

BlackLine Intercompany Hub

When transactions occur between two related legal entities, the resulting balances from these transactions must be eliminated or appropriately adjusted during the preparation of the organization's consolidated financial statements.

These transactions are often cross-border and managed by different accounting systems that eventually interface with the consolidated general ledger. Country specific statutory requirements, exchange rates, timing of entries and high volume of re-bills and corrections can cause imbalances that require research to resolve, consuming valuable time and resources. BlackLine addresses these issues by providing large multi-nationals a clearinghouse solution for their intercompany transactions.

Intercompany transactions from various clearance general ledger accounts can be brought into BlackLine Intercompany Hub and reconciled using various matching rules. The solution matches intercompany accounts to identify net balances and helps you identify and create needed adjustments arising from discrepancy causing issues listed above. Net balances owed to/from various legal entities can be reviewed, approved and posted back to the entity general ledger accounts.

Organizations running legacy ERP systems or multiple ERP systems can standardize on BlackLine Intercompany Hub for posting all intercompany transactions. BlackLine provides a controlled and templated approach to posting such transactions. Pre-posting validation rules ensure these postings are not rejected from the target accounts due to entry errors. Users can create, review, approve and certify inter-company journal entries, which can then be posted to the entity's GL clearance accounts.

With such capabilities, BlackLine Intercompany Hub allows you to reduce a significant amount of non-value added work in the intercompany accounting process from:

- ✓ Manual effort in resolving imbalances
- ✓ Aged items between entities to be researched
- ✓ Possible control issues to be rectified
- ✓ Imbalances that can lead to disputes between business units

Result is not only improved intercompany processing efficiency, especially when dealing with multiple financial systems, but also improved controls and reduced risk.

