the control of reporting units that are caused by past events and have future benefits (Godfrey et al., 2006). It is expected that the headings of cash, accounts receivable, advance payments, consumables, furniture, buildings, vehicles and intangible assets will be used in the CL, which will be briefly explained below. we will pay.

Cash

Cash includes bank accounts, funds, checking accounts, and intermediate funds, which vary according to the conditions. That is, according to the size of the centralized life, the number of board members, the amount of work, the variety of accounts and other such factors can undergo changes. Bank account headings can be divided into different types, including current account, short-term deposit, long-term deposit, etc. In order to better control the cash resources, it is suggested that the bank account be signed by two authorized signatories who are selected from among the board of directors who are chosen by the board of trustees or co-owners, and the necessary guarantees are obtained from them for the good performance of the work. Also, in the case of the fund account and the trustee (if any), it is better that the trustee is selected from among the people approved by the board of trustees or cohabitants and sufficient guarantees are obtained from them.

Receivable Accounts

Accounts receivable include creation or increase in the right to collect cash, decrease in debts or both, which postpones the time of settlement to the future based on the accrual basis of accounting. The heading of accounts receivable in centralized life accounting is only limited to claims from cohabitants that can be created due to centralized life charging. Therefore, this account can be created by separating symbionts at a certain level.

Pre-payment

Advance payment refers to items that are paid for before using goods and services (Franklin, Grayvbeal and Cooper, 2019). Advances used in concentrated living can be from insurance premiums, rent or purchase advances. Therefore, these account titles can be used at the level of detail according to nature.

Supplies Inventory

The inventory of essentials in CL importance and emphasis on benefit-cost compliance can include essentials related to repair, preservation and maintenance of the environment or administrative consumables. Due to the diversity of the concentrated living area, it is possible that in some complexes, the members of the board of directors buy blocks, bricks, pipes, cement, gardening tools, ornamental plants, detergents, etc. for environmental construction. They are classified in this heading. It is suggested that a person or persons be employed to control and monitor the necessary inventory that is approved by the board of directors or the board of trustees. The necessary account can also be detailed by its type into component items.

Furniture

The head of furniture is different according to the conditions and type of CL and can include air conditioner, refrigerator, TV, CCTV cameras, table and chair, telephone and so on.

Building

If the board of directors owns an independent unit, the title of the building can be used.

Vehicles

According to the conditions of CL and its size, some may consider providing motor vehicles, including passenger cars for patrolling, vans for carrying essentials, trucks for carrying garbage, or fire engines, which in this case are from the heading of vehicles. can be used.

Intangible Assets

Among the intangible assets that are expected to be used in CL are water, electricity, telephone, gas and accounting software.

Liabilities

Liabilities are the current obligations of reporting units that are caused by past events and are associated with the outflow of resources or economic benefits in the future (Godfrey et al., 2006). This heading includes accounts and payable documents. It is expected that the debts used in CL include debts to suppliers (service companies such as water, electricity, gas, telephone and internet), salaries and wages of the board of directors, the board of trustees and the workers employed in it. The separation of the board of directors, the board of trustees and

service companies at a certain level and the separation of members at the level of detail can be disclosed.

It is obvious that if documents are provided for the amounts of the obligations, the amount of the obligation is classified under the heading of payable documents.

Residual Value

Residual value is the net of resources under CL control. In other words, the residual value of the claim of symbiosis is concentrated in the resources of life, which results from the difference in the resources and obligations of the CL.

Financial reporting in focused life, accountability and performance evaluation

As mentioned earlier, the purpose of CL accounting is performance evaluation and accountability. For this purpose, firstly, the method of CL reporting in the form of basic financial statements is introduced and then how to use it to achieve the goals of this field of accounting is explained.

The basic financial statements in CL are the statement of consumption of resources, the statement of net worth and the statement of financial position. The way to prepare the resource consumption statement is the same as table number two.

Table 2
The Consumption of Resources

Recourse Consumption		
Resources		
Available Source	Cash	125
	Collection from residents (charging)	100
	Other income (such as bank deposit interest)	5
Collection ready for consumption		230
Is deducted:		
Expenses		
Bills	Water, electricity, gas, telephone, internet, etc.	-21
Salary	Workers, guards, etc.	-95
Maintenance		-19
Subscription		-30
Transferred expenses from the previous period		-20
Total Costs		-185
Cash balance at the end of the period		45

It is necessary to explain that the basis used in preparing the resource consumption statement is cash. In the continuation of this report, the statement of net worth on accrual basis will be as described in table number three:

Table 3
Two-Stage Equity Statement

Special Value Statement		
Cash balance at the end of the period		45
The non-cash expenses of the current period are deducted:		
Depreciation	-13	
The cost of consumables	Pen, Paper, Tea, etc. -4	
Reserve employee termination benefits	-5	
Interest expense	-10	
transfer fee (deferred)	17*	
Total Costs		-15
Special value at the end of the period		30
it will be added:		
The first eigenvalue of the period		10
Special value at the end of the period		40

The two-stage net worth statement, in addition to calculating the cash borne costs, calculates the accrual costs and will implement the full accrual basis. Considering that annual expenses will be taken into account in case of consumption of resources, it is necessary in the case of two-stage special value, the amount of transitional (deferred) expenses should be cleared with transitional expenses from the previous period*. In other words, assuming that the transfer fee of the current period was three riyals, then we will have: $17 = (3) - (20)$. The net worth balance at the end of the period will be presented in the financial statement. Because numbers and figures gain meaning in the position of comparison and can be understood through additional explanations, so it will be necessary to provide comparative notes and figures.

The Basis of Cost Allocating

The method of measuring the elements of costs and charging the concentrated life is suggested as follows:

Table 4
The proposed basis for sharing centralized living expenses

Expenditures	Allocating Basis
Water	1. Based on the Number of People; 2. According to the Number of Water Outlets;
Electricity	1. According to the number of units. 2. According to the number of sockets.
Gas	1. According to the square footage of each unit divided by the total infrastructure.
Phone	1. According to the number of units. 2. According to the presence of residents and the number of monthly calls in minutes.

Network	1. According to the number of people. 2. According to the number of connected devices.
Maintenance and Cleaning	1. According to the number of units.
Facility Maintenance	1. According to the number of units.
Building Maintenance	1. According to the square footage of each unit.
Green Space Maintenance	1. According to the number of units.
Swimming Pool	1. According to the number of people and according to the consumption pattern.
Guarding	1. According to the number of units.
Rights of Board Members	1. According to the number of units.

Considering that people's consumption patterns are different from each other and it is not possible to easily determine the amount of savings or high consumption of cohabitants, therefore, the share of each person is calculated as one full unit (100%). to be Therefore, using the basis of the number of water outlets is preferable to the number of people.

CONCLUSION

Due to the increase in population and the development of urbanization, we are facing the development of concentrated life. According to Limperg's dynamic theory and the two-way relationship between accounting science and practice (Rezazadeh, 2017), accounting is bound to change and must synchronize itself with environmental changes to meet the information needs of its audience. Because environmental changes and the development of CL create new information needs for decision making. Therefore, considering that the decision-making system needs data, the provision of data requires the establishment of a written information system, and accounting, emphasizing the dynamic theory of Limburg and providing information needs, should provide a framework for meeting new information needs and a basis for decision-making. provided Therefore, the purpose of this article is to present and propose a framework to meet the relevant information needs for controlling and optimal allocation of resources. Considering that in CL accounting, costs will be identified in certain headings and the way of their allocation and distribution is suggested, it is expected that resources will be allocated efficiently and effectively, and the field of accountability in the form of performance be provided monthly, six months and annually. The development of accounting in the field of concentrated life can lead to the development of other accounting services. In other words, with the development of the market of accountants' services, other complementary services can be used in the field of CL, including audit and assurance services, budgeting and reporting according to departments.

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