

# BlackLine Systems – Account Reconciliations

AT&T Case Study



# Background

- The new AT&T is a result of the combination of many separate telecommunications companies and convergence of services.
- Currently, there are approximately 28k Balance Sheet accounts reconciliations completed monthly.

Entity	# Recs	# Users
Legacy SBC	21,000	229
Legacy AT&T	900	90
Legacy Cingular	1,000	100
Legacy BellSouth	5,000	185
Total	27,900	604

- BellSouth implemented BlackLine's Account Reconciliation software in July 2006 and benefits from automated completion, tracking, reporting, and approval of all general ledger reconciliations. **Since implementation, over 73% of BellSouth's balance sheet accounts are auto-reconciled.**
- Other AT&T legacy entities use manual tracking spreadsheets, with no automated reconciliation, tracking, or reporting.
- GLCM scheduled for implementation for all AT&T entities, beginning with legacy SBC in April, 2007.

# BlackLine Benefits

- **Web-based system**
  - Quick implementation driving by business/accounting (IT involvement minimal)
- **Ease of reconciliation completion**
  - Account balance data is imported from Oracle GL
  - Sub-ledger data and/or balances imported from other systems and ERP modules.
    - Balances are auto-reconciled if the imported sub-ledger balance agrees with the general ledger balance without exception.
    - Multiple sub-ledgers can be reconciled against one GL account
  - Reconciling items can be added by the reconciler
- **Data integrity**
  - Defined user roles for preparers and approvers
  - Auto roll forward of open reconciling items and accruals
  - Reconciliations are not considered complete until both the Preparer and Approver certify
- **Ease of reporting**
  - Real time reports at account level
  - Provides internal and external auditors evidence for account reconciliation completion, reviews, and supporting documentation.
- **SOX Improvements**
  - Proactive & continuous control monitoring
  - Report and trend unreconciled items by account class for risk assessment and early identification of potential financial reporting impacts
  - Reduce testing related to account reconciliations

# ROI Analysis

- **BlackLine's Auto-Reconciliation Process**
  - Rules-driven process, eliminates manual, low-risk work
  - Produces all necessary documentation for compliance and audit
  - Allows staff to focus on reconciliations that need analysis
- **Time Savings resulting from Auto-Reconciliation**
  - Each reconciliation completed and certified by the system saves on average 15 minutes of manual labor
  - Manual process would be preparer checking balances, verifying lack of activity, creating and printing spreadsheet, signing and handing to approver for second signature, and placing record into a binder for audit and compliance documentation
- **Cost Savings resulting from Auto-Reconciliation**
  - 73% of balance sheet accounts are auto-reconciled, projected to auto-reconcile more than 20,000 reconciliations per month
  - Average pay for Preparer is estimated at \$10.00 per hour
  - Time saved is more than 5,000 hours per month, company-wide
  - Cost savings is estimated at more than \$50,000 per month
- **Not Inclusive of ROI for other BlackLine Benefits**