MICROSOFT® BUSINESS SOLUTIONS – NAVISION® 4.0

COURSE 8405A: FINANCIALS II TRAINING

INTRODUCTION

Microsoft® Business Solutions–Navision® is a collaborative business management solution for medium-sized companies. It is an integrated product that includes functionality to support financial and relationship management, distribution, and manufacturing.

This course is designed for students who are preparing to complete Financial Series II of Microsoft Navision. The course primarily provides explanations of the setup and end user processing in the Financial Management area of Navision.

About the Microsoft Business Solutions Financial Series II – Navision Training Manual

This training manual provides a conceptual and operational description of the installation and configuration of Microsoft Navision. It can be used both in the context of an instructor-led training course and as reference material for self-teaching.

Target Audience

This training manual is intended for Microsoft Certified Business Solutions Partners' employees selling, implementing, and supporting Microsoft Navision.

Training Objectives

Whether used in a course setting or for self-teaching, the manual is designed to equip course participants with product knowledge, both at conceptual and functional levels, required when configuring, implementing and supporting Microsoft Navision.

Training Prerequisites

To successfully participate in the Financial Series II course or complete the training in the self-teaching manner, participants must have passed:

- Introduction to Navision
- Financials Series I

Training Manual Overview

This manual provides the participants with an in depth understanding of the setup and end user processing of the Financial Management area in Navision. The manual consists of the following chapters:

- Chapter 1: Multicurrency Operations
- Chapter 2: Financial Reporting
- Chapter 3: XBRL

- Chapter 4: Financial Analysis using Dimensions
- Chapter 5: Business Analytics
- Chapter 6: Multicompany Operations I
- Chapter 7: Multicompany Operations II

Every chapter includes an overview that describes the requirements and explains the setup procedures.

In this manual, the chapters are organized in a logical way that reflects the relationship between the setup and end user of the program. It is therefore recommended that the course (when built on this manual) or self-teaching activity follows the suggested teaching path. If preferred, however, the users of the manual can choose alternative paths.

The chapters in this training manual typically contain the following elements:

- Concepts
- Scenarios
- Test Your Skills

Concepts explain at a high level how to setup and configure the system to best meet a client's business process.

Scenarios represent the typical business situations where the application is used. Scenarios provide a basis for examples that give practical step-by-step descriptions of how to use the application.

Test Your Skills allow the course participants (manual readers) to practice using the program, where applicable.

Dates

The dates in the course manual are in the American format. In order to avoid confusion when reading the manual and following the exercises, if necessary, it is a good idea to change the date format in Microsoft® Windows® before starting the training session.

The working date is set to be 01/25/01 (January 25, 2001). It is important that this date is used when following the examples and doing the exercises included in the manual.

Demonstration Data

All examples and exercises in this manual are based on a fictitious company, Cronus International Ltd.

License Information

To run the examples and exercises included in this training manual, you need a standard Cronus license which is provided on your product CD.

Suggested Course Duration

When this training manual is used to run a course, it is recommended that the course is taught over a period of 2 days.

Further Information

You can learn more about Microsoft Navision in the Introduction to Microsoft Navision course.

Installing Navision

Before starting the course, you must install Microsoft Navision on your computer.

The installation procedure is described below. The browser automatically loads the install file when you insert the CD. If the browser does not load the install file, you can open it manually:

1. From the Start menu, click **Run.**

2. In the Run window, in the **Open** field enter x:\startcd.exe (replace x with the drive letter of your CD-ROM drive) and click **OK**.

This is the installation procedure:

1. Insert the CD-ROM. At the top of your screen, the browser now displays the different options that you have.

2. Click **Client**.

3. Click INSTALLATION→NAVISION CLIENT. The installation now begins.

   The Navision Installation Wizard window welcomes you to the setup wizard.

4. Click **Next**.

5. In the **User Name** and **Organization** fields, enter your customer information, then click **Next**.

6. Select either the **All users** or **Only for me** fields and then click **Next**.

7. Select the **Complete** field as the setup type and then click **Next**.

8. Click **Install** to indicate that you are ready to install the program.

   The installation process begins.

9. Click **Finish** to complete the installation of Microsoft Navision.

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*NOTE: To install the program in a different location than the standard one, you must select **Custom** field as the setup type.*

Student Objectives

What do you hope to learn by participating in this course?

List three main objectives below.

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CHAPTER 1: MULTICURRENCY OPERATIONS

This chapter contains the following sections:

- Overview
- Updating Currency Exchange Rates for Foreign Currency Balances
- Additional Reporting Currency

Overview

In previous chapters, you learned how to set up currencies in the program, including currency exchange rates. Exchange rates are constantly fluctuating. If they are not periodically adjusted to reflect the current rates, foreign amounts that have been converted and posted to the G/L in LCY and subsequently displayed in reports can be misleading. In addition, daily entries posted before a daily exchange rate is entered into the program must be updated after the daily exchange rate information is entered.

Updating Currency Exchange Rates for Foreign Currency Balances

Adjusting the Exchange Rates for Posted Entries

To adjust the exchange rates of these posted entries in the program you can use the Adjust Exchange Rates batch job. This batch job can be used to adjust customer, vendor and bank account entries to reflect a more updated balance if the exchange rate has changed since the entries were posted. It can also update additional reporting currency amounts on G/L entries.

To locate the batch job, from the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CURRENCY→ADJUST EXCHANGE RATES.

Step 1 – Enter the Adjustment Exchange Rate

First enter the exchange rate that the posted entries will be adjusted to:

1. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CURRENCY→CURRENCIES.

2. In the Currencies window, select the currency that will be adjusted and click **Exchange Rates** to enter the adjustment.

3. In the **Adjustment Exch Rate Amount** and **Relational Adjmt Exch Rate Amt** fields on the new line, enter the exchange rate amounts to adjust the posted entries with.

In some cases you may adjust the exchange amounts using the batch job and then realize that the adjusted exchange rate for the exchange rate entry used in the batch job was incorrect. You can overwrite the amounts in the **Adjustment Exch Rate Amount** and **Relational Adjmt. Exch. Rate Amt.** fields and run the batch job again. The program will post a new adjustment based on the adjustments you have already made.

Step 2 – Run the Adjust Exchange Rates Batch job

1. From the **Financial Management** menu, click GENERAL LEDGER→PERIODIC ACTIVITIES →CURRENCY→ADJUST EXCHANGE RATES.

2. On the **Currency** tab you filter the currency codes that will be adjusted by the batch job.

3. Click the **Options** tab.

Field	Description
Starting Date and Ending Date	This specifies the date range for the customer, vendor, bank account and G/L Account entries that will be adjusted. In most cases, you will want to adjust the exchange rate for all existing transactions. To do this, you leave the Starting Date empty and then fill in the Ending Date. The **Ending Date** field is also used to determine the adjustment exchange rate that will be used by the batch job. The program compares the Ending Date with the Starting Date field of all entries in the Currency Exchange Rates window. The adjustment exchange rate from the latest exchange rate entry with a Starting Date equal to or earlier than the Ending Date will be used to adjust the Customer, Vendor, Bank Account and G/L Account entries.
Posting Description	Here you can enter a text for the G/L entries that will be created by the batch job. The default text is Exchange Rate Adjmt. of %1 %2 in which %1 is replaced by the currency code and %2 is replaced by the currency amount that is adjusted (for example Exchange Rate Adjmt. of EUR 38,000).

Field	Description
Posting Date	This is the date on which the adjustment entries will be posted.
Document No.	This document number will appear on the G/L entries created by the batch job.
Adjust Customer, Vendor and Bank Accounts	Place a check mark in this field if you want to adjust customer, vendor and bank accounts for currency fluctuations.
Adjust G/L Accounts for Add.-Reporting Currency	Place a check mark in this field if you post in an additional reporting currency and you want to adjust G/L accounts for currency fluctuations between LCY and the additional reporting currency. This field is only relevant if you are using a variable additional reporting currency and not a fixed one, like EUR.

4. Click **OK** to run the batch job.

NOTE: If you are regularly adjusting exchange rates, it is recommended that you also regularly create new currency exchange rate lines in the Currency Exchange Rates window. This will mean documents and journals will be created using up-to-date exchange rates. It is recommended that you do not overwrite existing entries or delete entries in the Currency Exchange Rates window. This allows traceability of exchange rate adjustments for a particular currency over time.

In the case of a currency that is used as an additional reporting currency, you MUST NOT overwrite or delete entries in the Currency Exchange Rates window for that currency.

The Exchange Rate Adjustment Process

Customer and Vendor Accounts

For customer and vendor accounts, the batch job adjusts the currency using the exchange rate that is valid on the posting date specified in the batch job. The batch job calculates the differences for the individual currency balances and posts the amounts to the G/L account specified in the **Unrealized Gains Acc.** field or the **Unrealized Losses Acc**. field in the Currency window. Balancing entries are automatically posted to the receivables/payables account in the general ledger. The batch job processes all open customer ledger entries and vendor ledger entries. If there is an exchange rate difference for an entry, the batch job creates a new detailed customer or vendor ledger entry that reflects the adjusted amount on the customer or vendor ledger entry.

Bank Accounts

For bank accounts, the batch job adjusts the currency using the exchange rate that is valid on the posting date specified in the batch job. The batch job calculates the differences for each bank account that has a currency code and posts the amounts to the G/L account specified in the **Realized Gains Acc.** field or the **Realized Losses Acc.** field in the Currency window. Balancing entries are automatically posted to the G/L bank accounts that are specified in the Bank Account Posting Groups. The batch job calculates one entry per currency per posting group.

G/L Accounts

If you post in an additional reporting currency, you can have the batch job create new general ledger entries for currency adjustments between LCY and the additional reporting currency. The batch job calculates the differences for each G/L entry and adjusts the G/L entry depending on the contents of the **Exchange Rate Adjustment** field for each G/L account. You will learn more about an additional reporting currency later in this chapter.

Adjusting Exchange Rates

As part of your monthly reporting, you wish to adjust the outstanding customer balances in Norwegian Kroner so that they are based on the latest exchange rate information at 01/31/01. The exchange rate on 01/31/01 was 100 NOK =10.35 LCY. You decide to update the default exchange rate used for new transactions and the adjustment exchange rate for adjustments made at 01/31/01 using this new exchange rate information.

We will be tracking the changes in the Customer Ledger Entries of one of our Norwegian customers.

1. From the **Financial Management** menu, click RECEIVABLES→CUSTOMERS.

2. In the **No.** field, press **SHIFT** + **F5** to open the Find window.

3. Enter Customer No. 47563218 and hit the **ENTER** key.

4. Click the **Customer** button at the bottom of the Customer card window.

5. Select **Ledger Entries** (**CTRL** + **F5**)

Currently, the Customer Ledger Entries for the Norwegian customer appear as follows:

This posted invoice used the exchange rate of 100NOK = 10.2609LCY. You need to enter the new exchange rate to adjust the balance at 01/31/01. The list of rates from the bank shows that NOK has appreciated relative to LCY and has an exchange rate of 100NOK = 10.35 LCY on 01/31/01.

6. Close the Customer Ledger Entries window.

7. Close the Customer card window.

Now that we have seen the current status of the Ledger entries, we will adjust the Currency Exchange Rates and examine the difference.
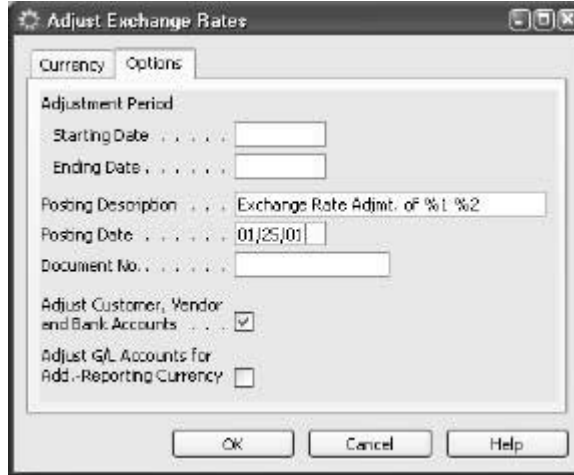
1. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CURRENCY→CURRENCIES.

2. Select NOK and click **Exchange Rates**.

3. Enter a new exchange rate line with the following information:

Field	Description
Starting Date	01/31/01
Exchange Rate Amount	Leave as 100.00
Relational Exch. Rate Amount	10.35
Adjustment Exch. Rate Amount	Leave as 100.00
Relational Adjmt Exch. Rate Amt	10.35
Fix Exch. Rate Amount	Leave as Currency

NOTE: You do not have to use the same exchange rate in the Relational Exch. Rate Amount and the Relational Adjmt Exch. Rate Amt. This allows flexibility in the exchange rate setup. For example, you can update the Relational Exch. Rate Amount daily and only update the Relational Adjmt Exch. Rate Amt at the end of each month. It also allows you to use exchange rates from one source for the adjustments and another source for the default transaction exchange rate. For example, you may use your own bank's exchange rates for the Relational Exch. Rate Amount and use a Government approved bank's exchange rates for the Relational Admt Exch. Rate Amt.

4. Close the Currency Exchange Rates window and the Currencies window.

5. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CURRENCY→ADJUST EXCHANGE RATES.

6. On the **Currency** tab select NOK in the Code filter.

7. Fill in the **Options** tab as follows:

Field	Description
Starting Date	Leave blank
Ending Date	01/31/01
Posting Description	Leave as is
Posting Date	01/31/01
Document No.	ADJEXCH001
Adjust Customer, Vendor and Bank Accounts	Yes (select)
Adjust G/L Accounts for Add.-Reporting Currency	No (clear)

8. Click **OK** to run the batch job.

9. Look at the Customer Ledger Entries for Customer 47563218 again and look at the result. Show the **Original Amount (LCY)** and the **Amount (LCY)** fields on the lines.

10. The amount in the **Amount (LCY)** field has now changed. To drill down on the entries that make up the amount, click the **AssistButton** in the **Amount (LCY)** field.

    The program has adjusted the outstanding balance in LCY by posting a detailed ledger entry to each open customer ledger entry in NOK. The Detailed Customer Ledger Entries window shows that an unrealized gain has been made.

11. Close the Detailed Customer Ledger Entries window and the Customer Ledger Entries window.

12. Close the Customer Card.

To get an overview of all the exchange rate adjustments made by the Adjust Exchange Rates batch job, you can use the Exchange Rate Adjmt. Register. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CURRENCY→EXCH. RATE ADJMT. REGISTERS.

In the Exchange Rate Adjmt. Register, you can see there is a single line showing the type of entries adjusted, the currency and base amount that was adjusted, and the adjustment amount. In our example there was only one open NOK customer ledger entry. However, if there had been several open NOK customer ledger entries there would still be only one register line. All the base amounts and adjustments would be summed together in the register line. However, each open customer ledger entry would still have a separate detailed customer ledger entry posted to it. You will learn more about detailed customer ledger entries in the Receivables chapter.

Summary of Currency Exchange Rates

It can sometimes be a little confusing to understand how the Currency Exchange Rates window is used. The following table provides a summary of how the program uses the amounts in the Currency Exchange Rates window.

Task	Fields used from Currency Exchange Rates window	How fields are used
Entering a default exchange rate for journals and documents	(1) Exchange Rate Amount (2) Relational Exch Rate Amount (3) Starting Date	Starting Date compared to Posting Date on journal or document. The latest entry with Starting Date <= Posting Date is determined and fields (1) and (2) are used to calculate the default exchange rate.
Adjusting the exchange rate of posted customer/vendor, bank account and G/L entries.	(a) Adjustment Exch Rate Amount (b) Relational Adjmt Exch Rate Amt (c) Starting Date	Starting Date compared to Ending Date in Adjust Exchange Rates batch job. The latest entry with Starting Date <= Ending Date is determined and fields (a) and (b) are used to calculate the adjustment exchange rate.

Test Your Skills – Change the relational exchange rate

Scenario: The relational exchange rate amount between EUR and LCY has just changed to 0.75. Your boss is concerned about the change and how it will affect the outstanding balance of one of your German customers, Beef House. You are responsible for changing the rate in Microsoft® Business Solutions–Navision® in such a way that it will affect previously posted entries and reporting on the change in balance.

All Levels

Your tasks are as follows:

- Find out what outstanding balance Beef House currently has.
- Change the Relational Exchange Rate for the Euro (EUR) to 0.75.
- Run the Adjust Exchange Rates batch job with no start date and the work date for the ending date and posting date. The Document No. is entirely up to you. You will not need to adjust G/L Accounts for Additional Reporting Currency.
- Check the customer balance again. What is the difference? Was this change in exchange rates positive or negative for CRONUS?

Additional Reporting Currency

Companies may wish to record G/L transactions in both local currency and another currency. This can assist the reporting process for a company in the following cases:

- Companies in EMU countries that need to report in both euro and local currency in a transition period.
- Companies in non-EMU countries that have a high proportion of transactions with EMU country companies. In this case, the non-EMU company may also wish to report in euro to make its' financial reports more "usable" for its' EMU trade partners.
- Companies that also wish to display reports in a more internationally traded currency than their own local currency.

To achieve this in the program, you can designate a second currency as an Additional Reporting Currency. If you specify an additional reporting currency, the program will then automatically record amounts in both LCY and this additional reporting currency on each G/L entry and on other entries, such as VAT entries. When the program calculates G/L entry amounts in an additional reporting currency, the program uses the information from the Currency Exchange Rates window to find the relevant exchange rate.

If you specify that you want the program to record all G/L transactions in an additional reporting currency, you can do the following in either LCY or the additional reporting currency:

- Create account schedules.
- Display various G/L reports.
- Create VAT and INTRASTAT reports.

WARNING: The Additional Reporting Currency functionality is NOT to be used as a basis for financial statement translation. It is not a tool that can perform translation of foreign subsidiary financial statements as part of a company consolidation. The additional reporting currency functionality only provides the option of preparing reports in another currency, as if that currency was the company's local currency.

Setting Up the Additional Reporting Currency

There are four steps that you should perform to set up the additional reporting currency.

Step 1 – Specify G/L Accounts for Posting Exchange Rate Adjustments

Specify four G/L accounts in the following fields for the additional reporting currency in the **Currencies** window:

Field	Description
Realized G/L Gains Account	The G/L account to which the program will post exchange rate gains for currency adjustments between LCY and the additional reporting currency.
Realized G/L Losses Account	The G/L account to which the program will post exchange rate losses for currency adjustments between LCY and the additional reporting currency.
Residual Gains Account	The G/L account to which the program will post residual amounts that are gains if you post in the general ledger application area in both LCY and an additional reporting currency.
Residual Losses Account	The G/L account to which the program will post residual amounts that are gains if you post in the general ledger application area in both LCY and an additional reporting currency. Residual amounts can arise when the program rounds debit and credit amounts that have been converted from LCY to an additional reporting currency.

Step 2 – Specify Exchange Rate Adjustment Method for all G/L Accounts

For each G/L account, you need to specify how G/L amounts for that account will be adjusted for exchange rate fluctuations between LCY and the additional reporting currency.

1. From the Financial Management menu, click GENERAL LEDGER→CHART OF ACCOUNTS.

2. Select Account 1110 Land and Buildings and press **SHIFT** + **F5** to display the G/L Account Card window.

3. Go to the **Reporting** tab in the G/L Account card window.

4. Select the correct method in the **Exchange Rate Adjustment** field.

If you post in an additional reporting currency, you specify in the **Exchange Rate Adjustment** field how this G/L account will be adjusted for exchange rate fluctuations between LCY and the additional reporting currency. Exchange rate gains and losses are first posted when you run the Adjust Exchange Rates batch job. When you run the Adjust Exchange Rates batch job, the program finds the adjustment exchange rate in the Currency Exchange Rates window and then compares the amounts in the **Amount** and **Additional-Currency Amount** fields on the G/L entry to determine if there is an exchange rate gain or loss. The batch job uses the option you select in the **Exchange Rate Adjustment** field to determine whether to calculate and post exchange rate gains or losses for G/L accounts.

There are three options to choose between:

Field	Description
No Adjustment	The program assigns this option as a default. No exchange rate adjustment is made to the G/L account.
Adjust Amount	If you select this option, the LCY amount will be adjusted for any exchange rate gains or losses. The program will post any exchange rate gains or losses to the G/L account (the **Amount** field) and to the accounts you specified for gains or losses in the **Realized G/L Gains Account** or **Realized G/L Losses Account** fields in the Currencies window.
Adjust Additional-Currency Amount	If you select this option, the additional reporting currency will be adjusted for any exchange rate gains or losses. The program will post any exchange rate gains or losses to the G/L account (the **Additional-Currency Amount** field) and to the accounts you specified for gains or losses in the **Realized G/L Gains Account** or **Realized G/L Losses Account** fields in the Currencies window.

*NOTE: The **No Adjustment** option should be selected if the exchange rate between the LCY and additional reporting currency is always fixed. This situation is common for companies preparing to change to euro that have an EMU currency as the local currency and euro as an additional reporting currency. The final two options should be chosen if the exchange rate between the local currency and the additional reporting currency is variable.*

5. Close the G/L Account card window.

Step 3 – Specify Exchange Rate Adjustment Method for VAT Entries

1. From the Financial Management menu, click GENERAL LEDGER→SETUP→GENERAL LEDGER SETUP.

2. Go to the **Reporting** tab in the General Ledger Setup window.

3. Select the required method in the **VAT Exchange Rate Adjustment** field.

If you post in an additional reporting currency, you can specify in the VAT Exchange Rate Adjustment how the accounts set up for VAT posting in the VAT Posting Setup window will be adjusted for exchange rate fluctuations between LCY and the additional reporting currency. When you run the Adjust Exchange Rates batch job, the program finds the adjustment exchange rate in the Currency Exchange Rate window and then compares the amounts in the **Amount** and **Additional-Currency Amount** fields on the VAT entry to determine if there is an exchange rate gain or loss.

The batch job uses the option you select in this field to determine how to post exchange rate gains or losses for VAT accounts.

You have the same three options as with G/L entries but in this case the entries adjusted will be the VAT entries:

Field	Description
No Adjustment	The program assigns this option as a default. No exchange rate adjustment is made to the VAT account.
Adjust Amount	If you select this option, LCY will be adjusted for any exchange rate gains or losses. The program will post any exchange rate gains or losses to the VAT account (the **Amount** field) and to the accounts you specified for gains or losses in the **Realized G/L Gains Account** or **Realized G/L Losses Account** field in the Currencies window.
Adjust Additional-Currency Amount	If you select this option, the additional reporting currency will be adjusted for any exchange rate gains or losses. The program will post any exchange rate gains or losses to the VAT account (the **Additional-Currency Amount** field) and to the accounts you specified for gains or losses in the **Realized G/L Gains Account** or **Realized G/L Losses Account** field in the Currencies window.

Step 4 – Activate the Additional Reporting Currency

1. From the Financial Management menu, click GENERAL LEDGER→SETUP→GENERAL→CURRENCIES.

2. In the column header, right click and select **Show Column**.

3. If they are not already selected, select **Residual Gains Account** and **Residual Losses Account**.

4. Assign values to these new columns for the currency you wish to activate.

NOTE: You will not be able to activate any currency without assigning Residual Gains and Losses accounts to that currency.

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5. Close the Currencies window.

6. From the Financial Management menu, click GENERAL LEDGER→SETUP→GENERAL LEDGER SETUP.

7. Go to the **Reporting** tab in the General Ledger Setup window.

8. Click the **AssistButton** in the **Additional Reporting Currency** field and select the additional currency you wish to report in from the Currencies window.

9. Click **OK** to close the Currencies window.

   The program will display a confirmation message describing the effects of selecting (and activating) the additional reporting currency.

10. Click **Yes** to confirm that you wish to activate the currency as the additional reporting currency.

   The program now starts the Adjust Add. Reporting Currency batch job. This batch job converts LCY amounts on existing entries to the additional reporting currency. The batch job uses a default exchange rate of the exchange rate in the Currency Exchange Rates window that is valid on the work date.

Residual amounts that arise on conversion of LCY to additional reporting currency are posted to the residual gains and losses accounts specified in the Currency window. The posting date and document number for these entries is the same as the original G/L entry. Once all these residual entries are posted, the batch job then posts a rounding entry on the closing date of each closed year to the retained earnings account. This is to ensure that the ending balance of the income accounts for each closed years is 0 in both LCY and the additional reporting currency.

The batch job has the following fields:

Field	Description
Additional Reporting Currency	This field contains the additional reporting currency you just selected in the General Ledger Setup window. If you click the **AssistButton** in this field you can change the exchange rate that will be used to convert the LCY amounts to additional reporting currency.
Document No.	Here you can enter the document number that the program will copy to the entry created by the batch job that is posted to the retained earnings account. For the residual amount entries, the original transaction document number applies.
Retained Earnings Account	You must specify the retained earnings account that the batch job will post to. This account should be the same as the account used by the Close Income Statement batch job.

11. Click **OK** to run the batch job.

After running this batch job, amounts on the following existing entries will be in both LCY and in the additional reporting currency:

Entries	
G/L Entries	Item Application Entries
VAT Entries	Job Ledger Entries
Value Entries	Production Order Lines and Prod. Order Ledger Entries

In addition, all future entries of the same type will have amounts recorded in both LCY and the additional reporting currency.

*NOTE: The additional reporting currency will only be activated after you have clicked the **OK** button in the Adjust Add. Reporting Currency batch job.*

Displaying Reports and Amounts in the Additional Reporting Currency

Several reports in the General Ledger application area are based on G/L entries. To display the financial data in the report in the additional reporting currency, you simply place a check mark in the **Show Amounts in Add. Reporting Currency** field on the **Options** tab for the relevant G/L report.

Similarly, all the reporting for VAT, including VAT statements, VIES Declaration disks and VAT settlements, can be created in the additional reporting currency. You place a check mark in the **Show Amounts in Add. Reporting Currency** field on the **Options** tab for the relevant VAT report.

In addition to printed reports, you can also display the financial data on the screen in the additional reporting currency in the following windows:

- Chart of Accounts
- Acc. Schedule Overview
- Analysis By Dimensions
- G/L Balance By Dimension

In the Chart of Accounts window, use the VIEW→SHOW COLUMN function to show the amounts in the **Additional-Currency Net Change** and **Additional-Currency Balance** fields. In the other windows, place a check mark in the **Show Amounts in Add. Reporting Currency** field on the **Options** tab. You can also export additional reporting currency amounts to Microsoft® Excel® from the Acc. Schedule Overview window and the Analysis by Dimensions windows.

Test Your Skills – Adding an Additional Reporting Currency

Scenario: You have been assigned the task of adding the Danish krone (DKK) as an Additional Reporting Currency. The G/L accounts for posting exchange rate adjustments are as follows:

- Realized G/L Gains Account: 9330
- Realized G/L Losses Account: 9340
- Residual Gains Account: 9330
- Residual Losses Account: 9340

The Exchange Rate Adjustment Method should be Adjust Amount, and there need not be a VAT Exchange Rate Adjustment. The Document No. that the program copies to the entry should be named "ADDCURR-DKK" and the Retained Earnings Account is 8840.

All Levels

Your tasks are as follows:

- Add the Danish Krone (DKK) as an Additional Reporting Currency using the criteria provided.
- After the DKK has been added as an additional reporting currency, display the chart of accounts on your screen showing all available information in both LCY and DKK.

Quick Interaction: Lessons Learned

Take a moment to write down three Key Points you have learned from this chapter:

1.

2.

3.

CHAPTER 2: FINANCIAL REPORTING

This chapter contains the following sections:

- Chart of Accounts Analysis
- Account Schedules
- Annual Closing Operations

Overview

In the Introduction to Microsoft® Business Solutions–Navision® course, you were introduced to some of the analysis tools available with the account card. Similarly, there are some standard analyses you can perform from the chart of accounts.

This chapter also covers Account Schedules. Account Schedules are used to analyze financial information in the G/L accounts and to compare G/L entries with G/L Budget entries.

And finally, this chapter also contains the Annual Closing Operations that are run in Microsoft Navision.

Chart of Accounts Analysis

Applying Filters in the Chart of Accounts

You can filter the accounts and amounts displayed in the Chart of Accounts window using field filters, table filters, and flow filters. Field and table filters on any field in the G/L Account table can be used to filter the accounts that are shown in the Chart of Accounts window.

The amounts for each account are determined by summing the G/L Entries for the account. The calculated amounts are shown in the following fields in the Chart of Accounts window.

Field	Description
Net Change	The sum of the G/L Entries for a date range determined by the Date Filter flow filter.
Balance at Date	The balance of the account at the date entered in the Date Filter flow filter. If a date range is entered in the Date Filter, only the ending date is used.
Balance	The current balance of the account. This is the sum of all G/L entries for the account. The Date Filter is ignored.

By applying a flow filter, you can determine the ledger entries that are summed for the G/L accounts. The flow filters available in the chart of accounts are as follows:

Field	Description
Date Filter	Filters the amounts displayed for each account based on the **Posting Date** field on the G/L Entries and G/L Budget Entries for the account.
Business Unit Filter	Filters the amounts displayed for each account based on the **Business Unit Code** field on the G/L Entries and G/L Budget Entries for the account.
Budget Filter	Filters the amounts displayed for each account based on the Budget field of the G/L Budget Entries for the account.
Global Dimension 1 and Global Dimension 2 Filters	Filters the amounts displayed for each account based on the **Global Dimension 1 Code** and **Global Dimension 2 Code** field on the G/L Entries and G/L Budget Entries for the account. In the demonstration company, these filters are the Department Filter and Project Filter.

Balance Analysis in the Chart of Accounts Window

To make the process of applying flow filters to the chart of accounts simpler, some standard analysis windows are available. All these analyses windows can be found on the **Balance** button in the Chart of Accounts window.

G/L Account Balance Window

1. From the Financial Management menu, click GENERAL LEDGER→CHART OF ACCOUNTS. The Chart of Accounts window appears:

2. Scroll to account 6110 Sales, Retail - Dom.

3. Click BALANCE→G/L ACCOUNT BALANCE.

4. Select a time interval of 31 to view the entries by month.

This window displays the total of G/L entries for a single account over several time intervals. The account displayed is the account the cursor was on in the chart of accounts when you opened the window. For each period you can see the **Net Change**, **Debit Amount,** and **Credit Amount** of the G/L entries posted to the account. You can also filter the amounts using the flow filters.

- **Global Dimension 1 & 2 Filters** – Filters amounts based on the global dimension values.

- **Closing Entries** – You can choose whether to Include or Exclude closing entries in the amounts.

- **Debit & Credit Totals** – If you place a check mark in this field, the program will separately display the debit and credit amounts posted in the same period. If the field is empty, the program will show the net of all entries posted in that period as a Debit Amount or a Credit Amount.

- **Time Interval** buttons – The time interval buttons determine the time period displayed for each line. You can choose from Day, Week, Month, Quarter, Year and Accounting Period. The date in the **Start Date** field on each line will always be the starting date for each period.
- **Amount Type** buttons – These buttons determine whether the amount shown is a net change or a balance.

If the time interval is greater than a day and net change amounts are displayed, the date on a line represents the starting date of the time interval. If the period is greater than a day and balance amounts are displayed, the balance will be based on the ending date of the time interval. For example, if you choose Balance amounts and the Month time interval, for the line with 01/01/01 as the Start Date, the balance displayed will be the balance at 01/31/01.

G/L Balance Window

1. Close the G/L Account Balance window.

2. In the Chart of Accounts window, click BALANCE→G/L BALANCE. The G/L Balance window will appear.

This window displays the total of G/L entries for all accounts for a specified time interval. The window contains the same amounts and filters as the G/L Account Balance window. In addition, it contains the following filters.

- **Date Filter** – In addition to the time interval buttons, you can enter more complex date filters if you wish. This allows you to combine selected entries from different periods.
- **Next Period** and **Prior Period** Time Interval buttons – These buttons allow you to quickly display the same amounts from prior and future periods.

G/L Account Balance/Budget Window

1. Close the G/L Balance window.

2. In the Chart of Accounts window, click BALANCE→G/L ACCOUNT BALANCE/BUDGET. The G/L Account Balance/Budget window will appear.

3. Select the 31 time interval to view the balances for each month.

This window compares actual and budgeted entry totals for a single account over several time intervals. All the amounts in the G/L Account Balance window are displayed. However, in addition to actual amounts, the window also contains the **Budgeted Debit Amount**, **Budgeted Credit Amount** and the net **Budgeted Amount** for the same periods. The comparison of the posted entries to the budget entries is calculated as an Index percentage in the **Balance/Budget (%)** field. The filters included in the window are the same as the G/L Account Balance window except for two differences.

- It is not possible to show **Debit & Credit Totals** in the G/L Account Balance/Budget window. This is because budgeted debit and credit amounts are not recorded directly on G/L Budget entries.

- **Budget Filter** – You can filter the budget information included in the window.

G/L Balance/Budget Window

1. Close the G/L Account Balance/Budget window.

2. In the Chart of Accounts window, click BALANCE→G/L BALANCE/BUDGET. The G/L Balance/Budget window will appear.

This window compares actual and budgeted entries for all accounts for a specified time interval. The amounts and the filters included in the analysis are the same as the G/L Account Balance/Budget window. In addition, you can also enter a **Date Filter** and use **Next Period** and **Prior Period** time interval buttons.

G/L Balance by Dimension Window

1. Close the G/L Balance/Budget window.

2. In the Chart of Accounts window, click BALANCE→G/L BALANCE BY DIMENSION. The G/L Balance by Dimension window will appear.

This window allows dimensional analysis of actual or budgeted entries in a user-defined format. It has the same format as the Analysis by Dimensions window, but is built on G/L entries and G/L budget entries instead of Analysis View entries and Analysis View budget entries. As a result, you can only view global dimension information in the G/L Balance by Dimension window.

You will learn more about dimensional analyses in the Dimensions chapter.

Account Schedules

Account schedules are intended for calculations that cannot be done directly in the chart of accounts. You can use an account schedule to create subtotals for groups of accounts. These subtotals can be included in new totals that can then be used in other totals. Furthermore you can filter any information of G/L Entries and G/L Budget Entries, for example the net change or the debit amount. Moreover it is possible to compare two or more account schedules and column layouts by using formulas. This means that you can create customized financial reports without using the Report Designer. You can create as many Account Schedules as you like, each with a unique name. You can set up various report layouts and print the reports with the current figures whenever necessary.

Setting up Account Schedules

An account schedule consists of an account schedule name, several lines and a column layout. You can set up several account schedule names in the Acc. Schedule Names window. In the Account Schedule lines, you define each account schedule by setting up the lines. You can define some lines that will appear in reports and others that will be used for calculation purposes only.

In the Acc. Schedule Overview window, you can view account schedules using the various layouts you have set up. You can also view the layouts in the Dimensions Totals Report.

Setting up an account schedule involves three steps:

1. Creating the Rows

2. Creating the Columns

3. Combining the Rows and Columns

We will now look at how to perform each of these steps using an example.

Test Your Skills – Create an Account Schedule

Scenario: Let's say we wish to design a report to analyze the discounts we are giving to customers and receiving from vendors. The report is to show the discounts granted to our customers and the discounts received from our vendors in separate rows. There should also be a row showing the net discounts granted or received. The report should make it possible to see the actual and budgeted discount amounts for the current month and the variance between them. You should also be able to compare the change in the actual discount amounts from the last month to the current month.

All Levels

Your task is as follows:

- Using the information provided above, create the rows of an Account Schedule.

Creating the Row Layout

1. From the Financial Management menu, click GENERAL LEDGER→ANALYSIS & REPORTING→ACCOUNT SCHEDULES. The Account Schedule window will appear.

2. Click in the **Name** field in the account schedule header to open the Account Schedule Names window.

3. Press **F3** to create a new Account Schedule with the **Name** = DISCOUNTS and with a **Description** of Discount Analysis.

4. Leave the **Default Column Layout** and **Analysis View Name** fields blank and select the Account Schedule Name by clicking the **OK** button.

5. After you have selected the new Account Schedule Name, click the first line in the Account Schedule window.

The Account Schedule window is where you design the rows for the report. It currently contains only blank lines.

Fill in the fields as follows:

Field	Description
Row No.	Enter a number for the account schedule line. The row numbers are optional. You can use the same row number on more than one line. The rows will then be treated as a group. For example, if you include the row number in a formula in the **Totaling** field, it will represent the sum of all the lines that have that row number. If you use the Insert Accounts function, this field is automatically copied from the **No.** field in the chart of accounts.
Description	Enter a text that will appear on the account schedule line. If you use Insert Accounts function, this field is automatically copied from the **Name** field in the G/L account list.

Field	Description
Totaling Type	In this field, you must select the totaling type for the account schedule line. The type determines which accounts within the totaling interval you specify in the **Totaling** field will be totaled.
	If you use the Insert Accounts function, accounts that have the Account Type Total or End-Total on the chart of accounts will be assigned the totaling type Total Accounts. All other lines will automatically be assigned the totaling type Posting Accounts.
	You can select from the following Totaling Types:

	Posting Accounts	The total will be calculated from amounts in posting accounts in the chart of accounts. This is the default value.
	Total Accounts	The total will be calculated from amounts in total and end-total accounts in the chart of accounts.
	Formula	The total will be calculated from amounts in other rows in the account schedule. You enter the formula in the Totaling field.

Field	Description
Totaling	Use this field to indicate which accounts will be totaled on this line. How you fill out this field depends on the contents of the **Totaling Type** field.
	If you assign the Formula totaling type to the account schedule line, you can enter a formula that includes row numbers (or totaling intervals) from the account schedule.
	If the totaling type is Posting Accounts or Total Accounts, you must enter an account number (or totaling interval) from the chart of accounts. If you click the **AssistButton** in the field, the G/L Account List will be displayed for you to select an account or account range.
	When creating formulas, you can use the following symbols:
	+ (addition)
	- (subtraction)
	* (multiplication)
	/ (division)
	^ (exponentiation)
	() (parentheses)
	Note that if you wish to include a number in the formula, that number must not be used as a row number in your account schedule.
	If you use Insert Accounts function, this field is automatically copied from the **No.** field in the G/L account list.

Field	Description	
Show	In this field, you determine whether the account schedule line will be printed on the report. You can select from the following options:	
	Yes	The row will be printed.
	No	The row will not be printed.
	If Any Column Not Zero	The row will be printed unless all amounts on the row are equal to zero.
New Page	Indicate whether, when the account schedule is printed, there will be a page break after the current account. Place a check mark in the field to specify a page break.	
Bold, Italic and Underline fields	If you display the Bold, Italic, and Underline fields you can select the format of the row. Only bold formatting will be shown in the Acc. Schedule Overview window, while the printed Account Schedule report and exported data in Microsoft® Excel® worksheets will display all three formats.	
Show Opposite Sign	Place a check mark in this field if you want debits in this row to be shown in reports as negative amounts (that is, with a minus sign) and credits to be shown as positive amounts.	
Dimension Totaling Filters	Here you enter dimension values or dimension value ranges that will be used to filter the amounts shown in the row. You will learn more about this later in this chapter.	

If you are creating a report that will contain several rows from the chart of accounts, the quickest way to create the rows is to use the Insert Accounts function. To do this, click FUNCTIONS→INSERT ACCOUNTS. Select the accounts that should be displayed and click **OK**. The program will then add a new line to the account schedule for each account selected G/L Account List window. The **Row No**., **Description**, **Totaling** and **Totaling Type** fields will be filled in based on the type of accounts selected.

Let's complete the rows for our discount analysis report.

1. To create a report heading, in the **Description** field enter a heading line of Discount Analysis.

2. Click in the **Bold** field on the heading line so that the heading will be displayed and printed with bold font.

NOTE: If the Bold column is not visible in the window, you can show it by right clicking in the column header, selecting "Show Column", and placing a check mark next to "Bold" before closing the Show Column window

3. Leave a blank line to make the heading separate from the report.

We now wish to insert the first discount account that relates to discounts granted to customers.

4. In the third line, enter a **Row No.** of R11.

5. In the **Description** field, enter Discount Granted.

6. In the **Totaling** field, click the **AssistButton**. The G/L Account List window will appear.

7. Select account number 6910 and click **OK**. The program will update the **Totaling** field to 6910 and the **Totaling Type** to Posting Accounts.

NOTE: Instead of manually entering the row, you could have clicked FUNCTIONS→INSERT ACCOUNTS and selected account 6910. The program would then insert a new row with all the account information in the Row No., Description, Totaling Type and Totaling fields. You then rename the Row No. to R11.

8. Continue setting up lines until you have completed the account schedule as shown below. Note that in **Row No.** R3, the **Bold** field should be checked and in all columns, the **Show** field should be set to Yes.

Row No.	Description	Totaling Type	Totaling
R21	Payment Discount Granted	Posting Accounts	9250..9255
Empty line		Posting Accounts	
R1	Total Discounts Granted	Formula	R11+R21
Empty line		Posting Accounts	
R12	Discount Received – Retail	Posting Accounts	7140
R22	Discount Received – Raw Materials	Posting Accounts	7240
R32	Payment Discounts Received	Posting Accounts	9130..9135
Empty line		Posting Accounts	
R2	Total Discounts Received	Formula	R12+R22+R32
Empty line		Posting Accounts	
R3	Net Discounts Granted/(Received)	Formula	R1+R2

Creating the Column Layout

We have now created the rows and only need to create the Column Layout that will contain the numerical information. In the columns it is defined which information from the lines you use, for example only debit amounts. Once you have created a column layout you can assign that layout as a default to any existing Account Schedule in the Account Schedule Names window.

We will now create the column layout for our new discount analysis report.

1. In the Account Schedule window, click FUNCTIONS→SET UP COLUMN LAYOUTS. The Column Layout window appears. You can also access this window directly from GENERAL LEDGER→SETUP→COLUMN LAYOUTS.

2. In the **Name** field, click the **AssistButton**. The Column Layout Names window will appear.

3. Enter a new column layout **Name** of BASIC and a **Description** of Basic Column Layout.

4. Click **OK** to select the new column layout.

In the Column Layout window, you define the columns by creating a line for each column. The fields in the window are filled in as follows:

Field	Description
Column No.	This field is used to identify the line for the column. The column numbers are optional. You can use the same column number on more than one line. The columns will then be treated as a group. For example, if you include the column number in a formula, it will represent the sum of all the lines that share the column number.
Column Header	Enter a header for the column. The header will be printed on reports that include the column.

Field	Description	
Column Type	In this field, you select the column type for the account schedule column. The type determines how the amounts in the column are calculated. Click the **AssistButton** to the right of the field to see the options. The amounts are calculated for the period defined in the **Date Filter** field on the report or window as follows:	
	Formula	The column displays amounts calculated from amounts in other columns in the account schedule. You enter the formula in the **Formula** field.
	Net Change	The column displays the net change in the account balances during the period.
	Balance	The column displays the account balances at the end of the period.
	Beginning Balance	The column displays the account balances at the beginning of the period.
	Year to Date	The column displays the net change in the account balances from the start of the fiscal year to the end of the period.
	Rest of Fiscal Year	The column displays the net change in the account balances from the end of the period to the end of the fiscal year in which the period ends.
	Entire Fiscal Year	The column displays the net change in the account balances for the fiscal year in which the period ends.
Ledger Entry Type	In this field, you select the type of ledger entries that will be included in the amounts in the account schedule column.	
	G/L Entries	The total is calculated from general ledger entries.
	G/L Budget Entries	The total is calculated from general ledger budget entries.
Amount Type	In this field, you select the type of entries that will be included in the amounts in the account schedule column.	
	Net Amount	The amount includes both credit and debit entries.
	Debit Amount	The amount includes debit entries only.
	Credit Amount	The amount includes credit entries only.

Field	Description
Include Closing Date	A check mark in this field shows that ledger entries made on a closing date will be included in the account schedule column, if the closing date is the day before the period you have entered in the **Date Filter** field. Entries on earlier closing dates are always included regardless of the status of this field.
Formula	Enter a formula if you have selected Formula in the **Column Type** field on the line. The result of the formula appears in the column when the account schedule is printed. You can use this field to perform calculations on other columns. Other columns are referenced through their column number. The calculation symbols you can use are the same as those used in the row formulas. For example, if you want to calculate the difference in percent of the G/L entries and the budget entries, you can enter the following formula: 100*(Column No. of the G/L entry column/ Column No. of the G/L Budget entry column −1)
Show Opposite Sign	Place a check mark in this field if you want debits in this column to be shown in reports as negative amounts (that is, with a minus sign) and credits to be shown as positive amounts.
Comparison Date Formula	This field contains a date formula that specifies which dates should be used to calculate the amount in this column. The program uses this formula to calculate the amount from the comparison period in relation to the period represented by the date filter on the report request. Use the standard time periods of W(eek), M(onth), Y(ear), Q(uarter) and so on to create the formulas. For example, -1Y is the same period one year earlier.

Field	Description	
Comparison Period Formula	This field contains a period formula that specifies which accounting periods should be used to calculate the amount in this column. An accounting period does not have to match the calendar, but each fiscal year must have the same number of accounting periods, even though each period can be different in length. The program uses the period formula to calculate the amount from the comparison period in relation to the period represented by the date filter on the report request.	
	The abbreviations for period specifications are:	
	P = Period	
	LP = Last period of a fiscal year, half-year or quarter.	
	CP = Current period of a fiscal year, half-year or quarter.	
	FY = Fiscal year	
	Examples of formulas:	
	<Blank>	Current period.
	-1P	Previous period.
	-1FY	Previous fiscal year.
	-1FY[1..3]	First quarter of previous fiscal year.
	-1FY[1..CP]	From the beginning of previous fiscal year to current period in previous fiscal year, inclusive.
	-1FY[CP..LP]	From current period in previous fiscal year to last period of previous fiscal year, inclusive.
	-1FY[1..LP]	Entire previous year
Show	Select when you want the amounts in the column to be shown in reports. Note, a maximum of five columns in an account schedule layout can be shown in the printed report. You can select from the following options.	
	Always	All amounts in the column are always shown. This is the default value.
	Never	The column does not appear on reports. It is used only for calculation purposes.
	When Positive	Only positive amounts are shown in the column. (Amounts that are positive before **Show Opposite Sign** is applied.)
	When Negative	Only negative amounts are shown in the column. (Amounts that are negative before **Show Opposite Sign** is applied.)

Field	Description
Rounding Factor	Select a rounding factor for amounts in the column. The default value is no rounding. Note that amounts on printed reports will be rounded. For example, if you select 1000, then all amounts will be shown in thousands. Amounts in the Acc. Schedule Overview window will not be rounded.

To complete the column layout for the Discount Analysis report.

5. In the first line enter a **Column No.** of C10.

6. In the **Column Header** field, enter the heading for the first column. In this case, you should enter Actual.

7. In the **Column Type** field, select Net Change.

8. In the **Ledger Entry Type** field, select G/L Entries.

9. In the **Amount Type** field, select Net Amount.

10. Leave all other fields as they are.

    You have now created the first column.

11. Complete the column layout for the account schedule as below. Note that all in columns: the **Amount Type** is Net Amount; **Include Closing Date** is **not** checked; **Show Opposite Sign** is **not** checked; **Show** is Always; and **Rounding Factor** is None.

Column No.	Column Header	Column Type	Ledger Entry Type	Formula	Comparison Date Formula
C11	Budget	Net Change	G/L Budget Entries		
C12	Variance	Formula	G/L Entries	C10-C11	
C13	Actual Last Month	Net Change	G/L Entries		-1M
C14	Change from Last Month	Formula	G/L Entries	C10-C13	

When you are finished, close the Column Layout window to return to the Account Schedule window.

Combining the Rows and Columns to Form the Report

The final step in setting up the account schedule is to combine your row and column layouts.

1. From the Account Schedule window, in the **Name** field, click the **AssistButton**.

2. For the DISCOUNTS Account Schedule, in the **Default Column Layout** field, select the BASIC Column Layout.

3. Click **OK** to close the Account Schedule Names window.

4. To view the data in the format defined by your account schedule, click ACCOUNT SCHEDULE→OVERVIEW to display your new schedule.

In the Acc. Schedule Overview window, you can change the information displayed in the window by setting filters or changing the rows or columns shown in the report.

Account Schedule Name – If you wish to see a different row layout, you can select the required account schedule in this field.

Column Layout Name – If you wish to see a different column layout, you can select the required column layout in this field.

Date Filter – Here you determine the period or balance date for the report.

Budget Filter – If the column layout includes columns based on G/L budget entries, you can filter the entries based on their budget code.

Show Error – This field contains the selected option of which errors should be displayed in the window in case of division by zero or period errors. The options are:

- None – The program will not display any errors.
- Division by zero – If a formula in the account schedule results in division by zero, the program will display *ERROR* in place of the amount.
- Period error – If there is a difference in the length of the periods, the program displays Not Available in place of the amount.
- Both – The program checks for both division by zero and period errors.

Show Amounts in Add. Reporting Currency – Enter a check mark in this field if you want report amounts to be shown in the Additional Reporting Currency. Normally, the amounts are shown in the local currency (LCY) of the company.

Time Interval buttons – These buttons can be used to change the period for which the information is displayed. To see the same report for a different period you can use the next period or previous period buttons to quickly go to the period you want.

For our example select the following settings:

Field	Value
Date Filter	01/01/01..01/31/01
Column Layout	BASIC
Budget Filter	Leave empty
Time Interval	31 (Month)

If you drill down onto an amount that is calculated based on a formula, the formula calculation used to calculate the amount is displayed. If you drill down on amounts in the schedule that are based on G/L Entries or G/L Budget entries, you open the Chart of Accounts (G/L) window. The Chart of Accounts (G/L) window summarizes information from the G/L Budget entries and the G/L Entries into one window. If you click the **AssistButton** in any amount in this window, you can drill down to the G/L entries or G/L Budget Entries that are used to calculate the amount.

From the report above, you can quickly see that during January, the company granted more discounts to customers than they received from their vendors. However, since the actual net discounts for the current month are very similar to the budgeted net discounts, the January results are not an exception and simply support the company's expectations and practices relating to discounts. You can also quickly see that there was a large decrease in the net discounts granted from December 2000 to January 2001. In summary, the account schedule has provided valuable information about how much cash the company is spending or making on discounts and whether it is improving from month to month.

If you wish to see the same report for a different period, you do not need to create or print the account schedule again. You simply change the **Date Filter** or select a different time interval button in the window. In addition, you can create additional discount reports by simply combining another column layout with the DISCOUNT account schedule rows. Alternatively, you could use the BASIC column layout with other account schedule rows to make the same comparisons with other financial information such as administrative expenses or sales income.

Printing Account Schedule Reports

You can also print the account schedule from the Acc. Schedule Overview window or the Report Menu. The report contains the same options and filters as the Acc. Schedule Overview window. However, the report is limited to printing the first five columns of the Account Schedule. The Acc. Schedule Overview window can show all columns.

1. From the Financial Management menu, click GENERAL LEDGER→REPORTS→FINANCIAL STATEMENT→ACCOUNT SCHEDULE. The Account Schedule window appears:

2. In the **Name Filter** field, click the **AssistButton** and select REVENUE.

3. In the **Column Layout Name** field, a default column layout was automatically entered by the program. For this example, we will use a different column layout, so select DEFAULT.

4. In the **Date Filter** field, enter 02/01/00..02/29/00.

   Note that you can also set filters on dimensions, in case you wanted to print a financial statement for one of the dimensions that you have set up. If you are printing a budget comparison, it is also here that you would select which budget you were going to compare.

5. Click **Preview**.

Now you can preview the Account Schedule.

Instead of printing the report using the Report menu, you can also select the account schedule you want to print in the Acc. Schedule Overview window and click the **Print** button at the bottom of the window. In this case, the layout, date filter, dimension filters and budget filters are automatically copied from the Acc. Schedule Overview window to the **Options** tab of the report.

Exporting Account Schedules to Excel

You can also transfer your Acc. Schedule Overview to Microsoft Excel.

1. In the Acc. Schedule Overview window and click FUNCTIONS→EXPORT TO EXCEL. The Export Acc. Sched. to Excel window will appear.

2. You can select whether to create a new workbook or update an existing one. If you wish to update an existing one, you need to enter the **Excel Workbook File Name** and **Worksheet Name**.

3. Click **OK**. The program will automatically open Excel and export the data from the selected account schedule as well as the filter information. The program uses a default worksheet name of the account schedule Name.

NOTE: Amounts that were totals in the Acc. Schedule Overview window will not be exported as formulas in Excel. The value of the total will simply be copied to a cell in the Excel Worksheet. In addition, rounding factors are not applied in the amounts exported to Excel.

Filtering Account Schedules Using Dimensions

You can also filter the entries used to calculate amounts in account schedules using dimensions. The dimension filtering can be applied by row and applies to all amounts in all columns in that row.

To filter account schedules using dimensions, you must perform the following steps.

1. In the Account Schedule window, in the **Name** field, click the **AssistButton**.

2. In the Account Schedule Names window, select the account schedule name you wish to filter using dimensions and click the **OK** button.

3. In the **Analysis View Name** field for that account schedule, select the analysis view that contains the dimensions you wish to filter with. You do not have to enter anything in this field if you do not wish to filter by dimensions other than the global dimensions.

4. Click **OK** to return to the Account Schedule window.

5. Use the VIEW→SHOW COLUMN function to show the display the four **Dimension Totaling** fields in the Account Schedule window.

The **Dimension Totaling** fields work in exactly the same way as the **Totaling** field in the account schedule except with dimension values rather than G/L Accounts. You can enter dimension ranges and formulas.

If you did not choose an analysis view, then the first two dimension totaling fields will always be the two global dimensions. If you did assign an analysis view to the account schedule, the dimensions included in the analysis view will determine the **Dimension Totaling** fields.

To see this, in the demonstration company, look at the CAMPAIGN account schedule in the Account Schedule Names window. It has the CAMPAIGN analysis view assigned to it. If you go back to the Account Schedule window and look at the dimension totaling fields, they contain the dimensions included in the analysis view. These are the Sales Campaign, Area Code, Business Group and Salesperson dimensions. If you now look at the ANALYSIS account schedule that does not have an analysis view assigned, the first two dimension totaling fields contain the department and project global dimensions. The remaining two dimension totaling fields are not used.

You will learn more about analysis views in the Dimensions chapter.

Test Your Skills – Creating Detailed Account Schedules

Scenario: You are required to create a small Management Analysis Report that will be 2 pages in length. The account schedule should be given a code of MGTRPT and it should have its own column layout with a code of MANAGEMENT.

The first page in the report should contain the following information:

- The first section should show the Sales, the sales discounts, and a line showing the total sales reduced by the sales discounts.
- The second section should show the costs of goods and materials sold before purchase discounts, the purchase discounts, and a line showing the total cost of goods sold reduced by the purchase discounts.
- The third section shows the Gross Loss / (Profit) on Goods and Materials.
- The second page is to contain an analysis that breaks down the Gross Loss / (Profit) on Goods and Materials by Department.

The columns in the report should contain the following information:

- Column 1 should show the Net Change G/L entries from the current fiscal year. All entries are to be shown with the opposite sign.
- Column 2 should show the Net Change G/L entries from the previous fiscal year. All entries are to be shown with the opposite sign.
- Column 3 should contain a formula to calculate the difference between current and fiscal year results in percentage terms.

View the comparison of January 2001 and January 2000 and export the results to a new workbook in Excel.

All Levels

Your tasks are as follows:

- Using the information provided above, create an Account Schedule and Account Schedule Column.
- Export the results to Excel.

Annual Closing Operations

Closing a Fiscal Year and Transferring Income Statement Balances to the Balance Sheet

At the end of each fiscal year, the income account balances must be transferred to a balance sheet account. This is performed by the Close Income Statement batch job in the program. However, before you can run this batch job you must have closed the accounting periods for the fiscal year that will be closed. You cannot use the batch job for open accounting periods.

Closing a Fiscal Year

The procedure to close a fiscal year described below. However, so that you can continue to perform other exercises in this course material, you should not actually close any years in the demonstration data.

1. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→FISCAL YEAR→ACCOUNTING PERIODS. SCHEDULE. The Accounting Periods window will appear.

2. Click **Close Year**.

3. The program automatically selects the oldest open year. A message will inform you of the year that will be closed and seek confirmation that you wish to continue.

4. Once the message has been confirmed by clicking **Yes**, the **Closed** and **Date Locked** fields of all periods in that fiscal year will be updated with a check mark that cannot be removed. The period lengths of the closed periods will also be unable to be changed.

You can see this by looking at the fiscal year of 1999 in the demonstration data:

You can close the accounting periods of a fiscal year even though all entries for the fiscal year have not been completed. Because you can still post to closed accounting periods, the balances will be updated automatically. Every entry will be marked as closing entry by having **Yes** placed in the **Prior-Year Entry** field.

Every time you post to a closed fiscal year, you can start the Close Income
Statement batch job to transfer the balance to the balance sheet.

Example – Prior-Year Entry confirmation

1. From the Financial Management menu, click GENERAL
   LEDGER→GENERAL JOURNALS. The General Journal window will
   appear.

2. Select the DEFAULT batch and delete any existing journal lines in
   the batch.

3. Enter the following information in a journal line:

Field	Description
Posting Date	12/31/99
G/L Account	8110
Amount	80.00
Bal. Account Type	G/L Account
Bal. Account No.	2910

4. Post this entry and close the journal window.

5. From the Financial Management menu, click GENERAL
   LEDGER→REPORTS→ENTRIES→G/L REGISTER. The G/L Register
   window will appear.

6. Select the last entry and click REGISTER→GENERAL LEDGER to check
   the G/L ledger entries that were posted.

7. Use the zoom to see the value in the **Prior-Year Entry** field.

*NOTE: When you close the fiscal year, the program will lock the period-length, but it
will not be blocked against entering and posting entries. You can only stop entry to a
specific period setting a date range against user accesses. You prevent posting using
the **Allow Posting From** and **Allow Posting To** fields in the General Ledger Setup
window.*

Transferring the Income Balances – Close Income Statement

The Close Income Statement batch job transfers the income account balances to
an account in the balance sheet and closes the income statement accounts. The
batch job creates lines in a journal, which you can then post.

The batch job processes all G/L accounts of the "Income Statement" type and creates entries that cancel out their respective balances (that is, each entry will be the sum of all the G/L entries on the account in the fiscal year that is being closed). These closing entries are placed in a journal, in which you must specify a balancing account in the balance sheet before posting. When the journal is posted, an entry is posted to each income statement account so that its balance becomes zero and an opposite amount is transferred to the balance sheet.

You must post the journal yourself; the batch job does not post the entries automatically. However, if you are posting with an additional reporting currency, the program will post automatically because this guarantees the correct posting of rounding differences.

The date on the lines that the batch job inserts in the journal will always be a closing date for the fiscal year. The closing date is a fictitious date between the last day of the old fiscal year and the first day of the new year. It is designated as a closing date by having the format Cmm/dd/yy. The advantage of posting on a closing date is that you maintain the correct balances for the ordinary dates of the fiscal year.

Notes Regarding Closing Dates

Do NOT change the closing date formula in the Close Income Statement entries, because this will cause the entries to be posted in the normal accounting periods. A date with the format Cmm/dd/yy will be placed between the fiscal year you are closing and the next fiscal year. This makes it possible to still view income balances for any fiscal year using normal posting dates, 1/1/xx ..12/31/xx, in the date filters.

You should NOT enter dates with a closing date format for closing entries other than the entries used to transfer the income balances to the balance sheet. If you do, these entries will not appear in the normal reports when you enter the date range 1/1/xx ..12/31/xx. You could also include the closing date C12/31/xx in the Date Filter for the report, but this would show all closing entries giving a net result of 0 for all income statement accounts.

The Close Income Statement batch job can be used several times. You can post in a previous fiscal year, even after the income statement accounts have been closed, if you run the batch job again afterward.

To run the Close income Statement batch job:

1. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→FISCAL YEAR→CLOSE INCOME STATEMENT. The Close Income Statement window appears:
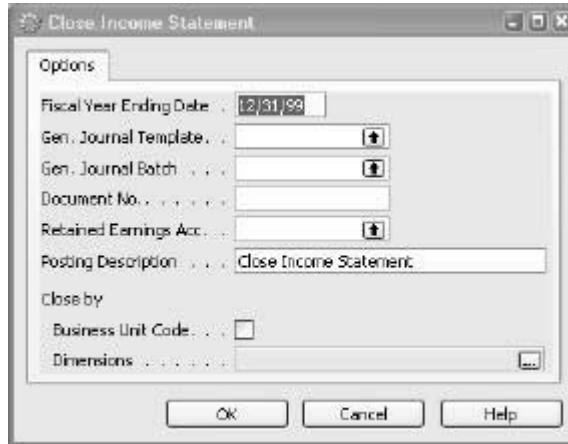
You can define how the batch job will be executed by filling in the fields. Fill them in as follows:

Field	Description
Fiscal Year Ending Date	The program suggests the last day of the latest closed fiscal year. The closing entries will be posted with a fictitious (Cmm/dd/yy) day to allow it to have the proper balance on both of the days on either side of the closing. Don't change this date in the journal batch.
Gen. Journal Template	Select the name of the general journal template that the entries will be placed in. Click the **AssistButton** to the right of the field to see the existing general journal templates.
Gen. Journal Batch	Select the name of the general journal batch that the entries will be placed in. Click the **AssistButton** to the right of the field to see the existing general journal batches.
Document No.	If you filled in the **Gen. Journal Template** field and the Gen. **Journal Batch** field, the batch job automatically fills in this field with the next available number from the number series for the journal batch. You can also fill in this field manually.
Retained Earnings Acc.	In this field, you enter the balancing account with which you want to close the surplus in the income statement. To do this, click the **AssistButton** to the right of the field and select an account from the G/L Account List.

Field	Description	
Posting Description	Enter text to accompany the entries. The default text is Close Income Statement.	
Close by	Here you can choose how many entries will be created by the batch job:	
	Business Unit Code	If the company is a consolidated company, separate entries are created per business unit if you place a check mark in this field.
	Dimensions	If you select any dimensions in this field, the program posts one entry for each dimension value combination used in a G/L account. If you do not choose any of these, only one entry is created for each account.

2. Click **OK** to start the batch job.

Test Your Skills – Close Income Statement

Scenario: You have just posted a journal with cleaning expenses to the 1999 fiscal year that is already closed. The expense must be transferred from the income statement accounts to the retained earnings account as part of the end of fiscal year processing. You wish to retain all the dimension information posted on the income account entries. Run the Close Income Statement batch job to create the journal entries for the transfer.

Use the following data on the Close Income Statement batch job:

Field	Description	
Fiscal Year Ending Date	12/31/99	
Gen. Journal Template	GENERAL	
Gen. Journal Batch	DEFAULT	
Document No.	G00002	
Retained Earnings Acc.	3120	
Posting Description	Close Income Statement 1999	
Close by	Dimensions	Area, Business Group and Customer Group

All Levels

Your tasks are as follows:

- Run the Close Income Statement batch job using the data provided above.
- View the General Journal entries, but do not post them.

Quick Interaction: Lessons Learned

Take a moment to write down three Key Points you have learned from this chapter:

1.

2.

3.

CHAPTER 3: XBRL

This chapter contains the following sections:

- XBRL – eXtensible Business Reporting Language
- Importing the Taxonomy
- Entering XBRL Line Definitions
- Exporting the XBRL Lines

Overview

XBRL is a global financial reporting initiative undertaken by numerous ERP software companies and international accounting organizations. The goal of the initiative is to provide a standard for uniform reporting of financial information for banks, investors and government authorities. Business reporting could include financial statements, financial information, non-financial information and regulatory filings such as annual and quarterly financial statements. XBRL consists of a core language of XML elements and attributes used in document instances as well as a language used to define new elements and taxonomies of elements referred to in document instances.

XBRL Terminology

The following definitions are from the XBRL website (www.xbrl.org):

- An **XBRL Instance** document is a business report, such as a financial statement; prepared to the XBRL specification. The meaning of the values in the instance document is explained by the taxonomy. An instance document is somewhat useless unless you know the taxonomy to which it is prepared.

- The **XBRL Schema** are the core low-level components of XBRL. The schema are the physical XSD and DTD files which express how instance documents and taxonomies are to be built.

- The **XBRL Specification** explains what XBRL is, how to build XBRL instance documents and XBRL taxonomies. The XBRL Specification explains XBRL in technical terms and is intended for a technical audience.

- An **XBRL Taxonomy** is a "vocabulary" or "dictionary" created by a group or organization that is compliant with the XBRL Specification, in order to exchange business information.

XBRL Specifications and Taxonomies

The XBRL organization released Specification 2 in December of 2001. Microsoft® Business Solutions–Navision® now conforms to Specification 2, though it still works with taxonomies which were prepared according to Specification 1. The new specification was needed because of advances in technology since the previous specification – primarily XML Schema and XML Linking. The new specification is based on implementation experience which suggested that more flexible metadata and easier addressing of metadata were needed.

The Cronus demo database contains two taxonomies:

- IAS – IAS, XBRL Spec. 2
- USGAAP – USGAAP for commercial and industrial companies (Spec. 1)

It is possible to import other taxonomies, as long as they are prepared according to XBRL Specification 1 or 2. We will try it in the next section.

NOTE: In order to import the taxonomy and export instance documents, you must have installed Microsoft XML Parser, v. 3.0 on your computer. It is a free download from the Microsoft website. The necessary files should have been included with your course files.

Importing the Taxonomy

In this section, you learn how to import the XBRL taxonomy. We import a Specification 2 taxonomy in this example. Specification 1 taxonomies follow the first five steps below, but do not require you to attach linkbases.

Now let's import the IAS Taxonomy created by the XBRL committee. Once you have completed the import, you are able to map the lines to the Chart of Accounts. As stated above, the USGAAP and the IAS taxonomies are included in the Cronus demo database, but we import a duplicate under the name TEST in order to practice the import of a new taxonomy. The taxonomy file should be included with your course files.

1. From the Financial Management menu, click GENERAL LEDGER→ANALYSIS & REPORTING→XBRL TAXONOMIES. The XBRL Taxonomies window appears:
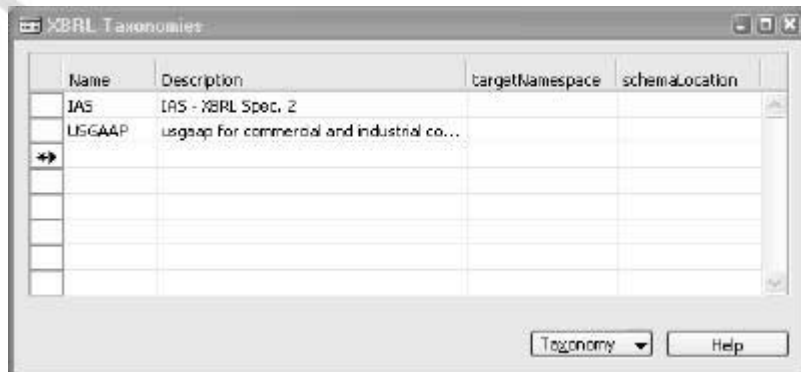
2. Press **F3** to create a new taxonomy. In the **Name** field enter TEST and in the **Description** field enter IAS Final.

3. Click TAXONOMY→SCHEMAS. The XBRL Schemas window will appear.

4. In the **Description** field, enter IAS Final Spec. 2.

5. Click SCHEMA→IMPORT to import the schema. The Import Memo window dialog box will appear.

6. Select the directory and file name from your local hard disk. Note that the file you select here will end in .xsd (this file should have been included with your course files). Click **Open** and wait a few moments for Microsoft® Business Solutions–Navision® to import the taxonomy.

This process imports the IAS taxonomy. However, you must attach linkbases before you can use the taxonomy.

Attaching Linkbases

Linkbases are the XML files containing information which allows a taxonomy to be presented in a readable, usable format. We must attach linkbases to Specification 2 taxonomies to make the information appear correctly. Specification 1 taxonomies do not require the attachment of linkbases.

Microsoft Navision uses four kinds of linkbases:

- **Label:** These links manage the text associated with taxonomy elements in various languages.
- **Presentation:** These links put the labels into usable order.
- **Calculation:** These links assign the calculation relations between the presented labels.
- **Reference:** These links show the information provided by the taxonomy provider.

Now, let's attach linkbases to the taxonomy we just imported. The files should have been provided with your course materials.

1. Click SCHEMAS→LINKBASES. The XBRL Linkbases window appears.

2. Select **Type** = Label and in the **Description** field enter Label Linkbase.

3. Click LINKBASE→IMPORT. Select the directory and file name (in this case, it should contain the word "labels") from your local hard disk. The file name will end in .xml.

NOTE: In this example, the file will contain the word "label" (or "presentation" or "calculation" or "reference"). This may not always be the case with taxonomies supplied by other sources. You must read the documentation that accompanies the taxonomy you wish to use. Linkbase files will normally end in .xml.

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4. A message appears asking if you want to apply the linkbase now. Click **Yes** to accept the message. The **XSD File Imported** field will have a check mark in it after the import.

5. Click on the next empty line and select **Type** = Presentation and in the **Description** field enter Presentation Linkbase.

6. Click LINKBASE→IMPORT. Select the directory and file name (in this case, it should contain the word "presentation") from your local hard disk. The file name will end in .xml.

7. A message appears asking if you want to apply the linkbase now. Click on **Yes** to accept the message. The **XSD File Imported** field will have a check mark in it after the import.

8. Click on the next empty line and select **Type** = Calculation and in the **Description** field enter Rollups Linkbase.

9. Click LINKBASE→IMPORT. Once again, select the directory and file name (as before, it will contain the word "calculation" and end in .xml) from your local hard disk.

10. A message appears asking if you want to apply the linkbase now. Click **Yes** to accept the message. The **XSD File Imported** field will have a check mark in it after the import.

11. Click on the next empty line and select **Type** = Reference and in the **Description** field enter Information Linkbase.

12. Click LINKBASE→IMPORT. Once again, select the directory and file name (in this case, it should contain the word "references") from your local hard disk.

When you have imported all the linkbases, the XBRL Linkbases window should look as follows:
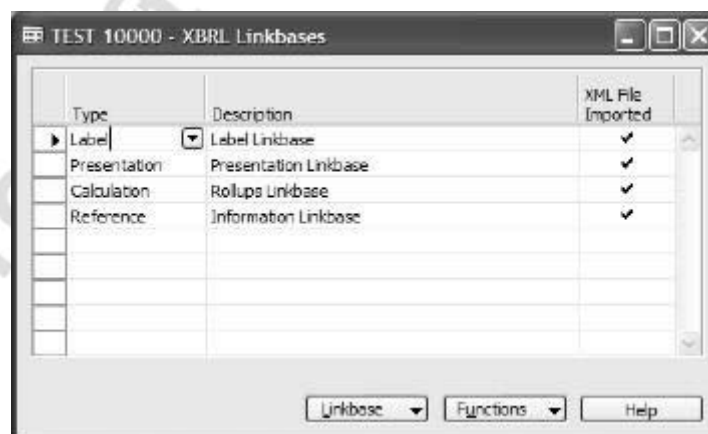
*NOTE: If you click **No** when asked if you want to apply the linkbase now, you can apply the linkbases to the taxonomy later. You can do this for each individual linkbase from the Functions button on the XBRL Linkbases window. You also can select them all and apply all of the linkbases at once from the Functions button on the XBRL Linkbases window.*

Now we check the Taxonomy line to see that the linkbases are applied.

1. Escape back to the XBRL Taxonomies window.

2. For our activity, select the TEST taxonomy line and click TAXONOMY→LINES. The XBRL Taxonomy Lines window will appear.

3. Expand the Trade and Other Receivables Disclosures line and then expand the Trade and Other Receivables, Current line. (You can expand the lines by clicking on the arrow next to the selected row or by clicking FUNCTIONS→EXPAND/COLLAPSE.)

4. Expand the Trade Receivables, Net, Current line. You can see that the taxonomy has been imported successfully. It should look similar to the following picture:
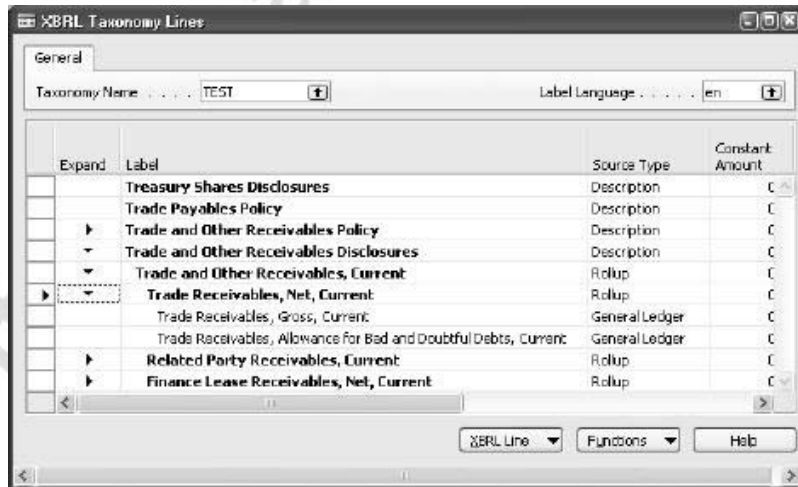
Updating a Taxonomy

Every now and then a taxonomy will change and must be updated. Perhaps only a few lines are changed. Microsoft Navision allows you to update only the changed lines, so you don't have to enter all the definitions every time. We will go through the general steps you need to complete this update.

1. Select the relevant record in the XBRL Schema window.

2. Click SCHEMA→IMPORT and select the file name of the updated taxonomy schema file.

The taxonomy is updated.

Updating a Linkbase

If it is a linkbase that is changed:

1. Select the relevant record in the XBRL Linkbase window.

2. Click LINKBASE→IMPORT and select the name of the linkbase file.

The linkbase is updated.

Adding a New Label Linkbase

If a new label linkbase (for example, in another language) is received:

1. Enter a new record in the XBRL Linkbase table.

2. Click LINKBASE→IMPORT and select or enter the name of the linkbase file.

The taxonomy is updated with the new labels.

If the file doesn't contain a valid XML document an error message is shown and nothing is changed.

Entering XBRL Line Definitions

In this section, we map the taxonomy lines to the relevant information. After you import or update a schema, the lines must be supplied with the information that corresponds to the line types, i.e. comments/descriptions, G/L accounts, constants, etc. Lines that are irrelevant can be marked as type "skip," and they will not be exported.

The mapping to the Chart of Accounts is the same for both Specification 1 and Specification 2 taxonomies. The difference is that Specification 1 taxonomies do not require you to import linkbases to be able to see the window resembling the Chart of Accounts that we covered in the last section.

Mapping the Taxonomy to the Chart of Accounts

In this section, we map the taxonomy lines to the cash accounts from Cronus' Chart of Accounts.

1. From the Financial Management menu, click GENERAL LEDGER→ANALYSIS & REPORTING→XBRL TAXONOMIES.

2. Choose the TEST taxonomy we have been working with and select TAXONOMY→LINES. The XBRL Taxonomy Lines window appears.

This is the list of information required for financial reporting and is similar in structure to a Chart of Accounts.

NOTE: There is a field at the top right of the form, which allows you to choose a language. This is for taxonomies that have various language versions. Other languages are active only if you have imported label linkbases in other languages for a particular taxonomy.

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3. Expand the Trade and Other Receivables Disclosures line and then expand the Trade and Other Receivables, Current line.

4. Expand the Trade Receivables, Net, Current line.

   Here you can see the labels, source types and information that we imported in the linkbases. You are free to change the source type if it is not relevant for your particular way of keeping records. In this case, since it is provided by the taxonomy provider, we will simply verify the source type and continue mapping to the G/L.

5. Select the Trade Receivables, Gross, Current line by placing the cursor on the line

6. Click XBRL→G/L MAP LINES. The XBRL G/L Map Lines window appears.

7. In the **G/L Account Filter** field enter 2310..2320 to include the Domestic and Foreign Customer accounts. You also can use the lookup button to find the account or account range.

8. In the **Timeframe Type** field, select Ending Balance.

   This field is used to determine whether the amounts exported to an Instance document are Net Change, Beginning Balance or Ending Balance. For this example we are entering a Balance Sheet item, so we chose Ending Balance.

9. In the **Amount Type** field, select Net Amount.

   In this field you can choose which general ledger entries are included in the total calculated for export to the Instance Document. You can choose all entries (Net Amount) or Debit or Credit entries only. For this example we want all entries, so we chose Net Amount.

10. In the **Normal Balance** field, select Debit.

In this field you can choose between Debit (positive) and Credit (negative). This determines how the balance is handled during calculation, allowing balances consistent with the Normal Balance type to be exported as positive values. For example, if you want the Instance Document to contain positive numbers, all G/L Accounts with a normal credit balance will need to have Credit (negative) selected for this field. For this example, we are mapping the cash account so we chose Debit (positive).

You have now mapped the sum of the ending balances of both Domestic and Foreign Customer Accounts in the general ledger to the XBRL Line labeled Trade Receivables, Gross, and Current.

11. Close the window.

Now on the XBRL Taxonomy Lines window, you should see a check mark in the **G/L Map Lines** field, indicating that you have mapped the taxonomy line to the G/L.

Other Line Definitions

You can enter other line definitions on the XBRL Taxonomy Lines window. They are:

Field	Description	
Source Type	This information is provided in the Calculations linkbase, but you can change it if necessary. Source Types include:	
	Not Applicable	Select this option if you do not want to export this line to the XML document.
	Rollup	This option indicates that the line is a rollup of other lines. You enter the XBRL lines that will be rolled up into this line by clicking XBRL LINE→ROLLUPS. Note that the information on which lines are rolled up is provided by the calculation linkbase, so you only need to change it if your situation warrants.
	Constant	If you select this source type, enter a fixed amount in the **Constant Amount** field. You might use this to express a number of shares, for example.
	General Ledger	This option indicates that the information on the line comes from your General Ledger. Once you have mapped to the appropriate accounts in your Chart of Accounts, a check mark appears in the **G/L Map Lines** field.

Field	Description	
	Notes	Select this source type if you would like to write something that will be exported along with your instance document. There will be a check mark in the **Notes** field if there is a note.
	Description	Use this to export a short description for the line. You enter the description in the **Description** field.
	Tuple	This line represents a number of related lines. The related lines are listed below this line and are indented.
Constant Amount	Here you would enter information that was a fixed amount – such as number of employees. You would select a corresponding **Source Type** of Constant.	
Information	If there is a check mark in this field, it means that there is a message that has come with the taxonomy. This could be any information that the taxonomy provider chooses. You can view the information in the field by being on the line and clicking XBRL LINE→INFORMATION.	
Reference	If there is a check mark in this field, the Comment table contains a reference to official material that you can read about this line. The reference was imported from the reference linkbase when the taxonomy was imported.	
Notes	Here you may enter information that you wish to export along with your financial information. To do this, select the appropriate line and click XBRL LINE→NOTES.	
G/L Map Lines	This field holds a check mark if you have mapped to your Chart of Accounts.	
Rollup	If there is a check mark in this field, there are records in the Rollup Line table about this line. This data was imported when the taxonomy was imported. You cannot change or delete the contents of this field.	
Description	You can enter a description on this line. You must also choose **Source Type** Description if you want the text to export with the financial information. This is for descriptions that are very short, as you would use Notes for longer pieces of information.	
Name	The XBRL Line table contains all the definitions that exist within a given taxonomy. From this table, you assign what information should be exported in XML format and how it should be exported. The export file that is created is called an Instance Document.	

Copy XBRL Setup

It is possible to copy taxonomy to another. It is strongly recommended that you copy only within a specification – e.g. from one Specification 2 taxonomy to another and not across specifications. For example, your bank may base their taxonomy on the IAS Specification 2 taxonomy, which you have already mapped to your G/L, so you would want to copy the setup to save time.

You copy the setup from the XBRL Taxonomy Lines window by clicking FUNCTIONS→COPY XBRL SETUP.

From here, you select the taxonomies to and from which you wish to copy the setup.

Exporting the XBRL Lines

The whole purpose of defining the XBRL lines is to create and export an XBRL instance document. This document provides the required financial reporting information in an XML file format. You can preview the information in a report before exporting to the requestor.

We will now preview and export a report based on our mapping of the Cash accounts to the taxonomy. The report is to show the information for 2001 and 2002.

1. From the Financial Management menu, click GENERAL LEDGER→ANALYSIS & REPORTING→XBRL REPORTING→XBRL SPEC. 2 INSTANCE DOCUMENT. The XBRL Export Instance – Spec. 2 window appears.

   At this point, you are given the opportunity to enter filters on Business Unit, Department and Project (Global Dimensions 1 & 2) on the **XBRL Taxonomy Line** tab.

2. On the **Options** tab, in the **XBRL Taxonomy Name** field, enter TEST.

3. In the **Label Language** field, choose "en" from the lookup.

4. Click in the **Create File** check box to be able to see a report.

5. Enter a file name in the **XBRL File Name** field.

6. In the **Starting Date** field, enter 01/01/01.

7. In the **No. of Periods** field, enter 2.

8. In the **Period Length** field, enter 1Y.

9. In the **Closing Entries** field, choose Include.

10. Click in the **Document Complete** check box. Clicking in this box means that the Instance Document contains all information necessary to perform further analysis.

11. The **ISO Currency Code** GBP is already filled in, so do nothing to change it. The currency code should correspond to the local currency of the company whose data you are exporting, not the additional reporting currency if there is one.

12. Do **not** place a check mark in **Show Zero Lines** field. You would do this if you want to include all lines in the Instance Document, even those lines that contain a zero.

13. Click on **Preview** to see a test run of your report.

The report can now be sent to the external requesting party. You would send the XML document you saved on your hard drive. The report generated by Microsoft Navision is for your own purposes.

Test Your Skills – Stock Exchange Reporting with XBRL

Scenario: The Stock Exchange has requested that Cronus provide information about its assets and liabilities for 2001using the IAS Specification 2 XBRL taxonomy.

All Levels

Your tasks are as follows:

- Locate the IAS – XBRL Spec. 2 Taxonomy.
- Map to the following Asset and Liability accounts in your G/L:

Taxonomy Label	Cronus G/L Accounts	Normal Balance
Assets		
Property, Plant and Equipment	1003..1999	Debit (positive)
Inventories	2110..2180	Debit (positive)
Trade and Other Receivables (Current)	2310..2340	Debit (positive)
Cash and Cash Equivalents	2910..2940	Debit (positive)
Liabilities		
Issued Capital and Reserves	3110..3120	Credit (negative)
Interest Bearing Borrowings (Non Current)	5110..5120	Credit (negative)
Trade and Other Payables (Current)	5410..5425	Credit (negative)

- Create a report of Cronus' assets and liabilities for 2001 to be sent to the Stock Exchange.

Quick Interaction: Lessons Learned

Take a moment to write down three Key Points you have learned from this chapter:

1.

2.

3.

CHAPTER 4: FINANCIAL ANALYSIS USING DIMENSIONS

This chapter contains the following sections:

- Entering Dimensions in Journals and Documents
- Viewing Posted Dimension Information
- Analyzing Financial Information Using Dimensions
- Exporting Analysis Views to Microsoft® Excel®

Entering Dimensions in Journals and Documents

In previous training materials, you were shown how you could enter dimension information in documents and journals using shortcut dimensions or default dimensions. We will now quickly review these procedures.

Shortcut Dimensions

Shortcut dimensions are dimensions that are presented as fields on journal and document lines to make data entry as easy as possible. You can also enter dimension information for dimensions not selected as shortcut dimensions by using the Dimensions menu item on buttons in journals and documents:

Dimensions menu item on	Line button	Document button (for example Quote, Order)
Journal	To enter dimensions for the selected journal line	
Document	To enter dimensions for the selected document line	To enter dimensions for the entire document

Default Dimensions

Assigning default dimensions to accounts, customers, vendors, items and other objects in the program minimizes the data entry involved with recording dimension information.

Storing Dimension Information in Unposted Documents and Journals

All dimension information entered in journals and documents is stored in the following two tables until the journal or document is posted:

- Journal Line Dimension Table
- Document Dimension Table

After posting, the dimension information is transferred to the relevant posted dimension information table.

Viewing Posted Dimension Information

Posted Dimension Information

You can view all dimensions attached to posted entries for G/L accounts, customer accounts and so on. This means that you can quickly find all the dimension information relating to a specific entry, improving traceability and enquiry response. When a journal or document containing dimension information is posted, the dimensions information is stored in two ways.

Directly Recorded in Ledger Entries

Global dimension information is stored in the **Global Dimension 1** and **Global Dimension 2** fields on ledger entries. This includes G/L entries, customer and vendor ledger entries, and so on. Dynamic captioning will update the field caption to show the dimension name. By recording these dimensions on the ledger entries, it enables you to filter on global dimensions in all reports and forms based on the ledger entries.

Separate Table Recording Posted Dimension Information

The posted global dimensions and other dimensions are also recorded in a separate table, depending on whether it relates to a posted document or ledger entry.

- Posted Document Dimension table – Dimension Information for posted documents. The Table No., Document ID and Line No. for the posted document are recorded with the dimension information to enable you to view the dimensions from the posted document.

- Ledger Entry Dimension table – Dimension Information for posted ledger entries. The Table No. and Entry No. for the ledger entry are recorded with the dimension information to enable you to view the dimensions from the ledger entries or chart of accounts.

By storing the posted dimensions in a separate table, it allows you to have an unlimited number of dimensions. If you were to only record dimensions directly on the entries, for each new dimension created, a new field would need to be added to every table that contains the entries. This cannot be done without having a license with solution developer permissions.

Viewing Dimensions for Posted Entries

Let's say we wish to look at the dimension information relating to the posted ledger entries for account 6120 in the general ledger.

1. In the Financial Management menu, under General Ledger, click Chart of Accounts.

2. In the Chart of Accounts window, choose account 6120 Sales, Retail EU and click ACCOUNT→LEDGER ENTRIES.

3. To view the dimensions for the first ledger entry on 01/01/00, select the ledger entry and click ENTRY→DIMENSIONS.
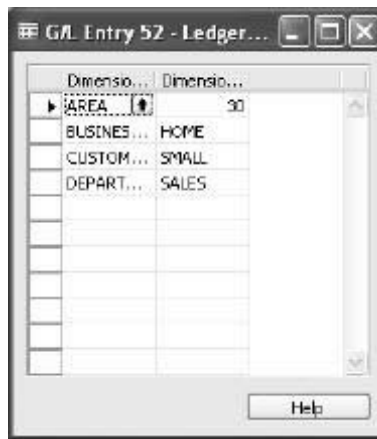
In the Ledger Entry Dimensions window you can see the dimensions and dimension values attached to that specific ledger entry. The same ENTRY→DIMENSIONS menu option also exists in other ledger entry types in the program, like customer ledger entries and vendor ledger entries.

4. Close the window.

5. In the General Ledger Entries window, show the **Global Dimension 1 Code** and **Global Dimension 2 Code** fields if they are not already shown. Note, in the demonstration company, these are the **Department Code** and **Project Code** fields.

You can see that the SALES Department global dimension information has also been recorded directly on the G/L entry.

It is also possible to get an overview of all the related dimension information for all the entries for a particular G/L account.

6. Click ENTRY→G/L DIMENSION OVERVIEW in the General Ledger Entries window.

In the **G/L Entries Dimension Overview** window, you can see a matrix of which dimensions have been used on all G/L entries for a particular account. Each dimension is displayed as a column, and each ledger entry is a row. The dimension value used on a particular ledger entry can be found in the field where the dimension column and ledger entry intersect.

Analyzing Financial Information Using Dimensions

As shown in the Financial Reporting chapter, Account Schedule analysis capabilities are primarily based on the G/L Accounts and their structure in the Chart of Accounts.

The analysis view is a means of viewing data from the general ledger for particular output needs based on criteria specified within your business. For an analysis view, G/L entries are grouped by criteria such as G/L accounts, Period, and up to four dimensions. In other words, if a G/L entry has been posted to a particular account with one of the four dimensions selected for an analysis view, this G/L entry information will be included in the analysis view as an analysis view entry. You can be highly specific about the dimension information you want to include in an analysis view by using the Analysis View Filter.

The data structure of the Analysis View is represented in the diagram below:
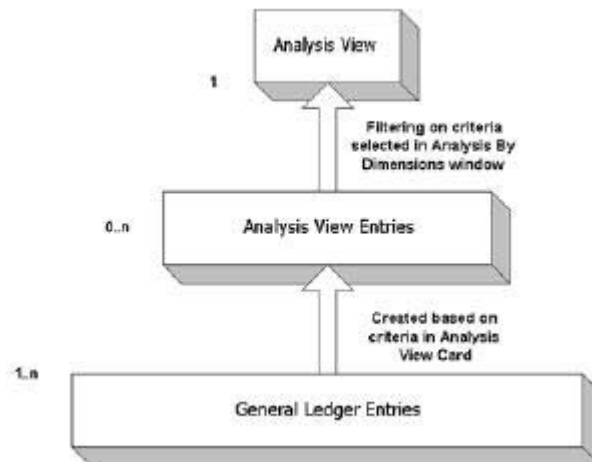
You can also include G/L budget entries in an analysis view so that actual figures can be compared with expectations.

The analysis view can be continually updated with new G/L entries in the following ways:

- Using the **Update** button on a specific Analysis View Card.
- Using the Update Analysis Views batch job under Periodic Activities.
- Placing a check mark in the **Update on Posting** field on the analysis view card. It should be noted that the automatic updating of an analysis view each time a G/L entry is posted might become a performance issue.

Budget entries included in an analysis view can only be updated using the first two methods.

The analysis view can be presented in the Analysis by Dimensions window. Note that you can filter on the amounts shown, manipulate the presentation of amounts, and compare actual amounts with budgeted amounts.

Creating Analysis Views

1. From the Financial Management menu, click
   SETUP→DIMENSIONS→ANALYSIS VIEWS.

2. Normally, you press **F3** and enter a **Code** and the **Name** to create a
   new view. However, in this case we will select and look at the
   existing REVENUE Analysis View.
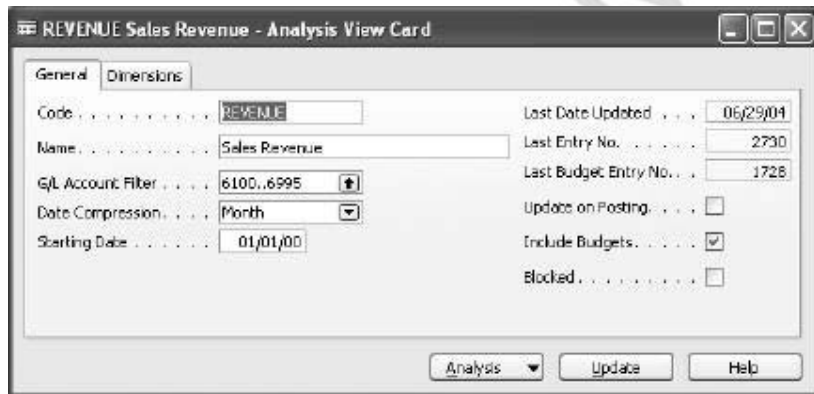
The Analysis View Card contains the criteria for creating the
Analysis View Entries for the Analysis by Dimensions window.

3. In the **G/L Account Filter** field, you specify that only entries posted
   to the filter accounts will be included when updating the Analysis
   View Entries.

4. You can select a period for the **Date Compression** of Analysis View
   Entries. By using date compression, you specify the level of detail
   for an analysis view such as day, month, quarter, and so on. If you
   leave the field blank, there will be no compression by date.

5. All G/L entries posted on or after the **Starting Date** that you enter
   will be compressed to the level selected by you in the **Date
   Compression** field and included in the analysis view. The **Posting
   Date** for the compressed entries will be the first date of the related
   period. For example, if you compress by Month with a Starting Date
   of 01/01/02, the compressed entries for each month will have a
   Posting Date of 01/01/02, 02/01/02, 03/01/02, and so on.

   All entries prior to the **Starting Date** will be compressed into one
   entry per G/L account per dimension combination. The **Posting Date**
   of these prior entries will be the day before the **Starting Date**.

6. Place a check mark in the **Update on Posting** field if you want the
   program to automatically update the analysis view every time you
   post an entry.

7. When you use budgets in your Analyses views, place a check mark in the **Include Budgets** field. This can be relevant if you have created a budget with the same dimensions as an analysis view. By updating both analysis view entries and analysis view budget entries at the same time, you avoid using outdated information in your comparisons of actual and budgeted figures.

8. You can also block an analysis view so that it cannot be updated by placing a check mark in the **Blocked** field. Neither the **Update on Posting** function nor the **Update Analysis View** batch job can be used to update an analysis view while it is blocked.

9. In the **Dimensions** tab you can specify the four dimensions that will be able to be used as filters in the Analysis by Dimensions window. The amounts will be updated automatically when you enter the **Dimension Value** to filter with.

   The dimensions contained on the **Dimension** tabs also determine the dimension combinations that must be considered when compressing the G/L entries into analysis view entries. G/L Entries with the same compression period and combination of dimension values for the dimensions on the **Dimensions** tab will be compressed into one entry.

10. You can also further filter the G/L entries used to make the Analysis View Entries using dimension value filters that are not included in the four on the **Dimensions** tab. Click ANALYSIS→FILTER to open the Analysis View Filter window.
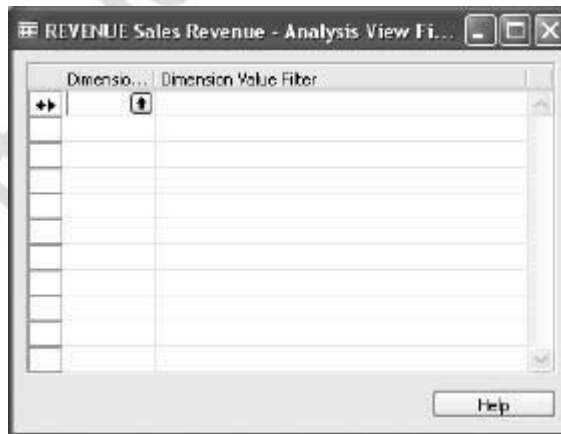
   You enter a **Dimension Code** and **Dimension Value Filter** to filter with. The amounts in the Analysis by Dimensions view are only updated to reflect this filter when you click the **Update** button on the Analysis View.

11. Close the Analysis View Filter window.

12. To update the analysis view, click the **Update** button. However, the analysis view entries are already updated in the demonstration company so we will not do this.

13. Close the Analysis View window.

14. Under General Ledger, click ANALYSIS & REPORTING→ANALYSIS BY DIMENSIONS.

15. In the Analysis by Dimensions window, select the REVENUE Analysis View Code.

16. Click the 31 time interval button to show the information by month.

On the **General** Tab, you define which dimensions will be used as the columns and the lines.

On the **Filters** Tab you specify any filters for the Analysis including Dates, G/L Accounts, Budgets and dimension values for the dimensions you set up on the Analysis View Card. This will further filter the Analysis View Entries that were created when you updated the Analysis.

NOTE: Information displayed using the Day (1) time interval button should only be used if the analysis view entries have a compression of None or Day. For example, if you compress analysis view entries by Month for January 2001 and then view those with the Day (1) time interval it will appear as if all entries occurred on 01/01/01.

The **Options** tab is used to modify how the amounts calculated by the Analysis View Entries are displayed. For instructions on specific fields, consult the online help.

If you click the **AssistButton** in any field in the Analysis by Dimensions window, you will see a list of the analysis view entries that make up the amount in the field. If you then click the **AssistButton** in the **Amount** field for an individual analysis view entry, you will see the G/L entries that make up this analysis view entry.

You can also exchange the data shown by columns with the data shown by lines in the Analysis by Dimensions window by clicking FUNCTION→REVERSE LINES AND COLUMNS.

NOTE: If you delete your analysis view, the program will delete all associated analysis view entries.

Test Your Skills – Creating Analysis Views

Scenario: You need to create a new analysis view with the following features:

Code	REGIONAL
Name	Regional Analysis
Date Compressed	Month
Starting Date	01/01/01

All Levels

When creating the new analysis view, your tasks are as follows:

- The analysis view should be updated on G/L posting and include the budgeted amounts.

- The Dimension Code AREA is to be used as a filter dimension in the Analysis by Dimensions window.

- Update your new analysis view and change to the Analysis by Dimensions window. Select the REGIONAL Analysis view to see the analysis view entries that have been created by the first update of the new analysis view.

Dimension Based Reports

It is not possible to print an analysis view directly from the Analysis by Dimensions window. However, you can print dimensions information by combining analysis view entries with Account Schedule Column Layouts in the Dimensions – Total and Dimensions – Detail reports.

Dimensions – Total Report

This report displays a classification of how dimensions have been used on entries over a period by using total amounts. The report gives you an overview of dimension information linked to a particular analysis view by using sum totals comprising many entries. Therefore, only totals for dimensions or dimension combinations included in the analysis view you have selected will be included in the report.

You can use the report to analyze how dimensions have been used for particular activities, as well as to gain an overall impression of how dimensions are being used in your company.

1. From the General Ledger Menu, click
   REPORTS→ENTRIES→DIMENSIONS–TOTAL.
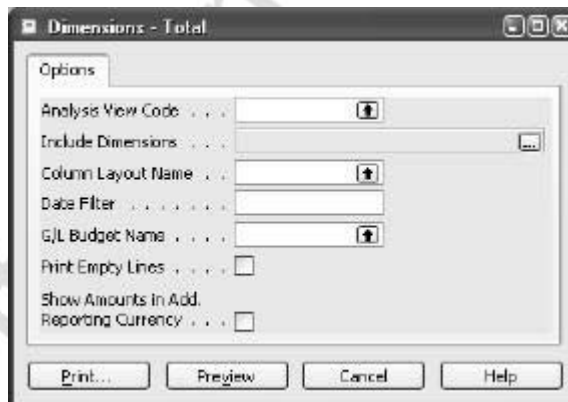
You enter the **Analysis View Code** and **Column Layout Name** in the appropriate fields. You can also enter a **Date Filter** for the report as well as specify a **G/L Budget Name** to be used if the report will show budget entries.

2. For this example we select the REVENUE Analysis view and combine it with the DEFAULT Column Layout to give a report. We will use a date filter of 01/01/01..01/31/01.

3. To select the dimensions you wish to display in the report, click the **AssistButton** in the **Include Dimensions** field to open the Dimension Selection window.
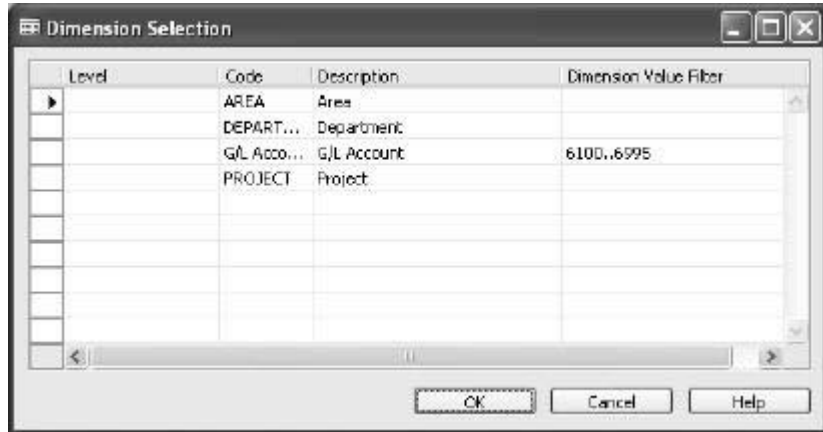
In the **Level** field, you assign the Analysis hierarchy for the report. You can assign a maximum of four levels. If you do not assign a level to at least one dimension or the G/L Account, there will be no report created.

4. Enter 1 in the **Level** field for G/L Account and *2* in the **Level** field for the AREA dimension, so that you generate a report listing the total for each AREA Dimension Value for each G/L Account. Alternatively, you can select the level using the **AssistButton** in the field.

You are limited to G/L Accounts and the dimensions that you specified on the **Dimensions** tab in the analysis view you have selected. A default G/L Account filter will be copied from the Analysis View Card, but this can be changed in the Dimension Selection window. You can further filter the report by entering specific dimension values in the Dimension Value Filter field for the dimension.

NOTE: You must be careful when assigning the levels in the report. If you place a dimension with many dimension values at a lower level, the report may be extremely long. Similarly if you have a large number of G/L accounts and you place the G/L accounts at a low level, the report may also be extremely long. In this case it may be better to put the G/L accounts or dimension at a higher level, for example Level 1.

5. Leave the filters as they are for our example and click **OK** to return to the report request form.

You can also specify to print in Additional Reporting Currency and whether to print dimension combinations that have no totals. For this example we will leave these options blank.

6. If you click **Preview**, you will see the report.

Dimensions – Detail Report

This report displays a detailed classification of how dimensions have been used on entries over a selected period. The entries shown in the report are the G/L Entries that were used to create analysis view entries for the selected analysis view. Therefore, only entries with dimensions or dimension combinations that are included in the analysis view you have selected will be included in the report. The report can be used to investigate which activities use which dimensions, and how individual dimensions are combined with other dimensions on specific entries.

The fields on the request form are similar to those in the Dimensions – Total Report, except that the column layout is not selected but a standard format included in the report. You enter the levels for the dimensions and G/L Accounts in a similar manner to the Dimensions – Total Report.

1. From the General Ledger Menu, click
   REPORTS→ENTRIES→DIMENSIONS – DETAIL.

2. Use the same REVENUE Analysis view, Date Filter, Levels and Dimensions for this report as you did for the Dimensions – Total Report.

3. Click **Preview** to view the report.

The report shows the ledger entries separated into debit and credit entries.

NOTE: Increasing the number of levels assigned to the report increases the time to generate the report. Reducing the level of filtering also affects the speed of generating the report.

Combining Analysis Views with Account Schedules

In the Account Schedule Names window, you can assign an existing analysis view to an account schedule.

1. Under General Ledger, click ANALYSIS & REPORTING→ACCOUNT SCHEDULES.

2. In the **Name** field, click the lookup button.

This changes the entries used to create the amounts in the Account Schedule from G/L Entries to analysis view entries. It also allows you to filter amounts in rows using the **Dimension Totaling** fields in the Account Schedule window.

You can check this by selecting the REVENUE account schedule that has the REVENUE analysis view assigned.

If you display the REVENUE account schedule in the Acc. Schedule Overview window and click the **AssistButton** for any amount, the Chart of Accs. (Analysis View) window opens to show the balances for the account.

If you click any amount on the line, the analysis view entries will display.

If you now go back to the Account Schedule Names window and remove the analysis view and then click an amount in the Acc. Schedule Overview window, you will see the Chart of Accounts (G/L) window.

Test Your Skills – Combining Analysis Views with Account Schedules

Scenario: You need to revise the REVENUE account schedule. The REVENUE account schedule should now be combined with the CUSTOMERGROUP Analysis view.

All Levels

Your tasks are as follows:

- Remove the REVENUE analysis view from the REVENUE account schedule. Notice the change in the filters and the amounts displayed in the Acc. Schedule Overview window. The rows with dimension filters based on the analysis view no longer show any amounts. Look at the difference in entries displayed when you drill down.

- After you have done this, combine the REVENUE account schedule with the CUSTOMERGROUP Analysis view instead of the REVENUE Analysis view. Again, notice the change in the filters in the Acc. Schedule Overview window when the CUSTOMERGROUP analysis view is assigned. Notice the difference in the entries displayed when you drill down in the Acc. Schedule Overview window.

Exporting Analysis Views to Excel

Similar to account schedules, you can also export an analysis view to Excel. By exporting the analysis view, you can distribute the dimension information to external parties that do not have access to the program. Excel's chart functions can also be used to display your analysis view graphically.

To export an analysis view:

1. In the **Analysis by Dimensions** window, select the view you wish to export.

   As an example, set up the following analysis using the REVENUE Analysis View:

Show as Lines	G/L Account
Show as Columns	Period
Show	Actual Amounts
Show Amount	Field Amount
Time Interval	Month (31)
Amount Type	Net Change

   Leave all other fields as they are.

2. Click FUNCTIONS→EXPORT to excel.

The program will now export the information to a text file, open the text file in Excel and create a pivot table based on the information in the text file.

The Excel Workbook

The workbok in Excel contains three sheets.

- **Data Sheet** – This sheet contains the data that the pivot table is based on. It includes all the Analysis View entries and Analysis View Budget entries that were used to create the Analysis by Dimensions you exported. It also includes G/L account numbers, dimension values and periods that have no posted entries.

- **General Information Sheet** – This sheet contains information in the Analysis View Card and the Analysis by Dimensions windows at the time the export was performed.

- **Pivot Table Sheet** – This sheet contains the pivot table that is created using the information in the data sheet.

We will now look at these sheets in more detail and how the settings in the Analysis by Dimensions window affect the information exported.

Data Sheet

The data sheet can be separated into two main sections. The first section contains information from the analysis view entries and analysis view budget entries. The second section contains all the accounts, dimensions and periods for which there is no data. If the second section were not included, the pivot table would only include accounts and dimension values with data.

In the first section each line in the sheet represents an analysis view entry or analysis view budget entry. Note that the settings in the Analysis by Dimensions window only affect the number of entries exported. For each entry exported, all data will be exported regardless of what was chosen as lines or columns. As a result, each line will usually have the following information.

- **G/L Account Level n** – The G/L account for the line. To display the account hierarchy of Begin-Total and End-Total accounts in the pivot table, the program must use the grouping functions in Excel. The program uses the **Indentation** field of a Posting account to fill in the Begin-Total account structure it belongs to. If there is no hierarchy within the chart of accounts, the entries will be displayed with G/L Account Level 0 only.

  – For example:

- Account 6120 is part of the range with Beginning account 6105. The **Indentation** field for 6120 contains 2 Analysis view entries for 6120 will have the following G/L Account information in the Data Sheet:

G/L Account Level 0	6100
G/L Account Level 1	6105
G/L Account Level 2	6120

- **Dimension Code** – Dimension values can also be hierarchical. The same principles for hierarchical G/L accounts apply to hierarchical dimension values. If there is no hierarchy within the dimension values, the entries will be displayed with Dimension Code Level 0 only.

- **Date information** – Each Excel line has the period information calculated based on the **Posting Date** for the analysis view entry or analysis view budget entry. The periods include Day, Week, Month, Quarter, Year and Accounting Period. If you have compressed the analysis view entries by a period greater than a day, the date calculated for the Day period will be the starting date of the compressed period. It is not the **Posting Date** of the underlying G/L transaction. This is the same as when viewing analysis view entries in the **Analysis by Dimensions** window.

- **Amounts** – If the Excel line relates to an analysis view entry, the line will contain the **Amount**, **Debit Amount**, and **Credit Amount** from the entry. If the Excel line relates to an analysis view budget entry, the line will contain the Budgeted Amount (**Amount** field) from the entry.

The second section of the data sheet contains all the G/L accounts, dimension values and periods with no entries. The exception is the Day period. Regardless of the compression of the analysis view, the data sheet will only include days with data. This is to limit the number of lines created in the Excel sheet.

The number of entries and the information created in the text file depends on the settings in the Analysis by Dimensions window:

- **G/L Account Filter** and **Date Filter** – Filters the number of entries exported based on **Account No.** or **Posting Date**.

- **Budget Filter** – Filters the number of analysis view budget entries exported based on **Budget No**.

- **Dimension Filters** – Filters the number of entries exported based on the dimensions included in the analysis view.

- **Show** – If you choose Variance, Variance% or Index%, a warning will be displayed since no entries will be exported. This is because these amount types are calculated in the window and not recorded on the analysis view entries. If you choose Actual Amounts or Budgeted Amounts, the program always exports both.

- **Show Amount Field** – The program always exports Amount, Debit Amount and Credit Amount for actual amounts and Amount for budgeted amounts regardless of what you select in this field. If you choose Debit Amount or Credit Amount for Budgeted Amounts, a warning will be displayed.

- **Closing Entries** – If you select Include, entries on closing dates will be included in the analysis by dimensions and therefore exported to Excel.

- **Rounding Factor** – This field has no effect on the information exported to Excel. If you wish to round and format the numerical information, you should do so in Excel.

- **Show Amounts in Add. Reporting Currency** – If you have set up an additional reporting currency, the amounts appearing as Amount, Debit Amount, Credit Amount, and Budgeted Amount in the Data Sheet will be additional reporting currency amounts. If you do not use an additional reporting currency, nothing will be exported.

- **Show Column Name** – If you place a check mark in this field and you have a dimension code or G/L Account in the **Show as Lines** field, the exported information will include the **Name** of the account or dimension value. If you have selected Period in the **Show as Lines** field, only the date information will be exported. If you leave this field blank, only the account **No.** or dimension value **Code** will be exported.

- **Show Opposite Sign** – If you have selected to show the amounts in the opposite sign, the amounts exported to the lines will have the opposite sign to the **Amount** field on the analysis view entries.

- **Amount Type** – The number of entries exported is also affected by whether you choose Net Change or Balance to Date as the amount type. If you choose Net Change, all entries within the date filter will be exported. If you choose Balance to Date, the program will ignore the starting date and export all entries up to and including the ending date in the filter.

NOTE: An Excel sheet can contain a maximum of 65536 lines. If you are exporting an analysis view that consists of many entries over several periods, the maximum number of lines may be exceeded. In this case, you should use a date filter to limit the number of periods you wish to display in Excel.

General Information Sheet

The program records the settings from the Analysis View Card and the Analysis by Dimensions window at the time the analysis view was exported.

NOTE: This information is only at the time of export and is not updated for changes in the pivot table or changes to the program.

The sheet displays the contents of the following fields on the Analysis View Card:

- Analysis View Code
- Analysis View Name
- G/L Account Filter
- Date Compression
- Starting Date
- Last Date Updated

The sheet displays the contents of the following fields on the Analysis by Dimensions window:

- Date Filter
- G/L Account Filter
- Budget Filter
- Dimension Filters
- Closing Entries
- Show Opposite Sign

The **Amount Type** (Net Change or Balance at Date) and the currency code for the amounts are also included. Note that if any of the filters are empty, they will not be displayed on the general information sheet.

Pivot Table Sheet

The program creates pivot fields based on each column of data exported to the data sheet and forms the pivot table from the pivot fields. The fields in the **Analysis by Dimensions** window determine which pivot fields to use as rows and columns in the pivot table.

- **Show as Lines** – The contents of this field determines which pivot field is used as rows in the pivot table. In our example, the **Show as Lines** field contained G/L Account, so the lowest G/L Account Level pivot field has been used to make the rows in the pivot table.
- **Show as Columns** – The contents of this field determines which pivot field is used as columns in the pivot table. In our example, the **Show as Lines** field contained Periods. We had also selected the Month time interval button, so the Month pivot field has been used to make columns in the pivot table.

To determine the data pivot fields to display in the pivot table, the program uses the **Show** and **Show Amount Field** fields. You can display the actual Amount, actual Debit Amount, actual Credit Amount or budgeted Amount.

NOTE: You can only show Actual Amounts and Budgeted Amounts in the pivot table. This is because the other amount types are not stored on the analysis view entries and are not exported. However, you can create calculated fields in the pivot table to represent Variance, Variance% and Index% amounts.

Benefits of the Pivot Table

By creating a pivot table, you can manipulate the data quickly within Excel. You can change the rows, columns and data displayed in the pivot table by changing the fields included in the layout. However, formatting of data may not be kept if you do this. It is recommended that you change the layout in the Analysis by Dimensions window and export the information again.

The pivot table also allows you to view more than one type of amount. For example, you can include both actual and budgeted amounts in the pivot table. You can also show more than one pivot field per column or row. For example, you can show all the G/L Account levels per row. Alternatively, you can show each AREA by Month in each column.

You are not limited to the pivot fields created by the program. You can also create calculated pivot fields that can make comparison of actual to budgeted amounts.

The final benefit is that you can create a chart linked to the pivot table using a wizard in Excel. This allows you to display your dimension analysis graphically. Changes made to the chart layout will automatically be updated in the pivot table.

For more information on how to use data exported from Microsoft® Business Solutions–Navision® to Excel, you can read the technical white paper, Analyzing Dimension Data Using Pivot Tables.

Limitations to Data Displayed in Pivot Tables

There are some limitations with exporting and displaying information in the pivot table in Excel:

Totaling Accounts and Dimensions

Totaling accounts do not have any posted entries and will never be included in the exported accounts. If you have implemented a hierarchical chart of accounts using Totaling accounts instead of Begin-Total and End-Total accounts, you can only export the posting accounts. The same limitation applies with the Totaling dimension values.

Begin-Total and End-Total Accounts and Dimensions

If you have a hierarchical chart of accounts that use Begin-Total and End-Total accounts, you need to show all the G/L Account Level pivot fields to see the entire chart of accounts in the pivot table.

Only the Begin-Total accounts are exported. The End-Total account information is included in the pivot table as a subtotal of the Posting accounts assigned to the Begin-Total Account. The pivot table line for the End-Total information has a description including the Begin-Total Account No. and "Total." The same rules apply with Begin-Total and End-Total dimension values.

Sorting of Account Numbers and Numerical Dimension Values

If you have account numbers that are numerical, these will always be sorted as numbers in Excel. If you have a chart of accounts with account numbers of different lengths, the sorting may be incorrect if you use Microsoft® SQL Server® or have changed the account numbers in Microsoft Navision Server to have text sorting. To achieve the correct text sorting in these cases, you should export both the account number and name (Place a check mark in the **Show Column Name** field in the Analysis by Dimensions window).

Exporting Balance at Date Amounts

If you export an analysis with the Balance to Date amount type, a starting date in the **Date Filter** field will be ignored. All analysis view entries prior to the ending date in the filter will be exported to Excel so the correct running balance can be displayed in the pivot table. If you do not wish to show balance to date information for all periods in the pivot table, you should hide the periods you do not wish to see. In addition, if the ending date in the filter is after the date of the last analysis view entry, the pivot table will not include the periods with no data. This is to reduce the amount of entries exported to Excel.

Test Your Skills – Exporting Analyses by Dimensions to Excel

Scenario: You are required to create some financial analyses that can be used for a presentation. The analyses should have the possibility of being quickly made into a graph and include the dimension information that has been set up in the company. All dimension information should include the name of the dimension so that the board members can understand the analyses.

The presentation has to include an analysis of the following information:

- Monthly revenue by customer group by area for January 2001.
- YTD revenue by customer group by area at the end of January 2001.
- Monthly actual expenses for all departments for the 2000 financial year.
- Monthly budgeted expenses for all departments for the 2000 financial year.

All Skill Levels

Your tasks are as follows:

- Create the analysis for the presentation based on the criteria in the scenario.
- Export each analysis to Excel. Save each analysis as an excel workbook with an appropriate name so they can be forwarded to your manager.

Quick Interaction: Lessons Learned

Take a moment to write down three Key Points you have learned from this chapter:

1.

2.

3.

CHAPTER 5: BUSINESS ANALYTICS

This chapter contains the following sections:

- Overview
- Business Intelligence and Business Analytics
- Terminology associated with Business Analytics
- The Data Configurator
- Data Warehouse
- Setting up the Microsoft® Business Solutions–Navision® Configurator
- Setting up BA Databases
- Creating Virtual Cubes

Overview

Business Intelligence & Business Analytics

Business Intelligence

People in organizations today have access to once-unimaginable volumes of information. Success or failure can hinge, to a large degree, on whether or not people can use that information to make wise decisions quickly. But without the ability to make sense of information, a knowledge gap exists, and the best anyone can do is make a guess or follow a hunch. Business intelligence (BI) helps you decipher and extract meaning from data so you can make informed decisions. Many companies today are turning to BI to fill that information gap, promote growth, and increase the bottom line.

Business Analytics

Business Analytics (hereafter referred to as BA) is a decision support and analysis tool that provides users with a range of visibility (detailed to aggregated) into different aspects of their business. It allows users to quickly get to the information they are looking for at the desired level of detail.

Business Analytics & Microsoft Navision

The base Microsoft Navision solution BA tool collects data from multiple domains within Navision, arranges them in a hierarchical form, and lends itself to the users for analysis purposes through a client. The client chosen for the base solution is Microsoft® Excel®, although it should be noted that a variety of other clients are available. Through the client, users can roll-up or drill-down at the desired level of detail for easy data analysis. For example, users can see the total sales across all products, and then drill-down to the sales at the product family level, or to a detailed product level. As most of the analysts use Excel today for data analysis purposes, we chose to use it as the client for the base solution. It serves as a good 2-dimensional client to represent data, with capability to not only represent data, but to also allow users to manipulate it using their own formulas.

Terminology Associated with Business Analytics

A typical business intelligence solution incorporates three essential components: a database, Online Analytical Processing, and desktop BA tools – in this case, the Microsoft Navision Data Configurator. We will define all of those and the terminology associated with them before we proceed to the setup procedure in Microsoft Navision.

Online Transaction Processing/ERP

Online Transaction Processing (OLTP) constitutes the origin of data – the database. OLTP systems are often also categorized as ERP systems (Enterprise Resource System) and are all designed to store data transactions. ERP solutions such as Microsoft Navision collect or gather transactions in data base structures. These databases are the foundation of the data mart used by the BA tool. Data is fetched from the ERP database via Online Analytic Processing or OLAP cubes.

Online Analytical Processing (OLAP)

Online Analytical Processing (OLAP) is effectively the "processing unit." To make queries happen more quickly, business intelligence applications use a technology called OLAP. OLAP pre-processes the data in an information unit called a cube and makes it quicker and easier to find what you need. In Microsoft Navision, OLAP is performed by Microsoft® SQL Server® Analysis Services, a capability that is part of SQL Server 2000.

Data Configurator

The Configurator is a set-up utility that creates the definition of cubes, and the schema of fact tables and dimension tables. In addition, it also creates the necessary data import scripts that are used by Microsoft DTS (data transformation services) to migrate data from Microsoft Navision database to the data warehouse of the BA solution.

The Configurator can be further divided into two separate components; one for the definition of a configuration, and another one for creation of actual configuration based on a pre-defined configuration.

The Navision Data Configurator is a setup tool that allows users to define and modify the data elements of interest for analysis purposes. The users can use this tool to define the attributes of OLAP cubes by selecting the data elements from Microsoft Navision. The configurations are stored in an XML form with certain tags and attributes, drawing upon table relations, option captions and field data types already existing within Microsoft Navision.

A user can save multiple configurations, create a new configuration, delete a configuration, or edit a configuration. It is possible to have several definitions existing at the same time, although only one will be active at a time.

Data Warehouse

A data warehouse is a database specifically designed for querying large amounts of data. In theory a data warehouse can embrace all data in the enterprise. It is a matter of how you set up the cubes for data extraction. In a data warehouse there are two groups of data: measures and dimensions.

The OLAP engine does not work directly against the Microsoft Navision database. BA migrates the necessary data from Microsoft Navision to a separate database and arranges it in a certain fashion in order to do facilitate large queries. This database is usually referred to as a data warehouse. It contains a collection of 'data marts' combined together where each data mart keeps data for a particular subject area along with the definition of dimension tables. The dimension tables keep mapping between the members of a group and the group definition; for example mapping that specifies which products belong to a product family. In addition to the dimension tables, data marts also contain a fact table that stores the data to be aggregated at the lowest level of detail; for example, employees' salary data in an HR system.

Data mart

A data mart is similar to a data warehouse but it will only represent a subset of data from the enterprise from which the analysis is drawn.

Measures

Measures are logical data types in a data mart. Measures are the numerical values of principal interest to end users. These are the rules of measures:

- A measure always represents a numerical value from the underlying table. If a field in a database table has not been defined as numerical, it cannot be used as a measure.

- All measures are numerical values, but not all numerical values are measures. You decide through definition during the implementation process if a number is interesting enough to use as a measure. Otherwise it can only be used as a dimension.

Dimensions

Dimensions are the way we categorize data in the data mart. They are the attributes or descriptive properties of the measures. They give us information about the measures, for example – where, when, what, who, etc. (wh- rule). Dimensions can be based on all physical data types. Several related dimensions can be collected or unified in a single dimension that displays the same general dimension in several levels containing different levels of detail. These are called hierarchies and are frequently used when building dimension structures in Microsoft Analysis Services.

Fact tables

These tables always contain both measures and dimensions. Fact tables are the core of the star scheme and snowflake scheme structures described below.

Dimension Tables

These tables contain only dimension values. A numerical value in what is defined as a dimension table can not be used as a measure in that context.

> *NOTE: Note that in this chapter, emphasis is not on the selection of measures and dimensions and how these relate to the final result for analysis. Emphasis is on the ease of use and flexibility of the Navision Configurator interface.*

Star scheme

A star scheme (or Star scheme construct) is a fact table with zero or more related dimension tables. A star scheme is recognized by the fact, that all dimension tables (if any) are directly linked to the fact table.
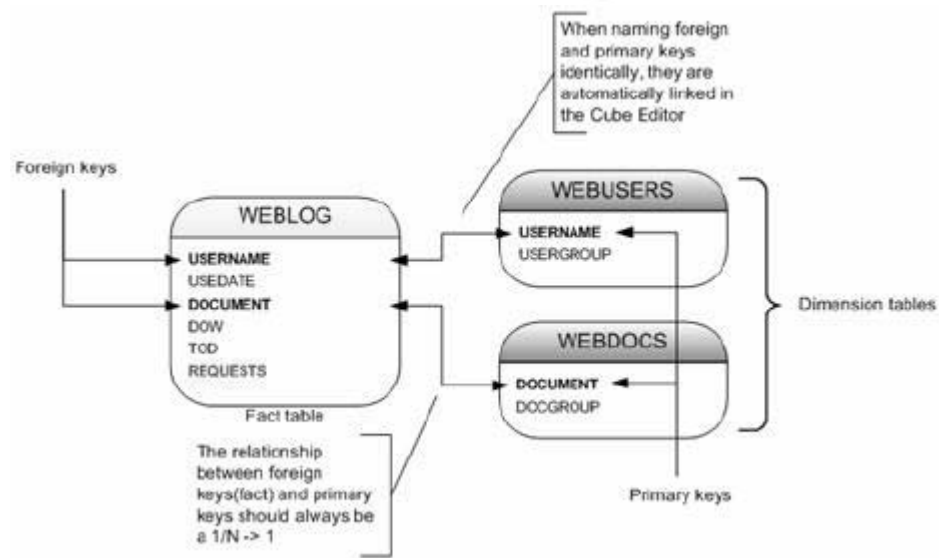
Snowflake scheme

A snowflake scheme (or Snowflake construct) is based on a star scheme.

The only difference is that this scheme contains dimension tables that are not directly linked to the fact table. (2nd level or more)
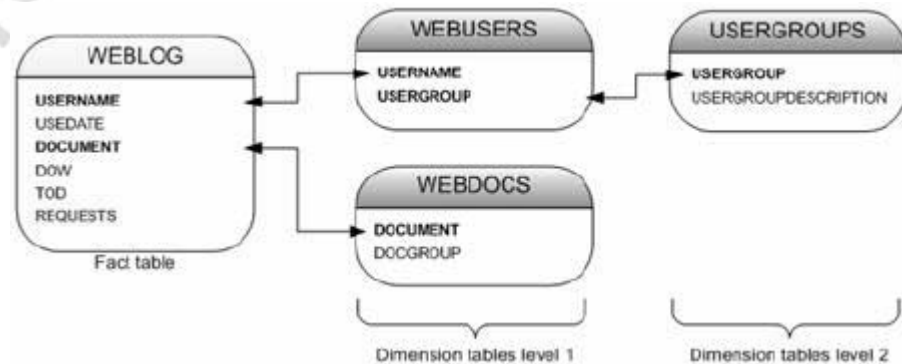
Setting up the Navision Configurator

Setting up a New Cube

The most common task in using BA in Microsoft Navision is to set up a new cube or to modify an existing cube. Therefore the user interface has been designed to make that task as easy as possible. Setting up a new cube still requires some basic knowledge about the database structure in Microsoft Navision, but to a large extent it is possible to use the existing, built-in information in the database. Because it is possible to set up cubes and use them in several companies, we will first set up cubes and then assign a company.

1. From the Navigation Pane, click ADMINISTRATION→APPLICATION SETUP→GENERAL→BUSINESS ANALYTICS SETUP. The BA Db. Overview window appears:
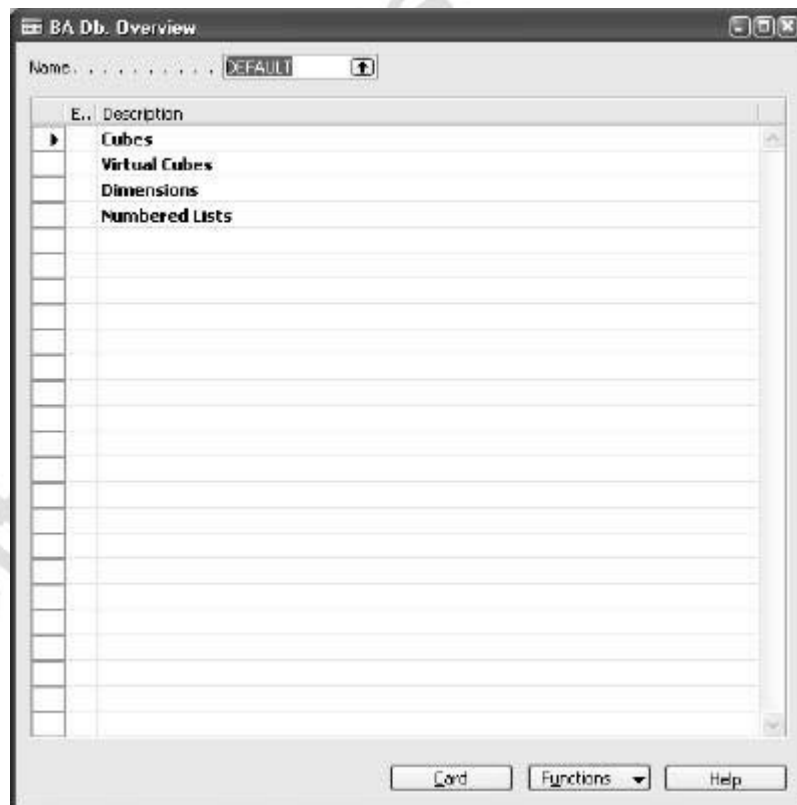
2. Select the Cubes line and click FUNCTIONS→NEW.

3. A message will appear asking if you want to create a new cube. Click **Yes** to approve this message. The BA Db. Cube Card window appears:

4. In the **Fact Table No**. field, click on the **AssistButton**. The Objects window appears.

5. Locate and select **Object ID** 379, **Name** Detailed Cust. Ledg. Entry.

6. Click **OK**.

7. The Object information will populate the fields on the BA Db. Cube Card window.

8. Click the **Cube** button to view the setup selections:

   – **Related tables:** Optional. If, for example, a user wants to extend the detailed customer ledger entry with information from the customer ledger entry table and the customer table, this is done by choosing the Related Tables menu item. This produces the Snowflake Scheme described previously.

   – **Dimensions:** Dimensions are the way we categorize data in the data mart. They are the attributes or descriptive properties of the measures. They give us information about the measures, for example – where, when, what, who, etc.

   – **Measures:** Measures are logical data types in a data mart. Measures are the numerical values of principal interest to end users.

   – **Functions:** Optional. Functions are used to build upon existing measures.

7. To set up Related Tables, click CUBE→RELATED TABLES. The BA Db. Cube Table Relations window appears:
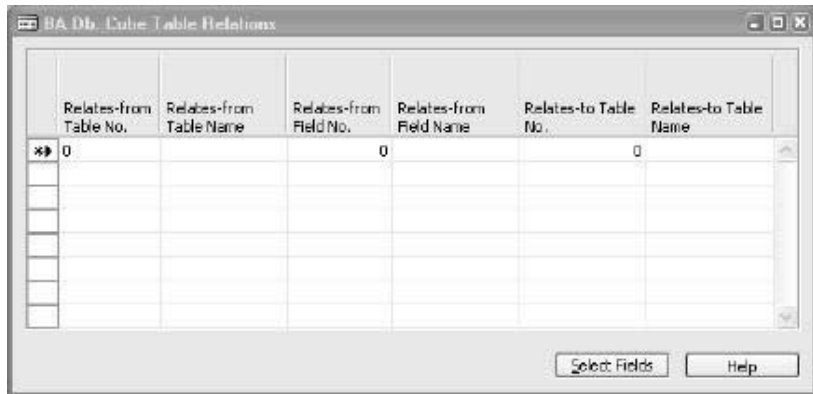
8. Click the **Select Fields** button. The BA Field Selection window appears.

   The BA Field Selection window is used to select additional information you want to bring into this cube. Microsoft Navision displays the tables that are related to the chosen Fact table. You then select the fields within these related tables that you wish to add to the cube.

9. Click in the Selected column of the following:

Table	No.	Name
Cust. Ledger Entry	2	Cust. Ledger Entry No.
Cust. Ledger Entry	9	Customer No.

10. Click **OK**. The tables and fields will now appear in the BA Db. Table Relations window. The Related Tables are now set up for the cube.

11. Press **ESC** to go back to the BA Db. Cube Card.

   Now we set up the Measures for the Cube.

12. Click on CUBE→MEASURES. The BA Db. Cube Measures window appears:
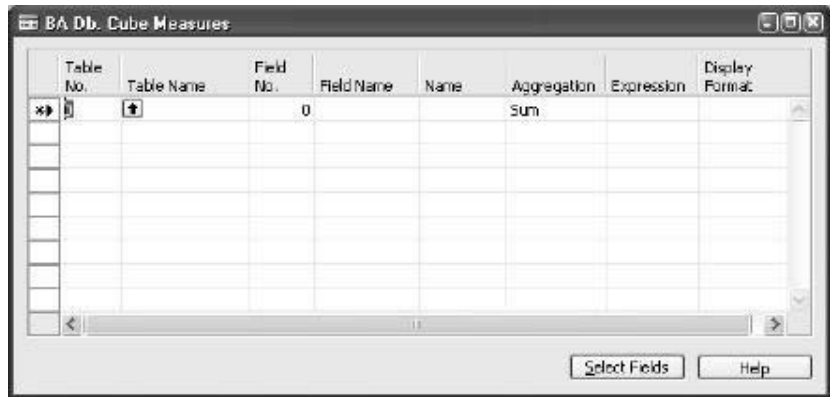
13. Click **Select Fields.** The BA Field Selection window appears.

    This window lists all of the amount fields in all the tables in the cube. In this instance, the Detailed Cust. Ledg. Entry table, as well as the Customer and Customer Ledger Entry tables from the Related Table setup.

14. Click in the **Selected** field of the following:

Table	No.	Name
Cust. Ledger Entry	7	Amount
Cust. Ledger Entry	8	Amount (LCY)

15. Click **OK**. The tables and fields you have selected will now appear. Note that you can modify the **Name** field in the BA Db. Cube Measures window. The Measures are now set up for the cube.

16. Press **ESC** to go back to the BA Db. Cube Card.

Now we set up the Dimensions for the Cube.

17. Click on CUBE→DIMENSIONS. The BA Db. Cube Dimensions window appears:
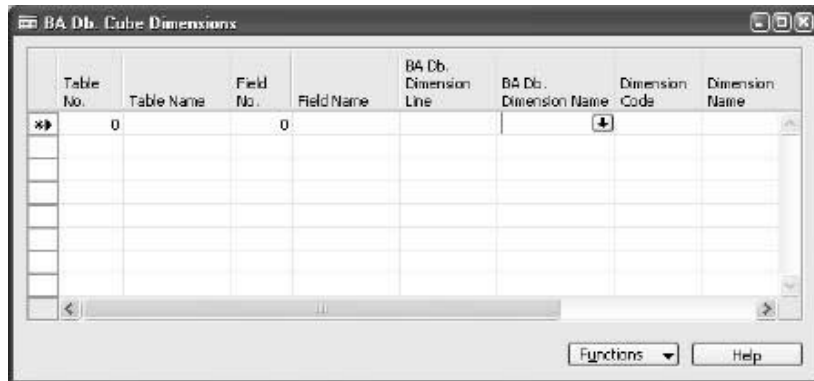
18. Click FUNCTIONS→SELECT FIELDS. The BA Field Selection window appears.

    Fields from all three related tables are shown again. If the user selects fields that have a table relation or are of type Option (like the Document Type), the program checks whether an appropriate dimension already exists, and if not, it creates it. If the field type is Option, the program will also create a Numbered List (Enumeration) for it that will form the basis for that dimension.

19. Click in the **Selected** field of the following:

Table	No.	Name
Cust. Ledger Entry	3	Customer No.
Cust. Ledger Entry	4	Posting Date
Cust. Ledger Entry	5	Document Type
Cust. Ledger Entry	11	Currency Code
Cust. Ledger Entry	21	Sell-to Customer No.

20. Click **OK**. The tables and fields you have selected now appear.

21. Now we select the Microsoft Navision Dimensions to go with the cube Dimension. Select any line in the BA Db. Cube Dimensions window and then click FUNCTIONS→SELECT DIMENSIONS. The Dimension Selection window appears.

22. Click in the **Selected** field for AREA.

23. Click **OK**. The AREA Dimension has been added to the BA Db. Cube Dimensions window. The Dimensions are now set up for the cube.

24. Press **ESC** to go back to the BA Db. Cube Card.

Now we set up the Functions for the Cube.

25. Click CUBE→FUNCTIONS. The BA Db. Cube Functions window appears:
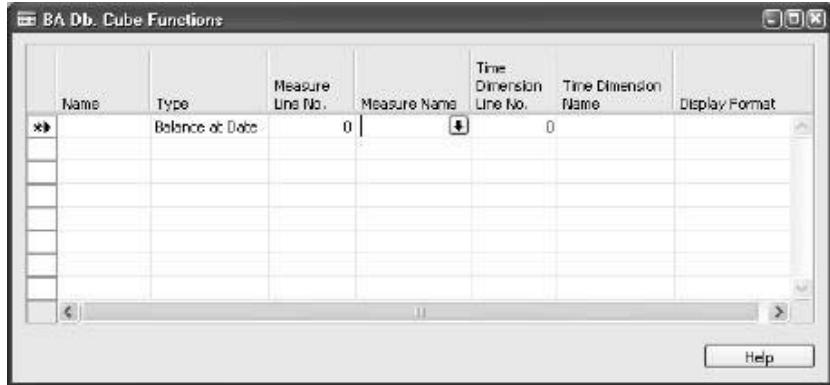
26. In the **Measure Line No.** field, click the **AssistButton** and select Amount (LCY).

27. In the **Time Dimension Line No.** field, click the **AssistButton** and select Posting Date.

28. The BA Db. Cube Functions window is populated with the Functions selections. The Functions are now set up for the cube.

29. Press **ESC** to go back to the BA Db. Cube Card.

30. Expand the lines of the cube (by clicking the arrows next to each line or by clicking FUNCTIONS→EXPAND) to view the completed setup:
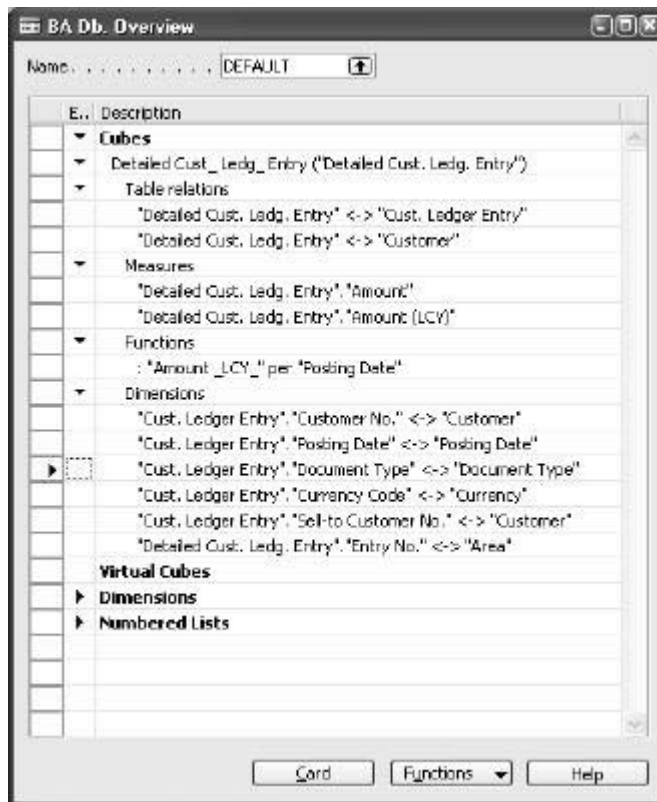
Updating the XML

Whenever you change the definitions of the cubes, you must update the XML. To update the XML:

1. In the BA Db. Overview window, click in the **Name** field to open the BA Databases window.

2. Click on FUNCTIONS→UPDATE XML.

Test Your Skills – Create a New Cube

Scenario: You wish to create a new Sales cube. To do this, you must first create a Sales database and then select a Fact Table and then select a Related Table. After selecting those, you must set the Dimensions and Measures upon which you will analyze. Remember to Update the XML. Use the following tables:

Type	Table
Fact Table	379
Related Table	9 (Customer No.)
Dimensions-Customer	35 (Country Code)
Dimensions-Cust. Ledger Entry	3 (Entry Type)
	4 (Posting Date)
	5 (Document Type)
	9 (Customer No.)
	10 (Currency Code)
	12 (Source Code)
Measures-Cust. Ledger Entry	7 (Amount)
	8 (Amount (LCY))
	16 (Debit Amount)
	17 (Credit Amount)
	18 (Debit Amount (LCY))
	19 (Credit Amount (LCY))
	39 (Remaining Pmt. Dsc. Possible)

All Levels

Your tasks are as follows:

- Go to the Business Analytics Setup menu item and create a new Cube.
- Using the provided data,
  - Create the Fact Table No.
  - Select the Related Tables.
  - Select the Dimensions.
  - Select the Measures.
- Update the XML.

Setting up BA Databases

Before you can use the Business Analytics Configurator to configure a BA database in SQL Analysis Services, you must set up a BA database and define the data cubes that you want to export. We have already defined the data cubes for our DEFAULT database.

1. From the Navigation Pane, click ADMINISTRATION→APPLICATION SETUP→GENERAL→BUSINESS ANALYTICS SETUP. The BA Db. Overview window will appear.

2. Click in the **Name** field to open the BA Databases window.

3. On a blank line, enter a **Code** and **Description** for the BA Database.

4. In the **Path to Configurator** field, click the **AssistButton** and browse to find the .exe file that triggers the Configurator. Click **Open**.

5. Click BA DATABASES→COMPANIES. The BA Db. Companies window appears.

   This window displays all companies that exist in this database. The current company has been selected as default, but you can select any of them.

6. Escape back to the BA Databases window.

7. You can have the Configurator engine run automatically at the same time every day. To complete this set up, click BA DATABASES→SCHEDULES. The BA Db. Schedules window appears.

   In this window, the first line contains a default time, but you can change the time. You can also enter additional lines if you want the engine to run automatically more than once a day.

NOTE: Besides using the scheduler, you can start the Configurator manually at any time. To run the Configurator at an unscheduled time, from the BA Db. Overview window, click FUNCTIONS→START CONFIGURATOR.

For security reasons, the Configurator must be run on the same server that hosts the OLAP database.

Escape back to the BA Databases window.
You can repeat steps 1-8 to set up as many databases as you want. However, only one database can be active at a time.

8. To indicate which database you want to use now, click in the **Active** field for the database.

Creating Virtual Cubes

Note that if you have specified several cubes in a configuration, for example a sales and a budget cube, you can additionally create a virtual cube that combines these two cubes for comparison purposes. Or, you may want to create a data cube that includes unrelated tables. You can set up separate cubes for the tables, and then you can combine the cubes into a virtual cube.

Before you can create virtual cubes, you must already have defined the cubes that you want to include in the virtual cube. You must combine at least two cubes, but you can include as many cubes as you desire in a virtual cube.

Setting up a Virtual Cube

The Virtual Cube setup is similar to the setup of a regular Cube, except you do not need to setup the Table Relations, Dimensions, Measures and Functions, as they have already been completed.

1. From the Navigation Pane, click ADMINISTRATION→APPLICATION SETUP→GENERAL→BUSINESS ANALYTICS SETUP. The BA Db. Overview window will appear.

2. Select the Virtual Cubes line and click FUNCTIONS→NEW.

3. A message appears asking if you want to create a new virtual cube. Click **Yes** to approve this message. The BA Db. Virtual Cube Card window appears:
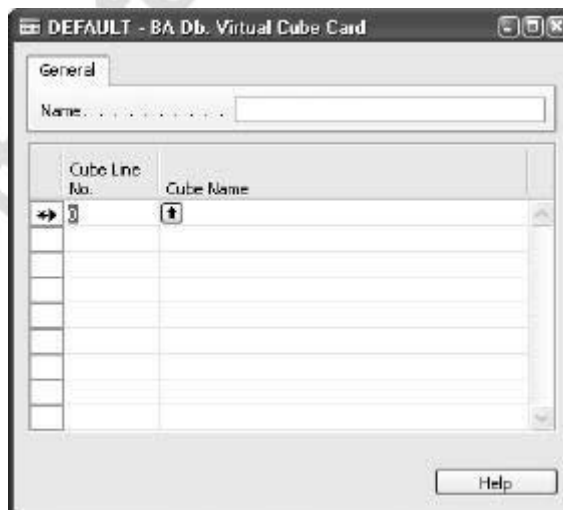
4. In the **Cube Line No.** field, click on the **AssistButton**. The BA Db. Cube List window appears.

5. Select a cube from the list and click **OK**.

6. Repeat steps 4-5 to add another cube to the Virtual Cube.

Quick Interaction: Lessons Learned

Take a moment to write down three Key Points you have learned from this chapter:

1.

2.

3.

CHAPTER 6: MULTICOMPANY OPERATIONS I

This chapter contains the following sections:

- Setting up the consolidation company and subsidiaries
- Exporting data for Consolidation (if necessary)
- Testing data to be consolidated
- Consolidating the data
- Processing Consolidation Eliminations
- Consolidated reports

Overview

Consolidation means combining the financial statements of two or more separate companies (subsidiaries) into a consolidated financial statement. In Microsoft® Business Solutions–Navision®, each individual company involved in a consolidation is called a "business unit." The combined company is called the consolidated company and is usually a company set up for only this purpose, holding no normal business transactions.

You can consolidate:

- Across different charts of accounts.
- Companies with different fiscal years.
- Either the full amount or a specified percentage of a particular company's financial information.
- Companies with different currency.
- Using different methods of translating individual G/L account.

You can consolidate companies that are:

- In the same database as the consolidated company.
- In other Microsoft Navision databases.
- In other accounting and business management programs (assuming that you can export the data from the other program to a file with the appropriate format).
- In either a "flat file" (.txt-pre version 4.0) with fixed length fields or from an XML format.

You set up the consolidated company in a database the same way that you set up other companies. The chart of accounts is independent of the chart of accounts in the other business units, and the chart of accounts in the individual business units may differ from one another. The consolidation features in the program lets you set up a list of companies to consolidate, verify the accounting data before consolidating, import from files and databases, and generate consolidation reports.

A consolidation demo database backup is available for the exercises in this chapter. It is called CONSOL_Demo Backup.Fbk. The work date should be set to 01/25/01 for exercise purposes. In the Demo Company rename the Subsidiary company to Cronus Subsidiary Ltd., and rename the Consolidation Company to Cronus Consolidation Company. This will allow users to perform the exercises with the Cronus Demo License File.

Steps to Perform Consolidations

The steps required to perform a consolidation will be described in this section. The consolidation process can be broken down into six basic steps:

1. Setting up the Consolidation company and subsidiaries

2. Exporting data for consolidation (if necessary)

3. Testing data to be consolidated

4. Consolidating the data

5. Processing consolidation eliminations

6. Consolidated reports

The appendices at the end of this manual contains more information on Intercompany Consolidations.

Setting up the Consolidation

Setting up the Consolidated Company and Subsidiaries

Before you can perform a consolidation, you need to have set up the consolidated company. The company must be set up like any other company in the program with its own chart of accounts and dimensions if desired. If a new company is to be used to consolidate subsidiaries remember that the General Ledger set-up checklist can be used to copy the Chart of Accounts and other set-up information to the new company.

Setting Up Consolidation Information on G/L Accounts

The chart of accounts for a company that will be consolidated must specify accounts for consolidation. For each posting G/L account in each company, you must specify the G/L account in the consolidated company to which the balance will be transferred on consolidation. This is a mapping that will allow companies with different chart of accounts to be consolidated together.

To Enter Consolidation Information on G/L Accounts:

1. On the menu bar, click FILE→COMPANY→OPEN. Select a subsidiary from the company list.

2. Click GENERAL LEDGER→CHART OF ACCOUNTS.

3. Click ACCOUNT→CARD and then select the **Consolidation** tab.

4. For each G/L account with Account Type = Posting, fill in the **Consol. Debit Acc.** and **Consol. Credit Acc.** fields.

Field	Description	
Consol. Debit Acc.	The account in the consolidated company which debit balances on this account are to be transferred to.	
Consol. Credit Acc.	The account in the consolidated company which credit balances on this account are to be transferred to.	
Consol. Translation Method	This field contains the consolidation translation method that will be used for the account. The translation method identifies the currency translation rate to be applied to the account. There are the following options:	
	Average Rate (Manual)	The average rate for the period to be consolidated. You calculate the average either as an arithmetic average or as a best estimate and enter it for each business unit.
	Closing Rate	The rate which prevails in the foreign exchange market at the date for which the balance sheet or income statement is being prepared. You enter the rate for each business unit.
	Historical Rate	The rate of exchange for the foreign currency which prevailed when the transaction took place.

Field	Description	
	Composite Rate	The current period amounts are translated at the average rate and added to the previously recorded balance in the consolidated company. This method is typically used for retained earnings accounts because they include amounts from different periods and are thus a composite of amounts translated with different exchange rates.
	Equity Rate	Similar to Composite. The posting of the differences will be to separate G/L Accounts.

If you want the balance to be transferred daily, it is a good idea to specify account numbers for both the **Consol. Debit Acc.** and **Consol. Credit Acc.** fields and the reasons for this are as follows:

– Although amounts equal to 0 are not transferred, an account whose final balance is 0 can have had a non-zero balance on some dates.
– There can be a debit or credit balance for some dates even though the final balance for the consolidation period is expected to be a credit or debit balance.

If you do not want to differentiate between debit and credit balances for a particular account, you can always use the same account number in both the **Consol. Debit Acc.** and **Consol. Credit Acc.** fields.

5. After entering account numbers for all the G/L accounts and selecting the Consolidated Translation Method, close the Chart of Accounts window. Then open the next subsidiary and repeat the procedure.

The Consolidated Company also needs to be setup with Debit and Credit Consolidation accounts.

NOTE: Unless the Consolidation Company will also be a subsidiary of another company, the Consolidation Debit and Credit Accounts in the Consolidation Company will be the same as the General Ledger Account number.

Test Your Skills – Setting up the Chart of Accounts in the Subsidiary Companies

Scenario: Cronus International Corporation owns 100% interest in Cronus International Ltd. and just acquired 50% in another company as a subsidiary, called Cronus Subsidiary Ltd. They will be reporting for the first quarter of 2001 with Consolidated Financial Statements. Mr. Frank, the Accounting Manager, has started preparing the Navision database for the Consolidation setup, but was needed to travel out of town on business and left the setup incomplete.

Finish setting up the Chart of Accounts in the Navision Companies using the following information:

In the Cronus Demo Consolidation database there are three companies:

- Cronus Consolidation Company - Used to consolidate the following subsidiaries:
    – CRONUS Subsidiary Ltd.
    – CRONUS International Ltd.

All Levels

Your tasks are as follows:

- Open the Chart of Accounts in the subsidiaries and check to see that all the posting accounts have Consolidation Debit and Credit Accounts.

- Add the Consolidation Debit and Credit Accounts to the CRONUS International Ltd. Company.

HINT: Use the filter function in the Chart of Accounts List to look for missing accounts.

Setting up Business Unit Information

To consolidate several companies' financial data in a consolidated company, you must enter information about the subsidiary as "business units" to be included and about the degree to which their figures will be included.

1. The business unit information must be set up in the consolidated company. If you are not already working in the consolidated company, go to the company menu and select it.

2. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS. The Business Unit Card window appears:
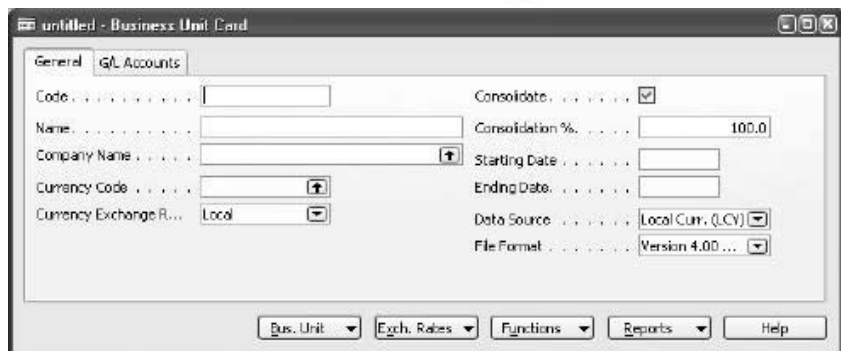
3. Let's look at the fields in the Business Unit Card window:

Field	Description
Code	Enter a maximum of 10 characters. When the consolidation function imports information from the business units, the program uses the contents of the code field to locate the relevant company. It also uses the code in reports and other documents in the consolidated company itself. Use codes that are easy to remember and descriptive. The code must be unique.
Name	Enter the name of the business unit. You can enter a maximum of 30 characters, both numbers and letters.
Company Name	Select the company subsidiary to be linked with this business unit in the program. Click the lookup button or press F6 to see the company names that are available in the database. Names of companies in other databases must be spelled correctly for the program to identify them.

Field	Description	
Currency Code	Select the currency code that represents the local currency (LCY) of the business unit. The **Currency Code** specifies how the consolidation feature reads the consolidation file. If Blank is specified the amounts in the consolidation file is regarded as being LCY amounts. If a **Currency Code** is chosen from the Currency table the numbers are regarded as being denominated in that currency. If the foreign subsidiary is providing the translated financial statement the **Currency Code** must be blank. The consolidation feature will regard the numbers to be consolidated as being denominated in LCY, and thus not do any translation.	
Currency Exchange Rate	The contents of this field indicate which currency exchange rate table the program will use while importing consolidation data. The options are as follows:	
	Local	The currency exchange rate table in the current (local) company will be used.
	Business Unit	Indicates the currency exchange rate table in the business unit's company will be used.
Consolidate	A check mark means that the company will be included in the consolidation. In the Business Units window you can set up all the companies that make up the group and then, before each consolidation, you can use the **Consolidate** field to choose whether you will have a particular company included in that consolidation. This must be checked if the business unit is to be consolidated.	
Consolidation %	Enter the percentage that indicates how much of each account for this business unit should be included in the consolidation. If you do not enter anything in this field, the program will import 100% of each account from the company.	
Starting Date and Ending Date	The **Starting Date** and **Ending Date** determines the period for which data is imported. Enter the starting date and ending date for the business unit's fiscal year if the business unit's fiscal year is different from the consolidated company's fiscal year.	

Field	Description
Date Source	The contents of this field indicate whether the data will be retrieved from the business unit in the business unit's local currency (LCY) or in its additional reporting currency (ACY).
File Format	This field indicates in which file format the business unit will submit their data. If the business unit has version 3.70 or earlier of the program, they will submit a .txt file. If they have version 4.00 or later, they will submit an .xml file.

4. Click on the **G/L Accounts** tab.
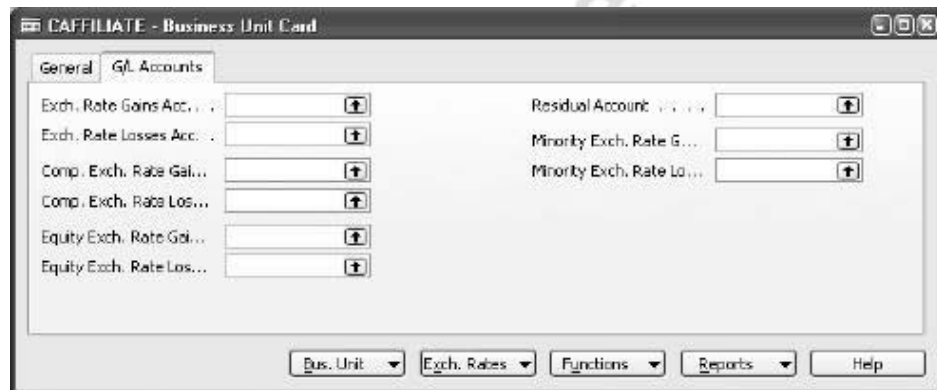
5. Lets look at the fields on the **G/L Accounts** tab.

Field	Description
Exch. Rate Gains Acct. and Exchange Rate Losses Acc.	Enter the number of the G/L account to which you want the program to use to post any exchange rate gains or losses. To see the available G/L accounts, click the lookup button or press **F6**.
Comp. Exch. Rate Gains Acct. and Comp. Exchange Rate Losses Acc.	Exchange gains/losses account for the translation adjustments component made up of all the G/L account marked with "Composite" in the "Consolidation Trans. Method". To see the available G/L accounts, click the lookup button or press **F6**. If blank the **Exch. Rate Gains Acc**. and **Exch. Rate Loss Acc**. will be used.

Field	Description
Equity. Exch. Rate Gains Acct. and Equity. Exchange Rate Losses Acc.	Exchange gains/losses account for the translation adjustments component made up of all the G/L account marked with "Equity" in "Consolidation Transl. Method." To see the available G/L accounts, click the lookup button or press **F6**. If blank the **Exch. Rate Gains Acc**. and **Exch. Rate Loss Acc**. will be used.
Residual Account	If residual amounts occur as a result of importing data during a consolidation – because of balance sheet beginning balances restatements – the program will post them to this account. To see the available G/L accounts, click the lookup button or press **F6.**
Minority Exch. Rate Gains Acct. and Minority Exchange Rate Losses Acc.	Exchange gains/losses account for the translation adjustments component made of the proportional share of the total translation adjustments that must be attributed to the minority shares. To see the available G/L accounts, click the lookup button or press **F6**. If blank the **Exch. Rate Gains Acc**. and **Exch. Rate Loss Acc**. will be used.

NOTE: The G/L account fields used during consolidation depend on the "Consolidation Translation Method" chosen in the G/L Chart of Accounts, Consolidation tab. If no Consolidation Translation Method is chosen when new G/L accounts are created it will default to "Average". See Appendix A for an explanation of "Consolidated Translation Methods".
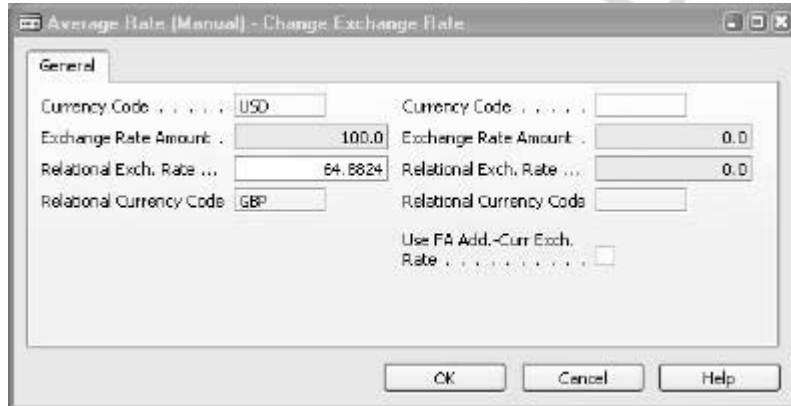
Specifying Exchange Rates for Consolidations

There are three exchange rates that the program uses when consolidating the financial statements of business units if the financial statements are in a foreign currency. They are **Average Rate (Manual)**, **Closing Rate** and **Last Closing Rate**.

Field	Description
Average Rate (Manual)	The average rate which prevails in the foreign exchange market in the period for which the balance sheet or income statement is being prepared.
Closing Rate	The rate which prevails in the foreign exchange market at the date for which the balance sheet or income statement is being prepared.
Last Closing Rate	The rate used at the last Balance Sheet closing.

To specify Exchange Rates for Consolidations:

1. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS.

2. Select the line with the relevant business unit in the Business Units window, and then click EXCH. RATES→AVERAGE RATE (MANUAL), CLOSING RATE OR LAST CLOSING RATE. The Change Exchange Rate window appears, regardless of which selection is made.

3. Depending on how you enter exchange rates in the program, you can change the exchange rate by changing the contents of the editable field in the window and then clicking **OK**.

NOTE: If you do not manually adjust the exchange rates for the Average Rate, Closing Rate or Last Closing Rate, the latest exchange rate from the Currency Exchange Rates window will be used as a default for the consolidation.

*However, if you add new exchange rates to the Currency Exchange Rates window before you consolidate so that a different default exchange rate should be used, the Average Rate, Closing Rate and Last Closing Rate exchange rates do not automatically update to contain the new default. To update to the new default exchange rate, you must actively reselect the currency in the **Currency Code** field in the Business Units window.*

Setting up Dimension Information for Consolidations

It is also possible to consolidate dimension information as well as G/L Accounts.

1. From the Financial Management menu, click GENERAL LEDGER→SETUP→DIMENSIONS→DIMENSIONS.

2. In the Dimensions window, select any dimension and click
    DIMENSION→DIMENSION VALUES. The Dimensions Values window
    appears:
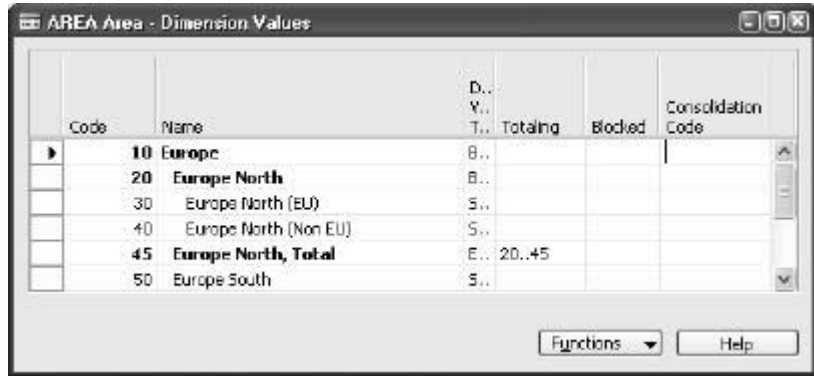
The **Consolidation Code** field is used for consolidation. How you fill in the field
depends on whether dimension information is to be transferred to the
consolidated company when you consolidate:

- If you do not wish to consolidate dimension information, you should
  leave the **Consolidation Code** field blank. You must also make sure
  not to select any dimensions in the **Copy Dimensions** fields in any
  consolidation functions or reports described later in this section.

- If you do wish to consolidate dimension information, you can still
  leave the **Consolidation Code** field blank. However, the
  consolidation will only work if the dimension values in the business
  unit are exactly the same as the consolidated company.

- You should only fill in the **Consolidated Code** field where the
  dimension value code in the business unit is to be consolidated to a
  different dimension value code in the consolidated company. The
  contents of the field should be the dimension value code contained in
  the consolidated company.

For example, a Nordic business unit has separate dimension values for Denmark,
Sweden and Norway. The consolidated company only requires information for
the consolidated Nordic region. To consolidate the dimension value Norway in
this business unit into the Nordic dimension value in the consolidated company,
enter *Nordic* in the **Consolidation Code** field for the Norway dimension value.

The Dimension Value window would be completed like this:

Code	Name	Consolidation Code
DENMARK	Sales Territory, Denmark	NORDIC
NORWAY	Sales Territory, Norway	NORDIC
SWEDEN	Sales Territory, Sweden	NORDIC

NOTE: Dimension consolidation has the same possibilities as the G/L account consolidation. Business units can have different Dimension Values compared to the consolidated company, similar to different charts of accounts. However, the Dimension Codes for the business unit and the consolidated company MUST be the same. Since dimension codes are created for use across the entire company, this also means for use in all business units. You can give the same consolidation code to several dimension values if you want the entries for these dimension values to be added together when you consolidate.

Test Your Skills – Setting up the Business Units in the Consolidation Company

Scenario: Mr. Frank, the Accounting Manager, has been detained on his business trip and called you to check on your progress with the Consolidations setup.

In the CRONUS Consolidation Company, setup the Business Units for the following subsidiaries:

      a. CRONUS Subsidiary Ltd.

          Code: CSUBSIDIAR

          50% owned by Cronus Consolidation Company

      b. CRONUS International Ltd.

          Code: CINTERNATL

          100% owned by Cronus Consolidation Company

For purposes of this exercise we will ignore the exchange rates and use the Local Exchange rates of the Subsidiaries.

All Levels

Your task is as follows:

- Using the above criteria, in the Consolidation Company, set up the Business Units Cards for both subsidiaries.
- All the fields related to the Exchange Rates can be left blank, if the Local exchange rate is used.
- The Residual Account must be filled in. In this exercise select General Ledger account 3120 for this account.

Exporting Data for Consolidation

If a business unit is located in another database, you must export the consolidation data to a file before it can be consolidated. Each company must be exported separately. Microsoft Navision contains a batch job for this purpose.

1. On the menu bar, click FILE→DATABASE OPEN. Select the database that contains the subsidiary company to be exported, and then click **OK**.

2. In the selected company, from the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CONSOLIDATION→EXPORT CONSOLIDATION. The Export Consolidation window appears:
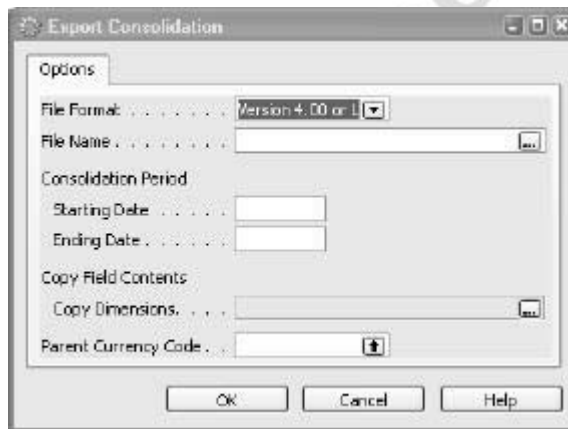
3. On the **Options** tab, fill in the fields to specify how the batch job will create the file.

Field	Description
File Format	Select the file format Type. This field indicates in which file format the business unit will submit their data. If the business unit has version 3.70 or earlier of the program, they will submit a .txt file. If they have version 4.00 or later, they will submit an .xml file. The only reason to select the old format would be if the Parent company has not yet upgraded to the current Microsoft Navision 4.00 version or later.
File Name	Enter the name of the file (on diskette or hard disk) that the data will be exported to.
Starting Date	This field contains the first date in the period from which entries will be exported. The period defined in the Starting Date field cannot be longer than 500 days.

Field	Description
Ending Date	This field contains the last date in the period from which entries will be exported. The period defined in the Ending Date field cannot be longer than 500 days.
Copy Dimensions	Here you can select which dimensions you want entries to be classified by when you export to a consolidated company. To see the dimensions you can select from, click the **AssistButton** in the field.
Parent Currency Code	Here you can select the Parent company currency code.

4. Click **OK** to start the export. When the export is finished, close the window.

All the entries in every G/L account are processed. For every combination of selected dimensions and date, the contents of the entries' **Amount** fields are totaled and exported. Afterward the next combination of selected dimensions and date with the same account number is processed; then the combinations in the next account number are processed, and so on.

The exported entries contain the following fields: **Account No**., **Posting Date**, and **Amount**. If dimensions information was also exported, dimension codes and dimension values will also be included.

- For each exported line, if the total of the **Amount** fields is a debit, the account number that is set up in the business unit's **Consol. Debit Acc**. field is exported to the line. If the total is a credit, the corresponding number in the **Consol. Credit Acc**. field is exported to the line.

- The date used for each exported line is either the period's ending date or, if the transfer takes place per day, the exact date of the calculation.

- The dimension value exported for the entry will be the consolidated company dimension value that is set up in the **Consolidation Code** field for that dimension value. If no consolidated company dimension value has been entered in the **Consolidated Code** field for that dimension value, the dimension value itself will be exported to the line.

- The XML files, in addition, contain the Currency Exchange Rates within the consolidation period. These rates are placed in a separate section at the beginning of the file.

Test Your Skills – Creating a Consolidation Export File

Scenario: Mr. Frank, the Accounting Manager, called you to check on your progress with the Consolidations setup. He mentioned that you could run an export file that could be sent to him for his review.

As noted in the last Test Your Skills exercise, the CRONUS Subsidiary Ltd. company is only 50% owned by the Cronus Consolidation Company, the other 50% is owned by a company in a separate database. We now need to create an export file to send to the Parent company for their consolidation purposes.

Name the export file Cronus Subsidiary Ltd._013101, make the period to export from 01/01/01 to 01/31/01 and leave the Parent Currency Code blank.

All Levels

Your tasks are as follows:

- Open the CRONUS Subsidiary Ltd. Company.
- Create an export file that can be used to import into another Microsoft Navision 4.0 database using the above criteria.

NOTE: We will not be importing this into our Cronus Demo Consolidation Database.

Testing Data to be Consolidated

Before you consolidate the data, it is a good idea to check whether there are differences between the basic information in the business units and in the consolidated company. There are two reports for this purpose – one for testing a database and one for testing a file.

Testing Data Contained in a File before Consolidating

1. On the menu bar, click FILE→COMPANY→OPEN. Select the consolidated company from the list.

2. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS. The Business Unit Card window appears.

3. Click FUNCTIONS→TEST FILE. The Consolidation – Test File window appears:
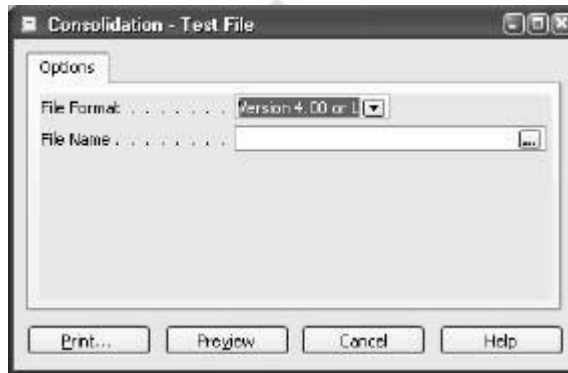
4. Select the format of the file to be imported.

5. Enter the name of the file to be tested, and then click **Print**.

The report processes the business units' financial data that was exported to the file and displays the G/L accounts and the dimensions that are included for consolidation in the file but are not found in the consolidated company.

When an account is displayed in the report, it is because either the consolidated debit or credit account is not set up in the consolidated company.

When a dimension value or dimension is displayed in the report, it is because of one of the following reasons:

- The consolidation code that was set up in the business unit is not a dimension value that is set up in the consolidated company.

- If consolidation codes are not used, the dimension value code in the not set up in the consolidated company.
- The dimension in the file is not set up as a dimension in the consolidated company.

All errors should be corrected before the file is imported for consolidation.

Testing Data contained in the Database before Consolidating

Testing business unit data contained in the same database as the consolidated company is similar to combining the file export and file testing steps described previously. While there is no file created, the report generated is similar.

To Test Databases before Consolidating:

1. On the menu bar, click FILE→COMPANY→OPEN. Select the consolidated company from the list.

2. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS. The Business Unit Card window appears.

3. Click FUNCTIONS→TEST DATABASE. The Consolidation – Test Database window appears.

4. On the **Business Unit** tab, you can set a filter to select the business units to be tested. If you do not set a filter, all business units in the Business Units window that have a check mark in the **Consolidate** field will be tested.

5. Click the **Options** tab.
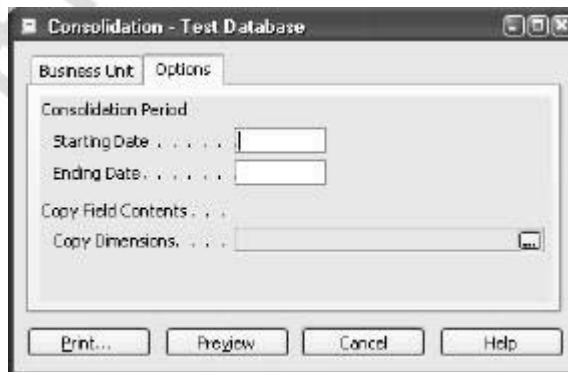
The **Starting Date**, **Ending Date**, **Copy Dimensions** fields are filled in and operate in the same manner as the matching fields on the Export Consolidation batch job described previously.

6. Fill in the **Options** tab and click **Print** or **Preview**.

The report processes posted G/L entries in the business units' financial data and displays the G/L accounts and the dimensions that in the individual business units are set up with a reference to the consolidated company but are not found in the consolidated company. The reasons for accounts and dimension information appearing in the report are the same as for when you test a file.

Test Your Skills – Testing the Data Prior to Consolidation

Scenario: Mr. Frank, the Accounting Manager, called you to check on your progress with the Consolidations setup. The corporate office is asking him for some preliminary consolidated figures. He can't get access to Microsoft Navision from his current location and needs your further assistance with the consolidation process.

All Levels

Your tasks are as follows:

- Open the CRONUS Consolidation Company.

- Test both the CSUBSIDIARY AND CINTERNATL Business Units. The period to test is 01/01/01 to 01/31/01.

NOTE: Each Business Unit needs to be tested separately and previewed to the screen or printed.

Consolidating the Data

Once all errors from the test reports are corrected, you can consolidate the data.

Consolidating from within the same database

To consolidate companies in the same database:

1. Ensure that you are in the consolidated company.

2. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS. The Business Unit Card window appears.

3. Click FUNCTIONS→IMPORT DATABASE. The Import Consolidation from DB window appears:
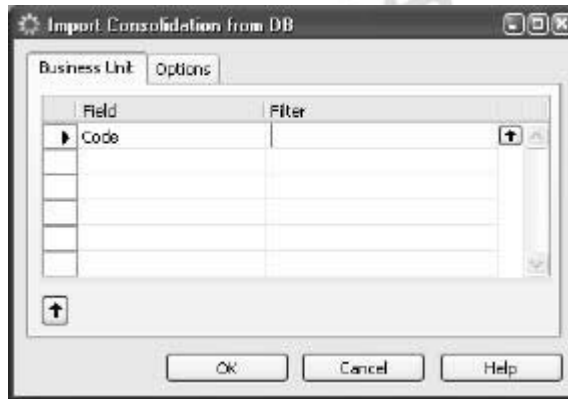
4. On the **Business Unit** tab, you can set a filter in the **Code** field to select the business units that will be consolidated. If you do not set a filter, all business units in the Business Units window that have a check mark in the **Consolidate** field will be consolidated.

5. Click the **Options** tab.
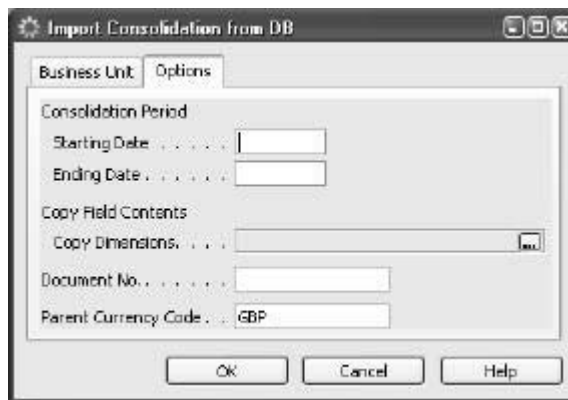
The **Starting Date**, **Ending Date**, **Copy Dimensions**, **Parent Currency Code** fields are filled in and operate in the same manner as the same fields on the Export Consolidation batch job and test reports described previously. Ideally, you should consolidate the exact same period for which you ran the test report.

6. On the **Options** tab, fill in the appropriate fields.

7. Click **OK** to start the import.

8. A message will display asking if you want to confirm the consolidation. Click **Yes** to continue.

9. If the consolidation period is not contained within the latest fiscal year in the consolidated company, the program will display a warning asking if you wish to continue with the consolidation. Click **Yes** to continue.

The batch job processes all the entries in the business unit that must be included in the consolidation. When the batch job has begun, a status message on the screen will indicate which business unit, as well as which account number and date, is being processed.

This process updates the G/L Entry table directly, there are no Journal Batches created to post in the Consolidated Company. You can view the posted entries by going to the GENERAL LEDGER→HISTORY→REGISTERS.

The amounts on the new entries in the consolidated company are converted from the business units' amounts by means of the information on the business unit in the following fields on Business Units window: **Consolidation %**, **Income Currency Factor** and **Balance Currency Factor**. Refer back to the section entitled "Setting up Business Unit Information" for further information on these fields.

The total is transferred to the accounts in the consolidated company that on the individual G/L accounts in the business unit are already set up as **Consol. Debit Acc.** or **Consol. Credit Acc.**, depending on whether the total consists of a debit or a credit. If there are already entries for the business unit in the consolidated company, they will be overwritten and the following text will be attached: "Changed by consolidation on (work date)."

When you import balance sheet accounts that have already been imported, it may be necessary to adjust the beginning balances. By using the **Balance Currency Factor** and **Last Balance Currency Factor** fields, the program checks whether there are any exchange rate differences between the last import and the current one. If there is a difference, the opening balance on the balance sheet accounts is adjusted to the applicable exchange rate for the balance sheet accounts. All exchange rate differences are calculated and posted afterward to the accounts for exchange rate gains and losses that are set up in the Business Unit window. A possible remaining amount is calculated for all the imported entries and posted afterward to the Residual Account in the consolidated company.

This will be used when generating the Consolidated Trial Balance and G/L Consolidation Eliminations reports.

Some residual amounts are also posted due to rounding differences that occur from the calculation of 50% of the business unit entry.

Consolidating from Files

To Consolidate from Files:

1. Make sure you are in the consolidated company.

2. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS. The Business Unit Card window appears.

3. Click FUNCTIONS→IMPORT FILE. The Import Consolidation from DB window appears:
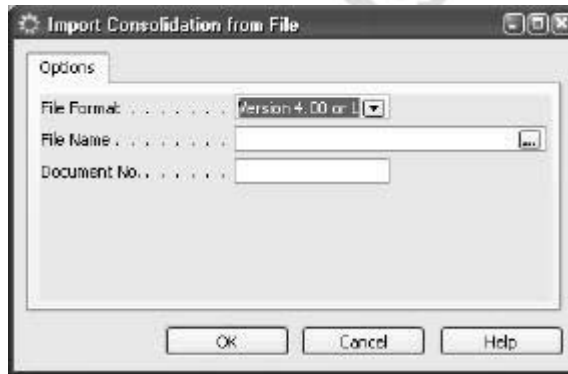
4. On the **Options** tab, enter the **File Format**, **File Name** (including drive and path). You must also enter the **Document No.** to be assigned to the imported entries.

5. Click **OK** to start the import.

The consolidation process is exactly the same. Consolidated entries are generated based on the data contained in the exported file lines.

Test Your Skills – Consolidating the Subsidiaries within the database

Scenario: Mrs. Hill, the Corporate CPA, called you regarding the Consolidated Financial Statements; they can not wait until Mr. Frank gets back for the consolidated figures. Mr. Frank told them you have access to the data and can assist in getting the consolidation completed.

All Levels

Your tasks are as follows:

- Open the CRONUS Consolidation Company.
- Consolidate both the CSUBSIDIARY AND CINTERNATL Business Units for the period 01/01/01 to 01/31/01.

NOTE: Each Business Unit needs to be consolidated separately. Use a document number that represents the Business Unit and the Date and remember to change the document number for each company.

- After the consolidation, in the Consolidation Company, review the History G/L Registers that were updated.

Processing Consolidation Eliminations

After you have consolidated all the companies, you must make elimination entries, (entries to remove transactions that are recorded across more than one company) or remove entries involving inter-company transactions. You must first calculate the eliminations, and then enter the amounts in a general journal. Calculating the eliminations is a time-consuming manual process that may be aided by setting up specific inter-company accounts, inter-company customers/vendors and inter-company posting groups.

For our example, let's say the following inter-company transactions occurred during the period:

- Cronus International Ltd. sold items to Cronus Subsidiary Ltd. who then sold them to an external customer.

The consolidation elimination entries relating to these transactions should be entered in the consolidated company in a journal batch that has no check mark in the **Copy VAT Setup to Jnl. Lines** field. In our example, this is the CONSOLELIM journal batch.

If you use a journal batch with a check mark in this field and you post an elimination entry that decreases the balance on an income statement account with a VAT posting setup, like a Sales Account, a VAT entry will automatically be posted reducing the VAT payable. This is not correct since VAT is still chargeable on the transaction, even though it was an inter-company transaction.

Once you have created the journal batch, you then enter the elimination journals. An example of the journal lines needed to eliminate the inter-company transactions between Cronus International Ltd. and Cronus Affiliate Ltd. appear in the following picture:

NOTE: The Business Unit Code in the journal lines MUST be BLANK so that the elimination entries are not included as imported consolidation entries in the G/L Consolidation Eliminations report and Consolidated Trial Balance reports.

Before you post the eliminations, look at the effect on the trial balance of the consolidated company by using the G/L Consolidation Eliminations report. The report displays a tentative trial balance, that is, shows the consequences of eliminating the entries by comparing the entries in the consolidated company with the eliminations that have been entered in the general journal that they will be posted from later.

1. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS. The Business Unit Card window appears.

2. Click FUNCTIONS→ELIMINATIONS. The G/L Consolidation Eliminations window appears:

3. On the **G/L Account** tab you can set account filters and Global dimension filters for the report.

4. Click the **Options** tab.
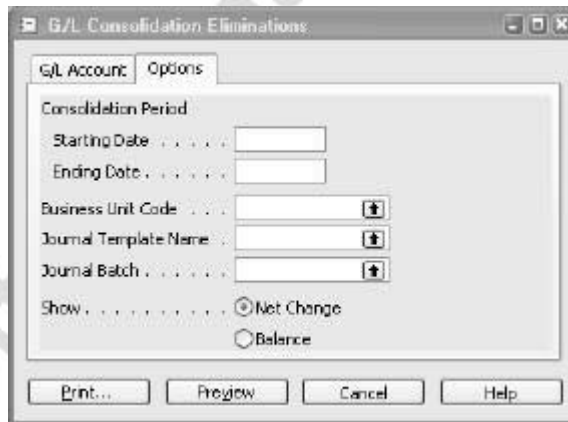
Field	Description
Starting Date	Enter the first date in the period from which posted entries in the consolidated company will be shown.
Ending Date	Enter the last date in the period from which posted entries in the consolidated company will be shown.
Business Unit Code	Select the business units to be included in the report. If you select a business unit in this field, the information contained in the report will change compared to the report created when this field is left blank.

Field	Description
Journal Template Name	Select the journal template that will be used for the unposted eliminations.
Journal Batch	Select the journal batch that contains the unposted eliminations.
Show	Choose whether the amounts are shown as a Net Change or as a Balance as of the current date.

4. Click **Print** or **Preview** to create the report. The G/L Consolidations Eliminations report will appear.

Each account appears on a line by itself (following the structure of the chart of accounts). An account is not shown if all the amounts on the line are 0. The following information is shown for each account:

- Account No.

- Account Name.

- If you have selected a business unit code in the **Business Unit Code** field in the **Options** tab, a total is shown for the consolidated company including posted eliminations but excluding the selected business unit consolidation entries and unposted eliminations. If you have not filled in the **Business Unit Code** field, a total is shown for the consolidated company excluding posted and unposted eliminations.

- If you have selected a business unit code in the **Business Unit Code** field in the **Options** tab, a total is shown for the imported entries from the business unit. If you have not filled in the **Business Unit Code** field, a total is shown for the posted eliminations in the consolidated company.

- The total for the consolidated company with all the business units and all posted eliminations.

- The unposted eliminations to be made in the consolidated company, that is, the entries in the general journal batch that is selected in the **Options** tab. A running total of the unposted eliminations are shown at the bottom of each page of the report.

- The posting text copied from the unposted eliminations general journal.

- The projected consolidated company's total after the unposted eliminations are posted.

If the projected consolidated total for each account is reasonable, you can proceed to post the unposted eliminations. Thus, the G/L Consolidation Eliminations report can be thought of as a journal test report.

Printing Consolidated Reports

Once you have posted the eliminations, you can print consolidated trial balance reports for the consolidated company. You can choose either the Consolidated Trial Balance report or the Consolidated Trial Balance (4) report.

Report	Description
Consolidated Trial Balance	This report is recommended for a consolidated company that has more than four business units. Net change and balance information for each account before and after eliminations as well as the posted eliminations for each account. The totals for each business unit for a specific account are displayed on separate lines.
Consolidated Trial Balance (4) report	This report is recommended for a consolidated company that has four or less business units. Information for each account is displayed on a single line. The totals for each business unit for a specific account are displayed in separate columns. Due to the limits of the page width, you must choose either balance or net change information, not both. The information you choose is then displayed for each account before and after eliminations as well as the posted eliminations for each account.

NOTE: Due to the limits of the page width, large numbers may not display in the reports. By selecting to show the reports in whole 1000's, all large numbers will be more likely to be displayed.

To print a consolidated trial balance report:

1. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS. The Business Unit Card window appears.

2. Click REPORTS→CONSOLIDATED TRIAL BALANCE. The Consolidated Trial Balance window will appear.

3. On the **G/L Account** tab you can set account filters and Global dimension filters for the report.

4. Click the **Options** tab.
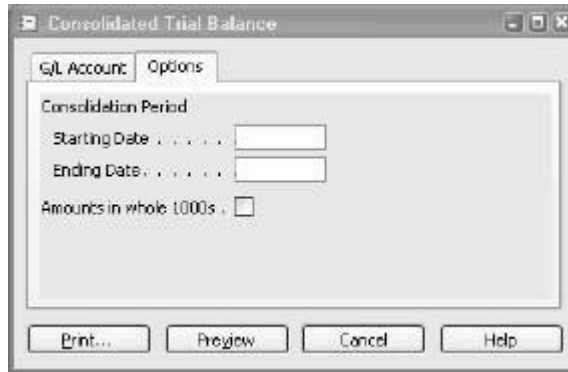
Field	Description
Starting Date and Ending Date	Enter the first date and last date in the period from which posted entries in the consolidated company will be shown.
Amounts in Whole 1000s	Place a check mark in the box if you want the amounts in the report to be shown in whole 1000s.

5. Press **ESC** to go back to the Business Unit Card window and click REPORTS→CONSOLIDATED TRIAL BALANCE (4). The Consolidated Trial Balance (4) window will appear.
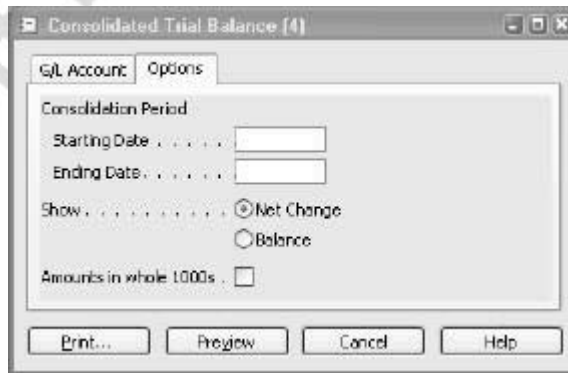
6. Click the **Options** tab.

Field	Description
Starting Date and Ending Date	Enter the first date and last date in the period from which posted entries in the consolidated company will be shown.
Show	In this field you choose whether the amounts are shown as a Net Change or as a Balance as of the current date.
Amounts in Whole 1000s	Place a check mark in the box if you want the amounts in the report to be shown in whole 1000s.

7. Fill in the **Option** tab and click **Print** or **Preview** to create the report. The Consolidated Trial Balance (4) report will print or appear.

Test Your Skills – Printing the Consolidated Trial Balance

Scenario: Mr. Frank has called to check on your progress in assisting the corporate office; he asks that you fax a copy of the consolidated trial balance to him before you give them to Mrs. Hill.

All Levels

Your tasks are as follows:

- Open the CRONUS Consolidation Company.

- Run a Consolidated Trial Balance for the period 01/01/01 to 01/31/01.

NOTE: The Elimination Entry column will be blank unless you post entries in the Consolidation Company.

Quick Interaction: Lessons Learned

Take a moment to write down three Key Points you have learned from this chapter:

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CHAPTER 7: MULTICOMPANY OPERATIONS II

This chapter contains the following sections:

- Overview
- Setting up the Intercompany Partner
- Assigning an IC Partner to a Customer and/or Vendor
- Setting up the Chart of Accounts for IC Documents
- Setting up Dimensions for IC Documents
- Creating an IC Document
- Sending an IC Sending
- Handling an IC Document
- Viewing Handled IC Inbox and Outbox Transactions
- Rejecting an IC document in the IC Inbox
- Returning a Rejected IC document in the IC Outbox to the IC inbox
- Allocating Cost to IC Partners

Overview

Microsoft® Business Solutions–Navision® 4.0 includes a new functionality, Intercompany Postings, within its Financial Management series. Intercompany Postings is designed for Microsoft Navision users who control more than one legal business entity and have set up multiple companies within Microsoft Navision to separate the accounting functions of each of these entities. This broad description applies to many Microsoft Navision user businesses, especially those operating in international markets or regions with widely disparate business cultures and regulatory environments.

The customer's organization may consist of several companies, but might not have the equivalent number of accounting and administrative teams. Intercompany Postings lets you simplify and streamline business processes and transactions between all of these entities. Intercompany Postings is a significant enhancement to earlier versions of Microsoft Navision, which did not include this capability. Users of previous versions of the product needed to re-key all information manually for all companies and transactions. Not only was this inefficient, but doing so also had a high potential for errors.

Once you implement Intercompany Postings, doing business with your subsidiary and internal partner organization becomes as easy as engaging with your external vendors and customers. You enter intercompany transaction information only once in the appropriate documents. You can use the Microsoft Navision functionalities you are already familiar with, such as receivables and payables management. Mapping facilities for the chart of accounts and dimensions help ensure that information appears in the right places.

In summary, there are four main benefits to Intercompany Postings:

- Increased productivity as a result of time saved and simplified transactions
- Minimized error potential with one-time entry of information and system-wide, automated updates
- Complete audit trail and full visibility into business activities and transaction histories
- Efficient, cost-effective transactions with affiliate and subsidiary companies

Streamlining the Flow of Business Activities

Intercompany Postings lets you distribute sales and purchasing documents, as well as General Journal entries to all of your satellite offices, sales offices, or subsidiary companies, from within the Microsoft Navision business environment. Savings of time and increased efficiencies result throughout the organization as you eliminate redundant data entry and the sending, receiving, printing, and archiving of the sales and purchasing documents on paper.

Users are in full control of all transaction documents. For example, they can reject a document sent to them and, in this way, reverse postings that were incorrect. Or, when making a purchase from a partner or subsidiary company, they can update the purchase order as long as the selling company has not shipped any goods.

When users enter a transaction, they do not need to specify the accounts for an individual set of books, but simply give the identification of the partner company. Intercompany Postings creates General Journal lines that result – as soon as they are posted – in the balancing of the books of both companies involved in a transaction. The user has a pull-down menu to assign an intercompany partner code to any customer or vendor. From that moment on, all orders and invoices generated pertaining to transactions with these companies will produce corresponding documents in the partner company, again producing a reconciliation of the accounts.

Intercompany Postings functionality focuses on supporting intercompany transactions with sales and purchasing documents, and with General Journal lines. Within this area, Intercompany Postings allows multiple Microsoft Navision databases or multiple Microsoft Navision applications, for example, in different countries, as well as multiple currencies, different charts of accounts, different dimensions, and different item numbering.

Intercompany Postings uses a number of entries and documents in intercompany transactions:

- General Journal entries
- Purchase and sales orders
- Purchase and sales invoices
- Credit memos
- Return orders

When users set up Intercompany Postings, they create a list of intercompany partners, called IC Partners, and an intercompany chart of accounts. Following these steps, users can perform intercompany General Journal transactions. They set up dimensions – if needed – separately. Note that the General Journal by itself does not include currency functionality, but converts all amounts at the applicable rate to local currency.

After the user sets up business partners as customers and vendors in the system, and assigns them intercompany partner codes, it is possible to exchange intercompany purchase and sales documents, including items and item charges. The receivables and payables functionalities in Microsoft Navision include the capability of handling different currencies; intercompany transactions can proceed in any required currency.

When you make full use of the capabilities of Intercompany Postings, individual transactions can become elements in a single, fully connected accounting process with a complete audit trail of business activities between your partner and subsidiary companies.

The steps required to perform Intercompany Postings is described in the following sections. The Intercompany posting process can be broken down into seven basic steps:

- Setting up the Intercompany Partners in the system
- Assigning an IC partner to a customer and /or vendor
- Setting up the Chart of Account for IC documents
- Setting up associated Dimension Values
- Creating, sending, handling and rejecting an IC document
- Posting an IC General Journal
- Allocating cost to IC Partners

Before you begin this manual, you must install a new 4.0 database using the following criteria:

- If you have a company named CRONUS International Ltd. in your database, rename the company name before restoring (FILE→COMPANY→RENAME, e.g. insert ORG after the original name).
- Consider expanding your database before restoring (FILE→DATABASE→EXPAND).
- The relevant backup file has to be restored (TOOLS→RESTORE) into Microsoft Navision.
- You must also restore IC_BASICADV_Backup.fbk.
- Open up Cronus Consultancy Ltd and remove the IC Chart of Accounts.
- Open up Cronus International Ltd and remove the IC Chart of Accounts and IC Dimensions.
- In the IC General Journal window, make the **External Document No.** field viewable (VIEW→SHOW COLUMN).
- In the Sales Invoice window, make the **IC Partner Reference** field viewable (VIEW→SHOW COLUMN) and hide the **Location Code** field.

Also, you must create a new folder on your hard drive called "XML Export Files."

Setting up the Intercompany Partner

A subsidiary must be set up as an IC Partner in the Intercompany Postings setup. From the **Financial Management** menu, click GENERAL LEDGER→SETUP→INTERCOMPANY POSTINGS→PARTNERS. The IC Partner Card window appears.

1. Press **F5** to open the IC Partner List. The IC Partner List window appears.

2. Select ICP20.

Let's look at the fields on the **General** tab of the Partner Card window.

Field	Description
Code	The unique identifier that is applied to every line sent to partner companies.
Name	This field is the name of the Intercompany partner.
Currency Code	This field contains the intercompany partner's currency code. If you enter the IC partner code on a journal line, the program will automatically enter the currency code on the line.
Inbox Type	This field indicates what type of inbox the intercompany partner has. If you will be sending them a file containing intercompany transactions, the field contains File Location. If the partner is set up as another company in the same database, the field contains Database. If you will be sending the transactions by e-mail to your partner, the field contains E-mail.

Field	Description
Inbox Details	This field contains the details of the intercompany partner's inbox. The contents depend on the contents of the **Inbox Type** field:

Inbox Type	Inbox Details
File Location	The name and location of a file that you will send to your partner. Example: //networkdesc/folder/subfolder/interco _inbox
Database	The name of the partner company. You pick from the list of companies
E-mail	The e-mail address of the partner company. Example: icpinbox@cronusconsultancyltd.com

Field	Description
Blocked	A check mark in this field indicates that the intercompany partner is blocked. You cannot post a line to a blocked IC partner.

3. Click the **Posting** tab.

Field	Description	
Receivables Account	This field contains the default receivables account that is used for the intercompany partner in General Journals. When you post a line from the IC inbox, if the **Account No.** field contains an IC Partner Code, this account or the account in the **Partner Payable** field is used as the balancing account. If you post a line from the IC inbox and the Source Type is Sales Document, the receivables or payables account is retrieved from the customer or vendor posting group.	
Payables Account	This field contains the payables account that is used for the intercompany partner. When you post a line from the IC inbox, if the **Account No.** field contains an IC Partner Code, this account or the account in the Receivables Account is used as the balancing account. If you post a line from the IC inbox and the Source Type is Purchase Document, the receivables or payables account is retrieved from the customer or vendor posting group.	
Outbound Sales Item No. Type	The contents of this field indicate what type of item number will be entered in the IC Partner Reference for items on sales lines that you send to this IC partner.	
	Internal No.	The program copies your item number from the **No.** field on the sales line.
	Common Item No.	The program copies the content of the **Common Item No.** field on the item card for the item on the sales line.
	Cross Reference	If there is an entry in the Item Cross Reference table for the partner and the item on the sales line, the program copies the contents of the **Cross-Reference No.** field in that table.

Field	Description	
Outbound Purchase Item No. Type	The contents of this field indicate what type of item number is entered in the **IC Partner Reference** field for items on purchase lines that you send to this IC partner.	
	Internal No.	The program copies your item number from the **No.** field on the purchase line.
	Common Item No.	The program copies the content of the **Common Item No.** field on the item card for the item on the purchase line.
	Cross Reference	If there is an entry in the Item Cross Reference table for the partner and the item on the purchase line, the program will copy the contents of the **Cross-Reference No.** field in that table.
	Vendor Item No.	If there is an entry in the Vendor Item table for the partner and the item on the purchase line, the program will copy the contents of the Vendor Item No. in that table.

4. Close the IC Partner window.

NOTE: Before you can start using the Intercompany Posting feature, you have to set up yourself and another company as IC partners. The other company can for example be a parent company or a subsidiary.

The Inbox Type can be a joint database, an e-mail or a file location. If your company does IC transactions with IC partners outside a joint database, you can define a file location to a specific folder on a network (e.g. http:\\..\IC Transactions) or an e-mail address (e.g. john.roberts@cronus.international.com) whereto a standard XML document will be exported.

The IC Partner setup in Microsoft Financial Management allows you to have different setup for different IC Partners, depending on how the companies are set up and how data can be exchanged.

Test Your Skills – Intercompany Partner

Scenario: Cronus International has acquired a new subsidiary. The new IC partner code is "ICP40" and the name is "Cronus Biking Ltd." The currency code is in USD. Cronus International will be sending their intercompany transactions by file in a directory on their hard disk. The accountant has decided that the receivables and payable GL accounts are 2325 and 5425 respectively. Cronus Biking will use their internal numbers for sales & purchasing on documents.

All Levels

Your task is to set up the new IC partner.

Assigning an IC Partner to a Customer and/or Vendor

The IC Partner setup allows you to easily assign an IC partner to an existing customer or vendor. It is possible to setup IC transactions using the same customer and vendor setup as with normal customer and vendor transactions. For the user, there is very little difference in handling documents for/from IC partners compared with the known customer and vendor functionality.

Once you have created a new IC partner, you should assign the IC partner to a customer and/or vendor.

NOTE: You can only assign an IC partner to one customer and/or vendor.

The following shows how a customer or vendor is assigned as an IC Partner by adding an IC partner code to the customer or vendor card:

1. From the Purchase menu, click ORDER PROCESSING→VENDORS. The Vendor Card window appears.

2. Press **F5** to open the Vendor List. The Vendor List window appears.

3. Locate the Cronus Consultancy, Ltd vendor.

4. In the Vendor List window, click **OK** to open the Vendor Card window.

5. On the **Communication** tab, notice that the IC Partner Code is ICP20.

6. On the **Invoicing** tab, notice that the Gen. Bus. Posting Group is INTERCOMP.

7. Close the Vendor Card window.

Test Your Skills – Assigning an IC Partner to a customer and /or vendor

Scenario: Cronus International has added a new vendor. Set up Vendor No. IC1040, Cronus Biking Ltd. Assign IC Partner Code ICP40. General Business Posting group is Intercompany, Vendor Posting group is Domestic and the payment Method is Intercompany.

All Levels

Your task is to set up the new vendor with the above information.

Setting up the Chart of Accounts for IC Documents

Before you can start using the Intercompany Postings feature, you have to define how you want your company's Chart of Accounts to correspond with the IC partner's Chart of Accounts. When doing Intercompany transactions, both companies use the account numbers from the IC Chart of Accounts. The IC Chart of Accounts is then translated into the respective company's Chart of Accounts.

The setup of the IC Chart of Accounts differs if you are a parent company or a subsidiary. The parent company defines the IC Chart of Accounts to use for IC transactions based on its own G/L accounts and then export an XML document for the subsidiary to import into Microsoft Financial Management. Once the subsidiary has imported the predefined IC account numbers from the parent company, it will map these to its Chart of Accounts.

The IC Chart of Accounts can also be filled out manually. The parent company will still define which account numbers and names to enter in the IC Chart of Accounts.

When mapping the IC Chart of Accounts to your company's Chart of Account, you can also manually map the IC account numbers that do not correspond with the company's Chart of Accounts. This is the case when the chart of accounts is different from the IC chart of account, e.g. a sales company may have a different chart of accounts than a holding company.

The following shows how to set up the IC Chart of Accounts using the copying and mapping functionality as well as how to export and import an XML document containing the IC Chart of Accounts.

1. From the Financial Management menu, click SETUP→INTERCOMPANY POSTINGS→CHART OF ACCOUNTS. The IC Chart of Accounts window appears.
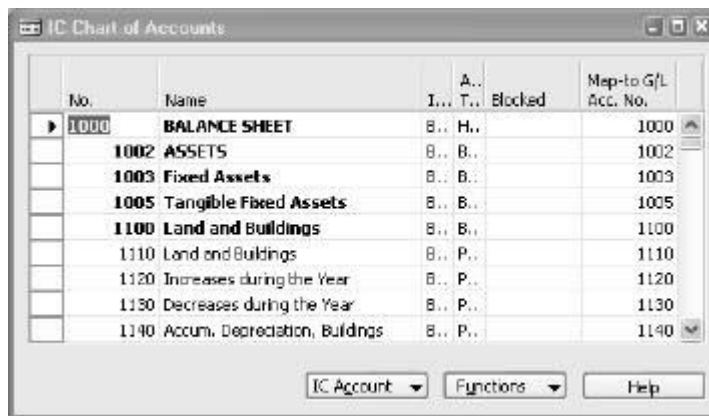
2. Click FUNCTIONS→COPY FROM CHART OF ACCOUNTS.

3. A message appears asking if you are sure that you want to copy from Chart of Accounts. Click **Yes** to accept the message that appears.

   The company's Chart of Accounts list is now copied to the IC Chart of Accounts list.

4. In the IC Chart of Accounts window, highlight all the lines, and then click FUNCTIONS→MAP TO ACC. WITH SALES NO.

5. A message appears asking if you are sure that you want to map the selected lines. Click **Yes** to accept the message that appears.

   The IC Chart of Accounts is now mapped to the company's Chart of Accounts.

6. Click FUNCTIONS→EXPORT.

7. You can now browse on your hard disk drive for the folder for XML Export.

8. Type ICGLA.xml in the **File name** field.

9. Click **Save** to export the IC Chart of Accounts setup as a standard XML document.

10. Close the IC Chart of Accounts window.

11. Open Company CRONUS Consultancy Ltd.

12. From the Financial Management menu, click SETUP→INTERCOMPANY POSTINGS→CHART OF ACCOUNTS. The IC Chart of Accounts window appears.

13. Click FUNCTIONS→IMPORT.

14. You can now browse on your hard disk drive for the ICGLA.xml file.

15. Select the file and click **Open**.

16. A message appears stating the accounts which have been added. Click **OK** to accept the message.

17. In the IC Chart of Accounts window, highlight all of the lines and click FUNCTIONS→MAP TO ACC. WITH SAME NO.

18. A message appears asking if you are sure that you want to map the selected lines. Click on **Yes** to accept the message that appears.

19. Close the IC Chart of Accounts window.

Test Your Skills – Setting the Chart of accounts for IC documents

Scenario: There has been an addition made to the Chart of Accounts in Cronus International Ltd. T-Bills G/L account 2811 was added to the balance sheet, under Securities.

All Levels

Your tasks are as follows:

- Add GL account no. 2811 to the G/L Chart of Accounts for Cronus International and also update the IC Chart of Accounts with this addition using the copy function.
- Remap the Cronus International IC chart of accounts.
- Export out the new chart of accounts and import into Cronus Consultancy and remap.
- Make the necessary changes to vendor "Cronus Services Ltd."

Setting up Dimensions for IC Documents

Before you can start using the Intercompany Postings feature, you have to define how you want your company's dimension codes and values to correspond with the IC partner's dimension codes and values. When doing Intercompany transactions, both companies use the dimension codes and values from the IC Dimensions. The IC dimension codes and values are then translated into the respective company's dimension codes and values.

The setup of the IC Dimensions differs if you are a parent company or a subsidiary. The parent company defines the IC dimension codes and values based on its own dimension codes and values, and then exports an XML document for the subsidiary to import into Microsoft Navision. Once the subsidiary has imported the predefined IC dimension codes and values from the parent company, it will map these to its own dimension codes and values.

The IC dimension codes and values can also be filled out manually. The parent company and the subsidiary have to agree on which dimensions codes and values to enter in the IC Dimensions and then map these to their dimension codes and values.

When mapping the IC Dimensions to your company's dimension codes and values, you can also manually map the IC dimension codes and values that do not correspond with the company's dimension codes and values.

This section shows how to set up the IC Dimensions using the copying and mapping functionality as well as how to export and import an XML document containing the IC Dimensions.

1. Open Company CRONUS International Ltd.

2. From the Financial Management menu, click SETUP→INTERCOMPANY POSTINGS→DIMENSIONS. The IC Dimensions window appears.
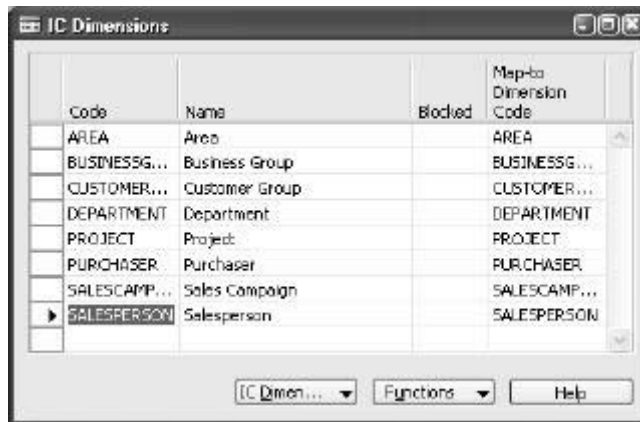
3. The **IC Dimension** button is where you can access the IC Dimension Values window.
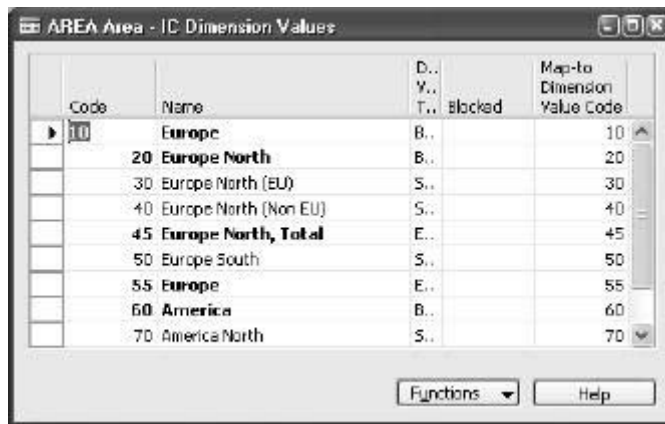
4. Press **ESC** to go back to the IC Dimensions window.

5. In the IC Dimensions window, highlight the dimensions and click FUNCTIONS→COPY FROM DIMENSIONS.

6. In the IC Dimensions window, select dimension codes DEPARTMENT to SALESPERSON by holding down the CTRL key and press DELETE to delete these dimension codes from the IC Dimensions list.

7. A message appears asking if you want to delete the selected lines, click on **Yes** to accept the message.

8. In the IC Dimensions window, highlight all of the IC dimension codes and click FUNCTIONS→MAP TO DIM. WITH SAME CODE.

9. A message appears asking if you are sure that you want to map the selected lines. Click **Yes** to accept the message that appears.

10. In the IC Dimensions window, click FUNCTIONS→EXPORT.

11. You can now browse on your hard disk drive for the folder XML Export Files.

12. Type ICDIM.xml in the **File name** field.

13. Click **Save** to export the IC Dimensions setup as a standard XML document.

14. Close the IC Dimensions window.

15. Open Company CRONUS Consultancy Ltd.

16. From the Financial Management menu, click SETUP→INTERCOMPANY POSTINGS→DIMENSIONS. The IC Dimensions window appears.

17. Click FUNCTIONS→IMPORT.

18. You can now browse on your hard disk drive for the ICDIM.xml file.

19. Select the XML file and click **Open**.

20. Accept the message that appears. You will notice the dimensions have been added.

21. In the IC Dimensions window, highlight all of the IC dimension code lines and click FUNCTIONS→MAP TO DIM. WITH SAME CODE.

22. A message appears asking if you are sure that you want to map the selected lines. Click **Yes** to accept the message that appears.

23. Close the IC Dimensions window.

Test Your Skills – Setting up Dimensions for IC Documents

Scenario: Cronus International is removing dimension "Area" as a dimension. Cronus International needs to block the dimension in the G/L and update the IC dimensions.

All Levels

Your tasks are as follows:

- Block the dimension "Area" from the dimension values in Cronus International, Ltd.

- Update the IC dimension values and remap.

- Export out the new dimensions and import into Cronus Consultancy Ltd. and remap.

Creating an IC Document

The first step in handling IC documents is creating an order or invoice in the Receivables, Payables, or Order Processing areas. When creating an IC document, use the same functionality as if you are making an ordinary order in the Order Processing area or an invoice in the Receivables or Payables areas. The only difference is that when posting an order or an invoice, the program automatically sends the document to your IC Outbox.

The **IC Partner Reference** field must have the an IC G/L Account number.

When creating orders, it is possible to send an order confirmation – before posting – to the IC Outbox using the **Functions** button. The order information is then sent to a partner, who can then create a corresponding order in his company.

If an order is sent twice, say, because of changes made, this will result in a new order being sent. When the partner receives and accepts the new order this will not update the existing order. The new order must be accepted and the old deleted. This is why updating intercompany orders should only be allowed until the selling partner has started shipping any part of the order.

This section shows how to create an IC document in the Receivables area.

1. Start in Company CRONUS Consultancy, Ltd.

2. From the Financial Management menu, click RECEIVABLES→INVOICES. The Sales Invoice window appears.

3. In the **No.** field, press **Enter** to create a new invoice.

4. In the **Sell-to Customer No.** field, type IC1001, and then press **Enter**.

5. Fill out the invoice as follows:

Field	Value
Sales Invoice Header	
Posting Date	01/25/01
Document Date	01/25/01
Salesperson Code	JR
Sales Invoice Lines	
Type	G/L Account
No.	6710
IC Partner Ref. Type	G/L Account
IC Partner Reference	8320
Quantity	24
Unit of Measure	Hour
Unit Price	107.00

6. Press **F11** to post the invoice and accept the message that follows.

7. Close the Sales Invoice window.

Test Your Skills – Creating and IC Document

Scenario: Cronus Consultancy sent Bob Jones to Cronus International to do some consultations. Bob spent 10 hours of work and his billing rate was $20.00 per hour.

All Levels

Your tasks are as follows:

- Create an invoice to Cronus International for the consulting services performed. The service provided is posted to G/L Account 6710 and the IC Partner Reference is IC G/L Accounts 8320.

- Post the invoice.

Sending an IC Document

The Intercompany Postings feature includes an IC Inbox and an IC Outbox where you can easily get an overview of the IC transactions to carry out and the origins of the IC documents.

All IC documents are marked with the IC Partner Code for reporting purposes and the usual audit trails, i.e. entry no. and source code, are applied.

Once you have created an IC document and the document appears in your IC Outbox, the next step is to send the IC document to the IC Inbox of the IC partner.

The Outbox Transactions window displays the IC transactions that you have set up to send to your IC Partners, A line represents a transaction that originated in your company or a transaction that you received in your IC Inbox from an IC partner and have rejected (so that it may be sent back).

1. You should be still using the CRONUS Consultancy, Ltd. Company.

2. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→OUTBOX TRANSACTIONS. The IC Outbox Transactions window appears.
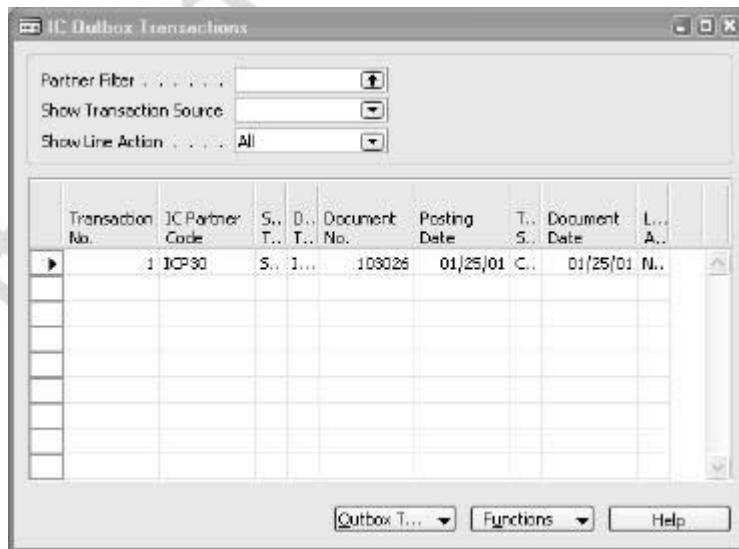
3. The notable fields on the **IC Outbox Transactions** lines are:

Field	Value	
IC Partner Code	This field is populated with the IC Partner Code on the Customer or Vendor Card.	
Source Type	This field indicates whether the transaction was created in a journal, a sales document or a purchase document. The choices are Journal Line, Sales Document and Purchase Document.	
Transaction Source	This field indicates which company created the transaction. The options are:	
	Rejected by Current Company	Shows only transactions that you created and your intercompany partner(s) returned to you.
	Created by Current Company	Shows only new transactions that your intercompany partner(s) have created.
Line Action	You can use this field to filter the lines shown in the window. You can choose to see all lines, or only lines with a specific option in the Line Action field. The options are:	
	No Action	This line action is default and is applied for IC documents where no action is wanted.
	Send to IC Partner	This line action is applied when you want to send an IC document (e.g. a purchase order or invoice) to your IC partner.
	Return to Inbox	This line action is applied when you want to return an IC document (e.g. a purchase order) to your IC Inbox in case that you originally rejected the purchase order coming from your IC partner but find out that the purchase order should have been accepted in the IC Inbox.
	Cancel	This line action is applied when you want to cancel an IC document. The program then moves the IC document to the **Handled IC Outbox Transactions** window.

4. Click OUTBOX TRANSACTION→DETAILS. The **IC Outbox Sales Doc.** window appears, displaying specific details of the Sales Document.

5. Close the IC Outbox Sales Doc. window.

6. In the IC Outbox Transactions window, click FUNCTIONS→SET LINE ACTION.

7. Click Send to IC Partner.

8. In the IC Outbox Transaction window, click FUNCTIONS→COMPLETE LINE ACTIONS.

9. A message will appear asking if you want to complete line actions. Click on **Yes** to accept the message.

10. Close the IC Outbox Transactions window.

Test Your Skills – Sending an IC Document

Scenario: Cronus International is closing month end and has called Cronus Consultancy to send all the invoices completed for the month to them.

All Levels

Your tasks are as follows:

- Make sure the last invoice has been placed in Cronus Consultancy's Outbox.

- Send it to Cronus International.

Handling an IC Document

When an IC partner has sent an IC document to you, the transaction appears in your IC Inbox. If the IC document has been transferred via a joint database, the transaction automatically appears in your IC Inbox. If the IC document has been received as an XML document, the XML file is imported into the IC Inbox (FUNCTIONS→IMPORT TRANSACTION FILE) before it appears in the IC Inbox.

In the IC Inbox Transactions window, a line represents a transaction that was created and sent to you by your IC partner or a transaction that originated in your company but was rejected by your IC partner and sent back to you.

NOTE: First you set a line action, and then you complete the line action in order to carry out the line action.

In the Invoice - Purchase List window, you can see the purchase invoice that was automatically created in the company's system when accepting the purchase invoice sent to you in the IC Inbox.

This section shows how to handle IC documents in the IC Inbox.

1. Open Company Cronus International, Ltd.

2. From the Financial Management Menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→INBOX TRANSACTIONS. The IC Inbox Transactions window appears.
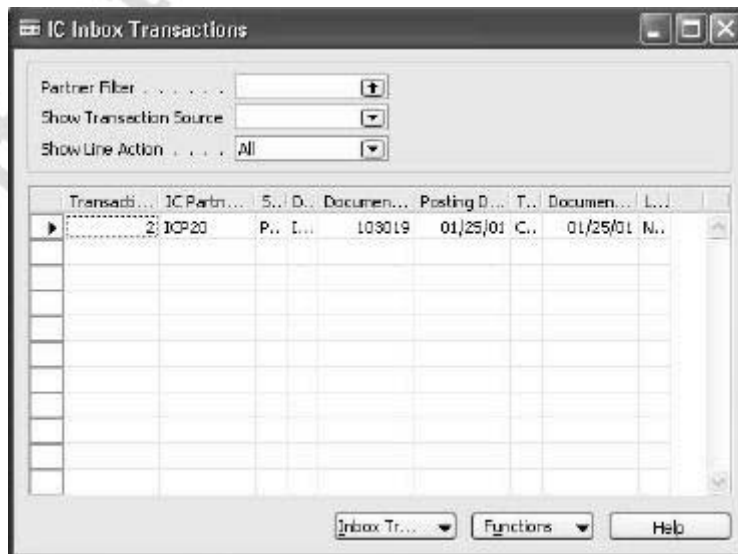
3. In the IC Inbox Transactions window, highlight the transaction line and click FUNCTIONS→SET LINE ACTION.

4. Select **Accept**.

5. In the IC Inbox Transactions window, click FUNCTIONS→COMPLETE LINE ACTIONS. The Complete IC Inbox Action window appears:
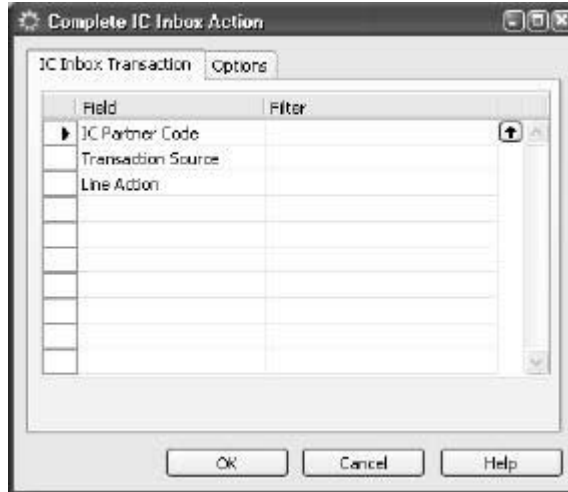
6. Click **OK**.

7. Close the IC Inbox Transactions window.

8. From the Financial Management menu, click PAYABLES→INVOICES, and then press **F5**. The Invoice – Purchase List window appears.

   In the Invoice – Purchase List window, you can now see that the accepted IC document has automatically been created as a purchase invoice.

9. Close all windows to return to the Navigation Pane.

Test Your Skills – Handling an IC Document

Scenario: Cronus International sees that it has an IC document remaining in their Inbox. Cronus International wants to accept the document in the Inbox and then the A/P Manager wants to review the automatically created purchase invoices before month end.

All Levels

Your tasks are as follows:

- Accept the remaining document in the Inbox.
- Make sure that the purchase invoices were created automatically through the IC Transaction function.

Viewing Handled IC Inbox and Outbox Transactions

The handled IC Inbox Transactions window and Handled IC Outbox Transactions window both allow you to easily view the status and origin of all handled IC transactions.

In the Handled IC Inbox (or Outbox) Transaction window, a line represents an IC transaction handled in the IC Inbox (or IC Outbox).

This section shows how to review documents that have been previously accepted in the company's IC Inbox.

1. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→HANDLED INBOX TRANSACTIONS. The Handled IC Inbox Transactions window appears.
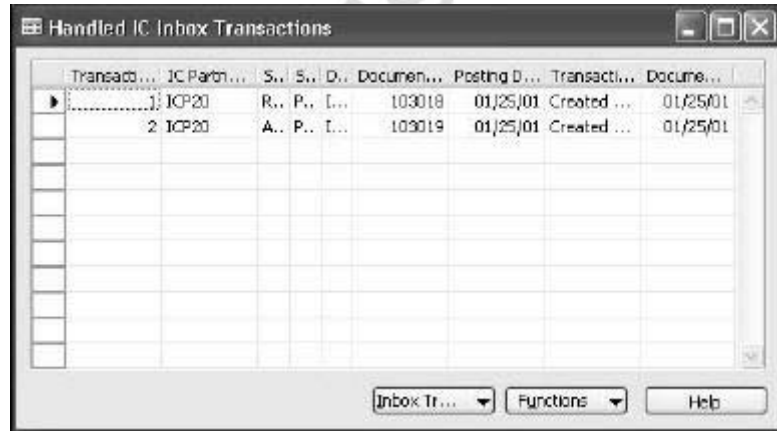
2. In the Handled IC Inbox Transaction window, you can see the purchase invoices previously accepted in the company's IC Inbox.

3. Click **Functions**. The following options exist:

Field	Description
Re-create Inbox Transaction	This function is used to recreate the transaction line in the IC Inbox if e.g. for some technical reason, the documents created from the IC Inbox lines were deleted before they were posted. This way you always have a backup of received IC transactions. In the Handled IC Outbox Transactions the Re-create Outbox transaction may be used as a backup if the IC Partner didn't receive the transaction or the .xml file was accidentally deleted or otherwise corrupt.
Delete Lines	This function is used to move the IC transaction lines permanently from the system.

4. Select an IC Transaction line and click INBOX TRANSACTION→DETAILS. The Handled IC Inbox Purch. Doc. window appears. In the Handled IC Inbox Purchase Doc. window, you can see the details regarding the purchase invoice.

5. Close all windows to return to the Navigation Pane.

Test Your Skills – Viewing/handling an IC Document

Scenario: Cronus International wants to view their handled Inbox documents from the various vendors. After investigation, it is determined that Transaction no. 3 has been sent twice and needs to be deleted.

All Levels

Your tasks are as follows:

- Review the handled inbox transactions.
- Delete the lines for Transaction No. 3.

Rejecting an IC document in the IC Inbox

The Return to IC Partner functionality enables you to reject an incorrect IC transaction that has been sent to you by an IC Partner.

The IC document is first rejected in the IC Inbox, then directed to your IC Outbox and finally sent to your IC partner's IC Inbox from your IC Outbox.

You can see the status (Rejected by Current Company) of the IC document in the **Transaction Source** field.

In order to reject the IC document you use the Return to IC Partner line action. When completing line action, the IC document is directed to your IC Outbox.

This section shows how to reject an IC document in the IC Inbox.

1. Open Company Cronus Consultancy Ltd.

2. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→INBOX TRANSACTIONS. The IC Inbox Transactions window appears.

3. Click FUNCTIONS→SET LINE ACTION→RETURN TO IC PARTNER.

4. In the IC Inbox Transactions window, click FUNCTIONS→COMPLETE LINE ACTIONS. The Complete IC Inbox Action window appears.

5. Click **OK**.

6. Close the IC Inbox Transactions window.

7. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→OUTBOX TRANSACTIONS. The IC Outbox Transactions window appears.

    You can now see that the rejected IC document has been transferred to the IC Outbox.

8. Click FUNCTIONS→SET LINE ACTION→SEND TO IC PARTNER.

9. In the IC Outbox Transactions window, click FUNCTIONS→COMPLETE LINE ACTIONS.

10. Accept the message that appears.

11. Close the IC Outbox Transactions window.

Test Your Skills – Rejecting an IC Document

Scenario: Cronus International invoices Cronus Consultancy for 1 hour of work done on consulting services performed. Cronus International is billing Cronus Consultancy for 1 hour of work for $1000. After Cronus International sends the invoice to Cronus Consultancy, they call and tell them the invoice is incorrect and will be returned to Cronus International for review.

All Levels

Your tasks are as follows:

- Create an invoice to Cronus Consultancy for the above scenario.
- Send to IC Partner, reject the invoice and return the invoice to Cronus International for review.

Returning a Rejected IC document in the IC Outbox to the IC Inbox

If you by mistake have rejected an IC document in the IC Inbox that was created and sent to you by an IC partner, you can return the IC document from the IC Outbox to the IC Inbox.

This section shows how to return an IC document - that was incorrectly rejected - from the IC Outbox to the IC Inbox.

1. Open Company Cronus International Ltd.

2. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→OUTBOX TRANSACTIONS. The IC Outbox Transactions window appears.

3. Click FUNCTIONS→SET LINE ACTION→RETURN TO INBOX.

4. In the IC Outbox Transactions window, click FUNCTIONS→COMPLETE SET LINE ACTIONS.

5. Accept the message that appears.

6. Close the IC Outbox Transactions window.

Test Your Skills – Returning an IC Document in the IC Outbox to the IC inbox

Scenario: Cronus International incorrectly rejects Invoice 103018 therefore needs to return it to the IC Inbox in order to handle it differently. The change is made and Cronus International needs to return the IC Document in the IC Outbox to the IC Inbox.

All Levels

Your tasks are as follows:

- Reject the IC Document Invoice 103018, Transaction No. 1.
- Return the document to the IC Inbox.

Posting an IC General Journal

You can use IC general journals to post IC transactions to your G/L, bank, customers, vendors or fixed assets accounts. Note that IC general journals can only be used for IC partner accounts, or a customer or vendor account that has been assigned an IC partner code.

IC General Journals are usually used for intra-period postings that will be reversed by proper documents at period end. This is because transactions taking place between two legal entities must be proper, legally binding business documents.

1. Open Company Cronus International Ltd.

2. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→GENERAL JOURNALS. The IC General Journal window appears.
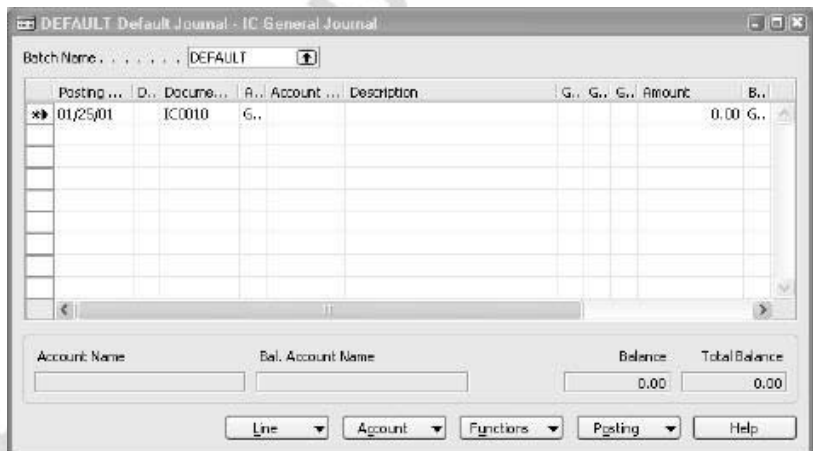
Some of the notable fields in the IC General Journal window are as follows:

Field	Description
Account Type	In this field, you enter whether it is an IC Partner, or a Customer or Vendor that has been assigned an IC partner code.
Account No.	In this field, you enter the IC partner code of the IC partner, customer or vendor. Note that if you enter a customer or vendor number in the **Account No**. field, it must have an IC partner code assigned to it.

Field	Description
Bal. Account Type	In this field, you enter the balance account type, e.g. G/L Account. Note that the **Bal. Account Type** field has to be a G/L Account or a Bank Account.
Bal. Account No.	In this field, you enter the G/L account or the bank account.
IC Partner G/L Acc. No.	In this field, you enter the IC G/L account that the amount will be posted to. Note that G/L Account has to be set to Direct Posting.

Let's make an IC general journal posting to the parent company, CRONUS Consultancy Ltd.

3. Fill out the IC general journal as follows:

Field	Value
Posting Date	01/25/01
Document Type	Invoice
Document No.	IC0012
Account Type	Vendor
Account No.	IC1020
Amount	21,000.00
Bal. Account Type	G/L Account
Bal. Account No.	6710
IC Partner G/L Acc. No.	8320

4. Press **F11** to post the invoice and accept the messages that follow.

5. Close the IC General Journal window.

6. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→OUTBOX TRANSACTIONS. The IC Outbox Transactions window appears.

7. You can now send the IC journal lines from the IC Outbox.

8. Close the IC Outbox.

Test Your Skills – Posting an IC General Journal

Scenario: Cronus International has been informed that John Doe has done some additional consultancy work in Cronus Consultancy Ltd. for $500.00. The transaction is posted to GL account 6710 and the IC Partner G/L acc. No. is defined as 8320.

All Levels

Your tasks are as follows:

- Create an IC general journal entry for this additional consulting.
- Post the transaction.
- Check and make sure that the journal entry is in the IC Outbox.

Allocating Cost to IC Partners

You can allocate costs to one or several IC partners using the IC general journals functionality. This would be the case if you had purchased a service, e.g. consultancy service for setting up computer systems in two subsidiaries. The invoice is sent to your company, but you allocate the costs for this specific service to the two IC partners.

This scenario shows how to allocate costs to more than one IC partner at the same time using the IC General Journal functionality.

1. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→GENERAL JOURNALS. The IC General Journal window appears.

2. The first line represents the transaction (invoice) your company has with the vendor of the consultancy service. Fill out the first line as follows:

Field	Value
Posting Date	01/25/01
Document Type	Invoice
Document No.	IC0016
External Document No.	Allocation
Account Type	Vendor
Account No.	40000
Amount	-10,000.00
Bal. Account Type	G/L Account
Bal. Account No.	8320
Bal. Gen. Posting Type	Purchase
Bal. Gen. Bus. Posting Group	National
Bal. Gen. Prod. Posting Group	Services
IC Partner G/L Acc. No.	Blank

3. The next two lines represent the IC partners and the allocation of the costs of the consultancy service. Fill out the next two lines as follows:

Field	Value Line 1	Value Line 2
Posting Date	01/25/01	01/25/01
Document Type	Blank	Blank
Document No.	IC0017	IC0018
External Document No.	Blank	Blank
Account Type	IC Partner	IC Partner
Account No.	ICP20	ICP30
Amount	6000.00	4000.00
Bal. Account Type	G/L Account	G/L Account
Bal. Account No.	6710	6710
Bal. Gen. Posting Type	Settlement	Settlement
Bal. Gen. Bus. Posting Group	National	National
Bal. Gen. Prod. Posting Group	Services	Services
IC Partner G/L Acc. No.	8320	8320

NOTE: The IC general journal lines should refer to the same balance account number in order for the allocation to succeed.

4. Press **F11** to post the invoice and allocation. Accept the messages that appear.

5. Close the IC General Journal window.

Test Your Skills – Allocating cost to IC Partners

Scenario: Cronus International has been informed that John Doe has done some additional consultancy work for two of their subsidiaries, Cronus Consultancy Ltd. for $1000.00 and for Cronus Services Ltd. for $800.00. The transactions are posted to GL account 6710 and the IC Partner G/L acc. No. is defined as 8320.

All Levels

Your tasks are as follows:

- Create an IC general journal entry to allocate the $1800 cost to Cronus International to the two subsidiaries using Vendor no. 40000.
- Before posting, preview the test report to make sure there are no errors. If no errors exist, post the transaction.
- Check and make sure that the journal entry is in the IC Outbox.

Quick Interaction: Lessons Learned

Take a moment to write down three Key Points you have learned from this chapter:

1.

2.

3.

APPENDIX A – MULTICOMPANY OPERATIONS

This chapter contains the following sections:

- Intercompany Consolidations – Translation Methods
- Intercompany Consolidations – Posting the Translation Differences
- Intercompany Consolidations – Setting up Consolidation Translation Method for each G/L Account
- Intercompany Posting Business Logic

Translation Methods

Translation Methodology

The two most common translation methodologies are:

- **Temporal Method** – All current assets and liabilities accounted for at current rate, and all non-current assets and liabilities accounted for at historical value at the historical rate.
- **Current Rate Method** – All assets and liabilities are translated at the current rate and all income statement items at the average rate for the period.

Translation Methods

Choosing a translation methodology identifies the specific translation rate to be applied to each specific G/L account. The Options are:

- **Historical Rate** – The rate of exchange for the foreign currency which prevailed when the asset or liability was acquired.
- **Closing Rate** – The rate which prevails in the foreign exchange market at the date for which the balance sheet or income statement is being prepared.
- **Average Rate** – The average rate for the period to be consolidated, either taken as an arithmetic average or a best estimate.
- **Composite** – The retained earnings account includes amounts from different periods and is thus a composite of earnings amounts with different exchange rates. The previously recorded amount of retained earnings in the consolidated company should remain and only the current period amounts at an appropriate (see above) rate should be added.

Equity works as a Composite. The posting of the differences will be to separate G/L Accounts.

The temporal method is used when the foreign entity is considered an integral part of the parent company's business. The Current rate method is used when the foreign entity is considered independent.

See Table 1 for the translation methods used for the different G/L accounts under the Temporal and Current Rate translation methodologies.

Table 1

Account	Temporal Method	Current Rate Method
Cash and Receivables	Closing	Closing
Marketable Securities	Closing	Closing
Inventory, Market Value	Closing	Closing
Inventory, Cost	Historical	Closing
Prepaid Expenses	Historical	Closing
Property, Plant & Equipment	Historical	Closing
Intangible Assets	Historical	Closing
Current Liabilities	Closing	Closing
Deferred Income	Historical	Closing
Long-term Debt	Closing	Closing
Capital Stock	Historical	Historical
Paid-in Capital	Historical	Historical
Retained Earnings	Composite	Composite
Revenue	Average	Average
Expenses	Average	Average
Cost of Goods Sold	Historical	Average
Depreciation	Historical	Average
Amortization	Historical	Average

Note that for Revenue and expenses one may expect historical rates, but most common averages are used when the currency rate doesn't fluctuate much.

Comparison of translation methods in different countries

Comparison of Translation Methods Employed in Selected Countries

Country	Integrated Foreign Entity	Self-Sustaining Foreign Entity
United States	Financial statements are remeasured using the temporal method with adjustments included in current net income.	Current rate method. Translation adjustments are reported as a separate component of shareholders' equity.
International	Temporal method. Translation adjustments are included in net income currently, except that translation adjustments on long-term monetary items may be deferred and amortized over the life of the item.	Current rate method. Translation adjustments are reported as a separate component of shareholders' equity.
Australia	Temporal method. Translation adjustments are included in current net income.	Current rate method. Translation adjustments are reported as a separate component of shareholders' equity.
Canada	Temporal method. Translation adjustments are included in current net income.	Current rate method. Translation adjustments are reported as a separate component of shareholders' equity.
France	Temporal method. Translation adjustments are included in current net income.	Current rate method. Translation adjustments are reported as a separate component of shareholders' equity.
Germany	Temporal method or current rate method is acceptable. Translation adjustments are included in net income currently if the temporal method is used and as a separate component if the current rate method is used.	Same as for Integrated Foreign Entity.
Japan	Temporal method. Adjustments related to foreign subsidiaries are reported separately as an asset or a liability; adjustments related to divisions or branches are included in current net income.	Same as for Integrated Foreign Entity.
Netherlands	Temporal method. Translation adjustments are included in current net income. The current rate method is used if the entity utilizes current value accounting.	Current rate method. Translation adjustments are reported as a separate component of shareholders' equity.
United Kingdom	Temporal method. Translation adjustments are included in current net income.	Current rate method. Translation adjustments are reported as a separate component of shareholders' equity.

Source: Survey of International Accounting Practices, Arthur Andersen & Co., Coopers & Lybrand, Deloitte & Touche, Ernst & Young, KPMG Peat Marwick, and Price Waterhouse, 1991.

Posting the Translation Differences

There are different rules for posting the translation differences under the different translation methodologies.

The following two subchapters explain what the rules are. This affects the way translation differences are posted.

The user can specify any G/L accounts to be used for posting the translation differences.

Current Rate Method

Under the Current Rate method the translation difference is taken to the balance sheet as the 'Cumulative Translation Adjustment,' shown as a separate component of shareholders' equity.

All translation adjustments are posted to this account.

Translation adjustments from translating the income statement at Historical Rate or Average Rate are posted to the "Cumulative Translation Adjustment" account.

Translation adjustments from translating the balance sheet items at current rate are posted to the "Cumulative Translation adjustments" account.

Equity adjustment

Translation adjustments from translating the equity beginning balance to ending balance is posted directly to the equity account. This may be done either before or after consolidation, depending on the currency in which the submitted financial statement is reported.

Temporal Method

All translation adjustments are posted to the income statement on the "Unrealized FX Gains/Losses" account.

If the Temporal method is to be followed to the letter the following split is required.

The translation difference disaggregated into its three components:

- The amount arising from the current period's activities which are taken to the current period's income statement; e.g. posting all differences to the "Unrealised FX Gains/Losses" account.
- The amounts recognized in prior periods which are taken to retained earnings; e.g. separate out the translation difference from translating the retained earnings account.
- IAS and FASB do not require the following split explicitly. It is a matter of adhering to the chosen methodology (which has to be disclosed in the annual report)

Assets at Historical Rate (not included in scope)

The amount coming from the translation difference on long-term monetary items which is subject to the 'defer and amortize' treatment and, therefore, is split between the current period's amortization and the deferred amount carried forward on the balance sheet.

Using historical rate for Assets also means using the historical rate for translating the depreciation on non-monetary assets.

Setting up Consolidated Translation Method for each G/L Account

It is possible to specify the translation method for each G/L Account independently. The Translation method chosen will only be used at time of consolidation and not affect the postings to the given G/L account.

Intercompany Postings Business Logic

Microsoft® Business Solutions–Navision® includes an Intercompany General Journal. Existing receivables and payables functionalities were enhanced to support inter-company transactions that incorporate documents. The customer and vendor cards feature a new field called the **IC Partner** field which tells the user that a customer or partner is an inter-company entity. Intercompany Postings treats partner companies as regular customers and vendors, again eliminating a need for specialized or additional functionality. Partner companies, in the present context, can be any companies controlled by one legal entity: the parent company, subsidiaries, sister companies, and others.

When, as a result of a transaction or business process, users create documents that involve inter-company partners, there are two ways to make the relevant information available to the partner:

- Sending the document without posting it, in the case of sales and purchase orders
- Posting the document in the IC General Journal, for invoices, credit memos, return orders, and actual IC General Journals

Because the **IC Partner** field on the customer or vendor cards notifies the system that it is dealing with an inter-company partner, Microsoft Navision transfers the relevant information contained in a business document to a special repository called the IC Outbox. From there, it can be sent to the partner company.

Intercompany Postings includes Customer and Vendor features, which add to the flexibility available to the Microsoft Navision user. Each inter-company partner can be assigned to one customer and/or one vendor. Using these features makes it possible to process multiple currencies. Intercompany Postings can assign a different currency to each partner and, in this way, support international subsidiaries. The module can also accommodate companies using disparate databases and a different chart of accounts. For example, it can incorporate an additional, different value-added tax (VAT) schema.

Intercompany Postings Inbox and Outbox

Intercompany Postings uses an IC Inbox and IC Outbox to allow the creation of journal entries in a partner company with little effort and maintain a smooth workflow. The IC Inbox and IC Outbox support multiple databases, which are being implemented typically by companies whose parent organization and subsidiaries are internationally distributed. IC Inbox and IC Outbox give Microsoft Navision users full control over the document flow entering and exiting the company, and allow them to manage each transaction separately from all others.

IC Outbox – When users post an inter-company transaction, Intercompany Postings transfers the information for the partner to the IC Outbox. If the information is correct, it can be sent on to the partner for processing.

However, if the transaction is the result of an error, the user can cancel it and thereby stop the information from reaching the partner. If a user realizes that the IC Outbox contains an incorrect transaction, there are two ways to make the correction:

- Reverse the transaction, if it was a General Journal transaction.
- Post the reversal, for example, as a credit memo for an incorrect sales invoice, and cancel the original transaction document and the reversal when both of them are in the IC Outbox.

IC Inbox – Microsoft Navision users can review all incoming documents from partner companies in the IC Inbox. They can handle each transaction separately, or use filters to process several transactions simultaneously. If the user accepts an inter-company transaction, Intercompany Postings create the corresponding documents or IC General Journal lines for the user's company. At that point, the user needs to access the relevant Microsoft Navision application area to continue processing the information.

Users can reject incorrect inter-company transactions. If they do so, Intercompany Postings return the transaction information to the partner or subsidiary that sent it originally. That partner then can review the information and take action, such as reversing the original transaction document and creating a new, correct document.

However, if the rejection itself was in error, a single action can undo it. As a result of the rejection, the transaction information moves to the IC Outbox. As long as it has not been sent to the partner, the user can cancel the rejection by using an option called Return to IC Inbox. This option reconstitutes the original inter-company transaction in the IC Inbox, where the user can accept it.

The following figure illustrates the movement of data in Microsoft Navision Intercompany Postings either within the same database, or between different databases.
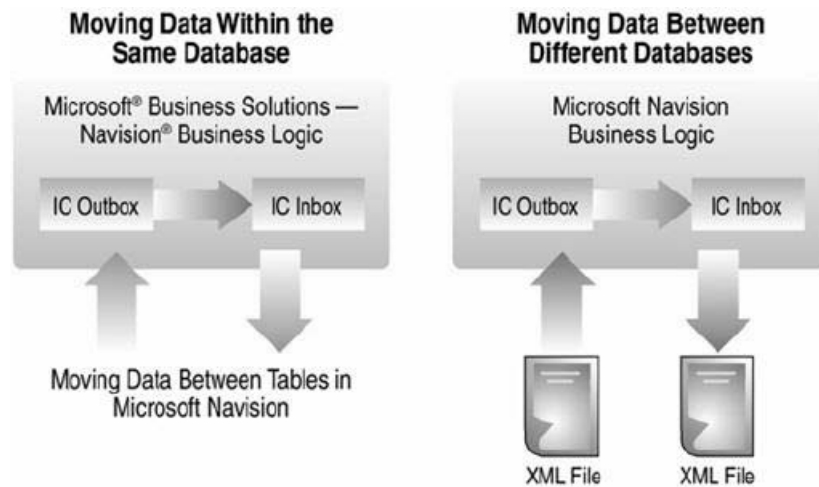
Transfer of Information between Companies

Intercompany Postings facilitates four different methods to transfer information between companies and their partners or subsidiaries. Users define the type of transfer to be used for each partner. These are the four transfer options:

- **File Location** – This option writes transactions sent from the IC Outbox to files in XML, creating one file per partner. The XML files are saved in previously specified file locations, such as a client PC or a network resource.

- **Database** – This option causes transactions to be written directly from one company's IC Outbox to the recipient company's IC Inbox.

- **E-Mail** – This option formats transactions as XML files. It does not save them, but sends them on immediately as e-mail attachments.

- **No Transfer** – Users select this option in case they prefer alternative transmission formats. These may include printed invoices, manual data entry, or another type of electronic transfer, for example, through Microsoft® BizTalk®.

In the following paragraphs, we walk through five likely business scenarios for Intercompany Postings users. These scenarios correspond to frequent business situations in which Microsoft Navision users find them. The high potential of Intercompany Postings to produce benefits in form of cost savings, efficiency, productivity, and auditing capability will become more practically evident as you review these generalized descriptions.

Invoicing an Intercompany Partner

This scenario is probably the most basic and, perhaps, also the most common for Intercompany Postings. It unfolds as follows:

An accounts receivable administrator working with Microsoft Navision at one company creates an invoice for a partner company. The invoice lists items that make it only slightly different from an invoice that covers only service fees. Once the invoice has been shipped and posted, the sales invoice information moves to the IC Outbox, from where it can be sent to the partner company. The partner company, in turn, receives the information needed to create the corresponding purchase invoice. That task can be accomplished from the IC Inbox after the relevant information has been accepted. When the partner has registered that the items or services have been received, the purchase invoice can be posted. As data was entered once only, by the selling company, the two organizations' books will balance.
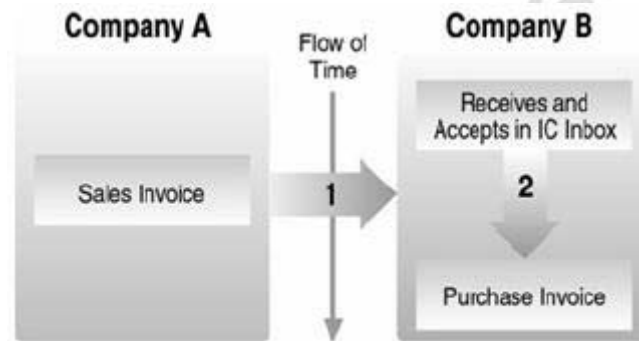

Sales invoice document flow.

Sending Purchase Orders to a Central Warehouse

Imagine, as a parent company in this example, a small construction company. The company has several partners or subsidiaries, each of them representing one building project. The parent company purchases all raw materials for all jobs, and sells them to the partner companies through one main warehouse. In this way, the construction company can manage centrally all costs incurred through external vendors, and minimize the administrative workload associated with handling payments, such as payables management and check writing.

The construction company uses the Microsoft Navision Intercompany Postings functionality to set up a list of partners, which Navision treats, from then on, just like it does other, external customers and vendors. For example, when a partner company needs to order building materials from the central warehouse, this partner sends a purchase order directed to the vendor account that represents the warehouse. The purchase order arrives at the warehouse in form of a sales order applying to the warehouse's customer account for that partner.

When the sale is complete, Microsoft Navision users post an invoice and send it from the warehouse to the partner company. At the partner company, Microsoft Navision applies the invoice number to the original purchase order, which can then be posted. This step completes the transaction for both companies.
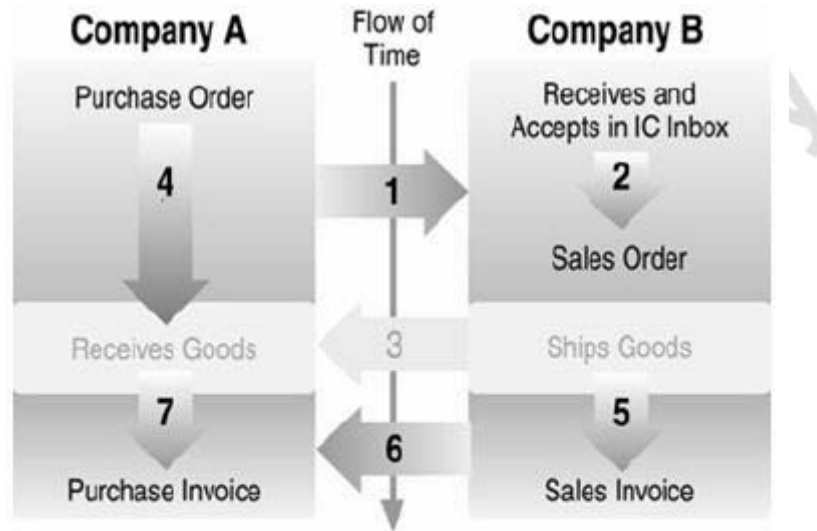
Sending purchase orders and posting invoices. (Note that shipping and receiving is not part of Intercompany Postings.)

APPENDIX B: TEST YOUR SKILLS SOLUTIONS

Test Your Skills – Change the relational exchange rate (CH 1)

Scenario: The relational exchange rate amount between EUR and LCY has just changed to 0.75. Your boss is concerned about the change and how it affects the outstanding balance of one of your German customers, Beef House. You are responsible for changing the rate in Microsoft® Business Solutions–Navision® in such a way that it affects previously posted entries and reporting on the change in balance.

Step-by-Step

1. From the Financial Management menu, click RECEIVABLES→CUSTOMERS.

2. In the **Name** field, find (**CTRL + F**) the customer named Beef House.

3. The **Balance (LCY)** should be 5941.36.

4. Close the Customer Card window.

5. From the Financial Management menu, click SETUP→GENERAL→CURRENCIES.

6. Select Euro (EUR) and click the **Exch. Rates** button.

7. Change the **Relational Exchange Rate Amount** and the **Relational Adjustment Exchange Rate Amount** to .7533

8. Close the Currency Exchange Rates window and the Currencies window.

9. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITES→CURRENCY→ADJUST EXCHANGE RATES.

10. In the **Code** field, enter EUR.

11. On the **Options** tab, in the **Ending Date** and **Posting Date** fields, enter the work date (w).

12. In the **Document No.** field enter any alphanumeric string.

13. Click in the **Adjust Customer, Vendor,** and **Bank Accounts** check box.

14. Click on the **OK** button to run the batch job.

15. From the Financial Management menu, click RECEIVABLES→CUSTOMERS.

16. Locate the Customer Card for Beef House.

17. The **Balance (LCY)** has changed to 6,948.76.

Test Your Skills – Adding an Additional Reporting Currency (CH 1)

Scenario: You have been assigned the task of adding the Danish krone (DKK) as an Additional Reporting Currency.

The Exchange Rate Adjustment Method is Adjust Amount, and there need not be a VAT Exchange Rate Adjustment. The Document No. that the program copies to the entry should be named "ADDCURR-DKK" and the Retained Earnings Account is 8840.

Step-by-Step

1. From the Financial Management menu, click
   SETUP→GENERAL→CURRENCIES.
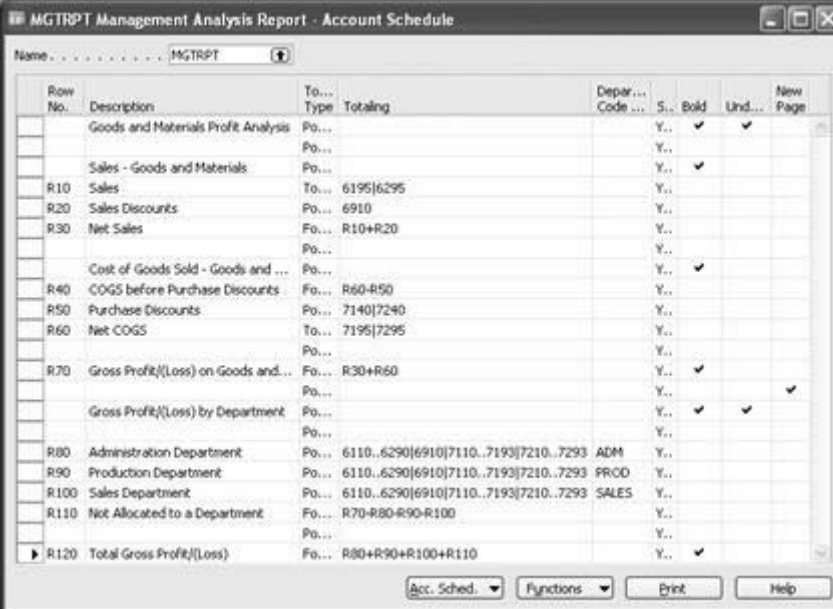
2. In the Currencies window, assign the following:

Field	Value
Realized G/L Gains Account	9330
Realized G/L Losses Account	9340
Residual Gains Account	9330
Residual Losses Account	9340

3. For each of the two accounts, the **Exch. Rate Adjustment Method** must be changed to Adjust Amount.

4. From the Financial Management menu, click SETUP→GENERAL LEDGER SETUP→REPORTING TAB.

5. In the **Additional Reporting Currency** field, DKK must be selected.

6. The **Document No.** must be filled in with ADDCURR-DKK and the **Retained Earnings Account** should be 8840.

7. If all has been done correctly, the batch job should run and the Chart of Accounts should be available in Additional Reporting Currency.

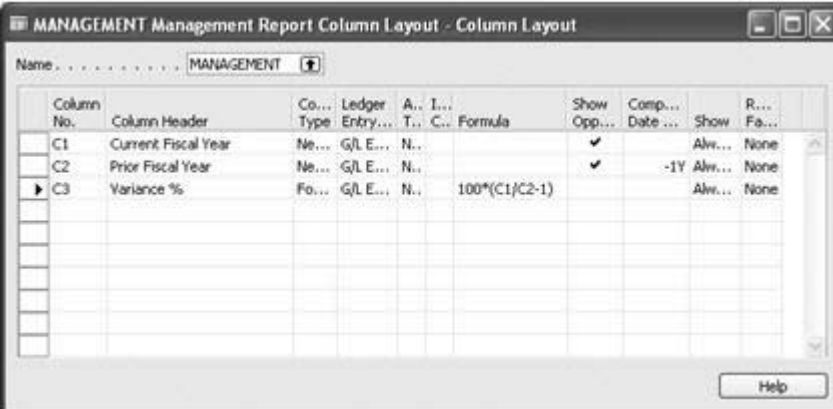# Test Your Skills – Creating Detailed Account Schedules (CH 2)

Scenario: You are required to create a small Management Analysis Report that is two pages in length. The account schedule should be given a code of MGTRPT and it should have its own column layout with a code of MANAGEMENT.

The account schedule to produce the report should look as follows:

The column layout to produce the report should look as follows:

Preview the Account Schedule Report to see the line formats and page layouts. You can also look at the data in the Acc. Schedule Overview window before you export it. The information for the January 2001 and 2000 can be seen below.

The exported information in Microsoft® Excel® should look like the picture below:

Test Your Skills – Close Income Statement (CH 2)

Scenario: You have just posted a journal with cleaning expenses to the 1999 fiscal year that is already closed. The expense must be transferred from the income statement accounts to the retained earnings account as part of the end of fiscal year processing. You wish to retain all the dimension information posted on the income account entries. Run the Close Income Statement batch job to create the journal entries for the transfer.

Step-by-Step

1. From the Financial Management menu, click GENERAL LEDGER→ PERIODIC ACTIVITES→FISCAL YEAR→CLOSE INCOME STATEMENT.

2. Fill in the **Options** tab as follows:

Field	Value	
Fiscal Year Ending Date	12/31/99	
Gen. Journal Template	GENERAL	
Gen. Journal Batch	DEFAULT	
Document No.	G00002	
Retained Earnings Acc.	3120	
Posting Description	Close Income Statement 1999	
Close by	Dimensions	Area, Business Group and Customer Group

3. Click **OK** to start the batch job.

4. From the Financial Management menu, click GENERAL LEDGER→ GENERAL JOURNALS. The General Journal window appears.

5. View the resulting journal created by the batch job.

6. For the purpose of this course material, you do not need to post the journal, so delete all the journal lines.

Test Your Skills – Stock Exchange Reporting with XBRL (CH 3)

Scenario: The Stock Exchange has requested that Cronus provide information about its assets and liabilities for 2001 using the IAS Specification 2 XBRL taxonomy.

Step-by-Step

1. From the Financial Management menu, click GENERAL LEDGER→ ANALYSIS & REPORTING→XBRL TAXONOMIES.

2. Select the IAS – XBRL Spec. 2 Taxonomy.

3. Click TAXONOMY→LINES.

4. Expand the Primary Financial Statements line and then click in the Balance Sheet **Label** field.

5. Click FUNCTIONS→EXPAND ALL.

6. Under Assets, select the Property, Plant and Equipment line.

7. Click XBRL→G/L MAP LINES.

8. In the **G/L Account Filter** field enter 1003..1999 to include all the Fixed Assets accounts.

9. In the **Timeframe Type** field, select Ending Balance.

10. In the **Normal Balance** field, be sure Debit (positive) is selected.

11. Escape back to the XBRL G/L Map Lines window.

12. Repeat steps 6-11 for the following: (Note that for all lines in the G/L Map Lines window, the **Timeframe Type** should be Ending Balance and **Amount Type** should be Net Amount.)

Taxonomy Label	Cronus G/L Accounts	Normal Balance
Assets		
Inventories	2110..2180	Debit (positive)
Trade and Other Receivables (Current)	2310..2340	Debit (positive)
Cash and Cash Equivalents	2910..2940	Debit (positive)
Liabilities		
Issued Capital and Reserves	3110..3120	Credit (negative)
Interest Bearing Borrowings (Non Current)	5110..5120	Credit (negative)
Trade and Other Payables (Current)	5410..5425	Credit (negative)

13. Press **ESC** to go back to the Navigation Pane.

14. From the Financial Management menu, click GENERAL LEDGER→ ANALYSIS & REPORTING→XBRL REPORTING→XBRL SPEC. 2 INSTANCE DOCUMENT.

15. On the **XBRL Taxonomy Line** tab, go to an empty line and in the **Field** field, click the **AssistButton**.

16. Select G/L Map Lines and click **OK**.

17. In the **Filter** field for the **G/L Map Lines** field, enter Yes.

   By entering Yes in this field, the XBRL Spec. 2 Instance Document shows only the Assets and Liability accounts that were mapped.

18. Click on the **Options** tab.

19. In the **XBRL Taxonomy Name** field, enter IAS.

20. In the **Label Language** field, choose "en" from the lookup.

21. Click in the **Create File** check box to be able to see a report.

22. Enter a file name in the **XBRL File Name** field.

23. In the **Starting Date** field, enter 01/01/01.

24. In the **No. of Periods** field, enter 2.

25. In the **Period Length** field, enter 1Y.

26. In the **Closing Entries** field, choose Include.

27. Click in the **Document Complete** check box.

28. The **ISO Currency Code** GBP is already filled in, so do nothing to change it.

29. Do **not** place a check mark in **Show Zero Lines** field.

30. Click on **Preview** to see a test run of your report.

Test Your Skills – Creating Analysis Views (CH 4)

Scenario: You need to create a new analysis view with the following features:

Field	Value
Code	REGIONAL
Name	Regional Analysis
Date Compressed	Month
Starting Date	01/01/01

Step-by-Step

1. From the Financial Management menu, click SETUP→DIMENSIONS→ANALYSIS VIEWS.

2. In the Analysis View Card window, in the **Code** field, press **F3** to insert a new Analysis view.

3. On the **General** tab, in the **Code** field, enter REGIONAL and in the **Name** field, enter Regional Analysis.

4. In the **Date Compression** field, select Month and in the **Starting Date** field, enter 01/01/01.

5. Click in the **Update on Posting** and **Include Budgets** fields check boxes.

6. On the **Dimensions** tab, in the **Dimension 1 Code** field, enter AREA.

7. Click the **Update** button.

8. Click on **Yes** in the notification window.

9. Close the Analysis View Card Window.

10. From the Financial Management menu, click GENERAL LEDGER→ANALYSIS & REPORTING→ANALYSIS BY DIMENSIONS.

11. In the **Analysis View Code** field, click the **AssistButton** to select the REGIONAL Analysis View you just created. (Remember: You must leave the field after selecting the Analysis view for the fields to update!)

Test Your Skills – Combining Analysis Views with Account Schedules (CH 4)

Scenario: The current REVENUE account schedule shows revenue by area. You need to change this account schedule so that you can also view revenue for the same accounts by large, medium, and small customers.

Step-by-Step

1. From the Administration menu, click GENERAL LEDGER→ANALYSIS & REPORTING→ACCOUNT SCHEDULES.

2. In the **Name** field in the Account Schedule window, click the **AssistButton** to view a list of Account Schedules.

3. In the Account Schedule Names window, change the **Analysis View Name** field for the REVENUE Account Schedule from REVENUE to CUSTOMER.

4. Close the Account Schedule Names window.

5. In the Account Schedule window, click VIEW→SHOW COLUMN. Click next to **Area Code Totaling** and **Customergroup Totaling** check boxes and click **OK**.

6. The area filters for the lines already showing a breakdown by area have already been entered. Create three new lines to show the totals broken down by Customergroup. These lines should be identical to the area lines, with the following exceptions:

   – They should have no area filters assigned
   – They should have the appropriate filters assigned for customergroup filter (SMALL for the small line, etc…)

Test Your Skills – Exporting Analyses by Dimensions to Excel (CH 4)

Scenario: You are required to export the Analysis named REGIONAL that you created previously to Excel. This analysis is to be used in a presentation.

Step-by-Step

1. From the Administration menu, click GENERAL LEDGER→ANALYSIS & REPORTING→ANALYSIS BY DIMENSIONS. Under General Ledger, Analysis & Reporting, click Analysis by Dimensions

2. Select the **Analysis View** = REGIONAL.

3. The **Show as Lines** field should be set to AREA.

4. Do not set any filters.

5. Since the report is being used for a presentation, on the **Options** tab, click in the **Show Column Name** check box.

6. Click FUNCTIONS→EXPORT TO EXCEL.

7. Save the workbook to review with your instructor.

Test Your Skills – Create a New Cube (CH 5)

Scenario: You wish to create a new Sales cube. To do this, you must first create a Sales database and then select a Fact Table and then select a Related Table. After selecting those, you must set the Dimensions and Measures upon which you will analyze. Remember to Update the XML.

Step-by-Step

1. From the Administration menu, click APPLICATION SETUP→GENERAL→BUSINESS ANALYTICS SETUP.

2. In the **Name** field, click the **AssistButton** to open the BA Databases window. Select a new row and create a new cube with the **Code** SALES and the **Name** Sales.

3. Click the **AssistButton** in the **Path to Configurator** field to browse for the location of the BA Configurator for 4.00 .exe file and click **Open** to insert the path.

4. In the BA Databases window, select the SALES database and click **OK**.

5. In the BA Db. Overview window, select the **Cubes** line and press **F3** to create a new cube. A message appears asking whether you want to create a new cube. Click **Yes**.

6. Type Sales in the **Name** field and click the **AssistButton** in the **Fact Table No**. field to open the Objects window.

7. Select Fact Table **ID** 379 and click **OK**.

8. In the BA Db. Cube Card window, click CUBE→RELATED TABLES.

9. Click **Select Fields** to open the BA Field Selection window. You see the **Field Caption** field and the **Relation Table Name** field. Here you select which fields and related table name to include in the cube.

10. Add field **No.** 9 (Customer No.) by clicking to insert a check mark in the **Selected** field. Click **OK** and close the BA Db. Cube Table Relations window to return to the BA Db. Cube Card window.

11. Click CUBE→DIMENSIONS. The BA Db. Cube Dimensions window appears. Click FUNCTIONS→SELECT FIELDS to open the BA Field Selection window.

12. Scroll down to add the **Customer** field **No.** 35 (Country Code) by clicking to insert a check mark in the **Selected** field. Scroll down to add Detailed Cust. Ledg. Entry fields by clicking to insert a check mark in the **Selected** field for **Nos.** 3, 4, 5, 9, 10 and 12. Click **OK** to add the selected fields in the BA Db. Cube Dimensions window. Close the BA Db. Cube Dimensions window to return to the BA Db. Cube Card window.

13. Click CUBE→MEASURES. The BA Db. Cube Measures window appears. Click FUNCTIONS→SELECT FIELDS to open the BA Field Selection window. Scroll down to add **Detailed Cust. Ledg. Entry** fields by clicking to insert a check mark in the **Selected** field for **Nos.** 7, 8, 16, 17, 18, 19, 39. Click **OK** to add the selected fields in the BA Db. Cube Measures window. Close the BA Db. Cube Measures window and the BA Db. Cube Card window to return to the BA Db. Overview window.

14. In the BA Db. Overview window, click the Dimensions line to expand it and select **Country**, then click **Card** to open the BA Db. Dimension Card window.

15. In the **Field Numbers** field, click the **AssistButton** to open the BA Field Selection window. Add **Country** field **No.** *2* (Name) by clicking to insert a check mark in the Selected column. Click **OK** and close the BA Db. Dimension Card window.

16. On the BA Db. Overview window, in the **Name** field, click the **AssistButton** to open the BA Databases window. Click to insert a check mark in the **Active** field for the SALES database.

17. Click FUNCTIONS→UPDATE XML. If you wish, you can click BA DATABASE→VIEW XML to open a preview of the updated XML in Microsoft® Windows® Explorer.

Test Your Skills – Setting up the Chart of Accounts in the Subsidiary Companies (CH 6)

Scenario: Cronus International Corporation owns 100% interest in Cronus International Ltd. and just acquired 50% in another company as a subsidiary, called Cronus Subsidiary Ltd. They will be reporting for the first quarter of 2001 with Consolidated Financial Statements. Mr. Frank, the Accounting Manager, has started preparing the Navision database for the Consolidation setup, but was needed to travel out of town on business and left the setup incomplete.

Step-by-Step

1. Click FILE→COMPANY→OPEN, select Cronus International Ltd.

2. From the Financial Management menu, click GENERAL LEDGER→CHART OF ACCOUNTS.

3. Click on VIEW→SHOW COLUMN. Click next to **Consolidation Debit Account** and **Consolidation Credit Account** fields. Click **OK**.

4. Enter the appropriate account numbers in both of these columns.

5. Enter the **Consolidation Transaction Method** exactly as it is in the Consolidation company. (HINT: 1000-5999 = Closing Rate and 6000-9999 = Historical Rate)

6. Click FILE→COMPANY→OPEN, select Cronus Subsidiary Ltd.

7. From the Financial Management menu, click GENERAL LEDGER→CHART OF ACCOUNTS.

8. If they are not already visible, show the columns for **Consolidation Debit Account** and **Consolidation Credit Account**.

9. If they are not already entered, enter the account numbers.

Test Your Skills – Setting up the Business Units in the Consolidation Company (CH 6)

Scenario: Mr. Frank, the Accounting Manager, has been detained on his business trip and called you to check on your progress with the Consolidations setup.

In the CRONUS Consolidation Company, setup the Business Units for the following subsidiaries:

a. CRONUS Subsidiary Ltd.

Code: CSUBSIDIAR

50% owned by Cronus Consolidation Company

   b.   CRONUS International Ltd.

   Code: CINTERNATL

   100% owned by Cronus Consolidation Company

For purposes of this exercise we ignore the exchange rates and use the Local Exchange rates of the Subsidiaries.

Step-by-Step

1. Click FILE→COMPANY→OPEN, select Cronus Consolidation.

2. From the Financial Management menu, click GENERAL LEDGER→ PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS.

3. Create **two** new Business Units using the following information:

Field	BU1	BU2
General tab		
Code	CSUBSIDIAR	CINTERNATL
Name	Cronus Subsidiary	Cronus International
Company Name	Cronus Subsidiary Ltd.	Cronus International Ltd.
Consolidation %	50%	100%
G/L Accounts tab		
Residual Account field	3120	3120

4. All other fields on the Business Unit Card window may be left as they are.

Test Your Skills – Creating a Consolidation Export File

Scenario: Mr. Frank, the Accounting Manager, called you to check on your progress with the Consolidations setup. He mentioned that you could run an export file that could be sent to him for his review.

As noted in the last Test Your Skills exercise, the CRONUS Subsidiary Ltd. company is only 50% owned by the Cronus Consolidation Company, the other 50% is owned by a company in a separate database. We now need to create an export file to send to the Parent company for their consolidation purposes.

Name the export file Cronus Subsidiary Ltd._013101, make the period to export from 01/01/01 to 01/31/01 and leave the Parent Currency Code blank.

Step-by-Step

1. Click FILE→COMPANY→OPEN, select Cronus Subsidiary Ltd.

2. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→EXPORT CONSOLIDATION. Enter the following information:

Field	Value
File Format	Leave as is
File Name	Cronus Subsidiary Ltd._013101
Starting Date	01/01/01
Ending Date	01/31/01
Copy Dimensions	<blank>
Parent Currency Code	<blank>

3. Click **OK**.

4. If there are no error messages, the file was created successfully.

Test Your Skills – Testing the Data Prior to Consolidation (CH 6)

Scenario: Mr. Frank, the Accounting Manager, called you to check on your progress with the Consolidations setup. The corporate office is asking him for some preliminary consolidated figures. He can't get access to Navision from his current location and needs your further assistance with the consolidation process.

Step-by-Step

1. Click FILE→COMPANY→OPEN, select Cronus Consolidation.

2. From the Financial Management menu, click GENERAL LEDGER→ PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS.

3. Click FUNCTIONS→TEST DATABASE.

4. In the **Code** field, click the **AssistButton** and select CSUBSIDIAR.

5. On the **Options** tab, in the **Starting Date** field enter 01/01/01 and in the **Ending Date** field, enter 01/31/01.

6. Click the **Preview** button.

7. Repeat steps 3-6 with the **Code** = CINTERNATL.

If you receive an error that an Account No. does not exist, follow these steps:

1. Click FILE→COMPANY→OPEN, select Cronus International Ltd.

2. From the Financial Management menu, click GENERAL LEDGER→CHART OF ACCOUNTS.

3. Search for the missing Account **No.** The report you generated while testing the data should tell you which accounts are missing. Note that this account does not exist in the Consolidation Company.

   This type of error appears when accounts do not exist in the parent company, but exist in the Subsidiary companies. To adjust this, you need to assign the number to a different account that exists in the parent company.

Test Your Skills – Consolidating the Subsidiaries within the Database (CH 6)

Scenario: Mrs. Hill, the Corporate CPA, called you regarding the Consolidated Financial Statements; they can not wait until Mr. Frank gets back for the consolidated figures. Mr. Frank told them you have access to the data and can assist in getting the consolidation completed.

Step-by-Step

1. Click FILE→COMPANY→OPEN, select Cronus Consolidation.

2. From the Financial Management menu, click GENERAL LEDGER→PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS.

3. Click FUNCTIONS→IMPORT DATABASE.

4. In the **Code** field, click the **AssistButton** and select CSUBSIDIAR.

5. On the **Options** tab, in the **Starting Date** field, enter 01/01/01 and in the **Ending Date** field, enter 01/31/01.

6. In the **Document No.** field, enter any alphanumeric string that represents the Business Unit and date.

7. Click **OK**.

8. Click **Yes** at the confirmation screen and at any notification message regarding the starting and ending dates being outside of the fiscal year (max. 2 of these).

9. Repeat steps 3-8 for the **Code** = CINTERNATL, changing the **Document No.**

10. From the Financial Management menu, click GENERAL LEDGER→HISTORY→REGISTERS.

11. Scroll to the last Register entries, click REGISTER→GENERAL LEDGER.

12. Review the entries.

13 Repeat steps 11-12 for all consolidation entries made.

Test Your Skills – Printing the Consolidated Trial Balance (CH 6)

Scenario: Mr. Frank has called to check on your progress in assisting the corporate office; he asks that you fax a copy of the consolidated trial balance to him before you give them to Mrs. Hill.

Step-by-Step

1. Click FILE→COMPANY→OPEN, select Cronus Consolidation.

2. From the Financial Management menu, click GENERAL LEDGER→ PERIODIC ACTIVITIES→CONSOLIDATION→BUSINESS UNITS.

3. Click REPORTS→TRIAL BALANCE.

4. On the **G/L Account** tab, leave all fields blank.

5. On the **Options** tab, in the **Starting Date** field enter 01/01/01 and in the **Ending Date** field, enter 01/31/01.

6. Click the **Preview** button to generate the report.

Test your Skills – Intercompany Partner (CH 7)

Scenario: Cronus International has acquired a new subsidiary. The new IC partner code is "ICP40" and the name is "Cronus Biking Ltd." The currency code is in USD. Cronus International is sending their intercompany transactions by file in a directory on their hard disk. The accountant has decided that the receivables and payable GL accounts are 2325 and 5425 respectively. Cronus Biking will use their internal numbers for sales & purchasing on documents.

Step-by-Step

1. From the Financial Management menu, click SETUP→INTERCOMPANY POSTINGS→PARTNERS.

2. Press **F3** to insert a new IC Partner and in the **Code** field, enter ICP40.

3. In the **Name** field, enter Cronus Biking Ltd.

4. In the **Currency Code** field, enter USD.

5. In the **Inbox Type** field, select File Location.

6. In the **Inbox Details** field, choose a file location.

7. Click the **Posting** tab. In the **Receivables Account** field, enter 2325, and in the **Payables Account** field enter 5425.

8. In both the **Outbound Sales Item No. Type** and **Outbound Purch. Item No. Type** fields, select Internal No.

9. Close the IC Partner Card window.

Test your Skills – Assigning an IC Partner to a Customer and /or Vendor (CH 7)

Scenario: Cronus International has added a new vendor. Set up Vendor No. IC1040, Cronus Biking Ltd. Assign IC Partner Code ICP40. General Business Posting group is Intercompany, Vendor Posting group is Domestic and the payment Method is Intercompany.

Step-by-Step

1. From the Purchase menu, click ORDER PROCESSING→VENDOR.

2. Press **F3** to insert a new Vendor.

3. In the **No.** field, enter IC1040.

4. In the **Name** field, enter Cronus Biking Ltd.

5. Click on the **Communication** tab, and in the **IC Partner Code** field, enter ICP40.

6. Click on the **Invoice** tab. In the **Gen. Bus. Posting Group** field, click the **AssistButton** and select INTERCOMP.

7. In the **Vendor Posting Group** field, click the **AssistButton** and select DOMESTIC.

8. Click on the **Payments** tab. In the **Payment Method** field, click the **AssistButton** and select INTERCOM.

9. Close the Vendor Card window.

Test your Skills – Setting the Chart of Accounts for IC Documents (CH 7)

Scenario: There has been an addition made to the Chart of Accounts in Cronus International Ltd. T-Bills G/L account 2811 was added to the balance sheet, under Securities.

Step-by-Step

1. From the Financial Management menu, click GENERAL LEDGER→CHART OF ACCOUNTS.

2. Locate **G/L Account No.** 2890.

3. Press **F3** to insert a new line, and enter 2811.

4. In the **Name** field, enter T-Bills.

5. Select FUNCTIONS→INDENT CHART OF ACCOUNTS.

6. Click **Yes** to the message that appears asking if you want to indent the chart of accounts.

7. Close the Chart of Accounts window.

8. From the Financial Management menu, click SETUP→INTERCOMPANY POSTINGS→CHART OF ACCOUNTS.

9. Highlight the entire Chart of Accounts, select FUNCTIONS→COPY FROM CHART OF ACCOUNTS.

10. A message appears asking if you are sure that you want to copy from the Chart of Accounts. Click on **Yes** to confirm the message.

11. Click FUNCTIONS→MAP TO ACC. WITH SAME NO.

12. A message appears asking if you are sure that you want to map the selected line(s). Click on **Yes** confirm the message.

13. Highlight the entire Chart of Accounts, select FUNCTIONS→EXPORT, choose a directory, click **Save**.

14. Click FILE→COMPANY→CLOSE, select Cronus International Ltd.

15. Click FILE→COMPANY→OPEN, select Cronus Consultancy Ltd.

16. From the Financial Management menu, click GENERAL LEDGER→ CHART OF ACCOUNTS.

17. Locate G/L Account **No.** 2890.

18. Press **F3** to insert a new Chart of Account line. In the **No.** field enter 2811.

19. In the **Name** field, enter T-Bills.

20. Click FUNCTIONS→INDENT CHART OF ACCOUNTS.

21. Click **Yes** to the message that appears asking if you want to indent the chart of accounts.

22. Close the Chart of Accounts window.

23. From the Financial Management menu, SETUP→INTERCOMPANY POSTINGS→CHART OF ACCOUNTS.

24. Click FUNCTIONS→IMPORT.

25. Locate the import file and click **Open** to import the file.

26. Highlight the entire Chart of Accounts, and click FUNCTIONS→MAP TO ACC. WITH SAME NO.

27. A message appears asking if you are sure that you want to map the selected line(s). Click **Yes** confirm the message.

Test your Skills – Setting up Dimensions for IC Documents (CH 7)

Scenario: Cronus International is removing dimension "Area" as a dimension. Cronus International needs to block the dimension in the G/L and update the IC dimensions.

Step-by-Step

1. Click FILE→COMPANY→OPEN, select Cronus International Ltd.

2. From the Financial Management menu, SETUP→INTERCOMPANY POSTINGS→DIMENSIONS.

3. In the Dimension AREA, click in the **Blocked** field.

4. Click FUNCTIONS→EXPORT.

5. Enter a file name and directory, then click on **Save**.

6. Select FILE→COMPANY→CLOSE.

7. Select FILE→COMPANY→OPEN. Select Cronus Consultancy Ltd.

8. From the Financial Management menu, click SETUP→INTERCOMPANY POSTINGS→DIMENSIONS.

9. Click FUNCTIONS→IMPORT. Select the Dimension export file, then click **Open**.

10. Close the IC Dimensions window.

Test your Skills – Creating and IC Document (CH 7)

Scenario: Cronus Consultancy sent Bob Jones to Cronus International to do some consultations. Bob spent 10 hours of work and his billing rate was $20.00 per hour.

Step-by-Step

1. From the Financial Management menu, click
   RECEIVABLES→INVOICES.

2. Press **F3** and **ENTER** to assign an Invoice No. automatically.

3. In the **Sell-to Customer No.** field, enter IC1001.

4. In the Invoice lines, in the **Type** field, select G/L Account.

5. In the **No.** field, enter 6710.

6. In the **IC Partner Reference** field, enter 8320.

7. In the **Quantity** field, enter 10.

8. In the **Unit of Measure** field, enter Hour.

9. In the **Unit Price** field, enter 20.00.

10. Post (**F11**) the invoice; click **Yes** to confirm the posting.

Test your Skills – Sending an IC Document (CH 7)

Scenario: Cronus International is closing month end and has called Cronus Consultancy to send all the invoices completed for the month to them.

Step-by-Step

1. From the Financial Management menu, click GENERAL
   LEDGER→INTERCOMPANY POSTINGS→OUTBOX TRANSACTIONS.

2. Highlight the transaction posted in the previous exercise. Click
   FUNCTIONS→SET LINE ACTION→SEND TO IC PARTNER.

3. Click FUNCTIONS→COMPLETE LINE ACTIONS.

4. Click FILE→COMPANY→CLOSE.

5. Click FILE→COMPANY→OPEN, and select Cronus International Ltd.

6. From the Financial Management menu, click GENERAL
   LEDGER→INTERCOMPANY POSTINGS→INBOX TRANSACTIONS.

7. Note that the Invoice appears in the Inbox Transactions window.

8. Close the Inbox Transaction window.

Test your Skills – Handling an IC Document (CH 7)

Scenario: Cronus International sees that it has an IC document remaining in their Inbox. Cronus International wants to accept the document in the Inbox and then the A/P Manager wants to review the automatically created purchase invoices before month end.

Step-by-Step

1. Click FILE→COMPANY→OPEN, select Cronus International Ltd.

2. From the Financial Management menu, click GENERAL LEDGER→ INTERCOMPANY POSTINGS→INBOX TRANSACTIONS.

3. Highlight the transaction sent in the previous exercise. Click FUNCTIONS→SET LINE ACTION→ACCEPT.

4. Click FUNCTIONS→COMPLETE LINE ACTIONS.

5. Close the Inbox Transaction window.

6. Click FILE→COMPANY→OPEN, and select Cronus International Ltd.

7. From the Financial Management menu, click GENERAL LEDGER→PAYABLES→INVOICES.

8. Press **F5** to display a list of the open payable invoices.

9. Notice that the Invoice accepted in steps 3-4 appears in the Invoice – Purchase List window.

10. Select the Invoice and click on **OK** to view the Invoice.

11. Close the Purchase Invoice window.

Test your Skills – Viewing/handling an IC Document (CH 7)

Scenario: Cronus International wants to view their handled Inbox documents from the various vendors. After investigation, it is determined that Transaction no. 3 has been sent twice and needs to be deleted.

Step-by-Step

1. From the Financial Management menu, click GENERAL LEDGER→ INTERCOMPANY POSTINGS→HANDLED INBOX TRANSACTIONS.

2. Highlight Transaction No. 3 and click INBOX TRANSACTION→DETAILS.

3. Click FUNCTIONS→DELETE LINES and click **Yes** to delete the Invoice.

4. Close the Handled Inbox Transaction window.

Test your Skills – Rejecting an IC Document (CH 7)

Scenario: Cronus International invoices Cronus Consultancy for 1 hour of work done on consulting services performed. Cronus International is billing Cronus Consultancy for 1 hour of work for $1000. After Cronus International sends the invoice to Cronus Consultancy, they call and tell them the invoice is incorrect and must be returned to Cronus International for review.

Step-by-Step

1. Click FILE→COMPANY→OPEN, select Cronus International Ltd.

2. From the Financial Management menu, click RECEIVABLES→INVOICES.

3. Press **F3** and **ENTER** to assign an Invoice No. automatically.

4. In the **Sell-to Customer No.** field, enter IC1020.

5. In the Invoice lines, in the **Type** field, select G/L Account.

6. In the **No.** field, enter 6710.

7. In the **IC Partner Reference** field, enter 8320.

8. In the **Quantity** field, enter 10.

9. In the **Unit of Measure** field, enter Hour.

10. In the **Unit Price** field, enter 175.00.

11. Post (**F11**) the invoice; click **Yes** to confirm the posting.

12. Close the Sales Invoice window.

13. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→OUTBOX TRANSACTIONS.

14. Highlight the transaction posted in step 11. Click FUNCTIONS→SET LINE ACTION→SEND TO IC PARTNER.

15. Click FUNCTIONS→COMPLETE LINE ACTIONS.

16. Close the IC Outbox Transaction window.

17. Click FILE→COMPANY→CLOSE.

18. Click FILE→COMPANY→OPEN, and select Cronus Consultancy Ltd.

19. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→INBOX TRANSACTIONS.

20. Highlight the invoice sent in steps 14-15. Click FUNCTIONS→SET LINE ACTION→RETURN TO IC PARTNER.

21. Click FUNCTIONS→COMPLETE LINE ACTIONS. Click **Yes** to complete the line actions.

22. Close the IC Inbox Transaction window.

Test your Skills – Returning an IC Document in the IC Outbox to the IC Inbox (CH 7)

Scenario: Cronus International incorrectly rejects Invoice 103018 therefore needs to return it to the IC Inbox in order to handle it differently. The change is made and Cronus International needs to return the IC Document in the IC Outbox to the IC Inbox.

Step-by-Step

1. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→OUTBOX TRANSACTIONS.

2. Highlight Invoice 103018. Click FUNCTIONS→SET LINE ACTION→RETURN TO INBOX. Click **Yes**.

3. Click FUNCTIONS→COMPLETE LINE ACTIONS.

4. Close the IC Inbox Transaction window.

Test your Skills – Posting an IC General Journal (CH 7)

Scenario: Cronus International has been informed that John Doe has done some additional consultancy work in Cronus Consultancy Ltd. for $500.00. The transaction is posted to GL account 6710 and the IC Partner G/L acc. No. is defined as 8320.

Step-by-Step

1. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→GENERAL JOURNALS.

2. In the **Posting Date** field, enter the default posting date.

3. In the **Document Type** field, enter Invoice.

4. In the **Account Type** field, select IC Partner.

5. In the **No.** field, enter ICP020.

6. In the **Amount** field, enter 500.00.

7. In the **Bal. Account Type** field, enter G/L Account.

8. In the **Bal. Account No.** field, enter 6710.

9. In the **IC Partner G/L Acc. No.** field, enter 8310.

10. Post (**F11**) the journal; click **Yes** to confirm the posting.

11. Close the IC General Journal window.

12. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→OUTBOX TRANSACTIONS.

13. View the Outbound Invoice.

14. Close the IC Outbox Transaction window.

Test your Skills – Allocating cost to IC Partners (CH 7)

Scenario: Cronus International has been informed that John Doe has done some additional consultancy work for two of their subsidiaries, Cronus Consultancy Ltd. for $1000.00 and for Cronus Services Ltd. for $800.00. The transactions are posted to GL account 6710 and the IC Partner G/L acc. No. is defined as 8320.

Step-by-Step

1. From the Financial Management menu, click GENERAL LEDGER→INTERCOMPANY POSTINGS→GENERAL JOURNALS.

2. Enter three journal lines with the following information:

Field	Line 1	Line 2	Line 3
Posting Date	Work date	Work date	Work date
Document Type	<blank>	Invoice	Invoice
External Document No.	<blank>	Any value	Any value
Account Type	Vendor	IC Partner	IC Partner
No.	40000	ICP20	ICP030
Amount	-1800.00	1000.00	800.00
Bal. Account Type	G/L Account	G/L Account	G/L Account
Bal. Account No.	8320	6710	6710
IC Partner G/L Acc. No.	<blank>	8320	8320

3. Post (**F11**) the journal; click **Yes** to confirm the posting.

4. Close the IC General Journal window.

5. From the Financial Management menu, click GENERAL LEDGER→ INTERCOMPANY POSTINGS→OUTBOX TRANSACTIONS.

6. View the Outbound Invoice.

7. Close the IC Outbox Transaction window.