MODERN ACCOUNTING FOR BANKS & CREDIT UNIONS

Companies slow to automate & modernize are at a disadvantage.
As regulatory changes and competition continue on an upward trajectory, banks and credit unions are more challenged than ever before to balance profitability and growth while minimizing risk. Disconnected reconciliation and attestation processes across disparate systems leave accounting teams mired in manual transactions and with little time to perform value-added activities. The lack of transparency and operational inefficiency that follow not only expose financial institutions to unnecessary risk, but also inhibit the agility required to fuel growth in the face of market volatility. The most successful organizations are turning to technology to automate and integrate processes for the accurate, real-time data needed to drive better business decisions. One perfect example of growing challenges from increasing success comes from Baxter Credit Union, the fastest growing credit union in the past 30 years.
Baxter Credit Union (BCU) had not changed their highly manual reconciliation process in years, despite an ever-growing member base to whom they continually expanded services. Meanwhile, the process was still favored by long-term employees, so there was slight hesitation to the introduction of any new technology.

“We recently surpassed the $2 billion mark in assets. We’re at a whole new level, and we can’t continue to do things the way we’ve been doing them. In business, it’s evolve or die. Change is never easy, but we just needed to help people understand that the process had to change. When you’ve been working at the same place for 20 years and have done the same thing for 20 years, change is hard.”

—CHARLOTTE O’NEILL, ACCOUNTING MANAGER, BCU

The challenge BCU was facing isn’t unique. Organizational processes can be so deeply ingrained that change is often met with suspicion, resistance, fear, and dread. When a company scales quickly, process improvement tends to get bumped to the bottom of the priority list, but the opposite should be true. When a company’s resources are all tied up from disconnected processes, departments, and technology, there is no time to address the big picture issues that allow an organization to grow.
Credit unions and banks are feeling the weight of competing and conflicting pressure to grow their institutions while simultaneously managing risk. Stop-gap solutions, however, often result in operational processes that are typically manual and department specific. The inefficient workflow can significantly delay critical speed to market and impede competitiveness.

As a result of compliance requirements, financial institutions tend to have a wealth of data, but disconnected processes create barriers to acquiring actionable insights. Manual, redundant tasks are cumbersome, leaving little time for business development and in-depth analysis of profit margins. The challenges facing banks and credit unions are already immense. Transaction matching, workflow tasks, and reconciliations should no longer be manually executed on spreadsheets.

**Benefits of Financial Close & Accounting Automation Software**

<table>
<thead>
<tr>
<th>Automation</th>
<th>Replace manual, spreadsheet-driven processes. Automate account reconciliations, journal entries, transaction matching, task management, and variance analysis.</th>
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<tbody>
<tr>
<td>Visibility</td>
<td>Gain clear visibility into business data across multiple currencies, accessing this data where and when it is needed—in real time.</td>
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<td>Efficiency</td>
<td>Spend less time on transactional tasks to provide value-added services. Stop just tallying up the figures. Make sense of financial data to improve business performance.</td>
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<td>Trust</td>
<td>Detect and correct errors to ensure financial statement accuracy. Balance assets daily and reduce the risk of accounting irregularities.</td>
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<td>Reporting</td>
<td>Validate all reporting from any ERP systems (SAP, NetSuite, Intacct, Oracle). Enhance Finance’s strategic contribution with accurate data and analysis.</td>
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“That is what modern finance is to me, being able to utilize technology to make the finance and accounting process more manageable and more efficient. There’s additional value in having the time to perform more analysis.”

—SHAKORA DERIXSON, FINANCE MANAGER, SUNTRUST BANKS, INC.
BlackLine offers a modern approach for banks & credit unions

BlackLine provides software that manages and automates complex, manual, and repetitive accounting processes, moving high-growth and established institutions well beyond outdated accounting practices. BlackLine enables Continuous Accounting by embedding automation, control, and period-end tasks within day-to-day activities. This adjusts the historically rigid accounting calendar to better mirror the broader business. Accounting and finance teams optimize business processes and costs with the BlackLine platform. It allows professionals to capture, confirm, and provide the timely financial data necessary for reporting, all while improving efficiency.

**Operational Benefits of BlackLine**

BlackLine’s unified cloud platform empowers accounting and finance teams to automate period-end activities and drive Continuous Accounting processes across their organization. Finally, technology is available that enables real-time reporting and analysis and an efficient and accurate process.

- **Reflects a modern way of operating** - Instead of completing period-end accounting activities in a few days, work is performed in smaller batches. This means accurate information is always available and there’s more time to review. And more review means reduced risk of fraud or restatement.

- **Enables faster analysis and real-time accuracy** - Data is analyzed continuously, based on the nature of the underlying business need. As needs change, data analysis can happen hourly, daily, weekly, monthly, etc.

- **Embeds operational efficiency** - Consistent workload can be built into the process, reducing the peaks and valleys of accounting labor associated with the legacy record-to-report chaos.

- **Leverages the power, connectivity, and security of cloud technology** - Unify the experience of dispersed teams across multiple ERPs and entities. Consolidating manual processes in the cloud provides global, controlled, and continuous access for accounting.
SunTrust Banks, Inc. had grown organically and through mergers and acquisitions, but their organizational structure had historically been decentralized. They needed a standardized process around reconciliation risk management, and their first step was to bring all of their reconciliations under a single umbrella. This centralization created the need for visibility, which led SunTrust to BlackLine.

In addition to providing the visibility SunTrust needed, BlackLine’s technology made it easier to ensure they were complying with changing regulations, enhancing controls, and enabling Audit to review supporting documentation.

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BCU realized their existing process would eventually hamper—or even halt—expansion, and implemented BlackLine’s Account Reconciliations. Part of BlackLine’s cloud-based finance controls and automation platform, Account Reconciliations helps finance organizations like BCU automate reconciliations to increase efficiency, control, and visibility.

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Against the backdrop of increasing competition, regulatory reform, and changing customer expectations, the banking industry is struggling to keep up. Decades of acquisitions have introduced complex operational processes that make it difficult to implement change and control costs. BlackLine’s cloud software bridges this gap by integrating with multiple source systems to streamline accounting operations and enable more efficient, effective, and flexible Modern Finance organizations.

<table>
<thead>
<tr>
<th><strong>5 benefits of accounting &amp; financial close software</strong></th>
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<tbody>
<tr>
<td><strong>Standardize &amp; Streamline</strong></td>
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<td>Legacy account reconciliation processes are manual and error-prone. BlackLine Account Reconciliations automates and standardizes the reconciliation process to ensure the accuracy of your loan accounting. Group your assets together to simplify the reconciliation process, and make it easier for auditors to access and review all transactions and supporting documentation in one place.</td>
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<tr>
<td><strong>Automatically Match Transaction Types</strong></td>
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<td>Stop manually ticking and tying thousands of transactions every day. BlackLine Transaction Matching quickly matches any and all transaction types – one million per minute – and identifies unmatched transactions, so accountants can quickly create reconciling items and correcting entries. Streamline and automate high-volume transaction matching to save hundreds of hours each month.</td>
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<td><strong>Continuously Validate Asset Balances</strong></td>
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<td>Keeping assets balanced is critical to providing an excellent customer and member experience. BlackLine Daily Reconciliations enables financial institutions to continuously verify these key account balances and transactional details to ensure accuracy throughout an accounting period. Standardize and streamline routine processes with automation, embed control and auditability, and refocus accountants on exception handling and discrepancy investigation.</td>
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Increase Visibility & Enhance Controls

With tasks being performed by multiple teams, often in silos, managing the close process can be a huge undertaking. BlackLine Task Management provides a centralized approach to monitoring the close at any point in time. Configure workflows to control manual accounting and finance processes, and link tasks to reconciliations and journals to ensure the correct sequence, flow, and rollup of related activities. Real-time dashboards provide a clear view into potential bottlenecks, and automated alerts inform staff of pending tasks and overdue items.

Connect & Integrate with Your Existing Systems

Save IT resources from the pain of performing costly, custom integrations and running ad hoc reports. BlackLine’s cloud-based accounting software is built for connectivity. Our secure platform integrates with SAP, NetSuite, Oracle, and more than 40 other ERPs and source systems, including Fiserv and Jack Henry. Data importing from bank files, POS systems, credit card statements, and other systems ensures data integrity while minimizing the risk of conversion and entry errors.
BlackLine builds solutions that modernize accounting and finance. We aim to enhance productivity and help detect accounting errors before they become problems. BlackLine products work in unison to remove manual spreadsheet-dependent processes prone to human error. From reconciliations and journals to intercompany settlement and the financial close, BlackLine’s cloud platform unifies accounting. More than 147,000 people accurately, securely, and efficiently execute critical accounting tasks in BlackLine.

**Account Reconciliations**
Automate and standardize the entire reconciliation process. Drive accuracy in the financial close with embedded controls. Provide accountants with a streamlined method to verify the correctness and appropriateness of their balance sheets.

**Journal Entry**
Centralize journal entry management and enable the creation, review, and approval of journals. Electronically certify and store them with all supporting documentation. Post journals to any general or sub-ledger systems with preposting validation eliminating rejections.

**Transaction Matching**
Reconcile millions of transactions in minutes. Match any type of data from many data sources and identify matched and unmatched transactions rapidly. Quickly and easily create reconciling items from unmatched transactions as part of a reconciliation.

**Task Management**
Centrally manage accounting tasks including unified integration with journals and reconciliations. Automatically certify tasks in a hierarchy when child tasks are complete. Control and track a variety of task types including close checklists, PBC lists, tax filings, and more.

Solutions designed to modernize accounting & finance for the banking sector
**Daily Reconciliations**
Continually check and ensure accuracy throughout an accounting period and automate labor-intensive reconciliations. Ensure the validity of the balances of bank, credit card, lockbox, and other key accounts. Embed controls and remove risk from manual spreadsheet-based processes.

**Variance Analysis**
Automate the monitoring and analysis of account balance fluctuations using rules that are easily customizable for your business. Identify account balances that fall outside of configurable thresholds. Manage risks by quickly uncovering discrepancies and flagging them for further investigation.

**Consolidation Integrity Manager**
Automate the tedious system-to-system reconciliation process. Bring data from your systems into a centralized location. Provide an automated workflow to investigate discrepancies. Stop manually comparing multiple ledgers to a consolidation system.

**Intercompany Hub**
Centralize the entire intercompany process. Manage and control all of the complexity inherent in intercompany accounting including reconciliations, currency values, transaction amounts, tax implications, journal creation, and approval workflows.

**BlackLine Insights**
Accounting and finance leaders are expected to deliver accurate, compliant, and real-time analysis of their organization's financial performance at all times. But many institutions wrestle with outdated systems and processes that don’t meet the needs of today’s business. Leading organizations are transforming their finance operations to reduce compliance risks and gain greater efficiencies.

Modernizing the way accounting & finance work at banks & credit unions
Continuous Accounting for Banks & Credit Unions

BlackLine’s vision is to modernize the accounting and finance functions to enable greater operational effectiveness and agility. In doing so, accounting teams can detect and address errors before they become problematic and play a more strategic role within their organization. BlackLine is the leader in Enhanced Finance Controls and Automation (EFCA) software, trusted by more than 1,500 clients around the world. Our unified cloud platform is uniquely capable of enabling Continuous Accounting. This modern approach embeds automation, control, and tasks typically not performed until the period-end directly within day-to-day activities, allowing the rigid accounting calendar to more closely mirror the dynamic nature of actual business cycles. This manifests itself within financial services institutions with daily automated transaction matching, reconciliations of loans, cash, credit cards, and ATM transactions, and regular variance analysis. As a result, banks and credit unions can regularly monitor for error, fraud, and inefficiency while gaining a clear picture of their institution’s financial health.

The BlackLine Vision

At BlackLine, we are working closely with our customers to automate and optimize a wide range of core accounting and financial processes to achieve “Modern Finance.” Modern Finance is a journey yielding continuous improvement in the quality, accuracy, and efficiency of accounting operations. By embedding process standardization, technical automation, and constant analysis, Modern Finance transforms the way accounting and finance is done.

The Modern Finance Advantage

The Modern Finance movement is quickly becoming a competitive differentiator by liberating accountants from the rote and repetitive labors inherent in their work. It also enables CFOs to execute the enterprise performance agenda with unprecedented visibility, control, and efficiency. The time has arrived to jumpstart the power of advanced cloud, automated analytics, risk mitigation, and deep reporting technologies.
“With the automation that BlackLine provides, we’re auto-certifying 95 – 98% of our 134,000 reconciliations. That is what Modern Finance is to me, being able to utilize technology to make the finance and accounting process more manageable and more efficient.”

—SHAKORA DERIXSON, FINANCE MANAGER, SUNTRUST BANKS, INC.

“We’re at a whole new level, and we can’t continue to do things the way we’ve been doing them. In business, it’s evolve or die. With BlackLine, we’re able to handle our growth and not just with regard to reconciliations. We’ve added so much functionality that we didn’t have before.”

—CHARLOTTE O’NEILL, ACCOUNTING MANAGER, BCU
Designed entirely in the cloud from the ground up, BlackLine is the only unified technology solution built specifically for accounting and finance. Those embarking on the Modern Finance journey embed process optimization and technical automation to facilitate unprecedented accuracy and visibility, while unleashing accountants to add more value to the broader business.
Modernize the way finance and accounting work and improve the efficiency, accuracy, and strategic impact of finance to better serve the broader organization. Beyond providing numbers, BlackLine automates processes, streamlines redundant tasks, and most importantly, delivers trust in accounting operations.
BlackLine is the creator and premier provider of Enhanced Finance Controls and Automation (EFCA) software to streamline financial close operations. BlackLine’s unified cloud platform and broad range of solutions puts it in a class by itself—a company recognized by Gartner as a Leader in providing both EFCA and Financial Corporate Performance Management (FCPM) software solutions. BlackLine is designed to automate and control financial close processes for midsize and large organizations, and complement ERPs and other financial systems. The SaaS solution increases operational efficiency, real-time visibility, control, and compliance to ensure end-to-end financial close management, fueling confidence throughout the entire accounting cycle.

BlackLine’s mission is to continuously improve the quality, accuracy, and efficiency of Accounting & Finance by centralizing key accounting functions within a single, unified cloud platform. BlackLine enables customers to move beyond outdated processes and point solutions to a Continuous Accounting model, which embeds real-time automation, controls, and period-end tasks within day-to-day accounting activities. As a result, BlackLine helps companies achieve Modern Finance and ensure an efficient and more accurate financial close. More than 1,500 companies around the world trust BlackLine to ensure balance sheet integrity and confidence in their financial statements.