



ACE YOUR MONTH-END WORKFLOW: SALES & REVENUE



For accounting and finance professionals, month-end close more than likely presents itself as a significant challenge. This is mainly due to the complexities involved in managing large amounts of financial data and the prevalence of unnecessary manual tasks.

The intricate nature of financial transactions often creates a network of interconnected data points, making tasks like reconciliation, journal entry posting, and financial statement preparation laborious and time-consuming. Furthermore, relying on manual processes, such as data entry, verification, and matching, increases the risk of errors, discrepancies, and inefficiencies.

These manual duties not only require significant manpower but also raise the chances of oversight, potentially resulting in inaccuracies in financial reporting. As a result, grappling with data complexity and reducing unnecessary manual tasks significantly hampers the efficiency and promptness of the month-end close. **This highlights the critical necessity for a streamlined, automated solution to address these challenges effectively.**

Blue Onion, trusted by hundreds of industry-leading organizations, is an order-to-cash reconciliation solution that has reconciled over \$6.5B transactions in value and can alleviate common pain points by:

- Cleaning, unifying, and reconciling transactions from the point of sale to the payment processor, and ultimately, to the bank payout.
- Eliminating manual data processing work with advanced, state-of-the-art AI-powered algorithms.
- Providing transaction-level detail and transparency into every order, payment, and bank payout.
- Consolidating all of your financial data in a single, centralized hub.
- Producing ready-to-go, actionable financial reports with expert-recommended journal entries.
- Identifying transactions with data discrepancies in real-time.

Blue Onion enables accounting teams to expedite the reconciliation process, reduce manual errors, and ultimately accelerate the month-end close, allowing for more efficient use of time and resources.

In the fast-paced world of accounting and finance, a whirlwind of transactions, payments, and cash settlements takes place every day. But here's the catch: without a firm grip and a clear understanding of the financial data in a timely manner, discrepancies can easily slip through the cracks. And let's face it, when internal teams rely on inconsistent data for forecasting, it's like navigating in the dark and making business decisions blindfolded. It's time to shed light on the importance of staying on top of your financial game!

Month-end close is a make-or-break moment for companies, where timely and accurate financial data holds the key. Let's dive into the perks of nailing your month-end close right on time.

By processing your month-end close on time, you can:

- Identify discrepancies in transactions, payments, or cash settlements early.
- Ensure the vital accuracy of data and make sound business decisions.
- Address issues or blockers within your business quickly.
- Fully understand revenue, expenses, and risks.
- Save valuable time and money by eliminating the need for manual, clunky bookkeeping.
- Simplify tax filing, due diligence, fundraising, and financing activities for effortless execution.
- Easily keep track of your progress with traceable and well-organized records, ensuring you're always audit-ready!

Get ready for a seamless month-end close process with our expertly crafted checklist straight from the minds of expert accountants.



We've compiled a checklist to help make your next close process seamless.

Check out our Blue Onion-certified checklist to ensure your next close process is as smooth as can be:

SALES-RELATED CLOSE CHECKLIST

01

Create a Closing Schedule

- Focus on key dates, owners, and data sources.

02

Book Sales Figures

- Record sales entries and refund expenses in the general ledger.
- Review order fulfillment and recognize revenue.
- Review deferred revenue and book adjustments.

03

Book Your Cost of Goods Sold

- Record your cost of goods sold, if not automatically linked to fulfillment and revenue recognition.
- Reclassify cancellations, replacement orders, and marketing or other product giveaways.

04

Reconciliation

- Book payment processor fees.
- Reconcile orders and processor fees to payouts at the bank.
- Review cash-in-transit balances from the prior month and the current month.

05

Review Related Assets and Liabilities

- Review gift card balances, redemptions, and expirations.
- Review sales tax collected and remitted.

01

Create a Closing Schedule

A structured closing schedule not only keeps you prepared but also aligns expectations across teams. It provides a clear roadmap for task completion, eliminating uncertainties and laying a strong foundation for each month-end close.

02

Book Sales Figures

1. Record sales entries and refund expenses in the general ledger.
2. Review order fulfillment and recognize revenue.
3. Review deferred revenue and book adjustments.

Record sales figures and adjust corresponding holding accounts (or accounts receivable) on the balance sheet. Recognize revenue for the period and address any necessary modifications to the deferred revenue account.

Data can stem from one or many sources, influenced by the sales channels in play. The key lies in meticulously tracking each transaction and cross-referencing it with invoices and bank statements to ensure complete and precise data.

HOW BLUE ONION CAN HELP:

Rather than downloading never-ending Excel files from multiple sources and consolidating them into an extensive spreadsheet, you can leverage Blue Onion to streamline your company's order and payment data. From sales transactions to merchant fees to cash settlements, everything is synced, reconciled, and neatly organized in one spot. Blue Onion goes the extra mile by showcasing crucial balance sheet info like gift card liability, deferred revenue, and holding account balances, as well.

03

Book Cost of Goods Sold

1. Record your cost of goods sold, if not automatically linked to fulfillment and revenue recognition.
2. Reclassify cancellations, replacement orders, and marketing or other product giveaways to expense accounts.

Here's a friendly reminder: Align your sales with your cost of goods sold. Don't forget to review and reclassify revenue and product costs that might be linked to non-sales activities, such as items for marketing events or customer service matters.

HOW BLUE ONION CAN HELP:

Blue Onion automates your revenue recognition entries and can also support adjusting inventory entries. Our data engine captures every unit's fulfillment date and status, even for canceled items. This enables us to track deferred revenue balances easily. Additionally, we gather order tags, discount codes, and complimentary orders to help identify transactions linked to marketing or customer service activities, rather than sales.

04

Reconciliation

1. Book payment processor fees.
2. Reconcile orders and processor fees to payouts at the bank.
3. Review cash-in-transit from the prior month and the current month.

It's time to dive into your transactions! From orders to payments to cash settlements in your bank account, this is where you uncover crucial figures like open accounts receivable (or holding account) balances and payment processor fees. The biggest challenge, however, arises when transactions and balances don't match up, prompting a deeper investigation.

HOW BLUE ONION CAN HELP:

Automatically matching each order to a cash payout in your bank account, Blue Onion offers detailed insights into your open holding account balances. We'll even pinpoint payment processor fees for seamless bank account reconciliation. Let us take care of all the data cleaning and matching, ensuring your key financial figures are rock solid.

Review Related Assets and Liabilities

1. Review gift card and/or loyalty program balances, redemptions, and expirations.
2. Review sales tax remittance.

To take the customer experience to the next level, many companies opt for versatility when it comes to payment methods, enticing promotions, and discounts. Multifaceted offers include gift cards, special deals, Buy One, Get One (BOGO) offers, complimentary products, and hassle-free returns or exchanges. However, while these programs can be good for generating revenue, they also can complicate the closing process, emphasizing the need to fully reconcile each transaction.

Month-end close doesn't need to be a drag! It's time to ditch the tedious process and opt for a streamlined approach. With Blue Onion, automate your order-to-cash reconciliation process so you can verify your sales transactions and ensure your company is getting paid for every order.

Our expert-crafted solutions have saved our clients hours to several days each month, empowering them to achieve more with less.

Disclaimer: The information provided in this article is intended as general guidance only and is not intended to be nor should it be considered legal or financial advice. You should consult with your CPA to review your business' specific accounting issues and challenges.

HOW BLUE ONION CAN HELP:

Blue Onion provides seamless integrations with leading gift cards, return services, and reward programs. Effortlessly manage the intricacies of third-party programs such as Loop, Happy Returns, Catch, and Rise.ai.