THE CASE FOR CHANGE:

Why Fixed Income Accounting Can't Afford to Stand Still

Fixed income accounting has become increasingly complex for community and regional banks. Shifting interest rates, regulatory scrutiny, and the growing pressure to deliver accurate reporting quickly have exposed the limitations of traditional systems. Many institutions still rely on legacy platforms with inflexible technology or manual processes, believing these approaches are “good enough”.

The reality is that outdated methods often increase costs, risk, and inefficiency, holding financial institutions back from competing on equal terms with larger peers. By moving to modern, cloud-based solutions like **BeaconVu by corfinancial®**, community and regional banks can eliminate hidden burdens, streamline workflows, and future-proof their operations.

In this article we consider some of the most common problems associated with fixed income accounting and reveal the reality of how modernization can transform treasury operations.

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Longer Lives Change the Economics of Advice

Most regional and community banks share a common set of constraints that limit their treasury accounting team's ability to operate with speed and precision.

Legacy Systems Burden

Many banks believe that they are already using a ‘trusted’ legacy system and that upgrading would be too costly and disruptive. The reality is that legacy systems are too expensive to maintain and resource, and often carry hidden costs, such as slow patches, manual reconciliations, and expensive hardware upgrades, amid increasing regulatory demands to keep up. Banks could consider a cloud-native, subscription-based model that minimizes disruption: automatic software updates and built-in security without costly hardware investment. For many companies, migration can be phased and supported, ensuring continuity while unlocking efficiencies.

Manual Process Overheads

Since some banks only process fixed income portfolios periodically, not daily, they feel that burdensome manual processes are acceptable, or at least manageable. The truth is that even occasional manual accounting is risky: errors multiply over time, auditors and senior management expect real-time visibility, and opportunities from frequent changes in rates or yields are missed.

It is becoming essential to automate routine accounting tasks, provide mark-to-market valuations, and enforce audit-ready workflows, helping institutions respond rapidly to market shifts, without expecting staff members to 'keep up' and be able to respond quickly.

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Regulatory Expectations and Demands

Many banks think that regulators and examiners only care about large banks; small community banks can remain on older systems without consequence. In fact, regulatory scrutiny applies across the board.

Even small banks are held to standards around accuracy, audit trails, data security, and proper fixed income accounting - for example, in securities valuations, premium amortization, and discount accretion. Solutions with strong compliance features reduce risk and free up internal compliance bandwidth.

Some people at community or regional banks consider modern systems too complex for their needs and just want a 'simple' system. Yet 'simple' doesn't have to mean primitive. New technology like **BeaconVu™** is built with a browser-based user interface, a simplified user dashboard, drill-down reporting, and intuitive workflows, providing powerful features without complexity. Simplicity in design doesn't mean limited functionality; it means giving the right tools at the right time, in the right way.

Change is Hard…Simple is Not Easy…

> "In fact, regulatory scrutiny applies across the board."

IT Maintenance Overhead Are Costly

Most regional and community banks struggle to find the tech talent and resources to maintain their fixed income accounting solutions in-house. Cloud platforms automate routine tasks and remove the burden of system upkeep, reducing reliance on IT teams. There are no servers to patch, upgrades to schedule, or integrations to manually maintain. Treasury and Finance teams gain additional efficiency through automated reconciliation, integrated transaction reviews, and scheduled reporting delivered directly to stakeholders.

Together, this eliminates IT maintenance overhead while streamlining day-to-day treasury operations.

A Strategic Investment with Lasting Returns

In this current day and age, is the IT cost in resources and hardware of having an on-premise solution sustainable for many financial institutions' technology platforms? You can't easily change every on-premise platform to a cloud-hosted one, but new technology is making this easier.

When we look at fixed income accounting systems within community and regional banks, we often see frustration as to what is available on the market. The outsourcing models are usually quite inflexible, whilst the expensive systems have very extensive capabilities - but often with functionality that isn't needed.

Now there is choice...BeaconVu by corfinancial, a cloud-based Software as a Service solution providing instant access to powerful fixed income accounting tools and reporting. No need for painful and lengthy projects to deploy a complex system - Simply subscribe to an annual pricing tier that scales with your business.

Experience the BeaconVu Difference:

info@beaconvu.com | www.beaconvu.com