BALANCE SHEET RECONCILIATION

REDWOOD

Cloud-based automated reconciliation and certification

▎ MANUAL METHODS ARE HARD TO SHAKE

Balance sheet reconciliation is a critical and key control in the accuracy of financial reporting, but this process often requires hundreds of man hours across the record-to-report (R2R) function.

Companies typically deploy tools such as Excel, emails, shared drives and workflow to help, but these do not solve the underlying issues. Others use point solutions designed to help complete the reconciliation and certification process, but these are often designed to address the effectiveness of the balance sheet certification process, with only slight improvements in automation and minimum efficiency gains. Evidence shows that both methods still leave a substantial amount of work that must be performed manually.

▎ THROW OUT THE MANUAL

Redwood's approach to the automation of balance sheet reconciliation delivers the flexibility needed and the financial intelligence to provide higher levels of automation than point solution applications on the market today.

Between 60% and 70% of reconciliation work is performed by the preparers, and the key to remove the manual burden is auto-certification of almost everything a preparer must do. Simply analyzing the account based on balances can mislead and can inaccurately portray the activity that occurred in the account for the period being reconciled. Therefore, it is equally important to analyze and certify the underlying transactions as well as the balances themselves.

Redwood helps customers apply auto-certification rules at the balance level first, then automatically check the line items to ensure the account can be auto-certified based on the balance.

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100%
AUTOMATION OF BALANCE SHEET RECONCILIATION TASKS

*Typical examples of balance sheet reconciliation entries

- Auto certification
- Sub-ledgers
- Zero balance accounts
- Prepayments
- Accruals
- Depreciation
- Allocations
- Other criteria based auto certification
- Reconciliation completeness check
- Auto check of new accounts added

STANDARD BALANCE SHEET APPLICATION FUNCTIONALITY

Pre-configured reconciliation routines validate the balances with underlying applications, such as ERP, bank statements, files or other source systems. Redwood's automated routines then compare account balances between these sources and identify and report any discrepancies, so accounting staff can investigate them. Some of the features of Redwood's balance sheet reconciliation include:

- Reconciliation templates and checklists
- Integrated storage of supporting documentation
- Automated review and approval workflows
- Linking to applicable policies and procedures for easy reference
- Definition and monitoring of corrective actions reference
- Posting related corrections and journals directly into ERP
- Progress and risk dashboard

The end result is that Redwood's solution can automate up to 95% of balance sheet reconciliation tasks.

UNIQUE FUNCTIONALITY

Redwood's catalog of pre-automated financial tasks standardizes and automates any type of reconciliation and cuts out costly, tedious processes. The end result is that Redwood's solution can automate up to 95% of balance sheet reconciliation tasks.

Balance sheet integrity via our automation releases financial and accounting teams to focus on value-added activities. In addition, it helps organizations achieve a key milestone on the journey to digital finance by providing transparency into accounting performance and operations and moving beyond manual, error-prone processes.

A DEEPER LOOK AT REDWOOD'S BALANCE SHEET CERTIFICATION SOLUTION

Redwood retrieves and evaluates balance level information, as well as line-item level information, in real time from your ERP system. There's no need to extract ERP data for batch processing. The solution's evaluation rules are applied to achieve an average auto-certification of 95%. This lets the reviewers and the approvers focus on evaluation of true open items, errenous postings, excessively aged items, material postings, etc. rather than having to review items that are just a distraction.

The power of Redwood lies in its flexibility, extensibility and visibility. This includes pre-configured reconciliation templates that minimize manual intervention and offer configurable 'per user' account setup. It also provides a full audit trail that captures every decision (automated or manual) and every piece of evidence used for decision-making throughout the entire process. Redwood's Balance Sheet Certification solution works on the live database using APIs without replication of old data pulled from ERP systems, so it always has access to the most accurate data possible for reconciliation activities.

Redwood improves the accuracy of your financial statements and eliminates errors and risks. The solution underpins your balance sheet integrity process with fully auditable automation and builds trust to ensure reconciliations are thorough, accurate and on time.

ABOUT REDWOOD

Finally plug the 'automation gap' that leaves your people with lots of manual work and liberate your teams from the day to day grind and stress of the financial close. Redwood orchestrates and performs the work, so you always achieve an accurate and timely close.

Choose from our catalog of pre-automated financial tasks – across Journal Entry, Balance Sheet Certification, Intercompany and Close Checklist Automation and benefit from our deep integration with SAP, Oracle, other ERPs and business applications.

Our mission: unleash human potential. We free up the time and resources associated with repetitive manual tasks, so you people can help your company stay ahead.

More than 3,000 enterprises trust Redwood to automate their business.

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