



Redwood Business Solutions: Account Rec Automation

Financial process automation for reduced risk, process scalability, and improved resource use

Your Business Challenge

The finance department is a key strategic player in your business itself – minimizing compliance risks, analyzing opportunities, promoting efficiency, and providing data for informed decision-making. Supporting all of the finance department objectives is an accurate set of financial statements that clearly depict the health and stability of the company. An important, yet often overlooked aspect of maintaining accuracy in financial statement reporting is general ledger account (GL) reconciliation, which is considered a critical tool for detecting and correcting errors in financial data before submission to relevant authorities.





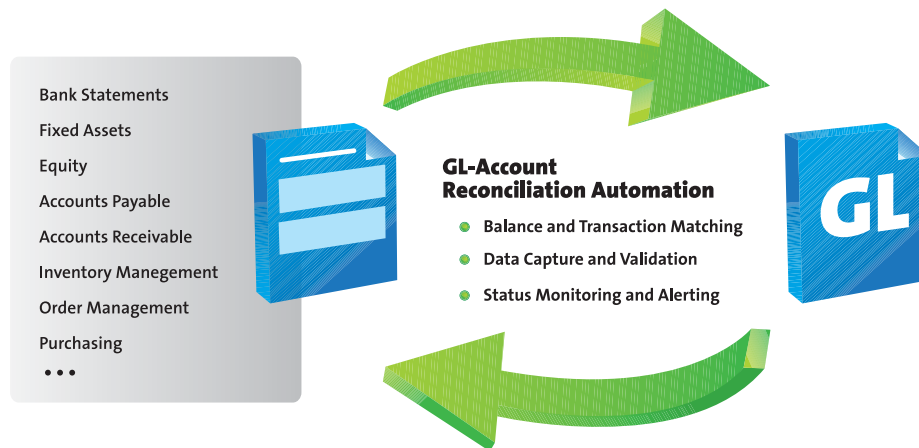
The Danger of Manual GL Account Reconciliation

A company's general ledger records all of its financial transactions. It's the backbone of all corporate financial statements. However, a general ledger can only be accurate if it is regularly and systematically reconciled with the actual transaction records detailed within it. Properly performed account reconciliations involve the comparison of a general ledger balance for a specific balance sheet account with the supporting documentation for what the balance should be. The two sources should be equal, which indicates that the main system of record is equal to the transactional system supporting it. Supporting documentation could be a sub-ledger of transactions or any other more detailed listing of account activity.

But the critical business process of comparing GL balance sheets to other specific balance sheets is often a complex, manual process fraught with the potential for error. As a result of these manual processes, GL account reconciliation is a primary contributor to financial restatements, material weaknesses, and lengthy period-end closing processes. With hundreds, or often thousands, of accounts to reconcile each month, finance personnel lack the time to perform proper reconciliations. The often manual nature of the task is overwhelming. As a result, reconciliations are sometimes slow, incomplete or not done at all. The key to performing these tasks effectively and completely is automation.

Redwood's GL-Account Reconciliation Automation gives our customers:

- Clear Visibility of the entire process to all stakeholders
- Ready Availability of reconciliation assignments by account
- Smooth Automation of notifications to responsible parties for delinquencies
- Complete Documentation of reported exceptions
- Fast Reporting to financial management and internal audit



Redwood's Reconciler

Redwood's Reconciler automates all aspects of the GL reconciliation process and captures data from any financial system across the enterprise. It tracks reconciliation status and approvals and archives the results for compliance documentation. GL-ARA empowers you to take charge of all account reconciliation activities including:

Balance and Transaction Matching

- Establishes pre-defined rules to compare total values and transaction-level detail between reports from bank statements to GL detail
- Highlights values exceeding a defined threshold within a single report
- Reconciles values automatically through integration with Microsoft Office Excel® spreadsheets

Data Capture and Validation

- Monitors all network directories for new information
- Incorporates data from both financial applications and business-related data sources, including PDF and text files
- Processes this new information as soon as it is available appropriate comparison rules specific to that reconciliation
- Highlights the values targeted for comparison or extract them into an exception report

Status Monitoring and Alerting

- Monitors reconciliation status in real time throughout every stage of your process
- Provides a clear view of reconciliation status with color indicators (green, yellow and red)
- Sends notifications or alerts to specified users when a validation process returns a failed status

A Central Repository: Improving Auditing and Compliance

Redwood's Reconciler stores industry-specific financial application reports from SAP, Oracle, and other sources in a centralized repository that stores and tracks other financial reports produced during and after the period-end close. This central repository maintains version control and protects confidentiality through strict security rules, eliminating the time consuming process of accessing reports from many different locations. Reports are organized into logical folders for easy access, and data retention periods can be set for each report type according to internal control and compliance requirements.

Redwood's Reconciler archives the approval history for all reconciliations, making the audit trail and documentation available to auditors and users with appropriate security privileges. Users can easily enter notes about issues that occurred and corrective actions that took place during reconciliation, and retain these as part of the audit trail.

Redwood's Reconciler: Your Business Solution

Accuracy and timeliness in financial reporting continues to be a strategic imperative for all companies. With increased scrutiny being placed on finance organizations to deliver results faster with no errors, the development of streamlined processes to handle important tasks such as account reconciliation in a more complete and timely basis is critical. Redwood's Reconciler greatly increases the efficiency and speed of your GL account reconciliation while simultaneously reducing the risk for error and time involved. Automation with Reconciler is your key to streamlining and improving your GL account reconciliation process.

About Redwood Software

Redwood Software helps customers compete and win in today's business environment through best-in-class business and IT automation solutions, products and services. We help businesses automate what matters most – to improve reliability, speed, efficiency and compliance.

We are the trusted automation expert to thousands of customers worldwide. We work to drive agility and unparalleled competitive advantage through specific process automation solutions while helping to maximize the value of existing information management and technology investments.



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