RECOLITE

Reconciliation System

Need for Reconciliation

- Reconciliation of high volumes of data
- Longer time to reconcile data
- High possibility of manual error
- Lot of paper work
- No connection between the data of the various Financial Centers

Overview of RecoLite

RecoLite automates the process of reconciliation which otherwise consumes a lot resources including manpower, time and money. Reconciliation System automates the reconciliation of accounts to the maximum possible level using the latest technology.

RecoLite enables a user to perform reconciliation on Bank and General Ledger. RecoLite can maintain many accounts of different customers with ease. Different users can be assigned different roles according to the requirement.

RecoLite automates the upload and reconciliation of transactions as uploaded from Bank and General Ledger thus reducing the effort of the finance team.

The Need

Reconciliation of accounts in any company usually involves a large number of people manually reconciling the entries. This means a lot of paper work and the high possibility of human error. This gives rise to the need of a reconciliation system which would automate the account reconciliation to the maximum possible level and generates reports identifying the entries that have not been reconciled and how long they have been in the system without being reconciled.

An automated system would provide the following benefits:
- Improved accuracy
- Greater control
- Improved efficiency
- Decreased costs
- Easy identification of entries causing account balance discrepancies
- Timely MIS reports

RecoLite Features

Data Gathering:

Upload Transactions

- Transactions from different type of sources (Bank, GL, Sub-Ledger) can be uploaded into the system
- The transactions can be uploaded from five fixed format files.

The following could be some of the transaction details that could be uploaded into the system:
- Transaction Number
- Account code
- Transaction reference
- JE Number
- Transaction date
- Date of upload
- Transaction description
- Transaction amount

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Manual Update of Balances

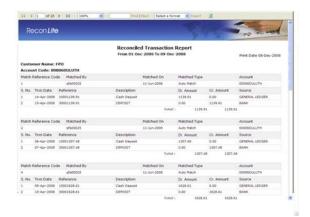The details that are uploaded into the system can also be manually updated through the screen provided in the system.

Data Processing/ Reconciliation Activities:

Automatic Matching

- For All accounts / Selective accounts
- Uses Auto-match rule templates stored in the system

As already explained in the matching modules, the system would generate reports for transactions that have been matched.

Reconciled Transactions Report
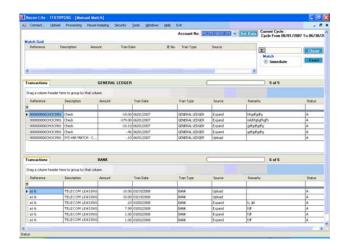

The details in the report would include:
- Account Code
- Match Set Reference No.
- Reference
- Description
- Transaction Date
- Date of matching
- Matched By
- Transaction Amount
- Matched Type
- Source
- The report would be grouped on Account Code & Match Set Reference No.

Manual Matching

The transactions that are not matched through the auto-matching can be manually reconciled through this feature.

Following category of system users would be allowed access to this functionality:
- Owner of the selected accounts.
- Backup user of some other reconcilers of the selected account.
- Supervisor of the reconcilers of the selected account.

Undo Match

Undo a match done by the system or manually, if there is a problem with the match.

There can be two types of undo match.
- Complete
- Selective

Complete Undo

Used to un-match an entire match set.

Selective Undo

There might be cases where out of a number of transactions in a match set only a few transactions' matching has to be undone, provided that rests of the transactions still make a valid match.

Aging Report

Aging Report provides categorized aging of the un-reconciled transactions, summarized on an account level and having following details:

- Account Code
- Total number of transactions
- Number of transactions with rating A
- Number of transactions with rating B
- Number of transactions with rating C
- Number of transactions with rating D
- Average age of transactions for the account

Where A, B, C and D are the ratings of the accounts according to the aging rules specified in the system.
Further, each account can be mapped to an appropriate aging rule

Analyze Exception Data:

The transactions that are outstanding need to be analyzed and the reason for their not getting reconciled needs to be identified. The reconciliation system provides a number of tools with the help of which this analysis would become much easier. Some of these tools are listed below:

Find Replace Reference

- The user can replace the "Reference" values of all selected transactions, by a user-entered replacement value.
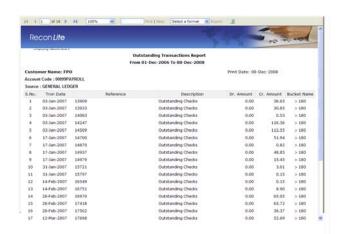
Filter Data

- Build a complex or simple filter criterion using this interface.
- User can specify the filter criteria by
  - Selecting a field
  - Selecting the operator
  - Specifying the filter value
- User can then add the statement to the filter criteria.

Sort Data

- Specify sort criterion up to three levels.
- Select field(s) from the list provided
- Sort on ascending or descending

Outstanding Transactions Report

- Lists all transactions that are outstanding in the system
- Report displays following details:
  - Account Code
  - Reference
  - Transaction Date
  - Transaction Amount
  - Bucket Name (Aging)

Exhibit Report

The system would display Annexure wise Exhibit report, which would include following details:

- Account Code
- Account Name
- Reconciled Period
- Reviewed By
- Annexure:
    - Annexure I - List of Cheque issued but not presented for payment.
    - Annexure II - List of Amount debited in book not in bank.
    - Annexure III – List of Amount debited by bank statement not in book.
    - Annexure IV - List of Amount credited in bank statement not in book.

Parameters, Rule Definitions & Setups:

Location Setup

Currency Setup
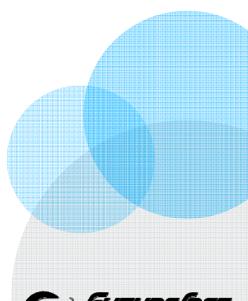
Cost Center Setup

Account Setup

Unique account code includes other the components of the account. Details captured are:

- Location Code
- Currency Code
- Cost Center Code
- Account code
- Account Owner (would be used for client contact also)
- Usage Instructions Code
- Variance Limit (in optional features)
- Decimal Points

User Management with Single Sign-On capability

- Login Id – Network domain ID
- User Name
- Password (used for web based reporting module)
- User Type
- Supervisor id –id of user who approves accounts reconciled by the user being setup.
- Backup user id –id of user who has access to accounts of the user being setup.
- Active Flag – Indicator of inactive or active user. Only active users allowed to log into the system.

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Optional Features:

Auto System Triggered Reminders & Escalations

The system can be configured to send reminders & escalation mails to the concerned persons on following events:
- Reminders/ Escalation for respective:
  - Upcoming/ Missed Uploads for an account-set
  - Upcoming/ Missed Reconciliation activity for an account-set
  - Upcoming/ Missed Recon-Closure for an account-set
  - Upcoming/ Missed Recon-Closure Review deadlines for an account-set

The following details can be captured for each of above Escalation Conditions & Account Set:
- Email to which escalation email needs to be sent
- CC to which the email needs to be sent
- Content of email.

User Defined Matching Rules

Rules used by the system while performing an automatic match on an account(s). Details maintained in a rule:
- Match Rule Name
- Created By
- Condition Field Left
- Summary operator Left
- Operator
- Condition Field Right
- Summary operator Right

Some examples for matching rules could be:
- General Ledger transaction(s) reference = Bank transaction(s) reference and have the same amount.
- General Ledger transaction(s) journal number = Bank transaction(s) journal number and have the same amount
- General Ledger transaction(s) description (or a part of it) = Bank transaction(s) description (or a part of it) and have the same amount.
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- General Ledger transaction(s) description (or a part of it) = Bank transaction(s) description (or a part of it) and have the same amount.
- General Ledger transaction(s) reference = General Ledger transaction(s) reference
- Bank transaction(s) reference = Bank transaction(s) reference

Client Setup

The Client code would be linked to the account code along with the other codes to uniquely identify an account. The details captured would include:
- Client Code
- Client Name
- Primary Client Contact
- Primary Client Contact Email
- Primary Client Contact Details
- Secondary Client Contact
- Secondary Client Contact Details
- Master SLA Document (link to Filename & Path)
- Relationship Manager (Internal to Quattro)
- Relationship Manager Email

Reconciliation Account Setup

This would identify all the account(s) that are part of this reconciliation

- Account-Set ID
- Reconciliation Type:
  - Financial
  - Non-Financial Unit
- Constituent Accounts-Sets
- Scenario for 3 way/ account reconciliation to be explored by sample data
  - Primary Account Code
  - Secondary Account Code

RecoLite & Review Calendar Setup

- Client Code
- Recon Account Set (a combination of 2 or 3 account Primary, Secondary & optional Third)
- Frequency (Monthly/ Weekly/ Daily) – (from Account-set maintenance)
- Every n^{th} Month/ Week (if not regular)
- GL/Primary Data Upload Date Range (Earliest-Latest)
- Bank/Secondary Data Upload Date Range (Earliest-Latest)
- Other/3rd Data Type Upload Date Range (Earliest-Latest)
- Recon Closure Date By Days
- Recon Review Date By Days

Usage Instructions

- Each account may have its own rules for reconciliation.
- Expert reconcilers can create usage instructions for other reconcilers.
- Reconcilers see the usage instructions specified for the selected account.
- Secured from editing by the users.

Recon Work Dashboard (Client Work Set & Period wise)

- For a Date Range (for Daily) / Period (for monthly/ fortnightly/ weekly)
- Separate reports would be used for daily processes & monthly recons
- For a Client / All Clients

Resource-wise Account-Wise Detailed Productivity Report

- Resource wise RecoLite Work Set wise Resource Utilization
- For a Date Range (for Daily) / Period (for monthly/ weekly)
- For a Client / All Clients
- Working Resource Name
- Assigned RecoLite Work Set – Account
- Time Spent (on this Account Set)
- RecoLite Work Started (Yes/ No)
  - System detected – (any auto/manual matching activity started or not)
- Manually Matched Transaction (on this Account Set)
- Closure Status (Soft Closed/ Finalized)

Resource-wise Productivity Summary

- For a Date Range (for Daily) / Period (for monthly/ weekly)
- This productivity report gives period-wise productivity and resource utilization
  - Working Resource Name
  - Number of Assigned Recon Work Sets – Account Sets
  - Total Account Sets worked upon
  - % Accounts Worked Upon (vs. Assigned Accounts)
  - Total Standard Time for these Accounts
  - Total Time Spent (logout–login)
  - Time Spent Variance % (vs. Standard Time)
  - Manually Matched Transactions