

# Continuous Accounting: Your Key to A Faster Close!

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The Association of  
Accountants and  
Financial Professionals  
in Business

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# Featured Presenter

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# About Presenter's Organization

NETSUITE IS  
THE WORLD'S  
#1 CLOUD ERP

To see how NetSuite gives you clear visibility and total control of your business, visit **NetSuite.com**

- Financials
- Cash Flow
- Payroll
- Inventory
- and more

# Agenda

1. Continuous Accounting Explained
2. How to Switch to Continuous Accounting
3. Benefits and Application of Continuous Accounting
4. Accounting Standards, Government Regulations, and Tax Laws
5. Conclusion and Key take away

# Continuous Accounting Explained

# Record to Report Process

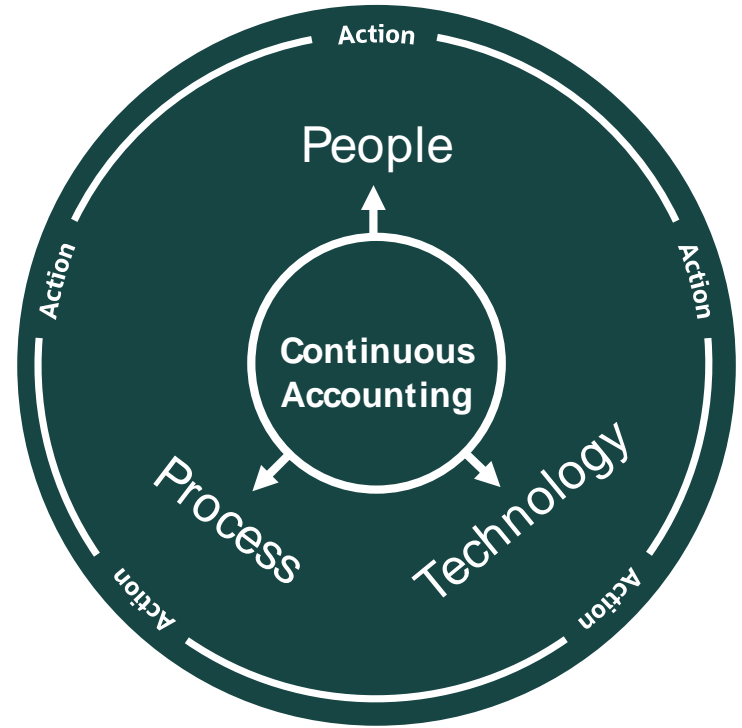
- **Before the Cloud, accounting systems were built to accommodate an assembly line type of functionality.**
- **Financial results are only produced at the end of a given period.**
- **The process is not broken; it has failed to modernize.**



We can't start the bank reconciliation until the 7th or 8th of the month. Or the 9th, if the 8th is a Sunday....

Cash balance according to bank statement		\$16,707	
Add:	Deposit of May 31, not recorded by bank	3,000	
			\$19,707
Deduct:	Outstanding checks:		
	#81	\$548	
	#84	983	
	#85	68	
	#86	175	1,774
			<u>17,744</u>
<b>Adjusted balance</b>			<u>\$17,933</u>
Cash balance according to Zip Flyer Inc.		\$14,619	
Add:	Note and interest collected by bank	\$4,300	
	Error in recoding Check #80	18	
	Interest	1	4,319
			<u>4,319</u>
			\$18,938
Deduct:	Check returned because of insufficient funds	\$600	
	Bank plan fee	5	
	EFT - Utilities bill	300	
	EFT - Telephone	100	1,005
			<u>1,005</u>
<b>Adjusted balance</b>			<u>\$17,933</u>

1. Automate repetitive processes
2. Optimize the accounting calendar
3. Create a culture of continuous improvement







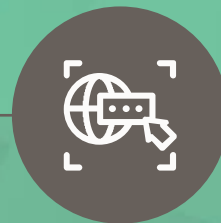
## Modern Cloud GL

- Real-time
- No batch processing
- Data rich



## Continuous Consolidation

- Multicurrency
- Multi-entity
- Auto elimination and consolidation



## Immediate Globalization

- Internationalization
- Localization
- Statutory reporting



## Actionable Intelligence

- Personalized
- Contextualized
- Automated

## Poll Question 1:

What is your least favorite part of the month-end close process?

- a. Long days/long nights
- b. Additional stress and deadline pressure
- c. Waiting for information
- d. Complicated closing schedules
- e. All of the above

# Poll Question 1 Results: (Placeholder)

# How to Switch to Continuous Accounting

**Step 1: Evaluate the current state of the accounting cycle**

**Step 2: Envision the future state.**

**Step 3: Divide all period-end accounting processes into smaller, simpler tasks.**

**Step 4: Distribute tasks throughout the cycle's daily workflow.**

**Step 5: Automate rote, repetitive tasks.**

**Step 6: Monitor and continuously improve processes:**

**Step 7: Review big picture outcomes regularly**

# Continuous Accounting Do's & Don'ts

**DO**



Crawl, Walk, Run

**DO**



Take a  
Holistic  
Approach

**DO**



Secure  
the Right  
Technology

**DON'T**



Focus Solely  
on the  
Technology

**DON'T**



Think  
of it as a  
Destination

## Poll Question 2:

How long does it take your organization to close the books?

- a. 1-4 days
- b. 5-6 days
- c. 7-10 days
- d. More than 11 days
- e. I don't know/Not applicable

## Poll Question 2 Results: (Placeholder)



# Benefits and Application of Continuous Accounting

## 1 VISIBILITY

Real-time visibility into performance, giving decision makers insights they need to control costs, make smart investments and achieve profitability goals, a crucial advantage in a rapidly changing business environment.

## 2 COMPLIANCE

Ensures compliance with accounting standards, government regulations, tax laws and internal policies by consistently applying the appropriate rules and schedules to revenue recognition, depreciation, and other processes.

# Benefits and Application of Continuous Accounting

3

## ACCURACY

The combination of automated processes and replacement of spreadsheets for complex calculations boosts accuracy by eliminating duplicate data entry and the potential errors caused by out-of-date spreadsheets or incorrect formulas.

4

## AUTOMATION

Eliminates the need to collect and normalize data saving dozens of hours every month. This extra time can be put to better use. Rather than tracking down and consolidating information, accounting staff can focus on value added analysis.

# Leverage Continuous Accounting Data

- Bridge the gap between historical data and forecasting
- In-depth analyses to drive the business forward
- Respond quickly to changes in the market



## Poll Question 3:

Does your company have clearly defined and communicated accounting policies, approval hierarchies and close processes?

- a. Yes
- b. No
- c. I don't know/Not applicable

## Poll Question 3 Results: (Placeholder)

Accounting Standards,  
Government Regulations,  
Tax Laws

# Accounting Standards, Government Regulations, Tax Laws



## Revenue Recognition

- ASC 606/ IFRS 15
- As the company satisfies a performance obligation



## Fixed Asset Depreciation

- Centralized data
- Automated calculations and schedules



## Lease Accounting

- ASC 842/ IFRS16
- Automated calculations and schedules



## Multi-Entity Financial Consolidation

- Separate financial records
- Common general ledger

## Poll Question 4:

How would you rate your accounting department's level of automation?

- a. Highly automated (>80% of tasks automated)
- b. Mostly automated (51-80% of tasks automated)
- c. Somewhat automated (20-50% of tasks automated)
- d. Barely automated (<20% of tasks automated)
- e. I don't know/Not applicable



## Poll Question 4 Results: (Placeholder)

# Conclusion

Focus on  
Continuous  
Process  
Improvement



# Questions and Answers

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# Thank you!

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