

Case Study



Capital City Bank

Reconciliation Reimagined: Digitally Transforming the Financial Close

At Capital City Bank, too many people from too many departments were hand-keying vital reconciliation data into too many spreadsheets. Confidence in the data was not as strong as desired. The bank turned to Frontier™ Reconciliation from Fiserv for greatly improved accuracy, speed, controls and efficiency.



Every department prepared its own reconciliations at Capital City Bank in Florida. Monthly, about 20 people from a dozen departments hand-keyed data into Excel spreadsheets. Then reports for nearly 400 general ledger accounts were printed and reviewed by various department managers.

The reconciliation process was difficult to manage and control. Inconsistencies, inaccuracies and formatting issues were commonplace and time-consuming to resolve. Formulas and figures could easily be altered in Excel, either accidentally or intentionally, potentially exposing the bank to financial misstatements or fraud.

"We couldn't verify the data we were using to reconcile and close the books because we lacked visibility into the balances," explained Daniel Cilar, financial accounting manager for Capital City Bank. Short of checking every figure with a calculator, there was no way to confirm the quality of the data coming from the departments.

As a financial institution with \$3 billion in assets, Capital City Bank needed a reliable, auditable and scalable approach to reconciliation and certification. The accounting and operations teams came



Client Profile

Capital City Bank Group is one of the largest publicly traded financial holding companies in Florida and has approximately \$3 billion in assets. Its bank subsidiary, Capital City Bank, was founded in 1895 and operates 59 banking offices and 73 ATMs throughout Florida, Georgia and Alabama. It provides a full range of banking and asset management services, plus merchant services, data processing and securities brokerage. Capital City Bank has repeatedly been named a "Best Place to Work" in Florida and Georgia by *Florida Trend* and *Georgia Trend*. Year after year, *American Banker* magazine has named it among the "Best Banks to Work For" in the United States.

together to reimagine reconciliation for the bank.

Reimagining Reconciliation

The accounting team wanted tighter control over the quality of data feeding its financial reports. "It's a whole lot easier to eliminate errors at the start," Preston Wigsten, financial accounting supervisor, said. "Automation was the way to go."

Capital City Bank carefully evaluated a few providers before selecting Frontier Reconciliation, which automates the entire reconciliation process and eliminates manual interventions. Workflows fully automate labor-intensive processes and ensure compliance with corporate and regulatory controls.

With account certification built into the solution, it was more comprehensive than other solutions, and it was scalable for Capital City Bank's large organization.

"We were impressed during the demos," Wigsten recalled. The experience of Fiserv in the industry and references from its portfolio of major banking clients also swayed the decision, he said.

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Daniel Cilar
Financial Accounting Manager
Capital City Bank

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Saving Time, Adding Confidence Was Critical

With Frontier Reconciliation, data is automatically loaded into the system each night, eliminating opportunities for mistakes or fraud. "With that data management and enrichment process,

we could finally have confidence in the data," Wigsten said.

It's also faster. Once imported, the system's multithreaded matching engine goes to work, automatically syncing as many transactions as possible – in some cases over 90 percent – using criteria set by the bank. The accounting department now has just five full-time employees working on reconciliations.

"We eliminated one full-time employee in accounting and reallocated the equivalent of 0.5 full-time employees in other areas of the bank who no longer have to perform reconciliations," said Cilar.

Capital City Bank also centralized reconciliation into its accounting department, which added an important internal control mechanism and saved time for staff in other departments. "With Frontier Reconciliation, we are able to maintain clear segregation of duties. This means our reconcilers aren't able to update ledger data or clear their own balances, which acts as a protection against fraud," added Cilar.

Because the data is centrally stored and accessible, accounts that previously took 20 to 30 minutes to reconcile are now completed in just 5 minutes. Even with fewer reconcilers, Wigsten said, "We reconcile some accounts 50 to 75 percent faster."

He added, "It's a significant time-saver. There's no need to pull materials to review. All the information we need is already in the solution. We can see our balance at a glance, even if there are exceptions."

Nearly 90 percent of Capital City Bank's eligible manual reconciliations are now automated through Frontier Reconciliation, with more conversions coming.

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Gaining Visibility for Auditors and Certifiers

Auditors have faster, simpler access to information too. Cilar gave internal and external auditors the ability to pull reconciliations and supporting documents directly from Frontier Reconciliation.

"That's a big benefit," Cilar said.
"Auditors like the results and love the transparency and audit trails."

Capital City Bank also benefits from Account Certification from Fiserv, a fully-audited workflow-based solution to manage the review and approval process for reconciliations. Account Certification delivers critical visibility and transparency into reconciliation controls and the associated supervisory and attestation processes demanded by regulatory compliance.

Because reconciliation and certification are integrated into a single process, the data can be traced throughout the financial close life cycle – from data ingestion through matching, exception management, reconciliation, certification and signoff. The records are fully auditable, including time stamps and click

history, and all notes, attachments and documentation are digitally saved in Frontier Reconciliation for easy reference.

Now Capital City Bank executives can certify with confidence – and have visibility into the transaction-level history of the entire balance sheet.

"I love the certification module. Our department managers like it. It has sped up the process. It has such good audit trails," Cilar said.

Investing for the Future

Frontier Reconciliation has helped Capital City Bank transform the reconciliation and certification process through stronger controls, extended visibility and substantial efficiencies. Cilar added, "It bears fruit. Frontier Reconciliation has been a very good investment."

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Challenge

Reconcilers from a dozen different departments were manually entering data into Excel spreadsheets, which led to inconsistencies, formatting issues and opportunities for mistakes. The accounting team lacked visibility into the balances, so data integrity was impossible to verify or detect.

Solution

Capital City Bank chose Frontier Reconciliation and Account Certification to centralize, standardize and automate the reconciliation and certification process. Reconciliations are performed within the accounting department. The bank now has stronger internal controls, data visibility and a faster process.

Proof Points

- Data is automatically loaded, reducing errors
- Some account reconciliations are 50 to 75 percent faster
- Nearly 90 percent of eligible manual reconciliations are now automated
- Eliminated one accounting employee and reallocated the equivalent of 0.5 full-time employees from other departments
- Auditors and certifiers have more confidence in the data