

Case Study



Northway Bank

Growing Bank Goes Paperless and Gains Productivity, Consistency and Accuracy With Automated Reconciliation and Certification

Northway Bank found itself trapped in a paper-filled and unproductive reconciliation process that took too much time and offered little visibility into the numbers. With Frontier™ Reconciliation from Fiserv, Northway Bank accelerated the reconciliation process by 60 to 75 percent, with full audit trails.



Reconciliation was draining productivity and confidence in data accuracy at Northway Bank in New Hampshire. For daily reconciliations, three people using Excel spreadsheets were dedicating a total of 12-15 hours every day to manually reconcile transactions for the 16-branch bank.

Monthly and quarterly reconciliations and audits were even more cumbersome. Reconciliations were done in Excel spreadsheets and sent to the accounting department from departments across the organization.

During certification, it took 10 days for senior accounting staff to review and another full day for the controller. More than 1,000 printed Excel report pages were divided into piles and sorted for a full day to prepare for auditors.

Accounting staff had to regularly pull reports from the bank's account processing platform, which was time-consuming and followed by hours of manual matching. Sometimes staff from other departments would customize the Excel spreadsheet templates or change formulas to reconcile the data. In addition, the spreadsheets were printed and stored in different locations across the bank.



Client Profile

Northway Bank's heritage reaches back more than a century – when two community banks opened to serve individuals, families and businesses in New Hampshire. Today, Northway Bank is one of the largest independent commercial banks in the region, a preferred Small Business Administration lender, and a leading home lender. It serves individuals, small businesses and commercial customers through 16 branches and two loan production offices, and holds \$925 million in assets.

“It was a nightmare,” said Susan Goupil, the bank’s First Vice President and Controller (now retired). “There had to be a better way. So we started looking for an automated solution.”

“I wanted every single reconciliation in one place with audit trails.”

Susan Goupil
First Vice President and Controller (retired)
Northway Bank

“Wonderful” Automated Solution

After reviewing other options, Goupil chose Frontier Reconciliation from Fiserv because it was the most comprehensive solution and because it offered account certification as well. “How we did reconciliations always bothered me,” said Goupil, who had been with the bank for 31 years. “When I saw Frontier Reconciliation, I said, ‘This is it.’ It’s been wonderful.”

Frontier Reconciliation forms a complete picture of account reconciliation across the organization that makes exceptions instantly visible and reduces the need for 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.

“I wanted every single reconciliation in one place with audit trails,” Goupil said.

Automating All Accounts

With the help of a Fiserv consultant, Northway Bank implemented Frontier Reconciliation with three specialty reconciliations: Federal Reserve accounts, in-process accounts and sub-ledger.

“The consultant got us started. That helped the implementation go smoothly,” Goupil said.

Frontier Reconciliation automated matching, so only out-of-balance items had to be pulled from the bank’s account processing platform and researched. As a result, the time commitment for daily reconciliation dropped significantly.

“Our employee hours spent on reconciliation went from 12–15 hours a day to 4–5 hours a day, a 60 to 75 percent decrease,” Goupil said.

Reconciliations that were previously performed in the field became centralized and automated. “Reconciliations done in the field made me uncomfortable. We pulled them all into accounting,” said Goupil. “Now 100 percent of accounts are reconciled in Frontier Reconciliation.”

In Frontier Reconciliation, 48 balance pools are reconciled daily, representing 125 general ledger accounts. An additional 137 balance pools are reconciled for the rest of the company (180 individual accounts).

Since manual manipulations aren’t allowed to make items balance, reconciliations are consistent and the management team has greater confidence in the numbers. “Management loves it,” Goupil added.

Auditing processes also improved. Previously, “before the auditors came in, we had to take 1,000 pieces of paper and divide it into categories,” Goupil said. After, Goupil could give auditors direct access to Frontier Reconciliation to review and print whatever they need.

“We’ve had fewer questions from examiners and auditors,” Goupil said. “We pass with flying colors.”

Strong internal controls also support Northway Bank with risk management and fraud deterrence as it grows into a billion-dollar bank.

Expanding the Impact

Northway Bank also launched Frontier Reconciliation™: Account Certification from Fiserv to manage reviews and approvals for its quarterly certifications. Through fully audited workflows, Account Certification helps financial institutions meet regulatory compliance without adding a separate process. Executives can sign off with confidence since all of the control and attestation data is visible in a single system.

“I sleep better at night,” Goupil said. “We’re completely paperless.”

The bank uses auto-certification for the first-level review and then reconciliations are sent to other staff members, with the final certification being completed by the controller.

Goupil said, “Previously, it took us about 11 days to manually prepare and review reconciliations for certification. Now,

general ledger accounts can be checked as they go.”

Because Frontier Reconciliation is intuitive, training and scaling have been simple. Other teams have been given access to the solution so they can quickly clear out-of-balances. “They’re not worried about getting reconciliations done. They’re focused on doing their jobs,” Goupil said.

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Challenge

Daily reconciliations were taking 12-15 hours each day to complete, and quarterly reconciliations involved 1,000 pieces of paper and time-consuming reviews. Across the organization, staff relied on spreadsheets to balance reconciliations – none of which were standardized or centrally located.

Solution

Northway Bank chose Frontier Reconciliation to reconcile 100 percent of accounts on a single platform. Northway Bank also deployed Frontier Reconciliation: Account Certification to manage the review and approval process for reconciliations.

Proof Points

- Staff reduced reconciliation time by 60–75 percent
- 100 percent of accounts were reconciled on a single platform
- Auto-matching accelerated reconciliation and freed staff to focus their attention on out-of-balance items and higher-value tasks
- Certifications that once took 11 days to manually review became automated and “check-as-you-go”
- Paper printouts were eliminated



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