

LEGAL ENTITY MANAGEMENT

Is your legal entity structure adding value or just causing headaches?

Legal entity structures grow increasingly complex over time as a result of acquisitions, tax planning, legal requirements, and other factors. These complexities can lead to increased risk of missed filing deadlines, incorrect application of trading models, and misstated filings and tax returns. Most companies complicate legal entity management by using the same resources responsible for consolidated reporting and addressing business initiatives. These tasks never seem to slow down and detailed accounting information is typically organized by product or line of business—not by legal entity.

Now more than ever, companies need to evaluate investor and reputational risks associated with their global operating models in order to avoid negative press and the perception of poor financial record keeping. Does your organization have numerous legal entities all across the globe? Are they adding more cost than value to your strategic objectives?

ELIMINATING COMPLEXITY

Legal Entity Management involves all disciplines of a corporation and requires strong project management and global finance capabilities. If all areas work together, opportunities exist to reduce regulatory requirements and lower the cost of tax filings, statutory filings, and finance and administrative activities. Through Legal Entity Management, companies can:

- Eliminate complexity and duplicate legal entities to improve risk profile and reduce compliance and processing costs.
- Convert consolidated U.S. GAAP or IFRS records to local GAAP and reporting currency.
- Create management account and financial statements at the legal entity level.
- Coordinate with legal, tax, and corporate secretariat to meet in-country requirements and timelines.
- Manage, track, and resolve all statutory, function, or process deliverables.
- Coordinate with external auditors and tax advisors to complete final tax calculations and financial statement filings.
- Provide assistance with accounting adjustments or process deficiencies.
- Enhance system functionality, usage, and training for sub-ledgers and data automation tools.
- Identify accounting and finance process improvements.
- Prepare stub period balance sheet and related audit schedules and notes.
- Push consolidated restatement adjustments down to the legal entity level and facilitate the evaluation of statutory account restatement, as necessary.

MORGANFRANKLIN DELIVERS

Whether initiatives call for business-as-usual compliance, rationalization, consolidation, or liquidation of legal entities, the knowledge and experience required involves global expertise, specific accounting skills, and strong planning, communication, and project management capabilities.

Benefits of Legal Entity Management:

- Reduce compliance and processing costs
- Expedite ongoing regulatory, tax, and statutory filings
- Eliminate complexity and duplicate legal entities
- Automate recurring transactions to increase efficiency
- Ensure appropriate treatment of rationalization transactions
- Identify and implement process enhancements
- Protect brand reputation by eliminating missed deadlines, penalties, and fines
- Lower risk profile by eliminating unneeded entities

With MorganFranklin's help, one client was able to reduce its legal structure from more than 400 entities to just 50 over a two-year period.



MorganFranklin's careful attention and focus on legal entity local reporting requirements is needed to maintain accurate records and prepare timely reconciliations—especially if your consolidated and local filings are prepared using different accounting standards.

MorganFranklin will lead your project, execute accounting step plans, prepare pro forma financial statements, and help you implement processes to improve financial records, document accounting transactions, and achieve your desired end state. By allowing your resources to focus on daily activities and key objectives, our team will help you create value, save costs, and think strategically about your organization's structure.

CHOOSE MORGANFRANKLIN

MorganFranklin is a single source for all financial, management, and technology support with a proven track record leading time-sensitive and technically intensive initiatives. We bring together individuals with government contracting, operations, and Big Four experience, including an average of 20 years of experience at manager and higher staff levels. Our teams carry certifications and degrees such as CPA, CIA, CISA, MBA, and PMP, just to name a few. Our ability to tap diverse in-house expertise allows us to proactively manage your requirements and quickly address issues that could impact your compliance, efficiency, or profitability. Count on MorganFranklin to bring extensive experience, diverse perspectives, determination, and competitive rates to meet all of your financial and information technology needs.



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