When First Federal Bank reached $2 billion in assets, its manual reconciliation processes could not keep up with its growth. Timeliness, data accuracy and exception management suffered, as did the overworked accounting team. So the bank implemented Frontier Reconciliation from Fiserv.

When First Federal Bank acquired several financial organizations in quick succession, transactions skyrocketed. The bank grew from $500 million to $2 billion in assets and from nine branches to 24 branches. The burden of manual reconciliation processes became overwhelming and the accounting team worked extra hours to maintain account reconciliation.

Brooke Hand, SVP and controller, said, “Our bank thrives on its positive culture and strong focus on customers and employees. The tremendous effort it took to reconcile accounts using manual processes was not aligned with our approach. It was not efficient or effective for employees to spend so many manual hours on the financial close, when technological solutions exist.”

Reconciling accounts manually and rekeying data left the bank vulnerable to possible errors, inaccurate data and even fraud. Exceptions took months to research. Using Excel spreadsheets “required countless hours” to reconcile accounts, Hand said. “Every balance sheet for every account had to be manually signed off.”

In 2007, the bank implemented Prologue™ Financials from Fiserv, a fully...
integrated accounting solution. (The bank also uses Premier® from Fiserv account processing platform.) According to Hand, adding Prologue Financials was an “amazing experience” and when the bank decided to automate reconciliation in 2009, Frontier Reconciliation was a front-runner. But it wasn’t until Hand went in-person to see a bank using Frontier Reconciliation that she made her decision. Frontier Reconciliation was the right solution to meet the bank’s reconciliation challenges.

“It’s been a smart decision to automate reconciliation.”

Brooke Hand
SVP and Controller
First Federal Bank

Lower Risk, Higher Productivity

Frontier Reconciliation forms a complete picture of account reconciliation across the organization that makes exceptions instantly visible and reduces or eliminates manual intervention. It minimizes the risk of financial misstatements with transaction-level matching and a full audit trail, driving a faster and more accurate financial close.

With the help of Fiserv consultants during a five-week implementation, the bank set up all daily accounts for automated reconciliation on Frontier Reconciliation, including cash, ACH, ATM, Federal Reserve, daily loan, deposit and savings accounts. Files are imported from Prologue Financials.

“Reconciling the daily accounts helps facilitate a timely and accurate financial close,” Hand said. “Now we can see the matches immediately and resolve exceptions much faster, in weeks instead of months.”

The segregation of duties in Frontier Reconciliation means no opportunity for data manipulation. “The auditors like that. From an auditor’s perspective, it’s much better than spreadsheets,” Hand added.

Although the accounting department still has eight employees working on reconciliations, they enjoy the efficiencies created and split their time with more value-added responsibilities.

“We wanted a life outside accounting, and with Frontier Reconciliation, we got our lives back,” Hand said.

What’s Next for First Federal

Hand plans to bring in Fiserv consultants to perform an operational audit to find ways to improve efficiency, consistency and internal controls, reduce costs and automate more manual processes. For instance, Hand would like to increase the percentage of the balance sheet that is reconciled through Frontier Reconciliation. Also, Hand would like to add the securities portfolio for automated reconciliation.

“It’s a great system. Overall it’s been a smart decision to automate reconciliation, and we want to continue automating to recognize additional benefits,” Hand said. “Frontier Reconciliation meets the bank’s goal of more automation and less paper.”

“Reconciling the daily accounts helps facilitate a timely and accurate financial close.”

Brooke Hand
SVP and Controller
First Federal Bank
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.

Challenge
When First Federal Bank acquired several financial organizations in quick succession, transactions skyrocketed. The bank grew from $500 million to $2 billion in assets and from nine branches to 24 branches. The burden of manual reconciliation processes became overwhelming and the accounting team worked many extra hours just to keep up.

Solution
The bank turned to Frontier Reconciliation to automate reconciliation, making exceptions instantly visible and reducing or eliminating manual intervention. The solution minimizes the risk of financial misstatements and drives a faster and more accurate financial close.

Proof Points
- Reconciled all daily accounts through Frontier Reconciliation
- Resolved exceptions in weeks instead of months
- Reduced the potential for fraud or misstatement with segregation of duties
- Increased employee satisfaction by reducing workload
- Achieved bank goal to have more efficiency through automation, with fewer paper processes

Connect With Us
For more information about Frontier Reconciliation, call us at 800-872-7882, email getsolutions@fiserv.com or visit fiserv.com.

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