BLOCKBOOKS

BY TAXTOKEN

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WHAT IS BLOCKBOOKS?

BlockBooks is TaxToken's accounting software. The TaxToken team noticed many inefficiencies in current accounting methods. TaxToken created new accounting software that utilizes triple entry bookkeeping and blockchain technology with the elimination of these inefficiencies in mind.

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BACKGROUND: CURRENT INVOICE PAYMENT METHODS

Credit Card and ACH Payments

Currently, QuickBooks, a popular accounting software, utilizes "smart invoicing." Smart invoicing allows merchants to receive payment directly through the invoice, using credit cards or an ACH bank transfer. However, when merchants accept credit card payments they are charged a percentage (2.9% - 3.4%) of the invoice amount. Merchants who accept credit card payments are also susceptible to credit card fraud and chargeback fees. In addition, credit card transactions typically take 2-3 days to process.

ACH payment processing charges a lower percentage (.5% - 1%) or a flat fee (~$0.55). Although not quite as costly as their credit card alternatives, ACH payments still expose merchants to not sufficient funds (NSF) fees. Furthermore, the lower cost for transactions come at a price—payments typically take about 3-5 days to process. Despite these problems, and a relatively lengthy setup process, regular corporate buyers often settle recurring transactions through ACH transfers.

Checks

Around half of businesses settle their bills by mailing checks. Unfortunately, accepting and writing checks creates numerous opportunities for inefficiencies, errors, and delays. Checks can get lost in the mail, take days to clear, and are susceptible to fraud. When checks are received, employees waste valuable time manually entering data, filing paperwork, and adjusting entries. Mounds of paperwork associated with check processing can easily become disorganized or lost. Although seemingly convenient and economical, the cost of using a check to settle an invoice is about $8.

Wire transfer

Although fast and secure (funds are often received in one day), wire transfers can be even more expensive than credit cards transactions.

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TAXTOKEN INVOICING SOLUTION: BLOCKBOOKS

Blockchain Payment Solutions

Payment through the blockchain combines the low fees of ACH transfer with the immediacy of a wire transfer. Funds processed on the blockchain can be received almost immediately, with about a 1% fee, while avoiding nasty chargebacks, bounced checks fees, and not sufficient funds (NSF) charges. TaxToken will allow merchants to receive payments on their invoice via the blockchain. This method immediately generates additional revenue for merchants by reducing standard processing fees. TaxToken has also partnered with UTrust, for those concerned about paying with a volatile cryptocurrency.

Enhanced Cash Flow

Revolutionary blockchain payment technology allows clients to receive funds faster than ever before, with minimal fees. Increased liquidity allows your business to operate that much closer to 100% efficiency.

Truly Smart Invoicing

TaxToken goes beyond just offering merchants an alternative way to accept payments. Our software will allow merchants to generate invoices entirely on the blockchain. Through the following processes, blockchain-enhanced invoicing will drastically increase efficiency.

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Patent-Pending Auto-population and Confirmation

When invoices created on the blockchain are paid with cryptocurrency, your accounting records will automatically update. For example, Jim just sold a custom T-shirt on Etsy. If Jim's customer pays their blockchain-enhanced invoice with cryptocurrency, our software with automatically update Jim's books. This new accounting process alleviates Jim from manually confirming his payment was received and updating the ledger.

This sophisticated but simple-to-use process is made possible through smart contracts. Smart contracts can be thought of as a set of instructions capable of self-execution. Our clients will easily create, send, and receive smart contracts. Contained within the smart contract will be all the information of a standard invoice, company details, list of items, terms of payment, etc. Also contained within the smart contract will be certain instructions, or logic. When the logic meets a specific criteria, the smart contract executes its programmed instruction.

Returning to the previous example, when our client (Jim) sold a custom T-shirt, his books automatically updated. Here is what happened behind the scenes. When Jim sent his customer an invoice, a smart contract was created. The instructions on the smart contract said something like this: If $25 is received (the price of one T-shirt), then "true." Our software will scan the blockchain, looking for Jim's "true" transactions. When true transactions are found, the ledger is updated. Because the invoice and transaction occurred on the blockchain, corresponding data is trustworthy and verifiable. Cloud and paper competitors simply cannot compete with this level of data integrity. Furthermore, auto-population of journal entries removes the human component—and therefore human error—of tracking invoices and accounts payable.

Fraud protection

Invoices created and paid on the blockchain greatly reduce fraudulent opportunities. The blockchain will hold incorruptible, third party verified records of invoices. This data can be used to keep a secure, auditable, and up-to-date record of perpetual inventory. Immutable records stored on the blockchain are vastly more secure than cloud or paper alternatives. The unchangeable nature of the blockchain makes it incredibly difficult to commit or conceal fraud.

Auditability

Blockchain-powered invoices provide third party verification, reducing the need for auditors and accountants to check other parties' records. This saves our clients an immense amount of time and money in the event of an audit. Potential discrepancies can easily be reconciled by accessing an immutable ledger containing invoice entries.

Data analytics

Analytics and reporting tools are only as good as the data provided. Triple-entry bookkeeping allows our software to reference to third party verified data in real time, removing the need for human confirmation. This referenced data allows for the generation of incredibly up-to-date and accurate reports. Analytical tools pulling data directly from the blockchain allow clients to make the most informed decisions possible.

Why TaxToken?

TaxToken will provide clients a blend of the most cutting edge technology with tried and true methods. Integration with the newest technologies and methodologies saves clients time and money. Merchants using our invoice technology cold positively affect their bottom line the moment a customer pays with cryptocurrency instead of a credit card. TaxToken's expertise and forward thinking provides clients with the tools they need to take advantage of the very latest advances in Fintech, while supporting them with proven and reliable technologies.