



Pivot EQ Smart Accounting™

WHITE PAPER

Executive Summary

Finance teams face persistent risk at period close when corporate card transactions are not submitted on expense reports before the accounting deadline. Without complete accounting, organizations are forced to choose between delayed closes or low-quality placeholder entries—both of which undermine financial accuracy, audit readiness, and confidence in reported results.

PivotEQ eliminates this tradeoff by automating end-to-end accounting for card program activity. The platform continuously monitors expense report extracts, identifies missing transactions, creates intelligent accruals to preserve balance sheet integrity, and automatically reverses those accruals when final expense data is received. Smart Accounting further enhances accuracy by predicting precise expense coding for unmatched transactions.

Business impact:

- Clean, on-time period closes
- Accurate reconciliation of card issuer payments
- Reduced suspense and clearing account balances
- Fewer post-close adjustments and audit findings
- Improved spend visibility and financial control

PivotEQ delivers audit-ready accounting that aligns with standard controller practices while eliminating manual intervention.



Executive Overview

This paper explains how PivotEQ automatically produces complete, audit-ready accounting for corporate card transactions and integrates that accounting into enterprise resource planning (ERP) systems.

PivotEQ ensures organizations maintain accurate, timely, and reconcilable accounting for card program activity—even when transactions are not submitted on expense reports by the accounting deadline. By combining real-time monitoring, automated accruals, intelligent corrections, and machine learning–driven Smart Accounting, PivotEQ eliminates manual effort while preserving financial control.

Examples throughout this paper reference the PivotEQ Card Program Dashboard shown below to illustrate how accounting is created and managed.

The screenshot displays the PivotEQ Card Program Dashboard for American Express. The interface includes a sidebar with navigation options like 'Open', 'Closed', 'Assign Employees', and 'Manage Cardholders'. The main content area shows the 'Current Statement' for Jul 1 – Jul 31, 2024, with a summary table of Statement Balance, Matched, and Unmatched amounts. Below this, 'Past Statements' are listed for Jun 1 – Jun 30, 2024 and May 1 – May 31, 2024, each with a detailed breakdown of Statement Balance, Reconciled, Accrued, and Matched amounts and transaction counts.

Statement Period	Statement Balance	Matched	Unmatched
Jul 1 – Jul 31, 2024	\$34,757.39 110 Transactions	\$29,004.82 98 Transactions	\$5,752.57 12 Transactions

Statement Period	Statement Balance	Reconciled	Accrued	Matched
Jun 1 – Jun 30, 2024	\$9,760.05 172 Transactions	\$9,111.31 161 Transactions	\$644.42 10 Transactions	\$4.32 1 Transactions
May 1 – May 31, 2024	\$24,134.37 126 Transactions	\$24,067.50 125 Transactions	\$66.87 1 Transactions	\$0.00 0 Transactions



Accounting Overview

PivotEQ automates accounting for the complete lifecycle of corporate card transactions, ensuring accurate financial reporting and clean period closes—even when cardholders miss expense submission deadlines.

At period close, organizations must reconcile payments made to card issuers with the accounting posted to their ERP. PivotEQ eliminates reconciliation gaps by automatically identifying unreported transactions, creating accruals to preserve balance sheet integrity, and later correcting those accruals when final expense data is received.

PivotEQ’s accounting logic is driven by whether transactions reside on the **Current Statement** or a **Past Statement**, aligning system behavior with standard accounting close practices.

Current Statement

The **Current Statement** is the “control statement” issued by the card issuer. Organizations must pay the statement balance by the statement due date. Typically, organizations wire the statement balance to the card issuer on the due date.

Accounting Deadline

The statement due date establishes an accounting deadline for cardholders to submit their transactions on expense reports and for Concur Expense to extract those reports so the resulting accounting can flow into the organization’s ERP application.

This deadline is necessary because accounting entries must exist to offset the wire payment made to the card issuer. Transactions that are not extracted by the deadline will not be included in the accounting that flows into the ERP application.

Discovering Missing Transactions

PivotEQ checks near real-time for newly extracted expense reports and matches expense entries to their associated transactions on the monthly statement. PivotEQ continuously tracks statement transactions that have not yet been matched to extracted expense entries.

Using the Card Administration function in PivotEQ, administrators initiate accounting for unmatched transactions at the accounting deadline (note that this process can also be configured to run automatically). In the Dashboard example, the total amount of unmatched transactions is **\$ 5,572.55**.



Accrual Entry

When administrators initiate accounting, PivotEQ creates an **accrual entry**. This accrual serves as a temporary accounting mechanism that ensures the card issuer payment can be fully reconciled at period close.

The accrual is a journal entry that captures unmatched transactions so that, when combined with expense report accounting already extracted from Concur Expense, the total accounting aligns precisely with the statement payment.

Controller takeaway:

- Ensures balance sheet integrity at close
- Eliminates unreconciled payment variances
- Avoids delaying close due to missing expense reports

T Accounts

Below are the T accounts for the accrual associated with the unmatched transactions in the Current Statement. From the Dashboard, we see twelve (12) transactions totaling **\$5,572.55**.

Unreconciled Card Transactions	Expense Account
5,572.55	20.23
	25.73
	20.18
	30.00
	827.21
	1,991.42
	265.00
	31.86
	86.00
	2,007.97
	8.50
	368.47

1. **Unreconciled Card Transaction** – This T account includes a credit for the total amount of unmatched transactions. It represents the clearing account specified by the customer for holding unreconciled card transactions.
2. **Expense Account** – This T account includes a debit for each of the six unmatched transactions. The expense account is the natural account calculated by PivotEQ Smart Accounting (described later in this paper).



Past Statement

A **Past Statement** is a statement for which PivotEQ previously created an accrual entry when it was the Current Statement and that still contains transactions that have not yet been fully reconciled.

When viewing the Card Program Dashboard for a Past Statement, transactions appear in the following states:

- **Reconciled** – Transactions that have received final accounting from a Concur Expense extract. These transactions are considered closed by PivotEQ.
- **Accrued** – Transactions for which PivotEQ created an accrual entry but that have not yet appeared in a Concur Expense extract. A statement remains open until this balance reaches **\$0.00**.
- **Matched** – Previously accrued transactions that PivotEQ has matched to a newly extracted expense report. After PivotEQ creates the required accounting, these transactions move to the Reconciled state.

Accounting Timing

The moment PivotEQ identifies a matched, previously accrued transaction is the moment duplicate accounting exists in the ERP application:

- One entry from the accrual created when the transaction was on the Current Statement
- One entry from the Concur Expense extract

To eliminate this duplication, PivotEQ must generate an additional accounting entry.



Correcting Entry

When administrators initiate accounting for a Past Statement, PivotEQ creates a **correcting entry**. This journal entry reverses the original accrual created when the transaction was unmatched, eliminating duplicate expense recognition.

The correcting entry ensures that final expense accounting from Concur Expense becomes the sole remaining entry in the ERP.

Controller takeaway:

- Automatically eliminates duplicate postings
- Prevents expense overstatement
- Reduces audit risk and manual cleanup

T Accounts

Below are the T accounts for the correcting entry related to the matched transactions in the Past Statement illustrated above. From the Dashboard, we see one (1) transaction totaling **\$4.32**.

Expense Account		Unreconciled Card Transactions	
	4.32	4.32	

1. **Expense Account** – This T account includes a credit for the matched transaction. It uses the same natural account as the accrual entry, ensuring the accrual is fully offset.
2. **Unreconciled Card Transaction** – This T account includes a debit for the matched transaction total, reducing the balance in the clearing account.



Smart Accounting

PivotEQ's Smart Accounting replaces low-value placeholder entries with predictive, high-fidelity accounting that meets controller and auditor expectations.

Traditionally, unmatched card transactions are recorded using generic defaults—such as *Uncategorized Expense* and *Undetermined Department*. While expedient, this approach obscures spend visibility, weakens financial reporting, and creates rework once final expenses are submitted.

Smart Accounting analyzes historical transaction patterns to predict the correct natural account and cost accounting values for unmatched transactions. Its accuracy improves continuously as the system learns from previously reconciled activity. For most customers, Smart Accounting correctly predicts the accounting for the vast majority of unmatched transactions.

Why this matters to controllers:

- Improves financial statement accuracy at period close
- Reduces reliance on suspense and catch-all accounts
- Minimizes post-close reclassifications
- Enhances auditability and spend transparency



Integration

PivotEQ integrates the accounting entries it creates directly into customers' ERP applications using one of two approaches.

Direct Connects

With Direct Connects, PivotEQ integrates directly with the ERP application's data layer to automatically create journal entries. The ERP system provides feedback indicating whether each journal entry was successfully created and, if not, what issues prevented posting. PivotEQ uses this feedback to take corrective action.

Currently available Direct Connects include:

- QuickBooks Online
- QuickBooks Desktop
- Microsoft Dynamics 365 Business Central
- Microsoft Dynamics 365 Finance & Operations

File-Based Integration

With file-based integration, PivotEQ generates files containing journal entry records. Customers' ERP applications import these files to create journal entries. File formats are configured based on the specific requirements of each ERP system's import process.

Virtually all ERP applications support journal entry imports, and many include job scheduling capabilities that allow these imports to run automatically—delivering functionality similar to Direct Connects.

Pivot Payables has integrated with nearly one hundred ERP applications. Customers using one of these applications can leverage existing integrations for a faster and simpler implementation.

Pivot Payables is also aware of more than two hundred ERP applications capable of importing accounting transactions. Customers using these systems can take advantage of PivotEQ's file-based integration approach.

For ERP applications Pivot Payables has not previously encountered, the process remains the same: customers confirm their ERP supports journal entry imports and provide the Service Delivery team with the required record layout.

The result is that PivotEQ can integrate with hundreds—if not thousands—of ERP applications.