TFN –Account Reconciliations Process Narrative

1.1 Overview of process

The Account Reconciliation process (TFN) is a subprocess within the Record to Report (T) process for period end financial reporting activities. The purpose of this subprocess is to close the financial accounts prior to consolidation through a reconciliation of balance sheet accounts.

1.2 BlackBerry Contacts

The following BlackBerry contacts are involved in the implementation of the **TFN –Account Reconciliations** process:

Name	Job Title	Role within Process
Marcia Mills	Accounting Analyst	Process Operator
Elvira Cariaga	Accounting Manager	Process Operator
Cathy Guo	Senior Finance Manager	Process Operator
Ujjwal Sapkota	Senior Accounting Analyst	Process Operator
Chris Burton	Senior Accountant	Process Operator
Beatriz Leon	Director, Accounting Operations	Process Owner

2. TFN - Account Reconciliations narrative

Process Narrative

Initiation

This process is initiated as part of month-end (preparation) and quarter-end (review) activities for the balance sheet only.

Report Setup

Account reconciliations required to be completed by the accounting department are included on the "Monthly/Quarterly Accounting Checklist". This process covers specific balance sheet accounts that are greater than a threshold of $300K which is based on an amount that covers their materiality threshold. The Accounting Analyst pulls the GL Line Item Display report which includes all activity (journal entries) in each GL account for the related month from NetSuite for the reconciliation.

Less than one week after month end, the Accounting Analyst ensures that the proper period (month) is selected as well as the correct GL code. Next, the data is exported to Excel and placed in a worksheet titled '20XX-X Balance Sheet Analysis'. Each GL account is reconciled in a separate tab.

Reconciliation

The Accounting Analyst sums up the total of the activity for the period in each GL code and ties them to the GL balance per Netsuite. This is done using the SUM function in Excel for all activity, and then is compared to the GL balance. The GL balance per Netsuite is manually entered, but is tied via a screenshot from Netsuite that shows the related period, GL code, and balance. Then, the Accounting Analyst calculates the difference between the total via Excel and the total per the Netsuite GL balance, ensuring that the difference is zero (i.e: the data input into the spreadsheet is correct). In case there are any adjusting/update entries posted after the report was exported, the Accounting Analyst will rerun the report to ensure that all accounts and the screenshot from Netsuite are up to date.

Review - Quarterly

The review performed by the Accounting Operations Manager under **TFN01**. The details of this control are provided below.

Balance Sheet Analysis

Quarterly, Accounting analysts update the accounting checklist and perform account analysis covering key balance sheet accounts for all 3 regions (NA, EMEA, & APAC).

For all 3 regions, account analysts extract the GL Line Item Display - BM [critical] report **[DTN05]** from Netsuite for the key balance sheet accounts and save them in respective tabs along with a screenshot of them within the Balance Sheet Analysis workbook. To ensure completeness, the data is also extracted using the CFO Balance Sheet BB Custom [critical] **[DTN04]** and saved along with a screenshot of the report within the BS reconciliation workbook. The workbooks are saved in a shared folder that only the Accounting team who involved in the preparation and review of the BS analysis have accesses to.

Once account analyses are ready, the reviewer (Accounting Manager/Senior Manager) for each respective region reviews the Balance Sheet Analysis workbooks. As evidence of review, they include names/initials, dates, and comments. Any material variances are identified and resolved before the release of the financial statement.

A 'Review Checklist' tab is added to the workbook by the Account Operations Manager for her review, with all of the GL codes that were required to be reconciled as part of this subprocess listed. In each GL tab, the Account Operations Manager first ensures that the balance per the Netsuite screenshot is for the correct account and period and ties to the manually inputted GL balance in the reconciliation, and that the formulas used in the spreadsheet are correct. The Account Operations Manager then initials and dates next to the reconciliation difference to evidence her review of that line. Next, she does a second analysis of the activity for the period, looking to see if the routine transactions are recorded, if there are any opposite dr/cr balances, and if there are any unexplained and unusual entries. Typical example includes that if an accrual entry is not reversing in the following month. If the Account Operations Manager has any questions or issues with the activity, she inquires with the Accounting Analyst who prepared the file, and the preparer will reach out to the business unit team who posted the entry regarding the activity. All explanations are documented in the related tab next to the activity line that has been investigated. Furthermore, a Summary section is maintained in the "Review checklist" tab including the open comments, and follow-up points regarding the comments had been resolved. Once all reviews are finished, the Account Operations Manager signs off in the 'Review Checklist' tab next to each GL code and marks the line as 'Reviewed'. This review is performed before the release of the quarterly financial statements. The Director, Accounting Operations signed off the quarterly accounting checklist to ensure that the review was properly performed. This process includes a random sampling of tabs to ensure that the original reviewer completed their required tasks, evidenced with their initials.

Scoping

The review performed by the Director, Accounting Operations under **TFN02**. The details of this control are provided below.

To ensure that the list of GL codes to be analyzed is complete, semi-annually, the Accounting Manager runs the CFO GL Detail BB Custom report **[DTN07]** in Netsuite from the beginning of BlackBerry's Netsuite history (March 2014) until today's date to pull every single GL code in the system **[TFN02]**. Then, they go through each code to ensure that all material (> $300k) GL codes are being reviewed by either the accounting department or the related business process team. New GL accounts are approved by the Corporate Controller on an ongoing basis. If a new account is found when the report is run, the GL account will be approved by the Director, Accounting Operations before it's added to the reconciliation process **[TDN04]** if relevant to this subprocess. However, new GL Accounts are not added on a regular basis thus why this process is performed semi-annually to ensure all GL accounts are part of the account reconciliations performed. Refer to details for TDN04 in the link as follows: SOX Walkthrough Narrative - Consolidation - FY25

Completeness activity (Semi-annual / monthly check)

The purpose of the checklist is to identify the key balance accounts that need to be analyzed and are not covered for other Business Processes.

On a semi-annual basis, the Accounting Manager extracts the CFO GL Detail BB Custom report **[DTN07]** from NetSuite and saves it within Balance sheet GLs to be analyzed in the workbook file. As evidence of completeness, she copies and pastes the extracted report in a new tab and confirms if there are any new accounts >$300K that need to be added to the Balance Sheet analysis. Once identified, comments are included within the workbook.

Quarterly, EMEA & APAC region account analysts extract the CFO Balance Sheet BB Custom [critical] and save it within the Balance Sheet Analysis workbook. The key balance accounts that fall on the threshold are highlighted as noted in the balance sheet analysis section above **[TFN01]**.