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**Utilizing BlackLine to Manage High Volumes of
Transactions in an Increasingly Complex World**

Meeting with you today



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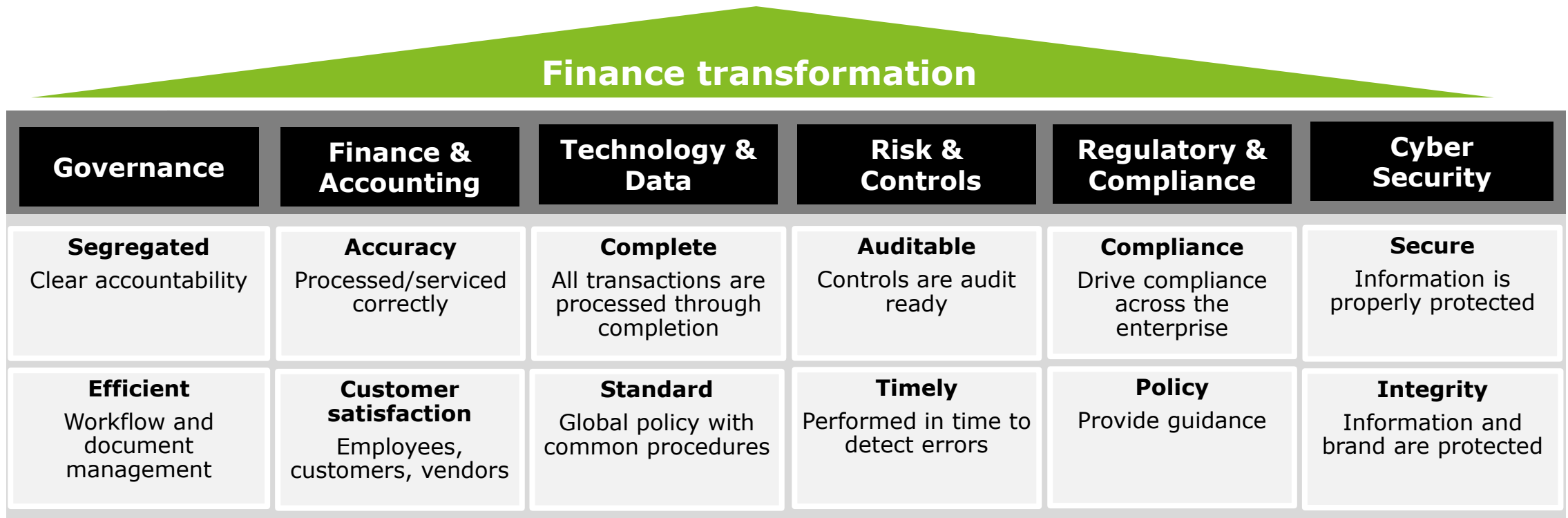


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Defining finance transformation

A finance transformation mindset is the expectation that organizations will maintain day-to-day business operations while also managing a changing technology and risk environment that impact the ability for finance to evolve alongside the core business



Digital transformation challenges in the market today

We see the market responding in a variety of ways to digital transformation challenges. These include organization's desire to automate but concern of a lack of consistent return, challenges of working in a siloed environment, and difficulty in effectively automating cross-solution

No one solution can solve all problems – how to effectively automate cross-solution

Challenging to get all **business stakeholders aligned and breakdown silos**

Difficult to get a consistent return across automation platforms and financial systems

Digital transformation appears **extremely expensive and time consuming**

Transformation journey can feel too **large and all encompassing** to be effective

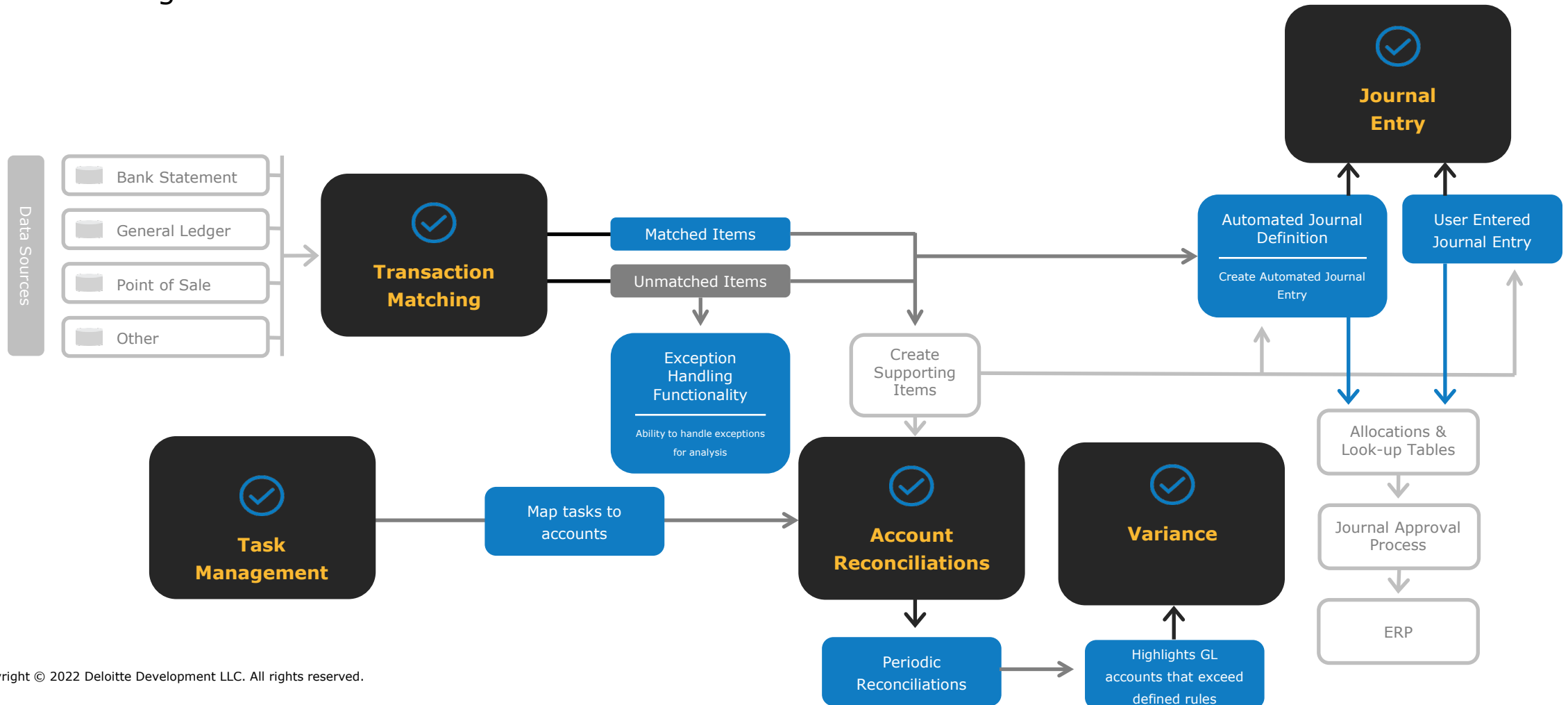
Finding resources to support digital transformation alongside existing work is difficult



BlackLine Architecture

Module Integration

BlackLine's Financial Close Suite features multiple modules, which provide extensive control, visibility, risk mitigation, and automation to accounting and finance teams. Modules work together to provide end to end close management

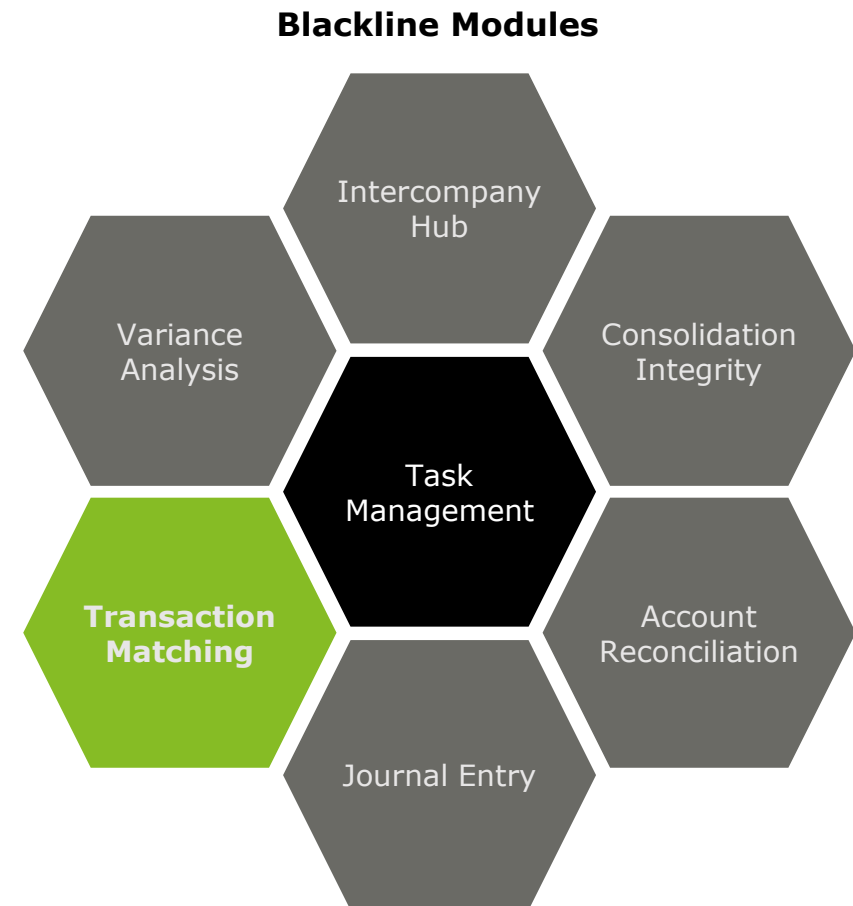


Transaction Matching

Streamlines and automates detail-heavy reconciliations, such as bank reconciliations, credit card matching, intercompany reconciliations and invoice-to-PO (Purchase Order) matching

Summary

- Automates transaction matching process through configurable matching rules and multiple data sources
- Ad-hoc matching functionality for non-routine scenarios
- Provides 'Suggested Matches' that go beyond the matching rules to decrease the amount of time researching exceptions
- Integrates with Account Reconciliation and Journal Creation modules
- Common uses of matching include:
 - Intercompany accounts (Accounts Receivable /Accounts Payable, Income/Expense)
 - Bank to General Ledger (GL) for cash accounts
 - Third party payroll detail to GL
 - Contract invoices to hours reported



Transaction Matching

Features

Automates process

- Transactions that meet the customized matching rules are automatically passed through the system
- Transactions are reviewed on an exception basis, which include unmatched and suggested matches

Highly configurable

- Match up to three data sources per rule set
- Matching rules may include variance rules, wild cards, and selective filtering
- Imported data is customized to bring in only the required data from the data sources

Integration with BlackLine suite

- Seamless integration with the Account Reconciliation and Journal Creation modules
- Unmatched transactions may be flagged as a reconciling item as part of a balance sheet account reconciliation or may result in a journal entry

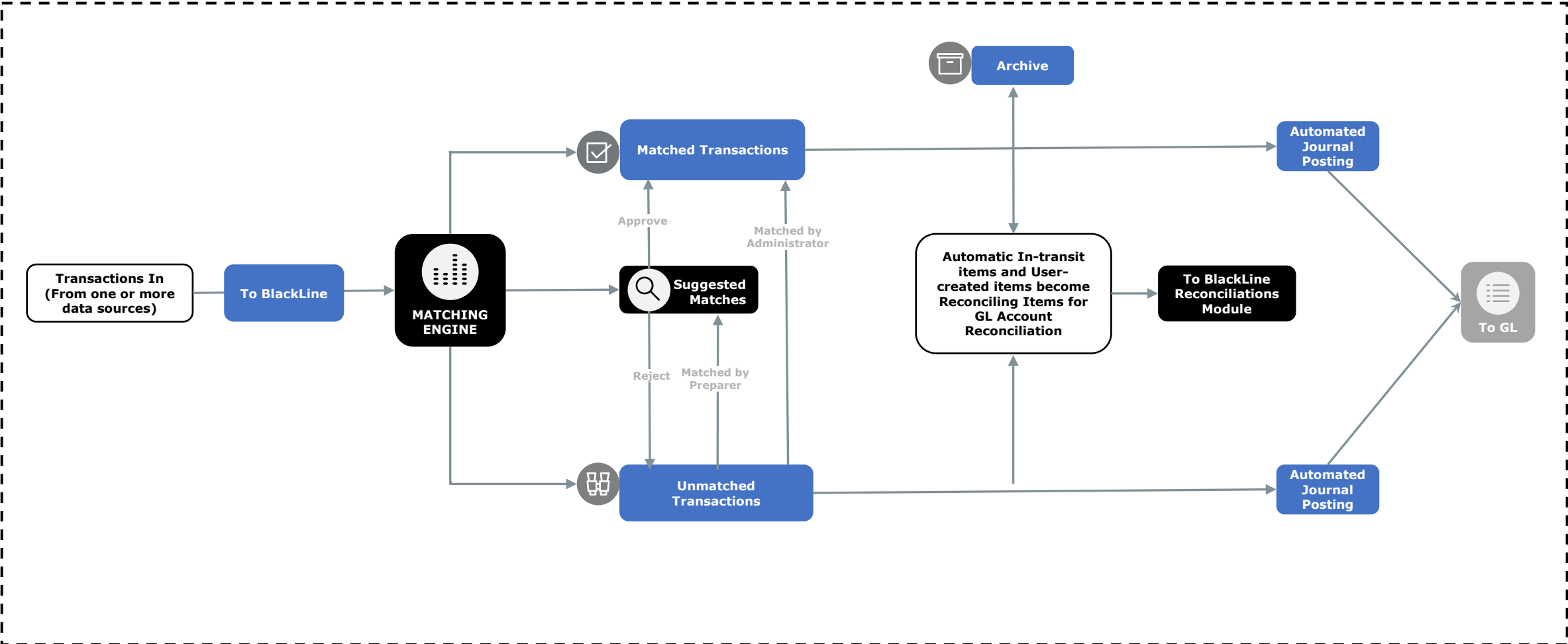
Electronic approval

- Users have the ability to match unmatched transactions and approve Blackline suggested matches
- These “manual matches” should be approved within the system before they are considered complete

Other features

- Row level filtering is available so entities may only have visibility into the source data that belongs to the specific entity
- Ad-hoc matching is available via spreadsheet imports for non-routine situations
- Capable of matching up to one million transactions per minute

Transaction Matching sample workflow



How to select Transaction Matching use cases

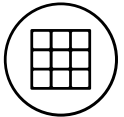
	Characteristics of effective BL Matching use case:	BL Matching may not be an efficient solution when:
Project Status / Goals	<ul style="list-style-type: none"> • A reconciliation where adjusting items stem from: <ul style="list-style-type: none"> – Transactions that do not match – Transactions that are able to matched but with a variance in amounts • A reconciliation where the subledger is currently manually maintained in a spreadsheet 	<ul style="list-style-type: none"> • Transactional matching is not a component of current reconciliation process • A reconciliation's adjusting items stem from events outside the normal flow of transactions (manual adjusting entries, reclassification of transactions, etc.)
Matching / Data setup	<ul style="list-style-type: none"> • Transactional data is high quality • Transactional data has unique identifiers that can match one side to another (invoice#, customer account, etc.) 	<ul style="list-style-type: none"> • Transactional data is prone to error and/or requires frequent manual cleanup • Transactional data does not have unique (or semi-unique) identifiers

Creating a data source design for transaction matching



Format

Format of report (.txt delimited, BAI, or JSON recommended)



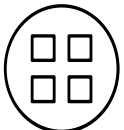
Data Fields

Data fields being matched will need to match exactly (including letter case)



No Match

If data fields don't match exactly (for example, a difference in name formatting: Last, First and First, Last) determine whether identifier can be extracted using the manipulation available in BlackLine when creating the data source

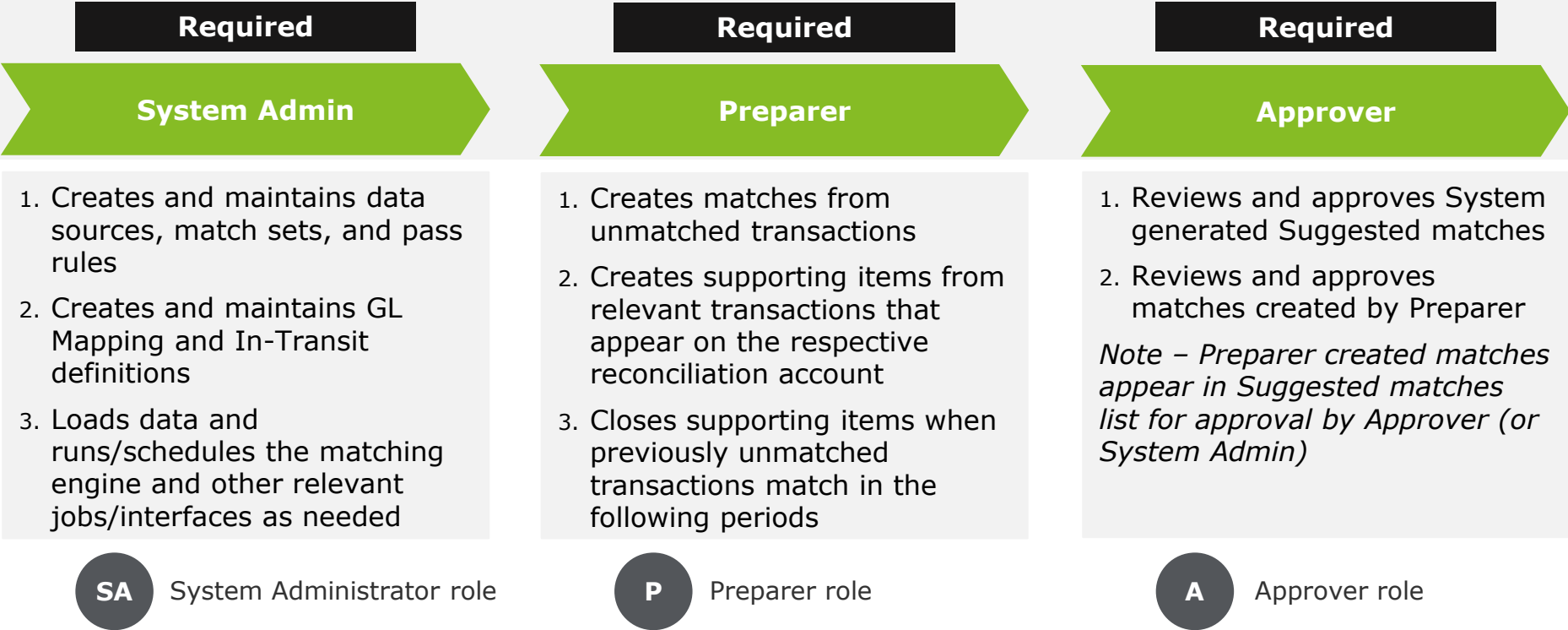


Alternatives

If manipulation cannot be used, then changes to process (data entry) or the data source itself may be required. It is also appropriate to decide how important the field is to the process. If a similar rate of matching can be accomplished without it, it may not be worth the cost reworking.

Setting up user roles for Transaction Matching

Roles determine responsibilities and permissions available to users:



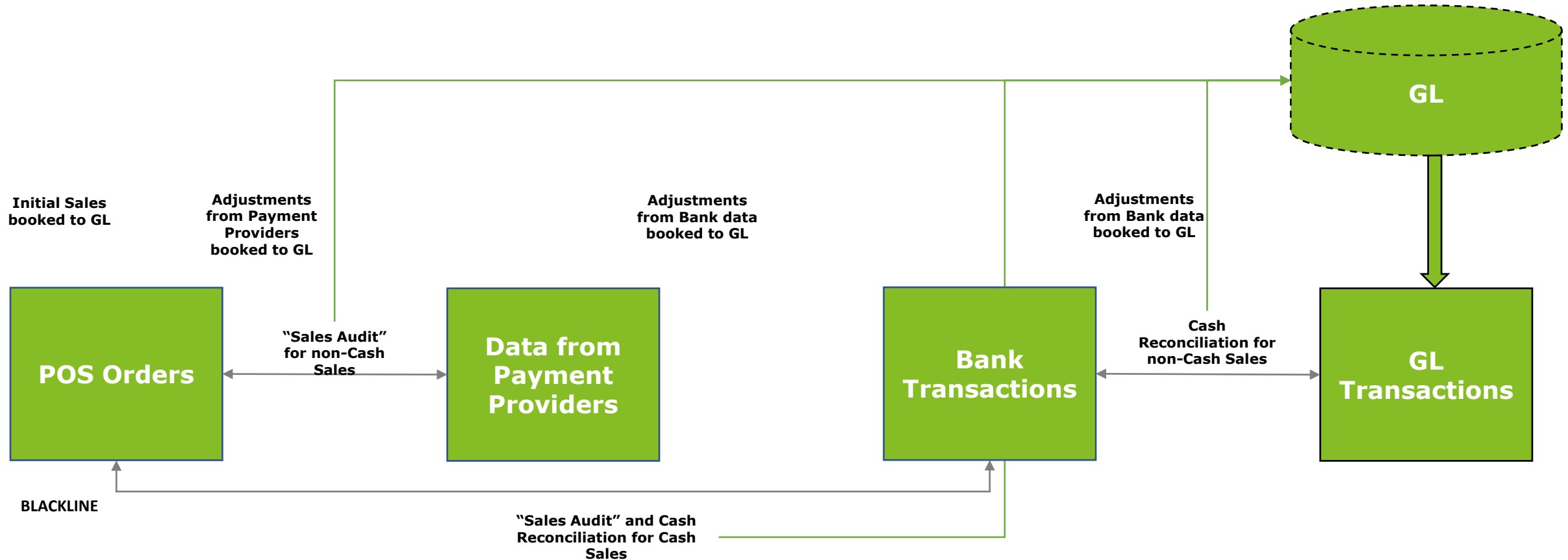
BlackLine enforces appropriate segregation of duties in the Matching module, as such preparer and approver of a match MUST always be different

User role assignments for matching do not necessarily need to align with reconciliation roles and responsibilities

Admin has system wide access to the entire Organization whereas the Preparer and Approver have access at the Match Set Level that they are assigned.

High Level Overview of Matching, Journals, and Reconciliation Processes for Stored Cash

For Reconciliation: Initial Sales + Pre-Bank Adjustments = Expected Cash Deposits



Getting Started

Implementation Considerations



Number of systems and/or programs used



Other system upgrades



Transaction volume & complexity



Current processes and desired improvements



Organizational and Reporting Structure



Controls environment



Process predictability



Manual work required



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