

### Common intercompany accounting (ICA) challenges

#### Transaction volume

- Lack of visibility into transactions
- Increased manual effort to reconcile intercompany transactions
- Out-of-balance intercompany accounts

#### Disparate systems

- Disaggregated data sources
- Invoices not linked to intercompany transactions
- Manual intervention required for transactions between entities

#### Process complexities

- Inconsistent processes and rules across businesses
- Lengthy process to trace and track down issues

### Our ICA framework

#### 7 framework pillars

#### Leading practices



#### Governance and policies

Global policy executed timely; oversight from accounting, tax, treasury; materiality used to rationalize transaction volume.



#### Intercompany pricing

Integrated transactional level pricing and analytics. Tight integration of transfer pricing and finance functions.



#### Data management

Master data managed by center of excellence to support tax, business, and finance requirements.



#### Transaction management

Fully automated processing of invoices in ERP to achieve more standard intercompany process and reduce timing delays.



#### Netting and settlement

Automated dynamic settlement and clearing of originating transactions; efficient management of cash considerations.



#### Reconciliation and elimination

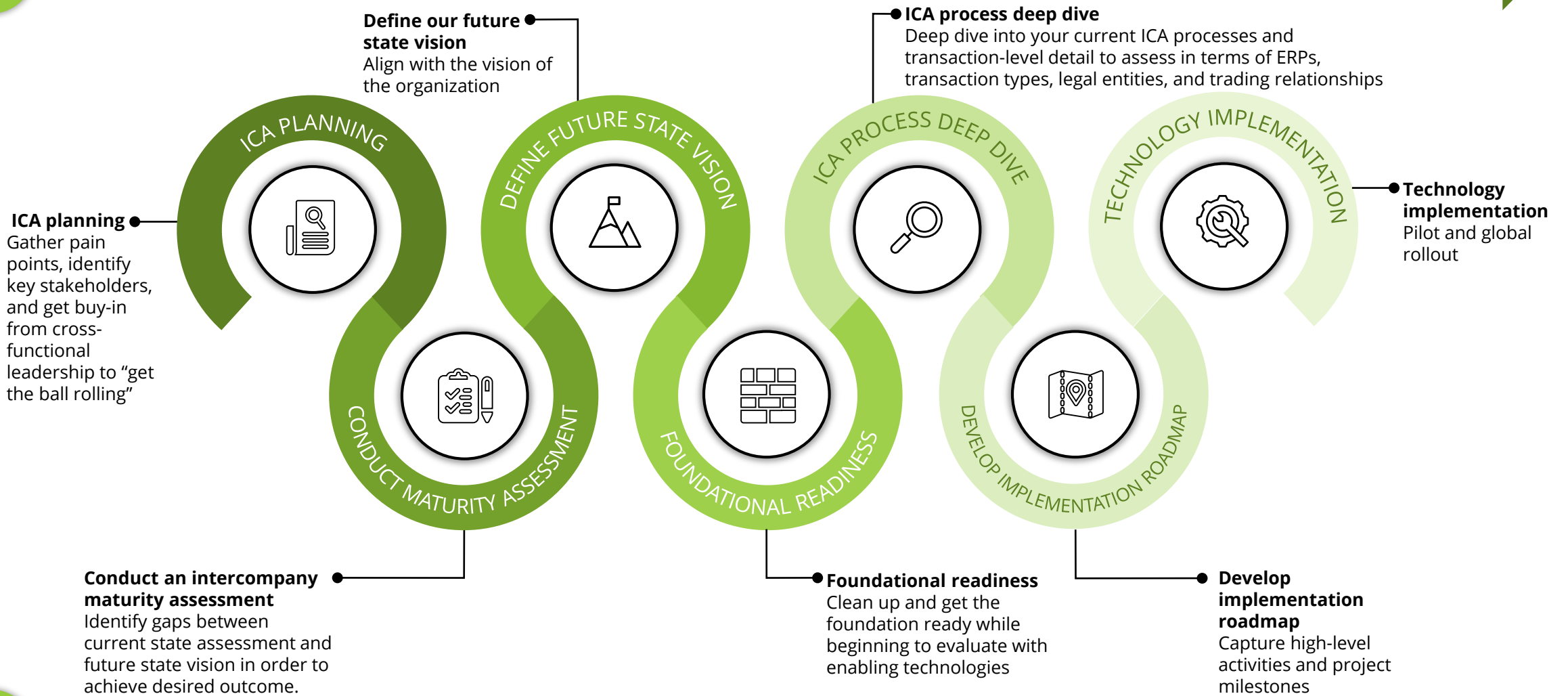
Fully-automated, transaction-level matching, reconciliation, and elimination including clearing of original balances post settlement.



#### Internal and external reporting

Integrated reporting and analytics; dashboard visibility to performance metrics.

### Intercompany transformation roadmap



### Intercompany additional resources

- [Cleaning up the mess under the bed: Why intercompany accounting is increasing corporate risk](#)
- [Intercompany accounting framework and leading practices](#)

- [Transforming intercompany transactions accounting](#)
- [Intercompany accounting leading practices for transformation](#)

### Deloitte's intercompany subject matter advisors



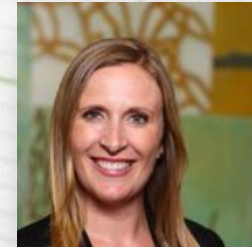
**Tom Toppen**  
Managing Director  
[ttoppen@deloitte.com](mailto:ttoppen@deloitte.com)  
Deloitte & Touche LLP



**Beth Kaplan**  
Managing Director  
[bkaplan@deloitte.com](mailto:bkaplan@deloitte.com)  
Deloitte & Touche LLP



**Kyle Cheney**  
Partner  
[kcheney@deloitte.com](mailto:kcheney@deloitte.com)  
Deloitte & Touche LLP



**Katie Glynn**  
Senior Manager  
[kaglynn@deloitte.com](mailto:kaglynn@deloitte.com)  
Deloitte & Touche LLP