Building a serverless IoT processing solution using IBM Cloud Functions and device integration involves several steps. Here's a high-level overview of the process:

1. **Set Up an IBM Cloud Account**:
   If you haven't already, create an IBM Cloud account.

2. **Create an IoT Platform**:
   Use IBM Watson IoT Platform to manage your IoT devices. Set up your organization, devices, and security settings.

3. **Register IoT Devices**:
   Register your smart devices with the Watson IoT Platform. Each device should have a unique device ID and security credentials.

4. **Set Up Data Collection**:
   Configure your IoT devices to send data to the Watson IoT Platform. This can be done using MQTT, HTTP, or other supported protocols. Ensure your data is structured and contains relevant information.

5. **Create IBM Cloud Functions**:
   Go to IBM Cloud Functions (formerly known as OpenWhisk) and create serverless functions that will process the IoT data. You can use the IBM Cloud Functions web console or command-line tools to create actions, triggers, and rules.

6. **Define Triggers and Rules**:
   Create triggers in IBM Cloud Functions that are linked to specific events from your IoT devices. Then, define rules that specify what actions should be taken when those triggers are activated. These rules will invoke your serverless functions.

7. **Implement Processing Logic**:
   Write the serverless functions to process the incoming IoT data. Depending on your use case, this can involve data transformation, analysis, storage, or sending notifications.

Remember that the specific implementation details and code for your serverless functions will depend on the exact use case and requirements of your IoT project. IBM Cloud provides documentation and resources to help you with each step of this process.