CFOs, finance managers and controllers of manufacturing companies deal with a wide variety of strategic and operational challenges. CFOs constantly balance risk with the need for strategic business insight, from meeting compliance requirements to adapting quickly to acquisitions and divestitures, from supporting business initiatives in new locations to exceeding board and investor expectations. Finance managers and controllers must meet fast and accurate closing requirements for corporate financials and geographical and product units. Budgeting remains a complex exercise, revenue recognition is changing and managers may need to develop and oversee shared services initiatives to increase efficiency.

**BENEFITS**

QAD Financials provides global manufacturers a complete solution for meeting the financial reporting and operational needs of today and tomorrow. The multi-entity and multicurrency solution helps ensure smooth collections and disbursements, accurate budgeting and fast and dependable financial reporting. As the backbone of QAD Cloud ERP and on premise QAD Enterprise Applications, QAD Financials makes it easy to adapt quickly to changes in the business and the external regulatory environment while continually improving financial operational effectiveness.

- **Reduce risk** by effectively meeting compliance requirements like Sarbanes-Oxley, GAAPs and IFRS
- **Satisfy auditor requirements** with full transactional audit trails and histories
- **Support multi-GAAP, multicurrency and multi-entity reporting** and simulations to ensure timely financial reporting and business unit analysis and reporting
- **Adapt quickly** to business model changes by running QAD Financials in the QAD Cloud as part of QAD Cloud ERP, on premise as part of QAD Enterprise Applications or in a blended mode for manufacturers transitioning to the cloud

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QAD Internationalization
QAD Financials comes fully integrated with the other major solution areas of QAD Cloud ERP and QAD Enterprise Applications, providing seamless processes between financials and customer management, manufacturing, service and support and supply chain, with analytics and business process management. QAD Financials includes the following set of core capabilities.

**Accounts Payable** streamlines processes from purchase order to supplier payments, monitors outstanding payables and automates payments to suppliers.

- **Match supplier invoices with pending invoices** generated from purchase order receipts or usage of consignment inventory, automating a three-way match.
- When combined with the QAD Logistics Accounting, **supports accruals for logistics** such as freight; match invoices from carriers and other third parties.
- Optionally supports **Evaluated Receipts Settlement (ERS)**, which generates vouchers based on PO receipts without receiving a physical supplier invoice.
- **Supports shared services** where a single payment covers vouchers from multiple entities.

**Accounts Receivable** provides efficient control of the process between billing and customer payment collection.

- **Allows visibility into customers’ account balances and expected payments for cash flow analysis**
- The customer activity dashboard **monitors customer balances and supports credit management**
- **Issue drafts on invoices**, records approvals, sell at a discount and close or cancel drafts.
- **Share customer credit limits between business units**
- Automatically generates Dunning letters.

**Analytics and Key Performance Indicators (KPIs)** provide state-of-the-business KPIs and strategic what if simulations to help manufacturers monitor and model the business.

- **Reporting and analysis available for C-level executives and business unit managers**
- Multi-layer accounting supports simulations and what-if analysis.
- Extensive drill-down capabilities.
- Dashboards with **visual key performance indicators** available for all areas of the business.

**Allocations** helps control distribution of costs and revenues to appropriate accounts, sub-accounts, cost centers and projects.

- **Supports recursive allocations**; reuse previous allocations as input for the future allocations.
- Validate results of an allocation run before final posting.
- **Supports different allocation methods**, including proportional based on usage/activity. For example, distribute electricity costs based on kWh.

**Banking and Cash Management** automates monitoring of cash flow to support key financials decisions based on the cash position of the business.

- **Project future cash position** based on expected cash sources and cash uses.
- **Flexible cash flow reporting**
- **Combine cash requirements and projections for planning**
- **Provides consolidated net cash time phased position across subsidiaries**
- **Intergrates the processing of incoming bank files** with electronic bank statements or payment files (lockbox process).

**Budgeting** provides flexible and collaborative budgeting processes for all stakeholders including the CFO, finance managers, controllers and line-of-business managers.

- **Import, export and modify budget data using Microsoft Excel®** and use on-line monitoring and warnings.
- **Supports multiple versions of budgets for simulation and comparison purposes**
- **Budget periods can be different from accounting period**
- **Supports multi-level budgets** and actuals input from multiple entities.
Consolidations supports quick and complete consolidation processes for the finance manager

- Subsidiary entities can be a part of multiple consolidation entities; supports hierarchies of consolidation entities; consolidate by accounting layer
- Supports proportional consolidations
- Automatically tracks intercompany transactions to support elimination
- Run consolidation simulations using the Financial Report Writer

Cost Management provides accurate costing for parts and tracks variance to standards

- Quickly and accurately re-cost parts as required
- Variance tracking gives decision-makers visibility into potential cost reductions and where to cut non-value add activities
- Allows cost structures at the corporate level or at the plant level by using unlimited cost sets, multiple costing methods and cost elements

Credit Management ensures visibility into customer credit issues including customers on credit hold for order and shipment processing.

- Extensive and flexible credit checking
- Configurable warning levels
- Dashboard for customer activity and credit information
- Multi-level dunning letters

Financial Shared Services supports centralized sharing of facilities and functions using company standards, providing economies of scale to lower costs and support growth.

- Sharing of chart of accounts, master data, and customers and suppliers across business units
- Includes workflow to move documents between entities
- Stores electronic versions of documents associated with transactions like invoices or checks
- Provides cross-company AR and AP payments with automatic intercompany accounting keeping reciprocal balances
- Extensive automated controls
- Role based security to the detailed activity level and
- Segregation of duties enforcement and reporting
- Access control including forced password complexity, aging and intrusion detection
- Optional trade compliance with QAD TMS (transportation management system)

Management Reporting provides flexible tools to simplify corporate reporting and support decision making, including graphical tools for the CFO and line-of-business managers.

- Includes an extensive set of pre-built reports
- Easy to customize charts and graphical reports; virtually unlimited report customization to support specific requirements
- Reports in company reporting currency and company chart of accounts for comparison of business operations
- Spreadsheet style browsers allow detailed drilldown and selections to quickly generate one-off reports that can be exported in Microsoft Excel®, PDF and other formats

Multi-GAAP supports multiple accounting layers for multi-GAAP reporting from a single set of books.

- Multiple charts of accounts for reporting purposes
- Ability to combine accounting layers in reporting
- Simulation of GAAP transformation transactions
- Allocation module and supplementary analysis fields for IFRS segment reporting

General Ledger ensures all financial data are quickly accessible, allowing for drill down and dynamic corporate reporting and decision making.

- Easily create financial report structures for analysis in multiple reporting views, such as by organizational, region and/or management reporting structure
- Review summary account activity with drill-downs into the detailed transactions of the source
- Multi-entity, multicurrency, multi-layer
- Flexible account structure with up to 5 optional fields for each account combination
- Bi-directional Microsoft Excel® integration for journal entries and account setup

Governance, Risk and Compliance helps manufacturers efficiently meet government regulations like Sarbanes-Oxley (SOX), FDA 21 CFR Part 11 ASC 606/IFRS 15 and other regulations.

- Extensive automated controls
- Role based security to the detailed activity level and
- Segregation of duties enforcement and reporting
- Access control including forced password complexity, aging and intrusion detection
- Optional trade compliance with QAD TMS (transportation management system)
Multi-Currency allows manufacturers to do business in any currency; it simplifies managing global entities by processing, paying and receiving money in any currency.

• Allows the global organization to conduct business in the required currency and generate consolidated reporting in the mandated currency
• Multiple currencies and conversion rates are managed and available for on-the-spot conversion during entry of currency, including realtime automated conversion using exchange rate services

Dual Base Currency allows transaction amounts to be stored in transaction currency, primary base currency and secondary base (statutory) currency

• Extensive revaluation options are supported for functional and statutory currency

Tax Management supports different sales, use and VAT taxes globally, and ensures correct tax registrations and smooth tax reporting.

• Supports all transaction tax types and rates for purchasing, sales, AP and AR globally

Provides global tax treatment for multiple environments provided from a common database

• Supports suspended, delayed and withholding taxes and VAT, luxury, capped and non-recoverable
• Flexible reporting provides detailed tax records as required by fiscal authorities

QAD Internationalization tracks changes in tax reporting to help ensure compliance at the country level on an on-going basis – currently 61 country packages. Relevant updates are available on the QAD Store

RELATED SOLUTIONS
In addition to the core capabilities of QAD Financials, QAD offers a variety of closely related additional solutions that help manufactures meet specific requirements, address unique accounting practices and quickly adapt to evolving regulations required in their industry.

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QAD Enhanced Controls provides complete audit trail of changes and helps Life Sciences manufacturers meet FDA Part 11 and SOX compliance.

• Includes enhanced audit trails including tracking data changes, who made a change, when the change was made and capturing prior and updated data values
• Provides tools to help meet the FDA’s 21 CFR Part 11 regulations for the medical device industry

QAD Fixed Assets ensures accurate management and tracking of fixed assets throughout their lifecycle, from acquisition through depreciation, to retirement, transfer or disposal.

• Supports multiple and user defined depreciation methods
• Provides multiple concurrent depreciation schedules to support different GAAP requirements
• Split and combine assets
• Includes tools to help meet regulations like Sarbanes-Oxley

QAD Logistics Accounting improves visibility and lowers payments for shipping and transportation, through integration with QAD TMS (transportation management system).

• Ensures accurate payments to carriers by matching freight accruals with invoices
• Supports deferred costs such as freight and shipping charges and tracks standard costs and variances
• Improves margin visibility by including shipping expenses in standard products costs
• Improves planning and budgeting by providing planned versus actual logistics performance analysis
**QAD Revenue Recognition** helps manufacturers meet revenue recognition requirements and comply with the ASC 606/IFRS 15 revised guidance for determining revenue from contracts with customers. The revised guidance was issued by the Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) and goes into effect in December 2017.

- **Create new revenue contracts and import existing contracts** using Excel® integration.
- **Link sales orders and invoices to revenue contract(s);** link multiple orders/invoices to one contract
- **Address unique performance obligations** with links to orders, invoice lines and revenue recognition rules
- **Support common revenue recognition rules using revenue recognition daybooks,** general ledger accounts, rule and value based automated postings
- **Provides an audit trail of relevant general ledger transactions and revenue recognition reporting**

**QAD Sales and Use Tax Interface** reduces sales and use tax audit exposure and liability, and reduces customer and supplier complaints by integrating third party tax data, ensuring up-to-date accurate tax rates.

- **Reduces time spent preparing and filing tax returns** and reports and prevents inaccurate billings and purchases
- **Includes an Application Programming Interface (API) between Vertex Sales Tax Q Series® or Avalara Avatax**
- **Allows the third-party tax solutions to automatically calculate USA and Canadian sales tax**
- **Supports tax rates for the over 7,000 taxing jurisdictions in the USA and Canada** plus more than 60,000 placeholders

**For more information on how QAD Financials can help your company, please contact QAD at +1-805-566-6100 or email info@qad.com.**