



Buyer's Guide to Selecting a Financial Close Management Solution



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The Financial Close is at the center of Finance and Accounting Operations. Automating the Close drives agility with greater financial velocity, accuracy, and audit readiness.

Today controllers in the United States spend nearly 70% of their time performing traditional tasks, such as closing the books or ensuring compliance with accounting standards. Automating the Financial Close is a critical first step toward moving finance and accounting teams from tactical tasks to becoming the strategic, operational backbone of the organization, setting higher standards with accelerated Close cycles, cleaner audits, and higher productivity.

Why Use This Guide

The purpose of this guide is to provide finance and accounting professionals with a checklist to evaluate Financial Close solutions. Use this checklist to review and prioritize requirements based on your organizational needs.

Have Questions?

We're happy to help. Visit us at www.FloQast.com or [contact us](#).

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Workflow Management for the Financial Close and More

The Financial Close is a critical business process in the record to report landscape, transforming transactional data into actionable financial insights. It requires a significant level of task management across finance and accounting operations. It involves waiting for upstream data from payroll, accounts payable, and accounts receivable, and it can delay downstream processes like compliance, planning, and reporting. Managing these areas to take upstream data and transform it into downstream information requires workflow management across functions beyond the Close.

Task and Workflow Management

Task management is a crucial capability for finance and accounting teams to manage not only their Close workflows but to also gain control of areas up and downstream to the Close. Often done in spreadsheets and project management applications, this approach must meet the requirements of the accounting team managing the Close.

- ☐ In addition to the Close, the capability allows teams to manage multiple types of workflows from across accounting operations up and downstream to the Close.
- ☐ A checklist that stores item descriptions, preparer and reviewer assignments, due dates, and audit trail sign-offs in one central location for all team members.
- ☐ Automatic roll-forward of checklist items to future periods, adjusting to business days, so each month's Close calendar is automatically created at the start of the month.
- ☐ The ability to map current checklist items into the application.
- ☐ Automatic date and time stamp for key stages of the financial Close processes within the platform.
- ☐ A template library of finance and accounting tasks by function.
- ☐ The ability to modify these templated tasks to fit your business processes.
- ☐ The ability for user roles to be assigned to tasks.
- ☐ The ability for tasks to be prioritized.
- ☐ Tasks can be logically grouped to create unique workflows.
- ☐ The ability to support the month-end, quarterly and annual financial Close.

Dashboard/Analytics

Controllers are constantly challenged to close faster, yet they need more visibility to identify and remove bottlenecks or even to see tasks by owner. They spend time in meetings, sending emails, having conversations in collaboration tools like Slack and Teams, and tracking down the status of tasks, explanations, and sign-offs. A dashboard view with analytics provides visibility into days left to complete the Close, percent complete, tasks by area, and trends over time. Dashboards and analytics are critical to managing by exception and balancing the workload across the team.

- ☐ The ability to set up dashboards to track the Financial Close and different workflows across finance and accounting.
- ☐ Both standard (out-of-the-box) dashboards and the ability to configure dashboards for user preferences.
- ☐ Analytics that show how the workflow is progressing by team member, business process folder, custom tag (these tags help identify, group, and organize your items), as well as a trends dashboard that offers the checklist tasks that have been late period over period.
- ☐ An **All Workflows** dashboard that allows visibility into the financial Close workflow and other workflows across accounting operations like payroll processing, reporting, FP&A, and taxes.
- ☐ A dedicated dashboard for each workflow that tracks progress with KPIs around checklist items, reconciliations, and business process folders.
- ☐ The ability for end users to set up and configure the dashboard.
- ☐ Support to allow manage by exception.
- ☐ Support to allow workload balancing across the team.

Approvals

Tracking approvals in spreadsheets, email, or using collaboration tools is challenging because they may or may not reduce risk or provide adequate documentation for the audit. Whether you are drafting reports or reconciling transactions, approvals are necessary across accounting teams from an accuracy and compliance standpoint. Having individual preparers and reviewers ensures independence and increases accuracy.

- ☐ Authorization built into workflows.
- ☐ Support for automatic routing based on established criteria or an approval matrix.
- ☐ System auto-approving and identifying reconciliations that require no action.
- ☐ Creating "swim lanes" for unresolved, resolved, and closed requests to track completion and acceptance.
- ☐ Approvals can be viewed outside of the solution and use a collaboration platform like Slack or Teams for approvals.
- ☐ Mobile capabilities for phones or tablets to review and approve reconciliations, journals, tasks, etc.

Filtering

Even the leanest organizations generate tons of data. Often accounting teams spend a lot of time downloading and manipulating data. Filtering data for relevance is a crucial capability for Controllers and their teams. You need a solution that can quickly surface the required information for each user and each project without manual download and manipulation.

- ☐ The ability to filter showing all work assigned to any user for all checklist and reconciliation views.
- ☐ Filtering capabilities within the checklist to identify tasks or journal entries that still need to be prepared, are ready for review, are running late, or other statuses.
- ☐ Support custom tags and keyword filtering to export all relevant information to PDF or Excel.
- ☐ A filter that guides users to what they should do next, showing all upcoming assigned items, any late items, and anything due on that date.
- ☐ Filters to easily display high-risk and past-due items.

Notifications

Every month, accounting teams are inundated with emails, Slacks, Team messages, or other notifications in the push to get work done. Not only are these distracting, but they can easily get lost or forgotten. These notifications can be for essential items like last-minute changes to the trial balance, causing reconciliations to go out of balance. To help keep accounting teams focused and separate the important from the mundane, look for a Close solution that supports critical notifications.

- ☐ Notifications for coming due, past due, items ready for review, a daily or weekly digest of status across the Close, etc.
- ☐ Notifications via multiple channels, including e-mail, in-app, Microsoft Teams, and Slack.
- ☐ Dependent, linked tasks that notify the following user when a task is completed so they can begin their activities.
- ☐ Each user can choose which notifications they would like to receive.

Segregation of Duties

Now more than ever, mitigating risk, managing corporate governance, and enhancing the control environment is a Controller's top priority. When evaluating a Close solution, it is essential to look at what guardrails are available to ensure all activities are appropriately assigned with proper checks and balances and completed every time.

- ☐ Ensure that only assignees or administrators can sign off checklist items and reconciliations.
- ☐ Enforce that preparers must sign off before reviewers.
- ☐ Prevent one user from being assigned both preparer and reviewer on a task.
- ☐ The ability to set up multiple user roles.
- ☐ Auditor roles available.

Centralized Documentation

Every accounting function has a paper trail, whether a memo, an Excel schedule, approval of board minutes, etc. From the book side, everything recorded in an ERP has supporting documentation, such as an invoice or sales order, and must be recallable for the audit. Teams need the ability to organize the supporting documentation, so it's easily accessible by everyone.

- ☐ The ability to attach documentation directly to the tasks and reconciliations.
- ☐ Organize and view supporting items stored in cloud storage with direct integration.
- ☐ The ability to upload supporting items in bulk in multiple ways, including drag-and-drop into cloud storage, via checklist attachments, or directly within the application.
- ☐ Roll forward supporting Items.

Controls

Capturing controls and supporting documentation as they happen throughout the year is a key element to support audit preparation to create a less labor-intensive Prepared By Client process.

- ☐ Functionality to track the completion of tasks and documentation related to our internal control structure each month.
- ☐ Audit trail feature that allows for the tracking of key changes recorded in the system.
- ☐ "Locking down" of periods once closed so that changes cannot be made at a later date to the closed periods.
- ☐ The ability for auditors to use the solution.
- ☐ View and/or on controls performance.

Reconciliation Management

Reconciliations impact small companies to large organizations as accountants try to balance the workload of reconciliations while managing risk, driving accuracy, and increasing speed. Account reconciliation sets the foundation for a successful Close and is a critical first step in the process.

Reconciliation and Task Set-Up

When evaluating Close solutions, understand how reconciliations are set up and organized. The promise of technology is often to automate reconciliations fully. The reality is that there will always be some low-volume, high-risk accounts where it makes sense to do a manual review in a spreadsheet. It's essential to have the flexibility to choose the most effective reconciliation method for each account, whether through automation or manually in a spreadsheet.

- ☐ Create/update a list of reconciliation tasks to be completed at specific dates (frequencies).
- ☐ Reconciliation tasks be edited and added to by the user.
- ☐ Assign the owner(s) of reconciliation tasks.
- ☐ Indicate/update the time needed to complete reconciliation tasks.
- ☐ Set up or update automatic matching rules/criteria to complete reconciliation tasks.
- ☐ Ability to set up and track reconciliations in spreadsheets.
- ☐ Ability to track multiple currencies.
- ☐ Built-in library of standard reconciliation templates/tasks.

Dashboards

Accounting teams need to be able to tell their CFO/CAO/Controller the current reconciliation status at any time. Ensure your solution provides a detailed level of insight that allows you to report up or coach down.

- ☐ A dashboard to see reconciliation status by user, preparer, legal entity, account type, or account risk.
- ☐ Both standard (out-of-the-box) dashboards and the ability to configure dashboards for user preferences.
- ☐ Visibility to manage reconciliations that are done in spreadsheets along with automated reconciliations.
- ☐ Standard dashboards within the solution that enable reconciliations to be reported on.
- ☐ A trends dashboard that offers the checklist and reconciliations that have been late period-over-period.

Reconciliation Approvals

Many accounts have more transactions than most can count. Managing when they are completed and ensuring accuracy can be difficult and time consuming. Having separate preparers and reviewers ensures independence and lowers the chance of any mistakes.

- ☐ Flexible and configurable workflow for approvals of reconciliations and review notes.
- ☐ The ability for the reconciliation owner to add notes/supporting documents to a review task and mark it as complete.
- ☐ The reconciliation approver rejecting/asking for correction or accepting a reconciliation to close an activity.
- ☐ Automatic routing based on established criteria or an approval matrix.
- ☐ System auto-approving and identifying reconciliations that require no action.
- ☐ "Swim lanes" for unresolved, resolved, and closed requests to track completion and acceptance.

Reconciliation Adjustments

Reconciliation adjustments are a fact of life during every Close. It's essential to have this capability to make adjustments without rework or causing issues during the following period.

- ☐ The capability to suspend the sign-off of a reconciliation and place it into redo status if the balances change after initial approval.
- ☐ The ability to track aged reconciling items.
- ☐ The ability to track and report of account variances (i.e. account reconciliations balance vs. general ledger balance).
- ☐ The capability for a preparer to adjust a reconciliation after it is sent for review and approval, without requiring multiple versions of the same file.
- ☐ The ability to access a completeness report to ensure every account is reconciled.
- ☐ The capability to identify newly added unreconciled accounts.

Transaction Matching

Matching transactions, like bank reconciliations or intercompany transactions, is a mundane, repetitive task that takes up much of an accountant's time with manual downloads and spreadsheet manipulation. This is where accountants can leverage the power of machine learning to match transactions automatically, reducing manual work significantly by ensuring that accountants only need to spend time reviewing the exceptions.

- ☐ Automatic matching criteria which can be set up/updated to complete reconciliation tasks.
- ☐ A machine learning model which allows users to match any two sets of data (in Excel or CSV) by matching based on date, amount, and any two custom reference fields.
- ☐ An intelligent way to automatically identify one-to-one, one-to-many, and many-to-many matches based on criteria such as amount, date, and reference fields, with rules or macros.
- ☐ Audit-ready matching showing which transactions matched and which did not.
- ☐ Proprietary algorithms to identify matched transactions even when they are not 100% identical or sourced from two different systems.

Amortization & Depreciation

Creating amortization and depreciation schedules in spreadsheets leaves room for human error. Reconciliation tools should provide a layer of assurance and automate the tedious tasks associated with amortization and depreciation in an intelligent way rather than simply dragging an equation forward over time. This frees the team to focus on high-risk and complicated transactions.

- ☐ Create a journal entry template for prepaid schedules and identify differences between any two data sets.
- ☐ Automate the reconciliation of amortizations.
- ☐ Automatically display how each item is amortized with the amount and future time periods.

Task and Information Requests

Automated Request Management

Accounting teams spend a lot of time requesting and following up with other departments to collect information for accruals, expenses, assets, liabilities, and more. Tools that automate the request process allow accounting teams to spend more time on higher-value activities and less time sending emails.

- ☐ A dedicated workflow for requesting and collecting information from internal and external parties.
- ☐ The ability to customize and schedule requests, reminders, or follow-up tasks automatically and see the current status and message performance in a single view.
- ☐ A direct link to checklist tasks and the ability to compile all results in a sharable format.
- ☐ Automated tasks set to send specific communications, such as emails or standard letters.

Solution Access, Delivery and Licensing

SaaS Model

Organizations desire Cloud native SaaS applications because they carry many benefits from the cost model and security to scalability. First and foremost, solutions can be implemented without a huge capital infrastructure investment because of a shared IT infrastructure and instead are a monthly or annual operating expense. As your organization grows, scalability is not an issue because adding people or entities does not involve a wholesale change to your IT infrastructure. Remote and hybrid work environments are here to stay, and a SaaS model is designed to support the various models for work efficiently. And lastly, teams can gain access to a level of security and redundancy for their core application that would be difficult for many companies to afford on their own. To realize these benefits, it is crucial to understand the type of SaaS model being offered. Applications ported to a SaaS environment can experience performance issues, be less usable, and even have business-impacting outages or data loss. A dedicated workflow for requesting and collecting information from internal and external parties.

- ☐ A solution architected from inception on a recognized SaaS-native platform such as Amazon Web Services (AWS) or Google Cloud Platform (GCP).
- ☐ All elements of the platform built on a uniform code base.
- ☐ Fully cloud-native where all functions are delivered under a cloud-based SaaS model.
- ☐ A multi-tenant application where each company has its own instance of the solution.
- ☐ Segregated cloud environment with cryptographically isolated data to ensure the security of company data isolated from other companies' data.
- ☐ Physical location redundancy that anticipates regional disasters with global backup and restoration.
- ☐ Architected to support Service Level Agreements for uptime with application and data redundancy to ensure application and data availability without disruption.
- ☐ Browser-based solution.
- ☐ Supports both MAC and Windows Operating Systems.
- ☐ Supports a client sandbox and test environment at no extra charge.
- ☐ Consistent performance levels across global locations.

License Options

In most cases, different types of users need to access the system, from administrators to heavy daily users to annual users like an audit team. Every organization is different. It is important to understand the types of users you may have now and in the future.

- ☐ Different license options for particular roles or user types.
- ☐ No annual maintenance fees.
- ☐ Included auditor licenses with read-only access.

Compliance & Security

Risk is only increasing, so it's more important than ever to understand the level and type of security infrastructure in place to protect your business's financial data. It is essential to ask a series of specific questions about the type of certifications the vendor can provide to show compliance to ensure that your data is protected.

- ☐ SOC 1 Type 2
- ☐ SOC 2 Type 2
- ☐ GDPR and CCPA Compliance
- ☐ ISO 27001 Certification
- ☐ Single sign-on (SSO) support using SAML 2.0

Innovation

Technology is evolving faster than ever. Understanding if you are investing in a solution focused on keeping pace to solve the most significant accounting and finance problems is vital. Understanding the cadence of innovation and how those innovations are delivered is essential. The goal is to establish if innovations are provided in a non-disruptive way or if they impact your business with surprise enhancements and migrations.

- ☐ An established customer community and process from which to source and compile feedback.
- ☐ Customer quarterly business reviews with success managers to promote continuous improvement, gather user feedback, and understand coming enhancements.
- ☐ An established procedure to communicate new and upcoming features.
- ☐ An established track record of delivering continuous innovation with enhancements, new features, and solutions.
- ☐ The ability to give customers choice and control on when and which enhancements, features, and solutions are applied to their instance.

Integrations

Integrations

An essential element of success for finance and accounting teams who want to increase the efficiency and accuracy of the Close is the need for tight integration with their Financial Management ERP to keep the chart of accounts and trial balance in sync at all times. Integration of this type can often be a hidden implementation cost and impact both the total cost of ownership over the life of the software and return on investment. Finance and accounting buyers need to identify critical elements to understand the total cost of ownership and time to return on investment. To understand the cost impact of integration, there are many questions that buyers need to ask. What type of resource is necessary to implement the integration? Who is responsible if the integration breaks? Who will maintain the integration over the life of the software? And when will the integration be up and running? Without answers to these questions, teams are often surprised with delays and additional costs during implementation and over the life of a Close Management solution to maintain integrations.

- ☐ Support for automated/scheduled data imports.
- ☐ Support for on-demand data imports.
- ☐ The ability to import the COA automatically.
- ☐ The ability to bring in balances by subsidiary.
- ☐ The ability to bring in consolidated balances.
- ☐ The ability to bring in consolidated balances with currency.
- ☐ The ability to bring in balances by Accounting Book.
- ☐ The ability to connect to a sandbox account.
- ☐ Direct integration with Excel and support for data imports from Excel files/templates.
- ☐ Direct integrations with Cloud Storage providers, such as OneDrive or Google Drive.
- ☐ The ability to be ERP agnostic, supporting a range of on-premise and Cloud-based ERPs such as Microsoft, Netsuite, Sage, SAP, Workday, and Yardi.
- ☐ ERP Integrations that can be set up without impact or change to the base code.
- ☐ Vendor-certified integrations with a supporting contractual agreement in place which guarantee these certified integrations will be maintained by both vendors and the integration will be maintained and protected regardless of upgrades, migrations, or enhancements to the instance.
- ☐ Integrate with email and collaboration platforms to notify users (via alerts, e-mails, etc.) of past due or late tasks and actions required. And allow them to take action.

Implementation & Support

Process and Timeline

Return on investment can be a tricky metric to track with a software implementation. It's important to understand the resources from your team, the vendor's team, and any third-party resources that will be needed to get the software up and running. Ensure that all costs to get the software up and running are included in the cost estimate. And finally, it is crucial to verify a successful implementation with reference checks.

- ☐ Standard implementation process with a documented set-up guide.
- ☐ Expected implementation estimates with clearly documented factors affecting the timelines.
- ☐ Understanding of the exact resources the vendor will provide for implementation.
- ☐ Clear expectations of the type of resource and level of effort needed from the client.
- ☐ Most of the implementation work is completed by end users working with the vendor's customer success team.
- ☐ Typical implementation doesn't require third party consultants.
- ☐ Typical implementation doesn't require custom coding.
- ☐ Dedicated implementation manager and a customer success manager without additional cost.

Support

When accountants deal with the Close, they don't have time to spare. Sometimes no matter how intuitive a tool is, support is needed. Getting support and the help you need immediately could be the difference between meeting your Close deadline or not.

- ☐ Access to 24/7 support via a HelpDesk Portal.
- ☐ Extended support staff and hours during month-end Close.
- ☐ Self- and peer-support options through an online community.
- ☐ Documentation designed to be used and understood by end users.
- ☐ 24x7 self-guided e-learning capabilities on all features and functions of the solution.
- ☐ Remediation process for support tickets submitted as high priority.

Privileges

In addition to security and user roles, solutions must manage privileges at several levels while ensuring the data's safety. The goal is to control who can access and see sensitive financial information.

- ☐ The ability for privileges to be controlled at the account level, group level, entity level, or system level.
- ☐ Further supported via an intrusion prevention system (IPS) and/or intrusion detection system (IDS)?



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#FloQast

FloQast, a provider of accounting workflow automation software created by accountants for accountants, delivers an Accounting Operations Platform that enables organizations to operationalize accounting excellence. Trusted by more than 2,500 accounting teams – including Twilio, Los Angeles Lakers, Zoom, and Snowflake – FloQast was built by accountants, for accountants to enhance the way accounting teams work. FloQast enables customers to streamline and manage the Financial Close, Finance and Accounting Operations, and Compliance Programs. With FloQast, teams can manage every aspect of the month-end Close, reduce their compliance burden, stay audit-ready, and improve accuracy, visibility, and collaboration throughout the financial function. FloQast is consistently rated #1 across all user review sites.

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