

Ledger.ai

AI-Powered Accounting & Bookkeeping

PRODUCT REQUIREMENTS DOCUMENT

MVP — Version 1.0

Document Owner	Product Team
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1. Executive Summary

Ledger.ai is an **AI-powered accounting and bookkeeping platform** purpose-built for small-to-medium businesses (SMBs) and enterprise finance teams. It eliminates manual, repetitive financial workflows by combining real-time transaction intelligence, automated categorization, and conversational AI — enabling finance teams to close books faster, reduce errors, and make better decisions.

Problem Statement

Today, SMB owners and finance teams spend 10–15 hours per week on manual bookkeeping, reconciliation, and report generation. Existing tools like QuickBooks and Xero require significant setup, specialist knowledge, and still produce errors that require accountant intervention. There is no truly intelligent, zero-setup solution for the mid-market.

Our Solution

Ledger.ai connects to a business's bank accounts, invoicing tools, and payroll systems and autonomously categorizes transactions, reconciles accounts, flags anomalies, and generates audit-ready reports — all accessible via a natural language chat interface.

2. Product Vision & Goals

2.1 Vision Statement

"Empower any business — regardless of financial expertise — to run with the clarity of a Fortune 500 finance department."

2.2 MVP Goals

- Automate 80%+ of routine bookkeeping tasks for SMBs within 30 days of onboarding
- Enable non-accountants to generate compliant financial reports with zero manual effort
- Achieve a Time-to-First-Value (TTFV) of under 15 minutes from sign-up to first insight
- Reduce monthly close cycle from ~5 days to under 1 day
- Maintain 99.9% uptime SLA with bank-grade (AES-256) data security

2.3 Success Metrics (MVP)

Metric	Target	Measurement
AI categorization accuracy	≥ 95%	Automated audit vs. manual review
Time to first value (TTFV)	< 15 minutes	Onboarding funnel analytics

Monthly Active Users (MAU)	500 at 90 days	Product analytics
Monthly close time reduction	70% faster	Pre/post survey
User NPS	≥ 50	In-app NPS survey
Data sync error rate	< 0.1%	System logs

3. Target Users & Personas

3.1 Primary Personas

	Persona 1 — SMB Owner	Persona 2 — Finance Manager
Who they are	Founder or owner of a 5–50 person business; non-finance background	Finance Manager / Controller at a 50–500 person company
Core pain	Spends 10+ hrs/week on bookkeeping; can't afford a full-time accountant	Manual reconciliation, multiple spreadsheets, slow month-end close
Goal	Get clean books without hiring a bookkeeper	Close books faster and reduce reconciliation errors
Tech comfort	Low-to-medium — prefers simple, guided UI	High — comfortable with ERP-like tools but wants efficiency
Key feature	Auto-categorization + AI chat for Q&A	Bulk reconciliation + advanced reporting + audit export

3.2 Out of Scope (MVP)

- Solo freelancers or gig economy workers (addressed in v2)
- Tax filing and preparation (third-party CPA integration only)
- Payroll processing (read-only sync from payroll providers)
- Multi-currency support (USD-only for MVP)

4. MVP Scope & Feature Requirements

4.1 Feature Overview

#	Feature	Description	Priority
1	Bank & Account Integration	OAuth-based sync with 10,000+ financial institutions via Plaid API. Real-time transaction ingestion.	P0 — Must Have
2	AI Transaction Categorization	ML model auto-categorizes transactions into GAAP-aligned chart of accounts with ≥95% accuracy.	P0 — Must Have
3	Smart Reconciliation	Automated matching of bank transactions to invoices and expenses. Flags discrepancies for review.	P0 — Must Have
4	Financial Reporting	Auto-generated P&L, Balance Sheet, and Cash Flow Statement; exportable to PDF and Excel.	P0 — Must Have
5	AI Chat Assistant	Natural language Q&A over financial data (e.g., 'What was my biggest expense last month?').	P1 — High
6	Anomaly Detection	AI flags unusual transactions, duplicate entries, and potential fraud in real-time.	P1 — High
7	Dashboard & KPI Cards	Real-time overview of cash position, burn rate, AR/AP aging, and revenue trends.	P1 — High
8	User Roles & Permissions	Admin, Accountant, and Viewer roles with granular data access controls.	P1 — High
9	Audit Trail & Export	Immutable, timestamped log of all changes. Full export for CPA hand-off.	P2 — Medium
10	Invoicing (read-only sync)	Sync with QuickBooks, Xero, FreshBooks to pull invoice data. No invoice creation in MVP.	P2 — Medium

4.2 Detailed User Stories

Epic 1: Account Connection & Sync

- As an SMB owner, I want to connect my bank accounts using secure OAuth so that my transactions are automatically imported without manual CSV uploads.
- As a finance manager, I want the system to sync new transactions every hour so that my ledger is always up to date.
- As a user, I want to see a clear connection status for each linked account so that I know when data is fresh or stale.

Epic 2: AI Categorization & Reconciliation

- As an SMB owner, I want the AI to automatically assign expense categories to each transaction so that I don't have to manually code 200 line items each month.
- As a finance manager, I want to review and override AI categorizations in bulk so that I maintain accuracy on edge cases.
- As a user, I want the system to learn from my corrections so that categorization improves over time.

Epic 3: Reporting & Export

- As an SMB owner, I want a one-click Profit & Loss report so that I can share it with my accountant or investor without any manual preparation.
- As a finance manager, I want to export a full audit trail in Excel format so that I can hand off clean records to our CPA at tax time.
- As a CFO, I want a real-time cash position dashboard so that I can make informed spending decisions daily.

Epic 4: AI Chat Assistant

- As an SMB owner, I want to ask 'How much did I spend on software last quarter?' in plain English and get an instant, accurate answer.
- As a finance manager, I want to ask 'Which vendors have unpaid invoices over 30 days?' so that I can prioritize collections.

5. Technical Requirements

5.1 Architecture Overview

- Frontend: React.js (web) + React Native (mobile — iOS & Android, shipped 4 weeks post web launch)
- Backend: Node.js (API layer) + Python (ML/AI services)
- Database: PostgreSQL (transactional) + Pinecone (vector embeddings for AI chat)
- Integrations: Plaid (banking), QuickBooks / Xero APIs, Stripe (billing), AWS S3 (document storage)
- AI/ML: Fine-tuned LLM for chat + custom classification model (scikit-learn / XGBoost) for categorization
- Infrastructure: AWS (ECS Fargate) + CloudFront CDN; target 99.9% uptime SLA

5.2 Security & Compliance Requirements

Requirement	Specification
Data Encryption	AES-256 at rest; TLS 1.3 in transit for all API calls
Authentication	OAuth 2.0 + MFA enforced for all accounts; SSO (SAML 2.0) for enterprise tier
Data Residency	All data stored in US-East AWS region; GDPR-ready architecture
Compliance	SOC 2 Type II audit initiated at launch; PCI-DSS for payment data
Audit Logging	Immutable audit trail for all data changes with timestamps and user attribution
Penetration Testing	Third-party pen test completed before public launch

5.3 Performance Requirements

- Dashboard load time: < 2 seconds (P95) on standard broadband
- Transaction sync latency: < 60 minutes for new transactions from connected accounts
- AI chat response time: < 3 seconds for 95th percentile queries
- Report generation: < 10 seconds for up to 10,000 transactions
- System availability: 99.9% uptime (< 8.7 hours downtime/year)

6. UX & Design Requirements

6.1 Key UX Principles

- Zero-to-Value: User must see their first financial insight within 15 minutes of sign-up, with guided onboarding.
- Progressive Disclosure: Show only what's relevant. Advanced features are revealed as users grow into the product.
- Explainability: Every AI action (categorization, anomaly flag) includes a plain-English explanation the user can review.
- Accessibility: WCAG 2.1 AA compliance across all surfaces.

6.2 Core Screens (MVP)

1. Onboarding flow (bank connect → account review → first sync confirmation)
2. Main Dashboard (cash position, KPI cards, recent transactions feed)
3. Transactions ledger (sortable, filterable, bulk-edit categorization)

4. Reconciliation workspace (side-by-side bank vs. ledger matching)
5. Reports center (P&L, Balance Sheet, Cash Flow — with date range selector)
6. AI Chat panel (floating chat interface with context-aware suggestions)
7. Settings (team roles, integrations, billing, notification preferences)

7. Integrations (MVP)

Integration	Type	Priority	Notes
Plaid	Banking data aggregator	P0	10,000+ banks supported; OAuth flow
QuickBooks Online	Accounting sync (read)	P1	Invoice and expense import
Xero	Accounting sync (read)	P1	Invoice and expense import
Stripe	Revenue data	P1	Payment transaction sync
FreshBooks	Invoicing (read)	P2	Invoice status sync only
Slack	Notifications	P2	Anomaly and report-ready alerts
Google Sheets	Export	P2	One-click report export to Sheets

8. Release Plan & Milestones

Phase	Timeline	Deliverables	Owner
Discovery	Weeks 1–2	User interviews (20+), competitive analysis, technical feasibility, PRD sign-off	PM + Design
Design	Weeks 3–5	Wireframes, hi-fi mockups, design system, usability testing (5 users)	Design
Alpha Build	Weeks 6–10	Core bank sync, categorization engine, basic dashboard, internal dogfooding	Engineering

Beta	Weeks 11–14	AI chat, reconciliation, reporting, closed beta with 25 SMB customers	Eng + PM
MVP Launch	Week 16	Public launch, self-serve onboarding, support docs, pricing live	All
Post-Launch	Weeks 17–20	Bug fixes, NPS survey, roadmap reprioritization for v1.1	PM + Eng

9. Risks & Mitigations

Risk	Likelihood	Impact	Mitigation
Plaid API rate limits or outages disrupt bank sync	Medium	High	Cache last-known state; fallback to manual CSV upload; SLA with Plaid
AI categorization accuracy falls below 95% on edge cases	Medium	High	Human-in-the-loop review queue; continuous retraining pipeline
SMB churn due to complex onboarding	High	High	Guided setup wizard; live onboarding chat; reduce TTFV to <15 min
Security breach or data leak	Low	Critical	SOC 2, pen testing, bug bounty program, encrypted vaults
Scope creep delays MVP launch	High	Medium	Strict P0/P1/P2 gating; weekly PM/Eng sync; no scope additions after Week 5
Competition from QuickBooks AI updates	Medium	Medium	Differentiate on AI-first UX and zero-setup promise; faster release cadence

10. Competitive Landscape

Feature	Ledger.ai	QuickBooks	Xero	Bench
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AI Auto-categorization	✓ Native	⚠ Partial	⚠ Partial	✓ Human+AI
Natural Language Chat	✓ Yes	✗ No	✗ No	✗ No
Real-time Anomaly Detection	✓ Yes	✗ No	✗ No	⚠ Limited
Zero-setup Onboarding	✓ <15 min	✗ Hours	✗ Hours	⚠ Days
Pricing (SMB tier)	~\$49/mo	\$30–\$200/mo	\$15–\$78/mo	\$299+/mo
Mobile App	✓ iOS+Android	✓ Yes	✓ Yes	⚠ Limited

11. Open Questions & Decisions Required

#	Question	Owner	Due
1	Should MVP support multi-user collaboration within a single company workspace?	PM	Week 2
2	Will we build the AI categorization model in-house or use a third-party API (e.g., OpenAI function calling)?	CTO	Week 2
3	What is the go-to-market pricing strategy — freemium, free trial, or direct paid?	PM + GTM Lead	Week 3
4	Which 3 integrations are absolute P0 for launch day given engineering capacity?	PM + Eng Lead	Week 3
5	Do we need a mobile app at MVP launch or can we ship web-only and add mobile in v1.1?	PM	Week 4

12. Appendix

12.1 Glossary

- GAAP — Generally Accepted Accounting Principles; the standard framework for financial reporting in the US.
- Reconciliation — The process of matching internal financial records against external bank statements.
- TTFV — Time to First Value; the time elapsed between sign-up and the user experiencing a meaningful outcome.
- P&L — Profit and Loss statement; a financial report summarizing revenues, costs, and expenses.
- AR/AP — Accounts Receivable / Accounts Payable; money owed to or by the business.
- SOC 2 — A security compliance framework that evaluates a company's controls around data security and availability.
- Plaid — A financial data aggregator that provides secure access to bank account data via API.

12.2 References

- Plaid Developer Documentation: <https://plaid.com/docs>
- QuickBooks API Reference: <https://developer.intuit.com>
- Xero Developer Hub: <https://developer.xero.com>
- WCAG 2.1 Accessibility Guidelines: <https://www.w3.org/TR/WCAG21/>
- SOC 2 Compliance Overview: <https://www.aicpa.org/soc2>

Document Status

This PRD is in DRAFT status and requires sign-off from: Product Lead, Engineering Lead, Design Lead, and Legal/Compliance before engineering kickoff. Please review all Open Questions in Section 11 and provide decisions by the dates listed.