

Case Study



Fast-Growing Bank Automates Reconciliation and Certification for Greater Productivity, Accuracy and Visibility

Facing challenges associated with rapid growth, a New York City-based bank turned to Fiserv for its core banking platform and additional solutions, including Frontier™ Reconciliation. The bank increased productivity and visibility and added a streamlined workflow with Frontier Reconciliation from Fiserv. The bank now performs more reconciliations with the same staff and sees clean audit trails, fewer charge-offs and standardized reporting and tracking.



Replacing Labor-Intensive Manual Processes

With roots as a small community bank, a New York City-based bank grew through acquisition and merger, doubling its assets and then doubling again with total assets of nearly \$31 billion. In 2013, the bank decided to change to a more robust core system, and chose Signature® banking platform from Fiserv.

In November 2014, the bank rolled out the core system and 63 additional systems in a single day. Frontier Reconciliation was one of those systems.

“When we saw a demo of Frontier Reconciliation, we were very excited about it. We knew it would add efficiencies to our group and across the enterprise,” said the bank’s controller and senior vice president.

Frontier Reconciliation is a comprehensive reconciliation and certification solution that forms a complete account reconciliation picture across the enterprise to make exceptions instantly visible and reduce manual interventions. Workflows fully automate labor-intensive processes and

Client Profile

- Incorporated in 1888
- Branches throughout New York metropolitan area
- Total assets: \$30.48 billion
- Total deposits: \$20.5 billion
- Total loans: \$20.0 billion
- Signature banking platform
- Ranked #31 on the Forbes 2018 “Best Banks in America” list

ensure compliance with corporate and regulatory controls. Frontier Reconciliation minimizes the risk of financial misstatement with transaction-level matching and a full audit trail.

Before implementing Frontier Reconciliation, the reconciliation team struggled to complete more than 100 reconciliations every day, especially Certificate of Deposit (CD) settlement and Demand Deposit (DD) settlement, which took hours. The reconciliation process was excruciatingly manual, requiring the team to print spreadsheets and highlight data.

“For a growing bank, that wasn’t going to work,” said the controller.

Automating Reconciliation Across the Enterprise

With help from Fiserv the bank first set up reconciliation for Federal Reserve Reconciliation (Fed Rec), ACH and ATM.

“With Frontier Reconciliation, we immediately saw a reduction in charge-offs because things were being reconciled in a timely fashion,” said the controller. The bank now performs more reconciliations with the same staff and has clean audit trails.

Demand Deposit Accounts (DDA) is a good example of more efficient reconciliations. Before Frontier Reconciliation, the cost to reconcile DDA was \$29/day. After implementing Frontier Reconciliation, the cost dropped to \$4.68/day – an 84 percent decrease in costs.

However, with slower than expected organizational adoption of Frontier Reconciliation, the bank decided to create the role of Frontier Reconciliation administrator to oversee rollout to more accounts and departments, which helped immensely. The bank’s goal is 100 percent automated reconciliation.

Providing Visibility Into Certification

The bank also decided to upgrade to version 8.0, which included Frontier Reconciliation: Account Certification, a fully-audited workflow-based solution to manage the review and approval process for reconciliations. Encapsulating industry best practices, Account Certification delivers critical visibility and transparency into reconciliation controls and the associated supervisory and attestation processes demanded by regulatory compliance.

“I didn’t realize the benefits of certification until I saw it,” said the controller. “As controller, I have responsibility for quarterly review of every reconciliation that comes through the bank, and there was no standard format. It was a challenge.

“We implemented Account Certification with a small group and I was extremely pleased to have everything in the same format and to be able to attach notes and track what had been received and reviewed. Having that audit history is important for us.”

Account Certification workflow offers a more streamlined process as all reconciliations are in one place to review. Previously, reconciliations had to be printed, signed, manually handed from one person to another and then scanned and sent to accounting.

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Controller and senior vice president

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“With Frontier Reconciliation we reduced our DDA reconciliation costs by 84 percent.”

Controller and senior vice president

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Advice to Other Institutions

The controller offers this advice to other financial institutions facing reconciliation inefficiencies:

- Make a commitment to a single point of contact to manage the process within your organization
- Consider hiring professional services to get up and running quickly
- Find a solution provider that has the depth of experience and breadth of solutions to support your organization
- Even if you use another automated reconciliation system, know that Frontier Reconciliation: Account Certification can be used with any system

“Fiserv has been a great partner with us. We’ve been through a lot together over the last couple of years,” the controller said. “We wanted a provider who was able to work within our business strategy for growth, who allowed for customization and who was as invested in our success as we were. Fiserv has proven to be all of that, and more.”

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Controller and senior vice president

Challenge

To keep pace with growth, this bank needed to automate and standardize labor-intensive manual reconciliation processes, reduce charge-offs and increase visibility into certification.

Solution

This bank implemented Frontier Reconciliation, a comprehensive reconciliation solution that forms a complete account reconciliation picture across the enterprise to make exceptions instantly visible and reduce manual interventions. The bank also added Frontier Reconciliation: Account Certification, a fully-audited workflow-based solution to manage the review and approval process for reconciliations.

Proof Points

- Integration to one platform from many lines of business and General Ledger (GL) companies
- More reconciliations completed by the same staff in less time
- Fewer charge-offs due to reconciliation errors
- Elimination of complex manual processes for loan control
- Reduction of support email/paperwork and streamlined procedures
- Many hours saved on key reconciliations (Fed Rec/ATM/ACH)
- Standardization of all reconciliations

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization. Our solutions help clients deliver financial services at the speed of life to enhance the way people live and work today. Visit fiserv.com to learn more.

Connect With Us

For more information about Frontier Reconciliation, call 800-872-7882, email getsolutions@fiserv.com or visit www.fiserv.com.

Key Benefits of Frontier Reconciliation:

- Provides accurate data for use in financial close process
- Increases operational efficiency
- Helps meet regulatory requirements
- Offers greater data visibility and exception detection with transaction-level matching
- Provides full audit trail
- Processes large volume of transactions per day on highly scalable platform
- Handles all transactions and account types



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